DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. 81

DMEA NO. 129

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- [ ] Withdrawn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

- [ ] Royalty Audits
- [x] Certification of Discovery
- [ ] Closing Letter
- [x] Cost Audits
- [x] 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)
- [x] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Folders No. 2 : Reports

Left Side

- [ ] 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. 3 : Maps (Use pocket folder or envelope)

Folders No. _____ : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

Reported Inactive 12/28/59

17963

(1) Mg Heimuel
(2) 7 Eg
(3) 225

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-E81, Docket No. DMA-129X (Lead-Zinc), dated July 23, 1951, with

Bennett Mining Company
P. O. Box 1135
Great Falls, Montana

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Dacotah Mine located in Cascade County, Montana, during the period July 23, 1951, through September 8, 1959.

A certification of discovery or development was issued on March 16, 1953, and, in accordance with Article 14 of the contract royalty is payable on all minerals mined or produced as a result of such discovery or development for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. An Audit Certificate dated January 30, 1953, indicated accepted costs under the exploration contract amounting to $85,392.55 with the Government's contribution, on a 50 percent basis, being $42,696.27.

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

(1) The mine has not been operated since termination of the contract on September 10, 1952, prior to completion of the exploration work;
(2) Semi-annual reports by representatives of the Field Team, Region I, and other documents in the files do not disclose any sales of minerals from this property subject to Government royalty during the exploration period or subsequent thereto;
(3) Ore stockpiled during the exploration has not been milled as such action is not deemed to be profitable on the present metal market; and
(4) 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.

The review has indicated that no sales of production resulting from the discovery or development have been made and no royalty is due the Government.

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

September 16, 1959

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Bennett Mining Company

Address Box 1135

Great Falls, Montana

Exploration Contract No. Idm-E81 Docket No. DMEA-129

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

Property inactive.

September 8, 1959
Date

S. W. Zoldok
Mining Engineer
S. W. Zoldok

53362

FILE COPY
SURNAME:

Hansel
Carlone
Chandler
Hoffman
Hedges
Cuthill

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. C. S. Bennett, President
Bennett Mining Co.,
First Avenue, South and Ninth Street
Great Falls, Montana

Pursuant to the provisions of Exploration Project Contract No. Idm-581, dated July 23, 1951 (Docket No. [illegible]-129), 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 mineral deposit which is the subject of the exploration project, the Government considers, and therefore certifies that a discovery or development has resulted from the work from which commercial production of ore may be made.

The Government's estimate of said discovery or development is particularly described and delineated as follows:

Those certain mining claims known and described as the Sacotah, Lot No. 2224; Filpin, Lot No. 53; Sam Savage, Lot No. 5595. This group is known as Sacotah mine and is located in Cascade County, State of Montana.

Lead-zinc ores containing minor amounts of silver have been found as a result of the work done under the terms of Contract No. Idm-581. The ore bodies occur in veins in an altered complex of diorite and amphibolite.

Dated March 16, 1953

THE UNITED STATES OF AMERICA

By C. D. Mitchell
Administrator, Defense Minerals Exploration Administration

WRGriswold/hmj (2-26-53)
CC to: Docket
Cont. Adm. & Audit Div.
Region IV (2)
Finance Office
Base Metals Div.
Admr. Reading File
Op. Committee
Mr. Hedges
Mr. Thayer
Mr. F. E. Johnson
Mr. Murkland
Mr. Hofflund
Mr. Howard I. Young, Dep. Adm., GSA
Mr. Griswold Chron

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

Audit Certificate

I have examined the records and transactions of

Bennett Mining Company
Box 1135
Great Falls, Montana

pertaining to Exploration Project Contract No. Idm-E81, Docket No. DMA 129, and Amendments 1, 2, 3, 4, 5, and 6, covering an exploration project for lead and zinc, for the period of July 23, 1951 to December 31, 1952.

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

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

Total cost as billed by contractor	$89,324.61
Less: Sale receipts for equipment	2,903.00
Net cost claimed	$86,421.61
Exceptions during audit	1,029.06
Total accepted cost	$85,392.55

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 Forty two thousand six hundred ninety six and 27/100 Dollars,

$42,696.27

is valid and proper.

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

January 30, 1953

Robert M. Hull
Robert M. Hull, Auditor

I INTRODUCTION

On October 28, 29 and 30, 1952, an interim audit, covering the period of July 23, 1951 through October 30, 1952, was made of the records and accounts of operations pertaining to Contract No. Idm-E81, Docket No. DMA 129X, dated July 23, 1951 and as subsequently amended on October 3, October 11, and November 27, 1951 and February 18, March 26, and May 15, 1952, with

Bennett Mining Company
Box 1135
Great Falls, Montana

A review was made of the charges subsequent to the interim audit (covering the period of November 1 through December 31, 1952) which are included with the interim audit as a final audit.

The contract covers a project of exploration for lead and zinc and is located at Neihart, Cascade County, Montana. The accounting records pertaining to this contract are located in the Bennett Pontiac Motor Company building, Great Falls, Montana.

During the course of the audit the following officers of the company were consulted as required:

Mr. Carroll R. Bennett, President
Mrs. Frances A. Clarke, Secretary-Accountant

Their cooperation and assistance greatly facilitated the audit. Mr. Webster Anderson, Mining Engineer, United States Bureau of Mines, who had previously inspected the operations of the Bennett Mining Company, was also consulted as the occasion demanded.

II GENERAL INFORMATION ON RECORDS

The accounting records for the exploration project consist of summary monthly statements supported by comprehensive payroll records, copies of purchase invoices or suppliers' statements, and the cancelled bank checks.

The accounting records and books were established to cover the exploration project. The source documents covering the costs of this project are recorded on monthly work sheets, which form the basis for preparation of the monthly MF-104 reports. Therefore, the audit involved in general a check of the source documents against the monthly work sheets and a reconciliation of the payments with the cancelled bank checks. All costs were recorded on a cash basis.

III SCOPE OF AUDIT AND FINDINGS

The audit and review consisted of a detailed examination of all accounting data as to accuracy, propriety, and validity of the costs as shown in the "Totals to Date" column of Form MF-104, "Operator's Monthly Report and Voucher" for December 1952. The extent of the audit and the findings under each of the "Items of Cost" follow:

(1) Independent Contracts

Not applicable to this contract.

(2) Labor and Supervision

The charges under this item were checked against the payroll records. The weekly time reports, submitted by the superintendent, were examined as to labor time, rates and charges. They were traced

to the semi-monthly payrolls and computed for accuracy for the period under audit. The company makes no accounting distribution of supervisory and engineering salaries. The full time of both the superintendent and the bookkeeper are charged to the DMEA project.

The audit disclosed that the costs shown under this item on the final MF-104 covering October, November and December 1952, as compared to the costs properly chargeable and allowable under the terms of the contract, to be:

		Charged	Not Allowable	Allowable
Labor		$35,344.96	.06 (a)	$35,344.90
Supervision:				
As claimed		10,903.16		
As should have been claimed:				
W. F. Criswell	$7,445.16		50.00 (b)	
Frances Clarke	3,458.06 (a)		300.00 (c)	
	$10,903.22			$10,553.22

(a) The sum of $0.06 was erroneously charged to labor and is properly chargeable under supervision. The $0.06 was dropped from supervision when the division between labor and supervision was reported on the MF-104 for the month of October 1951.

(b) The superintendent, Mr. W. F. Criswell, was ill and off the job for one-half month during October 1952 and claim was made for $300.00. As the contract provides for a superintendent at $500.00 per month, only one-half month services or $250.00 was allowed and $50.00 was disallowed.

(c) The bookkeeper, Mrs. Frances Clarke, claimed $600.00 for the period of October, November and December 1952. The contract provides for a bookkeeper at $200.00 per month; however, during the last three

months only 50 percent or $300.00 is allowed as the full-time services of a bookkeeper would not be required during the final period of closing out the contract.

(3) Operating Materials and Supplies

The charges against this category were checked against the monthly statement. The purchases for the period under audit were verified for adequate accounting support and were checked for proof of payment against the cancelled bank checks. The company does not maintain a stores account. The articles purchased are charged directly to the project.

The total costs properly chargeable and allowable under this item were found to consist of the following:

Timber	$4,665.89*
Explosives	3,282.98
Miscellaneous	6,431.35**

* The Operator claimed $570.50 for timber on the April 1952 MF-104; however, the purchase invoices covered only $569.90 and therefore $0.60 was disallowed.

** The Operator has included all other materials and supplies under this heading and they include nails, water hose, pipe, track, cable, steel and bits, wrenches, pipe fittings, and other miscellaneous items.

When the Operator submitted the initial MF-104 (approved April 1951) the form required a breakdown of Explosives and Other Supplies; however, on the revised MF-104 (approved April 1952) the breakdown under Item 3, Operating Materials and Supplies, was enlarged to include

timber, explosives, pipe, track and miscellaneous. The breakdown by the Operator under this item was not made beyond timber and explosives, and for this reason there is the large sum under "Miscellaneous."

An item of $427.20 for "Small Tools" had erroneously been classified under Item 8, Contingencies, and has now been reclassified under "Operating Materials and Supplies."

(4) Operating Equipment

The charges for operating equipment rented, purchased, and furnished by the Operator were checked against the monthly work sheets and the rates specified in Exhibit "C" of the contract and amendments Nos. 4, 5, and 6 thereto. There were no daily time logs covering the use on the project of the rented equipment or that furnished by the Operator. The charges for these items were made at the authorized rates when such equipment was indicated as being in use on the project.

The total allowable costs for "Operating Equipment" were found to be $16,230.56, which consisted of the following items:

Rented equipment		$5,114.78*
Depreciation		4,342.25
Equipment purchased:		
1 Ingersoll Rand 25 sump pump (Serial #30811-13051-361)	$ 305.00	
4 mine cars, 20 cu. ft. cap., 18" gauge (used)	331.40	
1 Tramaire, Universal, 18" gauge	1862.04	
1 Mucking machine, Eimco Model 12B, 18" gauge	3059.07	
1 Tungar charger 6 RB, 90 volts DC, 60 cycles (used)	50.37	
1 Sinker drill, Denver Gardner Co., S55W, Model 1308, wet hand held sinker drill complete with 7/8" hex chuck, serial #159900	365.00	

Equipment purchased (cont.):		
1 Lamb air mover, 3" Model	$ 55.65	
1 Sump pump, Denver Gardner, complete with exhaust, hose connections and VP4-71 discharge hose adapter	305.00	
1 mine skip (used)	65.00	
1 mine skip (used)	75.00	
1 air hoist, Ingersoll Rand	300.00	$6,773.53

*The Operator claimed $80.00 rental for a truck for the month of October, and $66.67 for the use of one air sump pump. As the majority of the work had been completed these items were, after a discussion with the mining engineer assigned to the project, considered unnecessary and therefore disallowed.

(7) Miscellaneous

(a) Repairs to Equipment

The charges for this item were examined, analyzed as to propriety and found to be properly supported. The amount properly chargeable to this item is $142.98.

(b) Sampling and Assaying

The Operator incorrectly classified this item under "Contingencies." It was properly supported and is allowable in the amount of $132.36.

(c) Payroll Taxes and Social Security

All charges for payroll taxes and social security were checked by computation at the rates shown by the company's files to be in effect. These rates were:

Social Security tax		1.5%
Unemployment:	Federal	.3
	State	2.7
		4.5%

Workmen's Compensation Insurance:

	July 23, 1951 to June 30, 1952			July 1, 1952 ---		
Compressor man	$4.80	per	$100	$5.00	per	$100
Miner-underground	5.60	"	"	8.00	"	"
Truckers	2.00	"	"	2.50	"	"
Surface labor	4.80	"	"	5.00	"	"

The Social Security taxes in the amount of $639.72 were erroneously claimed under "Contingencies." They have been properly classified "Miscellaneous Payroll Taxes."

(d) Transportation

The charges under this item were reviewed and are allowed with the following exceptions:

The Operator claimed one Chevrolet engine in the amount of $151.89 on the July 1952 MF-104. The item was disallowed by the audit as it was ex-contract.

The cost of hauling ore from the mine to the mill site in Neihart, Montana, was included in the transportation costs. Approximately 840 tons of ore were hauled from the mine to the mill at an average cost of 6½¢ per ton mile for a round trip of 6 miles. In collaboration with the U. S. Bureau of Mines engineer assigned to the project it was determined that the sum of $327.60 be disallowed. The sum was arrived at by the following calculations:

630 cars, 20 cu. ft. per car
15 cu. ft. per ton of broken ore

$\frac{630 \times 20}{15}$ = 840 tons of ore

Truck haule 5 tons per trip

$\frac{840}{5}$ = 168 trips

30 ton miles per trip @ 6½¢ per ton mile = $1.95 per trip

168 trips x $1.95 = $327.60 - cost of ore haulage.

The cost of ore haulage was not considered as part of the exploration costs.

(e) The charges for Power were reviewed for the period July 23, 1951 through September 30, 1952. The power consists of current purchased from the Montana Power Company. The monthly bills were compared with the cancelled checks and the costs are allowable.

(8) Contingencies

The Operator claimed numerous items, some properly allowable, under "Miscellaneous," as follows:

Mine inspection	$ 5.00
Telephone	233.10
Blue printing	155.81
Social Security	639.72
Assaying	132.36
Travel	40.80
Small tools	427.20
	$1,633.99

The items of Mine Inspection, $5.00, and Travel, $40.80, were disallowed as they were considered overhead items and not covered by the exploration contract. An item under Blueprinting in the amount of $6.50 was disallowed as there was no adequate support.

The items of Telephone and Assaying have been included under Miscellaneous, and Social Security has been included with Payroll Taxes, thus clearing Item 8, Contingencies.

The charges for these items were verified by checking the work sheets and reviewing the invoices and cancelled checks by which payment was made.

IV CONCLUSIONS AND RECOMMENDATIONS

The audit has disclosed that all costs as charged to this project, with the exception of the disallowances under Items (2), Labor and Supervision, (3) Operating Materials and Supplies, (4) Operating Equipment, (7) Miscellaneous, and (8) Contingencies of the preceding section of this report, as reflected in Exhibit "A" attached, are in accordance with the contract and amendments thereto.

During the course of the exploration project the Certifying Officer made the following disallowances.

MF-104		
October 1951	Charge for slusher hoist (not in use)	$ 25.00
December 1951	Pontiac Motor's bill (personal items)	41.46
January 1952	*1 air mover	55.65
	*1 mine bucket	65.00
	*1 air hoist	300.00
February 1952	Error in payroll (labor)	65.55
	Taxes	.98
	Supplies (other), not supported	12.80
	Telephone, not supported	41.41
	Transportation charges, not supported	177.95
		$785.80

*These items were reclaimed on the March MF-104 and are allowable under the provisions of Amendment No. 5, dated March 26, 1952. The remaining deletions are concurred in.

BENNETT MINING COMPANY
Contract No. Idm-E81

EXHIBIT "A"

		Totals Dec. 1952 MF-104	Distribution corrected	Disallowed by audit	Allowed by audit
(2) Labor and Supervision					
Labor		$35,344.96	$35,344.96		$35,344.96
Supervision		10,903.16	10,903.16	$ 350.00	10,553.16
(3) Operating Materials & Supplies					
Timber		4,666.49	4,666.49	.60	4,665.89
Explosives		3,282.98	3,282.98		3,282.98
Pipe					
Track					
Miscellaneous		6,004.15	6,431.35		6,431.35
(4) Operating Equipment					
Rental		5,261.45	5,261.45	146.67	5,114.78
Purchase		6,773.53	6,773.53		6,773.53
Depreciation		4,342.25	4,342.25		4,342.25
(7) Miscellaneous					
Repairs to equipment		142.98	142.98		142.98
Sampling and analysis			132.36		132.36
Payroll taxes		3,613.53	4,253.25		4,253.25
Liability insurance					
Transportation		3,733.06	3,733.06	479.49	3,253.57
Power		3,622.08	3,622.08		3,622.08
Telephone			233.10		233.10
Blueprinting			155.81	6.50	149.31
(9) Contingencies					
Mine inspection	5.00		5.00	5.00	
Telephone	233.10				
Blueprinting	155.81				
Social Security	639.72				
Assaying	132.36				
Travel	40.80		40.80	40.80	
Small tools	427.20	1,633.99			
Totals		$89,324.61	$89,324.61	$1,029.06	$88,295.55

Robert M. Hull

Robert M. Hull, Auditor

DOCKET COPY

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

It is agreed this 10th day of September, 1952, between the United States of America, acting through the Depatment of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and the Bennett Mining Company, P. O. Box 1135, Great Falls, Montana, hereinafter called the "Operator," parties to that certain Exploration Project Contract I-dm-E 81, Docket No. DMEA- 129X, dated July 23, 1951, that the said contract shall be and is hereby terminated as of the first date above written.

Any work prosecuted or costs incurred by the Operator after the date first above written shall be for the sole account of the Operator, except for (a) such necessary and reasonable costs and expenses as may be incurred in preserving and disposing of any facilities, buildings, fixtures, equipment, or other items, to the cost of which the Government has contributed and in which the Government has an equity, and (b) the costs of any reports, accounts, and winding-up and settlement actions provided for in the contract.

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

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

UNITED STATES OF AMERICA

A. E. Weissenborn
By Exec. Officer, DMEA, Field Team Region II.

BENNETT MINING COMPANY
(Operator)

By Lawrence D. Bennett

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 8 1952

RECEIVED
MAY 27 1952
U. S. G. S.
SPOKANE, WASH.

AMENDMENT NO. 6

It is agreed this 15th day of May 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Bennett Mining Company, Great Falls, Montana (Docket No. DMEA 129, lead-zinc)

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E81 of July 23 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached therto, is made a part of this aggrement. The effective date of this amendment shall be April 1 1952.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be constued to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

BENNETT MINING COMPANY
(Operator)

By [signature]

The United States of America

By A. E. Weissenborn

A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 2 1952

BENNETT MINING COMPANY
Docket No. DMEA 129 (lead-zinc)
Exploration Project Contract Idm-E81

AMEMDMENT NO. 6

Exhibit "F"

The following addition to Exhibit "C" under "Operating Equipment - to be purchased" is necessary to replace previously purchased mine bucket which was destroyed in a hoisting accident:

Item	Estimated cost
1 mine bucket	$75.00

Docket Copy
dmea - 129
Lead, Zinc

AMENDMENT NO. 5

It is agreed this 26th day of March 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Bennett Mining Company, Great Falls, Montana

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E81 of July 23 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached therto, is made a part of this aggrement. The effective date of this amendment shall be July 23 1951.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be constued to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

BENNETT MINING COMPANY
(Operator)

By [signature]

The United States of America

By A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

RECEIVED
APR 15 1952
U. S. G. S.
SPOKANE, WASH.

BENNETT MINING CO. - DOCKET NO. 129
Exploration Project Contract Idm-E81
(lead-zinc)

Amendment No. 5

EXHIBIT "F"

The following additions and changes are deemed necessary to allow payment and to expedite the work under the contract to the best interest of the Government and the Operator.

Changes and modifications

Under Exhibit "C" in paragraph "To be purchased" add the following:

	1 - air mover	$55.65
(a)	1 - mine bucket	65.00
(b)	1 - sump pump	305.00
(c)	1 - air hoist	300.00

(a) Bought in lieu of "mine skip" as stipulated in original contract.
(b) Original contract called for 1 sump pump costing $610 - Operator chose to buy two pumps for $305 each.
(c) Original contract allowed for purchase of electric hoist at $6,000 - Operator chose to use air hoist costing $300 (used).

The above additions will not add to the total amount allowed in original contract for equipment to be purchased.

RECEIVED
APR 15 1952
U.S.G.S.
SPOKANE, WASH.

Docket Copy
Amen 129

AMENDMENT NO. 4

It is agreed this 18th day of February 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and the Bennett Mining Company, Great Falls, Montana

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract I-DMA-E81 of July 23 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached therto, is made a part of this aggrement. The effective date of this amendment shall be January 1 1952.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be constued to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

BENNETT MINING COMPANY
(Operator)

By Lawrence E. Bennett

The United States of America

By M. E. Volin

M. E. Volin, Acting Exec. Officer
DMA Field Team, Region II

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 3 - 1952

BENNETT MINING COMPANY
Exploration Project Contract Idm-E81

Amendment No. 4

EXHIBIT "F"

Changes and modifications

In Exhibit "A", add the following items:

55 feet of crosscutting (into the hanging wall for winze location) at $30 per foot, estimated cost	$1,650.
Station cutting, timbering and winze preparation, estimated cost	3,500.

In Exhibit "C", Operating equipment - to be purchased, add:

1 sinking drill	$ 365.

Dmea Draft

Dma 129

RECEIVED JAN 2 - 1952

AMENDMENT NO. 3

It is agreed this 27 day of November 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Bennett Mining Company

P. O. Box 1135, Great Falls, Montana

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E81 of July 23, 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be November 1 1951.

This amendment is made by authority granted the Executive Officer, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

Bennett Mining Company
(Operator)

By Carroll R. Bennett
Carroll R. Bennett, Pres.

The United States of America

By A. E. Weissenborn
A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

BENNETT MINING COMPANY

Exploration Project Idm-E81
Amendment No. 3
Exhibit "F"

Changes and Modifications.

Exhibit "A", Item No. 1 to include: 43 foot footwall crosscut, located 200 feet north of the north drift face of July 23, 1951.

Crosscutting 43 feet at $30.00 per foot, $1290.

DMA Docket No. 129X
Bennett Mining Company
Cascade County, Montana
Contract Idm-281

JUSTIFICATION FOR AMENDMENT NO. 3

Amendment No. 3 to Contract No. Idm-281 allows for a 43-foot crosscut to explore the footwall of the Dacotah vein on the No. 4 level. The cost of this crosscut was estimated at $30.00 per foot or $1,290.

This amendment was necessary in order to explore the footwall of the Dacotah vein. Geologic evidence indicated the possibility of ore-bearing structures in the footwall of the Dacotah vein. The footwall of the alteration zone along the vein was not exposed in the drift and several strong structures had split from the vein within the last 200 feet of drifting along the vein.

AMENDMENT NO. 2

It is agreed this 11 day of October 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Bennett Mining Co.

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract I-DMA-E81 of 23 July 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be 23 July 1951.

This amendment is made by authority granted the Executive Officer, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

Bennett Mining Co.
(Operator)

By [signature]

The United States of America

By A. E. Weinbom
Executive Officer,
DMA Field Team, Region II

Bennett Mining Company

Exploration Project I DMA-E81

AMENDMENT # 2

EXHIBIT "F"

Changes and Modifications

Item #3 in Exhibit "A" change to read as follows:

Drift 200 feet (extending No. 2 level) at $30.00 per foot $6,000

Item #7 in Exhibit "A" change to read as follows:

Rehabilitation and maintenance of No. 4 level $5,000

DMA Docket No. 12A
Bennett Mining Company
Cascade County, Montana
Contract No. Idm-851

JUSTIFICATION FOR AMENDMENT No. 2

Amendment No. 2 to Contract No. Idm-851 changes the amount of drifting on the 200 level from 300 feet to 200 feet, and also changes the cost of rehabilitation and maintenance of the No. 4 level from $2,000 to $5,000.

This amendment is necessary because the cost estimate to rehabilitate the No. 4 level was $3,000 low. The change in the amount of drifting on the 200 level was made to allow for the additional $3,000 needed to rehabilitate the No. 4 level.

APPROVAL

October 3, 1951

Under authority granted by Order No. 2653 of the Acting Secretary of the Interior, approval is hereby given to the following contract rates paid by the Bennett Mining Company in driving the 400 level drift:

Specifications

Timbered, 4 foot minimum cap length between posts, 5 foot minimum at track level, 7-1/2 foot posts, 5 foot 4 inches between sets, lagged as necessary and complete with track, pipe and water ditch.

Equipment

Hand shoveling, hand trammed

Price

$17.50 per foot of completed drift

Note: The above contract rate is necessary because of the long tram over bad track and because no mucking machine or trammer was available during the period July 23, 1951 to September 1, 1951. As delivery of a loading machine and trammer was had on August 29, 1951, this contract rate has been abandoned.

The following rates per foot will be paid for completed drift on the 400 level performed with the assistance of loading machine and trammer:

Item	Rate per foot
First 240 feet	$ 9.00
Next 200 feet	10.00
Next 200 feet	11.00

An approved copy of this document shall be kept on file in the Regional Office of the DMA Field Team, Region II, for a portion of the work to be performed under Exploration Contract Idm-281 dated July 23, 1951.

This approval shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Glenn C. Reed
For: M. E. Volin, Member
Field Team, Region II

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.

OCT 29 3 51 PM '51

AMENDMENT NO. _____

It is agreed this 3rd day of October 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and

Bennett Mining Company

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract No. Idc-Ml of July 23 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be July 23 1951.

This amendment is made by authority granted the Executive Officer, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

Bennett Mining Co.
(Operator)

By [signature]

The United States of America

By A. E. Weinzierl

Executive Officer, Region II

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.
OCT 29 3 52 PM '51

Bennett Mining Company
Contract Idm-E

EXHIBIT "F"

Changes and Modifications

1. On Exhibit "D" of Exploration Project Contract under Labor and Supervision substitute the attached schedule of Wage and Salary Classifications and Rates.

2. Labor for the project may be paid at shift rates or unit contracts at the discretion of the company, but rates are not to exceed standards for like work in this district.

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.
OCT 29 3 52 PM '51

Bennett Mining Company
Dacotah Mine, Cascade County, Mont.
Exploration Project Contract

Labor and Supervision

No.*	Classification	Maximum rate per shift
1	Superintendent	$500.00 (per mo.)
1	Boss	14.00
4	Miners (shaft)	12.81 **
8	Miners (regular)	12.31 **
2	Hoistmen	13.06
2	Trammer s	12.31
2	Laborers	11.81
1	Bookkeeper	200.00 (per mo.)
1	Teamster	12.00
2	Compressormen	12.25

*2-shift operation

Wage rates are subject to changes to comply with local union contracts. A shift differential of 8¢ and 12¢ per hour is paid for afternoon and graveyard shifts, respectively. Work over 40 hours per week may be paid at one and one-half times the base rate.

**Day's pay rate for these classifications. However, it is contemplated these men will be working on a contract basis and their wages will depend on footage made at contract rate, which will not exceed standards for like work in this district.

MF-209
(April 1951)

U.S.G.S.

Docket No. DMA 129 X

Commodity Pb, Zn

Id-[illegible]

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

DMA

EXPLORATION PROJECT CONTRACT [1]

It is agreed this [illegible] day of [illegible], 195[illegible], between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Bennett Mining Co., a corporation
P. O. Box 1135 Carroll R. Bennett, President
Great Falls, Montana

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Montana, County of Cascade described as follows: [3] The Dacotah, lot no. 2224; Gilpin, lot no. 53; Sam Savage, lot no. 5595. Group known as Dacotah mine.

with respect to which the Operator represents and undertakes: [4]

(*a*) ~~That he is the sole 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 he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within ten days from the date of this contract shall commence work on a project of exploration for [5] lead and zinc; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] 15 calendar months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. 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.

5. *Fixtures and improvements.* 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. Attached hereto, marked "Exhibit 'B'," is a detailed list of additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute its agreed pro-rata share of the cost. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

6. *Operating equipment.* Attached hereto, marked "Exhibit 'C'," is a detailed list of operating equipment divided into categories of items to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or rental value, as the case may be, annexed to each. As to equipment purchased for the project, the Government will contribute its agreed pro-rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

[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.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* Attached hereto, marked "Exhibit 'D'," is an itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project.

9. *Rehabilitation and repairs.* Attached hereto, marked "Exhibit 'E'," is a detailed schedule 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, which cost shall be allowed as a cost of the project.

10. *Allowable costs of the project.* The allowable costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in the contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, or any other indirect costs not expressly allowed by these regulations, 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.

11. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator 50 percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $ 50,000, which is 50 percent of the agreed estimated total cost of this project, $ 100,000.

12. *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.

13. *Progress reports.* The Operator shall provide the Government with monthly reports of progress in form and content satisfactory to the Government, and upon the completion of the project or termination of the contract shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

14. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent additional for each full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the property which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

15. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

16. *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 worthwhile 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 render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in ~~triplicate~~ the day and year first above written.

Bennett Mining Co.
(Operator)

By Carroll G. Bennett
President

THE UNITED STATES OF AMERICA

By C. O. Mittendorf
Director, Production Expansion Division
Defense Minerals Administration

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

Bennett Mining Company

Dacotah Mine, Cascade County, Mont.

Exploration Project Contract

EXHIBIT "A"

Exploration Project

It is anticipated that the following exploration project when completed will have delineated about 75,000 tons of new ore reserves from which 10,000,000 pounds of zinc, 3,500,000 pounds of lead, 187,000 ounces of silver, and some gold may be recovered.

1.*	Drifting 800 feet (extending No. 4 level) at $30.00 per foot	$ 24,000
2.*	Raising 165 feet from new drift on No. 4 level to No. 2 level at $35.00 per foot	5,775
3.*	Drift 300 feet (extending No. 2 level) at $30.00 per foot	9,000
4.*	Raising 250 feet from No. 2 level toward surface at $35.00 per foot	8,750
5.*	Sink winze 250 feet from new drifting on No. 4 level at $81.34 per foot	20,335
6.*	Drift 400 feet off winze at elevation 200 feet below No. 4 level at $30.00 per foot	12,000
7.	Rehabilitation of No. 4 level	2,000
8.	Cost of equipment to be purchased	15,015
9.	Engineering, sampling and assaying, etc.	3,125
	Total	$100,000

*See accompanying map.

Note: Cost per foot items are estimated average costs which will vary with number of concurrent operations and may be varied by method employed for distributing certain costs, such as equipment, maintenance, etc.

Bennett Mining Company

Dacotah Mine, Cascade County, Mont.

Exploration Project Contract

EXHIBIT "A" continued

Exploration Project

Time Schedule

Operation	Estimated Time Allocation[a]
1. Rehabilitation and extending No. 4 level	4 months
2. Raising from No. 4 to No. 2 level and extending No. 2 level	5 months
3. Raising 250 feet toward surface from No. 2 level	2 months
4. Lining winze 150 feet and drifting 400 feet	4 months
Total	15 months[b]

[a] Time estimates are based on a 2-shift operation.

[b] Operations will be concurrent when possible which may reduce total time of project to 10 months.

Bennett Mining Company

Dacotah Mine, Cascade County, Mont.

Exploration Project Contract

EXHIBIT "B"

Fixtures and improvements

Any additional facilities, buildings and fixtures to be purchased, installed, or erected by the Operator shall not be charged as a cost of the project.

DMA 129
E 81

Bennett Mining Company

Dacotah Mine, Cascade County, Mont.

Exploration Project Contract

EXHIBIT "C"

Operating equipment

To be rented:

	Monthly rental
1 Dozer and blade TD9	$[illegible].00
1 Truck, 2-1/2 ton dump.....	80.00
1 Car, 4x4 reconnaissance.....	[illegible].00
Total maximum monthly rental	$[illegible]3.00

To be purchased:

	Delivery cost
1 Mechanical loader.....	$2,900.00
1 Sinker hoist with 30 H.P. electric motor.....	3,100.00
1 Mancha trammer (complete with battery and charging panel).....	6,000.00
4 Mine cars @ $400.....	1,600.00
1 Skip.....	150.00
1 Sump pump.....	[illegible]
1 Smith welding outfit, complete.....	[illegible]
Miscellaneous small tools.....	500.00
Total	$15,015.00

To be furnished by Operator:

	Monthly rental allowance
1 600 cfm compressor, complete.....	$ 250.00
8 Mine cars @ $7.50.....	60.00
2 Sinker drills @ $20.....	40.00
2 Drifters @ $35.....	70.00
2 Stopers @ $30.....	60.00
1 Fan and motor.....	13.00
1 Air hoist, single drum.....	20.00
2 Service hoists, air, @ $25.....	50.00
Total maximum monthly rental allowance	$ 563.00

Bennett Mining Company

Dacotah Mine, Cascade County, Mont.

Exploration Project Contract

EXHIBIT "D"

Labor and supervision

No.*	Classification	Butte, Mont. scale rate per shift
1	Superintendent	$500.00 (per mo.)
1	Boss	14.00
4	Miners (shaft)	12.81
8	Miners (regular)	12.31
2	Hoistmen	13.06
2	Trammers	12.31
2	Laborers	11.81
1	Bookkeeper	200.00 (per mo.)

*2-shift operation

Wage rates are subject to changes to comply with local union contracts. A shift differential of 8¢ and 12¢ per hour is paid for afternoon and graveyard shifts, respectively.

Bennett Mining Company

Dacotah Mine, Cascade County, Mont.

Exploration Project Contract

EXHIBIT "B"

Rehabilitation and repairs

The cost of any rehabilitation and repairs required to put existing facilities, buildings, installations and fixtures into useful and operable condition shall not be charged as a cost of the project, except as follows:

Clabbing, straightening track, cleaning out, retimbering where necessary, No. 4 level.....$2,000.00

U.S.G.S.

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Cascade, State of Montana, described in a certain Exploration Project Contract dated July 23, 1951, between Bennett Mining Co., P. O. Box 1195, Great Falls, Montana, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated June 1, 1951, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

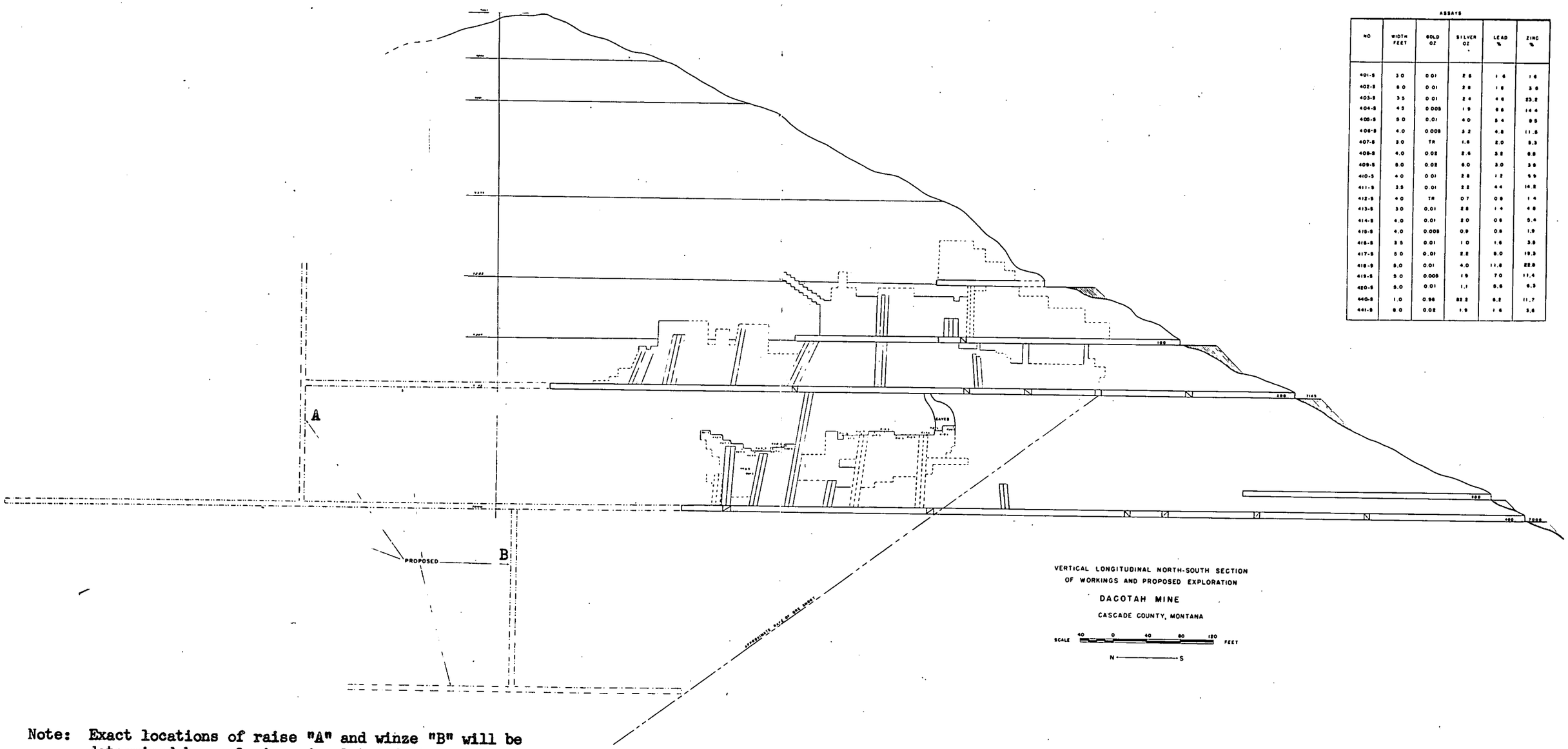
This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 22d day of June, 1951

Charles A. Clarke

Josephine C. Bennett

U. S. GOVERNMENT PRINTING OFFICE 940708



VERTICAL LONGITUDINAL NORTH-SOUTH SECTION
OF WORKINGS AND PROPOSED EXPLORATION

DACOTAH MINE

CASCADE COUNTY, MONTANA

SCALE 40 0 40 80 120 FEET

N — S

ASSAYS

NO	WIDTH FEET	GOLD OZ	SILVER OZ	LEAD %	ZINC %
401-S	3.0	0.01	2.6	1.6	1.6
402-S	8.0	0.01	2.8	1.8	3.6
403-S	3.5	0.01	2.4	4.6	23.2
404-S	4.5	0.005	1.9	9.6	14.4
405-S	5.0	0.01	4.0	5.4	9.9
406-S	4.0	0.005	3.2	4.8	11.5
407-S	3.0	TR	1.6	2.0	5.3
408-S	4.0	0.02	2.6	3.2	6.8
409-S	5.0	0.02	6.0	3.0	3.9
410-S	4.0	0.01	2.8	1.2	9.9
411-S	3.5	0.01	2.2	4.4	16.2
412-S	4.0	TR	0.7	0.8	1.4
413-S	3.0	0.01	2.8	1.4	4.8
414-S	4.0	0.01	2.0	0.6	5.4
415-S	4.0	0.005	0.9	0.9	1.9
416-S	3.5	0.01	1.0	1.6	3.8
417-S	5.0	0.01	2.2	9.0	19.3
418-S	5.0	0.01	4.0	11.8	22.8
419-S	5.0	0.005	1.9	7.0	11.4
420-S	5.0	0.01	1.1	5.6	6.3
440-S	1.0	0.96	82.2	6.2	11.7
441-S	8.0	0.02	1.9	1.6	3.6

Note: Exact locations of raise "A" and winze "B" will be determined by geologic and related factors.

ELEVATION AND GRADE DATA FROM COMPANY RECORDS

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

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

DO NOT FILL IN THIS BLOCK

Docket No. DMA - 129 X

Date received 6/4/51

Participation

Name and address of applicant

[illegible] Mining Company
P.O. Box [illegible]
Great Falls, Montana

[illegible] Avenue South & 9th Street
Great Falls, Montana

Date [illegible]

FILL IN THIS BLOCK

Date of application [illegible]

Estimated cost $100,000.00

Mineral or metal [illegible]

Percentage of Government participation [illegible]

Location of mine [illegible] Mining District
State of Montana

Date of filing MF-100

DMA Docket Number, if available [illegible]

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

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THE PROPERTY

10. (*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.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—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 (*b*) 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.

*11. State the present and former names of the property, if any.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.
15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

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.

DENVER METAL COMPANY
(Name of company)

By Carroll L. Bennett
(Signature of authorized official)

May 15th, 1951
(Date)

President
(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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Bennett Mining Company, Great Falls, Montana

THE A. MINE

1. Corporation

2. ———

3. Carroll R. Bennett, President-Director, Great Falls, Montana
Frances A. Clarke, Secretary-Treasurer, Director, Great Falls, Montana
Ivan F. O'Brien, Director, Seattle, Washington
Richard L. O'Brien, Director, Seattle, Washington
Josephine A. Bennett, Director, Great Falls, Montana

4. (a) Officers of the Company have been and still are engaged in the auto and insurance business in Cascade County for over 25 years and, in addition, have been actively engaged in mining since 1942, when the property was reopened with RFC assistance and supervision during World War 2.

(b) We have in mind for the supervision of the mining and milling, the employment of a young man who is a graduate mining engineer and who has been active in mining circles in the State since graduation. He has been associated with reputable companies for the past 12 years and is at present time so employed but would sever connections on condition a salary and bonus proposition was offered him by us, and which we have tentatively agreed upon subject to reopening of property.

5. Lessee

6. ———

7. Copy of lease attached; lease is in good standing.

8. Current financial statement attached. No profit and loss statement inasmuch as property has been idle past 2 years.

9. Applicant is willing to invest its entire net worth. In our judgment it is sufficient to pay our part of the cost of the project.

10. Dacotah lode mining claim, designated by the surveyor general as lot No. 2224;
Gilpin lode mining claim, designated by the surveyor general as lot No. 53;
San Savage lode Mining Claim, designated by the surveyor general as lot No. 5595. All in Neihart Mining District.

11. Dacotah; Gilpin; San Savage

12. A very good state hiwy for the transporting of the concentrates from Neihart to Armington (a distance of 38 miles) where they are loaded into gondola cars and shipped by rail to Great Falls (zinc) and East Helena (lead).
All supplies are shipped by G.N. truck from Great Falls to Neihart over this same State hiwy.
Mine is 1 1/2 miles from Neihart, the nearest residence town. It is a very good road from Neihart to the mine; we have already spent the sum of $7500.00 in building it.

BENNETT MINING COMPANY, GREAT FALLS, MONTANA

13. City water in abundance for all operations at mill.
Rock Creek runs by the mine and furnishes all water required for that operation.
Power is furnished by Montana Power Company at mine and mill and ample for all operations. We built a 1 1/2 mile transmission line to the mine when we first started our mine. Cost for power varies from $400. to $600. per month depending on the operation of the mine and the mill.

14. Complete set of buildings exist at the mine, including compressor house, blacksmith shop, dry room, tool shed, ore bins, 2000 feet of track, 3000 feet of air lines (track and air lines now installed) etc. incident to operation of mine; all in good condition at time of suspending operations and when inspected last fall.
There is a mile and a half of electric transmission line and complete mining equipment consisting of large Ingersoll-Rand air compressor now installed on the property and connected to a 150 H.P. electric motor, stopers, drifters, jack-hammers, with hoses, ore cars, drill steel and bits, electric ventilating fans, all necessary cable and tubing, complete blacksmith shop equipment and all necessary hand tools.

15. Ore is hauled by truck 1 1/2 miles from the mine to the mill located at edge of town of Neihart; then a 60 ton dual flotation mill with a very complete assay office for both wet and fire work, is available for the milling of the ore.
Concentrates are hauled by truck from Neihart to Armington, a distance of 30 miles, where shipment is made by rail to Great Falls (zinc) and East Helena (lead).

16. (a) Attaching statement.

(b) Will refer you to recent report by Almon F. Robertson, Bureau of Mines engineer on "Mines and Minerals Deposits (Except Fuels) Cascade County, Montana." Information Circular #7559, February 1951.

(c) We are attaching a report on the property made in [illegible] by an engineer of one of the [illegible] companies when [illegible] of the property.

17. ———

18. Will refer you to statements or report made by your engineers who inspected the property on April 27, 1951, in answer to this question.
Submitted maps and assay data to engineers at time of making examination of the property.

19. ———

20. Zinc, Lead, Cadmium

21. Extension laterally of the #200 and the #400 levels
Exploration between the #200 level and surface
Sinking below the #400 level
Estimated time to complete: [illegible] months to a year

22. All maps and geological data was given to engineers at time of visit to property and information will be submitted by them.

Bennett Mining Company, Great Falls, Montana

23. As a general estimate, drifting costs are about $30.00 a foot, which includes labor, supplies, rental of equipment.

Anticipating drifting 800 feet on the #400 level	$24,000.00
do 300 feet on the #200 level	$ 9,000.00
Anticipating 165 feet of raise between the #400 and the #200 levels at $20.00 a foot	$ 3,300.00
Anticipating 250 feet raise at $20.00 a foot from the #200 level to the surface	$ 5,000.00
Anticipating 250 feet of winze below the #4 level at $50.00 a foot	$ 12,500.00
Anticipating 400 feet of drift off bottom of new shaft below the #4 level at $30.00 a foot	$ 12,000.00
	$65,800.00

This is generally the nature of the exploratory work which we would do and based on previous costs, this estimate should take care of all costs such as are listed under Item #23, viz:

(a) Labor (miners, muckers, mill men etc) at established scale in the district
(b) Supervisors
(c) Cost of necessary repairs to existing facilities, structures and buildings
(g) Rental value of items of equipment which the operator now owns and which will be devoted to the work
(h) Cost of materials and supplies, including items of equipment costing less than $50.00 each
(i) Cost of power, water, utilities and any other items not provided for above

(d), (e) and (f) would be contingent upon extent of exploratory work done. Same might run as high as $50,000 to $70,000 in the event it would prove advisable to buy or rent a mucking machine, electric hauler or any other equipment that might be warranted.

24. Six months to a year providing work could be started immediately, during the summer season, when considerable more can be accomplished than during the fall and winter months. Labor at the present time would not be a problem. There is but one going operation at Neihart right now, leaving a number of men idle and anxious to go to work. These are family men who own their own homes in Neihart and do not wish to leave the camp and look for work elsewhere, having no doubt to leave their families behind them on account of housing conditions thruout the country.

Bennett Mining Company, Great Falls, Montana

Question #7

MINING LEASE

THIS AGREEMENT made and entered into this 1st day of September 1946 by and between FRANCIS A. CLARKE and JOSEPHINE A. BIRNEY, of Great Falls, Cascade County, Montana, hereinafter called lessors and BENNETT MINING COMPANY, of Great Falls, Cascade County, Montana, hereinafter called lessee,

WITNESSETH:-

For and in consideration of the payment of royalty hereinafter specified and the performance of the covenants and agreements hereinafter contained, the lessors have granted, demised and let and by these presents do grant, demise and let unto the lessee all of the following named and described patented quartz lode mining claims situated in the Neihart Mining District, Cascade County, Montana, to-wit:

1. The Dacotah lode mining claim designated by the surveyor general as Lot No. 2224;
2. The Gilpin lode mining claim designated by the surveyor general as Lot No. 53;
3. The Sam Savage lode mining claim designated by the surveyor general as Lot No. 5595.

To have and to hold unto the said lessee for a term of five (5) years from and after September 1, 1946, unless sooner forfeited or determined through the violation of any covenant hereinafter against the said lessee reserved, and with option to renew for an additional period of five (5) years as hereinafter set forth.

In consideration of such demise, the lessee covenants and agrees with lessors as follows, to-wit:

1. To forthwith enter upon such mining claims and to work and operate the same as a group and to diligently explore and develop the same to the end that within a reasonable time from the date hereof sufficient commercial ore in paying quantities shall be developed to enable the lessee to employ in a program of reasonably continuous shipment of ore from said claims. Said work may be performed on any one or more of said claims, provided, however, that lessee shall not be relieved of its obligations hereunder during the term of this lease until it be determined to the satisfaction of both parties that further exploration and development on all of such claims would be useless.

Bennett Mining Company, Great Falls, Montana

2. To operate said group of mining claims in a good miner-like manner conformable to the proper development of said claims, timbering when and where necessary, and lessee shall be governed at all times in its operations by the rules of good mining observed in the district where said mining claims are located.

3. To afford the lessors and their agents the right and privilege of entering upon said mining claims for the purpose of inspection, sampling, surveying or protecting their rights in the premises.

4. To not assign this lease without the written consent of lessors.

5. To post in a conspicuous place on some part of said claims a notice that lessee is operating said properties under lease and that it alone is responsible for all debts contracted in connection with the operation of said property.

6. To prepare and file in the proper offices all reports required to be filed by mine operators under the laws of the State of Montana and the United States, and to pay on or before the required date all taxes and assessments required to be paid under the laws of the State of Montana and the United States and, upon demand, to furnish lessors with copies of such reports and receipts showing payment of such taxes and assessments.

7. To make proper application to the United States for the payment to it of such bonus, premium or subsidy as may be payable for the production of minerals by lessee.

8. To observe all laws, rules and regulations of the State of Montana and the United States applicable to its mining operations on said claims.

9. To protect the properties demised hereunder against any and all liens filed against the same.

10. To keep at all times the drifts, shafts, tunnels and other workings thoroughly drained and clear of loose rock and rubbish, unless prevented by extraordinary mining casualty, and to surrender the premises to lessors in such condition upon the expiration of the term of this lease or its earlier determination.

11. To pay to lessors as royalty a full ten per cent (10%) of all receipts by said lessee from all net smelter returns, bonuses, premiums and subsidies received by lessee from the mining, milling or sale of ore, concentrates

or metal from said claims, said royalty to be payable five per cent (5%) to Frances A. Clarke and five per cent (5%) to Josephine A. Bennett. Such royalty shall be payable directly to lessors by the smelter or other person purchasing the ore or concentrates.

12. To ship all concentrates within ninety (90) days after the extraction of the ore from the premises demised, providing road and weather conditions permit, to the end that royalty payments shall not be unduly delayed.

13. To surrender the premises to lessors at the end of the term or other determination of this lease without the necessity of court proceedings, or court order or authority.

IT IS MUTUALLY AGREED AS FOLLOWS:

1. Where the exploratory work performed by lessee on any mining claim reasonably indicates the non-existence of minerals capable of being mined and milled at a profit, the said lessee may give notice thereof and surrender such claim to lessors and thereafter lessee shall be relieved from any obligations hereunder as to such claim.

2. All buildings, structures and improvements which, after being placed upon said property become fixtures under the laws of Montana shall become the property of lessors upon the termination of this lease.

3. Lessee shall have the option to renew this lease for an additional term of five (5) years upon giving notice in writing to lessors of the exercising of such option at least sixty (60) days prior to September 1st, 1952, said renewal to be upon the same terms as herein set forth.

4. Service of any notice provided to be made under the terms hereof shall be made by mailing the same, postage prepaid, to lessors at Great Falls, Montana, and to lessee at Great Falls, Montana, or by delivering the same personally to lessors and to any agent of lessee.

5. In the event lessee shall fail to pay the royalty reserved hereunder or to perform any of the covenants or agreements on its part to be performed, the lessors shall have the right to cancel and terminate this lease upon their giving to lessee a written notice stating the particulars wherein lessee has failed in its performance, and requiring performance thereof or a surrender and termination of the lease. Lessee shall have thirty (30) days after service

Bennett Mining Company, Great Falls, Montana

of such notice in which to perform such covenants or pay such royalty, provided performance can be reasonably completed within said thirty (30) days period; and, if not, then lessee within said period shall commence the performance thereof and diligently continue until completion. In the event of the failure of lessee, after notice, as aforesaid, to conform to the provisions of this paragraph said lease shall thereupon be of no further force and effect, and the premises shall be peaceably surrendered to lessors.

6. The provisions of this lease shall be binding upon the heirs, executors, administrators and assigns of the parties.

IN WITNESS WHEREOF, the parties have hereunto set their hands this 1st day of September, 1946.

Signed WINNIFRED A. OLIVER

JOSEPHINE A. DAVIES

Lessors

BENNETT MINING COMPANY

By CARROLL R. BENNETT

President

State of Montana :
: ss
County of Cascade :

On this 1st day of September, 1946, before me, the undersigned, a Notary Public for the State of Montana, personally appeared WINNIFRED A. OLIVER and JOSEPHINE A. DAVIES, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

Signed - Genevieve Sullivan

Notary Public for the state of Montana
Residing at Great Falls, Montana
My commission expires 12/15/48

NOTARIAL SEAL

Question #3

BRITTS MINING COMPANY INC

STATEMENT OF ASSETS & LIABILITIES JANUARY 1st, 1951

		ASSETS	LIABILITIES
Great Falls National Bank		$ 216.96	
First National Bank		1[illegible].15	
Development Costs (Not depreciated)		10934.27	
Mine Equipment	$ 24870.62		
Mill Equipment and Office Equipment and Assay Shop Equipment	35215.35		
Auto & Truck Equipment and Shop Equipment	16326.50	78412.47	
Reserve for depreciation of equipment			6[illegible].13
Reserve for depletion of mine			6801.79
Notes and Accounts payable			25[illegible]7.[illegible]9
Net Worth			52942.36
		$ 91479.17	$ 91479.17

Bennett Mining Company, Great Falls, Montana

Question #16

The Dacotah Mine is located at the head of Rock Creek in the Little Belt Mountains a mile and a half northeast of Neihart, Montana, which is 66 miles southeast of Great Falls. The property consists of three claims, the Dacotah, the Gilpin, and the Sam Savage. All were patented in the early nineties and have been in the family since that time although not worked except at odd times and then only by leasers for short periods. In the early days, the property could not be operated profitably owing to the predominance of zinc in the ore and the then penalty which was attached to this metal by the smelters. Prior to 1942 (when we reopened the property) there had been three adits driven on the vein; the #1 level was in a distance of about 600 feet (this level has between 300 to 400 feet of back on the vein before surfacing); the #2 level had been driven in a distance of about 400 feet and is about 65 feet lower on the mountainside than #1; and the #4 level had been driven in about 1000 feet. The portal of the #4 level is 150 feet lower on the mountainside than the #2 level. There also is a #3 level, but this is on a different vein and had been driven in about 300 feet, with the vein exposed for a distance of about 50 feet from the face, and at present is about five feet in width, but it is a low grade lead and zinc ore which could not be mined profitably in itself but the showing justified further development of the vein. We have done no work on this #3 level other than to open it up and to do some sampling.

Since starting to work the property under lease in 1942, we have driven the #1 level ahead about 500 feet; the #2 level about 600 feet and the #4 level about 600 feet. All this work has been done on the same vein at the various levels with ore still in the face of each drift. Each of these drifts has exposed a vein varying in width from 3 feet to 20 feet, with an average width of 4½ feet. Assays for the entire drift average about 3% lead, 6% zinc and from 2 to 3 ounces in silver. The floor of the #4 drift, if sampled, would reveal ore of this type and grade for the greater part of the 600 feet which we have advanced it.

We did considerable mining above both the #1 and the #2 levels for a distance of about 300 feet in the #1 level and about 500 feet in the #2 level during the years 1943, 1944 and 1945, having mined about 25,000 tons of ore during that period and shipped about 2200 tons of concentrates. In 1946 we changed

managers and did our mining on the #4 level and in 1946 and 1947 mined about 12,000 tons of ore from that level and shipped about 1100 tons of concentrates. Concentrate averages have been: Lead 52%, Zinc 54%, Silver 18 ounces. Our lead shipments have been forwarded to the American Smelting & Refining Company at East Helena, Montana, and the zinc has gone to the Anaconda Copper Mining Company's Zinc Plant at Great Falls.

During the time we have been mining, we have done considerable exploratory work and have developed another vein parallel to the one on which we were last working, that appears to be at least equal to and perhaps better in lead values than the original "Dacotah" vein. This "New" vein should be just as extensive as the Dacotah; it has been opened up on both the #3 and #4 levels for a distance of about 200 feet on each level. This vein also outcrops on the surface in about the same relation to the "Dacotah" vein as exists on both the #2 and #4 levels, indicating considerable ore between these levels and the surface. All drift faces, the #2 and the #4 on the "Dacotah" vein and the same on the "new" vein, are in ore and have given considerable production in themselves. Several raises have been put thru on the Dacotah vein from the #4 to the #2 and to the #1; however, the area between the #2 and the #1 on the Dacotah vein is pretty well mined out until beyond about 1000 feet in from the portal. This area from here into the mountain and to the surface is virgin ground. There is more virgin ground between the #4 and the #2 and this section of the mine is where we were working when we ceased operations June 1, 1949. The mine should be examined for a person to see the number of working places where ore can be taken out on the "Dacotah" vein and also on the "New" vein.

The mine is developed to a point indicating that a much larger operation could be had if a company desired. The mill of course, would have to be enlarged and if this were done, it should be moved to the mine site; this would save the additional ore hauling expense, as well as having the mining and milling operations under one roof as it were, thus simplifying the supervision of both departments. The mill is now located in the town of Neihart and the present ore haul from the mine to the mill is 3 miles.

A good road on which we have spent, at various times, the sum of $7500., has been built from the town of Neihart to the mine; it is a high gear road under ordinary conditions for the average automobile.

Bennett Mining Company, Great Falls, Montana

The mine is completely equipped with necessary buildings, two ore bins and with all tools, etc. There is an Ingersoll Rand Imperial 10 Compressor that furnishes more air than is ever needed. Much of the equipment has been purchased during the past few years and all of it is in A1 condition.

The mill is complete with assay equipment for both fire and wet work, selective flotation Denver Sub A (Denver 1946) and Union Iron Works cells, Denver filter new in 1946, Marcy 54 Ball Mill, Telsmith Jaw Type Crusher, etc. etc., and was purchased by the Company in 1943.

This is a quick, general description of the mine and mill equipment. During the last 3 months of our operation ending in June, 1949, our shipments were 106.3 tons of lead concentrates, with an average assay of 54.85% lead; 8.65% zinc; 16.35 ounces silver. And 229.6 tons of zinc concentrates, with an average assay of 52.96% zinc, 3.66% lead and 6.22 ounces silver.

The Company always made a little money until the price of lead and zinc dropped to 9 and 10¢ per pound in the early part of 1949. During the last few months of operation, the loss referred to in the forpart of the application for loan was due to a continued operation on our part in the hope of better metal prices returning and was not due to inefficient management. The Company has always been solvent and creditors are waiting until property can again be operated believing it will be a profitable operation under favorable metal prices.

The Company owes all of the mining and milling equipment and operates under leases held on the Dacotah and Florence group of mining claims. These leases range from 5 to 10% royalty to the mine owners.

Property at present is insured for $15,000.00.

Should the property be again reopened, we believe it would be advantageous to increase daily tonnage, and for this reason are requesting assistance by means of this loan.

Bennett Motor Company, Great Falls, Montana

Question #16 (c)

July 24, 1946

Mr. Carroll Bennett
Bennett Motor Company
404 First Avenue South
Great Falls, Montana

Dear Mr. Bennett -

DACOTAH MINE
NEIHART, CASCADE COUNTY, MONTANA

I am enclosing a copy of my report on the Dacotah. Ordinarily this information is not made available by the Company, but in this instance we are glad to do so. The report in general is quite favorable and our decision not to take over the property is simply because the tonnage to be expected is a bit too limited. As an operation for an individual or small company, the property has considerable merit.

I trust that you will be successful in your efforts to reopen the property and hope that our information may be of some benefit to you.

With best regards,

Yours very truly,

Encl

DACOTAH MINE
NEIHART, CASCADE CO., MONTANA

Summary

The Dacotah mine is located well up on the mountain slope a little over a mile northerly from the town of Neihart. The mine together with the Florence mill, situated on Belt Creek just below town, is owned by the Bennett Mining Co., with Mr. Carroll Bennett of 404 First Avenue South, Great Falls, Montana, President.

During the period Jan. 1944 thru March 1946 the property was actively operated and some 25,000 tons of ore produced. This ore was treated in the Florence mill, a 50 ton selective flotation plant. Concentrate production amounted to 801 dry tons of lead concentrate having an average assay value of Au 0.0914, Ag 26.086, Pb 39.745, Zn 9.378, which were shipped to the East Helena plant and 2.013 dry tons of zinc concentrates having an average assay value of Au 0.016, Ag 7.452, Pb 3.022, Zn 49.147, which were shipped to Anaconda at Great Falls. Zero A and B premiums were received on lead production, and zero A, B, 25 ton C on zinc until June 1,1945, after which time a zero C premium was received.

As a result of this production the property produced an operating profit of $61,000.00 being $2.44 per ton of crude ore. Mining costs were $5.16 per ton and milling $2.44, the total cost of $7.60 per ton including a very moderate amount of overhead. Net smelter returns amounted to $4.69 per ton of crude ore, showing a loss of $2.91 per ton before benefit of premiums. Recoverable assay value per ton of crude ore was approximately Au 0.003, Ag 1.4, Pb 1.5 and Zn 4.25.

During the latter months the operation sustained a loss due to exhaustion of accessible ore reserves on the upper levels, accompanied by heavy development expense on the lowest or No. 4 tunnel level. This development was conducted in a rather aimless fashion, and as the continuation of the ore shoot was not encountered the property was closed. However, detailed mapping of the geology on the upper levels indicates quite definitely that the present face of the No. 4 level would not have to be extended over a hundred feet to pick up the downward continuation of the ore shoot.

Mr. Bennett is quite anxious to dispose of the property to a responsible company, and accordingly has presented the outline of an attractive deal which proposes that during the period of development on the No. 4 level, all present mining equipment would be rented at a reasonable cost. Following this development, and dependent on its outcome, the company could then select to purchase part or all of the mining and milling equipment and commence mining on a lease and option basis, or turn the property back without further obligation.

It is believed the property can be developed to produce in the neighborhood of 50 to 75 tons per day at a very moderate expense. Further that some improvement could be expected over past mining and milling practice. The property has demonstrated its ability to produce a modest profit at the high prevailing premium prices, and if the company is interested in a 50 ton operation which could be expected to produce about one car of lead concentrates per month and show a small profit at prices above 9.25¢ for lead and 11¢ for zinc, then the Dacotah could be recommended for company operations; otherwise not.

Geology

The vein system of the Dacotah mine consists of series of N-S and N-E fissures, dipping W and N-W at angles from 40 to 80 degrees. These fault-fissures are present in a wallrock of the Pinto Diorite formation, a Pre-Beltian series consisting of massive, fine grained amphibolite gneiss, type pinto diorite which is a diorite gneiss containing prominent knots of white feldspar and gradational facies. Exposures of Tertiary igneous rock are presently limited to a small breccia pipe on the No. 4 level which is intruded along and near a fissure intersection probably as a

result of explosive type igneous activity. This breccia contains angular, and subangular fragments of gneiss, pinto diorite and quartz porphyry, in a matrix of rock flour, and in some exposures bears some resemblance to pebble dikes. The breccia is itself weakly pyritized, and while it cuts two vein structures it is nevertheless thought to be pre-mineral.

The principal ore shoot occurs along a N-S vein to the north of its intersection with a N 40 E vein. The latter clearly truncates the former, but movement along both is believed to be dominantly pre-mineral as the N 40 E structure is itself weakly mineralized. This intersection is exposed on the No. 2 level and reference is made to the attached geological map for details. From the intersection the ore shoot extends continuously northward for about 300 feet at which points the vein is cut by another N-E structure with a nice concentration of values along and near the intersection as shown on the attached assay map, samples No. 2 to 11 inclusive. From sample No. 11 northeastward the No. 2 level drift continues on the vein for approximately 150 feet, but the values decrease rather rapidly. In and near the present face the vein is a bit over 3 feet in width and contains considerable pyrite with a few hundredths in gold and little else. Thus the ore shoot has a strike length of around 400 feet, although marginal material has been stopped so that the total stoping length is around 500 feet. Vein widths range up to 9 feet, but average around 4 to 5 feet. The vein filling ordinarily consists of one or more pay streaks of concentrated sulphides separated by greater widths of gouge or weakly mineralized enclosed wall rock.

A N-S vein some distance in the hanging wall of the main workings is developed for a short distance on the No. 3 tunnel level. This vein is pretty well mineralized as shown by assays D 138 to D 146 inclusive, and is up to 5 feet in width.

A small vein is present on the No. 4 level footwall drift. This contains a small lens, up to 8 inches in width of quartz with considerable galena and good silver values. A small lease production might be expected from this vein.

The mineralization is primary and of intermediate range. Along the main ore shoot the sulphides are dominantly pyrite and marmatite with lesser amounts of galena, all associated with varying amounts of quartz and accompanying mixed carbonates. The N-E veins sometimes contain a mineralization higher in galena and silver, associated with quartz. On the north end of the No. 2 level there is a slight increase in gold content, probably in association with pyrite.

The mineralization is of a type which should persist for some distance in depth without appreciable change.

Past Mining and Milling Practice

Two methods were resorted to in mining the ore. The first being shrinkage stoping and the second being open stoping on stulls and inclined square sets. Neither method was particularly successful. Stoping was carried on contract at so much per cubic yard, based on conditions in the stopes. Dilution was high and much ore was "lost" due to caving.

The Bennett mill is a 60 ton capacity mill. Considerable of the equipment is fairly new, and with a few changes and additions it should be quite satisfactory. Crushing is single stage, (9 x 16 jaw crusher) and the ball mill feed consequently quite coarse.

Conclusions

As previously stated, the recoverable assay value per ton of ore mined is about Au 0.003, Ag 1.4, Pb 1.5, Zn 4.25. On the other hand the weighted average of 36 samples taken on the ore shoot on the No. 2 level by R.F.C. Engineers is width 2.9', Au 0.01, Ag 3.17, Pb 3.5, Zn 9.34. Unquestionably there was an unnecessarily high dilution of the ore in mining, and high losses in milling. With improved methods the recoverable value of the ore might be increased as much as 50 per cent.

Horizontal cut and fill stoping would likely prove a satisfactory mining method, and while the production of crude ore per man shift would be somewhat less than in the past, an increase in grade could be expected which would more than offset the reduced tonnage.

A total of $10,000 should be sufficient to develop the ore shoot on the No. 4 level. If decision was then made to proceed with mining a total of $50,000 would be sufficient for purchase of equipment and operating capital.

With improved methods, and assuming the continuation of the ore shoot to the No. 4 level the property should show a modest profit at 9.25¢ lead and 11¢ zinc. Possible tonnage above the No. 4 level is not less than 20,000 tons.

Additional development of the vein exposed on the No. 3 level would be desirable, should the property be reopened.

Respectfully submitted,

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

PROJECT SUMMARY REPORT

By: J. W. Alt July 8, 1958

1. Docket No. DMEA-129X (Lead-Zinc)
Contract No. Idm-E81
Property: Dacotah Mine
Cascade County, Montana

Operator: Bennett Mining Co.
P. O. Box 1135
Great Falls, Montana

Operator's Property Rights: Lessee
Mining Lease dated September 1, 1946.
Landlord's Subordination Agreement dated June 1, 1951.

2. Contract dated July 23, 1951. To complete - 15 months.

Work Authorized

1.	Drifting 800 feet (extending No. 4 level) @ $30/ft.	$ 24,000.00
2.	Raising 165 feet from new drift on No. 4 level to No. 2 level @ $35/ft.	5,775.00
3.	Drift 300 feet (extending No. 2 level) @ $30/ft.	9,000.00
4.	Raising 250 feet from No. 2 level toward surface @ $35/ft.	8,750.00
5.	Sink winze 250 feet from new drifting on No. 4 level @ $81.34/ft.	20,335.00
6.	Drift 400 feet off winze at elevation 200 feet below No. 4 level @ $30/ft.	12,000.00
7.	Rehabilitation of No. 4 level	2,000.00
8.	Cost of equipment to be purchased	15,015.00
9.	Engineering, assaying, and sampling, etc.	3,125.00
	Total	$100,000.00

Amendments

No. 1 Effective July 23, 1951.

Changes and modifications in schedule of Wage and Salary Classifications and Rates.

No. 2 Effective July 23, 1951.

Change in the description of the work in Items 3 and 7 of Exhibit "A".

No. 3 Effective November 27, 1951.

Change in the description of the work in Item 1.

No. 4 Effective January 1, 1952.

Change in the description of the work and in operating equipment to be purchased.

No. 5 Effective July 23, 1951.

Adds list of equipment "to be purchased".

No. 6 Effective April 6, 1952.

Allows the purchase of one mine bucket to replace bucket which was destroyed in a hoisting accident.

Work Completed

479 feet of drifting - 400 ft. level (30 feet of the 479 feet lost by cave) cost @ $64.01/ft.	$30,660.79
94.5 feet of crosscutting - 400 level @ $39.16/ft.	3,700.00
138.5 feet of winze @ $186.23/ft.	25,792.86
189 feet of drifting and crosscutting on the 500 level @ $64.08/ft.	12,111.12
Rehabilitation of 400 level	4,998.00
Operating equipment purchased	6,773.53
Enlarging for winze station	2,723.78
Total Costs	$86,760.08
Estimated costs from August 31, 1952 to October 31, 1952	3,645.05
Total to October 31, 1952	$90,405.13
Sale of equipment in which Government has an equity	2,550.00
Approximate Total Cost	$87,855.13

Work on the project was started on July 23, 1951.
The contract was terminated September 10, 1952.

3. Report of Review (Audit Certificate) dated January 30, 1953.

Total cost as billed by Contractor	$89,324.61
Less: Sale receipts for equipment	2,903.00
Net Cost Claimed	$86,421.61
Exceptions during audit	1,029.06
Total Accepted Cost	$85,392.55
Government Participation @ 50%	$42,696.27

Operator's final report - no date - received February 3, 1953.
Field Team final report dated January, 1953.

4. Certification date: March 16, 1953.

Lead-zinc ores containing minor amounts of silver have been found as a result of the work done under the terms of the contract. The ore bodies occur in veins in an altered complex of diorite and amphibolite.

Ore lengths and volumes are indeterminate in that drifting was inadequate to effect any delineation. Presumably the ore occurs as intermittent and erratic lenses along the course of the vein and a large tonnage could hardly be expected.

5. Comments

As only 40% of the total work proposed under the contract was completed with an expenditure of 85.9% of the funds, it is evident that costs were much higher than anticipated. Factors which contributed to these excessivly high costs are:

1. Inability of the Operator to obtain and keep an experienced labor force.
2. One hundred percent timbering was required in all drifts and most crosscuts, and no allowance was made in the contract for timber.
3. Continued sloughing of the back and walls required timber to the face after every round.
4. Additional labor required to maintain roads during winter months.

The work partially outlined an ore body that is estimated to contain 2,400 tons of indicated ore above the 500 level and 1,500 tons of inferred ore to a depth of 50 feet below the 500 level. The indicated ore averages 2.25 ft. thick with 2.0 oz. silver, 2.6% lead and 11.9% zinc; the inferred ore averages 2.2 ft. thick with 2.0 oz. silver, 2.1% lead and 14.1% zinc. An extension of the main ore body above the 400 level is inferred to contain 1,250 tons of ore that averages 3.8 ft. thick with 3.5 oz. of silver, 6.2% lead, and 10.0% zinc.

It is regrettable that the Operator was financially unable to continue with the contract for work accomplished suggests that, had it been possible to complete all of the work authorized, a few tens of thousands of tons of ore might have been outlined in bodies 2 to 4 feet thick and containing 2 to 4 oz. silver, 2 to 6 percent lead, and 5 to 14 percent zinc.

The property warrants additional exploration and development. Further work should consist of completing the raising, drifting, and winzing specificied in the subject contract.

J. W. Alt

JWAlt/ss 7/2/58
Copy to: Docket
Mr. Johnson
Chron.

☒ Audited

☒ Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 12/3/54
Incl. Voucher for Oct, Nov, Dec. 1952.

☒ Actual Cost

☐ Agreed Unit Costs

Name Bennett Mining Co.

State Montana.

Commodity Lead-Zinc

Docket No. DMEA-129X

Idm-E No. 81

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	1,455'	$43,650.00	762.5'	$47,620.44	$47,620.44
Raising	415'	14,525.00	—	—	—
Shafts					
Winzes	250'	20,335.00	138.5'	26,089.40	26,089.40
Drilling (Specify)					
Surface Excavation					
Underground Excavation Winze Station		8,000.00		2,755.10	2,755.10
Roads and Trails					
Operating Equipment Purchased		10,365.00		6,773.53	3,870.53
Surface Rehabilitation & Repairs					
Underground Rehabilitation		5,000.00		5,057.08	5,057.08
New Building, Improvements, etc.					
Other (Specify) Eng. Sampling + Assaying		3,125.00		—	—
Totals		$100,000.00		$88,295.55	$85,392.55

Recovered Equipment Purchased $2,903.00

Prepared by W. R. Klugescheid

71626

Official
~~EXTRA COPY~~
O. M. E
RECEIVED SEP 6 1962
9/7/62 Received 500
210

No. 157 Howard Street
Spokane 4, Washington
September 3, 1962

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: Royalty report
DMEA-3948 (Lead-Zinc)
Boss Mines, Inc.
Boss and Atlantus Claims
Cascade County, Montana
Contract Idm-E743
and
DMEA-129 (Lead-Zinc) ✓ file
Bennett Mining Company
Dacotah Mine
Cascade County, Montana
Contract Idm-E81

On August 28, 1962, Mr. Masterlik, owner of a grocery store in Neihart, Montana, was interviewed. He has lived in Neihart for many years and is familiar with both the subject properties. He stated with flat certainty that no ore has been shipped from the Dacotah mine since the end of 1954 or the Boss mine since the end of 1957.

According to Masterlik, at both properties the buildings are deteriorating, and the workings are being allowed to cave and flood. The access roads have not been maintained and at best could be negotiated only by a Jeep-type vehicle. Therefore, the properties were not visited.

D. R. MacLaren

Distribution:
OME(4)
Docket(2)
OME,CPF(2)

DMEA-129
Royalty expiration date
Letters releasing lien to
Appr. + owners 5/25/64
gla

So. 157 Howard Street
Spokane 4, Washington
May 29, 1962

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 31 1962

DATE	INITIALS	CODE
5/31		800
"	Approved	500
		220

Mr. Carroll Bennett
Bennett Mining Co.
P. O. Box 1887
Great Falls, Montana

Re: DMEA-129 (Lead-Zinc)
Bennett Mining Co.
Dacotah Mine
Cascade County, Montana
Contract Idm-281

Dear Mr. Bennett:

This refers to your letter of May 25, 1962. Your letter of May 7, 1962, addressed to the U. S. Bureau of Mines office in Spokane, was forwarded through this office to our Washington, D. C., office and was answered by the Director's letter of May 16, 1962.

I am sure that by now you have received the Director's letter of May 25, 1962, stating that OME is closing the books and records on this contract and calling to your attention the contract provisions which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

DRMacLaren:my
cc: OME
Reading copies to:
Nolan
Hobbs
Guild

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/24	[illegible]	500
5/24	[illegible]	800
5/25	[illegible]	120
"	on leave	110
5-25	[illegible]	100
		220

MAY 2 5 1962

Bennett Mining Co.
Corner Ninth Street and
First Avenue South
Great Falls, Montana

Re: IMEA-129 (Lead-Zinc)
Bennett Mining Company
Dacotah Mine
Cascade County, Montana
Contract Idm-E81

Dear Mr. Bennett:

By the terms of the subject Exploration Project Contract and the certification of discovery or development, dated March 16, 1953, all minerals mined or produced from July 23, 1951, to July 23, 61, were subject to the Government's percentage 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.

Director

GLAult/a
5-24-62
cc to: Director's Reading File
Contract Division
Region I (2) w/cys Mr. Bennett's letr. May 19, 1962
Docket
Code 500

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/24	Gruenwald	500
5/25	Talbot	800
5/25	Selfridge	120
"	Onlcake	110
5-29	Fumich	100
		220

MAY 2 5 1962

Miss Frances A. Clarke

Great Falls, Montana

Re: DMEA-129 (Lead-Zinc)
Bennett Mining Company
Dacotah Mine
Cascade County, Montana
Contract Idm-E81

Dear Miss Clarke:

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

This correspondence relates to the Landlord's Subordintion Agreement signed by you on June 22, 1951, under the Defense Minerals Administration program which has been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

George Fumich, Jr.

Director

Enclosure

Identical letter to Miss Josephine A. Bennett, Great Falls, Montana

GLAult/a
5-24-62
cc to: Director's Reading File
Region I (2)
Docket
Code 500

43683

800
120
100
220

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

Memorandum

MAY 2 5 1962

To: The File

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

Subject: DMEA-129Lead-Zinc)
Bennett Mining Company
Dacotah Mine
Cascade County, Montana
Contract Idm-E81

Since the mine in question has not been operated for many years, we are only concerned, before releasing the Government lien, with a stockpile of some 800 tons of ore that has been lying on the surface almost ten years. No milling facilities exist at the property for treating such ore; hence, the problem is whether it would be worth while for the Government to load this material, ship it to a custom mill, and take the resulting concentrate and sell to a smelter.

For the purpose of this calculation, we shall assume that this stockpiled ore is still amenable to flotation milling, though this is questionable. Many lead-zinc sulphide ores (probably the majority) break down rapidly when exposed to air, with the formation of ferrous and ferric sulphates, lead and zinc sulphates, et cetera. Such ores are pure venom in a flotation circuit.

However, let us assume that in this case the ores could be milled, obtaining a 75 percent extraction, which assuredly would be a maximum in this instance. Our next question is millhead grade. The indicated ore reserve in the mine shows a grade of 2.0 oz. silver, 2.6 percent lead, and 11.9 percent zinc, across a width of 2.25 feet. Obviously, the ore could not be broken to such a narrow width, all drifts were driven to a 5-foot width, so we must reduce the theoretical grade by one-half to get a fair approximation of actual stockpile content. Therefore, we may make the following calculations: Millhead 1 oz. Ag, 1.3 percent Pb, 6.0 percent Zn.

Zinc at custom mill

800 tons ore x 6% zinc grade x 75% extraction =
36 tons zinc ÷ 54% (concentrate grade) =
66.67 tons concentrate assaying 54% Zn.

Zinc concentrate at smelter

54% x 85% (smelter pay) =
918 lbs. Zn @ 11.5¢ per lb. = $105.57

Smelter charge 34.50 per ton		
Freight on concentrate 6.00 " "		
	40.50	40.50
Net per ton concentrate		65.07

66.67 tons concentrate @ 65.07 = 4,338.22

Silver and lead at custom mill

800 tons x 1.3 Pb grade x 75% extraction =
7.80 tons Pb. ÷ 60% (concentrate grade) =
13 tons Pb conc. of 60% grade.

Ag

800 tons x 1 oz. x 75% extraction =
600 ozs. ÷ 13 (tons Pb conc.) = 46.2 ozs. Ag
per ton lead concentrate

Lead concentrate at smelter

60% - 1.5% deduction from net assay x 90% (smelter pay) =

1053 pounds x (9.5¢ - 1.8¢) =	81.08
46.2 oz. Ag x 95% @ $1 =	43.89
	124.97
Smelter charge 12.00 per ton	
Freight to smelter 6.00 "	18.00
	106.97
13 tons concentrate = 13 x 106.97	1390.61

Zinc liquidation	4,338.22
Lead-silver liquidation	1,390.61
Total cash from sale	5,728.83

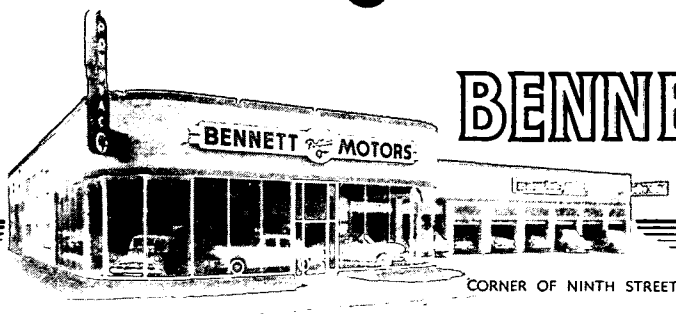
Crude Ore Expenses

Loading $1 per ton, 800 tons		$ 800.00
Freight $4 per ton, 800 tons		3,200.00
Custom milling, $4 per ton, 800 tons		3,200.00
	Total	$ 7,200.00

Hence, from the above, and under present metal market conditions, about all the Government could hope for by utilizing the stockpile would be to realize $5,728.83 after spending $7,200.00. Hence, it appears simple common sense to forget it and release the royalty lien against the property.

WR Griswold

WRGriswold/gla
cc to: Docket
Mr. Selfridge



BENNETT Pontiac MOTORS

CORNER OF NINTH STREET AND FIRST AVE. SO. PHONE 4-4361

GREAT FALLS, MONTANA

May 19th, 62.

OFFICIAL FILE COPY O. M. E. RECEIVED MAY 22 1962		
DATE	INITIALS	CODE
5/23	Received	500
		220

Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Gentlemen:

Re: DMEA-129 (Lead-Zinc)
Bennett Mining Company
Dacotah Mine
Cascade County, Montana
Contract Idm-E81

Thank you for your letter of the 7th re the above contract.

Answering your letter: there has been no activity whatever at the property since July 1st, 1958. The mill which was situated at a different location from the mine and where the ore was stockpiled has been dismantled and the buildings raised. The buildings at the mine are gradually disappearing also and the tunnels are inaccessable because of caving.

Our reason for wishing a release of obligation in connection with this contract is that we may dispose of the land where the ore, which is of no commercial value, was stockpiled. The land may have some value as summer cabin sights.

We would appreciate a field examination as soon as possible and a statement of release for our files.

Yours very truly

Bennett Mining Co.

Carroll R. Bennett

CRB/b

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/15	Griswold	500
5/16	Talbot	800
5/16	Selfridge	120
"	Johnson	110
5/16	Fumich	100
		220

MAY 1 6 1962

Mr. Carroll R. Bennett
Bennett Mining Co.
Corner Ninth Street and
First Avenue South
Great Falls, Montana

Re: IMEA-129 (Lead-Zinc)
Bennett Mining Company
Dacotah Mine
Cascade County, Montana
Contract Idm-E81

Dear Mr. Bennett:

We have your May 7 letter concerning obligations under the referenced contract. We had contemplated a final field examination of the property but it has not been made so far, due to snow conditions.

Will you kindly advise us if there has been any activity at the property since July 1, 1958, and, if so, was any further amount of ore produced and stockpiled in addition to the 800 tons presently stockpiled at the mill.

Sincerely yours,

George Fumich, Jr.

Director

WRGriswold/gla
5-16-62
cc to: Director's Reading File
Region I (2) w/cy incoming letter
Docket
Code 500

NOTE TO MR. MAC LAREN:

With reference to Mr. Selfridge's memorandum of November 21, 1961, and Appling's memorandum of January 2, 1962, would appreciate receiving any comments you may have.

43683

MME FORM-6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, Divn. of Field Operations		
2.		
3.		
4.		
5. DRMacLaren		

FROM: D. R. MacLaren 5/11/62

Acting Field Officer, Region I

FOR: Check items for action desired

X Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: Letter requesting information re:
Docket DMEA-129 (Lead-Zinc)
Bennett Mining Company
Dacotah Mine
Cascade County, Montana
Contract Idm-E81

RECEIVED
BUREAU OF MINES
MAY 10 1962
SPOKANE, WASH.

BENNETT *Pontiac* MOTORS

Corner Ninth Street and First Avenue South
GREAT FALLS, MONTANA

May 7th, 1962.

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 14 1962

DATE	INITIALS	
5/14	[illegible]	800
		500

Defense Minerals Exploration Administration
1201 North Division Street,
Spokane 2, Washington.

Gentlemen:

Re: Docket No. DMEA 129 (lead zinc)
Bennett Mining Company
Dacotah Mine
Cascade County, Montana
Contract No. Idm-E81

Would you please advise the status of the above contract? We are under the impression that any liens that the Government have had on this production, if any, automatically expired on the 23rd of July, 1961. Incidentally there has been no marketable production. Is the property or claims on which this development was done in any way encumbered?

We will appreciate being brought up to date on the status of this contract.

Yours very truly,

Bennett Mining Co.,

Carroll R. Bennett

CRB/b

Approx. 800 ton. (est. assay 10% zinc, 3% lead, + couple oz. silver) produced during exploration + stockpiled at Dacotah Mill.

Talbot
5/14/62

RECEIVED
MAY 11 1962
U S G. S.
SPOKANE, WASH.

NOV 2 1 1961

AIRMAIL

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: DMEA-4712 (Lead-Zinc)
American Smelting and Refining Company
Page Mine
Shoshone County, Idaho
Contract Ida-X1134

Reference is made to your memorandum of November 16, 1961, giving information relating to your work plans.

On your trip to Montana, would it be possible to secure closing-out information on the following dockets:

Alps Mining and Milling Company, DMEA-700. Expiration date May 31, 1961.
Bennett Mining Company, DMEA-129. Expiration date July 23, 1961.

As you mentioned on my recent visit, with so much activity in your Region, it probably would be well that you seek aid in closing out certified projects as discussed in previous correspondence relating thereto.

George C. Selfridge

GCSelfridge/hb (11/21/61)
Copy to: DMEA-129
DMEA-700
Director's Reading File
Mail & Records
G.C.Selfridge

Talbert

129

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

DEC 7 1956

Administrative Confidential

Memorandum

To: Administrator
Defense Minerals Exploration Administration

From: Director of Inspection

Subject: FBI reports -- Carrol R. Bennett--fraud against the Government

You were recently asked to comment on FBI reports covering investigation of alleged fraud against the Government by Carrol R. Bennett. Your office noted no irregularities in transactions between DMEA and the Bennett Mining Company, of which Carrol R. Bennett was apparently the principal. You are now advised that a further FBI communication just received indicates that the United States Attorney at Butte, Montana, has concluded that the allegations against Bennett are unsubstantiated and no prosecution will be undertaken.

The FBI investigation has accordingly been concluded and I think we may likewise consider the case closed.

W. Darling Lee Dwight Jr.

129

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

NOV 9 1956

[Returned to Mr. Devitt 11/14/56. Receipt filed in Admin's office]

Administrative Confidential

Memorandum

To: Administrator
Defense Minerals Exploration Administration

From: Director of Inspection

Subject: FBI report dated October 29, 1956, at Washington Field--Carrol R. Bennett--fraud against the Government
[Bennett Mining Co.]

The attached report is mainly devoted to matters already covered by your memorandum of November 1. No additional comment appears necessary. The report may be regarded as being transmitted for your information.

Please return the report when you have had an opportunity to review it.

W. Washington Devitt

Attachment

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

Administrative Confidential

NOV 1 - 1956

Memorandum

To: Director of Inspection

From: Administrator

Subject: FBI Report dated October 8, 1956, at Seattle, Washington
FBI Report dated October 12, 1956, at Butte, Montana
Re: Carroll R. Bennett - Fraud against the Government

The purpose of this memorandum is to record my activity in this case between October 18, when I received a copy of the first FBI report, and October 29 when I received a copy of the second FBI report.

On October 19, 1956, Mr. Albert E. Weissenborn, Executive Officer of Region I, Northwest District, called at my office. At that time I had the first FBI report in hand, and I allowed Al to review it. He said it was a correct and factual summary of his discussion with the FBI agent on September 27.

Al stated that he did not prepare a memorandum covering the discussion; also that he did not furnish the FBI agent with copies of any of the official documents in the file. He requested clearance from Washington to do the latter, which clearance was immediately granted. However, the FBI agent had already completed his preliminary investigation and had not returned for additional information up to the time Al left Spokane for Washington.

Al believes, as we do, that the first report relates to an RFC loan and is not of any special concern to the Department.

During the morning of October 23, Mr. Armbruster, Special Agent of FBI, phoned me to request a meeting during the afternoon. It was set up for 2 p.m.

Meanwhile Mr. Talbert, Assistant Chief of the Contract Administration and Audit Division, again reviewed the Bennett Mining Company docket. Mr. Talbert was present during my discussion with Mr. Armbruster.

Mr. Armbruster had no knowledge of the FBI report dated October 8, which covered the interview with Weissenborn. He did, however, have a copy of another report which I now identify as the October 12 report that you have just forwarded to me. He did not pass the report to Talbert or myself to read, but he did quote excerpts from it which became topics of discussion.

We were confused by the allegation that Bennett borrowed $30,000 from the Government during 1950-52. We felt that the statement could have referred to the DMEA contract, but we pointed out that the Government under that contract actually advanced $42,000 on an $84,000 project on a strictly "matching" basis. We briefed Armbruster on the entire DMEA background in this case and told him our interim inspections and final audit had failed to reveal any irregularities.

Armbruster was quite certain that the complaint related to the old RFC loan. He said he had checked with RFC by phone and was told by them that they had no record of ever having made a loan to Bennett. Our docket, however, gave evidence that Bennett did at one time have an RFC loan. Armbruster decided to again check with RFC, and he promised to phone me later to report his findings.

On October 25 he reported that he had personally visited the successor offices to the RFC in Washington. Although the official dockets in this case had long since been sent to Archives, the office did have card summaries of each case.

He said that early in 1942 RFC granted a loan for $5000. This loan was repaid in full. Late in 1952 they granted another loan for $25,000. That loan was also repaid in full. You will note that these two loans total $30,000 and perhaps account for that mysterious figure which is shown in both FBI reports. Armbruster was told that, had any irregularities occurred in the use of these funds, a proper notation would have been made on the card summary. None was.

Armbruster told me that he does not believe any grounds exist, so far as he can determine, to indicate fraud or misuse of Government funds in the case of Bennett Mining Company. He said he did not plan to return to my office for a further inspection of our files, and that his immediate task would be to prepare some sort of final memorandum which would close the case for the time being.

I note in the last paragraph on page 2 of the FBI report dated October 12 that a former partner of Bennett reported rumors to the effect that Bennett wilfully closed the Dacotah Mine down in 1953, at the time he had ore in sight, for the express purpose of waiting out the ten-year period within which the Government is entitled to receive royalties on production.

Our files reveal that the contract was terminated by mutual agreement on September 10, 1952, before completion of the work authorized under the contract. The operator was financially unable to continue the work. Our files confirm the allegation that "ore was in sight," because our examiners in the field noted that all working faces were in ore when work under the contract was terminated. Since the work

completed up to that time had disclosed three intermittent ore zones which could provide the basis for the issuance of a Certification of Discovery or Development, DMEA acquiesced to the operator's request for a termination agreement. By the issuance of a Certification of Discovery or Development, the Government attached a lien on all production sold up to July 23, 1961, or until the $42,696.27 has been repaid, whichever occurs first.

Our field representatives have made semiannual inspections of this property throughout the entire period since the contract was terminated. They have consistently reported that there has been no work or production at the Dacotah Mine since the termination of the contract, and that no mining is planned until metal prices become more favorable.

Under the terms of DMEA contracts, the operator is not obligated to produce, even though the project is certified. Even if Bennett wilfully suspended operations for the sole purpose of waiting out the ten-year period, I do not believe that such an act would constitute fraud against the Government.

The FBI report dated October 12, 1956, is attached.

Administrator

Attachment

COMittendorf/fw
11/1/56

cc: Mails & Files
Admr. Reading File
Administrator
Field Team, Reg. I, NW
Mr. Johnson
Mr. Selfridge
Mr. Chambers
Mr. Griswold

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

OCT 29 1956

Administrative Confidential

Memorandum

To: Administrator, Defense Minerals Exploration Administration

From: Director of Inspection

Subject: FBI report, dated October 12, 1956 at Butte--Carroll R. Bennett--Fraud against the Government

DMA-129
E-81

Transmitted herewith for your information is an additional FBI report on the above subject.

Kindly return the report when it has served your purpose.

W. Darlington Dent Jr.

Attachment

10/23/56

Mr. M:

Mr. Armbruster, FBI, wants to come over between 1:30 and 3 p.m. to discuss Bennett Mining case. He will call back and confirm the time.
(He called Mr.Dakan.)

fw

I called him & set 2 p.m. as time to come.

Mr. Mittendorf and I met with Mr. Armbruster at 2 P.M. 10/23/56, explained the contract, and advised him as to the Govt. contributions, audit procedure, and royalty provisions. Mr. Armbruster left with feeling that complaint probably deals with RFC loan made in 1942 and stated he would check on that loan and advise Mr. Mittendorf by telephone if further information is desired from DMEA.

E. H. Talbert

Docket copy
Surname:

Talbert
Chambers
Griswold
Selfridge

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

OCT 22 1956

Administrative Confidential

Memorandum

To: Director of Inspection

From: Administrator, Defense Minerals Exploration Administration

Subject: FBI report, dated October 8, 1956, at Seattle, Washington—Carroll R. Bennett—Fraud against the Government (DMEA reference: Docket No. DMEA-129, Contract No. Idm-E81, Bennett Mining Company, a corporation)

Your memorandum of October 18, 1956, requests advice as to any information which the DMEA may have as to the origin of the subject case.

This Administration has no information relative to this case other than that disclosed in the FBI report and a letter dated September 28, 1956, addressed to me by A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, Northwest District.

The FBI report, together with two copies each of Mr. Weissenborn's letter and our teletyped reply dated October 5, 1956, are attached.

G. O. Mittendorf

Administrator

Attachments

EDTalbert/wb
October 22, 1956

Copy to: Docket
Admr. Reading File
Administrator
Mr. Johnson
Mr. Selfridge
Mr. Chambers
Mr. Griswold

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

OCT 1 8 1956

Administrative Confidential

Memorandum

To: Administrator, Defense Minerals Exploration Administration

From: Director of Inspection

Subject: FBI report dated October 8, 1956 at Seattle, Washington--Carrol R. Bennet--Fraud against the Government

The subject report of investigation is herewith transmitted.

No special recommendation is required in connection with this report but if Mr. Weisenborn has filed a memorandum based on his interview with FBI agents, we would appreciate a copy together with any information DMEA may have as to the origin of the case.

Please return the report with your reply.

W. Washington Smith

Attachment

File Copy
urname

Griswold
Chambers
Kilsgaard
Lemmy
Selfridge
Mathewson

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

OCT - 5 1956

WRGriswold, Room 4444, Ext. 3669

DMEA-Base Metals Division

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

TELETYPE
XXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

DATE:

To: Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, Northwest District, Spokane, Washington.

Reurlet September 28, Docket No. DMEA-129, Contract No. Idm-881, Bennett Mining Company, it is our policy to co-operate fully with the FBI at all times.

George C. Selfridge

Chairman, Operating Committee

WRGriswold/er 10/5/56

Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kilsgaard, USGS
Chron.
Confirmation Copy

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
OCT - 3 1956

September 28, 1956
Air Mail

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-129 (Lead-Zinc)
Bennett Mining Co.
Dacotah Mine
Cascade County, Montana
Contract Idm-E81 (Completed)

Dear Mitt:

Yesterday we were visited by Mr. J. Bowker, local agent of the FBI, who is investigating the Bennett Mining Company. There apparently has been a squabble within the company and a former employee and a former partner have alleged misuse of funds, and fraud in connection with a $10,000 RFC(?) development loan made about 1942, and also in connection with our DMEA contract--mostly, I judge, as regards the nonpayment of royalty to the DMEA. As yet these allegations are hardly more than rumors and may well be without substance as, insofar as DMEA is concerned, the result of lack of understanding of the Government contract, specifically that even though a discovery has been made and certified the Operator has no obligation to produce.

The FBI, however, is investigating the allegations. If there has been fraud in carrying out the contract, or if there have been unreported sales of ore on which royalty is due the Government we will, of course, want to know this; consequently, I have discussed the DMEA contract verbally quite freely with Mr. Bowker. Mr. Bowker informs me that in their investigation the FBI may wish to utilize our records. Possibly Mr. Turner, DMEA auditor, or other DMEA personnel (including myself) may be called on to assist or interpret the contract. I presume that we will wish to cooperate fully but I am uncertain as to what is required before I am authorized to give anyone outside DMEA access to these records or to turn them over to another organization.

Please advise me by airmail letter or teletype what procedure should be followed.

Sincerely yours,

for A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I, NW District

USBM (2)

File Copy
Surname
Brigwell
Talbert
Martin
Fitzpatrick
Mitchell

500

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

AUG - 2 1955

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
Northwest District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-129 (Lead-Zinc)
Bennett Mining Company
Dacotah Mine
Cascade County, Montana
Contract No. Idm-E81

Dear Mr. Weissenborn:

Referring to your letter of June 24, covering royalty payments under the cited contract, we are quoting from a memorandum dated July 25, prepared by the Acting Assistant Solicitor.

"The contract is dated July 23, 1951, and is written on the very earliest form used by this Administration. The Executive Officer has advised the Operator substantially to the effect that its obligations with respect to royalty are the same as if the contract had been written on the latest forms - those of 1954. This advice to the Operator follows substantially the instructions contained in DMEA Circular 32, Supplement No. 2, dated April 6, 1954.

"As you know, Supplement No. 2 to DMEA Circular 32 laid down a uniform rule with respect to the computation of royalties which is there stated to be applicable to all contract forms. As you also know, I have heretofore indicated that in my opinion this attempt to make a uniform rule to apply to all our contract forms would not hold up in court. With this in view, no doubt, the last paragraph of the Supplement states:

> 'Should any operator insist that the provisions of its particular contract are susceptible to some other interpretation and refuse to pay royalties pursuant to the rule, the matter should be referred to the Washington Office.'

R.C.G.

"I do not know if this operator will accept the rule as stated by Mr. Weissenborn, Executive Officer. If it does not, the matter should be referred to the Washington Office as indicated in Supplement No. 2 to Circular 32."

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee (WB)

APPROVED:

/s/ Robert W. Geehan (WB)

Member, Bureau of Mines

Thor H. Kiilsgaard (WB)

Member, Geological Survey

WRGriswold/er 7/29/55

Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Jay Chambers
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

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

JUL 25 1955

Memorandum

To: The Administrator, DMEA
Attention: W. R Griswold

From: Acting Assistant Solicitor, Defense Minerals

Subject: Computation of royalties (Bennett Mining Co., Docket No. DMEA-129X, Contract Idm-E81)

By memorandum to me dated July 7, the Chief of the Base Metals Division has called my attention to a letter of June 24, from the Executive Officer of Region I to the Operating Committee, which refers to the letter dated June 8 from the Operator to the Executive Officer, and his reply thereto, dated June 22. The Executive Officer has advised the Operator with respect to its liability for royalties, and now requests the Operating Committee to advise him if his statements to the Operator are correct.

The contract is dated July 23, 1951, and is written on the very earliest form used by this Administration. The Executive Officer has advised the Operator substantially to the effect that its obligations with respect to royalty are the same as if the contract had been written on the latest forms - those of 1954. This advice to the Operator follows substantially the instructions contained in DMEA Circular 32, Supplement No. 2, dated April 6, 1954.

As you know, Supplement No. 2 to DMEA Circular 32 laid down a uniform rule with respect to the computation of royalties which is there stated to be applicable to all contract forms. As you also know, I have heretofore indicated that in my opinion this attempt to make a uniform rule to apply to all our contract forms would not hold up in court. With this in view, no doubt, the last paragraph of the Supplement states:

> "Should any operator insist that the provisions of its particular contract are susceptible to some other interpretation and refuse to

pay royalties pursuant to the rule, the matter should be referred to the Washington Office."

I do not know if this operator will accept the rule as stated by Mr. Weissenborn, Executive Officer. If it does not, the matter should be referred to the Washington Office as indicated in Supplement No. 2 to Circular 32.

Regardless of the basis for computing the royalty in this particular case, the Government's right to any royalty at all is on a sketchy basis. The contract was terminated by an agreement dated September 10, 1952. The certification of discovery or development is dated March 16, 1953, which is more than the six months from the date of termination allowed by the contract for making a certification. The Operator does not appear to have made any objection to the lateness of the certification, but all things considered I hope that we do not have to initiate any proceedings to enforce the payment of royalty from this operator.

I think there is nothing to be done unless and until the Operator objects to Mr. Weissenborn's construction of the contract.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

JLHofflund:gjb

Copy to: DMEA Docket
Sol. Docket
W. R. Griswold (2)
J. L. Hofflund
Chron. File

File Copy
Surname

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

INTERIOR DEPT.
JUL 8 - 1955
SOLICITOR

July 7, 1955

Memorandum

To: Acting Assistant Solicitor, Defense Minerals

From: Chief, Base Metals Division

Subject: Royalty Repayment for Docket No. DMEA-129X (Lead-Zinc), Bennett Mining Company, Dacotah Mine, Cascade County, Montana, Contract No. Idm-581 (Terminated).

We call your attention to the attached letter from Mr. Weissenborn dated June 24, and also his letter to the Operator dated June 22.

We believe that Mr. Weissenborn has correctly advised the Operator as to his royalty obligations. Nevertheless, we prefer to check with you before replying to his inquiry.

W. R. Griswold

W. R. Griswold

WRG/er

Copy to: Docket
Base Metals
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
JUL - 1 1955

June 24, 1955

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

Re: Docket No. DMEA-129 (lead-zinc)
Bennett Mining Company
Dacotah Mine
Cascade County, Montana
Contract No. Idm-E81 (terminated)

Dear Mr. Selfridge:

Yesterday we mailed to you copies of a letter dated June 8, 1955, from Mr. Carroll Bennett regarding payment of royalties, together with our reply of June 22.

You will note we have advised Mr. Bennett that if he mills the ore dump at the Dacotah mine, he will owe the Government royalty whether or not he actually sells the resulting concentrate. We believe that the Government is entitled to this royalty and certainly would be under the contract form which we are now using; however, the contract form, which, in this case, is the MF-200 dated April 1951, may be ambiguous on this point depending on the meaning of the word "produced."

We would appreciate your advising us whether our attitude is correct on this point and whether it will stand up if questioned.

By Field Team, Region I, NW District

A. E. Weissenborn

A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

Wing G. Agnew

Wing G. Agnew, Member
(U. S. Bureau of Mines)

cc: USBM(2)
USBM(AD)
Auditor Fisher

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

1201 N. Division St.
Spokane 2, Washington
June 22, 1955

Mr. Carroll R. Bennett
P. O. Box 1135
Great Falls, Montana

Re: Docket No. DMEA 129 (lead-zinc)
Bennett Mining Company
Dacotah Mine
Cascade County, Montana
Contract No. Idm-E81

Dear Mr. Bennett:

Reference is made to your letter of June 8, 1955.

Following is DMEA policy on repayment of the Government's contribution for exploration in the case of certified projects. This should answer the questions brought up in your letter; however, we will answer your questions in more detail.

Please refer to Article 14 of your contract. Certification and royalty on production are discussed under that heading.

Basis for computation. - The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight paid by the buyer to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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.

The Government's lien on production is effective on any production from July 23, 1951 to July 23, 1961 or until $42,696.27 has been repaid, whichever occurs first. The percentage royalty is not to exceed 5 percent of net smelter returns.

You are at liberty to make an agreement with an operator to run your stockpiled ore through a mill. You are under no obligation to sell the concentrates at the time they are produced; however, the Government, at its option, may require computation of their value and payment of royalty (see Unsold Production above). For the average small mine it is not economic to hold concentrates for a more favorable market. Interest on production costs, storage costs, possible concentrate loss, extra handling, etc. usually offset any additional price that might be obtained.

Storage and loading charges are not deductible for computing "net smelter returns" or "gross proceeds". Transportation charges are deductible if paid for by the smelter but not if paid by shippers. Smelting costs are deductible (see Basis for computation above).

The Government cannot participate in the cost of milling.

When you make a shipment of ore or concentrates you should provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production. Checks should be made payable to the Defense Minerals Exploration Administration and mailed to A. K. Weissenborn, Executive Officer, DMEA Field Team, So. 157 Howard Street, Spokane 4, Washington.

by Field Team, Region I, NW district

cc: DMEA (2)
USGS (2)
USBM (AD)
Auditor Fisher

Wing G. Agnew, Member
U. S. Bureau of Mines

A. K. Weissenborn, Exec. Officer
U. S. Geological Survey

MINES: NEIHART, MONTANA

BENNETT MINING COMPANY

CORNER NINTH STREET AND FIRST AVENUE SOUTH
BOX 1135 PHONE 4361
GREAT FALLS, MONTANA

RECEIVED
JUN 27 1955

June 6th, 1955

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region 11
South 157 Howard Street
Spokane 4, Washington

Re: Docket No.DMEA-129
(Lead-Zinc)
Bennett Mining Company
Dacotah Mine
Cascade County, Montana
Contract No.Idm-E81

Dear Mr. Weissenborn -

While operating under the above contract in July 1951 to September 30, 1952, we produced and stockpiled down at our mill some lead-zinc ores, the exact tonnage of which we do not know owing to lack of facilities to weigh some when stored.

The Government has, as we understand it, a royalty therein not to exceed 5% of net smelter returns, provided same is marketed within ten years from date of the contract, which is July 23, 1951.

DMEA

Should an opportunity present itself to have this stockpile run thru a mill, would we be permitted to make an agreement with an operator to do this for us and, if so, would it be obligatory on our part to sell the concentrates at that time. The price of lead and zinc at this time is too low to justify any selling and may continue, for how long we of course do not know. The concentrates would probably, in the interim, have to be stored until a more favorable disposal time; and who would decide this "favorable time".

We would like to have you advise us in detail what we may not do and what we may do and if we do, all the ifs and ands so there would be no misunderstandings and confusion resultant therefrom.

Are we to interpret "net smelter returns" as returns from the concentrates shipped minus, possibly, a storage charge as well as a loading and a transportation charge and a smelter charge.

Would the Government participate in the cost of milling the ore and, if so, under what conditions.

We would very much appreciate having your advice and information re all this, and thank you in advance for your courtesy.

Sincerely yours,

Carroll R. Bennett

Carroll R. Bennett
P.O.Box #1135
Great Falls, Montana

al
verse

RECEIVED
JUN 10 1955
U. S. G. S.
SPOKANE, WASH.

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ROYALTY REPAYMENTS
AS OF AUGUST 31, 1954

OPERATOR

BENNETT MINING COMPANY (C)

CONTRACT NO.

E-81

DOCKET NO.

129

DATE OF CERTIFICATION

3/16/53

AMOUNT REPAYABLE

$42,696.27

RECEIVED DURING AUGUST

$ -

TOTAL RECEIVED

$ -

DATE OF LAST RECEIPT

- - -

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ROYALTY REPAYMENTS
AS OF JULY 31,1954

OPERATOR

Bennett Mining Company (c)

CONTRACT NO.

E-81

DOCKET NO.

129

DATE OF CERTIFICATION

3/16/53

AMOUNT REPAYABLE

$42,696.27

RECEIVED DURING JULY

$ -

TOTAL RECEIVED

$ -

DATE OF LAST RECEIPT

$ -

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
xxxxxxxxxxxxxxxxxxx
Rm. 157 Howard Street
Spokane 4, Washington

Gasewold
Betty

April 12, 1955

Mr. Carroll A. Bennett
Bennett Mining Company
Box 1157
Great Falls, Montana

Dear Mr. Bennett:

This is in reply to your letter of March 12 regarding various cost items which were disallowed on a final audit of your account. We are sorry that you take exception to some of the deletions and that you do not believe that the Government has acted as a fifty percent partner in the exploration. We have carefully reviewed the files of your project and have discussed the disallowed charges with the fiscal officer, the auditors, and the various engineers involved in the project. After careful consideration, we are forced to the conclusion that although a few minor items that you protest can be reinstated, most of the disallowances were made because the items deleted are not within the terms of the contract. We regret to inform you that, in our opinion, these disallowances will have to stand.

In order to clear up some apparent misunderstandings on your part, we wish to direct your attention to Article 20 of the contract which states in part: "The allowable costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the cost of materials, supplies, engineering, power, water, and utilities, including items of equipment costing less than $50.00 each and the costs referred to in Articles 5, 6, 8, and 9, and the Exhibits annexed to and referred to in this contract." We are extremely anxious to see that the Government is a fifty percent partner in the exploration undertaken under Contract Ism-281. We cannot agree with you that the Government has not contributed its fair share to the exploration. We have, in fact, been subject to some criticism because the costs involved in the project have been so high, and we wish to point out that although 85 percent of the funds allotted to the project were expended, only 40 percent of the proposed project work was completed.

One of the difficulties is that the work on the project terminated for your convenience and without prior notice to this office. This made it very difficult for us to verify at what point actual exploration work terminated, and beyond which all cost of maintenance of the property would be for your own account. You will recall that we signed

a mutual termination agreement, making it retroactive to September 10, 1952, the date on which you informed us that work was suspended. Disallowances for supervision, bookkeeping, and pump rental in the closing out period of the contract, (that is, following the September 10, 1952 date), were made because the only costs chargeable to the contract during this time are those direct charges involved in the disposal of the equipment in which the Government has an equity and the direct charges incident to the preparation of the final report. You state that pump rental was necessary to keep the mine clear of water until the survey required by the Government for the final report on the project was completed. It was our understanding that surveying was being kept up to date as work progressed. However, assuming some surveying remained to be done, pump rental was allowed for the entire month of September although contract work ceased on September 10. It was the October pump rental that was disallowed, and it is our belief that between September 10 and October 1, there was more than ample time to have surveyed the work done under the contract. As a matter of fact, when the property was visited on September 23rd by our field examiners, they found that all the work was being devoted to placing mine timbers, removing equipment, and in general preparing the mine for a shutdown. This cannot be classed as exploration work, and there would be no basis for Government participation for the cost of such work. As a matter of fact, I believe that the September 23rd visit was the first inkling that we had that you intended to cease exploration work.

In regard to the deletion of the bookkeeping costs for the months of October, November, and December, these were disallowed because the contract was not active during these months. We have recommended part-time payment for a bookkeeper's salary to close out the project accounts. We feel that we have bent over backwards to allow half salary for this time for certainly there does not appear to have been enough contract business during these three months to necessitate a full-time bookkeeper. The only business going on was in connection with the disposal of the equipment and the preparation of the final report.

As you state, $50.00 was disallowed during the month of October for supervision. This was made because Mr. Hull, our auditor, was informed at the time he visited your office that Mr. Criswell had been ill and had been off duty one-half month. Consequently, when Mrs. Clark billed the Government in October for $300.00 instead of $250.00, a disallowance was made. Since you now state that Mr. Criswell worked 18 days rather than 15 days that we had assumed from Mr. Hull's discussion with Mrs. Clark the $50.00 may be reclaimed if you will submit a claim together with a copy of the payroll for this period and the cancelled check to Mr. Criswell or a photostat thereof.

A deletion of $151.89 from the amount charged for transportation was also questioned in your letter. This item was invoiced as a new motor for the truck and you explain that it represents cost of installing a new short block assembly. The Defense Minerals Exploration Administration Contract and Audit Division has ruled that in the case of rented equipment, the usual day to day maintenance and repairs are allowable items of cost, but major overhauls cannot be charged to the contract unless there are

unusual circumstances; presumably it is assumed that the normal depreciation is included in the rental price. In the case of the Bennett Mining Company our auditors have already allowed an item of $2,253.57 for transportation which we consider as very large compared to allowances for transportation for other DMEA projects of similar size and value in this region.

In regard to the deletion for haulage of ore to the mill, it is true that in your discussions with Weissenborn and Erickson before the contract was signed, the statement was made that we thought that some allowance might be made on this account for the reason that there was no practical dumping place at the mine from which the ore could later be recovered. This statement, however, was made early in the program before policies had fully crystallized and also without realization that the haulage contemplated was in the neighborhood of 3 miles. Furthermore, since no effort has been made to dispose of this ore, there has been no benefit to the Government from stockpiling it, at least to date. However, you can receive some compensation for the transportation expense for should you sell the ore, the costs of haulage can be deducted from the net return before payment of royalty. Transportation has been figured on a basis of $0.39 cents a ton, resulting in a deduction of $327.60. Inasmuch as the Field Team has been generous in authorizing expenditures for transportation expenses, including tires, resulting at least in part from hauling ore, and since the amount of the deduction for ore haulage is not large, we do not feel that you have been treated unfairly in this respect.

In regard to the mine inspection fee of $5.00 our auditors deleted this because they assumed that it was classed as overhead and in the same category as taxes, etc., which are not allowable costs under the contract. We have since been informed by the Contract and Audit Division that this item can be approved, and if you will submit a claim, it can be paid.

The item of $40.80 for travel expenses was disallowed because it had not been satisfactorily explained at the time your books were audited. The explanation and breakdown you have given in your letter of March 12 is considered adequate and this item may be reclaimed.

We trust that this letter will explain satisfactorily the reasons for the deletions. We feel that we have done our best to see that you received full payment under the contract, and will be glad to reconsider the items which we have stated in the above could be reclaimed. This may be done merely by writing a letter referring to this letter and requesting that they be reconsidered. With the inclusion of these items, we believe that we will have made as much payment as it is within our delegated authority to make. Any further claims that you might make would have to be forwarded to our Washington office who judging from experience on other contracts might well prove more strict in their interpretation of the terms of the contract than the Field Team has been. We sincerely hope that this explanation will satisfy you as we have been quite pleased with the results of the exploration and would regret to see a controversy

develop over what is essentially a rather small amount compared to the size of the contract and the potential value of the discovery that was made.

In reply to your second letter inquiring about a bill of sale for the items of equipment and supply the DMEA equity in which you are purchasing, this is to advise you that an appropriate document will be forwarded to you as soon as the final settlement of the contract is made to the mutual satisfaction of all concerned.

By Field Team, Region II

A. E. Weissenborn, Executive Officer
(U. S. Geological Survey)

M. S. Volin, Member
(U. S. Bureau of Mines)

cc: DMEA (2) w/2 cy incoming ltr.
USBM (2) w/1 cy incoming ltr.
Auditor Hull w/1 cy incoming ltr.
Certifying Officer

COPY

COPY
MINES: NEIHART, MONTANA

BENNETT MINING COMPANY
CORNER NINTH STREET AND FIRST AVENUE SOUTH
BOX 1135 PHONE 4361
GREAT FALLS, MONTANA March 12, 1953

Mr. A. L. Weissenborn, Exec Officer
U S Geological Survey
South 157 Howard Street
Spokane, Washington

Docket No. DNEA 129
Contract Idm - E81
Final Payment

Mr. M. E. Volin
U S Bureau of Mines
#1201 North Division Street
Spokane, Washington

Gentlemen -

Reply to your letter of February 9th has been delayed due to my absence the past few weeks attending the National Auto Dealers Convention in San Francisco, as well as taking care of numerous matters out on the West Coast.

It would appear the deletions made were arrived at after consultation "with the various engineers engaged on this project". No specific names were given but the only engineers with whom we came in contact and whom we can recall were Mr. Erickson, Mr. Quinlan, Mr. Anderson and Mr. Klepper.

We are taking exception to some of the deletions made in the final payment under this contract.

We will begin, first, with the deletion of $5.00 which covered a mine inspection. This was an inspection by a State mine inspector, which is required annually of all working properties under our Montana laws at a specified fee. It was an expense that was not voluntarily incurred by us and one over which we had no control whatsoever. Had the fee not been paid the mining operations would have been closed down. Would this have been justified for the expense of the $5.00 involved? Would you, as a partner, have wanted this done? We cannot believe you would.

Second. The item of $6.50 for stamps. This is the only stamp charge ever made by the Company, during all the months of carrying on the business. This is a small item and we ourselves have reimbursed Mr. Criswell and Mrs. Clarke for the stamps which were purchased by them personally on account of Company business. Mrs. Clarke's expenditure was made principally for the postage required for the mailing out of the withholding tax exemption certificates to the employees at the end of the year and the postage required for the mailing of the final report and vouchers to the Spokane office in December, which amounted to 69¢.

Third. This covers $40.80 disallowed for travel expense. Nothing more specific was given to us but as far as we can determine it covers items of -

$18.59		
14.00		
8.21	totaling	$40.80

Now here is a break-down of these items:

The charge of $18.59 covers expenses of a trip to Helena made in August 1951 for the sole purpose of buying mine cars, pipe and rail for the mine:

Meals	$ 6.25	
Hotel	2.00	
Phone calls	1.80	
Gasoline	8.54	$18.59

The charge of $14.00 covers expense of a trip to Butte April 8th and 9th for the purpose of pump repairs and purchase of a pump:

Meals	$ 3.60	
Hotel	2.10	
Gas	8.30	$14.00

And the charge of $8.21 covers a trip to Boulder on May 10, 1952, for the purpose of lining up some shaft men if possible:

Meals	$ 2.35	
Telephone	1.50	
Gasoline	3.96	
1 Qt Oil	.40	$ 8.21

And incidentally four trips were made between Neihart and White Sulphur Springs to accommodate these shaft men, for which no charge was ever made to the Government.

These trips were necessary for the purpose of expediting the business at hand, which was this project, of which the Government was supposedly a 50% partner. We don't believe when these trips are detailed they could come under the category of travel expense but be classified as a very necessary business expense.

Then, next, the $327.60 item. We do not know how this figure was arrived at to cover the estimated cost of hauling the ore from the mine to the mill but we do know, Mr. Weissenborn, it was agreed to and acquiesed to by you and Mr. Erickson and Mrs. Clarke and myself the day we were in the Spokane office, on June 22nd, 1951, that the ore encountered in the exploration work under the contract should be hauled from the mine and stockpiled down at the mill and the Chev truck rented from Bennett Pontiac Motors should also be used for this purpose, the cost thereof to be charged against the project. If this is not a just and allowable charge, we are willing to forego it provided the Government will relinquish their interest in this stockpile since its accumulation was the

cause of these charges being incurred. Had the ore not been hauled it would have had to be thrown over the dump up at the mine and never recovered. We all agreed at the time this was not the proper procedure. You, Mr. Weissenborn, will no doubt recall this conversation now that it has been brought to your attention; Mr. Erickson likewise when reminded of it.

Now the $151.89 for motor repairs for a rented truck. The charge represents also the cost of installation of a new short block assembly. The truck was rented for a monthly rental but was to be maintained by the project. Therefore when a truck, under these circumstances, breaks down what recourse is there but to repair it if you want to continue using it; and if the repairs consist of a new short block assembly it has to be put in when the old block is not repairable. The owner delivered the truck to Neihart at his own expense and turned it over to the project. This is a transportation expense, tho regretted, and should be paid for.

The $80.00 rental for the truck for October 1952. We have looked into this and find the charge should not have been made; that the jeep did all the necessary transportation work during October. This is a correct deletion.

The $66.67 rental for a sump pump. It was necessary to keep this pump in operation until the survey, demanded and required by the Government, was finished. You are correct in saying the Government had an equity in a sump pump which was purchased for the project but this sump pump was definitely inadequate to handle the flow of the water which was encountered, resulting in the necessity of renting a larger pump. We can secure from Mr. Criswell, manager of the mine, an affidavit as to the necessity of using this pump.

The 60¢ for the mathematical error. We do not know just where this occurred but we will grant this OK.

Now the $300.00 deletion for bookkeeping for October, November and December 1952 whereas our charge was $600.00. Just why this deletion? Mrs. Clarke, tho contract was in termination stage, was on the job; really was on the job until your check purported to be in final payment was received on January 31st, 1953, when checks were made out in payment of all pending bills. The final audit was made on October 31, 1952, and it was not until January 31, 1953, that your check was received. It was necessary to retain Mrs. Clarke on the job to do all the miscellaneous clean-up work, social security tax reports, withholding tax reports, unemployment compensation reports, the final vouchers which covered the months of September, October, November and December, 1952. You can easily refer to these and they will give you the activities of those months, along with taking care of the advertising of the mining equipment for sale and its resultant inquiries. Would it not have been the proper thing to do, if her salary was to have been reduced, to have been so told by Mr. Anderson, the engineer who accompanied Mr. Hull when the final audit was made. Our contract with the Government agrees to a salary of $200.00 a month for the bookkeeper; nothing is stipulated about a reduction during the termination stage of the project. Mrs. Clarke was greatly inconvenienced by the delay in the final closing of the contract and was on the job only because she was needed and in so doing was taking care of your end of the partnership as well as Bennett Mining Company. Were you not interested as a Government representative in having the right kind of a job done and expecting to pay your share of the expense involved.

Now the last and final depletion of $50.00 disallowed for supervision. You state the "supervisor was off one-half month altho the project was charged $300.00 instead of $250.00 for that month". The supervisor Mr. Criswell was not off half a month but was off 4 days while in the hospital and altho sick and not feeling well for eight days previous to this was actually on the job. We have obtained an affidavit from Mr. Criswell to this effect and the affidavit has been duly acknowledged before a Notary Public. Who gave the information Mr. Criswell was off half a month; why were our figures disputed on this any more than the figures which pertained to any of the other employees whose names appeared on the same payroll. As a matter of fact Mr. Criswell was not off for more than 4 days although we will say his efficiency was impaired for eight more days; the only time he was really off the job was the time spent here in the hospital in Great Falls. He entered the hospital on a Friday nite about 9 P.M.(having been brot in by his wife from Neihart) and was released Monday noon, returning to Neihart the same day.

Now, Mr. Weissenborn and Mr. Volin, these are the true pertinent facts relating to all these deletions and we would like you to go over them carefully together and then take the matter up with Mr. Hindman, the Certifying Officer, and inform him of the facts.

Thanks very much for your time and attention to this. We will look forward to hearing from you.

With best regards to both of you, we are

Yours truly

Bennett Mining Company

By /s/ CARROLL R. BENNETT

Carroll R. Bennett
P O Box 1135
Great Falls, Montana

FILE COPY
SURNAME:

800

Tacket
Chandler

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

APR 1 1953

BW

Mr. Robert M. Hull
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: DMEA-129, Idm-181
Bennett Mining Company

Dear Bob:

Receipt is acknowledged of your letter of March 27, 1953, in which you request advice as to the propriety of certain disallowances made by you in the audit of the referenced project.

After reviewing the contract and your final Audit Report, in conjunction with the additional information contained in your letter, I have arrived at the following conclusions:

1. The State's charge of $5.00 for a mine inspection, since such is a requirement of the State of Montana under its compensation insurance regulations, is definitely an allowable cost of the project;

2. The Operator's travel in the amount of $40.80 should be allowed only upon the Field Team's determination that the charge is in fact a necessary, reasonable direct cost of the project (See Question and Answer No. 1, Supplement No. 1 to DMEA Circular 19);

3. The policy of the Administration (as stated in Operating Committee's letter of December 15, 1952, to Executive Officer, Region IV, with copies to all Regional Executive Officers) is that the amounts indicated in contracts for Supervision "represent maximum salaries for full time services"; therefore, the disallowance of $50.00 for excess charges for supervision appears to be in order; and

4. The charge of $200.00 per month for bookkeeping services during the three months after the termination of the project does not appear to be reasonable within the terms of the contract; therefore, I agree that your disallowance of $100.00 per month is justified.

Since you indicate that the Field Team is replying to the Operator's protest to your audit exceptions, I do not believe the case should be reopened unless the Operator makes further claim. In the event of such further claim, and a determination by you and Mr. Weissenborn that an additional amount is in fact allowable, you should prepare a revised Audit Report and Audit Certificate. The certifying officer may then certify payment on a standard voucher form supported by the Operator's letter and your revised Audit Certificate. A supplemental MF-104 is not required, since the Operator's previously claimed total costs of $89,324.61 included the disallowances he is reclaiming.

Sincerely yours,

(Signed) J. L. Chambers
Jay L. Chambers, Chief
Contract Administration
and Audit Division

S.N.
4/1/53

EDTalbert/wb
March 31, 1953

Copy to: Docket
Admr. Reading File
Mr. Griswold
Mr. Chambers

MINES: NEIHART, MONTANA

BENNETT MINING COMPANY

CORNER NINTH STREET AND FIRST AVENUE SOUTH

BOX 1135 PHONE 4361

GREAT FALLS, MONTANA

March 31, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 3 1953

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
U.S.Department of the Interior
Washington 25, D. C.

Re: Docket No.DMEA-129 (Lead-Zinc)
Bennett Mining Company
Dacotah Mine
Cascade County, Montana
Contract No. Idm-E81

Dear Mr. Mittendorf -

Replying to your letter of March 16th, wherein you enclosed a Certificate of Discovery under Contract No. Idm-E81.

We thank you for the information contained therein as it has answered a question which has been in our mind as to how this would be handled.

Please be assured we shall be governed in accordance with your instructions.

Yours truly

Bennett Mining Company

By Carroll R. Bennett

Carroll R. Bennett
P O Box #1135
Great Falls, Montana

FILE COPY
SURNAME:

500

Griswold
Chamberlin
Agtgee
Hoffman
F. Johnson
Hedges
Pintell
Selfridge

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

Mr. Howard I. Young, Deputy Administrator
Defense Materials Procurement Agency
General Services Administration Building
Washington 25, D. C.

MAR 16 1953

Re: Docket No. DMA-129 (Lead-Zinc)
Bennett Mining Company
Dacotah Mine
Cascade County, Montana
Contract No. Idm-81

J.C. 3/16/53

My dear Mr. Young:

Enclosed is a copy of a "Certification of Discovery" on the property of the above-named project. The Field Team's final report will be sent to you when it is received.

The contract was signed July 1, 1951, the Government participating to the extent of 50 percent in an exploration project estimated to cost $100,000.00. The total expenditure approved by the DMA auditors was $85,392.55, the Government's share being $42,696.27. Work accomplished consisted of 563 feet of drifting, 200 feet of crosscutting, 137 feet of sinking a winze, plus a certain amount of rehabilitation work and cutting out for winze stations.

The final report of the Operator indicates that 3 ore zones were encountered, one showing a grade of 11.5 percent lead and 12 percent zinc, one a grade of 1.7 percent lead and 12.5 percent zinc, and one a grade of 8 percent combined lead and zinc values.

Ore lengths and volumes are indeterminate in that drifting was inadequate to effect any delineation. Presumably the ore occurs as intermittent and erratic lenses along the course of the vein and a large tonnage could hardly be expected.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

Enclosure

WRGriswold/hmj
(3-10-53)
CC to: Docket
Cont. Ad. & Audit.
Region II (2)
Base Metals Div.
Adm. R. File
Op. Committee
Mr. Hedges, Rm. 4604
Mr. Thayer, Rm 5216
Mr. F. E. Johnson
Mr. Griswold
Mr. Murkland
Chron.

500

FILE COPY
SURNAME:

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

Chamberlin
Oatman
Hoffman
Hoffman
Rodgers
Lyttrel
Selfridge

Mr. C. [illegible] Bennett, President
Bennett Mining Company
[illegible]irst Avenue, [illegible]outh and Ninth Street
Great Falls, Montana

MAR 1 6 1953

Re: Docket No. DMEA-129 (Lead-Zinc)
Bennett Mining Company
Dacotah Mine
Cascade County, Montana
Contract No. Idm-581

Dear Mr. Bennett:

Enclosed herewith is a Certificate of Discovery under Contract No. Idm-581 on the Dacotah mine.

By the terms of the Exploration Project Contract and of the certification, all lead and zinc produced from the aforesaid mine is subject to the Government's percentage royalty as set forth in the said contract until the sum which the Government has advanced as its participating interest has been repaid or until ten years from the date of the contract has elapsed.

Payments should be made to:

Mr. [illegible] Weissenborn, Executive Officer
[illegible] Field Team, Region II
[illegible]outh 157 Howard Street
[illegible]pokane 2, Washington

Checks should be made payable to the Treasurer of the United States. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check 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 lead and zinc product sold, the name of the purchaser, the price and charges, certified to be correct by the purchaser.

You are requested to notify Mr. Weissenborn of any changes

of ownership or production rights, or if production, which may have been discontinued for an extended period, should be resumed.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures

J. C. 3/16/53

WRGriswold/hmj
3-3-53
CC to: Docket
Cont. Adm. & Audit Div
Region IV (2)
Finance Office
Base Metals
Admr. Reading File
Op. Committee
Mr. Hedges
Mr. Thayer
Mr. F. E. Johnson
Mr. Murkland
Mr. Hofflund
Mr. Howard I. Young, Dep. Adm. GSA
Chron.

Docket

FILE COPY
SURNAME:

500
Chandler
Hoffman

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

MAR 16 1954

Memorandum

To: The Administrator

From: Chief, Base Metals Division

Subject: Certification of Discovery or Development (Lead-Zinc) Docket No. DMA-129, Contract No. Idm-281, Bennett Mining Co., Dacotah Mine, Cascade County, Montana.

The initial exploration project contract was executed July 23, 1951, with a total estimated cost of the project of $100,000.00. Six subsequent amendments did not change the above total amount.

We are advised by the field that work has been stopped on the project by mutual consent as of January 19, 1953. The final audit report shows that the total net project cost (after crediting sale of equipment) as approved by DMA auditors, was $85,392.55, of which the Government's contribution was $42,696.27.

Work accomplished amounted to 563 feet of drifting, 200 feet of crosscutting, 137 feet of sinking of winze, plus a certain amount of rehabilitation work and cutting out for winze stations.

The final report of the Operator (which the Field Team considers to be satisfactory) states that on the 400 level a short lense of ore, 37 feet in length and averaging 4 feet in width, was encountered with a grade of 5 ounces of silver, 11.5 percent lead and 12 percent zinc. After subsequent drifting in barren vein for 363 feet ore was again encountered. The last 40 feet of this 400 level drift was in an ore grade of 8 percent combined lead and zinc, with the drift face still in ore.

Additional work from the bottom of a winze, on the 500 level, showed an ore length of 90 feet, with an average vein width of 2.2 feet and an average assay of 2.2 ounces of silver, 1.7 percent lead and 12.5 percent of zinc. This drift face was also in ore when work was stopped.

After termination of the above work the Operator closed down his operation due to a heavy flow of water from the 500 level and probably due to the intermediate grade of the ore encountered.

It would be futile at this time to present an estimate of ore tonnage delineated. Obviously the ore bodies occur only intermittently along the course of this vein. Nevertheless the fact that 3 ore zones were encountered, and that both the 400 and 500 level headings were stopped in ore, renders certification advisable. The chances of additional ore being developed, upon further work, would be considered as being good.

W. R. Griswold

WRGriswold/hmj
(2-26-53)
CC to: Docket
Adm Reading File
Operating Committee
Cont. Adm. & Audit Div
Region IV (2)
Finance Office
Base Metals Div.
Mr. Hedges
Mr. Thayer
Mr. F. E. Johnson
Mr. Murkland
Mr. Hofflund
Mr. Howard I. Young, Deputy Adm. GSA Bldg
Mr. W. R. Griswold
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

March 10, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 17 1953

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

Re: Docket No. DMEA-129X (lead-zinc)
Bennett Mining Company
Dacotah Mine
Neihart Mining District
Cascade County, Montana
Contract Idm-E81 (Completed)

Dear Mr. Selfridge:

Enclosed are the original and three copies of the final Field Team report on the Bennett Mining Company contract prepared by M. R. Klepper and W. S. Anderson. A final audit of the account has been made and final settlement has also been made. An Operator's final report and audit certificate dated January 30 has been forwarded to the Contract Administration and Audit Division, Washington. The Operator's final report was sent to you on January 30. Please note that Klepper and Anderson recommend a certification of a discovery; the Field Team concurs in this recommendation.

By Field Team, Region II

A. E. Weissenborn

A. E. Weissenborn, Exec. Officer
(Geological Survey)

M. E. Volin

M. E. Volin, Member
(Bureau of Mines)

cc: USBM (2)
Klepper

Reviewed by
DMEA OPERATING COMMITTEE

3-20-53
(date)

FINAL F.T. Rpt.

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM, REGION II

FINAL REPORT

Contract Idm-E81

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 17 1953

By

M. R. Klepper
Geologist
U. S. Geological Survey

W. S. Anderson
Mining Engineer
U. S. Bureau of Mines

BENNETT MINING COMPANY

Great Falls, Montana

Docket No.	DMEA-129X
Commodity	Lead-Zinc
Date of Contract	July 23, 1951
Termination Date	September 10, 1952

DACOTAH MINE
Neihart Mining District
Cascade County, Montana

Reviewed by
DMEA OPERATING COMMITTEE
3-20-53
(date)

Spokane, Washington

January 1953

FINAL REPORT

BENNETT MINING COMPANY
Dacotah Mine, Neihart Mining District
Cascade County, Montana

Contract Idm-E81

* * * * * * *

SUMMARY AND CONCLUSIONS

On July 23, 1951, a contract for exploration in the Dacotah mine was granted to the Bennett Mining Company. This contract was terminated at the request of the Operator on September 10, 1952, after approximately 40 percent of the stipulated work had been completed.

Exploration work completed under the contract included 563 feet of drifting, 199.5 feet of crosscutting and 138.5 feet of winzing (see attached map).

Work since September 10, 1952, part of which is reimburseable under the contract, consisted of removing equipment, installing drift sets, bracing timbers, and mapping the workings.

The work partially outlined an ore body that is estimated to contain 2,400 tons of indicated ore above the 500 level and 1,500 tons of inferred ore to a depth of 50 feet below the 500 level. The indicated ore averages 2.25 feet thick with 2.0 ounces silver, 2.6 percent lead and 11.9 percent zinc; the inferred ore averages 2.2 feet thick with 2.0 ounces silver, 2.1 percent lead, and 14.1 percent zinc. An extension of the main ore body above the 400 level is inferred to contain 1,250 tons of ore that averages 3.8 feet thick with 3.5 ounces silver, 6.2 percent lead, and 10.0 percent zinc.

All exploration faces were in ore when work under the contract terminated.

It is regrettable that the Operator was financially unable to continue with the contract for work accomplished suggests that, had it been possible to complete all of the work authorized, a few tens of thousands of tons of ore might have been outlined in bodies 2 to 4 feet thick and containing 2 to 4 ounces silver, 2 to 6 percent lead, and 5 to 14 percent zinc.

RECOMMENDATIONS

It is recommended that a discovery be certified with the Government entitled to royalties from future production.

The property warrants additional exploration and development, but the Operator does not wish to expend further funds for exploration at the present time. Further work should consist of completing the raising, drifting, and winzing specified in the subject contract.

LOCATION AND OWNERSHIP

The Dacotah mine is in the Neihart Mining district, Cascade County, Montana, about $1\frac{1}{2}$ miles by road northeast of the town of Neihart. The mine, comprising the Dacotah (Lot No. 2224), Gilpin (Lot No. 53), and Sam Savage (Lot No. 5595) lode mining claims, is owned by Frances A. Clarke and Josephine A. Bennett of Great Falls, Montana, and is leased to the Bennett Mining Company of Great Falls.

HISTORY AND PAST PRODUCTION

The Dacotah mine was located in 1883 and has been operated intermittently since that time. No record of production prior to 1924 is available. From 1924 to 1949, 39,000 tons of ore were mined and milled from which was recovered 3,500,000 pounds of zinc, 1,400,000 pounds of lead, a significant amount of silver, and a little gold and copper.

GEOLOGY

The Dacotah mine explores a northeast-trending vein in metamorphosed pre-Cambrian igneous rocks that are collectively called the Pinto diorite (Schafer, Paul A., Geology and ore deposits of the Neihart Mining District, Montana Bureau of Mines and Geology, Mem. 13, p. 9, 1935). Two principal facies were recognized by Schafer, one a spotted porphyritic-looking rock and the other a dark green to black, fine- to medium-grained amphibolite. These facies are also the principal types of wall rock in the Dacotah mine. The relation between these rock types is complex. It was Schafer's opinion that the amphibolite is a border facies of the porphyritic diorite which intrudes earlier gneisses and schists. The intimate relation between these rock types is indicated on the attached geologic maps of the Dacotah mine.

Ore in the Dacotah mine is localized along a fissure vein that trends north to N. 30° E. and dips 45°-70° to the west. Typically, the main fissure is from 1 to 6 feet thick, averaging perhaps 3 or 4 feet thick and is bordered by intensely altered Pinto diorite; in two or three places it splits into two or more subparallel fissures and, with the enclosed highly altered wall rock, attains a thickness of 20 to 25 feet. Typically, the footwall rock appears to be more intensely altered for a greater distance from the vein than the hanging

wall rock. The vein consists of crushed rock, gouge, heavily altered sulfide-impregnated wall rock, and stringers and veins of pyrite, argentiferous galena, sphalerite, rare chalcopyrite, and in places quartz and calcite or a manganese carbonate.

The vein has been explored on four levels for a strike length of at least 750 feet and over a vertical range of about 450 feet. The vein as a distinct unit appears to terminate southward at a pre-mineral shear zone that strikes about N. 45° E. and dips 35°-40° NW. The north limit has not been determined.

Existing maps indicate that a single major ore shoot has been mined. This ore shoot terminates southward against the above mentioned shear zone, and its keel rakes 30°-35° northward. The north end of this ore shoot is not so clearly defined and may be more irregular (see longitudinal projection). Judging from company assay maps, the values in the vein on the 200 level gradually decrease northward, whereas on the 400 level they decrease abruptly at a split in the vein.

Prior to the present DMEA contract the vein had been explored for 450 feet on the 100 level, for 750 feet on the 200 level, and for 350 feet on the 400 level (see composite map of workings). Between 50 percent and 75 percent of the explored length of vein above each level was stoped (see longitudinal projection). Neither the 100 nor the 200 levels had been driven more than 200 feet northward beyond the limit of the main ore shoot, and it was uncertain whether the 400 level had yet been driven beyond the north limit of this ore shoot.

DMEA EXPLORATION

Work Authorized

DMEA contract Idm-E81, signed on July 23, 1951, authorized Government participation in the following work in the Dacotah mine:

1. Drifting 800 feet northward on the 400 level.
2. Raising 165 feet from this drift to the 200 level.
3. Drifting 300 feet on the 200 level.
4. Raising 250 feet from the 200 level.
5. Sinking a winze 250 feet from the new drift on the 400 level.
6. Drifting 400 feet off this winze at an elevation 200 feet below the 400 level.

The two principal objectives of this work were:

(1) To determine the north limit of the main ore shoot on the 400 level and to explore it at a depth 200 feet below the 400 level, and

(2) To attempt to define other ore shoots, on and above the 400 level, whose presences were suggested by outcrops and near-surface workings.

Details of Work Accomplished

Under the contract 573.5 feet of workings were driven on the 400 level of which approximately 420 feet were on the Dacotah vein; a vertical winze was sunk to a depth of 138.5 feet; and at a depth of 114 feet in this winze a crosscut was driven to the vein (approximately 97 feet including one caved heading) and a drift was driven southward along the vein (92 feet).

400 Level Drift:

The 400 level drift is timbered 5 by 7 feet in the clear with 5-foot sets and is lagged its full length with 2-inch planking on back and walls. The drift was driven northward for a distance of 489 feet; about 30 feet of the drift was lost by a cave and 72 feet of workings were driven off the vein in order to bypass this cave. The face at the termination of the contract was at USBM 29 + 471 feet. The vein averaged one to two feet in width and contained only sparsely disseminated sulfides of iron, lead, and zinc for much of the explored length (see assay map). The enclosing wall rock is Pinto diorite. From USBM 29 (starting point of contract) + 215 to USBM 29 + 245, an ore zone was encountered that averaged 2.6 feet in width and contained 2.3 ounces of silver per ton, 4.1 percent lead and 5.3 percent zinc. Another zone from USBM 29 + 427 to USBM 29 + 471 (present face) averaged 2.2 feet in width and assayed 2.4 ounces silver per ton, 6.4 percent lead and 5.3 percent zinc (see assay map).

Winze

Pertinent data concerning the winze is as follows:

Excavation cross section 7-1/2' x 11'.

Hoisting compartment 4' x 5' in clear.

Service compartment 3' x 5' in clear.

3" x 8" timbers for set - 4'4" centers.

138.5 feet in depth, timbered for top 114 feet.

500 level is 114 feet below 400 level.

500 Level - Crosscut and Drift:

A crosscut was driven northwest from the winze for a distance of 53 feet but the last 8 feet of advance was lost by a cave. At the 45-foot point the crosscut was then turned southwest and was driven an additional 44 feet to intercept the vein. The vein was followed for a strike length of 92 feet and in this interval averaged 2.2 feet in width and contained 1.7 ounces per ton of silver, 2.0 percent lead, and 14.4 percent zinc. The crosscut and drift were driven 5 by 7 feet timbered section, and 2 inch lagging was required on the back and walls for the full length.

Concurrent with drifting advance channel samples were cut by the Operator at intervals of 5 to 10 feet. An assay plan prepared from information supplied by the Operator is shown on one of the maps attached.

Results of Work

The initial work, starting at USBM tag No. 29, and work done immediately prior to the start of the contract exposed a 50-foot length of vein on the 400 level that averaged 3.8 feet thick and contained 3.5 ounces silver, 6.2 percent lead, and 10.0 percent zinc.

As mentioned above, two other intervals of ore were disclosed by the DMEA drifting on this level, one from 215 to 245 feet north of the starting point and the other in the northernmost 34 feet of the drift. The southern ore intercept averaged 2.6 feet thick and contained 2.3 ounces silver, 4.1 percent lead, and 5.3 percent zinc; the northern ore intercept 2.2 feet thick and contained 2.4 ounces silver, 6.4 percent lead, and 5.3 percent zinc. The southern intercept may be a portion of the main ore body on the north side of a horse of very low-grade ore or waste (see longitudinal projection); the northern intercept is believed to be part of an ore body that had not heretofore been explored, except possibly in inaccessible near-surface workings.

The drift on the 500 level is in ore for the entire length of 92 feet, and ore is exposed in both headings. This ore averages 2.2 feet thick and contains 1.7 ounces silver, 2.0 percent lead, and 14.4 percent zinc. It is believed that the ore on this level is continuous with the 30-foot intercept of ore on the 400 level.

Production During Exploration

During the present program approximately 800 tons of ore were recovered from exploratory drifting, hauled to the Dacotah Mill, and stock-piled. The Operator estimates that this exploration ore averages about 10 percent zinc, 3 percent lead, and 2 or 3 ounces of silver per ton.

Ore Reserve

Because the Operator was unable to complete more than about 40 percent of the work scheduled, the amount of ore disclosed was considerably less than had been anticipated.

Two blocks of ore are considered to have been adequately outlined by the DMEA work to permit a reasonable estimate of tonnage. The block at the south end of the DMEA work is about 50 feet long and averages 3.8 feet thick on the 400 level. The block is assumed to extend 50 feet above the level and to have about the same rake as the keel of the main ore body. It is inferred to contain about 1,250 tons of ore that averages 3.5 ounces silver, 6.2 percent lead, and 10.0 percent zinc and that contains about 4,375 ounces of silver, 155,000 pounds of lead, and 250,000 pounds of zinc.

The block in the central part of the area explored is estimated to extend from 50 feet vertically beneath the 500 level to a point 35 feet above the 400 level and to contain the following:

	Ore Tons	Thickness Feet	Silver Oz.Avg.	Oz.Total	Lead Percent Avg.	lbs.	Zinc Percent Avg.	lbs.
Indicated	2,400	2.25	2.0	4,800	2.6	124,800	11.9	571,200
Inferred	1,500	2.2	2.0	3,000	2.1	63,000	14.1	423,000
Total	3,900			7,800		187,800		994,200

The ore intersected in the northernmost 40 feet of the 400 level may be part of a significant shoot, but the geologic information is too meager to justify any calculation of reserve.

The 500 level was not extended southward far enough to test the downward extension of the principal part of the main ore shoot, which potentially could contain 10,000 to 15,000 tons of ore.

Expenditures

As only 40 percent of the total work proposed under the contract was completed with an expenditure of 85.9 percent of the funds, it is evident that costs were much higher than anticipated as is shown by the following tabulation:

479 feet of drifting--400 level (30 feet of 479 feet lost by cave) Cost at $64.01/foot	$30,660.79
94.5 feet of crosscutting--400 level at $39.16/foot	3,700.00
138.5 feet of winze at $186.23/foot	25,792.86

189 feet of drifting and crosscutting on 500 level at $64.08/foot	12,111.12
Rehabilitation of 400 level	4,998.00
Operating equipment purchased	6,773.53
Enlarging for winze station	2,723.78
Total cost to August 31, 1952	$86,760.08
Estimated costs from August 31, 1952, to October 31, 1952	3,645.05
Total to October 31, 1952	$90,405.13
Sale of equipment in which Government has an equity	2,550.00
Approximate total cost	$87,855.13

Factors which contributed to these excessively high costs are listed below:

1. Inability of the Operator to obtain and keep an experienced labor force.

2. One hundred percent timbering was required in all drifts and most crosscuts, and no allowance was made in the contract for timber.

3. Continued sloughing of the back and walls required timber to the face after every round.

4. Additional labor required to maintain roads during winter months.

5. Costs of hauling ore from mine to mill site in Neihart, Montana, were included in exploration costs; these should be deleted from the final payment. This cost is estimated at $327.60 as shown in the following calculations. The cost of $6\frac{1}{2}$ cents per ton-mile was obtained by averaging actual haulage costs of companies operating in the region.

Assume:

630 cars, 20 cu. ft. per car;
15 cu. ft. per ton of broken ore.

$\frac{630 \times 20}{15}$ 840 tons of ore.

Truck hauls 5 tons per trip

$\frac{840}{5}$ 168 trips

30 ton-miles per trip at $6\frac{1}{2}$ cents per ton-mile

30 at $6\frac{1}{2}$ $1.95 per trip

168 x $1.95 $327.60 - cost of ore haulage

Recapitulation of Expenditures

Total approved	$100,000.00
Total estimated cost $87,855.13 less $2000.00 return from sale of supplies and deletions for ore haulage, and other items not allowed.	$85,855.13*
Government's share of costs @ 50%	$42,927.56*
Government's share unexpended	$ 7,072.43*

* Approximate. May be changed by final audit

Equipment Purchased for Project

Equipment purchased for use on the project with the original cost and present estimated value of each item is listed below:

	Orig. Cost	Est. Value
4 Mine cars, 20 cu. ft. capacity, 18" gauge; cost FOB Neihart Purchased (used) from Montana Rainbow Mining Company, Marysville, Montana, in July 1951.	$ 331.40	$ 200.00
1 Tramaire, Universal, 18" gauge, 6 HP 50 cu. ft. receiver, MEH 3684, cost FOB Neihart. Model S.P. Serial 361 Purchased (new) from Miller Machinery Company, Missoula, Montana, August 1951	1,862.04	800.00
1 Mucking machine, Eimco Model 12B, 18" gauge; Serial 6097; cost FOB Neihart Purchased (new) from Miller Machinery Company, Missoula, Montana, August 1951	3,059.07	1,450.00

		Orig. Cost	Est. Value
1	Tungar charger 6 RB, 3382#, 90 volts DC, 60 cycles. Cost September 1951 Purchased (used) from Mine Safety Appliances Company, through agent, H. H. McMillen, 2419 Princeton Avenue, Butte, Montana	$ 50.37	$ 25.00
1	Sinker Drill, Gardner-Denver Company, Butte, Montana; S55W - Model 1308. Wet hand held sinker drill complete with 7/8" Hex Chuck, Serial 159900. Purchased January 1952	365.00	100.00
1	Lamb air mover, 3" Model 1501, Serial 2120563. Purchased from Mine Safety Appliances Company, January 1952; cost FOB Neihart	55.65	25.00
1	Sump pump, Gardner-Denver, complete with exhaust, hose connections and VP4-71; discharge hose adapter; Serial 170807, Model V.P. 4. Purchased February 1952	55.65	25.00
1	Ingersoll-Rand 25 Sump pump, #30811 (13-51-361). Purchased April 1952	305.00	100.00
1	Mine skip purchased (used) January 1952 from Montana Rainbow Mining Company, Marysville, FOB Neihart; no salvage value; skip demolished in accident	65.00	5.00
1	Mine skip purchased April 1952 (used) from Montana Rainbow Mining Company, Marysville; FOB Neihart No salvage value - in scrap heap	75.00	5.00
1	Ingersoll-Rand air hoist; purchased (used) January 1952 from C. L. Hewitt, Helena (Swansea Mines) Serial A-7074	300.00	200.00
	Total	$6,773.53	$2,950.00

This equipment was advertised for sale in the Great Falls Tribune on Sunday, October 26, and Monday, October 27, 1952; the Butte Daily Post on Saturday, October 25, 1952; and the Independent Record, Helena, Montana, on Sunday, October 26, 1952.

Also, letters were written to equipment companies asking if they would be interested in purchasing the equipment.

The Miller Machinery Company, Missoula, Montana, advised the Bennett Mining Company that they would accept the equipment on a consignment basis. Included on the equipment list is the purchase price of the equipment and the evaluation placed on the equipment by the Miller Machinery Company.

The highest bid received was $2,500.00 by J. H. Greenwood of Spokane, Washington. Consequently, Mr. Carroll R. Bennett of the Bennett Mining Company offered $2,550.00 for the equipment and it is recommended that this offer be accepted.

Unexpended Supplies

Following is a list of supplies purchased for the project and unexpended at the termination of the contract. An estimated value is shown for those items or categories the original cost of which was more than $50.00. Other supplies which are listed but for which no value is shown are of negligible salvage value if they could be disposed of, and it is recommended that the Government's equity be waived.

Supplies

	Value
Pipe	
210 feet 2" pipe, new	$ 71.95
Total	$ 71.95
Explosives	
50 cases 40% Columbia	$ 450.00
1600 blasting caps #6	32.40
Total	$ 482.40
Cable	
500 feet 1/4" cable, new	$ 50.00
160 feet 5/16" cable, used	--------
100 feet 5/8" cable, used	--------
Total	$ 50.00
Wrenches	
1 36" pipe wrench, used	--------
7 24" pipe wrenches, used	--------
1 18" pipe wrench, used	--------
1 18" Crescent wrench, used	--------
2 15" Crescent wrenches, used	--------

Steel and Bits

150	2-1/4" detachable bits, new	$ 90.00
200	Assorted detachable bits, used	---------
6	6-foot 7/8" hex jackhammer, new	$ 47.60
4	2-foot 7/8" hex jackhammer, used	---------
2	4-foot 7/8" hex jackhammer, used	---------
2	2-foot 7/8" hex starters, used	---------
8	66" - 1" quarter octagen, new	$ 64.00
1	44" - 1" quarter octagen, used	---------
6	48" - 1" quarter octagen seconds, used	---------
5	30" - 1" quarter octagen starters, used	---------
	Total	$ 201.60

Pipe Fittings

1	Keg 1" pipe fittings, used	---------
1	Keg 1-1/4" pipe fittings, used	---------
2	Kegs 2" pipe fittings, used	---------
2	Powder boxes 2" pipe fittings, used	---------
1	Set 2" pipe dies, used	$ 25.00
1	Set 3/4" pipe dies, used	$ 8.00
1	Pipe vise, used	$ 7.00
3	Pipe cutters, used	$ 10.00
	Total	$ 50.00

Misc. Supplies

1	Jim Crow, used (rail bender)	$---------
10	Chute bars, used	---------
36	Splice bars, new	---------
11	Picks, used	---------
3	Shovels Sq. Pt. #2, New	---------
17	Round Point Shovels, used	---------
3	#4 scoop shovels, used	---------
2	10# sledge hammers, used	---------
4	5# sledge hammers, used	---------
1	Set 750-16 chains, used	---------
1	Set 825-20 chains, (singles), used	---------
2	Sets 825-20 chains, (duals), used	---------
7	Single bit axes, used	---------
1	100# anvil	---------
1	Box misc. blacksmith tools	---------
7	Pick handles, new	---------
6	Hammer handles (10# hammer), new	---------
7	Axe handles, new	---------
3	Small hammer handles, new	---------
2	Blow torches, used	---------
3	Line oilers, used	---------
1	2" Line manifold, used	---------
1	Slusher block, used	---------
2	Crow bars, used	---------
2	Grease guns, used	---------
11	Timber saws, used	---------
7	Chuck wrenches, used	---------

3/4 Keg track spikes, new	---------
1/2 Keg track bolts, used	---------
2 Blow pipes, used	---------
1 Discharge hose, used	---------

EXPLORATION AND DEVELOPMENT POSSIBILITIES

Work under the DMEA contract terminated with all headings (400 level north, 500 level north and south) in ore.

The writers believe that the 30-foot intercept of ore in the middle part of the DMEA work on the 400 level and the intercept on the 500 level may represent the northern part of the main ore shoot, which between the 500 level and the 200 level is separated from the bulk of the shoot by a horse of very low-grade ore or waste (see longitudinal projection). It is anticipated that this horse of waste tapers downward and may terminate at about the 500 level as shown on the longitudinal projection. If this belief is correct, and if the keel of the main ore body continues to rake 30°-35° north to the elevation of the 500 level, the main ore body should continue for about 300 feet south of the present south heading of the 500 level. Judging from the upper levels more than half of this length should be ore of minable width and grade. Consequently, it is anticipated that an additional 300 feet of drifting to the south on the 500 level has a strong probability of exposing and partially developing as much as 15,000 tons of minable ore between the 500 level and the 400 level.

Continuation of the 400 level drift northward into virgin ground is also considered to be an excellent exploration possibility. If a significant length of ore were exposed by such work, it could readily be explored above the 400 level by raising and below the 400 level by driving the 500 level northward.

ECONOMIC FEASIBILITY OF FUTURE PRODUCTION

Most of the metal values and most of the Operator's assays are restricted to a relatively narrow width within the vein. Typically, this high-grade portion is from 2 to 2.5 feet thick. In order to get a better idea of grade across a mining width, channel samples WSA 29, 30, and 31 were cut at the face on the 500 level across the total vein width of 6.1 feet. The weighted average of these assays is 6.1 feet wide with 0.49 ounces of silver per ton, 3.21 percent lead, and 8.49 percent zinc. The average indicated recovery per ton from 39,000 tons of ore mined during the period 1924-1949 was 1.8 percent (36 pounds) lead and 4.5 percent (90 pounds) zinc plus a little silver and gold.

Mining methods used when the mine was operating in 1949 were square set and cut and fill stoping. Of the two methods, cut and fill would be preferred from an economic standpoint. Even with the square set method filling is required as the stopes take on excessive weight after they have been timbered, due to the weak walls.

As the ore body has not been delineated by raises and development drifts, considerable development would have to be done before actual mining for mill feed could be initiated.

Enclosures

Distribution:
- DMEA (Orig. & 3)
- USBM (2)
- Docket
- USGS (SRO)
- Klepper

LARGE FORMAT DOCUMENTS AT END OF FILE

FILE COPY
SURNAME:

OGKane

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

March 6, 1953

N.S. in P.J.R. AW

Memorandum

To: Chief, Base Metals Division

From: Chief Counsel

Subject: Bennett Mining Co. - Docket No. DMEA-129 - Contract No. Idm-E81 (Lead-Zinc)

In your proposed letter to Howard I. Young, Deputy Administrator, Defense Materials Procurement Agency, you state that on this project, "$86,421.61 was actually expended, the Government's [50%] share being $42,696.27," and in your memorandum to the Administrator, you state "The final audit report shows that the total net project cost (after crediting sale of equipment) was $86,421.61, of which the Government's [50%] contribution was $42,696.27."

The Audit Division states that the operator reported that $89,324.61 was spent on the project, but taking into account $2,903 derived from the sale of equipment, the net cost amounted only to $86,421.61. However, since the audit division took exception to items amounting to $1,029.06, the net allowable cost was only $85,392.55.

Because of the foregoing, I believe that it would be preferable to state in both the above-mentioned letters that the total net cost of the project as approved by the DMEA Auditors amounted to $85,392.55 of which the Government contributed 50% or $42,696.27.

J. L. Hofflund

AEKane/ema/
cc: Mails & Files
Adm. R. File
C. O. Mittendorf
J. L. Hofflund
L. L. Chambers
A. E. Kane
Chron.

J. L. Hofflund
Chief Counsel

February 26, 1953

Memorandum

To: Frank Johnson, Deputy Administrator

From: Chief, Base Metals Division

Subject: Pending and possible certifications

Referring to your inquiry of a few days ago as to the status of certain exploration projects, the following is our summarized review. We shall prepare certifications on Bachelor Development Company (Docket No. [illegible]-1243) and Bennett Mining Company, (Docket No. [illegible]-1[illegible]), and hold the others pending.

Bath Mines, (Docket No. [illegible]-[illegible]24, Contract No. [illegible]-217) — Operator had refused to pay royalty. Mr. Fine had written for instructions. Operating Committee wrote Fine on January [illegible] as to his recommendations regarding certification. As of February 20, no reply from Mr. Fine.

Harrington Mines Company (Docket No. [illegible]-9[illegible]9, Contract No. [illegible]-101) On November 21, 1952, the Operating Committee wrote Mr. Fine stating that we could certify but must hold up for receipt of Operator's final report, the final audit, and official notice of termination before we can proceed.

On January 30, the Operator asked Mr. Fine permission to extend the settlement date to March 1, 1953. On January 12, Mr. Fine gave permission to Operator to delay final settlement until such date.

Bachelor Development Company (Docket No. [illegible]-1243, Contract No. [illegible]-86) In process. Engineering fraud claimed by Field Team; counsel will write an opinion. We shall prepare certification.

Bennett Mining Company (Docket No. [illegible]-1[illegible], Contract No. [illegible]-[illegible]) — This appears to be eligible for certification. Mr. Weisenborn's letter of January 19, 1953 states contract has been mutually terminated. Operator's final report has been received and accepted.

East Side Dairy Company (Docket No. [illegible]-1297, Contract No. [illegible]-39) — A letter by [illegible] Traver dated November 2[illegible], 195[illegible], states that "as of the date of receiving operations for the winter season of 195[illegible]-195[illegible], the loan was essentially exhausted."

In the Division docket, we have no final reports either by the operator or field [illegible]. We shall write the field.

Sunset Minerals, Inc. (Docket No. [illegible]-14[illegible], Contract No. [illegible]-[illegible]) — Contract is on new land farm and may be certified without contract termination. It is not too clear whether ore in ample amount has been delineated to warrant certification. We shall write the field.

/s/ [illegible]
[illegible]. Griswold

[illegible]Griswold/bjl

Copy to: Docket
Admr. P. File
Op. Committee
Base Metals
Chron.

[illegible]. [illegible]e Meteior Development Company: [illegible] must delay certification since it is an old contract and may not be certified until final reports have been received, none of which have been submitted.

Also, we must have more complete data on ore occurrence from the field [illegible]. While ores have been shipped, no report on ore occurrence has been rendered.

[illegible], in a letter to the operator dated November 10, 195[illegible], stated "a certificate of discovery will be issued", but apparently no action was taken.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

January 30, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 3 1953

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

Operr Final Rpt

Re: Docket No. DMEA-129 (lead-zinc)
Exploration Contract No. Idm-E81
Bennett Mining Co., Dacotah Mine,
Cascade Co., Montana

Dear Mr. Selfridge:

We are enclosing the Operator's Final Report in quadruplicate in connection with Exploration Contract No. Idm-E81, the Bennett Mining Co., Dacotah Mine, Cascade Co., Montana.

The Field Team's Final Report is in the process of preparation and will be transmitted to you in a few days.

Sincerely yours,

A. E. Weissenborn
emm

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

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The exploration program of the Bennett Mining Company at its Dacotah Mine property near Neihart, Cascade County, Montana commenced July 23, 1951 pursuant to the terms of contract Idm E-81 between it and the Defense Minerals Exploration Administration. At the time the contract went into effect, 12 feet of drifting along the Dacotah vein had been done on what is termed the 400 level of the mine. From that date work continued steadily with but minor interruptions, as noted later, until operations under the above mentioned contract were permanently suspended September 10, 1952.

Under terms of this contract, it was contemplated the drift on both the 400 and 200 levels of the mine would be extended, raising from both the levels would be attempted, a winze sunk from a suitable point on the 400 level, and drifting done along the Dacotah vein from the bottom of the winze. It was further planned that as many as possible of these projected exploration headings would be run concurrently. This was never possible due to the extremely short supply of available labor, the crew varying from a low of 2 men to a maximum of 11 men. Further, while attention was being devoted to the prosecution of work on the 400 level, the 200 level caved due to prior mining practice and was completely lost. This precluded the accomplishment of the projected work on that level without first driving an access raise from the 400 level.

As mentioned above much difficulty was experienced in securing labor. This condition was not peculiar to this particular project but was accentuated by its remoteness from large, active mining centers, the low wage scale upon which the project was originally based, and competition for the available local labor from road contractors building a modern highway into the district, who could pay much higher wages than those prevailing in the established, active mining districts. At no time were we able to secure more than 2 experienced miners at one time, making it necessary to personally train the others. These were for the most part men who asked for work in the mines when nothing else was available and as soon as they found other work they left. The net result of this was a constant turnover of inexperienced men which contributed greatly to the slow progress made.

Another factor which slowed progress was the difficult ground conditions encountered. The wall rock enclosing the vein was very badly decomposed by

hydrothermal alteration leaving it soft, almost a clay, and the vein material itself was soft. This condition resulted in great difficulty in maintaining a standard drift cross-section and close timbering behind the face was mandatory. Due to the soft nature of the vein and enclosing wall rock and its consequent tendency to sloughing, we often found ourselves removing an amount of rock equivalent to two sets of timbered advance and actually having only one set of advance to show for it.

These factors made the prosecution of the work difficult and contributed greatly to the above average cost of the operation. The fact we could never secure an adequate labor supply prevented concurrent operations which was reflected in high overhead charges and was another contributing factor to slow progress and consequent high unit costs. In spite of the difficulties the work was expedited in every possible manner. A total of 762.5 feet of drifting and crosscutting was completed using a standard section of 5' by 7' in the crosscuts and 7' by 8.5' for the drifts, all drifting being closely timbered. In addition 137.5 feet of sinking was accomplished with a rock section of 10.5' by 8' all of which was timbered and lagged. The first 950 feet of the 400 level was enlarged by slabbing the sides from a nominal 4' by 6' cross-section to about 5' by 7' and 5040 cubic feet of enlarging done in cutting 400 and 500 level winze stations and loading pockets. The table below shows the monthly progress made which is plotted on the accompanying maps.

	Drifting		Crosscutting		Sinking	
Month	400 Level	500 Level	400 Level	500 Level	Winze	Enlarging
July 1951	12.0					
August	86.5					
September	10.5				Rehabilitation, slabbing 950' of 400 level.	
October	101.5					
November	31.0		40.0			
December	54.0					
January 1952	15.0		54.5		2800 cu. ft. 400 level winze station	
February					34.0	
March					38.0	
April	34.0				41.0	
May	49.0				8.0	
June	44.5			11.0	16.5	1590 cu. ft. 500 station
July	18.0			58.0		650 cu. ft. 500 station
August		72.0		36.0		
September		12.0				
Totals	479.0	84.0	94.5	105.0	137.5	5040 cu. ft. slabbing 950 feet of 400 dr.

This work occupied nearly all of September 1951 and the drift was advanced only about 10 feet the last three working days of the month.

From then on until January 1, 1952, the 400 level drift was advanced steadily, if slowly, except for driving a 40 foot crosscut into the footwall of the vein in November. This was required by Mr. Quinlan of the U. S. Geological Survey to test the possibility we had inadvertently wandered off the Dacotah structure. January 1, the crosscut into the hanging wall preparatory to the sinking of the winze was started. This crosscut was driven to a point 54.5 feet into the hanging wall of the Dacotah vein and the end enlarged to secure the necessary headroom and working space around the collar of the proposed winze. Sinking was started early in February and continued steadily until April 1st when shaft crews began turning over in rapid succession. Much of the time the winze was worked one shift per day and the drift one shift per day depending upon what crew was available, although the drift was advanced fairly steadily. In May attention was largely devoted to the 400 level drift due to lack of available crew and it was not until near the end of June that sinking had progressed to a point sufficiently below the collar to permit the establishment of the new 500 level. After April 1st nearly all work done in the winze was on a one shift basis due to lack of manpower. This involved much lost time daily due to pumping out the accumulated water when no crew was on the bottom. The 500 level station and loading pocket were nearly completed early in July and a crosscut driven to the vein where four feet of high grade ore and a heavy flow of water were encountered.

Until this time the water encountered had been moderate, possibly about 15 gallons per minute, and was easily handled by an Ir 25 type air-driven sump pump. While the flow was neglegible it was a nuisance inasmuch as it all originated at a point about 40 feet below the winze collar where the vertical winze penetrated the vein. As sinking progressed below this point it became very wet and miserable for miners working on the bottom, and as additional depth was gained, the farther the water fell and the worse it became. However, when the 500 level crosscut pierced the vein a rather heavy flow of water (relative to air pumps and the lack of power cable in the mine or planned under the project precluded the use of anything else), probably exceeding 50 gallons per minute was released, drowning the pump then in service and forcing temporary abandonment of the level until a larger pump was secured and put in service. About a week's delay resulted before work

could again be resumed on the 500 level and during this time some progress was made advancing the 400 level drift. During the time the 500 level was inaccesible while under water the last 18 or 20 feet of the crosscut from the vein back toward the shaft caved. It was decided to continue the crosscut around the cave and enter the vein at another point as it was felt this would be speedier and cheaper than attempting to pick up this cave. It was not until early in August the crosscut again penetrated the vein and revealed four feet of high grade zinc ore was again present on the Dacotah structure.

From then until September 10, 1952, when operations were suspended, progress was faster than before experienced although only one shift per day was worked. The remainder of the month of September was occupied with getting the equipment and supplies out of the mine, properly stored, inventoried, and making preparations for an accurate instrument survey. The survey was completed in October and the maps which accompany this report showing progress made, were drawn.

In the course of this exploration project no significant change in the geologic conditions obtaining in the mine workings before initiation of the project was encountered. The enclosing wall rock throughout all work performed under the project remained a severely altered diorite porphory locally termed "Pinto Diorite" which showed some sericitization and much kaolinization. It was usually well mineralized with pyrite or perhaps marcasite.

For some unexplained reason the footwall was more severely altered for a greater distance from the vein than the hanging wall. This condition was well illustrated by the crosscut driven in to the hanging wall incident to sinking the winze. It was driven in hard, fresh, and unaltered diorite porphory throughout most of its length. The winze itself was started in the same rock of similar physical characteristics and remained in it until it penetrated the vein. Thereafter, as sinking in the footwall progressed, it was much softer and showed strong alteration, although not as severe as that of the rock comprising the first four or five feet adjacent to the vein walls. This condition was evident even at the bottom of the winze at which point it was some 64 or more feet in the footwall. In fact several stringers of massive sulphide mineralization consisting of sphalerite or pyrite or galena or combinations, one to three inches in width were cut in crosscutting from the winze to the vein on the 500 level.

No faulting was revealed although one or two vein splits enclosing

horses of altered diorite were encountered. The strike of the vein varied from north to north 10 degrees east which is considered normal although there was a noticeable flattening of the dip as the drift advanced northward, from a prevailing 60 to 65 degrees on the south end to a consistent 45 to 48 degrees on the north end.

The Dacotah structure as revealed by this exploration work is a strong, persistent fissure varying from ten to one foot in width, averaging perhaps four feet when it contains ore, and exhibiting evidence of much post mineral movement. Drifting on the 400 level commenced on a face of ore ten feet in width and assaying 5 ounces of silver, 11.5% lead, and 12.0% zinc over this width. This grade of ore persisted for a distance of 37 feet although gradually narrowing to about six inches before it disappeared entirely. From then on for some 400 feet the vein matter or filling showed much pyrite and some quartz with the majority consisting of crushed, severely altered wall rock and considerable clay and gouge. This material showed traces of silver, lead and zinc but was very low in grade, assaying about one ounce of silver, 0.5% lead and 1.0% zinc. It was not until the 400 drift had progressed to a point about 400 feet north of the initial point that commercial mineralization again appeared, at first narrow, but gradually widening until at thr present face a width of about 4.0 feet was attained assaying in the neighborhood of 8.0% combined metal and containing a narrow streak considerably higher in grade. The last 40 feet of the drift was driven on ore commercial at a reasonable price level for lead and zinc.

Geologic conditions on the 500 level were consistent with those encountered on the 400 level except that while the vein was scantily mineralized with the sulphides of lead and zinc at the winze collar, and again where the winze crossed the vein, high grade ore four feet in width was encountered where the 500 level crosscut intersected the vein directly below but down the dip. There was no opportunity to sample this exposure due to water trouble and subsequent caving of this portion of the crosscut. When the crosscut again penetrated the vein high grade zinc ore was again revealed and from that point to the present face the drift was in commercial ore or strong mineralization. The assays resulting from regular sampling are plotted on the accompanying long section.

Due to the fact an insufficient amount of work was accomplished to permit any appraisal or calculation relative to grade and tonnage of ore discovered as a result of this project, no such attempt will be made as there is nothing reasonable

on which to base it. The facts as presently revealed lend great encouragement to the belief that the property does contain substantial tonnage of ore for a small milling operation. Such ore as was encountered in the course of this exploration work when it was believed to be of sufficient grade to pay hauling, milling, and smelting costs was taken from the mine, hauled to a suitable point near the mill, and stockpiled. This procedure resulted in the accumulation of approximately 800 tons of material which is estimated to contain about 10% zinc, 3% lead, and a small amount of silver, perhaps a couple of ounces per ton. No other ore was extracted during the course of the operation.

RECEIVED

JAN 26 1953

U. S. G. S.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard St.
Spokane 4, Wash.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 22 1953

January 19, 1953

Mr. R. J. Hindman
Certifying Officer
DMEA, Region II
1201 N. Division St.
Spokane, Washington

Re: Docket No. DMEA 129 (lead-zinc)
Bennett Mining Company
Cascade County, Mont.
Contract No. Idm-181

Dear Mr. Hindman:

This is to inform you that the subject contract was mutually terminated due to the reluctance of the Operator to invest any more funds in an exploration program.

The full and final accounting of operations as presented by the Operator is considered acceptable by this office, and the Operator's final report evaluating the results of the work completed under the contract has been presented and accepted as satisfactory.

It is requested that the Operator's final invoice be accepted for vouchering and payment.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: DMEA (2)
USBM (2)
R. Hull
Cont. Adm. and Aud. Div., Wash., D.C.

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

No. 15 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 2 0 1952

December 16, 1952

Mr. J. R. Bennett, President
Bennett Mining Company
First Avenue, South, and Ninth Street
Great Falls, Montana

Re: Termination Contract No. Idm-[illegible]
Granite Co., Montana

Dear Mr. Bennett:

This is to advise you that we will accept your bid of $2500.00 for the equipment and the bid by Reisman and Sons for used supplies listed in the attachment to your letter of November 29.

Upon receipt of a satisfactory final report on the exploration done under DMEA Contract Idm-181, we will make final settlement of payments due on the contract.

Sincerely yours,

[illegible]
Executive Officer, DMEA
Field Team, Region II

cc: 3 DM(2)
Cont. Off.(2)
DMEA(2)
Engr.(1)

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

[redacted]
Go 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 1 0 1952

December 1 1952

Bennett Mining Company
P. O. Box 1135
Great Falls, Montana

Re: Docket DMA-12,X (Lead-Zinc)
Dacotah mine
Contract Lim-181

Dear Mr. Bennett:

Acknowledgment is made to your letter of November 2 1952 in which you submit an offer made by Weisman & Sons, Inc., for certain supply items remaining from your exploration contract.

After considerable discussion of your supply item problem and the machinery in which the Government has an equity, the Field Team wishes to advise you as follows:

1. The Government will accept your offer of $5.[illegible] per box for powder.

2. Acceptance is made of Weisman & Sons offer for named supply items. Cost of transporting these items to Great Falls is an allowable expense of the contract and may be presented for settlement.

3. Pending receipt of a better offer, the Government will accept Mr. Greenwood's offer for machinery in which the Government has an equity. There are, however, certain items which will have to be clarified by you with respect to this offer. For one thing, it is assumed that Greenwood's offer is f.o.b. Neihart. It is also assumed that accrued county taxes on this machinery will be paid by the Bennett Mining Company. If these matters are in question, it is suggested that you contact Mr. Greenwood for clarification. Settlement of such matters are your responsibility and not the Government's.

   In the event you wish to purchase the machinery you will have to make a firm offer to this office stating what you wish to buy and the price you will pay. This offer will have to exceed Mr. Greenwood's in order for you to obtain the machinery.

In regard to your request for our geological field notes, we are forbidden by law to give these notes to you. However, if you would care to send a representative to this office, we would be glad to show our maps and assay information. In the event we have a field man in the Reihart area we would also gladly have him show you such information as may be pertinent.

We will appreciate a reply from you so that we may reach a final settlement in regard to your contract.

By DMEA Field Team, Region II

A. E. Weissenborn, Executive Officer
(U. S. Geological Survey)

M. E. Volin, Member
(U. S. Bureau of Mines)

cc: DMEA (2)
USBM (2)
Klepper

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
[redacted]
So. 157 Howard Street
Spokane 4, Washington

Hutt, Betty

[illegible] 1952

November 18, 1952

Bennett Mining Company
P. O. Box 1135
Great Falls, Montana

Re: Docket DMEA-12,X (lead-zinc)
Dacotah Mine, Cascade County, Montana
Contract Idm-181

Attention: Mrs. Francis Clark

Gentlemen:

This will confirm a telephone conversation between Mrs. Clark and Mr. T. H. Killsgaard of November 17, 1952, regarding disposal of contract equipment in which the Government has an equity and also disposal of unused supplies.

Reference is also made to a telephone conversation between Mr. Weissenborn and Mr. Bennett of November 3, 1952, concerning disposal of equipment. At that time Mr. Weissenborn stated that prices for equipment quoted by Mr. Bennett were satisfactory, with the exception of the mucking machine and the air tramer. The mucking machine cost ($3,[illegible]), the offer was $1,40[illegible], and our estimate of its present value ($2,6[illegible]). The air tramer cost ($1,06[illegible]), the offer $8[illegible], and our estimate of its present value ($[illegible]). Mr. Weissenborn advised Mr. Bennett to advertise these items following which the Government would accept the offer made by the highest bidder. We wish to advise that we have mentioned the availability of these machines to several mine operators in this area and are awaiting word from those who might be interested in buying the machines.

We are enclosing an inventory compiled by W. S. Anderson, U. S. Bureau of Mines, on his latest visit to your property. On this list, supply items to which a value is assigned will have to be disposed of to the best interest of the Government. Items that have no assigned value are considered expendable and have no recoverable value so far as the contract is concerned.

In regard to the powder the Government will accept the offer voiced by Mrs. Clark of $[illegible] per box. An offer should be made for the blasting caps also as both items are classed as explosives to which is assigned a replacement value.

We will need a letter from the Operator listing the highest prices offered for equitable equipment and also the highest prices for supplies to which have been assigned a replacement value. With this information on hand we will be able to proceed with the final auditing of the subject contract.

Sincerely yours,

M. E. Volin
Acting Executive Officer
DMEA Field Team, Region II

cc: DMEA (2)
USBM (2)
Klepper

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 2 1952

October 27, 1952

Mr. F. E. Johnson, Chairman
Operating Committee, DMEA
Dept. of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-129X - Lead-Zinc
Bennett Mining Company
Contract Idm-E81

Dear Mr. Johnson:

Enclosed are the original and two signed copies of the termination form terminating the contract by agreement after commencement but before completion of the work.

We regret that the Operator is stopping work as he has a very nice discovery with two of his exploration faces in good grade ore. He states, however, that he has reached the end of his resources and is unable to continue.

A final audit of the Operator's books is now being made, and we are informed that the Operator's final report is in preparation. A report by Field Team members will be prepared as soon as feasible.

RECEIVED
NOV 12 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Sincerely yours,

A E Weissenborn
A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure
cc: USBM (2)
Reg. Fin. Officer (1) w/encl.
Robert Hull, DMEA auditor

Case 11-4

A certificate of discovery should be issued

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

October 1, 1952

Bennett Mining Company
Box 1135
Great Falls, Montana

Dmea
129

Dear Mr. Bennett:

This will acknowledge your letter of September 25, 1952, advising us that the exploration work on the Dacotah Mine under Contract Idm-681 was suspended on September 10, 1952, and that the mine has been placed on a stand-by position.

Our letter of September 30 advises you that our field engineer has informed us of this also, and in our letter of September 30 you were advised that the Government could contribute to the project only as long as active exploration is being carried out. Inasmuch as the mine was placed on a stand-by basis on September 10, the Government cannot contribute to any cost after that date except such necessary and reasonable costs incurred in preserving and disposing of any facilities, buildings, fixtures, equipment, or other items in which the Government has an equity or in the costs of any reports, accounts, and winding-up settlement actions provided for in the contract.

We are sorry that you are not able to complete the contract, particularly in view of the favorable results to date, but we are very pleased, of course, that you have been successful in finding ore. In order to properly wind up the contract, I am enclosing termination forms for your signature. We prefer to terminate the contract by mutual agreement in this way rather than by unilateral action on our part because you have discontinued work.

Please note that before final settlement can be made, it will be necessary for you to dispose of such equipment and facilities and so forth as the Government has an interest in, and we also require a final report from you reviewing the project and the results that have been obtained.

For your convenience, I am enclosing a mimeograph sheet giving you instructions on how the equipment and remaining supplies are to be disposed of. Our auditor will make a final audit of your books as soon as this can be arranged.

By DMEA Field Team, Region II

A. E. Weissenborn, Executive Officer
(U. S. Geological Survey)

M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosures

AEWeissenborn:jd
cc: USBM (2)
DMEA (2)
Klepper

129

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

1201 N. Division St.
Spokane 2, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 6 1952

September 30, 1952

Bennett Mining Co.
P. O. Box 1135
Great Falls, Montana

Subject: Suspension of work under Contract Idm-E81

Gentlemen:

Mr. Criswell, mine superintendent of the Dacotah mine, recently informed our field engineer that active exploration under the contract was suspended on September 10, 1952. He also stated that work since this date has consisted of the removal of equipment and the installation of drift set bracing timbers. As of September 23, 1952 the only equipment remaining in the mine was the sump pump, air hoist, and skip.

Under the terms of the contract the Government can contribute only as long as active exploration is being carried on, except in the case of termination of the contract. Inasmuch as active exploration was suspended on September 10, 1952 and work since then apparently has consisted only of putting the mine on a stand-by basis, the Government cannot contribute to the cost of such work.

If the contract is terminated, however, any necessary and reasonable costs incurred in preserving and disposing of any facilities, buildings, fixtures, equipment or other items in which the Government has an equity shall be considered an allowable cost of the project.

Field Team, Region II

WSA/TEH/kt

A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

Glenn C. Reed
Acting for M. E. Volin, Member
(U. S. Bureau of Mines)

CC: 2-Wash
2-USGS
DMEA
M/D

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

May 26, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 2 1952

Memorandum

To: Operating Committee
Defense Minerals Exploration Administration

From: A. E. Weissenborn, Exec. Officer, DMEA Field Team, Region II

Subject: Amendment No. 6, Bennett Mining Co., Great Falls, Montana, Contract Idm-E81, (Docket No. DMEA-129, Lead-Zinc)

Enclosed are the original and two copies of the subject amendment. The reasons for the amendment are self-explanatory.

A E Weissenborn
A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures

cc: USBM

p2

515

wash

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

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[illegible]

DMEA
129

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[illegible]

[illegible]

A. E. Weissenborn
[illegible]
[illegible]

BL

OFFICE OF THE ADMINISTRATOR

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

So. 157 Howard Street
Spokane 4, Washington

Dmeas-129 (Lead)

April 15, 1952

Defense Minerals Administration

APR 2 - 1952

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Dear Mr. Johnson:

Enclosed are three copies of Amendment No. 5 for the Bennett Mining Company, Contract Idm-E81. I believe the reasons for the amendment are self-explanatory. One copy is retained here, one copy has gone to the Operator, and one has been sent to the Fiscal Officer in Albany.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures.

cc: USBM

OFFICE OF THE ADMINISTRATOR

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
[illegible]
APR 11 1952

So. 157 Howard Street
Spokane 4, Washington

April 3, 1952

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of Interior
Washington 25, D. C.

Dear Mr. Johnson:

I regret the delay in answering your letter of March 10 regarding docket DMA-129, Bennett Mining Company, Exploration Project Contract, Idm-E81, Amendment No. 4. So many urgent problems have arisen to plague us in the last three of four weeks that I have been very much pressed for time, and although I have started to reply to your letter on three or four occasions, I have never been able to finish it.

In regard to Amendment 4, this was given only after prolonged discussion with the Operator in the field and by letter and telephone. The original contract provides for sinking a winze from the No. 4 level. Nothing is said specifically as to whether this winze is to be vertical or is to be inclined on the vein, but we had assumed that it would be sunk on the vein as this would give the most information. The Operator had difficulty in driving the 400 level drift because of caving ground in the vein zone and he therefore was very insistent that it would be dangerous and pretty nearly impossible to sink the winze on the vein. Following inspection of the ground, it was the Field Team's opinion that the winze could be sunk on the vein, although admittedly the ground was somewhat heavy. We felt that the extra information obtained would be worth a possible somewhat higher cost of sinking. The Operator, however, was very insistent on this point, and particularly emphasized the danger of sinking the winze in heavy ground with inexperienced men, which were the only type available. It was with some reluctance that I therefore agreed to approve a vertical winze, but I felt very strongly that the Field Team and the DMEA would be in a very bad position if the Operator had a serious accident in attempting to do something which we had forced him to do against his better judgment. This would be true, even though the accident might be because of inexperience or incompetence on the Operator's part. Crosscutting, therefore, is necessary either at the top or the bottom of the winze, if a vertical winze is to be sunk. This is, of course, an extra charge

on the contract, though in part the cost may be saved through cheaper cost in sinking the vertical shaft in presumably better ground. Cost of the station, although it did not appear specifically in the original contract, would have been reflected in the over-all cost of sinking the winze. The cost allowed in the Amendment for cutting a station is admittedly somewhat excessive, and it is hoped that the Operator can come well under the estimate. The estimate, however, was purposely made a little high for the following reasons:

1. During the time the station is being cut, this operation must bear the entire operating overhead.

2. The Operator's costs have been high, partly because he has been able to obtain only inefficient labor, and partly because of the nature of the ground. We think likewise that there is room for improvement in his management, and are trying to point out ways how this improvement might be achieved.

3. Some of the charges against the station and winze preparation could well be charged against the winze, which would reduce the apparent cost of station-cutting. This is a matter of bookkeeping.

4. There was some delay in writing the amendment because we did not have an engineer available to go into the field immediately. Meanwhile, the Operator, acting on our informal approval of the amendment, had driven the crosscut and had cut and partly timbered his station. Unfortunately, the Operator loaded his holes too heavily and blew all the timbers out causing a considerable wreck. An allowance was made in writing the final amendment to provide for picking up the wreck.

In writing Amendment 4 we are fully aware that we were adding an expenditure not provided for in the original contract, and that we at the same time were not deleting any item in the original contract. The reason for this is that it is obvious that certain other changes will undoubtedly be made in this contract as the work progresses. In particular, it is probable that some of the work planned on the No. 4 and No. 2 levels might be better done on a lower level. This work, however, cannot be intelligently planned until the vein can be inspected or perhaps eliminated below the level through crosscuts and drifts from the winze. We could have arbitrarily cut some footage from the No. 2 and 4 level drifting so as to make the contract balance, but inasmuch as other changes will be required, we thought that the contract might well be left as it is until a final plan has been worked out.

Since receiving your memo we have attempted to explain the reasons for all amendments made, except those the need for which seem so obvious as to require no explanation. We will endeavor to continue to do so until further notice, but ask your indulgence if we sometimes fail to inform you fully. Problems of vouchering and similar matters put us under such pressure that we can not do as complete a job of informing as we would like.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: USBM

110

FILE COPY
SURNAME:

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

MAR 10 1952

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 8, Washington

Re: DMA Docket No. 129 (Lead-Zinc)
Bennett Mining Company
Exploration Project Contract ~~Idm-E61~~
Amendment No. 4

Dear Mr. Weissenborn:

Reference is made to Amendment No. 4 to the subject contract recently received by the Washington office.

We note that three items totalling $5,515.00 were added but the total cost of the project is not to be increased. Since no items of the contract are deleted and there appears to be no reduction in costs of any of the approved items, it is obvious that some of the expenditures approved in the contract cannot be made unless another amendment is executed which will increase the total cost of the project. We also note that the amount for item on Amendment No. 1, for "Station cutting, timbering and winze preparation, estimated cost 3,500.", appears, on the face of it, to be excessive for this work.

Since we lack any information as to the justification for making the amendment, we are unable to reconcile the advantages of doing the new work in lieu of other work that must necessarily be eliminated unless actual costs are considerably less than those estimated under the contract. We also are unable to properly evaluate the costs for doing the station work inasmuch as we have no information as to the items included in the cost of $3,500.00

The foregoing illustrates our need for receiving a narrative with the amendment, giving the reasons and basis for amending the contract. We trust that the small amount of additional work involved on the part of the field office will help to clarify such matters so that we will be fully informed regarding any action taken with respect to amending contracts.

Sincerely yours,

(signed) FRANK E. JOHNSON (JHB)

Chairman, Operating Committee
Defense Minerals Exploration
Administration

APPROVED:

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

T. P. Thayer (JHB)
Member, Geological Survey

FEJohnson/bih 3/10/52
cc to: Docket - Admr's. Reading File
Region II - Operating Committee - FEJohnson
TPThayer - JHHedges - Don Moulds

S.N. 3-10-52

FILE COPY
SURNAME:

Moulds
Mittendorf

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

JAN 8 1952

Mr. A. E. Weissenborn
Executive Officer, Region II
DMEA Field Team
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMA 129X
Contract Idm-E81
Bennett Mining Company

Dear Mr. Weissenborn:

We have reviewed the subject progress report presented by the Bennett Mining Company and note that an advance of 112 feet was made through ground necessitating close timbering. The operator also states that the drift has been intermittently in ore of commercial value.

The map accompanying this report does not show any scale, geological data or assay values. In view of the close timbering referred to, future examination of the drift would be difficult if not impossible. We are, therefore, confronted with the question of whether the operator has been requested to maintain geological mapping, sampling, and related data in satisfactory detail as the drift advances, for final report and Field Team use. We would also appreciate information as to the disposition of the commercial ore.

We are bringing this to your attention so that the operator may be advised of the details required for Form MF-104, if not previously requested by your office, and that you may check on the sufficiency of other progress reports prior to transmittal to this office.

Sincerely yours,

C. O. Mittendorf (for)

D.N. 1-8-52

Chairman, Operating Committee
Defense Minerals Exploration
Administration

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

DEMoulds/meh 1/4/52
cc to: Adm. R. File
Mails and Files
Mr. Mittendorf
Mr. Mote
Mr. Bishop
Mr. Moulds
Region II
Docket

FILE COPY
SURNAME:

410

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

NOV 2 1951

F L Knouse
F E Johnson

Contract Service Section
General Accounting Office
4th Floor - New GAO Building
Washington 25, D. C.

Re: Docket No. DMA - 129
Bennett Mining Company
Exploration Project Contract Idm-481

Gentlemen:

Enclosed are the originals of Amendments Nos. 1 and 2, and the approval of a contract change, all of which concern the above-subject contract. Please attach to the original contract previously sent to you.

Sincerely yours,

(signed) FRANK E. JOHNSON (fw)

Acting Director

Enclosures

10/31/51
FLKnouse/meb

cc to: Admr's Reading Files
Reports and Records
Messrs.Mittendorf/Olund
Field Team,Reg.II(2)
Mr. Knouse
Docket

OFFICE OF THE ADMINISTRATOR

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

So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
RECEIVED
OCT 30 1951
Defense Minerals Administration,
Production Expansion Division.

October 26, 1951

Memorandum

DMA-129

To: Mr. C. O. Mittendorf, Director, Production Expansion Division

From: Executive Officer, DMA Field Team, Region II

Subject: Amendments Nos. 1 and 2 and approval of contract change, Bennett Mining Company, Contract Idm-E81

Enclosed are the originals and two copies of amendments Nos. 1 and 2 and the approval of a contract change, all of which concern the Bennett Mining Company, Contract Idm-E81. Please attach these to the appropriate copies of the contract in question.

Thor Kiilsgaard
Thor Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
OCT 29 3 51 PM '51

SEP 1 8 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 1 4 1951

Mr. Carroll R. Bennett
Bennett Lining Company
Post Office Box 1135
Great Falls, Montana

Dear Mr. Bennett:

This will acknowledge your letter of September 1, 1951, regarding the exploration and development project of your mine at Neihart, Montana.

It is true that the exploration and development program conducted by the Defense Minerals Administration is limited to those activities. Upon development of a mine there is provision under the Defense Production Program for the entry into contracts for production.

We have referred your letter to the Defense Minerals Administration with a request that they communicate with you as to what further assistance, if any, from the Government is required to commence production from your property.

Very truly yours,

SIGNED

John G. Ford

cc: Dr. Schroeder DMA

JGFord:dwb Rm. 5133
9/12/51
247860

SEP 17 1951

MINES: NEIHART, MONTANA

BENNETT MINING COMPANY

404-406 FIRST AVENUE SOUTH

BOX 1135 PHONE 4361

GREAT FALLS, MONTANA

Ed Gumbel

September 1st, 1951

Mr. Jess Larson, Director
Defense Materials Procurement Agency
Washington, D. C.

Dear Mr. Larson -

This letter is prompted by an article appearing recently in our newspapers advising you have been appointed by President Truman to head the newly created Defense Materials Procurement Agency, with authority to buy strategic and critical materials in this country as well as abroad, and listing various other authorities and responsibilities delegated to you.

The thought occurs to us in what manner will your Agency coordinate with the Defense Minerals Administration, or is your Agency taking over that part of the duties and responsibilities of the D.M.A.

The reason we are asking is this: We have recently (to be exact July 23rd) made a contract with the D.M. A. wherein the Government will loan a total of $50,000. (provided we match it with a like amount) on an exploration and development project of our Dacotah mine at Neihart, Montana. We have been engaged in the reopening of the mine since July 1st and feel we could, with the proper stimulus, get into production within a short time. The D.M.A. however bear no part of the cost of "getting into production"; the entire cost of this must be borne by us. The D.M.A. is interested only in the exploration and development of the property. Naturally we are interested in getting into production as soon as possible to relieve us of our share of the costs of exploration, which we find much more excessive than we anticipated - supplies are high in price, wages are high; in fact we are beginning to seriously wonder if we will be able to financially continue with the program over the months to come. Then another reason, it would seem, with the scarcity of lead and zinc at this time, we should get into production as soon as possible. It is all very good to carry on a development program (we really should have been doing this since the end of World War 2) but we should now be producing some metal as well; and looking into our contract with D.M.A. it would seem, should we begin to mine ore and ship concentrates, all these costs in connection with the production of this ore, mining and milling, would have to be paid by us; and besides this it would require separate accounting to keep track of what was deemed cost of exploration and development of the mine and costs incurred in production. It would entail a great deal of work and possibly a conflict of ideas too; we can see where it might become quite complicated. Under D.M.A. we are very much limited in production; there is no encouragement given to this end. Our mine has a history of production during the last World War 2 and we see no reason why it cannot again be put into production.

Do you plan to make contracts to purchase the output of a mine for a given time and to guarantee a minimum price for such a time. This would be very helpful in making future plans.

Does your Agency plan any assistance in financing marginal mines and putting them

GENERAL SERVICES ADM
COMM. & RECORDS BR.
SECTION I

SEP 5 9 38 AM '51

RECEIVED

RECEIVED
SEP 5 10 59 AM '51
G.S.A.
OFFICE OF ADMINISTRATOR

MINES: NEIHART, MONTANA

BENNETT MINING COMPANY

404-406 FIRST AVENUE SOUTH

BOX 1135 PHONE 4361

GREAT FALLS, MONTANA

into production. In other words, could your Agency be of any help to us in our present situation whereby we will be able to keep our property open.

We will be glad to hear from you and will look forward to your reply as soon as convenient.

Thanking you for your time and courtesy in the matter, we are,

Yours very truly

Bennett Mining Company

By Carroll R. Bennett

Carroll R. Bennett
P O Box #1135
Great Falls, Montana

MINES: NEIHART, MONTANA

BENNETT MINING COMPANY

404-406 FIRST AVENUE SOUTH

BOX 1135 PHONE 4361

GREAT FALLS, MONTANA

August 7th, 1951

file

Dacotah Mine Group
Exploration Contract
Docket No. DMA 129X
Register ~~No. Idm E81~~

Mr. C. O. Mittendorf, Director
Production Expansion Division,
Defense Minerals Administration,
U.S.Department of the Interior
Washington 25, D.C.

Dear Mr. Mittendorf -

We acknowledge receipt of your letter of July 24th, enclosing copy of contract above referred to.

As requested therein, we have advised Mr. Weissenborn, Executive Officer of the DMA Field Team, Region 11, at Spokane, Washington, the date work was started under this contract.

We thank you, Mr. Mittendorf, for your efforts and attention in this matter.

Your signature was quite familiar to us, as we had considerable correspondence with you years ago when we had the old RFC loan, during the war years.

With best of wishes to you, we are

Sincerely,

Bennett Mining Company

By Carroll R. Bennett

Carroll R. Bennett
P O Box #1135
Great Falls, Montana

FILE COPY
SURNAME:

Mittendorf
Stigl 7/27

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

AUG -3 1951

My dear Senator Murray:

I am pleased to report to you that the Defense Minerals Administration of this Department has recently entered into a contract with the Bennett Mining Company, operating in your state for the exploration of possible sources of lead and zinc.

The contract provides that the Government will participate in the expense of this work up to 50% of the cost thereof.

This type of assistance is provided for under Section 303 of the Defense Production Act.

The Defense Minerals Administration will be glad to furnish you any further details you may desire regarding the matter.

Sincerely yours,

(sgd) R. D. Searles

Acting Secretary of the Interior

Hon. James E. Murray
United States Senate
Washington 25, D. C.

Identical letter to:
Hon. Wesley Dewart
Hon. Zales Ecton

SDMarlds/jem
7-24-51

cc to : Messrs. Secy's Reading File
Adm's Reading File
Mittendorf-Olund
Mr. Warren
Reports & Records

RETURN TO THE BUREAU OF MINES

BUREAU OF MINES
WASHINGTON, D. C.

AUG 7 1 09 PM '51

FILE COPY
SURNAME:

SPWarren
Mittendorf

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

July 24, 1951

Bennett Mining Company
P.O. Box 1165
Great Falls, Montana

Re: Docket No. DMA 129X
Dacotah Mine Group
Exploration Contract

Gentlemen:

Enclosed you will please find your copy of the subject exploration project contract. The contract bears the number Idm-E81, the register number, which along with the docket number is to be referred to on all correspondence. The effective date of the contract is July 23, 1951.

You are requested to advise Mr. A. E. Weissenborn, Executive Officer, DMA Field Team, Region II, Spokane, Washington, when the work is started under this approved contract.

Sincerely yours,

C. O. Mittendorf 7/27

C. O. Mittendorf, Director
Production Expansion Division

Enclosure-1

SPWarren/meh
cc to: Reports and Records
Adm. Reading File
Mittendorf, Olund
Warren
Billings
McKnight
Field II (2)

FILE COPY
SURNAME: SFWarren Mittendorf

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

G. E. C.

July 24, 1951

Contract Service Section
General Accounting Office
Washington 25, D. C.

Re: Docket DMA-129X
Exploration Project Contract
Idm-E81
Bennett Mining Co.
Great Falls, Montana

Gentlemen:

Enclosed for recording in your office is the original, signed copy of an Exploration Project Contract executed between the operator named in the above reference and the Government of the United States.

Sincerely yours,

C. O. Mittendorf 7/27

C. O. Mittendorf, Director
Production Expansion Division

Enclosure-1

SFWarren/bjs
cc to: Adm. Reading File
Field Team, Reg. II (2)
Mr. McKnight
Mr. Billings
Mr. Mittendorf, Mr. Olund
Mr. Warren
Reports and Records
Chron. Copy

Bennet Mining Company Block 129 Entered 81

Contract specifies 1500 feet of drifting, 415 feet of raise and 450' of winze for a total of $100,000.

Work started on July 23, 1957. Rehabilitation completed September 27, 1957. Drifting in heavy ground requiring close timbering and intermittently has continued on. Assays average up to 17.4% lead and 16.5% zinc.

Costs and progress to January 1, 1962

Total paid to date		$31611.82
Rehabilitation	$4998.00	
Equipment purchase	5302.88	
	10300.88	10300.88
Charged to drifting		$21310.96
Cost per foot (337.5 feet)		63.14
Estimated cost		$30.00

Excessive costs due to initial expense of supplies, small tools, and preliminary work which will be applicable to the entire project. Also the cost of close timbering and slow progress of hand mucking and tramming at stope and in heavy ground.

FILE COPY
SURNAME:

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

SP Warren
Mittendorf

July 24, 1951

A. E. Weissenborn
Executive Officer
Region II
South 157 Howard Street
Spokane, Washington

Re: Docket No. DMA 129
Bennett Mining Co.
Exploration Contract

Dear Mr. Weissenborn:

Please accept our thanks for your memorandum of July 18, 1951 in which you explain the costs set forth in the application of the captioned company for an Exploration Contract. The page you furnished upon which is the new set of figures for drifting, raising and winzing has been used to replace the one in the first application contract.

Your copy of the executed contract, for your files will accompany this letter. A copy of this contract will be forwarded to the Region Finance Officer by the Washington Finance Officer.

Sincerely yours,

C. O. Mittendorf
7/27/cc

C. O. Mittendorf, Director
Production Expansion Division

Enclosure-1

SPWarren/jem
7-24-51

cc to: Adm. Reading File
Mittendorf, Olund
Mr. Warren
Mr. Billings
Mr. McKnight
Field (2)
Miss Terry
Reports & Records

FILE COPY
SURNAME:

Guthrie

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

July 20, 1951

Memorandum

C O Mitterdorf

To: Chief, Production Expansion Division

From: General Counsel

Subject: Bennett Mining Company--DMA-129X--exploration contract

The captioned contract is approved as to legal form and sufficiency for signature by the Government subject to:

1. The indication in the introductory paragraph, as required by footnote 2, of whether the applicant is a corporation or some other form of organization.

2. The indication of Mr. Bennett's capacity as President in the signature.

At the time the Government executes the contract we should insert the effective date in the contract and in the subordination agreement.

Your file is returned herewith.

J. L. Hofflund

J. L. Hofflund
General Counsel

Attachment

RRGuthrie/em
Copy to: J. L. Hofflund
R. R. Guthrie
Files

Bmc 129

856

FILE COPY
SURNAME:

Warren
Mittendorf

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

July 18, 1951

Memorandum

TO: J. L. Hofflund

FROM: C. O. Mittendorf

SUBJECT: DMA Docket No. 129-X
Bennett Mining Company
Great Falls, Montana

Accompanying this memorandum for your consideration are several data with captioned applicant as follows:

6 - signed copies of Exploration Project Contract
6 - signed Landlord's Subordination Agreements
6 - copies of Exhibits A, B, C, D, E
6 - maps of mine under consideration
3 - copies of Mining Lease

We would be pleased to receive your comments.

Enclosures-27

SPWarren/meh
cc to: Hofflund
Mittendorf, Olund
Warren
FILES

LANDON F. SIMOBEL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1207 N. Division
Spokane 2, Wash.

July 18, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 20 1951
LANDON F. SIMOBEL
Executive Secretary

MEMORANDUM

To : C. O. Mittendorf, Chief of the Production Expansion Program
Defense Minerals Administration

From : Field Team, Region II

Subject: Refer teletype 7-11-51
Docket No. DMA-129
Bennett Mining Co. contract

Exhibit "A" of exploration contract, docket no. DMA-129, has been revised (enclosure) in regard to cost per foot for drifting, raising, and sinking winze. These adjustments were accomplished by making direct charges where applicable rather than distributing them on a footage basis.

The costs per foot are estimates and will vary with the number of concurrent operations and method of distributing fixed costs and other charges. The total estimated cost of the project is the same and is considered ample to complete the outlined program. Please substitute the revised exhibit "A" in the exploration contract with the Bennett Mining Co.

The drifts will be 9- by 6-foot (timbered); the raises and winze will be two-compartment, to provide manway and hoistway or chute. The drift will be run from the top of the raise and two compartments will be required to handle the muck.

A. E. Weissenborn
A. E. Weissenborn
Executive Officer

M. E. Volin
M. E. Volin
Member

Enc.

BUREAU OF MINES
WASHINGTON, D. C.

JUL 20 10 00 AM '51

Defense Minerals Administration

S. Power Warren
5370 4070

Salaries & Expenses, Defense Production Activities, Dept. of Int. 1952
July 11, 1951
10:15 AM

A. E. Weissenborn, Executive Officer, Region II

Dockets 525X and 129X - Teletype Message

Re Docket 525X, Talisman Mining & Leasing Company. When can we expect subordination agreement? What use is the tramway during exploration work? Why rehabilitate? When can we expect copy of lease? If diamond drilling is to be done by contract it cannot be approved until contract has been passed by Government. If diamond drilling is to be done by applicant where is equipment listing and labor allocations?

Re Docket 129X, Bennett Mining Company. Have applicant describe the kind of raise he expects to put up that costs $39.50 per foot and the kind of winze that costs only $64.00 per foot.

C. O. Mittendorf, Director
Production Expansion Division

2071

SPWarren/bih

cc to: Messrs. Mittendorf-Olund
Reports & Records
SPWarren
F I L E S

Recd
for Executive Office
6/5/51
Moto

Defense Minerals Administration 7-3-51

Review of Application for Exploration Assistance

Docket No. 129X

To: Director, Production Expansion Division

Commodity Lead-Zinc Silver

From: Director, Supply Division

Total Amount $100,000

Govt. Participation $50,000

1. Name and Address of Applicant Bennett Mining Company, P. O. Box 1135, Great Falls, Montana

2. Location of Property Neihart Mining District, Montana

3. Mineral or metal Lead-zinc-silver Is it listed in Section 9 of MO-5?

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good X

b) Poor

c) None

d) Don't know—needs field examination

e) Is there an alternative and favorable project?
(If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? Yes
(question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? Yes

Does the lease have sufficient time to run to cover a future productive period? Yes

*question numbers are those of MF-103

7. Are subordination agreements necessary? Yes

a) MF-201? _____

b) MF-202 Attached to contract

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes see field team report

b) Equipment and supplies Yes " " " "
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* Yes

d) Water (question 13)* Available on property

e) Power (question 13)* " " "

Is a field check needed on any of these points? Already made

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Yes

See field team report, top page 3.

Is a field check needed on this point? No

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? Yes

If not, are there sufficient data given so that you can describe the project? _____ If so, attach a draft.
See exhibit "A" attached to contract

b) Is there an adequate map or sketch of the proposed work? Yes

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Yes

If not, what part of it is? _____

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed? Yes

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data? Yes If so, attach a draft. See attached exhibit "A"

e) Are the cost estimates reasonable? Yes

f) Should more information be requested from applicant? No

g) Is a field examination necessary to complete Exhibit A? already made

11. Exhibit B (question 23-d)*

a) Is it applicable? not applicable

b) If so, are sufficient data furnished?_____ If so, attach a draft.

c) Is a field check needed? No

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? Yes

b) Sufficient data? Yes If so, attach a draft. see exhibit "C" attached to contract

c) Are rents and charges reasonable? Yes

d) Is a field check needed? No

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? Yes

b) Is the schedule adequate for the work proposed? Yes

c) Is the schedule excessive for the work proposed? No

d) Are the proposed wages and salaries reasonable? Yes

e) Is a field check needed? No

14. Exhibit E (question 23-c)*

a) Is it applicable? No, except as noted on exhibit "E" attached to contract.

b) Sufficient data?

c) Reasonable?

d) Field check needed?

15. In your judgment, can the proposed work be done in the proposed time? Yes, see time schedule prepared by field team

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.
Lead-Zinc Branch concurs in the field team recommendation.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question?

Reviewed by: A. L. Brokaw GS

Date 7-3-51

INT.-DUP. SEC., WASH., D.C. 99009

MINES: NEIHART, MONTANA

BENNETT MINING COMPANY
404-406 FIRST AVENUE SOUTH
BOX 1135 PHONE 4361
GREAT FALLS, MONTANA

June 25th, 1951

Ans'd 7/5/51
gm Lyon

Mr. Tom Lyon
% Supply Division
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Mr. Lyon -

When Carroll and I received the letter last March written by the Defense Minerals Administration and signed "Tom Lyon", re the application we had made for assistance in the reopening of our Dacotah mine at Neihart, we wondered if this "Tom Lyon" was Marie Lyon's brother and whom we had met in Great Falls when your mother and sister lived here. We knew you had been living in Salt Lake City and when I was down there in April of this year, called a telephone number listed under Thomas Lyon Sr and had such a pleasant visit with your wife, as well as havin my curiosity satisfied that it was our "Tom Lyon". Your wife was then packing up and preparing to leave for Washington in a week or so. Suppose by now you are settled and this part of the program has been taken care of and you can enjoy yourselves all the more in your new location.

Tom, here is the real reason for this letter: I made mention above of our application for loan with your Department. Carroll and I made a trip to Spokane latter part of last week to go over details of the loan with your office there and were told the application would go forward to your office in a day or two. This is not being written to you in the spirit of "influence" by any means but merely to ask could you, in your role, do anything to hurry along action on the application - whether it is a "yes" or a "no". If we are to do any work this year, it is necessary that we get started immediately and line up operations before the snow flies and you know this country well enuf to know the snow flies early. And another thing that really is bothering us even more than snow and winter is the attitude of a young man whom we would like very much to manage the property in the event we should reopen. This young man is making a change from his present job in Mullan, Idaho and has been holding off making a definite decision on a couple offers made him - one with American Smelting & Refining and one with Sunset Minerals - until we could outline a deal with him; he has favored a connection with us because we are agreeable to giving him a bonus on production. Now just how much longer this young man will wait on us, we do not know; what we do know is that he has been waiting on us for several months and it may be he will become impatient before long. Anything you can do without putting yourself in jeopardy or subject to criticism in hurrying along the action of the Committee who will pass on this application, needless to say we will very much appreciate it. Sometimes these applications get on the bottom of the pile and some interested person can switch them around to the top of the pile.

Don't know whether or not you and Mrs. Lyon heard about the recent serious automobile accident Ed Pierse and his wife had in L.A. An ex-convict, drunk, with a stolen car, went thru the red light and caught Ed and Vesta. Ed wound up with a fracture in the base of his skull and was unconscious for weeks - for awhile it looked like a "no recovery" for Ed; however he has rallied and is now about to some extent, tho it will take months for him to get back to normalcy. Vesta had a broken collar bone, fractured ankle and ribs - all

MINES: NEIHART, MONTANA

BENNETT MINING COMPANY
404-406 FIRST AVENUE SOUTH
BOX 1135 PHONE 4361
GREAT FALLS, MONTANA

painful but at no time considered serious (except by Vesta, I imagine). It certainly was an unfortunate thing but if everybody comes out OK, that is the big thing. Looks like Ed and Vesta are settled in L.A. for keeps.

I wish you would remember me to Mrs. Lyon; pretty sure she will recall our telephone visit.

Kindest personal regards and best of wishes to both you and Mrs. Lyon.

Sincerely,

Frances Clarke

Frances Bennett Clarke
P O Box #1135
Great Falls, Montana

Dma - 129 X

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

So. 157 Howard Street
Spokane 4, Washington

$100,000

June 25, 1951

Memorandum

To: Otto Herres, Chief, Lead-Zinc Branch

From: Field Team, Region II

Subject: Bennett Mining Co., Dacotah mine, DMA Docket 129 X

Through Landon F. Strobel

Enclosed herewith are four copies of a report by a DMA Examination Team on the Dacotah mine, Cascade County, Montana, together with a copy of the original application submitted by the applicant. Also enclosed are six signed copies of the Exploration Project Contract, and six signed copies of Form MF-202.

The Field Team recommends that this property be considered for an exploration project. The applicant's proposal is adequate to explore the favorable structures in the Dacotah mine. It is estimated that the program will delineate about 75,000 tons of ore reserves from which 10,000,000 lbs of zinc, 3,500,000 lbs of lead, and 187,000 ounces of silver may be recovered.

The Bennett Mining Company DMA application was originally for a production loan; however, after conferring with the DMA Examination Team, the application was changed to that of an exploration project. The latter application was forwarded from this office on May 31.

On Site Exam.

By Field Team, Region II

A. E. Weissenborn

A. E. Weissenborn, Executive Officer
(U. S. Geological Survey)

M E Volin

M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosures

cc: L. F. Strobel
U.S.B.M.
U.S.B.M. Albany

JUN 29 1951

4

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS ADMINISTRATION

Report by Examination Team
Region II

DMA-129, Bennett Mining Co., Dacotah Mine

Cascade County, Montana

Eric G. Erickson, Mining Engineer
U. S. Bureau of Mines

Elton A. Youngberg, Geologist
U. S. Geological Survey

Willard P. Puffett, Geologist
U. S. Geological Survey

June 4, 1951

DMA EXAMINATION TEAM REPORT

Eric G. Erickson USBM
Elton A. Youngberg USGS
Willard P. Puffett USGS

Dacotah Mine
Cascade County, Montana
June 4, 1951

APPLICANT

The Bennett Mining Company, P.O. Box 1135, Great Falls, Montana.

LOCATION

The Dacotah mine consists of the following patented lode claims in the Neihart mining district, Cascade County, Montana: Dacotah, lot no. 2224; Gilpin, lot no. 53; and the Sam Savage, lot no. 5595. The Neihart district includes the townsite of Neihart, Montana, and the adjoining area within a 5-mile radius.

The property, 1-1/2 miles northeast of Neihart, is accessible via a good mountain road. Neihart (population 200 (estimate)) is a mining community 66 miles southeast of Great Falls, Montana, the nearest major supply center. Armington, the nearest railhead (Great Northern), is 36 miles distant and is reached over U.S. Highway 89.

OWNERSHIP

The claims, owned by Frances A. Clarke and Josephine A. Bennett, are under lease to the Bennett Mining Company. A copy of this lease has been filed with the application. F. A. Clarke and Josephine A. Bennett also are directors of the Bennett Mining Company.

CONCLUSIONS

Two ore shoots in the Dacotah mine have been mined at a profit above the 200 and 400 levels. Geologic conditions observed in the mine indicate that further exploration of extensions of these ore shoots should expose additional reserves of lead-zinc-silver ore. Surface indications beyond the outcrops of the known ore shoots indicate lateral exploration to the north might disclose other ore bodies.

The applicant's proposal is adequate in scope to explore these favorable structures and should expose sufficient ore to justify the cost of the exploration program. A more limited program than the one proposed by the applicant is feasible and should be given consideration if the applicant finds that he cannot meet the cost of his original proposal.

Manpower is believed available in the Neihart area to carry out the applicant's proposal. The applicant owns most of the necessary equipment needed to carry out the project. Additional equipment and supplies needed are available in Montana. Water and electric power are available on the property. An adequate road for the purpose of the exploration project connects the mine with the town of Neihart.

The applicant has operated the Dacotah property in the past with modest financial success with the aid of competent technical personnel. The applicant expects to hire a mining engineer as in the past to supervise the exploration project, and with this assistance should be able to carry out his proposed exploration project.

RECOMMENDATIONS

The examination team recommends that the applicant's request for aid for an exploration project as outlined in this report be given favorable consideration.

HISTORY AND PAST PRODUCTION

The Dacotah mine located in 1883 originally was explored by shallow surface workings and two short adits. The property was leased in 1891 by the Neihart Mining Company and operated intermittently until 1897. It again was briefly operated during the periods 1911-12 and 1924-26. In 1942, the newly organized Bennett Mining Company secured a development loan to assist exploitation of the property. This loan was repaid from operating returns during the period 1942-45. The operation has been dormant since 1949.

No records of production prior to 1924 are available. From available records: 1924-49, 39,000 tons of ore were mined and milled from which 3,500,000 pounds of zinc, 1,400,000 pounds of lead and appreciable amounts of silver, and some copper and gold were recovered.

DESCRIPTION OF PROPOSAL

The Bennett Mining Company proposes to explore the Dacotah mine in the following manner: (1) extend the no. 4 level a distance of 800 feet; (2) raise from the new drift on the no. 4 level to the elevation of the no. 2 level; (3) extend the no. 2 level a distance of 300 feet; (4) raise 250 feet from the new drift on the no. 2 level toward surface; (5) sink a winze 250 feet from the new drift on the no. 4 level; (6) drift a total of 400 feet from winze at an elevation 200 feet below the no. 4 level.

Description of the Mine Workings

There are five levels developed at the Dacotah mine. The principal vein structure is developed by the 100, 200, and 400 levels. The "V" and 300 levels explore adjacent veins and are now partly caved. The 400 level, at an elevation of 7,000 feet, is a drift more than 1000 feet long. The 200 level is a drift about 900 feet long with a portal at 7145 feet elevation. The 100 level at an elevation of 7207 feet is caved and inaccessible. These levels are connected by a number of manways and raises.

The first stoped area on the 200 level starts at 240 feet from the portal and extends to the face of this level, a distance of approximately 600 feet. The ore has been mined from this level through the 100 level and to the surface. The ore has been mined in this part of the vein by shrinkage and square-set stoping.

The first stopes on the 400 level begin about 750 feet from the portal and continue to the face of the drift. These stopes were by square-set and cut-and-fill methods and reach a maximum vertical height of 90 feet. Since mining operations ceased some caving has occurred in the backs of these stopes, and near the south end of the stoped area, the back has caved to the 200 level above.

Geology

The adit of the lower or 400 level of the Dacotah mine is at an altitude of 7,000 feet on the southwest slope of Neihart Baldy Mountain in the central part of the Little Belt Mts., one and one-half miles northeast of Neihart, Cascade County, Montana, near the head of Rock Creek. The surrounding country rock is Pinto Diorite, a light grey, granitoid rock with prominent crystals of white to pink feldspar. Bands of light-colored gneiss, locally quite schistose near the mineralized areas, are scattered throughout the diorite in the vicinity of the Dacotah.

A prominent N20-30°E. striking fissure with branching fissures striking N5-15°W. appears to be the localizing structure for the ore at the Dacotah. These fissure-type veins dip 65-70° to the west and cut the Pinto Diorite which has intruded older schists and gneisses. This prominent fissure is approximately parallel in trend to other

productive veins in the immediate district. It is persistent for a proved length of more than 750 feet in the mine, and it is probably much longer, although the economic portions in it are localized apparently in two distinct ore-shoots, which rake quite flatly to the north at an angle of about 25-35°. This main fissure occasionally splits into several parallel fissures, and at these places the mineralized and enclosed altered areas obtain widths of 20-25 feet.

The main ore-shoot is nearly 250 feet long and swells and pinches over relatively short distances from a maximum thickness of 15 feet down to thicknesses of less than one foot. The average mining width has averaged four to five feet. The northward rake of 25-35° of this ore-shoot is controlled by the intersection of the main fissure with a pre-mineral fault or shear zone that strikes N45°E. and dips 35-40° to the northwest. This ore-shoot was mined on both the 200 level and its extension on the 400 level. A second ore-shoot was mined a short distance north of the main ore-shoot on the 200 level. This ore-shoot is apparently controlled by a parallel structure to that which controls the main shoot. This second ore-shoot has not been explored on the 400 level but the mineralized area in the face of the lower level indicates that it is entering the productive zone of the second shoot. A sample cut from a 4.1 foot width in the

face of the lower level assays 15.6 percent lead, 21.6 percent zinc, and 87.7 ounces of silver per ton. Projection of the second ore-shoot from the 200 level down the rake, parallel to the main ore-body, also gives credence to the belief that the lower projection of the second ore-shoot is being intersected. If this is true, a considerable length of stoping ground should be opened up by extending the 400 level.

The principal ore minerals in the mine are sphalerite, galena, silver (mineral not determined), chalcopyrite, and pyrite, all occurring in a gangue of massive quartz. The mineralization has been mainly fissure-filling with minor replacement.

The principal type of wall-rock alteration is sericitization. This alteration is most pronounced in the hanging wall of the vein and at the junctions of the main fissure with the northwesterly branching fissures. Sericitization is accompanied by a marked bleaching of the wall rock.

Ore Reserves

The Dacotah mine contains no measured ore reserves. There is a block of unmined ore above the stopes on the 400 level. The stopes have caved considerably since active mining operations were suspended and this condition plus the necessity of leaving a pillar of ore beneath the 200 level eliminates this block as future ore. Other possible ore reserves can only be classified as inferred, and further exploration is necessary to prove such as measured.

Ore Possibilities

The areas most geologically favorable for exploration are below the 400 level on the downward extensions of the main ore shoot and laterally to the north both above and below the 400 level to explore the downward extension of the second ore-shoot to the north. Good ore has been opened in the face of the 400 level drift, and the indication that this is the lower extension of the second ore-shoot of the 200 level should be one of the main considerations in exploration to block out measured ore. Exploration laterally to the north on the 200 and 400 levels beyond present known ore is also feasible as there is evidence from surface exploration that other ore-shoots occur along the strike of the vein.

The applicant's exploration program will explore these favorable areas and it is anticipated that it will develop about 75,000 tons of new ore reserves. The grade of these new reserves should approximate the grade of the ore previously mined ore, which is indicated to be .01 oz. gold per ton, 3 oz. silver per ton, 2.5 percent lead, and 8 percent zinc.

Mining and Milling Methods and Costs

Mining methods employed at the Dacotah mine during former operations included shrinkage, open stoping with stull support, and square-set stoping. Modified cut and fill stoping is believed applicable to existing ground conditions.

The mining cost, based on a 50 ton per day cut and fill operation, is estimated at $9 per ton. This amount includes a $ 2 charge for exploration and development.

The cost of milling by selective flotation is estimated at $3 a ton. Separate lead and zinc products will be made.

Rate of Production

The Dacotah mine currently is idle. Installed milling facilities will treat 50 tons per day. Obviously the necessity for expansion beyond this rate would depend on the outcome of the proposed explorations. A geologic appraisal indicates that most of the anticipated ore reserves will be developed below the present no. 4 level. Therefore, continued mining and development would be limited by the capacity of the proposed winze. This winze, although primarily planned for exploration, would be enlarged to handle an expanded production up to 100 tons per day.

Time Schedule

	Operation	Estimated Time Allocation (a)
1.	Rehabilitation and extending no. 4 level	4 months
2.	Raising from no. 4 to no. 2 level and extending no. 2 level	3 months
3.	Raising 250 feet toward surface from no. 2 level	2 months
4.	Sinking winze 250 feet and drifting 400 feet	6 months
	Total.....	15 months (b)

Notes: (a) time estimates based on a two-shift operation.
(b) operations will be concurrent when possible which will reduce total time of project to 10 months.

Marketing Facilities

The zinc and lead concentrates will be sold respectively to the Anaconda zinc plant at Great Falls, Montana, and the American Smelting and Refining Company smelter at East Helena, Montana.

EQUIPMENT AND FACILITIES

The available mine plant, together with the additional equipment to be purchased, is considered adequate to carry out the proposed project. Equipment owned by the applicant to be rented under an exploration contract and equipment to be purchased are shown in table 1 (cost of proposal). Facilities listed in the application are to be made available to the project as required at no additional cost.

LABOR SUPPLY

Although a shortage of experienced miners currently is evident in the Neihart district, it is believed that an adequate labor force can be recruited provided a sustained operation is anticipated. Local logging operations have absorbed most of the available labor.

The current local wage scale, controlled in part by the established Butte scale, is $12 per 8-hour shift plus time and one-half for work over 40 hours in one week. It is believed, however, that a large part of the program could be performed to advantage on a contract basis.

Equipment to be furnished by Operator (continued)

	Item	Total rental cost	
2	Sinker drills, 6 months	$ 240	
2	Drifters, 9 months	630	
2	Rotators, 9 months	540	
1	Fan and motor, 10 months	130	
1	Air hoist, single drum, 6 months	120	
2	Service hoists (air), 5 months	250	
	Total		$ 5,010.00

Supplies:

Item	Total cost	
Powder cap and fuse	$5,845	
Timber	7,175*	
Track	1,750	
Bit and steel consumption; machine repair	1,600	
Pipe, 2- and 1-inch, with fittings	1,200	
Vent tubing	1,000	
Air and water hose	450	
Wire cable	150	
Grease, oil, and lubricants	600	
Electric cable, 3-conductor, insulated	1,200	
Transportation fuel, oil, and maintenance	824	
Electric power	4,000	
Total		$25,794.00

*Cost based on rough milled timber @ $60/1,000 b.f.

Labor (including supervision):			
Winze, 250 feet @ $50	$12,500		
Drifting, 1,500 feet @ $16	24,000		
Raising, 450 feet @ $22.20	10,000		
Total		$46,500.00*	
Rehabilitation (No. 4 level)		2,000.00	
Engineering		3,125.00	
Total cost of project			$100,000.00

*Includes allowance for Industrial Insurance, Social Security, and Unemployment Compensation

FILE COPY
SURNAME:

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

June 15, 1951

Mr. Carroll R. Bennett
Bennett Mining Company
404 First Avenue South
Great Falls, Montana

Subject: DMA-129 X
Re: Exploration Loan - $100,0000 (The Dacotah, Gilpin and Sam Savage Mines)

My dear Mr. Bennett:

Receipt is acknowledged of your application and attachments of May 15, 1951 from the BENNETT MINING COMPANY for a Government loan under the Defense Production Act of 1950.

The application was assigned Docket Number 129X and referred to Mr. Otto Herres, Chief, Lead-Zinc Branch, on June 7, 1951.

In any future correspondence relating to your application, kindly refer to DMA-129 X.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

LFSTROBEL/aec
cc: Strobel-2
files
Mr. Lyon
Mr. Herres

DMA-129

856

DMA-129X

UNITED STATES,
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 8, Washington

May 31, 1951

Mr. Landon F. Strobel
Executive Secretary
Defense Minerals Administration
Department of Interior
Washington 25, D. C.

Dear Mr. Strobel:

Enclosed is an application for aid for an exploration project on the Dakotah mine by the Bennett Mining Company of Great Falls, Montana.

The Bennett Mining Company originally applied for a production loan, DMA Docket-129. After a discussion of this application with the field team, the Bennett Mining Company requested that the application be changed to an exploration application and submitted the enclosed MF-103 forms.

A report recommending the application by the field team will be forwarded in a few days.

Sincerely yours,

Elton A. Youngberg

Elton A. Youngberg
For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosure

cc: U.S.B.M.

JUN 8 1951 5

MINES: NEIHART, MONTANA

BENNETT MINING COMPANY

404-406 FIRST AVENUE SOUTH

BOX 1135 PHONE 4361

GREAT FALLS, MONTANA

May 15th, 1951

Mr. A. E. Weissenborn
Executive Officer, D.M.A.
Field Team, Region 11
So. 157 Howard Street
Spokane, Washington

Dear Mr. Weissenborn -

We have Mr. Elton A. Youngberg's letter of May 7th enclosing forms MF103 to be used in applying for aid for an exploration project.

These forms, in quadruplicate, have been duly completed and are herewith returned to you. We trust you will find them satisfactory but if we have omitted desired needed information, kindly advise and we will do our best to furnish same.

Needless to say, we will appreciate as prompt action on our application as possible; if a person is to make a start, these are the days to get going. They are altogether too short up in the mountains.

Thanks very much for your assistance; it has helped a great deal.

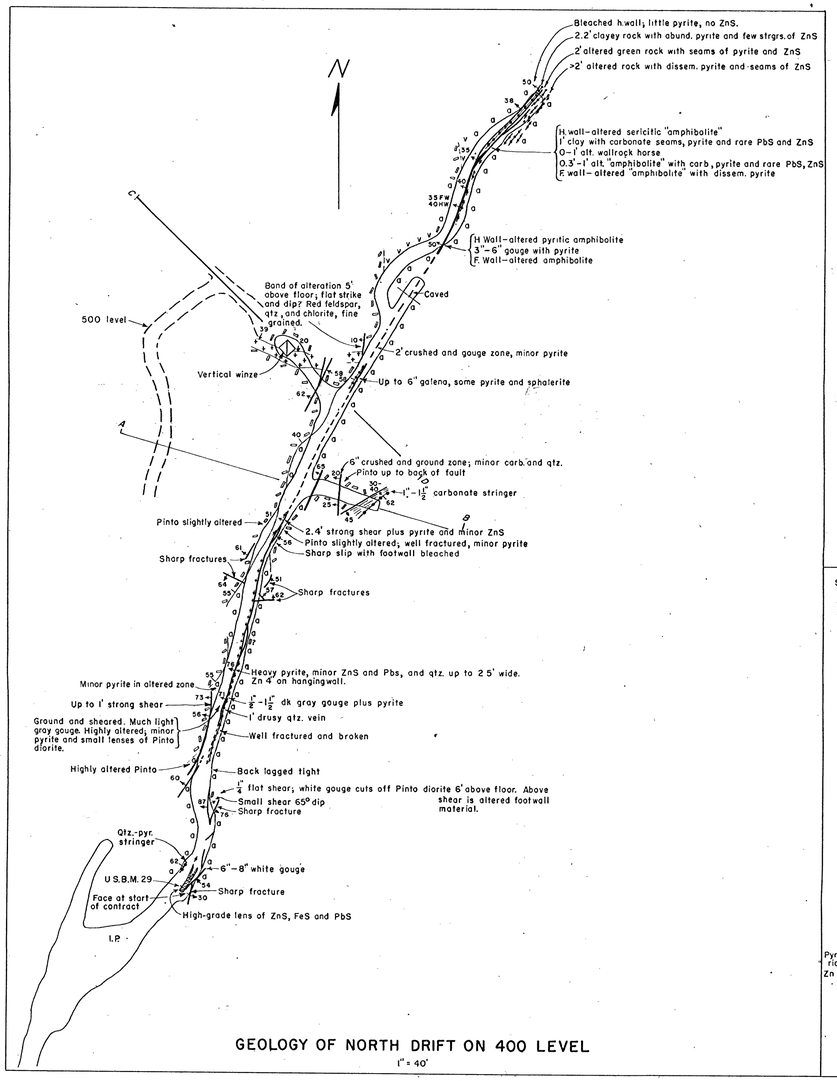
Kindest personal regards and best of wishes to you and Mr. Erickson.

Sincerely yours,

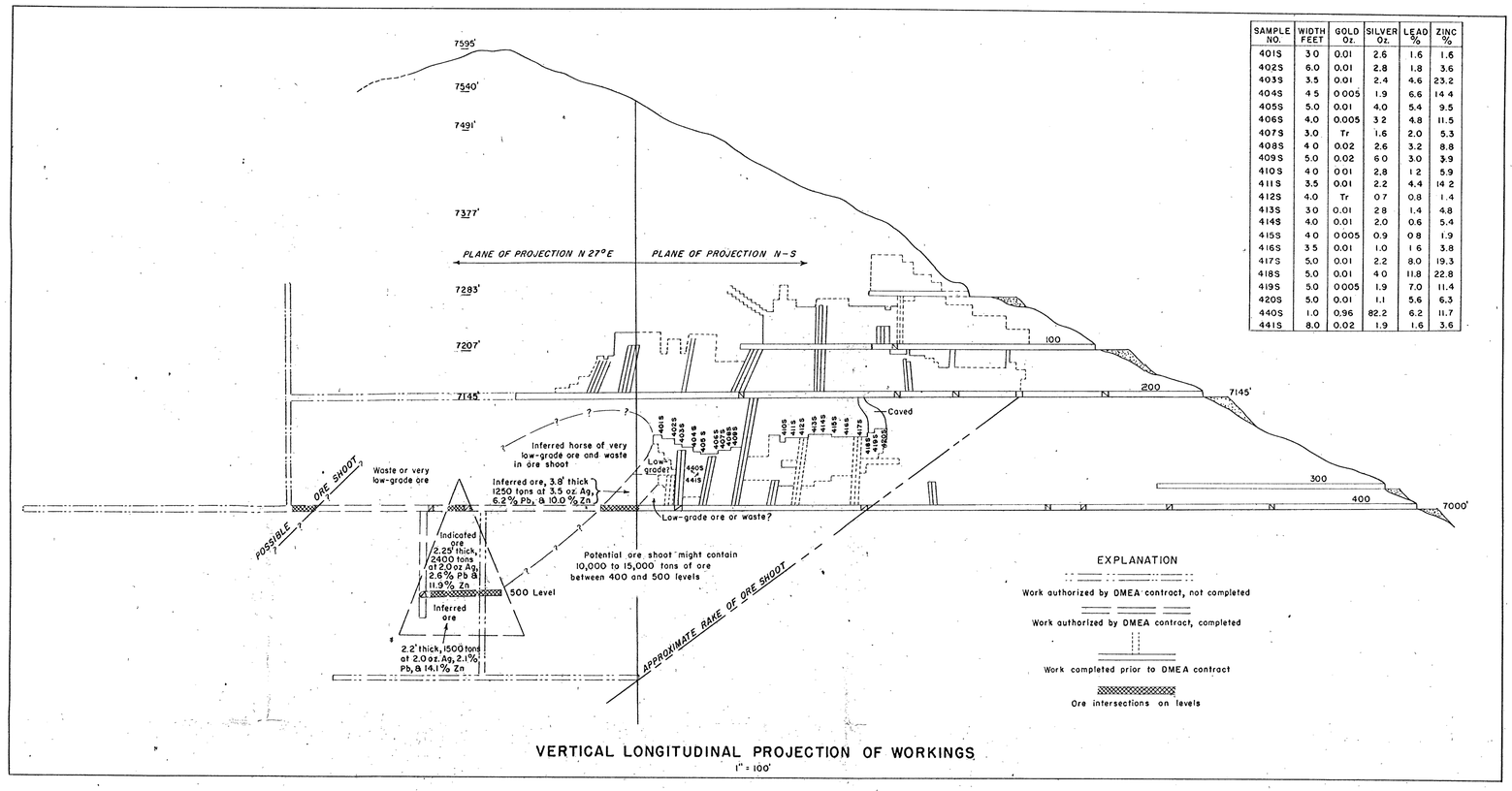
Bennett Mining Company

By Carroll R. Bennett

Carroll R. Bennett
P O Box #1135
Great Falls, Montana



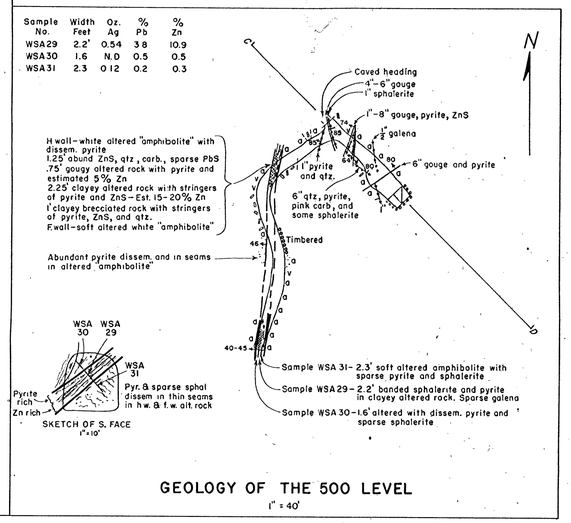
GEOLOGY OF NORTH DRIFT ON 400 LEVEL
1" = 40'



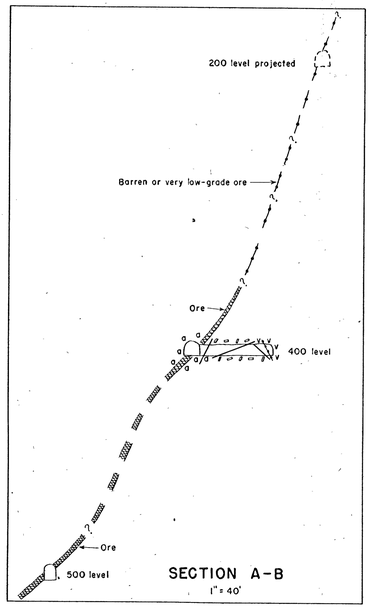
SAMPLE NO.	WIDTH FEET	GOLD Oz.	SILVER Oz.	LEAD %	ZINC %
401S	3.0	0.01	2.6	1.6	1.6
402S	6.0	0.01	2.8	1.8	3.6
403S	3.5	0.01	2.4	4.6	23.2
404S	4.5	0.005	1.9	6.6	14.4
405S	5.0	0.01	4.0	5.4	9.5
406S	4.0	0.005	3.2	4.8	11.5
407S	3.0	Tr	1.6	2.0	5.3
408S	4.0	0.02	2.6	3.2	8.8
409S	5.0	0.02	6.0	3.0	3.9
410S	4.0	0.01	2.8	1.2	5.9
411S	3.5	0.01	2.2	4.4	14.2
412S	4.0	Tr	0.7	0.8	1.4
413S	3.0	0.01	2.8	1.4	4.8
414S	4.0	0.01	2.0	0.6	5.4
415S	4.0	0.005	0.9	0.8	1.9
416S	3.5	0.01	1.0	1.6	3.8
417S	5.0	0.01	2.2	8.0	19.3
418S	5.0	0.01	4.0	11.8	22.8
419S	5.0	0.005	1.9	7.0	11.4
420S	5.0	0.01	1.1	5.6	6.3
440S	1.0	0.96	82.2	6.2	11.7
441S	8.0	0.02	1.9	1.6	3.6

VERTICAL LONGITUDINAL PROJECTION OF WORKINGS
1" = 100'

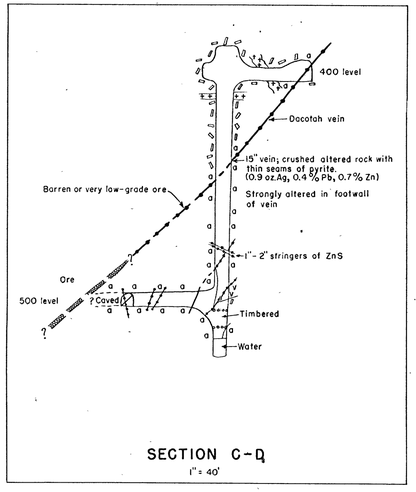
Sample No.	Width Feet	Oz. Ag	% Pb	% Zn
WSA29	2.2'	0.54	3.8	10.9
WSA30	1.6	N.D.	0.5	0.5
WSA31	2.3	0.12	0.2	0.3



GEOLOGY OF THE 500 LEVEL
1" = 40'



SECTION A-B
1" = 40'



SECTION C-D
1" = 40'

EXPLANATION

Pinto diorite, porphyritic facies

Pinto diorite, amphibolite facies

Altered Pinto diorite, principally amphibolite facies

Banded gneiss and red feldspar

Fault, showing dip

Vein, showing dip

GEOLOGIC MAPS AND SECTIONS OF THE DACOTAH MINE

NEIHART DISTRICT, CASCADE COUNTY, MONTANA

Geology by M.R. Klepper and J.J. Quinlan, U.S.G.S.

DEPARTMENT OF THE INTERIOR
UNITED STAT' ' GEOLOGICAL SURVEY

UNDERGROUND WORKINGS, GEOLOGY, AND ASSAY PLANS

DACOTAH MINE

SEC. 28, T. 14 N., R. 8 E., CASCADE COUNTY, MONTANA

NEIHART MINING DISTRICT

Compiled from maps of Bennett Mining Company
Mapping of new workings on 200 and 400 levels, April, 1951, by:
Elton A. Youngberg and Willard P. Puffett, U.S. Geol. Survey
Sample in 400 level face:
Eric G. Erickson, U.S. Bur. Mines

EXPLANATION

50
Contact, showing dip
(Dashed where inferred)

60
Fault, showing dip

45
Shear zone, showing dip

Mineralized shear zone

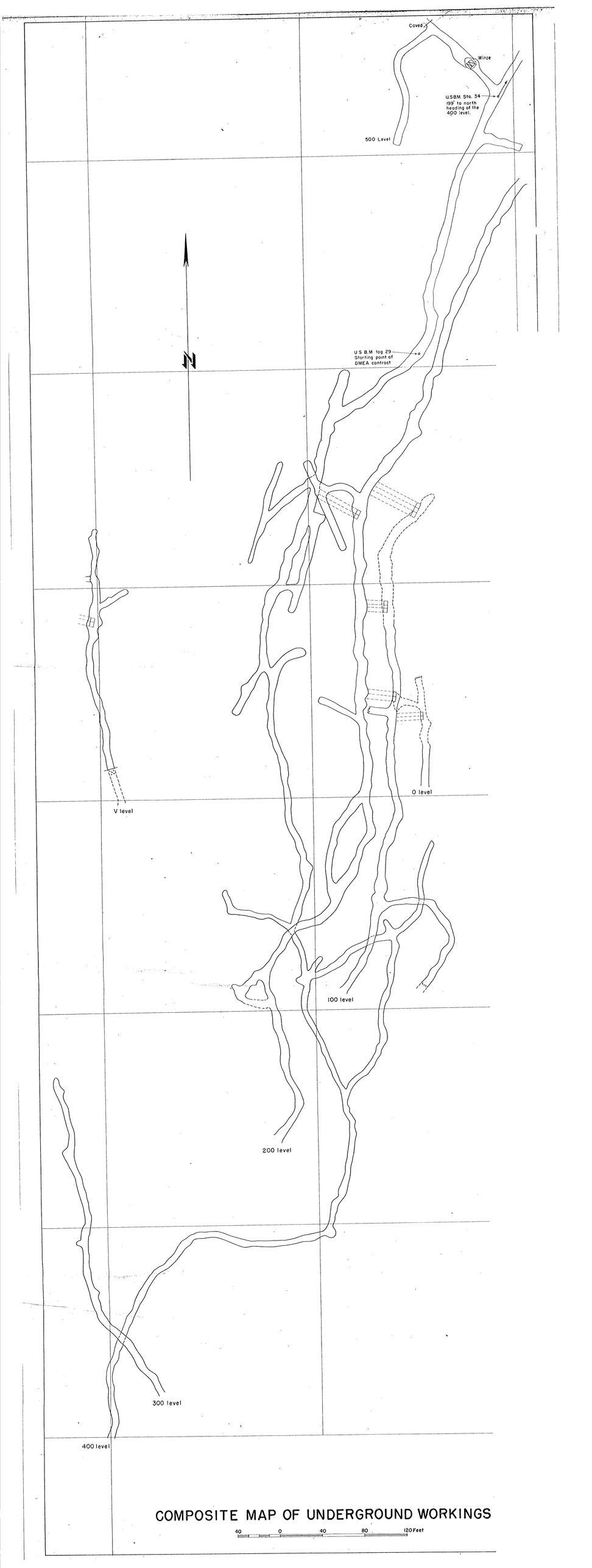
80
Mineralized vein, showing dip

Raise

Chute

101 A
Survey stations

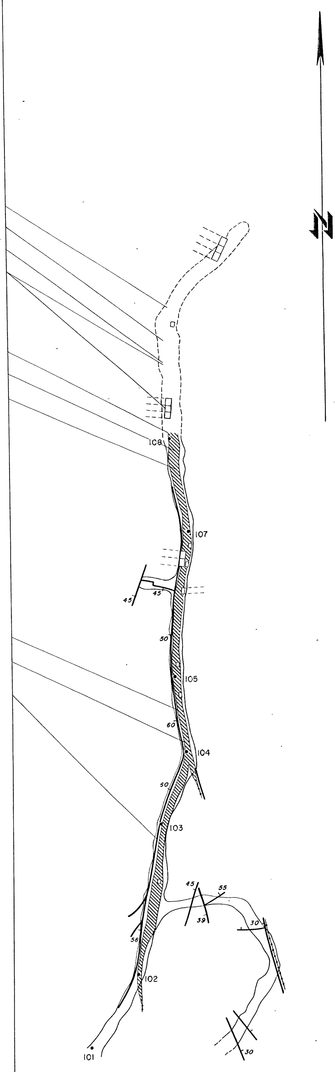
Filled workings



COMPOSITE MAP OF UNDERGROUND WORKINGS

A S S A Y S

NO	WIDTH FEET	AU OZ	AG OZ	PB %	ZN %
107	3.0	0.01	4.0	1.8	7.6
106	4.0	0.02	5.0	4.6	4.3
105	2.0	Tr	1.7	1.0	4.9
104	5.0	0.01	4.4	4.1	13.2
103	9.0	Tr	1.0	0.8	8.0
102	10.0	0.005	2.4	1.0	9.1
101	10.0	Tr	2.0	1.6	16.2
D149	5.5	0.02	3.2	1.7	8.0
D148	5.0	0.01	2.9	0.9	3.6
D147	6.0	0.02	5.2	7.6	13.3

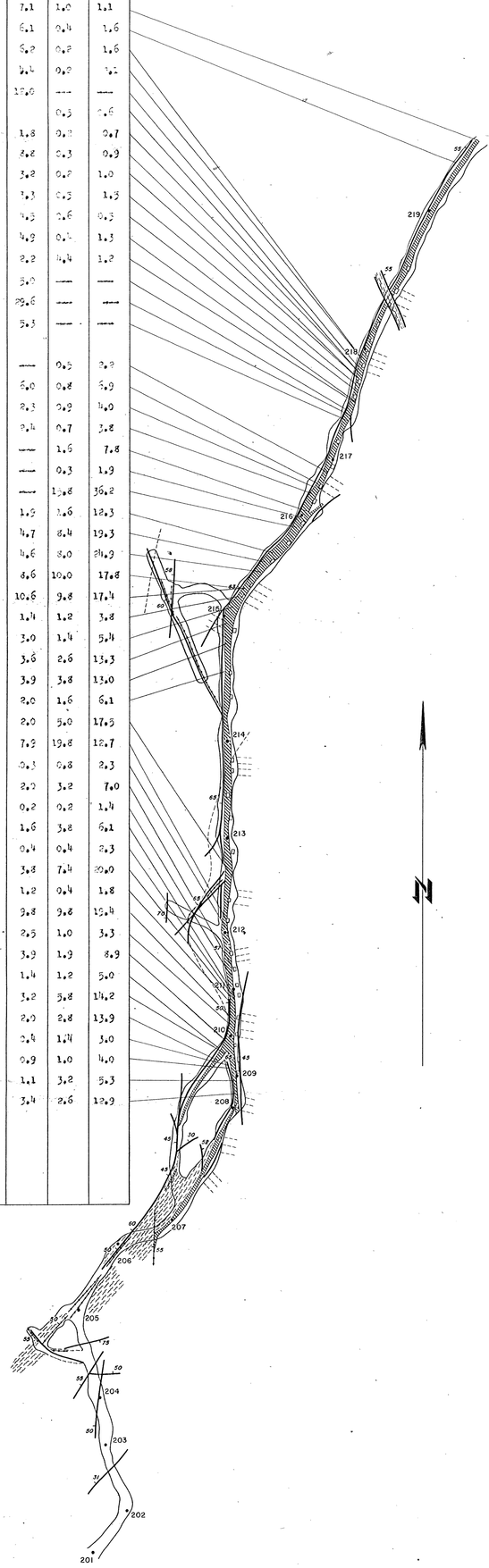


100 LEVEL

40 0 40 80 120 Feet

ASSAYS

No	WIDTH FEET	AU OZ	AG OZ	PB %	ZN %
B	3.0	Tr	7.1	1.0	1.1
8	1.3	Tr	6.1	0.4	1.6
31	0.3	0.04	6.2	0.2	1.6
30	2.0	0.02	4.4	0.2	1.1
29	2.0	0.12	12.0	---	---
28	4.0			0.5	0.6
27	4.0	Tr	1.8	0.2	0.7
26	5.0	0.01	2.2	0.3	0.9
25	5.0	0.005	3.2	0.2	1.0
24	2.0	0.01	1.3	0.5	1.5
23	5.0	0.01	4.5	0.6	0.5
22	1.4	0.01	4.9	0.4	1.3
21	3.0	0.005	2.2	4.4	1.2
20	4.0	0.01	5.0	---	---
19	4.0	0.04	29.6	---	---
18	5.0	0.01	5.3	---	---
17	4.5	---	---	0.5	2.2
16	4.0	0.04	6.0	0.8	6.9
15	4.3	0.01	2.3	0.2	4.0
14	6.0	0.01	2.4	0.7	3.8
13	3.5	---	---	1.6	7.8
12	2.5	---	---	0.3	1.9
11	0.5	---	---	13.8	36.2
10	7.5	0.01	1.9	1.6	12.3
9	6.0	0.02	4.7	8.4	19.3
8	4.0	0.02	4.6	8.0	24.9
7	4.0	0.02	6.6	10.0	17.8
6	3.0	0.03	10.6	9.8	17.4
A	2.5	Tr	1.4	1.2	3.8
5	4.5	0.01	3.0	1.4	5.4
4	4.5	0.02	3.6	2.6	13.3
3	5.0	0.01	3.9	3.8	13.0
2	2.0	0.01	2.0	1.6	6.1
0588	3.1	Tr	2.0	5.0	17.5
0589	2.0	0.01	7.9	19.8	12.7
0590	2.8	Tr	0.3	0.8	2.3
0557	3.9	0.01	2.2	3.2	7.0
0558	0.9	Tr	0.2	0.2	1.4
0497	1.1	0.01	1.6	3.8	6.1
0498	1.4	Tr	0.4	0.4	2.3
0499	1.2	0.01	3.8	7.4	20.0
0500	1.4	Tr	1.2	0.4	1.8
0397	1.1	0.04	9.8	9.8	19.4
0398	0.9	0.01	2.5	1.0	3.3
0399	1.9	0.02	3.9	1.9	8.9
0400	3.6	0.01	1.4	1.2	5.0
0401	1.5	0.02	3.2	5.8	14.2
0404	1.7	0.01	2.0	2.8	13.9
0403	3.6	0.01	2.4	1.4	3.0
0402	2.7	0.02	0.9	1.0	4.0
0405	0.7	0.01	1.1	3.2	5.3
0406	1.3	0.02	3.4	2.6	12.9

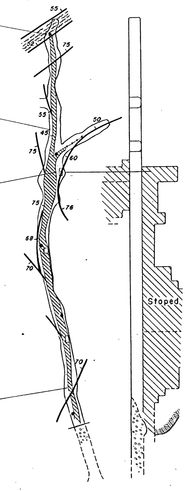


200 LEVEL

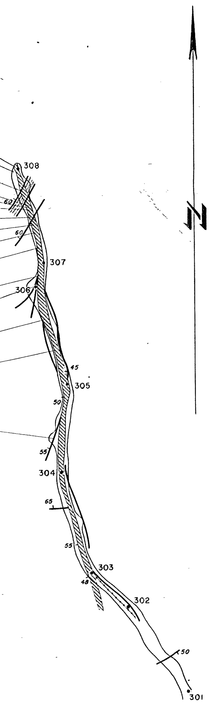
40 0 40 80 120 Feet

A S S A Y S

NO	WIDTH FEET	AU OZ	AG OZ	PB %	ZN %
V1	0.8	0.02	5.8	9.4	18.9
V2	2.9	0.005	2.2	1.6	5.2
V3	0.9	0.02	2.6	11.2	4.1
V4	1.0	0.01	3.2	1.4	3.3
7	3.0	0.02	11.7	3.4	1.8
D138	3.5	0.01	0.6	0.2	1.5
D139	4.5	0.02	3.6	1.8	7.1
D141	2.0	0.01	0.9	0.4	3.6
D140	1.2	0.02	11.2	4.7	17.4
8	3.0	Tr	1.2	0.5	2.3
D142	2.3	0.01	1.6	0.4	1.1
D143	2.5	0.05	6.8	0.8	3.0
9	2.5	0.02	4.2	0.5	1.9
D144	3.8	0.01	0.6	0.2	1.2
10	6.0	Tr	0.8	0.8	1.5
D145	3.6	0.01	1.5	0.2	1.6
D146	4.2	0.01	1.5	0.2	0.8
11	4.0	Tr	2.0	0.4	1.6
12	2.0	Tr	0.4	0.8	4.3



V LEVEL



300 LEVE.

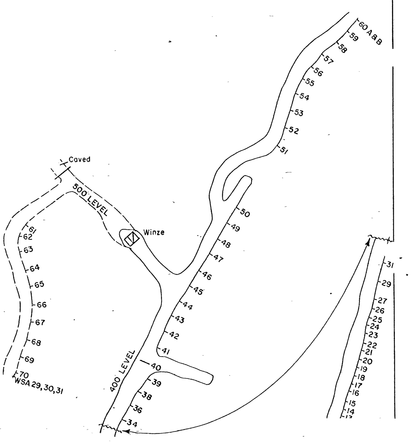
300 AND V LEVELS

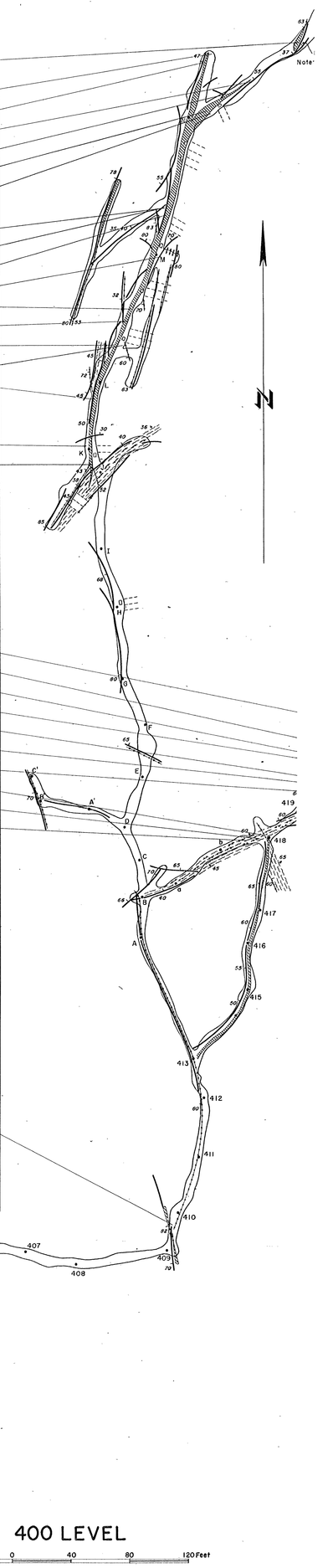
40 0 40 80 120 Feet

MINE OPERATOR'S SAMPLES

SAMPLE NO.	WIDTH FEET	OZ. Ag	% Pb	% Zn	SAMPLE NO.	WIDTH FEET	OZ. Ag	% Pb	% Zn
1	10.0	0.5	11.5	12.0	40	3.0	2.8	7.0	10.6
2	6.5	0.8	2.5	5.1	41	4.0	1.8	1.2	2.4
3	7.0	1.6	3.2	7.4	42	2.0	3.2	8.2	5.1
4	2.0	1.4	7.0	13.6	43	1.5	1.3	0.4	5.4
5	2.3	3.0	17.4	16.5	44	2.5	0.6	0.2	0.2
6	2.7	2.1	7.8	17.7	45	2.5	2.6	0.4	0.4
7	2.0	3.8	9.8	11.3	46	2.5	1.5	0.4	0.1
8	3.0	0.8	0.6	0.7	47	2.5	1.2	0.6	0.8
9	2.0	1.6	0.6	0.8	48	3.5	0.7	0.2	0.2
10	1.5	0.6	0.6	0.4	49	1.75	0.8	0.6	0.6
11	1.5	1.2	0.4	1.7	50	1.30	1.8	0.6	3.8
12	2.5	1.8	1.5	2.2	51	1.3	1.2	0.4	0.2
13	2.5	1.2	3.0	6.1	52	0.5	0.4	0.4	0.7
14	3.5	2.6	0.5	1.7	53	3.0	0.31	0.2	0.6
15	4.0	2.2	0.6	0.5	54	1.0	0.3	0.6	0.4
16	4.0	2.6	1.4	5.9	55	1.0	0.5	0.6	0.2
17	4.0	4.3	0.5	0.8	56	4.0	0.3	0.4	0.2
18	3.5	10.4	0.4	0.2	57	1.0	2.3	8.2	0.5
19	3.0	4.0	0.6	3.1	58	2.5	2.6	10.8	6.4
20	3.0	3.7	2.8	8.1	59	1.0	2.8	6.0	12.2
21	2.0	2.8	1.0	1.7	60A	1.75	1.8	6.2	6.6
22	1.3	1.7	0.6	2.0	60B	2.50	2.6	1.2	2.4
23	2.7	0.3	1.2	1.2	60*	4.25	2.3	3.25	4.10
24	3.0	3.9	5.2	6.2	61	4.0	2.4	3.8	31.8
25	4.0	1.0	3.4	1.2	62	2.0	1.4	0.5	7.4
26	3.5	3.1	0.4	0.4	63	1.25	4.0	2.0	15.8
27	4.5	1.2	0.4	1.2	64	1.50	0.5	0.5	3.1
29	2.5	2.4	0.6	0.7	65	3.0	1.2	0.5	16.7
31	3.0	3.2	0.6	0.8	66	3.0	2.5	2.0	3.2
33	4.0	1.4	0.4	4.6	67	2.0	1.0	0.6	1.7
34	2.5	0.8	0.4	0.8	68	1.5	0.4	0.3	0.5
36	1.3	0.6	0.4	1.3	69	2.0	1.5	4.0	23.4
38	1.5	0.9	0.6	1.9	70	2.0	1.0	3.6	21.8
39	2.3	0.5	0.4	0.9	WSA29	2.2	0.34	3.8	10.9
					WSA30	1.3	ND	0.5	0.5
					WSA31	2.3	0.12	0.2	0.3

*Average of 60A and 60B



ASSAYS

NO	WIDTH INCHES	AU OZ	AG OZ	PB %	ZN %
	50		87.7	15.6	21.6
14	18	0.02	0.7	1.0	2.4
13	12	0.01	2.2	4.8	18.1
12	36	0.01	0.7	0.8	0.8
11	12	Tr	0.06	0.8	1.5
10	36	0.01	1.9	4.4	4.6
9	36	0.02	5.8	5.0	9.2
8	8	1.04	88.8	10.4	14.4
x	12	0.34	28.5	10.0	4.0
7	36	Tr	0.6	1.4	2.2
1x	8	0.01	0.7	0.8	3.7
6	38	0.01	0.9	0.6	0.6
5	30	Tr	0.4	0.6	3.6
4	18	Tr	1.1	4.2	7.1
2x	24	0.01	2.0	1.0	12.9
3	36	Tr	0.2	0.8	0.9
2	12	0.02	5.2	12.6	6.1
1	18	0.01	1.0	5.8	1.3
10Z	18	Tr	0.6	0.8	3.1
9Z	30	0.01	0.8	0.4	1.1
GW17	28	Tr	0.8	1.0	1.5
8Z	24	0.01	5.2	10.2	5.3
7Z	30	0.01	0.7	1.6	3.1
GW16	19	0.01	1.9	4.8	5.6
11Z	24	0.01	0.7	0.8	1.0
GW18	18	0.05	17.2	2.2	9.7
DL36	32	0.06	4.9	0.4	0.5
DL37	65	0.13	8.8	0.8	1.8
12Z	12	0.01	1.8	4.4	7.1