UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated (~~or cancelled~~) without certification. DMEA No. 315

This is the official contract file containing all official records of the project. Duplicate material has been removed. The records contained in the files are checked and are arranged in this manner:

Left Side

- ✓ Certificate of Audit (Final).
- Interim Audit(s).
- Report of Review.
- ✓ Termination Notice or Agreement.
- Recision Notice.
- ✓ Assignment of Contract.
- ✓ Contract Amendments (latest on top).
- ✓ Contract with all exhibits and annexes.
- Owner's Consent to Lien.
- Subordination Agreement.
- Leases and assignments of leases.
- Application and attachments.
- Schedule of Collections.
- ✓ Operator's monthly reports and all attachments (latest on top).

Right Side

- Project summary.
- ✓ Work completed analysis.
- All other material is filed in chronological order with correspondence including the following reports as checked:
- ✓ Final Field Team Report. (Tab)
- Operator's Final Report.
- ✓ Interim Reports.
- ✓ On-site Exam Report(s). (Tab)
- Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number _____

Operator's Monthly Reports in folder number _____

Reviewer's Initials

7973

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

SUPPLEMENTAL AUDIT CERTIFICATE

I have examined the records and transactions of

William R. McLure and Charles D. McLure
and their assignee
Double Eagle Tungsten Company
Philipsburg, Montana

pertaining to Exploration Contract No. Idm-Ml14, Docket No. DMEA 315, covering a project for the exploration of tungsten on the Bear and Fleat claims in Granite County, Montana, for the period of September 1, 1951 to October 17, 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		$10,270.40
Exceptions (see Audit Report for details):		
Prior to this audit	$ 3.25	
During this audit	3,414.59	3,417.84
Total accepted cost		$ 6,852.56

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Five Thousand One Hundred Thirty Nine and 42/100 Dollars

$5,139.42

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.

December 2, 1953

Robert M. Hull

Robert M. Hull, Auditor

SUPPLEMENTAL AUDIT REPORT

The Audit Certificate and Audit Report rendered by Robert M. Hull, DMEA Auditor, dated November 13, 1953, are hereby amended and supplemented by this report which applies to Section III, Category 2 (Labor and Supervision).

At the time the audit was made the Operator was unable to give a clear and adequate explanation covering the claim made for "Machine Installation" in the amount of $255.00 paid to A. L. Applegate in December 1951. Therefore, a disallowance of the entire amount of $255.00 was made.

Subsequently in a personal conversation with Mr. Applegate the item of "Machine Installation" was thoroughly and satisfactorily explained. The work consisted of the installation, on the project property, of a gasoline engine and compressor and a small hoist (tugger). Also, the completion of the shed in which the machinery was housed.

For this work A. L. Applegate was paid the sum of $255.00. The stub in the Stock Record book of the Double Eagle Tungsten Company shows that Stock Certificate No. 17, dated December 1, 1951, was issued to A. L. Applegate in the amount of 510 shares valued at $0.50 per share.

The item of work is considered a proper cost under the contract and in view of the explanation made by Mr. Applegate is allowable.

The payroll computation error, which was caused by erroneously extending the wages of one of the miners by one-quarter of a day at $13.00, was disallowed by the Certifying Officer prior to the audit.

The adjustments between "Items of Costs" as shown on the final Form MF-104, the disallowances and the accepted costs, are summarized as follows:

	Final Form MF-104 July 1952	Corrected distribution based on supporting records	Disallowed by audit	Allowed by audit
1. Independent Contracts				
Bulldozing	549.96	549.96	80.00	469.96
Machine installation		255.00		255.00
2. Labor and Supervision				
Labor	2,510.25	2,506.08	34.33*	2,471.75
Supervision	3,349.92	3,380.25	2,777.75	602.50
3. Oper. Mat'ls. & Suppl.				
Explosives	59.80	59.80		59.80
Supplies	286.36	286.36	39.20	247.16
4. Operating Equipment				
Rental	2,332.46	2,740.41	317.91	2,422.50
6. New Bldg., Improve., etc.	75.00	75.00		75.00
7. Miscellaneous				
Sampling & Analysis	7.00	7.00		7.00
Payroll taxes	431.42	150.26	21.15	129.11
Liability insurance	172.28	172.28	147.50	24.78
Hauling	88.00	88.00		88.00
Truck	407.95	-0-		-0-
	$10,270.40	$10,270.40	$3,417.84	$6,852.56

*A disallowance of $3.25 was made by the Certifying Officer prior to audit and is included in this sum.

The supplemental audit report has been discussed with the Executive Officer of the RMRA Field Team, Region II.

December 2, 1953

Robert M. Hull

Robert M. Hull, Auditor

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DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

315

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AUDIT CERTIFICATE

I have examined the records and transactions of

William R. McLure and Charles D. McLure
and their assignee
Double Eagle Tungsten Company
Philipsburg, Montana

pertaining to Exploration Project Contract No. Idm-M114, Docket No. DMEA-315, covering a project for the exploration of tungsten on the Bear and Float claims in Granite County, Montana, for the period of September 1, 1951 to October 17, 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	$10,270.40
Exceptions: (see audit report for details) During this audit	3,672.84
Total accepted cost	$ 6,597.56

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Four Thousand Forty Eight and 17/100 Dollars

$4,948.17

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.

Robert M. Hull
Robert M. Hull, Auditor

November 13, 1953

I INTRODUCTION

On September 28, 1953, a final audit (covering operations for the period of September 1, 1951, to October 17, 1952) was made of the records and accounts pertaining to Exploration Project Contract No. Idm-M114, Docket No. DMA-315X, with

William R. McLure and Charles D. McLure
and their assignee
Double Eagle Tungsten Company
Philipsburg, Montana

covering a project for the exploration of tungsten on the Bear and Float claims in Granite County, Montana.

An audit had previously been made but due to circumstances that required administrative determination, no audit report was submitted. The President of the Double Eagle Tungsten Company, by letter dated May 28, 1953, from the Administrator of the Defense Minerals Exploration Administration, was given the opportunity of submitting a final revised voucher (Form MF-104 and MF-104A). This audit is based upon the final MF-104 and 104A which the Operator submitted under date of July 26, 1953.

The Exploration Project Contract was terminated by mutual agreement after commencement but before completion of the work on October 17, 1952.

The records necessary for the audit were in the custody of Mr. William R. McLure, President of the Double Eagle Tungsten Company. For the purpose of the audit, Mr. McLure had the records in the office of Judge R. R. McHugh, Room 2, Flood Building, Anaconda, Montana. Judge McHugh is Mr. McLure's personal attorney. Mr. John McNabb, Mining

Engineer, U. S. Bureau of Mines, accompanied the auditor and assisted in the audit as required.

II GENERAL INFORMATION ON RECORDS

The accounting records for the exploration project consist of a ledger, journal and stock record (in which sales of capital stock are recorded). The ledger and journal were not up to date which necessitated an audit of the source documents.

The source documents covering the cost of the project consist of suppliers invoices, cancelled checks, time book and payroll records.

III SCOPE OF AUDIT AND FINDINGS

The audit was limited to ascertaining the accuracy, propriety, and validity of the costs as shown in the final "Totals to Date" column of Form MF-104, Operator's Monthly Report and Voucher, as submitted by the Operator on July 26, 1953, as evidenced by original invoices, payrolls, cancelled checks, time records and other original documents. The findings, after analysis and correction of the distribution of costs, follows:

(1) Independent Contracts

The Operator has claimed under this category costs covering items I and 2 as set forth in Exhibit "A", Summary of Cost of the Exploration Contract.

"Build approximately 1000 feet of bulldozer road from county road to project, 16 hours @ $15/hour $240.00"

"Excavate bulldozer cut to make collar sites for inclined shaft, 96 hours @ $15/~~jour~~ hour $1,440.00

The work was performed as follows:

The road crew of Granite County, with a county-owned bulldozer, did part of the work for which the county submitted a bill of $149.96, made up of the following items:

Labor	$116.00
Diesel fuel	11.44
Gas	16.08
Oil	2.50
Retirement fund	3.94
	$149.96

Payment was verified by cancelled check No. 13 drawn on the Flint Creek Valley Bank on October 3, 1951, and signed by William R. McLure and W. L. Degenhart, in the amount of $149.96.

In addition, bulldozing work consisting of building approximately 1,800 feet of access road to the mine workings and leveling off building sites for the mining surface installation was done by Harold B. Kaiser. Mr. Kaiser states, "To the best of my knowledge four days of bulldozer work was performed by myself on the Bear and Float mining claims. Payment for the work completed at Sunrise and on the Bear and Float mining claims was made in the amount of 800 shares of Double Eagle Tungsten Co. stock, par value of $0.50 per share, stock certificate No. 14." Mr. John S. McNabb, Engineer, U. S. Bureau of Mines, who visited the property verified Mr. Kaiser's statement.

The stub in the Stock Record Book shows that Stock Certificate No. 14 was issued to Harold B. Kaiser on November 1, 1951, in the amount of 800 shares. The certificates have a printed value of $0.50 a share. The stub of the stock certificate was used by the Operator as proof of payment.

However, as only four days of bulldozer work was done on the Bear and Float claims, a disallowance of one day's work done at Sunrise (not applicable to this contract) in the amount of $80.00 is made. This sum is one-fifth of the total claim of $400.00. The total costs allowable under this item are $469.96.

(2) Labor and Supervision

Analysis of the payrolls and time book disclosed that the Operator had claimed "net" wages under this heading and had included the withholding tax as well as Social Security and Montana Unemployment Taxes under Item 7, Miscellaneous-Payroll taxes. The amount claimed by the Operator is made up of the following items:

Name	Amount paid by check	Check Nos.	Stock Certificate No.	Claimed Total Amount of Stock and Checks	Gross Wages
T. Hendrickson	$ 471.81	2-7-17 24-51-58	6-12-18	$ 696.31	$ 815.60
G. Hendrickson	503.31	3-9-26-19 3-9-26-19	7-13-19	727.81	815.60
C. D. McLure	831.13	4-10-20 27-53-60	None	831.13	843.80
A. L. Applegate			17	255.00	None
	$1,806.25			$2,510.25	$2,473.00

The Operator paid part of the wages by check and the balance by the issuance of stock at the rate of $0.30 per share.

The payroll records show only three employees, all classified as miners. The name of A. L. Applegate, listed above, does not appear in the payroll records; however, there was an invoice from Applegate for services rendered. The Operator stated that Applegate was employed for "Machine

Installation" and was paid the sum of $255.00. The stub in the Stock Record book shows that Stock Certificate No. 17, dated December 1, 1951, was issued to A. L. Applegate in the amount of 510 shares valued at $0.50 per share. The Operator's explanation was not considered adequate and the sum of $255.00 is being disallowed. The daily wage rate was increased effective November 1, 1951 from $12.30 to $13.00.

The charges for labor consist of the following:

Labor (miners)	187½ days at $12.30 per day	$1,568.85
	69½ days at $13.00 per day	903.50
		$2,471.75

The payroll for labor as submitted by the Operator consisted of the net earnings paid, $1,806.25; stock issued in lieu of cash, $448.80, as shown on the payroll although the operator claims $449.00, and stock issued in the amount of $255.00, which was payment on machine installation. The costs were redistributed with the $255.00 being transferred to Item 1, Machine Installation. The net amount paid to the laborers, $1,806.25, plus the amount of stock issued as part payment, $449.00, plus the $250.83 that the operator paid for withholding taxes, or $2,506.08, is shown as gross wages. The actual gross wages as indicated by the payroll records are $2,475.00, or a difference of $31.08. The $31.08 is composed of an overpayment on withholding taxes of $30.88 plus a $0.20 error in showing amount of stock issued. The Operator overpaid Thomas H. Hendrickson $15.44 and Gideon A. Hendrickson $15.44; due to an error on the payrolls of September 20, 1951 and October 5, 1951, insufficient taxes were withheld. Correct reports, however, were sent to the tax authorities. An error of $3.25 was made by erroneously extending by one-quarter of a day at $13.00 the wages of one of the miners. Therefore, a disallowance of $34.33 is

made, and the total amount allowable for labor is $2,471.75. The rates paid for wages were within the maximum rates specified in Exhibit "A" of the contract.

Supervision was claimed in the amount of $3,349.92, which is the net figure and was made up of the following:

		Gross Salary	Net Salary
William R. McLure-Supt.	September 1951	$200.00	$190.10
	October 1951	200.00	190.10
	November 1951	135.00	132.98
	December 1951	67.50	66.49
		$602.50	$579.67
	Expenses	55.75	
		$658.25	

In addition, Mr. McLure claimed $2,000.00 for his services for the period of January 1952 to October 1952, ten months at $200.00 per month.

		Gross Salary	Net Salary
W. L. Degenhart-Ass't Supt., Sec.-Treas.	November 1951	$225.00	$221.62
	December 1951	185.00	183.13
	January 1952	50.00	49.26
	February 1952	50.00	49.26
	March 1952	50.00	49.26
	April 1952	50.00	49.26
	May 1952	50.00	49.26
	June 1952	50.00	49.26
	July 1952	50.00	49.26
	August 1952	25.00	24.63
		$785.00	$714.20

Total Supervision as claimed, based on net salaries:

W. R. McLure	$2,635.42
W. L. Degenhart	714.50
	$3,349.92

The redistributed payroll is Mr. McLure's net salary $579.67, plus payroll taxes $30.33, plus expenses $55.75, plus stock issued in lieu of cash $2,714.50, or $3,380.25. Proof of payment was submitted for W. R. McLure by checks drawn on the Flint Creek Valley Bank and stock certificate

No. 26.

Check No.	Date	Amount	Purpose
1	September 17, 1951	$ 50.00	Expenses
11	October 3, 1951	190.10	Net salary
21	October 19, 1951	190.10	Net salary
28	November 2, 1951	66.49	Net salary
34	November 2, 1951	5.75	Cash advance
54	November 16, 1951	66.49	Net salary
61	December 3, 1951	66.49	Net salary
		$635.42	

Stock Certificate No. 26, dated February 28, 1953, was for 3,200 shares of stock. Mr. McLure stated that he valued the shares at $0.75 per share and used the certificate, valued at $2,400.00, to support his claim for the $2,000.00 Supervision not supported by cancelled checks. Mr. Degenhart's supervision was supported by Stock Certificates No. 20, dated December 15, 1951, for 690 shares, and No. 23, issued July 31, 1952, for 739 shares.

Mr. McLure, who has the controlling interest in the Double Eagle Tungsten Company, arbitrarily changed the value of the shares from $0.50 to $0.75 to suit the situation.

The actual stock certificates were not available. All information concerning them was taken from the stock certificate stub remaining in the Company's Stock Record ledger.

Of this amount claimed a deletion is made of $2,777.75; consisting of the $2,000.00 worth of stock issued to Mr. McLure, $55.75 expenses, $714.50 in stock issued to Mr. Degenhart, although shown on the payroll as $714.20, and the taxes paid of $7.50. The Operator did not reflect the full amount of taxes applicable to Mr. Degenhart's salary.

The total amount being allowed for Supervision by the audit is $602.50, the gross salary of Mr. McLure in his capacity as Superintendent during the period when the exploration work actually was performed. The

services of Mr. Dagenhart as Assistant Superintendent-Secretary Treasurer do not appear as essential to the exploration project and are regarded as overhead in which the Government should not participate.

(3) Operating Materials and Supplies

A detailed examination was made of the items chargeable to this category of costs, and the following summarizes the findings:

	Charged	Disallowed	Acceptable
Explosives	$ 59.80		$ 59.80
Misc. Supplies	286.36	$39.20	247.16
	$346.16	$39.20	$306.96

The miscellaneous supplies consisted of gas and oil, small tools and assorted hardware. The Operator claimed the sum of $20.15 for welding and payment was made by check No. 94 dated April 1, 1952, and $19.05 for a pair of car chains with payment made by check No. 95 dated April 3, 1952. As these items were purchased after the period of active exploration they are being disallowed. Proof of payment was ascertained by the following cancelled checks drawn on the Flint Creek Valley Bank:

Check No.	Amount
6	$ 16.25
30	43.06
31	22.40
32	22.13
35	5.10
36	3.00
49	13.40
65	30.00
67	51.64
69	5.25
70	1.70
71	25.13
73	54.35
84	13.65
	$306.96

The total amount allowed under this item is $306.96.

(4) Operating Equipment

The Operator claimed the sum of $2,332.46 under the category of Rented equipment. This sum represents payments and interest on a sales purchase contract and straight rental of equipment. The Double Eagle Tungsten Company entered into a sales purchase contract in the amount of $3,000.00 with Arthur Taylor of Philipsburg, Montana, on October 1, 1951. The installment sales contract is supported by a chattel mortgage held by the Flint Creek Valley Bank of Philipsburg, Montana. The Operator was obligated to pay $385.00 down and the balance to the Flint Creek Valley Bank as follows:

November 1951	$385.00
December 1951	385.00
January 1952	385.00
June 1952	385.00
July 1952	385.00
August 1952	385.00
September 1952	305.00
	$2,615.00
Down payment	385.00
Total	$3,000.00

The inventory of equipment included in the sales contract price of $3,000.00 is not completely itemized. The items are listed in a general way as:

Mining machinery
Equipment
Tools
Steel
Cable, hose and pipe
1 Ingersoll-Rand compressor 10 x 12 with air receiver
1 Ingersoll-Rand steper
1 Ingersoll-Rand liner
2 Ingersoll-Rand jackhammers
Hose and 1,500 lbs. steel
4 Mine cars - 1,000 lbs.
600 feet 2" black pipe
600 feet 3/4" water line pipe

The compressor was equipped with an electric motor which was not suitable. This motor was exchanged as a down payment on a Waukeshan motor costing $650.00. The Miller Machinery Company of Missoula, Montana, allowed the Operator $350.00 for the electric motor and the balance was to be paid in installments as follows:

November 5, 1951	$50.00
December 13, 1951	50.00
January 12, 1952	50.00
January 17, 1952	150.00
	$300.00

The sum of $2,332.46 claimed by the Operator consists of the following payments:

Arthur Taylor Account

Date	Check No.	Amount		
November 2, 1951	23	$ 385.00		
December 3, 1951	63	385.00		
January 7, 1952	80	385.00		
January 11, 1952	83	16.75	Interest on note	
January 26, 1952	86	385.00		
June 2, 1952	102	385.00		
November 24, 1952	114	9.46	Interest on note	
		$1,951.21		$1,951.21

Miller Machinery Account

Date	Check No.	Amount	
November 2, 1951	29	$ 50.00	
December 11, 1951	74	51.25	
January 10, 1952	82	51.00	
January 15, 1952	85	150.00	
		$ 302.25	302.25

*Rental - Slusher	35.00
Premium on fire insurance policy on equipment (Check #96)	44.00
Total claimed.	$2,332.46

*The Operator also rented for 1 month a slusher from Angus McDonald for $35.00. This item was paid for by check No. 68 drawn on the Flint Creek Valley Bank on December 3, 1951.

The Operator acquired certain mining machinery, tools, etc., under a sales purchase contract; however, the sales purchase contract was not completed. The mining machinery, tools, etc., were necessary to the exploration project, and the DMEA Field Team, Region II, determined that an equitable rental should be allowed. Therefore, the Operator classified the costs under Operating Equipment--Rental, and submitted the amount actually expended. The actual payments made on the equipment have been allowed as an equitable rental value.

A truck was rented from Thomas H. Hendrickson and the following payments made:

Check No.	Date	Amount
5	September 20, 1951	$ 25.00
8	October 3, 1951	25.00
18	October 19, 1951	25.00
25	November 2, 1951	30.00
55	November 16, 1951	27.50
62	December 3, 1951	30.00
		$162.50

An agreement was entered into with the Winninghoff Motors Company of Philipsburg, Montana, on February 11, 1952, for the time purchase of a one ton Ford truck. There was to be an initial payment of $100.00 and the balance of $630.00 was to be paid in 12 installments of $52.50 each. The Operator made the following payments:

Check No.	Date	Amount	
90	February 11, 1952	$101.00	The item of $1.00 was for title transfer.
91	March 3, 1952	28.45	License & property tax
92	March 10, 1952	52.50	
93	March 13, 1952	6.00	Granite County truck tax
97	April 8, 1952	52.50	
100	May 8, 1952	52.50	
104	June 9, 1952	52.50	
		$345.45	

The Winninghaff Motors Company repossessed the truck as the payments were not completed.

The total of payments made on truck rental was $507.95; however, the Operator only claimed $407.95.

The purchase of the truck occurred over two months after the cessation of active exploration work and cannot be considered a necessary, reasonable, direct cost of the exploration work. Therefore, the entire amount of the claim, $245.45, for the truck purchase is being disallowed and only the amount of $162.50 paid as rental during September, October, November, and December 1951 is allowed. (The sum of $245.45 is the $345.45 actually paid by the Operator less the $100.00 not claimed.)

The total amount being allowed for the item of Rented equipment is:

Amount claimed (Operating Equipment-Rented)		$2,332.46	
Less: Interest on notes	$28.46		
Premium-fire insurance	44.00	72.46	
		$2,260.00	
Rental transferred from Item 7, Miscellaneous	$407.95		
Less: Payments on truck	245.45	162.50	
Total allowed			$2,422.50

(5) Initial Rehabilitation and Repairs

This item not applicable to this contract.

(6) New Buildings, Improvements, etc.

There was claimed the sum of $75.00 for lumber used in the construction of a shed for the compressor. Payment was verified by cancelled check No. 37 and the full amount is being allowed by the audit.

(7) Miscellaneous

The costs chargeable to and allowable under this category were disclosed by the audit to be:

	Charged	Redistributed	Disallowed	Acceptable
Sampling and Analysis	$ 7.00		$ -0-	$ 7.00
Payroll Taxes	431.42	$251.16	21.15	129.11
Liability Insurance	172.28		-0-	172.28
Hauling	88.00		-0-	88.00
Truck	407.95		245.45	162.50

The Sampling and Analysis costs of $7.00 consisted of assay work done by the Montana Laboratory Company of Philipsburg, Montana. Check No. 103 on the Flint Creek Valley Bank was offered in proof of payment.

The Payroll Taxes cover the Federal Old Age Benefit and Montana Unemployment taxes at the following rates, which were verified by reference to the Company's records:

Federal Old Age Benefit	1.5%
Montana Unemployment	2.7%

The Operator's claim of $431.42 for payroll taxes is made up on the following items:

Social Security (employee & employer contribution)	3%	$107.33
Montana Unemployment Compensation	2.7%	96.59
Federal Income Tax withheld		227.50
		$431.42

This sum is supported by the following cancelled checks:

Check No.	Date	To	Amount
15	Oct. 19, 1951	U. S. Treasury Dept.	$ 30.07
16	Oct. 19, 1951	Unemployment Compensation Commission of Montana	9.96
50	Nov. 8, 1951	U. S. Treasury Dept.	10.00
77	Dec. 26, 1951	Unemployment Compensation Commission of Montana	82.58
81	Jan. 7, 1952	U. S. Treasury Dept.	290.26
98	Apr. 9, 1952	Collector, Internal Revenue	4.50
99	Apr. 9, 1952	Unemployment Compensation Commission of Montana	4.05
			$431.42

The allowable amount of payroll taxes are $129.11.

Labor and Supervision	$3,074.25 @ 1.5%	Social Security	$46.11
	3,074.25 @ 2.7%	Montana Unemployment Compensation	83.00
			$129.11

Liability Insurance in the amount of $172.28 was made up of the following charges:

Initial Deposit	$150.00
State Inspection	5.00
Assessment Notice #21615	17.28
	$172.28

The State assessment notice No. 21615 covered the period of November 25, 1951, through December 1951 and consisted of the following:

Wages	Rate	Amount
$304.50	.056	$17.05
96.69	.0024	.23
		$17.28

Proof of payment was ascertained by cancelled check No. 79 dated January 7, 1952. The charge for the State inspection of the property, $5.00, was paid by check No. 66. The Operator was required by Montana regulations to make an initial deposit of $150.00 to the State Industrial Accident Board. This payment was made by check No. 64 dated December 3, 1951.

The tax status was further verified by a visit to the Montana State Tax Office in Helena, Montana. The initial deposit of $150.00 is refundable upon application when the Operator's work is terminated. No payrolls were reported for the year 1952 and the State made a deduction from the initial deposit of $2.50 as the minimum assessment for handling charges. The same deduction will be made for the year 1953 and each succeeding period until the Operator notifies the State that he has ceased work. A disallowance is made of the remaining deposit of $147.50.

Hauling consisted of moving equipment to the work site and invoices were submitted, one dated October 3, 1951 in the amount of $41.00, and one dated October 19, 1951, in the amount of $47.00. Proof of payment was verified by the cancelled checks drawn on the Flint Creek Valley Bank.

The item of "truck", in the amount of $407.95, was erroneously classified under Miscellaneous and has been transferred to Operating Equipment-Rented.

IV CONCLUSIONS

This audit has disclosed that all costs, as charged to this project, with the exception of the disallowances itemized under (1) Independent Contracts, (2) Labor and Supervision, (3) Operating Materials and Supplies, (4) Operating Equipment, and (7) Miscellaneous, are proper under the terms of the contract.

The adjustments between "Items of Costs", as shown on the final Form MF-104, the disallowances and the accepted costs, are summarized as follows:

	Final Form MF-104 July 1952	Corrected Distribution based on supporting records	Disallowed by audit	Allowed By audit
1. **Independent Contracts**				
Bulldozing	$ 549.96	$ 549.96	$ 80.00	$ 469.96
Machine Installation		255.00	255.00	-0-
2. **Labor and Supervision**				
Labor	2,510.25	2,506.08	34.33	2,471.75
Supervision	3,349.92	3,380.25	2,777.75	602.50
3. **Operating Materials & Supplies**				
Explosives	59.80	59.80		59.80
Supplies	266.36	286.36	39.20	247.16
4. **Operating Equipment**				
Rental	2,332.46	2,740.41	317.91	2,422.50
6. **New Buildings, Improvements, etc.**	75.00	75.00		75.00
7. **Miscellaneous**				
Sampling and Analysis	7.00	7.00		7.00
Payroll taxes	431.42	150.26	21.15	129.11
Liability Insurance	172.28	172.28	147.50	24.78
Hauling	88.00	88.00		88.00
Truck	407.95	-0-		-0-
	$10,270.40	$10,270.40	$3,672.84	$6,597.56

The audit report has been fully discussed with the Executive Officer of the DSSA Field Team, Region II.

Robert M. Hull

Robert M. Hull, Auditor

November 13, 1953

GOVERNMENT COPY

Gerome
1/16/53
Hoffman

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

It is agreed this 17th day of October, 1952, between the United States of America, acting through the Depatment of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Double Eagle Tungsten Company, Philipsburg, Montana (Bear and Float claims), hereinafter called the "Operator," parties to that certain Exploration Project Contract I-dm-E 114, Docket No. DMEA-315, dated August 16, 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 A. E. Weissenborn, Executive Officer
DMEA Field Team, Region II

DOUBLE EAGLE TUNGSTEN COMPANY
(Operator)

By William R. McLure

William R. McLure, President

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 12 1953

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

So. 177 Howard Street
Spokane 1, Washington

January 7, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

T. L. H. Johnson, Chairman
Operating Committee, DMA
Department of Interior
Washington 25, D. C.

In re: Docket No. [illegible]-315 (Burston)
Double Tale Lumber Company
(Bear and Flint claims)
Granite County, Montana
Contract No. [illegible]-114

Dear Mr. Johnson:

Enclosed in the original and two copies of a form terminating subject contract by agreement after commencement but before completion of the work. By copies of this letter, the Finance Officer's copy is distributed.

Work to date has failed to disclose the ore vein, and the cost of further exploration to locate the vein does not appear justified.

We trust this termination will now facilitate consideration of the Double Tale Lumber property (Docket No. [illegible]-2374).

Sincerely yours

A. [illegible]
Executive Officer,
Field Operations

Enclosure 1 (in triplicate)
cc: [illegible] 2-[illegible]
[illegible] (2)
[illegible]
[illegible]

ASSIGNMENT OF MINING PROJECT CONTRACT

KNOW ALL MEN BY THESE PRESENTS:- That we, William T. McGuire and Charles T. McGuire, of the City of Philipsburg, Granite County, Montana, for and in consideration of the sum of Ten and No/100 Dollars, lawful money of the United States of America, and other good and valuable considerations to them in hand paid, receipt of which is hereby acknowledged, do by these presents, sell, assign and set over unto Double Eagle Tungsten Company, a Montana corporation, Exploration Project Contract, more particularly described as Docket No. DM 315M, Commodity Tungsten, Idn 114, dated August 16, 1951, as given us by United States of America, Department of Interior, Bureau Mineral Administration.

Dated this 19th day of March, 1952, at the City of Philipsburg, Granite County, Montana.

William T. McGuire
William T. McGuire

Charles T. McGuire
Charles T. McGuire

STATE OF MONTANA)
) ss.
County of Granite)

On this 19th day of March, 1952, before me, Edwin T. Irvine, a Notary Public for the State of Montana, personally appeared William T. McGuire and Charles T. McGuire, known to me to be the persons whose names are subscribed to the within and foregoing instrument and acknowledged to me that they executed the same.

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

Edwin T. Irvine
Notary Public for the State of Montana, residing at Philipsburg, Montana.
My Commission expires February 6th, 1954

(NOTARIAL SEAL)

E. T. IRVINE
LAWYER
PHILIPSBURG, MONTANA

FURTHERMORE IT IS AGREED: That for and in consideration of the assignment of and by William S. McLure and Charles D. McLure of Philipsburg, Montana, to Double Eagle Tungsten Company, a Montana Corporation of the same place, the undersigned, the Double Eagle Tungsten Company, hereby accepts the assignment aforesaid, andhereby obligates itself to all of the terms and conditions of the said Exploration Project Contract.

That the said assignment is given and taken by and between the parties thereto, subject howeverr, to the written consent of the U. S. Government thereto.

Dated at Philipsburg, Montana, this 24th day of March, 1952.

DOUBLE EAGLE TUNGSTEN COMPANY,

By William S. McLure
President

Attest:

W. L. Degenhart
Secretary-Treasurer

E. T. IRVINE
LAWYER
PHILIPSBURG, MONTANA

GOVERNMENT'S COPY

CONSENT TO ASSIGNMENT

To: William R. McLure and Charles D. McLure,

and

To: Double Eagle Tungsten Company, a Montana corporation with principal place of business at the City of Philipsburg, Granite County, Montana, hereinafter called "Assignee."

Referring to Exploration Project Contract, Docket No. DMA-315X (Idm-E114), dated August 16, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government", and William R. McLure and Charles D. McLure, hereinafter called the "Operator"; and

Referring to quitclaim deed dated August 24, 1951, whereby said Operator quitclaims to said ~~Assignee all of its~~ right, title and interest in and to a certain property in the County of Granite, State of Montana, which is the subject of said Exploration Project Contract; and

Referring to "Assignment of Exploration Project Contract" dated March 19, 1952, whereby said Operator transfers and assigns to said Assignee said Exploration Project Contract; and

Referring to an acceptance of said Assignment and assumption of the obligations of said contract dated March 24, 1952, executed by said Assignee and which is attached to and made a part of said assignment;

The Government, without releasing the Operator, hereby consents to said assignment: Provided, That the cut-off date for contributions by the Government, as between the Operator and Assignee, shall be April 1, 1952, the Government's contributions up to and including said date being for the account of the Operator, and contributions after that date being for the account of the Assignee.

Dated June 18, 1952.

THE UNITED STATES OF AMERICA

JUL 7 - 1952

By C O Mitchell

Acting Administrator
Defense Minerals Exploration
Administration

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

So. 157 Howard Street
Spokane 4, Washington

Amer 315

April 16, 1952

ans. 6/17/52

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Dear Mr. Johnson:

Enclosed are the following instruments:

1. A quitclaim deed transferring the Bear and Float and other claims to the Double Eagle Tungsten Co.

2. An assignment of DMEA Contract Idm-E114 to the Double Eagle Mining Co.

3. The acceptance of this assignment by the said company.

The above all refer to transfer of the DMEA exploration contract on the Bear and Float claims, Contract Idm-E114, now held by various members of the McLure family to the newly formed company, the Double Eagle Mining Co. I believe that the instruments are in order so that the assignment can be made.

Sincerely yours,

A. E. Weissenborn

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

Enclosures.

cc: USBM, Spokane

43625

QUITCLAIM DEED

THIS INDENTURE, Made the 24th day of August in the year of Our Lord One Thousand Nine Hundred and fifty one, between WILLIAM R. McLURE and BEATRICE McLURE, husband and wife; CHARLES D. McLURE and BEVERLY McLURE, husband and wife, all ofthe City of Philipsburg, County of Granite, State of Montana, Parties of the First Part, and DOUBLE EAGLE TUNGSTEN COMPANY, a Montana corporation with principal place of business at the City of Philipsburg, Granite County, Montana, the party of the second part, WITNESSETH, that the said parties of the first part, for and in consideration of the sum of Ten and No/100 DOLLARS lawful money of the United States and other good and valuable considerations to them, in hand paid by the said party of the second part, and receipt of which is hereby acknowledged, do, remise, release and forever quitclaim unto the said party of the second part, and to its successors and assignes, the following described real estate, situated in the County of Granite and State of Montana, to-wit: The "DIANA" and the "DEER HUNTER" quartz lode min_ing claims situate and being in Section three (3); the "RED ROCK", the "PINE" and the "FIR" quartz lode mining claims situate and being in Section Nine (9); the "FLOAT", the "BEAR" and the "OWL" quartz lode mining claims situate and being in Section 16, and the "EAGLE" and the "DOUBLE EAGLE" quartz lode mining claims situate and being in Section Seventeen (17), all of the same being in Township Eight (8) North of Range Fourteen (14) West, Black Pine (unorganized) Mining District, Montana Principal Meridian, together with all dips, spurs and angles, and also all the metals ores, gold and silver bearing quartz, rock and earth therein and thereon; and all the rights, privileges and franchises, thereto incident, appendant and appurtenant, or therewith usually hand and enjoyed;

TOGETHER with all the tenements, hereditaments and appurtenances thereunto belonging, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof; and also all the estate, right, title, interest, dower and right of dower, property, possession, claim, and demand whatsoever, as well in law as in equity, of the said parties of the frist part, of, in or the said premises, and every part

AMENDMENT NO. 1

It is agreed this 11th day of Aug. 195 2, between the the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Double Eagle Tungsten Co., Philipsburg, Montana (Docket No. 315 - tungsten)

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E114 of Aug. 16 195 1 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 August 11 195 2.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2684 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "Allowable Maximum".

Executed in sextuplicate the day and year first above written.

Double Eagle Tungsten Co.
(Operator)

By

The United States of America

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

CENTRAL
DOCUMENT CONTROL CENTER
NOVEMBER 20, 1979

Double Eagle Tungsten Co.
Exploration Project Contract Bm-F114

Amendment No. 1

EXHIBIT "F"

Changes and Modifications

1. In Article 3 of the contract, change the time allowed for completion of the project from "one year" to "eighteen months".

2. In Exhibit "A" of the contract, page 1, under Outline of Project, add the following:

> "Two diamond drill holes aggregating not more than 500 feet shall be drilled to determine the position of the vein near the present inclined shaft. The first hole shall be vertical and shall be drilled from the location shown on the attached map. The location of the second hole shall be determined from information gained from the first hole and shall be subject to Government approval."

3. In Exhibit "A" of the contract, page 1, under Summary of Cost add the following item:

> "5. 500 feet of diamond drilling at $7.00 per foot 1/ $3500.00"

This amendment shall not be construed to increase the total cost of the project. The cost of the diamond drilling shall be taken from the amount allotted for sinking and drifting.

1/ To include all costs.

MR-200
(June 1951)

Card
Card
Reviewed
9/24/51

Docket No. DMA 315X
Commodity Tungsten
Idm-E114

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

RECEIVED
AUG 20 1951
G.A.O.

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 16th day of August, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] William R. McLure and Chas. D. McLure.

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 Granite, described as follows: [3]

Bear and Float Claims
Situated in Sec. 16 T.8N R. 14W.

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:

None.

(*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 30 days from the date of this contract shall commence work on a project of exploration for [5] Tungsten.; 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] One Year 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. Any 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 currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. 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.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. 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.* 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 is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The 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, analytical work, accounting, 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 this 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, taxes, or any other indirect costs not expressly allowed by these provisions, 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. *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.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 75 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $12,286.50, which is 75 percent of the agreed estimated total cost of this project, $16,382.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator 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.

15. *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 for each additional 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 mineral deposit 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.

16. *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.

17. *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 sextuplicate the day and year first above written.

Trilleon R. McLure and
(Operator)
By Charles D. McLure
(Operator)

jointly and severally

THE UNITED STATES OF AMERICA
By C. O. Mittendorf
C. O. Mittendorf, Director
Production Expansion Division
Defense Minerals Administration

William R. McLure, Philipsburg, Montana

Exploration Project Contract

EXHIBIT "A"

Outline of Project

A road will be bulldozed approximately 1000 feet from County road to project site; an excavation will be bulldozed to bedrock and cleared to make a suitable collar site for an incline on the Onyx vein; an incline will be driven 100 feet at approximate slope of 18° on the vein; from the bottom of this incline a level will be driven approximately 100 feet in each direction along the Onyx vein.

Summary of Cost

1.	Build approximately 1000 feet of bulldozer road from county road to project, 16 hrs. @ $15/hour	$240.00
2.	Excavate bulldozer cut to make collar site for inclined shaft, 96 hours @ $15/hour	1,440.00
3.	Sink inclined shaft 100 feet on Onyx vein at approximate slope of 18° at approximate cost of $60 per foot. Total cost	6,000.00
4.	Drive 200 feet of level in Onyx vein from bottom of inclined shaft at approximate cost of $43.51 per foot. Total cost.	8,702.00
	Total	$16,382.00

Time Shhedule

1st quarter -	Build road, excavate portal site, erect shed, prepare to sink inclined shaft. Approximate cost	$ 2,750.00
2nd quarter-	Sink 100 feet of inclined shaft in onyx vein. Approximate cost	6,000.00
3rd quarter -	Drive 150 feet of level on Onyx vein Approximate cost	5,732.00
4th quarter -	Drive 50 feet of level in Onyx vein	1,900.00
	Total	$16,382.00

Fixtures and Improvements

1 - 16 x 30 foot storage shed	$ 600.00
Total	$ 600.00

Operating Equipment

To be rented

1 - Bulldozer with operator, 112 hrs. @ $15 per hour	$1,680.00
1 - 319 cfm portable air compressor 6 mo. @ $325 per month	1,950.00
1 - Drifter, column and arm 6 mo. @ $55	~~510.00~~ 330.00
1 - Gas hoist 30 HP 6 mo. @ $100	600.00
1 - Mucking machine, Enico 12B 6 mo. @ $90	540.00
1 - Sump pump, 185 ft. head 6 mo. @ $20	120.00
Total	~~$5,500.00~~ $ 5,220.00

To be purchased

1 - Pressure water tank	51.00
1 - Set water and air hose	65.00
3 - Sets drill steel	49.00
800 - feet 12# rail, splice bars, spikes, bolts and ties	300.00
400 - feet 1½ in. pipe	97.00
Shive wheel, rollers, and miscellaneous minor fittings	100.00
Total	$ 662.00

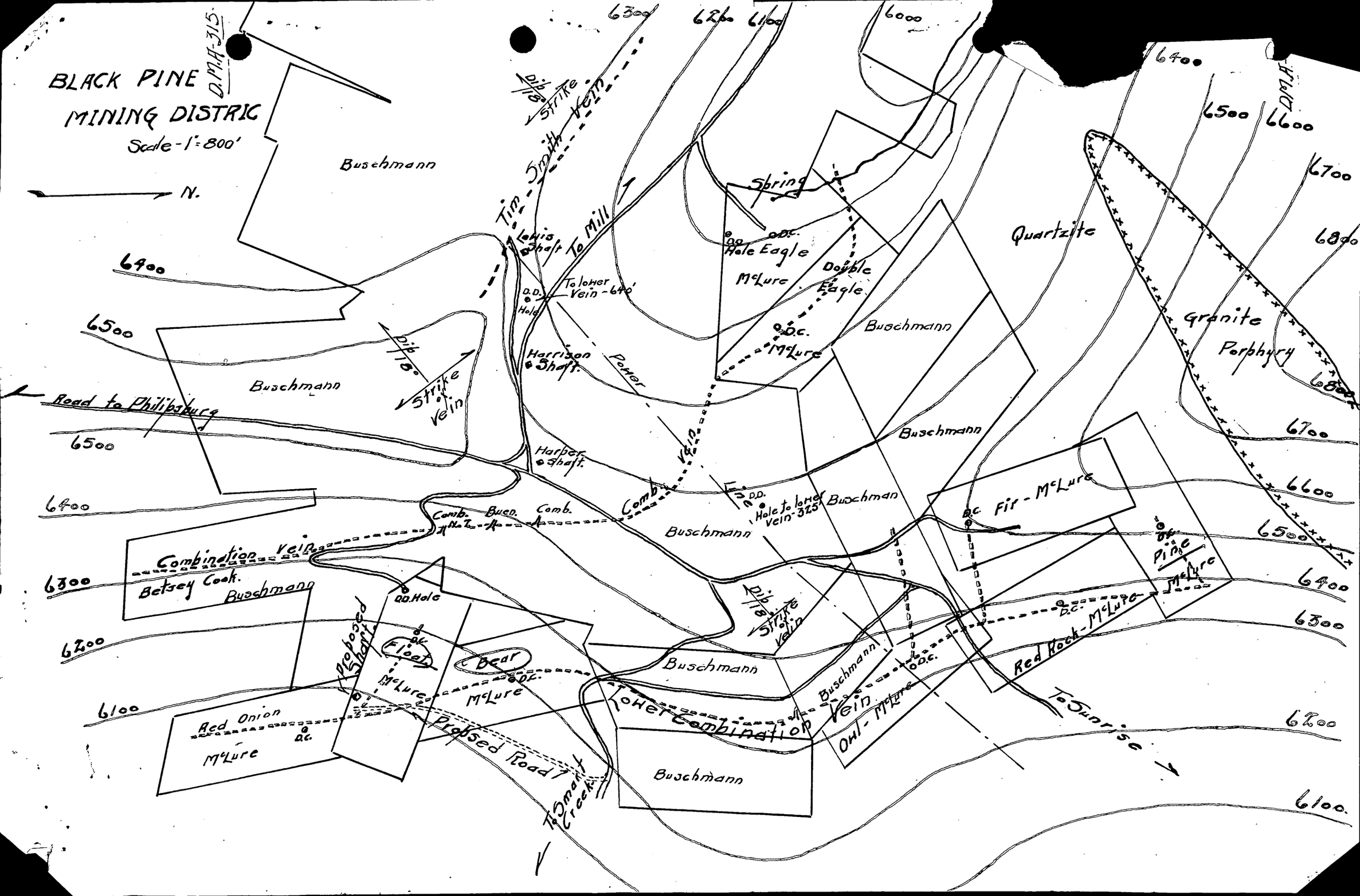
RECEIVED AUG 21 1967 GRAND

To be furnished by operator

2 - Tram cars, 7 mo. at $4.20		$ 29.40
1 - Pickup truck, 7 mo. at $75.00		525.00
	Total	$554.00

Labor and Supervision

Classification	Rate per shift	No. shifts	Amount
Miners	$15.00	300	$ 4,500.00
Supervisor	20.00	150	3,000.00
		Total	$ 7,500.00


BLACK PINE
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D.M.A. 315
Buschmann
Tim Smith Vein
Dip 18°
Strike
To Mill
Lewis Shaft
To lower Vein - 640'
D.D. Hole
Harrison Shaft
Potter
Spring
Hole Eagle
McLure
Double Eagle
Quartzite
Granite Porphyry
Road to Philipsburg
Dip 18°
Strike of Vein
Harper Shaft
Comb. Vein
Hole to lower Vein - 325'
Comb.
Buen.
Comb.
Combination Vein
Betsey Cook
Fir - McLure
Pine
Red Rock - McLure
Dip 18°
Strike Vein
Proposed Shaft
Float
Bear
McLure
Red Onion
Proposed Road
Lower Combination Vein
Owl - McLure
To Sunrise
To Smart Creek
6000
6100
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6600
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Form NSRB-146
(Nov. 1950)

UNITED STATES GOVERNMENT

FORM APPROVED
BUDGET BUREAU NO. 25-R002

APPLICATION FOR GOVERNMENT LOAN UNDER SEC. 302 OF DEFENSE PRODUCTION ACT OF 1950

AMOUNT OF LOAN REQUESTED

TERMS OF LOAN REQUESTED

DATE OF APPLICATION

TO BE FILLED IN BY DELEGATE AGENCY

(DATE RECEIVED)

COMM.

AGRIC.

INT.

D.T.A.

FILE NO.

NAME AND ADDRESS OF APPLICANT (Street, City, Zone, State)

William R. McLure
Box 5.
Philipsburg Mont.

INSTRUCTIONS

Application should be filed with the Department of Commerce, Department of Agriculture, Department of Interior, or the Defense Transport Administration, whichever has the primary interest in the facilities, products, or processes involved. However, for convenience of the applicant, he may file with any government agency with which he has contract or other pertinent relationships and such agency will arrange for the transmittal of the application to the appropriate office.

Submit four (4) signed copies of the application. Name and address of applicant should be stamped or typed for identification of each sheet of the application and all accompanying papers. When a question is inapplicable, this should be so stated on the form. Additional sheets may be attached in answering any questions or in providing other supporting information.

1. PURPOSE OF LOAN

Give a brief general statement of the purpose of the loan requested, including in the table below estimated amounts for such major purposes as land acquisition, building construction, purchase of plant, purchase of equipment, working capital, repayment of debt, etc. Statement should make clear whether funds will be used for expansion of capacity, development of technological processes, or production of essential materials.

This loan is requested to develop a vein known as the lower Combination vein, which is situated in the Black Pine Mining District. There has been four diamond drill holes put down to this vein proving its existence but no development has been done on the vein.
The money would be used for sinking a 100 ft. shaft to intercept the vein and drifting 100 ft. along its strike.
Bui lding 2500 ft. of road.
Constructing ore bins.
Purchashing machinery and necessary equipment for operation.

Labor	$6000.00
Compressor	$2000.00
Small Hoist	$ 500.00
Machine, Hose, Bar and etz.	$ 800.00
Pipe and Fittings	$ 250.00
Road	$ 800.00
Car and Rails	$ 250.00
Drill Steel and Bits	$ 500.00
Lumber and Construction of House	$ 500.00
Explosives	$ 600.00
Construction of Ore Bin	$ 500.00
Supplies and Small Tools	$1500.00
Incidentals	
Social Security	
Industrial Accident, 10% of Total	$1450.00
Grand Total	$15950.00

William R. McLure - Philipsburg Mont

2. PROPOSED METHOD FOR REPAYMENT OF LOAN

State sources of funds, and proposed schedule of repayment

5% Of the net Smelter returns.

3. NATURE OF BUSINESS AND DESCRIPTION OF PROJECT

Describe fully the business activity for which the funds are intended. In so doing, identify the materials and services to be produced, describe the facilities and processes involved, and explain in detail any research activity and the nature of the results expected. Attach blueprints and specifications, if available, and furnish other technical details to the extent that they are not covered elsewhere in the application.

The property consist of nine unpatented claims. Four of them along the strike of the Lower Combination vein. This vein has been developed by Dimond Drilling only. But two of the holesn have proven the vein to extend 3000 ft below its known apex. This shaft would open up a vein with a workable strike of 2000 ft. and known depth of 3000 ft. For Geology and Maps referance is made to John W. Cole Bureau of Mines Albany Ore. Who was engineer in charge of Bureau of Mines project 760. The ore would be shipped to a Custom Smelter.

All of the claims including the Bear and Float, lye in the Black Pine Mining District which is 11 miles N.W. of the town of Philipsburg Granite County Mont. and is reached on a good rock road.

Mining would be done through a vertical shaft with drifts driven from the bottom along the strike of the vein.

The principal minerals produced would be Copper, Tungsten, Lead, and Silver.

4. **Relationship to National Defense.** Explain carefully how the expenditure of the funds will contribute to national defense. As a part of such explanation, the following questions should be answered to the extent possible:

(a) What evidence exists as to current shortages of the materials or services to be produced?

The steady rise in price of these metals with in the last six months.

(b) What evidence exists as to future shortages of the materials or services to be produced?

The closing down of about 90% of the small mines in the country with in the last three years.

(c) Are such shortages, if any, regional or national in scope?

National.

(d) In what respects will the use of the funds aid directly in expediting the carrying out of government defense contracts? (A listing of defense contracts, if any, held by applicant is required in item 8 below.)

Producing Copper, and Tungsten for the National defense program.

William R. McGure Philipsburg Mont.

4. Relationship to National Defense - Continued

(e) In what respects will the use of the funds aid indirectly in expediting the carrying out of government defense contracts or related operations?

(f) Are there available alternative methods or facilities to accomplish the same purpose as that for which these funds are intended? (For instance, unused capacity, possibility of multiple shift operations, idle facilities, readily convertible equipment, sub-contracting?) If answer is yes, explain why alternatives are not used.

No.

5. Maximum Designed Production

List separately materials or services identified in item 3 (a)	Unit of measure (b)	Maximum designed production with existing facilities (c)	Monthly Production Average percentage of maximum designed production used in quarter preceding filing of application (d)	Monthly Production Maximum designed production including use of funds applied for (e)
		Tons of Ore		lbs. of Metal
Copper		2-3% Ore	500 - 750	25000# - 35000#
*Tungsten		1-4% Ore	15 - 25	900 - 1500
Silver		18-25 oz. Ore	500 - 750	10000 - 15000 oz.
Lead.		1-3% Ore	500 - 750	20000 - 30000
*Tungsten to be sorted out Of ore shipped to the Smelter and saved for future treatment.				

6. Employment

(a) Number currently employed at location(s) where funds are to be used. (Use pay period ending nearest 15th of month preceding filing of application.)

New Project.

(b) Maximum feasible employment with existing facilities.

(1) Single shift operation.

New Project.

(2) Multiple shift operation (specify how many shifts).

(c) Estimated additional employees required by the use of the funds applied for.

Fifteen to Twenty.

7. Timing

(a) On what date(s) are the requested funds needed?

May 1st. 1951

(b) On what expected date(s) will applicant begin to use such funds and obtain output from the use of such funds? Wherever possible, give planned schedule of output.

May 5th. 1951

William. R. McLure Philipsburg Mont.

8. Output from the use of funds applied for will be for the following purposes:
a. For the following principal prime defense contracts (if any) with the United States Government:

Date of contract (a)	Contracting Government Agency (b)	Program symbol (2 digits) or other contract identification (c)	Materials or services (d)	Delivery date(s) (e)	Amount *(Dollars)* (f)

Stock pile of Strategic Meterials.

b. For the following subcontracts (if any) with U.S. Government prime defense contractors:

Date of contract (a)	Materials or services (b)	Supplied to *(Give name and address of firm)* (c)	Delivery date(s) (d)	(e) Government agency receiving end product or services (f) Program symbol (2 digits) or other contract identification	Amount *(Dollars)* (g)
				(e)	
				(f)	
				(e)	
				(f)	
				(e)	
				(f)	

c. For the following classes or types of customers not covered by contracts listed above (list materials or services to be provided and, wherever possible, also indicate final product use):

William R. McLure Philipsburg Mont

9. **Feasibility**

(a) Estimate anticipated requirements for manpower, equipment, raw materials, energy, fuel, transportation facilities, water supply, housing, community facilities, and other factors of production, for (1) preparation of the facilities and (2) actual operation thereof. (The estimates may be limited to those factors of substantial significance to the preparation and operation of the facilities for which the funds are intended.)

Untill the vein was encountered the manpower requirements would be 6 to 8 men. Then it would increase with increased production untill a maximum was reached of from 25 to 35 men. The supplies would consist of the usual mining sopplies Powder, Timber etz. The fuel would be gass or oil. The men would live in the town of Philipsburg and drive to and from work.

(b) Discuss and evaluate the availability of each of the above factors in the area(s) where the funds will be used.

The Town of Philipsburg is one of the oldest Mining camps in the west and is able to take care of needs that would be required by this project.

10. The following applications for necessity certificates for tax amortization (Under Section 124A of the Internal Revenue Code) for facilities at the location(s) covered by this application have been filed since January 1, 1950.

Date of application (a)	Government file number (b)	(Estimated) Total of facilities in dollars on each application (c)	(d) If final action has been taken, give date of	
			Issuance	Denial

11. **Recent Efforts to Obtain Credit**

(a) Banks— List names and addresses of all Banks of Deposit of Applicant within the last 5 years: *(Mark with an asterisk (*) bank or banks in which deposits are now kept)*

Flint Creek Valley Bank.
Philipsburg Mont.

William R. McLure Philipsburg Mont

11. **Recent Efforts to Obtain Credit** - Continued

(b) State efforts to obtain credit, within 60 days preceding date of application, from banks, the Reconstruction Finance Corporation, or other sources, results, and reasons if refused. (NOTE.- Section 302 of the Defense Production Act of 1950 states that a loan may be extended "only to the extent that it is not otherwise available on reasonable terms." Accordingly, Applicant should show that it has applied to each bank named in (a) above, or explain the reason for not doing so. The fact that a loan of the particular maturity and terms applied for is refused by a bank or banks is not sufficient to comply with the statute, if credit on reasonable terms is available. State whether a bank will participate in the loan, and if so, state name of bank and amount of participation. Full particulars must be given.) List the names and addresses of banks and other lending institutions to which applications for credit have been made, and in each case state date of application, amount of credit available, if any, maximum term for which credit is available, what consideration, if any, was given to possible guarantee of loan under Federal Reserve Regulation V, and reason for refusal or reason loan was not obtained. Indicate whether or not application was definitely refused for further credit on any basis.

Applied for loan of $ 15,000. at Flint Creek Valley Bank. The bank though I had a property worth developing, but they did not think that the collateral I offered was sufficient and I was unable to furnish any other.

12. What other forms of government financial assistance, if any, have been received or requested by the applicant in connection with the purposes of the loan herein applied for? If applicant plans to request such assistance in the future, give details.

None.

The Applicant attended Washington and Lee University for two years studying Geology, and Civil Engineering and has had thirty years experience in nearly every phase of mining.

The property is owned by a Partnership consisting of William R. and Chas.D. McLure, Father and Son.

William R. McLure Philipsburg Mont.

14. NAMES AND ADDRESSES OF OFFICERS, DIRECTORS, OR PARTNERS, AND IN ADDITION THERETO, THE FIVE LARGEST STOCKHOLDERS IF A CORPORATION.

NAME AND ADDRESS (a)	Official title (If officer is also director indicate by "D") (b)	Total of annual salary, commissions, bonuses, etc., received from Applicant and affiliates during last fiscal year (c)	Estimated net worth outside of Applicant (d)	Number of shares held in applicant: Common (e)	Number of shares held in applicant: Preferred (f)	Life insurance carried for benefit of Applicant: Amount (g)	Life insurance carried for benefit of Applicant: Net cash surrender value after loans (h)
William R. McLure Box 5 Philipsburg Mont.							
Chas. D. McLure	"	"	"				
	Total		x x x x x			x x x	x x x

15. CAPITAL STOCK ISSUES

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par value (c)	Number of shares outstanding (d)	Dividend rate last paid (e)
Common stock	$	$	$		
Preferred stock	$	$	$		

16. PURCHASE AND SALES RELATIONS WITH OTHERS

Does Applicant buy from, sell to, or use the services of, any concern or partnership in which an officer, director, large stockholder, or partner of the Applicant has a substantial interest? If not, so state. If so, give names of such officers, directors, stockholders, and partners, and names of such concerns or partnerships.

No.

Does any officer, director, large stockholder, or partner of Applicant receive any commission, bonus, or other payment in cash or services from any concern or partnership with which Applicant has business dealings? If not, so state. If so, give names of such officers, directors, stockholders, or partners and amounts of such commissions, bonuses, or payments.

No.

17. COMPENSATION SCHEDULE

INSTRUCTIONS: The schedule shall show the amount of compensation being paid to all employees of Applicant receiving compensation at a rate in excess of $10,000 per annum, including employees paid on a part-time basis where the rate of compensation exceeds $10,000 per annum computed on a full-time basis. If Applicant is a corporation, the schedule should show the compensation, regardless of amount, being paid to all officers, directors, and such stockholders as have an interest in Applicant's business of 10 percent or more. If Applicant is a partnership, the schedule should show the compensation being paid to, or being withdrawn by, all partners for their personal use. If Applicant is an individual, the schedule should show the amount being withdrawn by Applicant for his personal use. In each case the listed person's connection with the business should be indicated (i.e., whether an officer, director, stockholder, partner, owner, etc.). The calendar basis for the compensation should likewise be shown. Attorneys or firms of attorneys on a regular retainer or salary basis should be included. The schedule should include a separate notation indicating the source and amount of any compensation being paid by a company or firm directly or indirectly controlling, affiliated with, or controlled by, Applicant. If the space provided herein is insufficient, the schedule should be continued on the reverse side or appropriate continuation sheets should be attached.

William R. McLure Philipsburg Mont.

17. **COMPENSATION SCHEDULE** - Continued

The term "compensation", as used herein and such schedule, shall include all salaries, fees, bonuses, commissions, retainers, regular drawing accounts, and other payments, direct or indirect, in money or otherwise, for personal services.

Name (a)	Position (b)	Compensation paid during previous fiscal year (c)	Present compensation (d)
The applicant is a partner and untill the ore was encountered would draw the same wages as any other man working on the project, but after the ore was encountered he should receive a salary.			

18. **COLLATERAL**

(a) The applicant offers the following described collateral as security for repayment of the loan applied for.

Description (a)	Date acquired (b)	Cost (c)	Book Value (Net) (d)	Appraised* value (e)
Property now held: ----5% of the net Smelter Returnes----				
To be acquired:				

* This column need be filled in only if a recent appraisal has been made. If so, identify appraiser below.

Name (a)	Title (b)	Date (c)

(b) Describe existing liens, if any, on property listed above.

William R. McKure Philipsburg Mont

EXHIBIT A - CURRENT FINANCIAL STATEMENT

As of _____

(Date not more than 30 days prior to date of application)

ASSETS

CURRENT ASSETS

1. Cash ..... $ _____
2. Notes receivable ..... $ _____
   Less reserve for doubtful notes ..... _____
3. Accounts receivable:
   Current ..... $ _____
   Past due not over 4 months .....
   Past due over 4 months ..... _____ $ _____
   Less reserve for doubtful accounts ..... _____ _____
4. Inventories:
   Raw materials ..... $ _____
   Work in process ..... _____
   Finished goods ..... _____ $ _____
   Less reserve for inventory losses ..... _____ _____
5. Other current assets (describe) _____ _____

A new Mining Partnership with no Assets ~~except the Mining~~ except property and no liabilities.

TOTAL CURRENT ASSETS ..... $ _____

FIXED AND OTHER ASSETS

6. Plant used in business:
   Land ..... $ _____
   Buildings ..... _____
7. Machinery ..... _____
8. Equipment, furniture, and fixtures ..... _____ $ _____
   Less reserve for depreciation ..... _____ _____
9. Investments—stocks and bonds ..... _____
10. Investments in affiliated companies ..... _____
11. Receivables due from affiliated companies ..... _____
12. Real estate not used in business ..... _____
13. Due from officers, directors, employees, stockholders ..... _____
14. Deferred charges ..... _____
15. Other assets ..... _____

TOTAL ASSETS ..... $ _____

LIABILITIES

CURRENT LIABILITIES

16. Notes payable (see schedule 1, page 10):
    Banks ..... $ _____
    Trade creditors ..... _____
    Officers, stockholders, relatives ..... _____
    Insurance companies ..... _____ $ _____
17. Accounts payable ..... _____
18. Other current liabilities:
    Delinquent taxes { Real estate ..... $ _____
    Delinquent taxes { Federal ..... _____
    Wages and salaries ..... _____
    Due officers ..... _____
    Accrued interest, rent, taxes, wages, etc ..... _____
    _____ _____ _____

TOTAL CURRENT LIABILITIES ..... $ _____

FIXED AND OTHER LIABILITIES

19. Machinery liens ..... _____
20. Mortgage debts (see schedule 2, page 10) ..... _____
21. Bonds or debentures (see schedule 2, page 10) ..... _____
22. Other liabilities ..... _____

NET WORTH

23. Common stock (if Applicant is incorporated) ..... $ _____
24. Preferred stock (if Applicant is incorporated) ..... _____
25. Surplus (if Applicant is incorporated) ..... _____ _____
26. Capital and Surplus Account (if Applicant is partnership or individual) ..... _____

TOTAL LIABILITIES ..... $ _____

27. Contingent liabilities (explain) _____ $

NOTE.— Submit copy of last available audit or of financial statement at close of last fiscal period (if such date differs from date of above statement).

William T. McLure Philipsburg Mont

SCHEDULE I - Notes Payable (in detail)

Name and address	Maturity	Amount	State amount and character of collateral	Name of guarantor(s) and/or endorser(s)

SCHEDULE 2 - Mortgage Debt (real estate and/or chattels) or Bond Issue

Names and addresses of holders	Date of maturity	Interest rate	Unpaid principal amount	Date to which interest is paid
			$	
TOTAL	X X X X X X X	X X X X X X	$	X X X X X X X X X X X X X X X X X

If mortgage secures a bond issue, state whether bonds are principally held by management and/or stockholders or by others, and attach copy of mortgage indenture.

EXHIBIT B - CONDENSED COMPARATIVE STATEMENT OF INCOME AND EXPENSES

For years ended _____

(Insert date of end of fiscal year)

(000.00 omitted)

	(Figures for 3 preceding years)			Current year as of date of Exhibit A
	19	19	19	
1. Net sales				
2. Cost of goods sold				
3. Gross profit on sales (line 1 minus line 2)				
4. Other income (itemize)				
5. Total (line 3 plus line 4)				
6. Salaries (officers or partners)*				
7. Selling and all other expenses				
8. Total of lines 6 and 7				
9. Profit or loss before depreciation and Federal taxes (line 5 minus line 8)				
10. Depreciation				
11. Federal Income and Excess Profits Taxes				
12. Net profit or loss (line 9 minus lines 10 and 11)				
ANALYSIS OF SURPLUS				
13. Total surplus at beginning of period				
14. Net profit or loss for period				
15. Line 13 plus line 14 if profit; line 13 minus line 14 if loss				
Add:				
16. Surplus paid in during period				
17. Surplus resulting from revaluation of assets				
18. Other additions to surplus (itemize)				
19. Total of lines 15 to 18, inclusive				
Deduct:				
20. Dividends				
21. Other charges to surplus (itemize)				
22. Total of lines 20 and 21				
23. Surplus at end of period (line 19 less line 22), MUST AGREE WITH SURPLUS AS SHOWN IN BALANCE SHEETS				

* To include all payments of any kind (commissions, bonuses, withdrawals) to officers or partners.

NOTE—If years included in the above tables are not adequately representative of applicant's financial experience, information may be submitted for additional years.

William R McLure Philipsburg Mont

EXHIBIT C - CONDENSED COMPARATIVE STATEMENT OF CONDITION

For years ended _____
(Insert date of end of fiscal year)

(000.00 omitted. Use figures to nearest thousand. For instance, the figure $3,489.36 should be written as 3; the figure $3,689.36 should be written as 4)

ASSETS	(Figures for 3 preceding years) 19	19	19	Current year as of date of Exhibit A
CURRENT ASSETS:				
1. Cash				
2. Receivables (after deducting reserves)				
3. Inventories				
4. Other current assets:				
TOTAL CURRENT ASSETS				
FIXED AND OTHER ASSETS:				
5. Plant accounts (before depreciation):				
Machinery, equipment, etc.				
Delivery equipment				
Real estate and buildings used in business				
6. Other assets (as investments, real estate not used in business, etc.):				
TOTAL ASSETS				
LIABILITIES				
CURRENT LIABILITIES:				
8. Notes payable				
9. Accounts payable				
10. Accrued liabilities				
11. Other current liabilities:				
TOTAL CURRENT LIABILITIES				
FIXED AND OTHER LIABILITIES:				
12. Mortgage debts				
13. Debentures				
14. Other fixed liabilities:				
RESERVES:				
15. Reserve for depreciation				
16. Other reserves:				
NET WORTH:				
17. Common stock (issued) (if Applicant is incorporated)				
18. Preferred stock (issued) (if Applicant is incorporated)				
19. Surplus (if Applicant is incorporated)				
20. Capital and surplus account (if Applicant is partnership or individual)				
TOTAL LIABILITIES				

NOTE— If years included in the above table are not adequately representative of applicant's financial experience, condition statements may be submitted for additional years.

William R. McLure Philipsburg Mont.

EXHIBIT D

AGREEMENT AS TO COMPENSATION FOR SERVICES RENDERED OR TO BE RENDERED TO APPLICANT IN CONNECTION WITH APPLICATION AND/OR LOAN

To induce the United States Government and its agencies to make a loan under Sec. 302 of the Defense Production Act of 1950 to _____ (hereinafter called "Applicant") and in consideration of the making of a loan to Applicant, the undersigned, having been retained by Applicant for the purpose of rendering professional or other services in connection with its application for a loan or loans, hereby represents, warrants, and agrees that the undersigned has not been paid, has not made any agreement with the Applicant to be paid, and has not procured any person to pay or agree to pay, and will not, directly or indirectly, charge or receive any bonus, fee, or commission in any form in connection with the said application for, or the obtaining of, the loan applied for by the Applicant, or any compensation in any form for services rendered or to be rendered in connection therewith except for the services and in the amounts stated below:

Name	Description of services	Amount paid	Amount to be paid
		$	$
No commitments have been made in requesting this loan.			

To induce the making of the loan and the employment of the undersigned by Applicant, the undersigned hereby further warrants, covenants and agrees, upon the consideration herein specified, and in consideration of the employment of the undersigned by Applicant, as above recited, that if the amount of compensation stated above for any such services shall not be deemed reasonable by any agency of the United States Government, the undersigned will reduce the charge for such services to such amount as shall be deemed reasonable by such agency, and will not, directly or indirectly, charge or collect from the Applicant or any other person, any sum in excess of the amount so deemed reasonable; and that if the undersigned has heretofore collected, from the Applicant or any other person, as compensation for any such services, any amount deemed by such agency to be unreasonable, the undersigned will refund to Applicant or such other person such sums as are in excess of the amount deemed reasonable. The undersigned further warrants, covenants and agrees that if the amount of the compensation for any such services is not determinable at the date of application, or is not stated above, it will not collect or charge any sum as compensation for such services without the prior written approval of the Government agency with which this application is officially filed as to the nature of the services for which such compensation is to be paid and the amount of such compensation.

Witness: _____ _____

Address of witness: _____ _____

Dated _____, 19____ _____

NOTE—Corporations must execute foregoing certificate in corporate name, by duly authorized officer, and seal must be affixed and duly attested; partnerships must execute in firm name, together with signature of a general partner. If no compensation is paid or to be paid for services rendered in connection with application or loan, this should be so stated and the Applicant should sign this Exhibit.

CERTIFICATION

The Applicant hereby certifies that the statements made in the foregoing application, and all exhibits and documents submitted in connection therewith, are true and correct statements to the best of Applicant's information and belief and are submitted as a basis for credit. The Applicant agrees to reimburse any agency of the United States Government upon demand for any expenses incurred in connection with or arising out of this application or any loan made pursuant hereto.

Dated Jan. 23 1951, 19____

Witness: _____ (For individual applicants)

_____ (Signature)

Witness: (For partnership applicants)

_____ McLure & McLure. (Full name of firm)

By William R. McLure, a general partner.
(Signature)

(For corporate applicants)

(CORPORATE SEAL)

_____ (Full corporate name of Applicant)

Attest: By _____
(Signature) (Title)

_____, _____
(Signature) (Title)

The United States Criminal Code, 18 U.S.C., Sec. 1001, makes it a criminal offense to make a willfully false statement or representation to any Department or Agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE: 1950 O - 916171

LANDON F. STROMBERG

Mr. Lyon
Mr. Bradley

DMA - 315

A BRIEF SURVEY OF THE BLACK PINE MINING DISTRICT.

The Black Pine Mining District lies 10 miles N.W. of the town of Philipsburg, the nearest shipping point and is reached by a good rock road which is kept in good condition by the Forest Service.

In the early days the ores were worked for their silver content alone, although they would average from 1% to 3% copper. They probably lost from $500,000.00 to $700,000.00 worth of copper by the treatment of their ores.

Geology

The rocks of the district are of the Spokane formation which is composed of Quartzite, Slate and Shale. The Spokane is the next to lowest formation in the Philipsburg quadrangle lying on top of the Newland. No Igneous rocks appear in the area that has been productive, but a large granite intrusion lies about one mile north of the old town.

Veins

In the district there are three important veins striking about North 30 degrees West and dipping from 15 to 20 degrees to the South West. These veins are known as the Tim Smith the upper one, Combination the middle one and Lower Combination.

They are about 600 feet apart vertically and very extensive as to dip and strike. The Combination or middle vein has been worked for over 2000 feet along its strike and 2200 feet down its dip.

The lower Combination vein can be traced on surface for over a mile but has had practically no development with the exception of four diamond drill holes.

Two of these were put down from the old workings of the Combination mine and found a large vein (from 8 to 10 feet) of copper and silver ore of a commercial value.

See letter 1/23/51 Jasper Pioneer to [illegible]

Tungsten in the form of Wolframite and Hubnerite is found in the Combination and lower Combination veins. Probably the over all average is between 0.25% and 0.30% W.03 but there are spots that will run as high as 4% and 5%. These spots could be easily sorted out from the copper ore and saved for seperate treatment.

There is attached to this survey a sketch of the Black Pine district. This shows the position of the drill holes, also the proposed shaft and road.

There is a good tungsten showing on the double Eagle claim of McLure's but the most promising showing on the McLure ground is on the Bear and Float Claims.

The small veins at right angles to the lower Combination vein are fault veins and stand nearly perpendicular dipping about 85o to the South.

Signed

William R. McLure

William R. McLure

Form MF-504 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Final, 195 3 Docket No. DME-615X Contract Dam-E114353
Operator's Name Double Eagle Tungsten Co. Minerals Tungsten
Address Box 5 - Philipsburg Mont.
Contract Amount, $16,382.00 Government Participation 75 % Amount, $12,286.50

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						WSM
Drilling						
Bulldozing			$549.96			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor			$2510.25			
Supervision			$3349.92			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives			$59.80			
Pipe						
Track						
Supplies			$286.36			
(4) Operating Equipment:						
Rental			$2332.46			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.			$75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis			$7.00			
Payroll Taxes			$431.42			
Liability Insurance			$172.28			
Hauling			$88.00			
Truck			$407.95			
(8) Contingencies (specify):						
TOTALS			$ 10,270.40	5.61	6846.95	6852.56

I certify that the above bill is correct and just and that payment therefor has not been received.
Date July 26 1953 Payee Double Eagle Tungsten Co.
Per William P. Moore Title President.

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

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

(Instructions on reverse)

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

$ 4 22

Signature [illegible]
(Authorized Certifying Officer)

Date 12/3/53 Vou. No. 992
(See other side)

See Mr. Hyllis audit report dated 12/2/53 for cost distribution. Final payment.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form DF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Final July 1953 Docket No. DMEA 315X Contract No. Idm-E114

Operator's Name Double Eagle Tungsten Co. Minerals Tungsten

Address Box 5 Philipsburg Mont.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts Incline				$6970.25	65ft.	$107.23	100.	$60.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails				$ 549.96				
TOTAL DISTRIBUTED COSTS				$7520.21				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				$ 343.00				
New Buildings, Improvements, etc.				$ 75.00				
Machinery Acc.				$2332.46				
TOTAL COSTS				$10,270.40				$16,382.00

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

Date July 30 1953 Operator Double Eagle Tungsten Co.

Per William P. Berg Title President.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Check and Stock Record.

Name	Check No.	Total Amt. of Checks	Stock Certificate No.	Total Amt. of Stock & Checks.
E. H Hendrickson.	3-7-17-24-51-58-	$471.81	6-12-18-	$696.31
E . Hendrickson.	3-9-26-19-52-59-	$503.31	7-13-19	$727.81
C.D.McLure	4-10-20-27-53-60 -	$631.15		$631.15
A.E.Applegate			-17-	$255.00
William R. McLure	1-11-21-28-34-54-61-	$635.42	-26-	$ 8635.42
W.L.Degenhart			-20-23-	$714.50
Payroll Taxes	15-16-50-77-81-98-99-	$431.42		$431.42
Liability Ins.	64-66-79-	$172.28		$172.28
Assaying	103-	$ 7.00		$ 7.00
Operating Matls. & Supplies.	6-30-31-32-35-36-49-65-67-69-70-71-73-84-94-95-	$346.16		$346.16
Truck Acc.	5-8-18-25-55-62-90-91-92-93-97-100-104-	$407.95		$407.95
Machinery Acc.	23-29-63-68-74-80 -82-83-85-86-102-114-97-	$2332.46		$2332.46
New B ldg.	-37-	$75.00		$75.00
K ailing	-12-1 #-	$88.00		$88.00
Bulldozing.	-13-	$149.96	-14-	$549.96

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
North 1207 Division St.
Spokane, Washington

October 9, 1953

Air Mail

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

Re: Docket No. DMEA 315X
Contract Idm-E114
Double Eagle Tungsten Co.

Dear Mr. Chambers:

There are submitted herewith two copies of the Audit Report and three copies of the Audit Certificate pertaining to subject contract.

As this case has been rather controversial, there are several points I would like to bring to your attention. The Operator submitted a final voucher, Form MF-104 and 104a, in the amount of $10,270.40. This amount is larger than the sum mentioned in any of the previous correspondence.

The audit took place in the office of Judge McHugh, Suite 2, Flood Building, Anaconda, Montana. Judge McHugh is Mr. McLure's personal attorney, and he entered into the conversations from time to time and was extremely helpful in clarifying many of Mr. McLure's statements. From conversation with Judge McHugh, I gathered that prior to the time of our meeting, he was not fully informed nor had he had complete access to the files and records of the Double Eagle Tungsten Co.

Mr. McLure is a rather difficult man to deal with. Upon any question I would ask, he gave a rather vague answer. I would repeat the question and his answer to make certain that I had completely understood it. Mr. McLure would then modify his answer to the same question, therefore, I am not certain that should the same questions be put to Mr. McLure now, we would receive the same answers to the questions.

The controlling interest of the Double Eagle Tungsten Co. rests in Mr. McLure's hands. He is able to issue stock as he sees fit and at such value that best suits his needs. The unissued stock certificates have a printed value of 50¢ a share. Investigation revealed that the shares of the Double Eagle Tungsten Co. have no marketable value. Mr. McLure made partial payments for wages by the issuance of shares at the rate of 50¢ for each share; however, Mr. McLure issued shares to himself and increased the value to 75¢ per share. He stated that this was an arbitrary decision on his part to increase the value of the shares.

Mr. McLure claimed $2,000.00 for supervision after the active exploration work ceased in December 1951 and based his claim on item (b) of the second paragraph of the printed termination of exploration project contract form. He also claimed supervision for Mr. W. L. Degenhart in the capacity of Secretary-Treasurer of the Double Eagle Tungsten Co. and Assistant Superintendent. Mr. Degenhart resigned as of July 31, 1952. I have disallowed in its entirety the amount of supervision claimed for Mr. Degenhart, for the reason that with only three miners working, the project did not warrant a superintendent and an assistant superintendent. Also, any of the supervision that may have been claimed in the capacity as secretary-treasurer, I considered as management overhead, and as such cost, the Government should not contribute, Mr. McLure's claim of $2,000.00 was disallowed.

Mr. McLure made numerous mathematical errors in the payroll records reporting only the net salaries for labor and supervision. He claimed under payroll taxes not only the employee's but also the employer's contribution for the Social Security Tax. Also included were the amounts withheld for Federal Income Tax as well as Montana State Unemployment Tax. I revised the figures based on the supporting evidence available to reflect the gross wages for both labor and supervision. The taxes were then figured on the gross wages and redistributed in the proper manner. I am attaching for your information photostatic copies of the payroll records and the cancelled checks pertaining to this contract.

You will note that the wages of C. D. McLure were paid directly to L. M. Wanderer, who is in charge of the Town Grocery Store in Philipsburg, Montana, and according to the statement of Mr. William McLure, the checks were made out in this order to insure payment of the grocery bill.

I would appreciate any suggestions, corrections, or comments you may care to make. The Audit Report will not be distributed until it has been released by the Contract Administration and Audit Division.

Sincerely yours,

Robert M. Hull

Robert M. Hull

Enclosures
cc: Orig. & 2 Wash.,D.C.
USGS(2)
USBM(1)
Hull

FILL IN EXEMPTION STATUS OF EMPLOYEE.
☑ SINGLE ☐ MARRIED ☐ NUMBER OF DEPENDENTS 1

EMPLOYEES EARNING RECORD

Page No. 1101

NAME OF EMPLOYEE Thomas H. Hendrickson ADDRESS City Rate 11/1 13.00

TELEPHONE Box 154 SOCIAL SECURITY NUMBER 517-01-8869 AGE Miner CLOCK NUMBER Rate 18.30 per Day

DATE	WAGES	DEDUCTIONS O. A. B.	INCOME TAX	BONDS		TOTAL DEDUCTIONS	AMOUNT PAID
JAN.							
JAN.	Note:						
JAN.	Due to Error						
JAN.	in F. & B. wrong, Correct						
JAN.	report sent to Treasury						
FEB.	& Comp. Comm. See payroll						
FEB.	Sheets.						
FEB.							
FEB.							
FEB.							
MAR.							
MAR.							
MAR.							
MAR.							
MAR.							
1st QUARTER TOTAL							
APR.							
APR.							
APR.							
APR.							
APR.							
MAY							
MAY							
MAY							
MAY							
MAY							
JUNE							
JUNE							
JUNE							
JUNE							
JUNE							
2nd QUARTER TOTAL							

DATE	WAGES	DEDUCTIONS O. A. B.	INCOME TAX	Bags ~~BONDS~~	Stock	TOTAL DEDUCTIONS	AMOUNT PAID
JULY							
JULY							
JULY							
JULY							
JULY							
AUG.							
AUG.							
AUG.							
AUG.							
AUG.							
SEPT.		1 55	17 00				13 13
SEPT. 20	122 00	1 22	9 90	10	41 00	52 13	70 87
SEPT.							
SEPT.							
SEPT.							
3rd QUARTER TOTAL	122 00	1 55	17 00	10	41 00	52 13	13 13 / 70 87
OCT. 5	122 00	1 22	9 90	10	41 00	52 13	70 87
OCT.					4x 00		13 13
OCT.							
OCT. 20	122 00	1 55	17 00	10	30 75	49 60	73 40
OCT.							
NOV. 5	147 60	2 20	22 60	12	36 90	68 70	84 90
NOV.					67 45		
NOV.							
NOV. 15	142 00	2 14	22 80	11	35 75	60 19	82 31
NOV.							
DEC. 5	156 00	2 34	25 20	12	39 00	66 54	89 46
DEC.					4x 75		
DEC.							
DEC.							
DEC.							
4th QUARTER TOTAL	692 60	10 38	105 60	55	183 40	291 66	400 94 / 393 00
YEAR TOTAL	815 60	12 38	122 60	65	224 40	343 79	471 81

FORM 20 — MANUFACTURED ONLY BY LANDFIELD & SONS PRINTING CO. — 737 DEARBORN STREET, CHICAGO, ILL.

FILL IN EXEMPTION STATUS OF EMPLOYEE.
☑ SINGLE ☐ MARRIED ☐ NUMBER OF DEPENDENTS 2

EMPLOYEES EARNING RECORD

Page No. 2

YEAR 1951

NAME OF EMPLOYEE Gideon A. Hendrickson ADDRESS City Rate 11/. 13.00

TELEPHONE Box 154 SOCIAL SECURITY NUMBER 516-05-3989 AGE Minor CLOCK NUMBER Rate 13.00 per Day

DATE	WAGES	DEDUCTIONS O. A. B.	INCOME TAX	BONDS		TOTAL DEDUCTIONS	AMOUNT PAID
JAN.							
JAN.							
JAN.	None						
JAN.		See	T.H	Hendrickson			
JAN.							
FEB.							
FEB.							
FEB.							
FEB.							
FEB.							
MAR.							
MAR.							
MAR.							
MAR.							
MAR.							
1st QUARTER TOTAL							
APR.							
APR.							
APR.							
APR.							
APR.							
MAY							
MAY							
MAY							
MAY							
MAY							
JUNE							
JUNE							
JUNE							
JUNE							
JUNE							
2nd QUARTER TOTAL							

DATE		WAGES	DEDUCTIONS O. A. B.	INCOME TAX	Bonds	Stock	TOTAL DEDUCTIONS	AMOUNT PAID
JULY								
JULY								
JULY								
JULY								
JULY								
AUG.								
AUG.								
AUG.								
AUG.								
AUG.								
SEPT.			1.83	14.00				68.15
SEPT.	20	122.00	1.22	4.90	10	41.00	47.12	73.87
SEPT.								
SEPT.								
SEPT.								68.15
3rd QUARTER TOTAL		122.00	1.83	14.00	10	41.00	47.12	73.87
OCT.	5	122.00	1.22	4.90	10	41.00	47.12	73.87
OCT.						8x.00		68.15
OCT.								
OCT.	20	122.00	1.83	12.00	10	30.75	44.60	78.40
OCT.								
NOV.	5	147.60	2.20	18.10	12	36.90	57.20	90.40
NOV.						6.9	6.9	
NOV.	15							
NOV.	15	143.00	2.14	17.30	11	33.75	55.19	87.81
NOV.								
DEC.	5	156.00	2.34	19.70	12	39.00	61.04	94.96
DEC.						7.80		
DEC.								
DEC.								
DEC.								4.97
4th QUARTER TOTAL		692.60	10.38	79.10	55	183.40	265.16	427.44
YEAR TOTAL		815.60	12.23	91.10	65	224.40	312.29	503.31

4,997 48987

FORM 20 — MANUFACTURED ONLY BY LANDFIELD & SONS PRINTING CO. ... 727 SANBORN STREET, CHICAGO, ILL.

FILL IN EXEMPTION STATUS OF EMPLOYEE.
☐ SINGLE ☑ MARRIED ☐ NUMBER OF DEPENDENTS 6

EMPLOYEES EARNING RECORD

Page No. 3

YEAR 1951

NAME OF EMPLOYEE Chas. D. McGuire ADDRESS City Rate 11/. 13.00 Miner

TELEPHONE SOCIAL SECURITY NUMBER 517-03-0877 AGE CLOCK NUMBER Rate 12.30 Pay Day

DATE	WAGES	DEDUCTIONS O. A. B.	INCOME TAX	BONDS		TOTAL DEDUCTIONS	AMOUNT PAID
JAN.							
JAN.							
JAN.							
JAN.							
JAN.							
FEB.							
FEB.							
FEB.							
FEB.							
FEB.							
MAR.							
MAR.							
MAR.							
MAR.							
MAR.							
1st QUARTER TOTAL							
APR.							
APR.							
APR.							
APR.							
APR.							
MAY							
MAY							
MAY							
MAY							
MAY							
JUNE							
JUNE							
JUNE							
JUNE							
JUNE							
2nd QUARTER TOTAL							

DATE	WAGES	DEDUCTIONS O. A. B.	INCOME TAX	Page BONDS		TOTAL DEDUCTIONS	AMOUNT PAID
JULY							
JULY							
JULY							
JULY							
JULY							
AUG.							
AUG.							
AUG.							
AUG.							
AUG.							
SEPT.							
SEPT.							
SEPT. 20	123 00	1 85	0 00	10		1 85	121 15
SEPT.							
SEPT.							
3rd QUARTER TOTAL	123 00	1 85	0 00	10		1 85	121 15
OCT. 5	123 00	1 85		10		1 85	121 15
OCT.							
OCT.							
OCT. 20	123 00	1 85		10		1 85	121 15
OCT.							
NOV. 5	166 05	2 49		13½		2 49	163 56
NOV.							
NOV.							
NOV. 15	152 75	2 29		11½		2 29	150 46
NOV.							
DEC. 5	156 00	2 34		12		2 34	153 66
DEC.							
DEC.							
DEC.							
DEC.							
4th QUARTER TOTAL	720 80	10 82		57		10 82	709 98
YEAR TOTAL	843 80	12 67		67		[illegible]	[illegible]

FORM 20 — MANUFACTURED ONLY BY LANDFIELD & SONS PRINTING CO. — 727 DEARBORN STREET, CHICAGO, ILL.

FILL IN EXEMPTION STATUS OF EMPLOYEE.
☐ SINGLE ☑ MARRIED ☐ NUMBER OF DEPENDENTS 6

EMPLOYEES EARNING RECORD

Page No. 4

YEAR 1951

NAME OF EMPLOYEE William R. McGuire ADDRESS City

TELEPHONE SOCIAL SECURITY NUMBER 316-05-2759 AGE Supt. CLOCK NUMBER Rate 20¢ Per Day 18 & 20 Yr. Mo.

DATE	WAGES	DEDUCTIONS O. A. B.	INCOME TAX	BONDS		TOTAL DEDUCTIONS	AMOUNT PAID
JAN.							
JAN.							
JAN.							
JAN.							
JAN.							
FEB.							
FEB.							
FEB.							
FEB.							
FEB.							
MAR.							
MAR.							
MAR.							
MAR.							
MAR.							
1st QUARTER TOTAL							
APR.							
APR.							
APR.							
APR.							
APR.							
MAY							
MAY							
MAY							
MAY							
MAY							
JUNE							
JUNE							
JUNE							
JUNE							
JUNE							
2nd QUARTER TOTAL							

DATE	WAGES	DEDUCTIONS O. A. B.	INCOME TAX	Bags ~~BONDS~~		TOTAL DEDUCTIONS	AMOUNT PAID
JULY							
JULY							
JULY							
JULY							
JULY							
AUG.							
AUG.							
AUG.							
AUG.							
AUG.							
SEPT.							
SEPT.							
SEPT.							
SEPT.							
SEPT.							
3rd QUARTER TOTAL							
OCT. 5	200 00	3 00	6 90	10		9 90	190 10
OCT.							
OCT.							
OCT. 20	200 00	3 00	6 90	10		9 90	190 10
OCT.							
NOV. 5	67 50	1 01		1/2 Mo.		1 01	66 49
NOV.							
NOV.							
NOV. 15	67 50	1 01		1/2 Mo		1 01	66 49
NOV.							
DEC. 5	67 50	1 01		1/2 Mo		1 01	66 49
DEC.							
DEC.							
DEC.							
DEC.							
4th QUARTER TOTAL	602 50	9 03	13 80			22 83	579 67
YEAR TOTAL	602 50	9 03	13 80			22 83	579 67

FORM 20 — MANUFACTURED ONLY BY LANDFIELD & SONS PRINTING CO. — 737 S. DEARBORN STREET, CHICAGO, ILL.

FILL IN EXEMPTION STATUS OF EMPLOYEE.
☐ SINGLE ☑ MARRIED ☐ NUMBER OF DEPENDENTS 4

EMPLOYEES EARNING RECORD

Page No. 5

YEAR 1951

NAME OF EMPLOYEE W. L. Degenhart ADDRESS City

Assist Supt. Sec'y Treas

TELEPHONE 126 J. SOCIAL SECURITY NUMBER 516-03-9174 AGE CLOCK NUMBER

DATE	WAGES	DEDUCTIONS O. A. B.	INCOME TAX	BONDS		TOTAL DEDUCTIONS	AMOUNT PAID
JAN.							
JAN.							
JAN.							
JAN.							
JAN.							
FEB.							
FEB.							
FEB.							
FEB.							
FEB.							
MAR.							
MAR.							
MAR.							
MAR.							
MAR.							
1st QUARTER TOTAL							
APR.							
APR.							
APR.							
APR.							
APR.							
MAY							
MAY							
MAY							
MAY							
MAY							
JUNE							
JUNE							
JUNE							
JUNE							
JUNE							
2nd QUARTER TOTAL							

DATE	WAGES	DEDUCTIONS O. A. B.	INCOME TAX	Bags BONDS	Stock	TOTAL DEDUCTIONS	AMOUNT PAID
JULY							
JULY							
JULY							
JULY							
JULY							
AUG.							
AUG.							
AUG.							
AUG.							
AUG.							
SEPT.							
SEPT.							
SEPT.							
SEPT.							
SEPT.							
3rd QUARTER TOTAL							
OCT.							
OCT.							
OCT.							
OCT.							
OCT.							
NOV.	5 125 00	1 88	- -	1 Mo.	123 12	1 88	123 12
NOV.							
NOV.							
NOV.	15 100 00	1 50		1 Mo.	98 50	1 50	98 50
NOV.							
DEC.	5 100 00	1 50		1 Mo.	98 50	1 50	98 50
DEC.							
DEC.							
DEC.	15 25 00	0 37		1 Mo.	24 63	0 37	24 63
DEC.							
4th QUARTER TOTAL	350 00	5 25			344 75	5 25	344 75
YEAR TOTAL	350 00	5 25			344 75	5 25	344 75

FORM 20 — MANUFACTURED ONLY BY LANDFIELD & SONS PRINTING CO. — 727 S. DEARBORN STREET, CHICAGO, ILL.

FILL IN EXEMPTION STATUS OF EMPLOYEE.
☐ SINGLE ☑ MARRIED ☐ NUMBER OF DEPENDENTS 4

EMPLOYEES EARNING RECORD

Page No. 6

YEAR 1932

NAME OF EMPLOYEE W. L. Degenhart ADDRESS City

TELEPHONE 1264 SOCIAL SECURITY NUMBER 516-03-9174 AGE 43 CLOCK NUMBER Rate 50¢ Per Hr.

DATE		WAGES	DEDUCTIONS O. A. B.	INCOME TAX	BONDS	STOCK	TOTAL DEDUCTIONS	AMOUNT PAID
JAN.	5	25 00	0 37	- -	1/2 %	24 63	0 37	24 63
JAN.								
JAN.	20	25 00	0 37		1/2 %	24 63	0 37	24 63
JAN.								
JAN.								
FEB.	5	25 00	0 37		1/2 %	24 63	0 37	24 63
FEB.								
FEB.	20	25 00	0 37		1/2 %	24 63	0 37	24 63
FEB.								
FEB.								
MAR.								
MAR.	5	25 00	0 37		1/2 %	24 63	0 37	24 63
MAR.								
MAR.	20	25 00	0 37		1/2 %	24 63	0 37	24 63
MAR.								
1st QUARTER TOTAL		150 00	2 22		3 %	147 78	2 22	147 78
APR.								
APR.	5	25 00	0 37		1/2 %	24 63	0 37	24 63
APR.								
APR.	20	25 00	0 37		1/2 %	24 63	0 37	24 63
APR.								
MAY								
MAY	5	25 00	0 37		1/2 %	24 63	0 37	24 63
MAY								
MAY	20	25 00	0 37		1/2 %	24 63	0 37	24 63
MAY								
JUNE								
JUNE	5	25 00	0 37		1/2 %	24 63	0 37	24 63
JUNE								
JUNE	20	25 00	0 37		1/2 %	24 63	0 37	24 63
JUNE								
2nd QUARTER TOTAL		150 00	2 22		3 %	147 78	2 22	147 78

DATE		WAGES	DEDUCTIONS O. A. B.	INCOME TAX	BONDS	STOCK	TOTAL DEDUCTIONS	AMOUNT PAID
JULY								
JULY	5	25 00	0 37		1/2 %	24 63	0 37	24 63
JULY								
JULY	20	25 00	0 37		1/2 %	24 63	0 37	24 63
JULY								
AUG.								
AUG.	5	25 00	0 37		1/2 %	24 63	0 37	24 63
AUG.								
AUG.								
AUG.								
SEPT.								
SEPT.								
SEPT.								
SEPT.								
SEPT.								
3rd QUARTER TOTAL								
OCT.								
OCT.								
OCT.								
OCT.								
OCT.								
NOV.								
NOV.								
NOV.								
NOV.								
NOV.								
DEC.								
DEC.								
DEC.								
DEC.								
DEC.								
4th QUARTER TOTAL								
YEAR TOTAL								

FORM 20 — MANUFACTURED ONLY BY LANDFIELD & SONS PRINTING CO. — 737 S. DEARBORN STREET, CHICAGO, ILL.

PHILIPSBURG, MONTANA, September 20, 1951 No. 4

FLINT CREEK VALLEY BANK 93-521/921

PAY TO THE ORDER OF L. M. Wanderer $100.00

One Hundred &----------no/100 DOLLARS

Double Eagle Tungsten Company

Wages of:

FOR Charles D. Mc Lure

by: William T. Burns

by: W. L. Degenhart

PHILIPSBURG, MONTANA, October 3, 1951 No. 10

FLINT CREEK VALLEY BANK 93-521/921

PAY TO THE ORDER OF L. M. Wanderer $142.30

One Hundred Fourty Two &----------30/100 DOLLARS

Double Eagle Tungsten Company

Wages of C. D. Mc Lure

FOR

By William T. Burns

By: W. L. Degenhart

PHILIPSBURG, MONTANA, October 19, 1951 No. 20

FLINT CREEK VALLEY BANK 93-521/921

PAY TO THE ORDER OF L. M. Wanderer $121.15

One Hundred Twenty One &----------15/100 DOLLARS

Double Eagle Tungsten Company

Chas. D. Mc Lure
wages for period

FOR ending 10/18/51

By William T. Burns

By: W. L. Degenhart

PHILIPSBURG, MONTANA, November 2, 1951 No. 27

FLINT CREEK VALLEY BANK

93-521
921

PAY TO THE ORDER OF L. M. Wanderer $ 163.56

One Hundred Sixty Three &----------56/100 DOLLARS

Chas. D. Mc Lure
wages for period
For ending 10/31/51

Double Eagle Tungsten Company
By: William D. Bruce
By: W. L. Depenbrock

93-521
921

DOUBLE EAGLE TUNGSTEN COMPANY, INC.

PHILIPSBURG, MONTANA November 16 1951 No. 53

PAY TO THE ORDER OF L. M. Wanderer $ 150.46

One Hundred Fifty &----------46/100 DOLLARS

THIS CHECK IS IN PAYMENT OF ITEMS AS PER STATEMENT FOLLOWING. ENDORSEMENT OF PAYEE WILL CONSTITUTE A RECEIPT IN FULL WHEN CHECK IS PAID

Chas. D. Mc Lure Wages 11½ da 152.75	Deductions: Social Security	2	29

DOUBLE EAGLE TUNGSTEN CO., INC.
By William D. Bruce
By W. L. Depenbrock

FLINT CREEK VALLEY BANK
PHILIPSBURG, MONTANA

93-521
921

DOUBLE EAGLE TUNGSTEN COMPANY, INC.

PHILIPSBURG, MONTANA Dec. 3, 1951 No. 60

PAY TO THE ORDER OF L. M. Wanderer $ 153.66

One Hundred Fifty Three &----------66/100 DOLLARS

THIS CHECK IS IN PAYMENT OF ITEMS AS PER STATEMENT FOLLOWING. ENDORSEMENT OF PAYEE WILL CONSTITUTE A RECEIPT IN FULL WHEN CHECK IS PAID

Wages C. D. Mc Lure 12 Days 156.00	Deductions: Social Security	2	34

DOUBLE EAGLE TUNGSTEN CO., INC.
By William D. Bruce
By W. L. Depenbrock

FLINT CREEK VALLEY BANK
PHILIPSBURG, MONTANA

PHILIPSBURG, MONTANA, September 20, 1951 No. 3

FLINT CREEK VALLEY BANK 93-521/921

PAY TO THE ORDER OF Gideon A. Hendrickson $75.87

Seventy Five &----------87/100 DOLLARS

Double Eagle Tungsten Company

By: William P. Moore

For Wages

By: W. L. Degenhart

PHILIPSBURG, MONTANA, October 3, 1951 No. 9

FLINT CREEK VALLEY BANK 93-521/921

PAY TO THE ORDER OF Gideon A. Hendrickson $ 75.87

Seventy Five &----------87/100 DOLLARS

Double Eagle Tungsten Company

By: William P. Moore

For Wages

By: W. L. Degenhart

PHILIPSBURG, MONTANA, October 19, 1951 No. 19

FLINT CREEK VALLEY BANK 93-521/921

PAY TO THE ORDER OF Gideon A. Hendrickson $78.40

Seventy Eight &----------40/100 DOLLARS

Double Eagle Tungsten Company

By: William P. Moore

For Wages

By: W. L. Degenhart

PHILIPSBURG, MONTANA November 2, 1951 No. 26

FLINT CREEK VALLEY BANK

93-521
921

PAY TO THE ORDER OF Gideon A. Hendrickson $ 90.40

Ninety &----------40/100 DOLLARS

Double Eagle Tungsten Company

Wages for period ending 10/31/51

FOR

By. William R. Bell

By: W. L. Degenhart

DOUBLE EAGLE TUNGSTEN COMPANY, INC.

93-521
921

PHILIPSBURG, MONTANA Dec. 3, 1951 No. 59

PAY TO THE ORDER OF Gideon A. Hendrickson $ 94.96

Ninety Four &----------96/100 DOLLARS

THIS CHECK IS IN PAYMENT OF ITEMS AS PER STATEMENT FOLLOWING. ENDORSEMENT OF PAYEE WILL CONSTITUTE A RECEIPT IN FULL WHEN CHECK IS PAID

12 Days 156.00	Deductions:	Withholding tax	19 70
		Social Security	2 34
		Stock	39 00

DOUBLE EAGLE TUNGSTEN CO., INC.

FLINT CREEK VALLEY BANK
PHILIPSBURG, MONTANA

By William R. Bell

By W. L. Degenhart

DOUBLE EAGLE TUNGSTEN COMPANY, INC.

93-521
921

PHILIPSBURG, MONTANA November 16 1951 No. 52

PAY TO THE ORDER OF Gideon A. Hendrickson $ 97.[illegible]

Eighty Seven &----------[illegible]/100 DOLLARS

THIS CHECK IS IN PAYMENT OF ITEMS AS PER STATEMENT FOLLOWING. ENDORSEMENT OF PAYEE WILL CONSTITUTE A RECEIPT IN FULL WHEN CHECK IS PAID

11 Da 143.00	Deductions.	Withholding tax	17 [illegible]
		Social Security	2 [illegible]
		Stock	35 [illegible]

DOUBLE EAGLE TUNGSTEN CO., INC.

FLINT CREEK VALLEY BANK
PHILIPSBURG, MONTANA

By William R. Bell

By W. L. Degenhart

PHILIPSBURG, MONTANA, October 19, 1951 No. 17

FLINT CREEK VALLEY BANK 93-521/921

PAY TO THE ORDER OF Thomas H. Hendrickson $73.40

Seventy Three & ----------40/100 DOLLARS

Wages

Double Eagle Tungsten Company

By: William T. Burns

FOR

By: W. L. Degenhart

PHILIPSBURG, MONTANA, October 3, 1951 No. 7

FLINT CREEK VALLEY BANK 93-521/921

PAY TO THE ORDER OF Thomas H. Hendrickson $70.87

Seventy & ----------87/100 DOLLARS

Double Eagle Tungsten Company

By: William T. Burns

FOR Wages

By: W. L. Degenhart

PHILIPSBURG, MONTANA, September 20, 1951 No. 2

FLINT CREEK VALLEY BANK 93-521/921

PAY TO THE ORDER OF Thomas H. Hendrickson $70.87

Seventy & ----------87/100 DOLLARS

Double Eagle Tungsten Company

By: William T. Burns

FOR Wages

By: W. L. Degenhart

PHILIPSBURG, MONTANA, November 2, 1951 No. 24

FLINT CREEK VALLEY BANK

93-521
921

PAY TO THE ORDER OF Thomas H. Hendrickson $ 84.90

--- Eighty Four &----------90/100 DOLLARS

Double Eagle Tungsten Company

Wages for period ending 10/31/51

FOR

By: William R. Stone

By: W. L. Degenhart

93-521
921

DOUBLE EAGLE TUNGSTEN COMPANY, INC.

PHILIPSBURG, MONTANA November 16 1951 No. 51

PAY TO THE ORDER OF Thomas H. Hendrickson $82.31

Eighty Two &----------31/100 DOLLARS

THIS CHECK IS IN PAYMENT OF ITEMS AS PER STATEMENT FOLLOWING. ENDORSEMENT OF PAYEE WILL CONSTITUTE A RECEIPT IN FULL WHEN CHECK IS PAID

11Da 143.00	Deductions: Withholding tax	22	80
	Social Security	2	14
	Stock	35	75

DOUBLE EAGLE TUNGSTEN CO., INC.

FLINT CREEK VALLEY BANK
PHILIPSBURG, MONTANA

By William R. Stone

By W. L. Degenhart

93-521
921

DOUBLE EAGLE TUNGSTEN COMPANY, INC.

PHILIPSBURG, MONTANA Dec. 3, 1951 No. 58

PAY TO THE ORDER OF Thomas H. Hendrickson $ 89.46

Eighty Nine &----------46/100 DOLLARS

THIS CHECK IS IN PAYMENT OF ITEMS AS PER STATEMENT FOLLOWING. ENDORSEMENT OF PAYEE WILL CONSTITUTE A RECEIPT IN FULL WHEN CHECK IS PAID

12 Days 156.00	Deductions: Withholding tax	25	20
	Social Security	2	34
	Stock	39	00

DOUBLE EAGLE TUNGSTEN CO., INC.

FLINT CREEK VALLEY BANK
PHILIPSBURG, MONTANA

By William R. Stone

By W. L. Degenhart

PHILIPSBURG, MONTANA, November 2, 1951 No. 34

FLINT CREEK VALLEY BANK 93-521/921

PAY TO THE ORDER OF William R. McLure $ 5.75

Five & ---------- 75/100 DOLLARS

Double Eagle Tungsten Company

Cash Advances

FOR

By: William R. McLure

By: W. L. Degenhart

PHILIPSBURG, MONTANA, September 17, 1951 No. 1

FLINT CREEK VALLEY BANK 93-521/921

PAY TO THE ORDER OF William R. McLure $ 50.00

Fifty & ---------- no/100 DOLLARS

Double Eagle Tungsten Company

FOR Expenses

by: William R. McLure

by: W. L. Degenhart

PHILIPSBURG, MONTANA, October 3, 1951 No. 11

FLINT CREEK VALLEY BANK 93-521/921

PAY TO THE ORDER OF William R. Mc Lure $ 190.10

One Hundred Ninety & ---------- 10/100 DOLLARS

Double Eagle Tungsten Company

Salary W.R. McLure

FOR

By: William R. McLure

By: W. L. Degenhart

PHILIPSBURG, MONTANA, October 19, 1951 No. 21

FLINT CREEK VALLEY BANK 93-521/921

PAY TO THE ORDER OF William R. Mc Lure $190.10

One Hundred Ninety &----------10/100 DOLLARS

Double Eagle Tungsten Company

Wages

FOR

By: William R. McLure

By: W. L. Defenbaut

PHILIPSBURG, MONTANA, November 2, 1951 No. 28

FLINT CREEK VALLEY BANK 93-521/921

PAY TO THE ORDER OF William R. Mc Lure $ 66.49

Sixty Six &----------49/100 DOLLARS

Double Eagle Tungsten Company

Salary for period ending 10/31/51

FOR

By: William R. McLure

By: W. L. Defenbaut

DOUBLE EAGLE TUNGSTEN COMPANY, INC.

93-521
921

PAY TO THE ORDER OF William R. Mc Lure

PHILIPSBURG, MONTANA November 16195 1 No. 54

$ 66.49

Sixty Six &----------49/100 DOLLARS

THIS CHECK IS IN PAYMENT OF ITEMS AS PER STATEMENT FOLLOWING. ENDORSEMENT OF PAYEE WILL CONSTITUTE A RECEIPT IN FULL WHEN CHECK IS PAID.

½ Mo Deductions: Social Security 1 01

FLINT CREEK VALLEY BANK
PHILIPSBURG, MONTANA

DOUBLE EAGLE TUNGSTEN CO., INC.
By William R. Mc Lure
By W. L. Reynolds

DOUBLE EAGLE TUNGSTEN COMPANY, INC.

93-521
921

PAY TO THE ORDER OF William R. Mc Lure

PHILIPSBURG, MONTANA Dec. 3, 195 1 No. 61

$ 66.49

Sixty Six &----------49/100 DOLLARS

THIS CHECK IS IN PAYMENT OF ITEMS AS PER STATEMENT FOLLOWING. ENDORSEMENT OF PAYEE WILL CONSTITUTE A RECEIPT IN FULL WHEN CHECK IS PAID.

½ No. 67.50 Deductions: Social Security 1 01

FLINT CREEK VALLEY BANK
PHILIPSBURG, MONTANA

DOUBLE EAGLE TUNGSTEN CO., INC.
By William R. Mc Lure
By W. L. Reynolds

PHILIPSBURG, MONTANA, October 19, 1951 No. 15

FLINT CREEK VALLEY BANK 93-521 / 921

20 OCT 1951

PAY TO THE ORDER OF U. S. Treasury Department $30.07

----------07/100 DOLLARS

Withholding Tax & Social Security for quarter ending 9/30/51

FOR

Double Eagle Tungsten Company

By: William J. Hume

By: W. L. Degenhart

93-521 / 921

DOUBLE EAGLE TUNGSTEN COMPANY, INC.

PHILIPSBURG, MONTANA November 8 1951 No. 50

PAY TO THE ORDER OF U.S. Treasury Dept. Internal Revenue Service $ 10.00

Ten & ----------no/100 DOLLARS

THIS CHECK IS IN PAYMENT OF ITEMS AS PER STATEMENT FOLLOWING. ENDORSEMENT OF PAYEE WILL CONSTITUTE A RECEIPT IN FULL WHEN CHECK IS PAID

As per statement 11/7/51 8 NOV 1951

DOUBLE EAGLE TUNGSTEN CO. INC.

William J. Hume

W. L. Degenhart

FLINT CREEK VALLEY BANK

PHILIPSBURG, MONTANA

DOUBLE EAGLE TUNGSTEN COMPANY, INC.

93-521
921

1 101360

PAY TO THE ORDER OF U. S. Treasury Department

PHILIPSBURG, MONTANA Jan. 7, 1952 No. 81

$ 290.26

Two Hundred Ninety & ----------26/100 DOLLARS

THIS CHECK IS IN PAYMENT OF ITEMS AS PER STATEMENT FOLLOWING. ENDORSEMENT OF PAYEE WILL CONSTITUTE A RECEIPT IN FULL WHEN CHECK IS PAID

Withholding & Social Security taxes for period ending 12/31/51

COLLECTOR OF INTERNAL REVENUE DISTRICT OF MONTANA NO PROTEST 93-26

FLINT CREEK VALLEY BANK
PHILIPSBURG, MONTANA

DOUBLE EAGLE TUNGSTEN CO., INC.
By William P. Rice
W. L. Degenhart

DOUBLE EAGLE TUNGSTEN COMPANY, INC.

93-521
921

PAY TO THE ORDER OF U.S. Collector of Internal Revenue

PHILIPSBURG, MONTANA April 9, 1952 No. 98

$ 4.50

Four & ----------50/100 DOLLARS

THIS CHECK IS IN PAYMENT OF ITEMS AS PER STATEMENT FOLLOWING. ENDORSEMENT OF PAYEE WILL CONSTITUTE A RECEIPT IN FULL WHEN CHECK IS PAID

Social Security & Withholding taxes for period ending 3/31/52

COLLECTOR OF INTERNAL REVENUE DISTRICT OF MONTANA NO PROTEST 93-26

FLINT CREEK VALLEY BANK
PHILIPSBURG, MONTANA

DOUBLE EAGLE TUNGSTEN CO., INC.
By William P. Rice
W. L. Degenhart

PHILIPSBURG, MONTANA, October 19, 1951 No. 16

FLINT CREEK VALLEY BANK

93-521
921

PAY TO THE ORDER OF Unemployment Compensation Commission of Montana $9.96

Nine & ----------96/100 DOLLARS

Double Eagle Tungsten Company
By: William P. McGuire
By: W. L. Degenhart

FOR Quarter ending 9/30/51

93-521
921

DOUBLE EAGLE TUNGSTEN COMPANY, INC.

PHILIPSBURG, MONTANA Dec. 26 1951 No. 77

PAY TO THE ORDER OF Unemployment Compensation Commission of Montana $ 82.58

Eighty Two & ----------58/100 DOLLARS

THIS CHECK IS IN PAYMENT OF ITEMS AS PER STATEMENT ENDORSEMENT OF PAYEE WILL CONSTITUTE A RECEIPT IN FULL WHEN CHECK IS PAID

Tax for Quarter ending 12/31/51

FLINT CREEK VALLEY BANK
PHILIPSBURG, MONTANA

DOUBLE EAGLE TUNGSTEN CO., INC.
By William P. McGuire
By W. L. Degenhart

93-521
921

DOUBLE EAGLE TUNGSTEN COMPANY, INC.

PHILIPSBURG, MONTANA April 9, 1952 No. 99

PAY TO THE ORDER OF Unemployment compensation commission of Montana $ 4.05

Four & ----------05/100 DOLLARS

THIS CHECK IS IN PAYMENT OF ITEMS AS PER STATEMENT ENDORSEMENT OF PAYEE WILL CONSTITUTE A RECEIPT IN FULL WHEN CHECK IS PAID

Tax for quarter ending 3/31/52

FLINT CREEK VALLEY BANK
PHILIPSBURG, MONTANA

DOUBLE EAGLE TUNGSTEN CO., INC.
By William P. McGuire
By W. L. Degenhart

DOUBLE EAGLE TUNGSTEN COMPANY, INC.

93-521
921

PHILIPSBURG, MONTANA Dec. 3, 195 1 No. 64

PAY TO THE ORDER OF Industrial Accident Board $ 150.00

One Hundred Fifty &----------no/100 DOLLARS

THIS CHECK IS IN PAYMENT OF ITEMS AS PER STATEMENT FOLLOWING. ENDORSEMENT OF PAYEE WILL CONSTITUTE A RECEIPT IN FULL WHEN CHECK IS PAID

Initial Deposit Code 1803

FLINT CREEK VALLEY BANK
PHILIPSBURG, MONTANA

DOUBLE EAGLE TUNGSTEN CO., INC.
By William F. Kerr
By W. L. Degenhart

DOUBLE EAGLE TUNGSTEN COMPANY, INC.

93-521
921

PHILIPSBURG, MONTANA Dec. 3, 195 1 No. 66

PAY TO THE ORDER OF Industrial Accident Board $ 5.00

Five &----------no/100 DOLLARS

THIS CHECK IS IN PAYMENT OF ITEMS AS PER STATEMENT FOLLOWING. ENDORSEMENT OF PAYEE WILL CONSTITUTE A RECEIPT IN FULL WHEN CHECK IS PAID

Nov. 30, 1951 statement Inspection 11/13/51 Haney

FLINT CREEK VALLEY BANK
PHILIPSBURG, MONTANA

DOUBLE EAGLE TUNGSTEN CO., INC.
By William F. Kerr
By W. L. Degenhart

DOUBLE EAGLE TUNGSTEN COMPANY, INC.

93-521
921

PHILIPSBURG, MONTANA Jan. 7, 195 2 No. 79

PAY TO THE ORDER OF Industrial Accident Board $ 17.28

Seventeen &----------28/100 DOLLARS

THIS CHECK IS IN PAYMENT OF ITEMS AS PER STATEMENT FOLLOWING. ENDORSEMENT OF PAYEE WILL CONSTITUTE A RECEIPT IN FULL WHEN CHECK IS PAID

Assessment Notice #21615

FLINT CREEK VALLEY BANK
PHILIPSBURG, MONTANA

DOUBLE EAGLE TUNGSTEN CO., INC.
By William F. Kerr
By W. L. Degenhart

Standard Form No. 1034a—Rev.
Form approved by
Comptroller General, U. S.
May 26, 1938
(Amended August 15, 1941)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

COPY

D. O. Vou. No. _____
Bu. Vou. No. DMA-105

GENERAL ACCOUNTING OFFICE PREAUDIT
Certified for payment in the sum of $_____
Comptroller General of the United States
By _____

U. S. Department of the Interior, Bureau of Mines
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon Jan. 22, 1952
(Give place and date)

THE UNITED STATES, Dr.,

To McLure & McLure (Double Eagle Tungsten Co.)
(Payee)

Address Philipsburg, Montana

Payee's Account No. IDM-E 114

PAID BY
(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	Articles or Services (Enter description, item number of contract or general supply schedule, and other information deemed necessary) Terms _____% Discount Cash _____ days	Quantity	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
		Brought forward from continuation sheet(s)					
	September October November	As per attached certified Form MF-104 dated December 13, 1951 Supplemental				461	25

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 461 25

(Payee must NOT use this space)
Differences _____
Account verified; correct for 461 25
(Signature or initials) _____

Contract No. IDM-E 114 Date 8/16/51 Req. No. _____ Date _____ Invoice Rec'd _____

461.25

MEMORANDUM

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n or Proj't Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act. Interior	461.25	461.25

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. _____ dated _____, 19____, for $_____ / Cash, $_____, on _____, 19____, } on Treasurer of the United States in favor of payee named above.

Payee _____
(Sign original only)

Per _____

Title _____

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary", or "Treasurer", as the case may be.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the blank space below "Approved for $_____", and over his official title.

16—22900a-1

DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
MAR 10 1952

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

1. After advertising in newspapers.

2. (*a*) After advertising by circular letters sent to _____ dealers.

   (*b*) And by notices posted in public places.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made. The notation on the certificate on the face of the voucher must be "2(*a*) (*b*)" or "2(*a*)", depending on whether or not notices were posted.)

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.

4. Without advertising in accordance with _____

5. Without advertising, it being impracticable to secure competition because of _____

_____

_____

_____

_____

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, Supplement No. 6, General Accounting Office, Aug. 20, 1930.)

U. S. GOVERNMENT PRINTING OFFICE: 1946 O-88934

16—22900-1

MF-101
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 114

SUPPLEMENTARY PROGRESS REPORT

For Months of Sept., Oct., & Nov., 1951

Name of Operator Mc Lure & Mc Lure (Double Eagle Tungsten Co.)
Docket No. DMA 315
Total Contract Amount $ 16382.00
Government Participation: 75 % Amount, $ 12386.50
Distribution of Expenditures for Month of Sept., Oct., & Nov.

Defense Minerals Administration
RECEIVED
JAN 28 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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

Mc Lure & Mc Lure
(Double Eagle Tungsten Co.)
(Name of Company)

By William P. McLure
(Signature of Authorized Official)

December 13, 1951
(Date)

(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
Items Deleted from the Month of:						
(b) Rented[2]	Sept.	Oct.	Nov.			
Compressor	325.00					
Drifter	55.00	55.00	55.00			
Gas Hoist	35.00	35.00	35.00			
Sump Pump	20.00			Total		
(c) Furnished by operator				$615.00		
Total	435.00	90.00	90.00			
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

16—64068-3

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(*d*) Fixtures						
4. Labor [3]						
5. Supervision						
6. Supplies						
(*a*) Timber						
(*b*) Explosives						
(*c*) Repair Parts						
(*d*) Other						
7. Power						
8. Transportation						
9. Insurance						
(*a*) Fire						
(*b*) Public Liability						
(*c*) Workmen's Compensation						
10. Contract Work						
11. Other (specify)						
Total						
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date						

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

Note.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by _____

Entered by _____

Approved by Glenn A. Reed

Amount approved for payment _____

Remarks _____

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF _____

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals										

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

Standard Form No. 1034a—Rev.
Form approved by
Comptroller General, U. S.
May 26, 1938
(Amended August 15, 1941)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou
Bu. Vou. I

GENERAL ACCOUNTING OFFICE PREAUDIT
Certified for payment in the sum of $_____
Comptroller General of the United States
By_____

U. S. Department of the Interior, Bureau of Mines
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon Jan. 2, 1952
(Give place and date)

THE UNITED STATES, Dr.,

To McLure & McLure (Double Eagle Tungsten Co.)
(Payee)

Address Philipsburg, Montana

Payee's Account No. IDM-E 114

(For

No. and Date of Order	Date of Delivery or Service	Articles or Services (Enter description, item number of contract or general supply schedule, and other information deemed necessary) Terms _____% Discount Cash _____ days	Quantity	UNIT PRICE Cost	Per
		Brought forward from continuation sheet(s)			
	November	As per certified attached Form MF-104 dated December 1, 1951			

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total

(Payee must NOT use this space)
Differences _____
Account verified; correct for _____
(Signature or initials) _____

Contract No. IDM-E 114 Date 8/10/51 Req. No. _____ Date _____ Invoice

1418.21

MEMORANDUM

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n or Proj't Amount
14X4401	Revolving Fund, Defense Production Act, Interior	1418.21

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE C Symbol

Paid by { Check No. _____ dated _____, 19____, for $_____ { on Treasurer of th payee named abov
Cash, $_____, on _____, 19____, Payee_____
(Sign original only)

Per _____
Title _____

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary", or "Treasurer", as the case may be.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the blank space below "Approved for $_____", and over his official title.

16—22900a-1

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

1. After advertising in newspapers.

2. (*a*) After advertising by circular letters sent to _____ dealers.

(*b*) And by notices posted in public places.

(If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission r be made. The notation on the certificate on the face of the voucher must be "2(*a*)(*b*)" or "2(*a*)", depending on whethe not notices were posted.)

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay inci to advertising.

4. Without advertising in accordance with _____

5. Without advertising, it being impracticable to secure competition because of _____

_____

_____

_____

_____

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured u proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptanc less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and a of contract. (See General Regulations No. 51, Supplement No. 6, General Accounting Office, Aug. 20, 1930.)

U.S. GOVERNMENT PRINTING OFFICE: 1946 O-88934

16—22900-1

MF-104
(August 1951)

79

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 114

Name of Operator McLure & McLure (Double Eagle Tungsten Co.)
Docket No. DMA 315
Total Contract Amount $ 16382.00
Government Participation: 75 % Amount, $ ~~12386.50~~ $13,286.50
Distribution of Expenditures for Month of November

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period:

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 10 1952

CERTIFICATION

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

McLure & McLure (Double Eagle Tungsten Co.)
(Name of Company)

By /S/ William R. McLure
(Signature of Authorized Official)

December 1, 1951
(Date)

(Title)

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

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF November, 1951

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) Incline	1306.75	~~439.20~~	163.25	75.00	~~1984.20~~ 1894.20	Feet	47 ft.	18 ft.	65 ft.	
Totals	1306.75	439.20	163.25	75.00	1894.20					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

BRIEF REPORT FOR MONTH OF NOVEMBER, 1951

Advanced incline 47 feet, making a total depth of 65 feet.

Due to the unsual amount of snow at the elevation of the mine, making the roads impassible, we are forced to suspend operations as of November 30, 1951, until spring.

By: William R. McLure
William R. Mc Lure

Double Eagle Tungsten Company

Philipsburg, Montana

Payroll sheet for month of November, 1951

Wages

Thomas M. Hendrickson	23 days at $13.00 per day	299.00
Gideon A. Hendrickson	23 days at $13.00 per day	299.00
Chas. D. Mc Lure	23½ days at $13.00 per day	~~307.75~~
Total		$906.75

Supervision

William R. Mc Lure	20 days at $20.00 per day	400.00
Total labor & Supervision		$1306.75

Social Security

Thomas M. Hendrickson	~~4.48~~	4.48
Gideon A. Hendrickson	~~4.48~~	4.48
Chas. D. Mc Lure		4.63
William R. Mc Lure		6.00
		$19.59

Withholding tax

Thomas M. Hendrickson	42.00
Gideon A. Hendrickson	37.00
C. D. Mc Lure	0.00
W. R. Mc Lure	14.00
	$93.00

Standard Form No. 1034a—Rev.
Form approved by
Comptroller General, U. S.
May 26, 1938
(Amended August 15, 1941)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. _____
Bu. Vou. No. DMA-47

GENERAL ACCOUNTING OFFICE PREAUDIT
Certified for payment in the sum of $_____
Comptroller General of the United States
By _____

U. S. Dept. Interior, Bureau of Mines
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon 11/27/51
(Give place and date)

THE UNITED STATES, Dr.,

To McLure & McLure (Double Eagle Tungsten Co.)
(Payee)

Address Philipsburg, Montana

Payee's Account No. _____

PAID BY
(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	Articles or Services (Enter description, item number of contract or general supply schedule, and other information deemed necessary) Terms _____% Discount Cash _____ days	Quantity	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
		Brought forward from continuation sheet(s)					
	October 1951	Certified form MF-104 dtd 11/1/51				1,558	31

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 1,558 31

(Payee must NOT use this space)
Differences _____
Account verified; correct for 1,558 31
(Signature or initials) _____

Contract No. Idm-E- 114 Date 8/16/51 Req. No. _____ Date _____ Invoice Rec'd _____

1,558.31

MEMORANDUM

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n or Proj't Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	1,558.31	1,558.31

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. _____ dated _____, 19____, for $_____ } on Treasurer of the United States in favor of payee named above.
{ Cash, $_____, on _____, 19____, Payee _____ (Sign original only)

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary", or "Treasurer", as the case may be.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the blank space below "Approved for $_____", and over his official title.

Per _____
Title _____

16—22900a-1

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

1. After advertising in newspapers.
2. (*a*) After advertising by circular letters sent to _____ dealers.

   (*b*) And by notices posted in public places.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made. The notation on the certificate on the face of the voucher must be "2(*a*)(*b*)" or "2(*a*)", depending on whether or not notices were posted.)

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with _____
5. Without advertising, it being impracticable to secure competition because of _____

_____

_____

_____

_____

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, Supplement No. 6, General Accounting Office, Aug. 20, 1930.)

U. S. GOVERNMENT PRINTING OFFICE: 1946 O-88934

16—22900-1

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 114

Name of Operator McLure & McLure (Double Eagle Tungsten Co.)
Docket No. DMA 315
Total Contract Amount $ 16382.00
Government Participation: 75 % Amount, $ 12386.50
Distribution of Expenditures for Month of October

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

Defense Minerals Administration
RECEIVED
MAR 10 1952

CERTIFICATION

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

McLure & McLure (Double Eagle Tungsten Co.)
(Name of Company)

By /S/ William R. McLure
(Signature of Authorized Official)

November 1, 1951
(Date)

(Title)

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

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
Pressure Tank	51.00		51.00			
Air & Water hose	65.00		65.00			
3 sets Dr. Steel	49.00		49.00			
400 ft. 2" pipe	96.00		96.00			
Fittings & tools	100.00		100.00			
(b) Rented[2]						
Compressor	325.00		325.00			
Stoper	~~55.00~~		~~55.00~~			
Tugger	~~35.00~~		~~35.00~~			
Sump Pump	20.00		20.00			
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	830.25	738.00	1,568.25			
5. Supervision	400.00	400.00	800.00			
6. Supplies						
(a) Timber						
(b) Explosives	35.00		35.00			
(c) Repair Parts		19.25	19.25			
(d) Other						
7. Power	31.50		31.50			
8. Transportation Gas & Oil	75.00		75.00			
9. Insurance Hauling Equip.		41.00	41.00			
(a) Fire						
(b) Public Liability						
(c) Workmen's ~~Compensation~~						
Deposit		150.00	150.00			
10. Contract Work (Road & Cut)		840.00	840.00			
11. Other (specify)						
Car Use		75.00	75.00			
Total	2167.75	~~1213.00~~	3380.75			
Deletions	90.00					
Adjusted totals						
Totals previously reported						
Totals to date	2077.75	2263.25	4341.00	2077.75	2263.25	4341.00

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by /S/ W. R. Lee
Entered by
Approved by /S/ Glenn C. Reed
Amount approved for payment $1558.31
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF October, 1951

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts (Incline)										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	700.00	361.00		75.00	1136.00					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits		345.00			941.75					
Other (specify) Incline	530.25	~~435.00~~	66.50		~~1031.75~~	Feet	18--	--	~~18~~ 30	100
Totals	1230.75	~~796.00~~	66.50	75.00	~~2167.75~~				?	

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

766.00 — — 2077.75

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

BRIEF REPORT FOR MONTH OF OCTOBER 1951

Moved all equipment to the mine.

Set compressor on foundation.

Built ramp for slusher scraper.

Set slusher.

Installed car and track for waste dump.

Timbered first part of incline.

Advanced incline 18 ft and timbered the same.

Total length of incline 30 ft.

William R. McLure
Signed.

William P. McLure

U. S. BUREAU OF MINES
RECEIVED
NOV 3 1951
ALBANY, OREGON

Double Eagle Tungsten Company

Philipsburg, Montana

Payroll sheet for Month of October, 1951

Wages

Thomas H. Hendrickson	22 days at $12.30 per day	270.60
Gideon A. Hendrickson	22 days at $12.30 per day	270.60
Chas. D. Mc Lure	23½ days at $12.30 per day	289.05
Total		$830.25

Supervision

William R. Mc Lure	20 days at $20.00 per day	400.00
Total Labor & Supervision		$1230.25

Social Security

Thomas H. Hendrickson	~~40x10~~	4.05
Gideon A. Hendrickson	~~40x10~~	4.05
Chas. D. Mc Lure		4.35
W. R. Mc Lure		6.00
		$18.43

Withholding tax

Thomas H. Hendrickson	40.60
Gideon A. Hendrickson	30.10
Chas. D. Mc Lure	0.00
W. R. Mc Lure	14.60
	$85.30

U. S. BUREAU OF MINES
RECEIVED
NOV 7 1951

Standard Form No. 1034a—Rev.
Form approved by
Comptroller General, U. S.
May 26, 1938
(Amended August 15, 1941)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

COPY

D. O. Vou. No. _____
Bu. Vou. No. DMA-35

GENERAL ACCOUNTING OFFICE PREAUDIT
Certified for payment in the sum of $_____
Comptroller General of the United States
By_____

U. S. Dept. Interior, Bureau of Mines,
(Department, bureau, or establishment)
Voucher prepared at Albany, Oregon Oct. 25, 1951
(Give place and date)
THE UNITED STATES, Dr.
To McLure & McLure, Double Eagle Tungsten Co.
(Payee)
Address Philipsburg, Montana
Payee's Account No. _____

PAID BY
(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	Articles or Services (Enter description, item number of contract or general supply schedule, and other information deemed necessary) Terms _____ % Discount Cash _____ days	Quantity	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	September 1951	Brought forward from continuation sheet(s) Per certified form MF-104, dtd 10/12/51, attached				1,697	43

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 1,697 43

(Payee must NOT use this space)
Differences _____
Account verified; correct for 1,697 43
(Signature or initials) _____

Contract No. Idm-E114 Date 8/16/51 Req. No. _____ Date _____ Invoice Rec'd _____

1,697.43

MEMORANDUM

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n or Proj't Amount	Appropriation Amount
14x4401	Revolving Fund, Defense Production Act, Interior	1,697.43	1,697.43

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. _____ dated _____, 19____, for $_____ } on Treasurer of the United States in favor of payee named above.
{ Cash, $_____, on _____, 19____. Payee _____

(Sign original only)

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example; "John Doe Company, per John Smith, Secretary", or "Treasurer", as the case may be.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the blank space below "Approved for $_____", and over his official title.

Per _____
Title _____

16—22900a-1

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

1. After advertising in newspapers.

2. (*a*) After advertising by circular letters sent to ..... dealers.

(*b*) And by notices posted in public places.

(If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made. The notation on the certificate on the face of the voucher must be "2 (*a*) (*b*)" or "2 (*a*)", depending on whether or not notices were posted.)

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.

4. Without advertising in accordance with .....

5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, Supplement No. 6, General Accounting Office, Aug. 20, 1930.)

U. S. GOVERNMENT PRINTING OFFICE 16—22900-1

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 114

Name of Operator McLure & McLure (Double Eagle Tungsten Co.)
Docket No. DMA 315 X
Total Contract Amount $ 16382.00
Government Participation: 75 % Amount, $ 12386.50
Distribution of Expenditures for Month of September

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

Defense Minerals Administration
RECEIVED
MAR 10 1952

CERTIFICATION

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

McLure & McLure (Double Eagle Tungsten Co.) By /S/ William R. McLure
(Name of Company) (Signature of Authorized Official)

October 12, 1951
(Date) (Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2] (October)	435.00	✓	435.00			
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	738.00		738.00			
5. Supervision	400.00		400.00			
6. Supplies						
(a) Timber						
(b) Explosives						
(c) Repair Parts						
(d) Other	19.25		19.25			
7. Power						
8. Transportation Haul. Equip.	41.00		41.00			
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation (Deposit)	150.00		150.00			
10. Contract Work Road & Cut	840.00		840.00			
11. Other (specify)						
Car Use	75.00		75.00			
Supt. Expense	20.00 ✓		20.00			
Total	2718.25		2718.25			
Deletions	-455.00					
Adjusted totals	2263.25					
Totals previously reported						
Totals to date						

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by /S/ J. B. Sanders
Entered by
Approved by /S/ Glenn C. Reed
Amount approved for payment $1,697.43
Remarks

/s/ GCR

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF Sept.

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	1138.00	435.00		305.25	1878.25					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) Road + Cut				840.00	840.00					
Totals				1145.25	2718.25					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

D.M.A.-515-

SEPTEMBER MONTHLY REPORT

Bulldozed 1150 feet of road.

Made 15 feet deep cut for incline and leveled yard for camp site.

Moved and erected house 15 ft. by 26 ft.

Moved all equipment to property.

Framed timbers for first part of incline.

Labor was used in helping bulldozer, moving and building house, moving equipment and framing timbers.

Signed.

William R. McLure

U. S. BUREAU OF MINES
RECEIVED
OCT 1 9 1951
ALBANY, OREGON

Mc Lo Eagle Tungsten Company
Philipsburg, Montana

Payroll sheet for Month of September, 1951

Wages

Thomas H. Hendrickson	20 days at $12.30 per day	246.00
Gideon A. Hendrickson	20 " " " " "	246.00
Chas. D. Mc Lure	20 " " " " "	246.00
Total		$738.00

Salary

William R. Mc Lure	per month	400.00
Total wages & Salary		$1138.00

Social Security.

Thomas H. Hendrickson.	$3.69
Gideon A. Hendrickson.	$3.69
Chas. D. McLure.	$3.69
	$12.07

With-holding Tax.

Thomas H. Hendrickson.	$34.00
Gideon A. Hendrickson.	$34.00
William R. McLure.	$43.80
	$71.80

Social Security.

William R. McLure.	$ 6.00

U. S. BUREAU OF MINES
RECEIVED
OCT 1 9 1951

Audited

Certified

W[illegible]K ANALYSIS SHEET - DMEA PROJECT

Analysis as of 12/3/1954
Incl. Voucher for

Actual Cost

Agreed Unit Costs

Name Double Eagle Tungsten Company

Docket No. DMA 315X

State Montana

Commodity Tungsten

Idn-E No. 114

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	200'	7,632.00			
Raising					
Shafts	100'	6,000.00	65'	5,851.25	6,221.25-95.71 ft.
Winzes					
Drilling (Specify)					
Surface Excavation		1,440.00		471.35	471.35
Underground Excavation					
Roads and Trails		240.00		159.96	159.96
Operating Equipment Purchased		662.00			
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.		200.00		75.00	
Other (Specify)		208.00		295.00	
Totals		16,382.00		6,852.56	6,852.56

Contract terminated by mutual agreement

Prepared by TLC

DOCKET COPY

Rutledge
Martin

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

April 29, 1954

MEMORANDUM

To: Administrator, DMEA

From: Iron and Ferro-Alloys Division

Subject: Memorandum of Non-Discovery
Docket No. DMEA 315 - Tungsten
Double Eagle Tungsten Co.
Bear and Float Claims
Granite County, Montana
Contract No. Idm-E114

This Division hereby concludes that the work done upon the subject property, as described under Items 1, 2, and 3 of the contract, has resulted in no discovery or development from which commercial production may be made. The contract was terminated by mutual agreement October 17, 1952.

A description of the property, the work done, and the results obtained follows:

(1) The property on which the exploration was conducted is composed of the Bear and Float Claims in the Black Pine Mining District, Montana. These claims are located on the Onyx or Lower Combination vein, which was the target of the referenced exploration program.

(2) The mineral sought was hubnerite, which was thought to occur in the Onyx vein in economic quantities on the basis of float. The Field Team reported an unusual amount of mineralized quartz containing hubnerite crystals mixed with the debris. The excessive depth of overburden also was noted.

(3) The subject contract in the amount of $16,382.00 provided for the stripping of the overburden by bulldozer to uncover the vein and prepare a shaft collar site, sinking a 100-foot inclined (18°) shaft at an estimated cost of $60.00 per foot, and driving 200 feet of drift on the Onyx vein at an estimated cost of $43.51 per foot. A drift cost of $38.00 was also indicated.

(4) At the end of November when the project was recessed because of the weather, the incline was down 65 feet

R.C.

all in overburden. The sum of $6,852.56 had been expended or 38 percent of the allotted funds. This included the cost of road building, bulldozing, and rehabilitation which totaled $3,019.21.

Three men and a supervisor had been charged to the underground work. Rate per shift and per man shift averaged 1.83 and 0.47 feet, respectively. Average cost per foot for sinking the incline was $58.82 per foot.

The incline's portal had caved when the project was examined by the Field Team in the spring. These costs reflect the changes made by audit dated December 2, 1953.

(5) The DMEA Field Team recognized the deep overburden in the area and allowed 96 hours of bulldozing to uncover the vein and prepare a suitable shaft collar site. The Operator used only approximately half the funds available for bulldozing. The Field Team stated that it seemed the Operator made a very feeble attempt to uncover the vein, most of the funds being used to prepare an ideal collar site.

(6) The Field Team realized that nothing would be accomplished by the Operator's continuing the program set up in the contract and attempted to obtain some definite information on the Onyx vein under the contract by recommending an alternate program of diamond drilling with the remaining funds.

However, it was suggested to the Field Team that all the areal programs be reviewed and the district reassessed.

(7) The amendment changing the program from underground work to diamond drilling was never approved in view of the past results in diamond drilling on the Onyx vein and other veins in the area.

(8) The Operator agreed to termination of the contract because of the poor results to date and also he felt a project on the Eagle and Double Eagle claims would give better results. He was not satisfied when his application for the Eagle and Double Eagle was denied for lack of merit in the property itself, but since protesting to his Senators, has not pressed the matter further.

(9) The Field Team concluded that the work to date has failed to disclose the Onyx vein, and that the cost of further exploration to locate the vein does not appear justified.

W. S. Martin, Acting Chief
Iron and Ferro-Alloys Division

FARutledge/ls

cc: Docket
Code 400
Adm. Reading File
Operating Committee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

January 20, 1954

Registered Mail
Return Receipt Requested

Mr. William R. McLure, President
Double Eagle Tungsten Company
Philipsburg, Montana

Re: Docket No. DMEA-315 (tungsten)
Bear & Flout Claims
Granite County, Montana
Contract No. Ism-3114 (Terminated)

Dear Mr. McLure:

Reference is made to your letter of December 10, 1953, enclosing a United States Treasury check number 14,117,462 dated December 8, 1953, in the amount of $4.22, together with the Public Voucher which authorized this payment.

This matter was referred to the Administrator of the Defense Minerals Exploration Administration at Washington, D. C., who returned the check to this office.

The check and voucher are enclosed. The Washington office of DMEA has advised us that your acceptance of the check does not prejudice your right to make a further claim against the Government. They further state that if such claim is made, you should direct it to the Comptroller General of the United States, Washington 25, D. C.

You cashed the 1/14/54 check.

Sincerely yours,

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

Enclosures as above

cc: DMEA (2)
USBM (2)
Hull

Mr. McLure's final statements about the original purposes of exploration loans, and about the qualifications necessary to obtain such aid, could be a source of confusion to anyone unfamiliar with the Defense Minerals Exploration Administration Program, and call for some clarification. Actually, a known or fully developed ore deposit would be ineligible for any exploration aid except that necessary to determine whether there were unknown extensions or other unknown ore deposits on the same property. Also, in relationship to us, small operators are at no disadvantage, because in passing upon applications we give principal weight to the geologic probability of making a significant discovery, and the operating experience and background of the applicant receive only incidental consideration.

This is a draft of a paragraph to put into a letter to Senator Mansfield about a lot to the dem. from McLure.
1/8/53

Typer this out when the letter clears

FILE COPY
SURNAME:

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

Chamber
Hr Lloyd
Selfridge
Richardson
Kettenbrink

JAN 14 1954

Registered Mail
Return Receipt Requested

Mr. A. E. Weissenburn
Executive Officer
DMA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMA-315X (Tungsten)
Double Eagle Tungsten Company
Granite County, Montana
Contract Idm-1114 (Terminated)

Dear Mr. Weissenburn:

Reference is made to your letter of December 16, 1953, advising that Mr. William R. McIlure of the Double Eagle Tungsten Company has refused to accept a check in the amount of $4.42 as final payment for Government participation in the above-cited contract.

You enclosed with your letter Mr. McIlure's letter of refusal, a copy of the Public Voucher which authorized the payment, and Check No. 14,117,462, dated December 8, 1953 and paid over the Disbursing No. 420.

I am returned these documents to you with the request that you forward the check again to Mr. McIlure stating that his acceptance of the check does not prejudice his right to make a further claim against the Government. Such claim, if any is to be made, should be directed to the Comptroller General of the United States, Washington 25, D. C.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Enclosures

APPROVED:

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

T. P. Thayer (JHB)
Member, Geological Survey

JLChambers/wb
January 13, 1954

Copy to: Docket
Admr. Reading File
Operating Committee
Field Team II
Mr. Lemmon, USGS
Mr. Geehan, USBM
Mr. Martin
Mr. Chambers

R.C. 1-13-54

FILE COPY
SURNAME: JD

Chambers
Martin
Hoffman
H. Johnson

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

1954

Hon. Mike Mansfield
United States Senate
Washington 25, D. C.

My dear Senator Mansfield:

Reference is made to your letter of December 22, 1953, transmitting a letter, dated December 16, 1953, to you from Mr. William R. McIlure, President of the Double Eagle Tungsten Company re Exploration Project Contract No. Idm-E114, Docket No. DM-315X.

In the third, fourth and fifth unnumbered paragraphs, and in the numbered items 2, 3, 4, 6, 7, 8 and 9, Mr. McIlure repeatedly refers to what he terms "Mr. Mittendorf's ruling" in regard to exceeding estimated costs in Exhibit "A" of the contract. In the first place, suggestions to claims of the operator under the subject contract were not made on the basis of maximum allowables. In the second place, the explanation made in my letter of May 28, 1953, had no bearing on allowable maximums in this contract. Mr. McIlure had claimed an amount of $840.00 for bulldozing which he could not support by documentation. His reason for the claim as stated by him, was that the estimated amount for this item in the contract was $840.00. It was my intention to emphasize that estimates of costs given in the contract could not be used to justify payment, but that payment would be made only on the basis of proven expenditures whether the amount was greater or less than the contract estimates except in cases where the contract designated such estimates allowable maximums.

I shall comment on the numbered items listed in Mr. McIlure's letter in the order he presented them, as follows:

<u>Item 1. Bulldozing</u>: The first claim for bulldozing made by the operator was for $840.00. However, Mr. McIlure, President of the operating company, at that time could present proof of paying only $149.00 of this amount. The auditor asked Mr. McIlure if there were any other invoices or proofs of expenditures on this item and Mr. McIlure replied that all information he had was in his files which he had turned over to the auditor. In the second claim presented by Mr. McIlure he stated that the bulldozing cost him $549.96 and presented additional documentation to substantiate this amount.

R.G.B.
1-13-54

However, the auditor determined that $80.00 of this claim was for work done on property not included in the project contract, and, therefore, made a disallowance of $80.00 which left the amount for this work at the sum of $469.96. In his letter to you cited above Mr. McLure accepted this disallowance as fair and just.

Item 2. A. L. Applegate installing machinery: The auditor first disallowed $255.00 claimed to be paid to Mr. Applegate because Mr. McLure could not give any information as to the type of work performed on the project by Mr. Applegate. At the request of the Chief Auditor of this Administration the field auditor made a trip to see Mr. Applegate. Mr. Applegate was able to describe the type of work he performed. While the work was not specified in the contract the Executive Officer of Region II has determined that the work was necessary and reasonable and therefore this amount has been allowed. You were informed of this transaction by my letter of December 8, 1953 and Mr. McLure was informed through the audit report. I might add here that it is not the auditor's duty to substantiate a claim made by an operator, but in this case we made an exception to our policy because of extenuating circumstances.

Item 3. Payroll errors: Mr. McLure states that his auditor has recalculated the payroll items and finds that the DMEA auditor was in error in the amount of $34.33. In his audit report the Administration's auditor detailed his calculation of the payroll items and specified the particular payrolls in which the error occurred. Mr. McLure did not present his auditor's report, therefore, I am unable to make a finding other than that submitted in our auditor's report.

Item 4. Supervision: Mr. McLure states that since there were no allowable maximums for this item, his services should be remunerated from the time the project began to the time he agreed to terminate the project. Section 10 of the contract form provides that "the cost of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work * * *."

The charge for supervision during the months when there was no work performed on the project certainly was neither necessary nor reasonable. Furthermore, the claim for the salaries of two supervisors on a project working three of four men is not a reasonable one nor was it provided for in Exhibit "A" of the contract.

Item 5. Welding services and tire chain purchases: The costs of these items were incurred after exploration work had ceased. Therefore, they are not considered necessary and reasonable costs to the project (See Item 6).

Item 6. Installment payments on truck: Installment payments on the truck were disallowed for the reason that the truck was purchased two months after cessation of the exploration work and therefore could not be considered as necessary and reasonable costs to the project.

Item 7. Interest on notes ($28.46). Fire insurance premium ($44.00): These are general overhead expenses which are specifically excepted for payment in Article 10 of the contract form.

Item 8. Differences in computation of employee's payroll taxes: It appears from his statement that the operator has overpaid payroll taxes. If this be so it is his responsibility to obtain a refund from the State or Federal agency receiving such overpayments. Erroneous payments charged to the project are not reimbursable.

Item 9. Liability insurance deposits, $147.50: Since this contract has been terminated the Government has no interest in carrying a liability insurance deposit with the State of Montana. Instead of requesting the Government to reimburse the operator for this item he should ask the State Government to refund it. Of course, if he intends to remain in operation on his own account the State required deposit is solely for the operator's account and not for Government participation.

General Comments: It might interest you to know that the Government's cash contribution to the operator on the subject contract is in excess of the total amount of cash paid out by the operating company for the exploration work. Many of the Operator's expenses were settled by the issuance of stock directly to the persons performing services.

My staff and I have given many hours consideration to this account. I have come to the conclusion that if the operator is not satisfied, he should make a claim against the Government and submit it to the Comptroller General of the United States for settlement. It is my opinion, however, that this Administration's audit has been very lenient, and that the auditors have gone out of their way to obtain support for the operator's claims. The operator maintained no set of accounts. At the time of the first audit all the papers pertaining to the project had been dumped into a file cabinet which was turned over to the auditor. The auditor had to sort out the papers and reconstruct the accounts. The contract, however, provides that the operator should maintain suitable records and accounts.

Mr. McGuire's final statements about the original purposes of exploration loans, and about the qualifications necessary to obtain such aid, could be a source of confusion to anyone unfamiliar

with the Defense Minerals Exploration Administration Program, and call for some clarification. Actually, a known or fully developed ore deposit would be ineligible for any exploration aid except that necessary to determine whether there were unknown extensions or other unknown ore deposits on the same property. Also, in relationship to us, small operators are at no disadvantage, because in passing upon applications we give principal weight to the geologic probability of making a significant discovery, and the operating experience and background of the applicant receive only incidental consideration.

In regard to the check for $4.22 which Mr. McLure returned to the Executive Officer of Region II, I am instructing the Executive Officer to return the check to Mr. McLure with the advice that his acceptance of the check will not prejudice his right to make further claims on this account to the Comptroller General of the United States.

The documents accompanying your letter of transmittal are enclosed as per your request.

I wish to thank you for your interest in our work as a whole and the time and effort which you have given this particular case. I believe you will agree that any further claim Mr. McLure wishes to present on this account should be made to the Comptroller General of the United States for action.

Sincerely yours,

E. O. Mittenhof (KW)

Administrator

JLChambers/wb
January 11, 1958

cc: Docket
Field Team, Region II
Admr. Reading File
Mr. Lemmon, USGS
Mr. Geehan, USBM
Mr. Martin
Mr. Chambers
Mr. Hull

ALEXANDER WILEY, WIS., CHAIRMAN
H. ALEXANDER SMITH, N. J.
BOURKE B. HICKENLOOPER, IOWA
CHARLES W. TOBEY, N. H.
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MIKE MANSFIELD, MONT.

FRANCIS O. WILCOX, CHIEF OF STAFF
JULIUS N. CAHN, COUNSEL

United States Senate

COMMITTEE ON FOREIGN RELATIONS

Defense Minerals Administration
RECEIVED
DEC 23 1953

December 22, 1953

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

Dear Mr. Mittendorf:

With regard to your letter of December 8 concerning the claim submitted by the Double Eagle Tungsten Company under Exploration Project Contract Idm-E114, Docket No. DMA-315X, will say I am enclosing herewith reply I have received from Mr. William McLure.

I would appreciate hearing from you concerning the questions he has brought up, and please return all the enclosures for my files.

Thanking you and with best personal wishes, I am

Sincerely yours,

Mike Mansfield

Enclosures

UNITED STATES SENATE
Committee on Foreign Relations

December 22, 1953

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

Dear Mr. Mittendorf:

With regard to your letter of December 8 concerning the claim submitted by the Double Eagle Tungsten Company under Exploration Project Contract Idm-E114, Docket No. DMA-315X, will say I am enclosing herewith reply I have received from Mr. William McLure.

I would appreciate hearing from you concerning the questions he has brought up, and please return all the enclosures for my files.

Thanking you and with best personal wishes, I am

Sincerely yours,

/s/ Mike Mansfield

Enclosures

C
O
P
Y

DOUBLE EAGLE TUNGSTEN COMPANY

Mining and Milling of Tungsten Ores
Philipsburg, Montana

December 16, 1953

Senator Mike Mansfield
Capitol Bldg.
Washington 25, D. C.

Dear Senator:

This is in answer to Mr. Mittendorf's latest report to you on the Double Eagle Tungsten Company's account.

I wish first, to call yours and Mr. Mittendorf's attention to a letter written by him to you, and Senator Murray, on May 28, 1953.

The last sentence in paragraph one states, quote "The estimates set forth in the contract serve only to allocate a certain amount of money for the total work. While the total cannot be exceeded, any one item not designated "allowable maximum", may be exceeded. To illustrate; if bulldozing had actually cost $2,100.00, this amount would have been allowed although the estimate was only $1,680.00," unquote.

On this sentence I based the second Double Eagle account, also this sentence was called to the attention of Mr. Hull who made the second audit. Mr. Hull simply ignored it entirely.

Now, Mr. Mittendorf in his report to you on November 19, 1953, refuses to allow $2,777.75 of the $3,380.25 claimed for Supervision, on the grounds that it was excessive of the allowable amount. I wish to call yours and Mr. Mittendorf's attention to the contract under Labor and Supervision. It states: Supervision, $20.00 per shift, 150 shifts, $3,000.00. It is not marked "allowable maximum." The contract went into effect August 16, 1951 and was in full force and effect until October 17, 1952, when it was terminated by agreement of both parties.

The Double Eagle Tungsten Company paid me for Supervision of the project between these dates and charged the Government, between January 1, 1952 and the termination date, only $10.00 per shift for supervision, or 50% of the allowable amount under the contract.

I wish to point out at this time that Double Eagle Tungsten Company so far, has made no claim against the Government for the winding up and settlement of this project, although it is provided for in the termination agreement.

I will now take up each item that was disallowed in his report to you of November 19, 1953:

Item 1. BULLDOZING: $80.00 disallowed from $549.96 asked. I now find that Kaiser did one days work on a claim other than the Bear and Float. This $80.00 should be disallowed.

Item 2. A. L. APPLEGATE INSTALLING MACHINERY: $225.00 disallowed in full.

The Auditor allowed a machinery account of $2,332.46 and now disallowes $225.00 for installing the same machinery. The Auditor was furnished an itemized account of every cent of the $225.00, and at the time of the audit, made no objection. Disallowing this $225.00 shows to what extremes the D.M.E.A. is willing to go to show the Double Eagle Tungsten Company in debt to the Government. This is a just and true account and under the ruling in Mr. Mittendorf's letter of May 28, 1953 to you, should be allowed and paid.

Item 3. PAYROLL ERRORS: $34.33.
After the termination of the contract our books were audited by Newland and Blinn of Butte which showed no payroll error. While the Auditor claimed the error he admitted that the money was paid out on the contract. Therefore, under the ruling of Mr. Mittendorf's letter of May 28, 1953, it was a just and true account and should be allowed and paid.

Item 4. SUPERVISION: $2,777.75 disallowed as excess.
This has been commented on in the beginning of this letter. It is unquestionably a true and just account. Proof of payment was shown the Auditor and under the ruling of Mr. Mittendorf's letter of May 28, 1953 should be allowed and paid.

Item 5. WELDING SERVICES & TIRE CHAIN PURCHASES: $39.20 disallowed in full. The welding services were on the machinery which was allowed under machinery account. The tire chains were for a truck and were purchased for the project while the contract was in full force and effect. Proof of payment was shown the Auditor and this is a just and true account and should be allowed and paid.

Item 6. INSTALLMENT PAYMENTS ON TRUCK: $245.45, disallowed in full. This item is payments on a truck which was purchased for the project while the contract was in full force and effect and long before there was any discussion of cancelling the contract by mutual consent. The taxes are the state of Montana's license to operate the same. Proof of payment was shown the Auditor. This is a true and just account and under Mr. Mittendorf's ruling in his letter of May 28th, should be allowed and paid.

Item 7. INTEREST ON NOTES: ($28.46), FIRE INSURANCE PREMIUM ($44.00), disallowed in full. I have no recollection of asking for any interest on notes but the $44.00 was insurance on the building and equipment allowed under the machinery account and under Mr. Mittendorf's ruling in his letter of May 28th should be allowed and paid.

Item 8. DIFFERENCE IN COMPUTATION OF EMPLOYEE'S PAYROLL TAXES: $21.15, disallowed in full. This is simply a difference of bookkeeping. The money was paid out and proof of payment was shown the Auditor and under Mr. Mittendorf's ruling should be allowed and paid.

Item 9. LIABILITY INSURANCE DEPOSIT, $147.50: This money was paid to the Industrial Accident Board and so long as Double Eagle Tungsten Company employs any one at all is not refundable.

As an example of the attitute of Mr. Hull who made the last audit; I was showing him Mr. Mittendorf's letter of May 28th and made the remark that I had the right to appeal his decision and he answered me by saying that I could appeal all I wanted to, but his audit would be taken as final.

Exploration loans were started to explore "known ore deposits", "extensions of known ore deposits", and unknown ore deposits".

From my experience with the Field Team II and, especially the United States Geological Survey, a Small Operator would have to have a fully developed ore deposit before be could qualify for an exploration loan.

Today, Double Eagle Tungsten Company received a check from the Division of Disbursement for $4.22 and a voucher from the Field Team for "Final Payment as per final Audit Report, dated December 2. 1953." We are returning them both to the Field Team refusing to accept the check as final payment.

I am enclosing the contract, termination agreement, Mr. Mittendorf's letter of May 28th, also letter from R. E. McHugh of Anaconda, and letter June 9, 1953 - William R. McLure to Mr. Mittendorf.

Thanking you in advance for your help in this matter, I remain,

Yours truly,

DOUBLE EAGLE TUNGSTEN COMPANY

By /s/ William R. McLure
William R. McLure, President.

WRMc/sh
encls.

P. S. This letter was written before I knew that the Government had reversed its self on Item 1. But this does not alter the prejudice attitude of the audit. It simply emphasizes it. /s/ Bill McLure

FILE COPY
SURNAME:

Selfridge

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

DEC 24 1953

Hon. Mike Mansfield
United States Senate
Washington 25, D. C.

My dear Senator Mansfield:

This acknowledges receipt of your letter of December 22, 1953, relating to the financial claims of Mr. William McLure under Contract No. IdM-Ell4, Docket No. DMA-315X, the Double Eagle Tungsten Company.

A detailed study will be made of each item listed by Mr. McLure. As soon as the study is completed, I shall write you of our findings and return Mr. McLure's letter and your file.

Sincerely yours,

FRANK E. JOHNSON

Acting Administrator

GCSelfridge/esf
12/23/53

cc to: Docket
Admr. R. File
Mr. Martin
Mr. Mittendorf
Mr. Johnson
Mr. Selfridge
Chron.

12-24-53

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

December 16, 1953

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

Re: Docket No. DMA-315X
Double Eagle Tungsten Company
Granite County, Montana
Contract Idm-E114 (Terminated)

Dear Mr. Selfridge:

I am enclosing a self-explanatory letter dated December 10, 1953, from Mr. William R. McLure of the Double Eagle Tungsten Company, together with a Treasury check for $4.22 and copy of a voucher covering the check for this amount.

The Field Team has now done everything possible to settle this matter and have, in our opinion, gone somewhat out of its way to give Mr. McLure every possible consideration. We do not know what other steps can be taken and are therefore referring the matter to the Administrator through you. It would appear to us, however, that inasmuch as Mr. McLure has refused to accept what we believe to be an equitable settlement, the next move is up to him.

Apparently the audit report and certificate transmitted to Mr. McLure December 11 and his letter crossed in the mail, but he must have received it by now.

Sincerely yours,

A. E. Weissenborn

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

Enclosures
cc: USBM (2)
Hindman

FILE COPY
SURNAME: 800

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

DEC 8 - 1953

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

Re: Idm-1114, DMA-315
Double Eagle Tungsten Co.

Dear Mr. Hull:

Receipt is acknowledged of your Supplemental Audit Certificate and Supplemental Audit Report, as submitted by your letter of December 2, 1953, covering the above-cited exploration project contract.

The Supplemental Certificate and Report are acceptable and distribution may be effected.

The change on the Summary of Costs has been corrected accordingly.

Sincerely yours,

(Signed) J. L. Chambers

wb
Jay L. Chambers, Chief
Contract Administration
and Audit Division

WBorovies/wb
December 8, 1953

Copy to: Docket
Admr. Reading File
Mr. Chambers

R.C.S.
12-8-53

FILE COPY
SURNAME:

Talbert
Chambers
Martin

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

DEC 8 - 1953

Hon. Mike Mansfield
United States Senate
Washington 25, D. C.

My dear Senator Mansfield:

Reference is made to my letter of November 19, 1953, advising you as to the audit findings relative to the revised claim submitted by the Double Eagle Tungsten Company under Exploration Project Contract Ida-1114, Docket No. DMA-315X.

In my letter I indicated that an amount of $255.00, covering machine installation work by A. L. Applegate, had been disallowed because it was not specifically authorized by the contract and Mr. Malure could not adequately explain the item. Since then the DMA field auditor at the request of our Audit Division personally interviewed Mr. Applegate and determined that this work consisted of the installation of a gasoline engine and compressor and a small hoist and the completion of a machinery shed, all of which were necessary for the prosecution of the exploration work.

Accordingly, it has been necessary to revise our audit findings to allow this additional amount. Therefore, the summary of the audit findings has been revised to read as follows:

Revised claim of Operator	$10,270.40
Disallowed by audit	3,417.84
Total acceptable costs	6,852.56
Government participation (75%)	$ 5,139.42

Since $5,135.20 was paid to the Double Eagle Tungsten Company by the Government prior to the audit, an additional amount of $4.22 is now due and payable by the Government.

Sincerely yours,

G. O. Mittendorf (fw)

Administrator

HTalbert/mb
December 7, 1953

cc: Docket
Field Team, Region II
Admr. Reading File
Mr. Lemmon, DMA
Mr. Geehan, DMA
Mr. Martin
Mr. Chambers
Mr. Hull

P.C.G. 12-8-53

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

1201 North Division Street,
Spokane 2, Washington
December 2, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 4 - 1953

AIR MAIL

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

Subj: Contract No. Idm-E114,
Docket No. DMEA 315

Dear Mr. Chambers:

Receipt is acknowledged of your letter of December 1, 1953 on the referenced subject.

There are submitted herewith three copies of this Supplemental Audit Certificate, and two copies of the Supplemental Audit Report.

Please change your copies on the Summary of Costs under the heading of Operating Materials and Supplies - Supplies, the figure $266.36 to read $286.36. This was a typographical error. However, it does not effect the total. All other copies have been corrected accordingly.

Yours very truly,

Robert M. Hull

Robert M. Hull
DMEA Auditor

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

December 2, 1953

Certifying Officer
DMEA Field Team, Region II
1201 N. Division St.
Spokane 2, Washington

Re: Docket No. DMEA 315 (tungsten)
Double Eagle Tungsten
Granite County, Montana
Contract No. Idm-E114

Dear Sir:

The subject contract was terminated by mutual agreement before completion of the work. The requirement of a final report from the Operator on the results of the exploration is hereby waived.

Inasmuch as the Operator's final invoice has been received and the Government has no equity in equipment, materials or supplies, it is requested that the 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)

FILE COPY
SURNAME:

Talbert
Chambers

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

DEC 1 - 1953

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

Re: Idm-F114, DMA-315X
Double Eagle Tungsten Company
Granite County, Montana

Dear Mr. Hull:

Receipt is acknowledged of your letter of November 27, 1953, relative to your audit of the referenced Exploration Project Contract.

In view of the additional information, which was obtained by you subsequent to the submission of your Audit Report, relative to the "machine installation" work performed by A. L. Applegate and charged to the project in the amount of $255.00, I concur that the item appears to be a proper cost under the contract. Accordingly, it is suggested that you prepare a "Supplemental Audit Certificate" and a "Supplemental Audit Report" to cover this additional allowance.

The factual portion of the Supplemental Audit Certificate then will read as follows:

Total cost as billed by Contractor		$10,270.40
Exceptions (see Audit Report for details):		
Prior to this audit	$ 3.25	
During this audit	3,414.59	3,417.84
Total accepted cost		$ 6,852.56

The amount of $5,139.42, representing the 75 percent participation by the Government, accordingly will be certified by you as being valid and proper for payment.

The Supplemental Audit Report may consist of a single page narrative, explaining the subsequent findings in regard to the "machine installation" costs, and a revised summary sheet. It should be noted also that the payroll computation error in the amount of $3.25 was disallowed by the certifying officer prior to your audit.

As a result of the rescission of this $255.00 disallowance the Operator will be due an additional contribution by the Government of $4.22 instead of owing the Government a refund of $187.03 as stated in our telegram to you under date of November 18, 1953.

EDTalbert/wb
December 1, 1953

Sincerely yours,

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

cc: Docket
Admr. Reading File
Mr. Martin
Mr. Chambers

R. (!) 12-1-53

400

xxxxxxxxxxxxxxxxxx

1201 N. Division Street
Spokane 2, Washington

November 27, 1953

WSM

Mr. William R. McLure
Philipsburg
Montana

Re: Docket No. DMEA 315 (Tungsten)
Double Eagle Tungsten Co.
Granite County, Montana
Contract Idm-4114 (Terminated)

Dear Mr. McLure:

At the time of our meeting in Judge McHugh's office at Anaconda, Montana , we discussed the possibility of revising the final form MF-104 submitted by you. However, upon further consideration, this action was not deemed necessary; therefore, the audit was based upon the figures as submitted on your final MF-104.

Very truly yours,

Robert M. Hull
Auditor

cc: A. E. Weissenborn
Cont. Adm. & Aud. Div., Wn., D.C. (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
1201 N. Division
Spokane 2, Washington
November 27, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 30 1953

AIR MAIL

Mr. E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Idm-E114, DMA-315X
Double Eagle Tungsten Company
Granite County, Montana

Dear Mr. Talbert:

Reference is made to your letter of November 18, 1953, concerning the Double Eagle Tungsten Company, Idm-E114, DMA-315X. The following information is submitted:

(a) There are enclosed two photostatic copies of H. P. Kaiser's statement on the bulldozer work.

(b) The explanation offered by Mr. McLure for "machine installation" work performed by Mr. Applegate was extremely vague and Mr. McLure was not sure exactly what Mr. Applegate had done. Numerous attempts were made to get some definite statement from Mr. McLure as to precisely what that "machine installation" was. However, I had a personal conversation with Mr. Applegate and he stated that he had done work for Mr. McLure and that this work consisted of setting up a gasoline engine and a compressor as well as a small hoist (tugger). After this machinery was set up he put up sides on a frame building to enclose this equipment. This information was obtained from Mr. Applegate on November 24, 1953.

I have discussed this new information with both Mr. McNabb and the Executive Officer, Mr. Weissenborn, and they are now of the opinion that while the "machine installation" is not specifically itemized in the contract it may be considered as an allowable cost. However, at the time the audit was made, no definite concrete explanation was offered; consequently, the disallowance in the amount of $255.00.

Mr. McNabb states that the installation was actually performed on the project property. If the Contract Administration and Audit Division so desires, the audit report may be revised and this amount reinstated.

(c) Mr. McLure was unable to give any information or recall any of of the details as to what the $55.75 claimed as expenses were for. This item of $55.75 is made up of two checks; one in the amount of $50.00 and the other in the amount of $5.75. The check in the amount of $50.00 merely stated it was for "expenses". The check in the amount of $5.75 was for "cash advances". Copies of these checks have been previously forwarded to you.

(d) Mr. Paige of the Flint Creek Valley Bank stated that the mining equipment is still on the property of the Double Eagle Tungsten Company and Mr. McLure retains physical possession of this equipment. The Arthur Taylor account is still unpaid in the amount of $1,075.00, plus interest at the rate of 6%. Mr. Taylor has actual title to the equipment and may foreclose at any time as the account is delinquent, but has taken no action. The Miller Machinery Company account has been paid and they have no interest in the matter.

(e) The Fire Insurance Policy No. 82582 was issued by the American Insurance Company of Newark, New Jersey. The policy covers the period of April 11, 1952 to April 10, 1953. This policy covers all of the mining equipment and has an annual premium of $44.00 a year. It does not cover the truck, only the mining equipment. Another policy effective April 11, 1953, has been taken out covering the same equipment and has the same annual premium.

I did not advise Mr. McLure of all of the items that would be disallowed. I mentioned to him that the expenses claimed under supervision could not be allowed. I further stated that he would be advised of all the deletions when the final audit report was released, a copy of which would be sent to him.

At the present time, the Executive Officer, Mr. Weissenborn, is holding the operator's copy in view of the fact that there might be a possible revision in light of the latest information furnished by Mr. Applegate.

Please advise us what action you desire to have taken in this matter.

Sincerely yours,

Robert M. Hull

Robert M. Hull
Auditor

Enclosures

FILE COPY
SURNAME:

Talbert
Martin
Rutledge
Fitzhugh

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

NOV 19 1953

Hon. Mike Mansfield
United States Senate
Washington 25, D. C.

My dear Senator Mansfield:

Reference is made to your letter of October 28, 1953, inquiring as to the status of the audit of a revised claim submitted by the Double Eagle Tungsten Company under Exploration Project Contract Ida-114, Docket No. DMA-315X, covering a project for the exploration of tungsten on the Bear and Flint Claims in Granite County, Montana. By letter dated October 30, 1953, I advised you that the audit had been made and the findings were being reviewed to determine the amount properly allowable under the contract.

This determination now has been made and the final findings may be summarized as follows:

Revised claim of Operator	$10,270.40
Disallowed by audit	3,672.84
Total acceptable costs	$ 6,597.56
Government participation (75%)	$ 4,948.17

Since $5,135.20 was paid to the Double Eagle Tungsten Company by the Government prior to the audit of the accounts and records, it will be necessary for the Government to request the Operator to refund $187.03, the amount which was overpaid.

For your information, under a provision of this Exploration Project Contract 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. The contract further provides that no items of general overhead, corporate management, interest, taxes (except employer's payroll taxes), or any other indirect costs shall be allowed as costs of the project in which the Government will participate. It was necessary, therefore, to disallow claimed costs aggregating $3,672.84 and consisting of the following items:

R.C.S.
11-19-53

(1) One day building work by R. B. Baker on property other than the Door and Plant Claims $ 80.00

(2) Machine installation work by A. L. Applegate, not authorized by contract and not adequately explained by Operator daily sheets 255.00

(3) Overpayments of labor and withholding taxes due to payroll errors 36.33

(4) Excess of amount claimed ($3,380.25) for supervision by V. R. Nelson and W. L. Engelhart from September 1951 to October 1951 over the amount allowable ($600.50) for one supervisor, V. R. Nelson, for the period prior to December 1951 when the exploration work was in progress 2,779.75

(5) Welding supplies and tips which purchases several months subsequent to completion of exploration work 39.20

(6) Installment payments and taxes on a truck acquired two months after completion of exploration work 245.15

(7) Interest on notes ($28.46) and five insurance premiums ($44.00), not allowable costs under the contract 72.46

(8) Difference in computation of employer's payroll taxes 22.15

(9) Refundable balance of liability insurance deposit with the State Industrial Accident Board 147.50

In view of your interest in this case, it is hoped that the foregoing is the information desired. If you have any further questions, or if you desire additional details, please let us know.

Sincerely yours,

C. O. Mittendorf
Administrator

EDTalbert/vb
November 19, 1953

cc: Docket
Field Team, Region 2
Admr. Pending File
Mr. Lemmon, USGS
Mr. Goodman, USGS
Mr. Martin
Mr. Chambers
Mr. Hall

FILE COPY
SURNAME:

Talbert

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

Department of the Interior
Defense Minerals Exploration Adm.
1X3923.70 Working Fund,
DMA

November 18, 1953

Mr. Robert W. Hull
DMA Auditor
1201 North Division Street
Spokane 2, Washington

Re Task 112, DMA-3195, Double Eagle Sunveton. Audit Report and Certificate has been accepted and distribution may be effected. Suggest you arrange with Executive Officer for immediate transmittal of Operator's copy to Bureau with request for refund of $187.03 overpayment.

(Signed) E. D. Talbert

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

EDTalbert/wb
November 18, 1953

Copy to: Docket
Admr. Reading File
Mr. Chambers

R.C.S.
11-18-53

FILE COPY
SURNAME 800

Talbert

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

NOV 18 1953

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

Re: Idm-1114, DMA-315X
Double Eagle Tungsten Company
Granite County, Montana

Dear Mr. Hull:

By telegram of this date you were notified that the Audit Report and Certificate covering the referenced Exploration Project Contract have been accepted and that normal distribution may be effected.

Since it is possible that this case may continue to be controversial, it appears advisable to complete our files with more details on several of the items disallowed in your audit. Therefore, it is requested that you furnish by air mail letter the following additional information which undoubtedly appears in your work papers:

(a) Was H. B. Keiser's statement on the bulldozer work made by letter? If so, please furnish a copy.
(b) What was the explanation offered by McIure for the "machine installation" work performed by A. L. Applegate? Did it appear that such work was actually on the project property? Did McNabb concur in the disallowance?
(c) What are the details of the $55.75 expenses claimed by McIure under Supervision?
(d) Did Arthur Taylor, the Miller Machinery Company or Flint Creek Valley Bank regain possession of the mining equipment? This may be presumed from your statement that "the sales purchase contract was not completed", but further information is desirable.
(e) What did the fire insurance policy (premium $44.00) cover and what was the period of the policy. The check number 96 tends to indicate that the policy was actually procured in March or April 1952, and therefor possibly covers the truck rather than the mining equipment.

Also please advise whether you informed Mr. McIure during the audit as to the items which would be disallowed. If you informed him only partially, please indicate the items.

Sincerely yours,

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

EDTalbert/wb
November 18, 1953

Copy to: Docket
Admr. Reading File
Mr. Chambers

R.C.S. 11-18-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
1201 North Division St.
Spokane 2, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 16 1953

November 13, 1953

Mr. E. D. Talbert, Acting Chief,
Contract Administration and Audit Division,
Defense Minerals Exploration Administration,
Department of the Interior,
Washington 25, D. C.

Dear Mr. Talbert:

Enclosed herewith are 3 copies of the Audit Certificate and 2 copies of the Audit Report pertaining to William R. McLure and Charles D. McLure and their assignee, Double Eagle Tungsten Co., Philipsburg, Montana, Contract Idm-E114, Docket No. DMEA 315.

Reference is made to my letter of October 9, 1953. In reviewing the existing payroll records, copies of which were forwarded to you, I revised labor, supervision, and the taxes. It appears that Mr. McLure did not reflect all of the applicable taxes on Mr. Degenhart's salary.

This report has been delayed due to difficulty in obtaining the necessary statements from Mr. Kaiser as to the work done on the Bear and Float claims.

Yours sincerely,

Robert M. Hull

Robert M. Hull
Auditor

Enclosures

Lost's adjustments made
[illegible]
11/16/53

Department of the Interior

Defense Minerals Exploration Adm.

14X3923.970 Working Fund,
DMEA

November 18, 1953

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

Re Idm-E114, DMA-315X, Double Eagle Tungsten. Audit Report and Certificate has been accepted and distribution may be effected. Suggest you arrange with Executive Officer for immediate transmittal of Operator's copy to McLure with request for refund of $187.03 overpayment.

(Signed) E. D. Talbert

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

EDTalbert/wb
November 18, 1953

Copy to: Docket
Admr. Reading File
Mr. Chambers

Sohm - E114 Double Eagle Tungsten (Pershing)

Summary	Costs	Govt. Share	
Sept 1951 MF-104 Claim	$ 2,718.25		
Less: Disallowed Supv. Offence	-20.00		
" Equip Rent	-435.00		
Allowed	$ 2,263.25	$ 1,697.43	Von Dma-35
Oct 1951 MF-104 Claim	$ 2,167.75		
Less: Disallowed Equip Rent	-90.00		
Allowed	$ 2,077.75	$ 1,558.31	Von Dma-47
Nov 1951 MF-104 Claim	$ 1,984.20		
Less: Disallowed Equip Rent	-90.00		
" Labor	-3.25		
	$ 1,890.95	$ 1,418.21	Von Dma-79
Supplemental MF-104 Claim	$ 615.00	461.25	Von Dma-105
Totals, Original Claim	$ 6,846.95	$ 5,135.20	
1st Audit (Turner - Feb. 1953)	$ 5,666.71	$ 4,250.03	
Claim for Ltr 4/27/53 to Lee Mansfield	$ 9,033.30	$ 6,774.98	
Revised MF-104 Claim	$ 10,270.40	$ 7,702.80	
Tentative 2nd Audit (Hull - Sept. 1953)	$ 7,109.71	$ 5,332.28	
Final 2nd Audit " "	$ 6,597.56*	$ 4,948.17	

* Mitigation of $3,672.84 disallowed (difference between $6,597.56 & $10,270.40) as shown on reverse hereof.

(over)

(1)	$80.00	Bulldozing — 1 day on other work
	255.00	Machine Installation — A. L. Applegate (not under contract)
(2a)	34.33	Labor — overpayments net pay + withholding taxes
(2b)	2000.00	Supv. — Mahure after cessation of work
	55.75	" " Effmer, not authorized
	722.00	" Degenhardt, 2nd supv. not authorized
(3)	39.20	Matls — After cessation of work
(4)	28.46	Equip — Interest on notes
	44.00	" Fire insurance
	245.45	" Payments + taxes on truck purchased after work
(7)	21.15	Payroll taxes — recomputation effect
	147.50	Cash. insurance — refundable bal. of deposit
	$3,672.84	Total deductions

November 3, 1953

To: The DMEA Field Team, Region II

From: Harold B. Kaiser, contractor, Philipsburg, Montana

Subject: Bulldozer work performed at the Bear and Float mining claims for the Double Eagle Tungsten Company in October, 1951.

In October, 1951 I performed approximately 5 days of bulldozer work for the Double Eagle Tungsten Co. My charges at that time were $10.50 per hour. The total bill amounted to $400.00. This covered one day's work at Sunrise and four days work at the Bear and Float claims. Work at the Bear and Float claims consisted of building approximately 1800 feet of access road to the mine workings and levelling off building sites for the mining surface installation. To the best of my knowledge four days of bulldozer work was performed by myself on the Bear and Float mining claims. Payment for the work completed at Sunrise and on the Bear and Float claims was made in the amount of 800 shares of Double Eagle Tungsten Co. stock, par value of $.50 per share, stock certificate No. 14.

I certify that the above statement is to the best of my knowledge true and correct.

signed H B Kaiser
Harold B. Kaiser

FILE COPY
SURNAME:

Talbert
Martin

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

OCT 30 1953

Hon. Mike Mansfield
United States Senate
Washington 25, D. C.

My dear Senator Mansfield:

Receipt is acknowledged of your letter of October 28, 1953, requesting advice as to the present status of the audit of the revised claim submitted by the Double Eagle Tungsten Company under Exploration Project Contract Ida-114, Docket No. DMA-315X.

During the month of September, 1953, an audit of the revised claim was performed in Anaconda, Montana, in the offices of Judge McHugh, who I understand is Mr. Malone's personal attorney. This revised claim was in the amount of $10,270.40, which amount is considerably in excess of both the $6,850.20 originally claimed and the $9,033.30 mentioned in subsequent correspondence.

The preliminary draft of an audit report covering the revised claim of $10,270.40, as submitted to this office for review, indicated definite disallowances aggregating $3,160.69 would be required. Also there were items aggregating $845.80 requiring further clarification by our auditor before a final determination could be made as to their validity and propriety under the terms of the contract. Accordingly, this preliminary draft of the audit report recently was returned to the field auditor for incorporation of additional information regarding these items of doubtful propriety.

As soon as a final determination is made of the amount properly allowable under this contract, I will furnish you a summary of the audit findings.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

HDTalbert/wb
October 30, 1953

cc: Docket
Field Team, Region 2
Admr. Pending File
Mr. Lemmon, USGS
Mr. Geehan, USBM
Mr. Martin
Mr. Chambers
Mr. Hull

R. C. G.
10-30-53

ALEXANDER WILEY, WIS., CHAIRMAN
H. ALEXANDER SMITH, N. J.
BOURKE B. HICKENLOOPER, IOWA
CHARLES W. TOBEY, N. H.
ROBERT A. TAFT, OHIO
WILLIAM LANGER, N. DAK.
HOMER FERGUSON, MICH.
WILLIAM F. KNOWLAND, CALIF.
WALTER F. GEORGE, GA.
THEODORE FRANCIS GREEN, R. I.
J. W. FULBRIGHT, ARK.
JOHN J. SPARKMAN, ALA.
GUY M. GILLETTE, IOWA
HUBERT H. HUMPHREY, MINN.
MIKE MANSFIELD, MONT.

FRANCIS O. WILCOX, CHIEF OF STAFF
JULIUS N. CAHN, COUNSEL

United States Senate

COMMITTEE ON FOREIGN RELATIONS

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 29 1953

October 28, 1953

WSM

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

dma 315

Dear Mr. Mittendorf:

I would appreciate your advising me if the auditors' report concerning the Double Eagle Tungsten Company, DMEA Contract No. Idm-E114, has been received. If so, what if any action has been taken since your last report.

Thanking you and with best personal wishes, I am

Sincerely yours,

Mike Mansfield

FILE COPY
SURNAME:

Chamberlin

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

OCT 16 1953

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

AIR MAIL

Re: Docket No. DMEA-315X
Contract I6s-2114
Double Eagle Tungsten Company

Dear Mr. Hull:

This replies to your letter of October 9, 1953, by which you transmitted Audit Certificates and Audit Reports on the above-cited contract. The Certificates and Reports are herewith returned for revisions indicated below.

In the Audit Certificate and Introduction to the Audit Report after names of the partners, Melure and Melure, should be inserted, "and their assignee", since the Double Eagle Tungsten Company is operating the project on assignment. Also, the following phrase, "on the Bear and Fleat claims in Granite County, Montana", should be added to the first paragraph of both the Audit Certificate and Introduction to the Report.

Your attention is called to paragraph 2 of page 3 of the Audit Report wherein you allow a claim made by H. B. Kaiser for "bulldozer work at Black Pine and Sunrise during October, 1951." Under the circumstances I think it is necessary first to determine that the Black Pine and Sunrise bulldozing work actually was performed on the Bear and Fleat claims, which are the sites of the work authorized under the contract. Such determination should be stated in the Audit Report. In the second place I believe it is desirable to have a statement from H. B. Kaiser that he did the work on the Bear and Fleat claims and was remunerated for it by the 800 shares of the Company's stock. Your contact with Kaiser, of course, should not be made through Melure. As a suggestion, maybe you could get McNabb to see Kaiser and get a written statement from Kaiser that he did the work and it was done on the Bear and Fleat claims. If absolute proof is not available then this item should be disallowed.

At the top of page 4 your table shows that $2,475.00 gross wages were claimed. At the bottom of page 4 you indicate gross wages allowed to be $2,471.75, with a disallowance at the top of page 5 in the amount of $3.25. The summary on page 15 shows the correct distri-

R.C.G. 10-16-53

bution to $2,503.88 and the disallowance to be $31.33, resulting in a total of $2,471.75. Please explain this difference in the amount of the disallowance.

On page 5 you should state whether or not the rates paid for wages were within the maximum rates specified in Exhibit "A" of the contract.

On page 6 insert in the last line after the word "Superintendent", the words, "during the period when the exploration work actually was performed."

The last three items in the listing, at the botton of page 7, of the payments for supplies are questionable. The numbers of the checks indicate that the supplies were paid for during the period from January to April, 1952, a considerable time after the cessation of the actual exploratory work. Of course the supplies may have been purchased and used during the period of operations, but if they were not, a disallowance is in order.

At the end of the first paragraph on page 10 add the sentence, "The actual payments made on the equipment have been allowed as an equitable rental value."

The purchase of a truck discussed at the bottom of page 10 occurred over two months after the cessation of active exploration work and cannot be considered a necessary, reasonable direct cost of the exploration work. The entire amount of the claim, $245.45, therefore, should be disallowed and only the amount of $162.50 paid for the rental during September, October, November and December, 1951, should be allowed. (The amount of $245.45 is the $345.45 actually paid by the Operator minus $100.00 not claimed.)

I can see no reasons whatsoever for allowing payments made by the Company on the purchase of a truck which was obtained after the actual work on the contract had ceased.

Under item (7) Miscellaneous, page 14, you have recommended that the Government's share of the remaining deposit of $147.50 be withheld on final settlement. This is the final audit and therefore this amount should be disallowed.

The Audit Certificate and Audit Report should be revised to reflect the disallowances outlined above in the sum of $245.45 and $147.50 covering claims under items (4) and (7) of the contract. There is also a possibility of further disallowances in the amount of $52.85 for supplies and $400.00 for bulldozing, unless definite proof can be obtained that the work was actually done on the Bear

and Float claims which are the sites of the project operations. This point seems to me should have more attention especially since the first audit allowed only $149.96 for bulldozing. Your audit should have demanded prima-facie evidence of further expenditures. This, however, you may have done but failed to put in the audit report. The remainder of the Audit Report seems to be all right and as a whole I think you did a good job under what were undoubtedly very difficult conditions.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

JLChambers/wb
October 16, 1953

Copy to: Docket
Mr. Chambers
Admr. Reading File

400

FILE COPY
SURNAME:

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

JUL 17 1953

Hon. Mike Mansfield
United States Senate
Washington 25, D. C.

My dear Senator Mansfield:

This will acknowledge receipt of your letter of July 10, 1953, with enclosed copies of a letter of July 6, 1953, to you from Mr. William R. Melure, and other correspondence concerning the Double Eagle Tungsten Company, DMEA Contract No. Idm-Ell4.

In accordance with your request, your enclosures are returned herewith and a copy of my reply to Mr. Melure is also attached.

Because of your interest in this case, I am giving instructions that you are to be advised when we receive the auditors' report covering the revised vouchers which Mr. Melure proposes to submit to our Spokane, Washington, field office.

Sincerely yours,

FRANK E. JOHNSON (B.D.H.)

Acting Administrator

Enclosures

CC: Docket
Field Team, Region 2
Code 400
Adm. Reading File
D. M. Lemmon, USGS
R. W. Geehan, USBM
Code 800, Mr. Chambers

WSMartin/ls
7/15/53

FILE COPY
SURNAME:

Martin
Rutledge
Chambers
Rubin
Cross

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

Hon. Mike Mansfield
United States Senate
Washington 25, D. C.

My dear Senator Mansfield:

This will acknowledge receipt of your letter of July 10, 1953, with enclosed copies of a letter of July 6, 1953, to you from Mr. William R. McLure, and other correspondence concerning the Double Eagle Tungsten Company, DMEA Contract No. Idm-E114.

In accordance with your request, your enclosures are returned herewith and a copy of my reply to Mr. McLure is also attached.

Because of your interest in this case, I am giving instructions that you are to be advised when we receive the auditors' report covering the revised vouchers which Mr. McLure proposes to submit to our Spokane, Washington, field office.

With best personal wishes.

Sincerely yours,

ACTING Administrator

Enclosures

CC: Docket
Field Team, Region 2
Code 400
Adm. Reading File
D. M. Lemmon, USGS
R. W. Geehan, USBM
Code 800, Mr. Chambers

WSMartin/ls
7/15/53

FILE COPY
SURNAME:

Martin
Rutledge
Chapman
[redacted]
Martin
ARK exc

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

JUL 17 1953

Mr. William R. McLure
Dougle Eagle Tungsten Company
Philipsburg, Montana

Re: Docket No. DMEA 315 - Tungsten
Double Eagle Tungsten Company
Bear and Float Claims
Granite County, Montana
Contract No. Idm-8114

Dear Mr. McLure:

This will acknowledge receipt of your letter of July 6, 1953, advising that it is your intention to send to our regional office in Spokane, Washington, a new account covering the subject project.

In regard to the paragraph in your letter dealing with documentary proof of the claims to be submitted to the Government, please note that my previous letter inadvertently stated that documentary proof must accompany the voucher. Instead, we should have stated that your records and accounts would have to support your claim against the Government and that our auditors will reaudit your account soon after receipt of your claim in Spokane.

With respect to the copy you enclosed of our Field Team's letter to you of December 18, 1952, I cannot concur in your conclusion that it answers paragraph 4 of our letter to you of June 23, 1953, which, for clarity, is repeated as follows:

> "I regret that you should feel that any kind of an informal, unwritten agreement was entered into between you and the Field Team, or any other member of the DMEA staff, to the effect that if you would enter into the agreement terminating the exploration contract on the Bear and Float Claims, this Administration would enter into a contract with you on the Double Eagle Claim. There is nothing whatever in the written agreement terminating the contract on the Bear and Float Claims which would support such a contention, nor is it supported by any correspondence relating thereto. Moreover, this Administration does not have authority to commit itself to exploration projects on any such basis. Exploration contracts can be entered into, under our regulations, only after suitable investigation of the proposed project and after proper consideration of all of the elements that would affect a decision on whether a contract should be entered into."

In advising you that it was best that the contract be terminated by mutual agreement so as to incur no prejudice by the Government toward the Double Eagle Tungsten Company, the Field Team was not making any further commitment, as you apparently imply, but was electing termination by mutual agreement instead of the alternative, then possible, that in the opinion of the Government you had failed to prosecute operations pursuant to the terms of the contract. In advising you that action on your Double Eagle application was pending receipt of the termination agreement, the Field Team was in no position to know whether final action would be favorable or unfavorable, but was in a position to know, and thus to inform you, that whatever action was to be taken would have to wait for receipt of the termination agreement.

Let me also repeat that I hope your relations with the Government under the existing contract can be wound up to your satisfaction pursuant to your final voucher and report which you will now submit on the forms referred to previously.

Sincerely yours,

FRANK E. JOHNSON (B.J.H.) ce 7-17

ACTING Administrator

CC: Docket
Adm. Read. File
Oper. Committee
Code 400
Field Team, Reg. 2
J. L. Chambers
R. W. Geehan, USBM
D. M. Lemmon, USGS
Hon. Mike Mansfield

WSMartin/ls
7/15/53

In regard to the paragraph in your letter dealing with documentary proof of the claims submitted to the Government, I wish to explain that our previous letter inadvertently stated that documentary proof must accompany the voucher. I meant to state that your records and accounts would have to support your claim against the Government and that our auditors will reaudit your account soon after the receipt of your claim. This claim should be sent to the regional office in Spokane.

Fmom Jay Chambers

DOCKET

ALEXANDER WILEY, WIS., CHAIRMAN
W. ALEXANDER SMITH, N. J.
BOURKE B. HICKENLOOPER, IOWA
CHARLES W. TOBEY, N. H.
ROBERT A. TAFT, OHIO
WILLIAM LANGER, N. DAK.
HOMER FERGUSON, MICH.
WILLIAM F. KNOWLAND, CALIF.
WALTER F. GEORGE, GA.
THEODORE FRANCIS GREEN, R. I.
J. W. FULBRIGHT, ARK.
JOHN J. SPARKMAN, ALA.
GUY M. GILLETTE, IOWA
HUBERT H. HUMPHREY, MINN.
MIKE MANSFIELD, MONT.

FRANCIS O. WILCOX, CHIEF OF STAFF
JULIUS N. CAHN, COUNSEL

United States Senate

COMMITTEE ON FOREIGN RELATIONS

July 10, 1953

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

Dear Mr. Mittendorf:

In reference to your letter of May 28 concerning DMEA Contract No. Idm-E114, Double Eagle Tungsten Company, will say I am enclosing further correspondence I have received from Mr. McLure.

I would appreciate your returning the same with your reply on this matter.

Thanking you and with best personal wishes, I am

Sincerely yours,

Mike Mansfield

Enclosures

Docket

COPY

DOUBLE EAGLE TUNGSTEN COMPANY

PHILIPSBURG, MONTANA

July 6, 1953

Senator Mike Mansfield
Capitol Bldg.
Washington, D. C.

Dear Senator,

I enclose copies of letter received from Mittendorf and also answer. Will let you know when I send the forms to the Field Team in Spokane, Wash.

Sincerely yours,

Signed: Bill McLure

Docket

DOUBLE EAGLE TUNGSTEN COMPANY

MINING & MILLING OF TUNGSTEN ORES

PHILIPSBURG, MONTANA
July 6, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 10 1953

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

Re: Docket No. DMEA-315
Double Eagle Tungsten Company
Bear and Float Claims
Granite County, Montana
Contract No. Idm-E114

Dear Mr. Mittendorf:

Your letter of June 23 received ~~both~~ Hith enclosed forms.

I will fill out the forms and forward them to the Field Team in Spokane Washington. Everything we ask for in these forms will be substantiated by documentary proof in our books, either in the form of cancelled checks, receipted bills, or stock certificate stubs. But it will be impossible for us to attach this proof to these forms.

Our books will be open for inspection by the government in the office of Judge R. E. McHugh in Anaconda, Montana, at any time I am given three days notice in advance, and the government may establish this proof for themselves.

Hoping this will be satisfactory, I remain,

Sincerely yours,

William R. McLure

William R. McLure, pres.
Double Eagle Tungsten Company

copy made for Code 400 file 7/13/53 L.S.

cc. Senator Mike Mansfield
cc. Senator James E. Murray

I enclose copy of a ~~letter~~ I received from the Executive Office of Field Team II. This answers paragraph 4 of your letter

W R McLure

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

December 18, 1952

RECEIVED
JAN 10 1953

Mr. William McLure, President
Double Eagle Tungsten Company
Philipsburg, Montana

Re: Docket No. DMA-315x (tungsten)
Double Eagle Tungsten Co.
Bear and Float Claims
Granite County, Montana
Contract No. Idm-E114

Dear Mr. McLure:

This is to advise that the forms terminating Exploration Project Contract Idm-E114 by mutual agreement should be signed and returned to this office within 10 days. These forms were mailed to you October 27, 1952. On your visit to this office in November it was agreed that the forms would be signed and returned.

I wish to advise that it is best that the contract be terminated by mutual agreement so as to incur no prejudice by the Government toward the Double Eagle Tunsten Company.

Action on your Double Eagle application is pending receipt of the termination agreement.

Sincerely yours,

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

FILE COPY
SURNAME:
800

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

N.S. in R. v R.

June 25, 1953

Memorandum

Dmen 315

To: Administrator

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

Subject: Letter to Mr. William W. McClure, Double Eagle Tungsten Company, June 23, 1953

I wish to call your attention to the last two sentences of paragraph two of a letter sent to Mr. McClure under date of June 23, 1953. These sentences are quoted as follows:

"It is necessary, of course, that the forms be accompanied with documentary evidence to support the claim. (The contract provides that reimbursement will be made on the necessary, reasonable, direct costs of the work.)"

In a previous letter to Mr. McClure, which I summarized, the following sentences were used:

"Please be advised that you must have documentary evidence to support any claims presented. The contract provides that reimbursements will be made on the necessary, reasonable, direct costs which are approved.

It will be impossible for Mr. McClure to accompany his claim with "documentary evidence" for the reason that many payments were made in stock. These affected not only payrolls but also purchases of supplies and materials. Mr. Hoffland, it seems to me, got out of his field when he wrote the letter establishing a condition which be met by the Operator.

June 25, 1953

Copy to: Docket
Chr. Reading File
Mr. Hoffland
Mr. Martin
Mr. Chambers

140

FILE COPY
SURNAME:

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

JUN 23 1953

Martin
Chambers
Rubin
Kane
Kinkel
Hedges
Selfridge
Johnson
Hoffland
Johnson

Rewritten by

Mr. William R. McLure
Double Eagle Tungsten Company
Philipsburg, Montana

Re: Docket No. DMEA-315
Double Eagle Tungsten Company
Bear and Float Claims
Granite County, Montana
Contract No. Idm-E114

Dear Mr. McLure:

Your letter to me of June 9 refers to my letter of May 20 to Senator James E. Murray and to my letters of May 28 to Senator Mike Mansfield and to you.

In accordance with your request, there are enclosed herewith six copies each of our Forms MF-104 and MF-104A. When you have completed these forms, five copies each should be returned, not to this office, but to: Executive Officer, DMEA Field Team, Region II, South 157 Howard Street, Spokane 4, Washington. It is necessary, of course, that the forms be accompanied with documentary evidence to support the claim. (The contract provides that reimbursement will be made on the necessary, reasonable, direct costs of the work.)

Upon receipt of these forms and accompanying evidence, your account will be reaudited.

I regret that you should feel that any kind of an informal, unwritten agreement was entered into between you and the Field Team, or any other member of the DMEA staff, to the effect that if you would enter into the agreement terminating the exploration contract on the Bear and Float Claims, this Administration would enter into a contract with you on the Double Eagle Claim. There is nothing whatever in the written agreement terminating the contract on the Bear and Float Claims which would support such a contention, nor is it supported by any correspondence relating thereto. Moreover, this Administration does not have authority to commit itself to exploration projects on any such basis. Exploration contracts can be entered into, under our regulations, only after suitable investigation

of the proposed project and after proper consideration of all of the elements that would effect a decision on whether a contract should be entered into.

I hope that your relations with the Government under the existing contract can be wound up to your satisfaction pursuant to your final voucher and report which you will now submit on the forms above referred to.

Sincerely yours,

C. O. Mittendorf (for) J.H. 6-23-53

Administrator

Enclosures 12

WSMartin/JLHofflund/emd

Copy to: Mails and Files
Adm. R. File
Operating Committee
W. S. Martin
J. L. Hofflund
R. W. Geehan, USBM
D. M. Lemmon, USGS
J. L. Chambers
Field Team, Reg. II (2)
chron.
pending

FILE COPY
SURNAME:

UNITED STATES 400
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Martin
Franklin
Putty
Kirkpatrick
Kinkel
Hodges
Sellentiga
Richmond

Denied 6/22/53

Mr. William R. McLure
Double Eagle Tungsten Company
Philipsburg, Montana

Re: Docket No. DMEA-315
Double Eagle Tungsten Company
Bear and Float Claims
Granite County, Montana
Contract No. Idm-E114

Dear Mr. McLure:

This will acknowledge receipt of your letter of June 9, 1953, regarding our letter of May 20 to Senator James E. Murray and our letters of May 28 to you and to Senator Mike Mansfield.

In accordance with your request we enclose 6 copies each of our Forms MF-104 and MF-104A. Please note that after completing the forms you should not return the same to us, but instead you should submit 5 sets direct to the Executive Officer, DMEA Field Team, Region II, South 157 Howard Street, Spokane 4, Washington.

Upon receipt of these forms arrangements will be made for an auditor to reaudit your accounts. Please be advised that you must have documentary evidence to support any claims presented. The contract provides that reimbursements will be made on the necessary, reasonable, direct costs which are approved.

We cannot, however, concur in your contention that an "agreement" to approve your application covering the Double Eagle Claim was reached in talks with the Field Team or others. No unwritten considerations were added to the termination agreement covering cancellation of the subject contract or committed us to any action outside of that termination agreement. The engineers and geologists who make our examinations are all thoroughly aware that they are without authority to promise contracts to anyone. We, therefore, do not believe that you were misled, or that any such commitment was made to you. Moreover, with respect to the merits of the Double Eagle project, our review of the available information in this office indicated that Government participation was not warranted and the commodity groups of the Geological Survey and Bureau of Mines concurred in our determination.

WSMartin:foc 6-18-53
cc: Docket
Code 400
Adm. Reading File
FT. Reg. II
R. W. Geehan, USBM
D. M. Lemmon, USGS
Mr. Chambers, Audit Div.

Enclosures

Sincerely yours,

Administrator

FILE COPY
SURNAME:

400

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

Martin
Rutledge
Chandler
Hedges

Mr. William R. McLure
Double Eagle Tungsten Company
Philipsburg, Montana

Re: Docket No. DMEA-315
Double Eagle Tungsten Company
Bear and Float Claims
Granite County, Montana
Contract No. Idm-E114

Dear Mr. McLure:

This will acknowledge receipt of your letter of June 9, 1953, regarding our letter to Senator James E. Murray of May 20 and our letters of May 28 to you and to Senator Mike Mansfield.

In accordance with your request we enclose 6 copies each of our Forms MF-104 and MF-104A. Please note that after completing the forms you should not return the same to us, but you should instead submit 5 sets direct to the Executive Officer, DMEA Field Team, Region II, South 157 Howard Street, Spokane 4, Washington.

Upon receipt of these forms arrangements will be made for an auditor to reaudit your accounts. Please be advised that you must have documentary evidence of any claims presented. The contract provides that reimbursements will be made on actual costs authorized.

We cannot, however, concur in your contention that an "agreement" reached in talks with the Field Team or others added unwritten considerations to the termination agreement covering cancellation of the subject contract. The engineers and geologists who make our examinations are all thoroughly aware that they are without authority to promise contracts to anyone. We therefore do not believe that you were misled, or that any such commitment was made to you. Moreover, with respect to the merits of the Double Eagle project, a review of the available information at this level indicated that Government participation was not warranted and the commodity groups of the Geological Survey and Bureau of Mines concurred in our determination.

Sincerely yours,

Administrator

WSMartin:foc 6-17-53
cc: Docket
Code 400
Adm. Reading File
FT. REG. II
R. W. Geehan, USBM
D. M. Lemmon, USGS
Mr. Chambers, Audit Div.
Enclosures

FILE COPY
SURNAME:

400

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

Martin
Chamberlin
Pubin
Oberton

NOT USED

Mr. William R. McLure
Double Eagle Tungsten Company
Philipsburg, Montana

Re: Docket No. DMEA-315
Double Eagle Tungsten Company
Bear and Float Claims
Granite County, Montana
Contract No. Idm-E114

Dear Mr. McLure:

This will acknowledge receipt of your letter of June 9, 1953, regarding our letter to Senator James E. Murray of May 20 and our letters of May 28 to you and to Senator Mike Mansfield.

In accordance with your request we enclose 6 copies each of our Forms MF-104 and MF-104A. Please note that after completing the forms you should not return the same to us, but you should instead submit 5 sets direct to the Executive Officer, DMEA Field Team, Region II, South 157 Howard Street, Spokane 4, Washington.

Upon receipt of these forms arrangements will be made for an auditor to reaudit your accounts. Please be advised that you must have documentary evidence of any claims presented. The contract provides that reimbursements will be made on actual costs authorized.

With respect to your contention that an "agreement" was made concerning the cancellation of the subject contract, our position on this point has been stated in the last paragraph on page 3 of our letter dated May 28 to Senator Mansfield.

Sincerely yours,

Administrator

WSMartin:foc 6-15-53
cc: Docket
Code 400
Adm. Reading File
FT. REG. II
R. W. Geehan, USBM
D. M. Lemmon, USGS
Enclosures

Selfridge

You are "quoted" — so should see this. Also, believe McClure is entitled to a direct answer (last ¶) rather than to refer to a letter addressed to a 3rd party. Agree?

400

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

Not used

Mr. William R. McLure
Double Eagle Tungsten Company
Philipsburg, Montana

Re: Docket No. DMEA-315
Double Eagle Tungsten Company
Bear and Float Claims
Granite County, Montana
Contract No. Idm-E114

Dear Mr. McLure:

This will acknowledge receipt of your letter of June 9, 1953, regarding our letter to Senator James E. Murray of May 20 and our letters of May 28 to you and to Senator Mike Mansfield.

In accordance with your request we enclose 6 copies each of our Forms MF-104 and MF-104A. Please note that after completing the forms you should not return the same to us, but you should instead submit 5 sets direct to the Executive Officer, DMEA Field Team, Region II, South 157 Howard Street, Spokane 4, Washington.

Upon receipt of these forms arrangements will be made for an auditor to reaudit your accounts. Please be advised that you must have documentary evidence of any claims presented. The contract provides that reimbursements will be made on actual costs authorized.

With respect to your contention that an "agreement" was made concerning the cancellation of the subject contract, our position on this point has been stated in the last paragraph on page 3 of our letter dated May 28 to Senator Mansfield.

Sincerely yours,

Administrator

Enclosures

DOUBLE EAGLE TUNGSTEN COMPANY

MINING & MILLING OF TUNGSTEN ORES

PHILIPSBURG, MONTANA

Docket 2324

June 9, 1953

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Docket No. DMEA-315

Dear Mr. Mittendorf:

In answer to your letter of May 28th.

I gather from your letters to Senators Murray and Mansfield and your letter to me of May 28th, that the Defense Minerals Administration takes the position that the Double Eable Tungsten Company had the right to exceed any single item in Exhibit "A", or the base of the contract, but would not have the right to exceed the total amount of the contract, and if Double Eagle could show that she had paid out more on any of the seperate items than she charged the project, the Administration would reimburse her for the difference.

While this would be a satisfactory settlement of the Bear and Float, we still contend that there was an agreement between the Field Team, Mr. Selfridge (when he talked with me in Montana) and myself, that if we would cancel the Bear and Float we would be granted a loan on the Double Eagle claim.

If your office will forward us Forms M.F.-104 and M.F.-104A, we will fill them out and return them.

Sincerely yours,

Defense Minerals Administration
RECEIVED
JUN 12 1953

William R. McLure, President
Double Eagle Tungsten Company

WRM/sh
cc: Senator Mike Mansfield
James E. Murray

FILE COPY
SURNAME:

Chambers
Martin
Bohn
Kane
Hodges
Jeffries
Johnson

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

MAY 28 1953

Mr. William H. McInre
Double Eagle Tungsten Company
Philipsburg, Montana

Re: Docket No. DMEA-315
Contract No. Idm-#114
(Bear and Float claims)
Granite County, Montana

Dear Mr. McInre:

According to vouchers submitted by Double Eagle Tungsten Company over your signature, the Company claimed a total of $6,850.20 as costs to the project under the above-cited contract, in which the Government was to participate on a 75%:25% ratio. The Contract Administration and Audit Division of this Administration as a result of an on-site audit found that the actual expenditures, in cash and stock, amounted to only $5,666.71 on the basis of the supporting data contained in records as presented to the auditors at the time of their visit on February 16, 1953. In a statement made over your signature furnished the Hon. James E. Murray and Hon. Mike Mansfield, Senators from the State of Montana, you claimed a total of $9,033.30 as expenditures under the contract. This certainly is a new claim amount.

The Government in fulfilling its part of the contract is desirous of reimbursing you its proportionate share in accordance with the terms of the contract. Therefore, I am writing this letter to offer you an opportunity of submitting a final revised voucher (Form MF-104 and MF-104A) which will give you an opportunity of submitting any items which you have overlooked in preparing your previous vouchers. Upon receipt of this new claim the Government will reaudit your project. I would like to emphasize, however, that any claims made against the Government must be duly supported by receipted invoices or other qualified documents as proof that the costs actually were incurred.

Your statement to the Senators indicated that you have not been furnished a copy of the audit report. The reason for your not receiving the audit report is the fact that your equipment account was not in accordance with the terms of the contract. This Administration was and is desirous of making a fair settlement of your account and the auditor requested the services of the field team

in working out a just remuneration for the equipment used on the project. The audit was being held in suspense until such determination could be made. When the final audit report is made, you will get a copy according to the practice and procedures of this Administration. This final report, which will be approved by me before it is released, will be the decision of the Administration.

I wish, however, to inform you that, if the final determination as made by the audit report, is not satisfactory to you, you have the privilege of making an appeal to the Comptroller General of the United States on any disallowances stipulated in the audit.

It will be appreciated if you will advise me at your earliest convenience your decision on submitting a revised claim, as offered in the second paragraph of this letter.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

JIChambers/wb
May 21, 1953

Copy to: Docket
Admr. Reading File
Region II
Administrator
Mr. Martin
Mr. Chambers
Mr. Turner

FILE COPY
SURNAME:

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

Chamberlin
Butin
LaRue
Martin
Hedges
Kroll
Selfridge
Reynold

MAY 28 1953

Hon. Mike Mansfield
United States Senate
Washington 25, D. C.

My dear Senator Mansfield:

Further reference is made to your letter of May 6, 1953, re DMEA Contract No. Idm-5114, Double Eagle Tungsten Company, transmitting a letter from William Meiere, President of the Company and requesting further information on the subject. I shall answer the points raised by Mr. Meiere in the order he presented them in his letter to you. First, however, I desire to emphasize the fact that the contract provides that the Government will participate in the actual cost of the project for items set forth in Exhibit "A" of the contract on a ratio of 75 percent to 25 percent. The estimates set forth in the contract serve only to allocate a certain amount of money for the total work. While the total cannot be exceeded, any one item not designated "allowable maximum", may be exceeded. To illustrate, if buildings had actually cost $2,100.00 this amount would have been allowed although the estimate was only $1,680.00.

1. Reimbursements. Mr. Meiere states that his Company has expended checks in the amount of $7,830.00; and stock issued paid in lieu of cash in the amount of $1,203.30, or a total of $9,033.30 expended under the contract. This certainly is a new claim amount. At the time of the audit, which was after the closing of the project, the Double Eagle Tungsten Company had submitted claims to the Government for only $6,838.20. The audit of February 16, 1953, disclosed that actual expenditures of the Company in cash and stock amounted to only $5,666.71, as shown in the following analysis:

Item	Amount Claimed by Company	Disclosed by Audit	Difference
Operating Equipment	$1,670.20	$1,840.00	+ 169.20
Labor	2,475.00	2,471.75	-3.25
Supervision	1,200.00	602.50	-597.50
Buildings	840.00	149.96	-690.04
Transportation	225.00	162.50	-62.50
Other	440.00	440.00	-
Total	$6,838.20	$5,666.71	$1,181.49

2. Bulldozing. The contract provided that the Government would participate in the actual cost of bulldozing on a 75%:25% ratio for an estimated amount of $1,680.00. The audit disclosed that the County furnished a bulldozer without cost to the contractor but did make a charge of $149.96 for labor, gas and oil. According to the Company records this was the total cost of this work. The Company billed the Government for $840.00. According to the Company's own records this constitutes an erroneous claim against the Government.

3. Supervision. The contract provided for a supervisor at $20.00 a shift. The project was in actual operation for three months. The Company billed the Government for three months' salary for a supervisor at $400.00 a month. The Government paid its pro rata share of this amount, but the auditor disallowed $597.50 of Mr. Melnre's claim.

The Company's records disclosed that Mr. Melnre was paid only $602.50 and not the $1,200.00 claimed. The following figures were taken from the Company records:

Payments to Wm. R. Melnre, Supervisor:

September:		
Check #11	$ 190.10	
Payroll deductions	9.90	$ 200.00
October:		
Check #21	190.10	
Payroll deductions	9.90	200.00
Check #28	66.49	
Payroll deductions	1.01	67.50
November:		
Check #54	66.49	
Payroll deductions	1.01	67.50
Check #61	66.49	
Payroll deductions	1.01	67.50
Total		$ 602.50
Amount billed to Government		$1,200.00
Amount disallowed by Auditor		$ 597.50

Mr. McLure stated that Company stock had to be used to pay part of the cost of operation because the Government was so slow in reimbursing the Company. Our records show that the first bill rendered by the Company was dated October 12, 1951, and was certified for payment October 25, 1951, a lapsed time of 13 days between the date the Company prepared the bill and its vouchering for payment. There were 27 days and 30 days (including Christmas and New Years) on the other two billings.

4. Machinery and Equipment. The contract provided that certain equipment items would be rented at a specified cost, other items would be purchased and still other items were supposed to be furnished by the operator at a "depreciation rate". The fact is that the Company purchased most of the equipment on an installment purchase basis; but made claims against the Government for purchases, rentals and depreciation. Our Executive Officer in Region II is now trying to work out an equitable basis for settlement of this item. Had the Company followed the terms of the contract or requested an amendment for a change, the settlement problem as it now exists should not have arisen.

5. Transportation. The Company billed the Government $225.00 for this item. The Company, however, could present evidence of paying only $162.50 for transportation.

6. Conclusion. According to the Company's own records presented to our auditors, it appears to have made an erroneous claim against the Government. I have determined to ask the Double Eagle Tungsten Company if it desires to resubmit its claim. On the basis of the resubmission I shall have the Company's records reaudited. I shall also advise the contractor that he may appeal any disallowances made by this Administration to the Comptroller General of the United States.

Mr. McLure's letter states that his contract on the Bear and Float claims was cancelled "on the condition that a loan would be granted on the Double Eagle." This statement is not accurate. The letter dated October 27, 1952, to the Operator transmitting the termination forms states that termination of the Bear and Float contract would not "prejudice" the application for a program on the Double Eagle property. The letter also stated that the Field Team believed a small program could be justified on the Double Eagle property. A review of the available information at this level indicated that Government participation was not warranted, and the commodity groups of the Geological Survey and Bureau of Mines concurred in our determination. On these facts, we do not believe that the Operator was misled, or that any commitment was made to him.

misled

If there are further questions on which you would like information, or if you desire more detailed data on any of the points discussed above, please let me know.

The attachments to your letter are returned herewith.

Sincerely yours,

C. O. Mittendorf

Administrator

Attachments

JIChambers/wb
May 26, 1953

(Retyped 5-27-53)

Copy to: Docket
Admr. Reading File
Operating Committee
Region II
Mr. Lemmon
Mr. Geehan
Mr. Martin
Mr. Chambers

ALEXANDER WILEY, WIS., CHAIRMAN
H. ALEXANDER SMITH, N. J.
BOURKE B. HICKENLOOPER, IOWA
CHARLES W. TOBEY, N. H.
ROBERT A. TAFT, OHIO
WILLIAM LANGER, N. DAK.
HOMER FERGUSON, MICH.
WILLIAM F. KNOWLAND, CALIF.
WALTER F. GEORGE, GA.
THEODORE FRANCIS GREEN, R. I.
J. W. FULBRIGHT, ARK.
JOHN J. SPARKMAN, ALA.
GUY M. GILLETTE, IOWA
HUBERT H. HUMPHREY, MINN.
MIKE MANSFIELD, MONT.

FRANCIS O. WILCOX, CHIEF OF STAFF
JULIUS N. CAHN, COUNSEL

United States Senate

COMMITTEE ON FOREIGN RELATIONS

May 6, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 7 1953

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

Dear Mr. Mittendorf:

In reference to your letter of April 13, concerning the the application of William R. McLure, President, Double Eagle Tungsten Company, Philipsburg, Montana (Docket No. DMEA 2324—Tungsten), will say I am enclosing herewith the last correspondence I have received from Mr. McLure. Would you please go over his letter and the enclosed copy of the contract and let me have a report on this. Please return Mr. McLure's letter with your reply.

Thanking you and with best personal wishes, I am

Sincerely yours,

Mike Mansfield

Enclosures

COPY

Philipsburg, Montana
April 27, 1953

Honorable Mike Mansfield, Senator
Capitol Building
Washington 25, D. C.

Dear Senator:

In answer to Mr. Mittendorf's letter to you of April 13, 1953.

I am enclosing original contract Idm-E114 on Bear and Float claims, for your reference. When you have finished with it, please return it to me.

Double Eagle Tungsten Company has cancelled checks to the amount of $7830.00 to show that she paid out that much cash on the contract project Idm-E114. Some of the men who worked on the project took part of their wages in stock. The stock they received represented $1203.30 in cash, making a total of $9033.30 spent on the project. The Government paid to ~~me~~ us as their part of the contract the following:

November 2, 1951	-	$ 1697.45
December 1, 1951	-	1558.31
January 7, 1952	-	1418.21
January 26, 1952	-	461.25
	Total	$ 5135.22

The Government paid 58.85% of the project instead of the 75% which the contract calls for.

Bulldozing

You will note the contract called for building 1000 feet of road at $240 and excavating with Bulldozer for collar site $1440.00 - total $1680.00. I tried to contract this work but could get no contractor who would agree to do the necessary amount of work required for the price specified in the contract. I borrowed a bulldozer, did the work and charged the contract $840.00 or 50% of what the Government specified the work should cost. The Government paid us 75% of $840.00 or $630.00. This work was inspected and approved by an engineer of the Field Team Region II, Spokane, before I was allowed to proceed with the Incline.

Supervision

When the work on the contract first started we had trouble meeting our bills, partly because of the time the government took before paying their part of the contract. So I made an agreement with the Company that I would take my salary either in stock or cash at the end of the project. But that was no

reason why the government should not have paid their part of the supervision.

For over a year I looked after the project and worked with the field team in every respect.

The only charge that has been made against the project for Supervision has been for the months of September, October and November, 1951, although the project was not terminated until October, 1952.

Machinery and Equipment

The Double Eagle Tungsten Company has paid out for machinery and Equipment, used on the Project, the following accounts:

Check No.	Amount
23	$ 385.00
29	50.00
63	385.00
65	30.00
74	51.25
80	385.00
82	51.00
83	16.75
85	150.00
86	385.00
102	385.00
114	9.46
Total.....	$ 2183.46

The Double Eagle Tungsten Company has received from the Government as their part of the Machinery Account the following amounts:

September	- 75% of $ 435.00 —	$ 326.25
October	- 75% of $ 796.00 —	590.00
November	- 75% of $ 439.00 —	328.55
		$1144.80

The Government has paid 52.4% of the Machinery Account instead of the 75% which the agreement calls for.

You will note from the contract that the Double Eagle Tungsten Company was allowed the following rental per month for equipment:

Compressor	$ 325.00
Drifter Column & Arm	55.00
Gas Hoist	100.00
Mucking Machine	90.00
Sump Pump	20.00
Total.....	$ 590.00

The Double Eagle Tungsten Company charged the project for rental of equipment the following:

September, 1951	—	$ 435.00
October, "	—	435.00
November, "	—	439.00

$150.00 less per month than the contract called for.

You will note that the contract calls for purchasing machinery to the amount of $662.00. All the Double Eagle Tungsten Company charged the project for purchased equipment was $361.00.

CONCLUSION

If the Washington Office is going to take the same attitude that Mr. Turner of the Auditing Department took, that "Defense Mineral Project Contracts, were not contracts and the Government was not bound by the figures that were in them," then by every sense of justice they should except our cancelled checks and stock certificates as evidence that we spent that amount of money on the project and pay us 75% of $9033.30.

Nearly two months ago, Mr. Turner of the Auditing Department spent all day auditing our books. We have never received any report of his findings, although everybody else connected with the DMEA seems to know all about it.

Mr. Mittendorf seems to have side stepped the main point in this controversy. The fact that the Bear & Float contract was cancelled by mutual consent of both parties, on the condition that a loan would be granted on the Double Eagle; also, the letter from the heads of the Field Team, stating that the Double Eagle justifies the loan.

I would appreciate it very much if this letter was called to the attention of Mr. Mittendorf.

Sincerely yours,

DOUBLE EAGLE TUNGSTEN COMPANY

By (Signed) William R. McLure
President.

cc: Senator James E. Murray

FILE COPY
SURNAME:

Chamber
Martin
Hoffman
Johnson

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

MAY 20 1953

Hon. James E. Murray
United States Senate
Washington 25, D. C.

My dear Senator Murray:

Further reference is made to your letter of April 30, 1953, re DMEA Contract No. Ida-2114, Double Eagle Tungsten Company, transmitting a letter from William Nelson, President of the Company and requesting further information on the subject. I shall answer the points raised by Mr. Nelson in the order he presented them in his letter to you. First, however, I desire to emphasize the fact that the contract provides that the Government will participate in the actual cost of the project for items set forth in Exhibit "A" of the contract on a ratio of 75 percent to 25 percent. The estimates set forth in the contract serve only to allocate a certain amount of money for the total work. While the total cannot be exceeded, any one item not designated "allowable maximum", may be exceeded. To illustrate, if bulldozing had actually cost $2,100.00 this amount would have been allowed although the estimate was only $1,000.00.

1. Reimbursements. Mr. Nelson states that his Company has expended checks in the amount of $7,830.00; and stock issues paid in lieu of cash in the amount of $1,203.30, or a total of $9,033.30 expended under the contract. This certainly is a new claim amount. At the time of the audit, which was after the closing of the project, the Double Eagle Tungsten Company had submitted claims to the Government for only $4,850.20. The audit of February 16, 1953 disclosed that actual expenditures of the Company in cash and stock amounted to only $5,666.71, as shown in the following analysis:

Item	Amount Claimed by Company	Disclosed by Audit	Difference
Operating Equipment	$1,670.20	$1,840.00	+ 169.80
Labor	2,675.00	2,671.75	-3.25
Supervision	1,300.00	602.50	-697.50
Bulldozing	840.00	149.96	-690.04
Transportation	205.00	142.50	-62.50
Other	160.00	160.00	-
Total	$6,850.20	$5,666.71	$1,183.49

2. Bulldozing. The contract provided that the Government would participate in the actual cost of bulldozing on a 75%:25% ratio for an estimated amount of $1,680.00. The audit disclosed that the County furnished a bulldozer without cost to the contractor but did make a charge of $149.96 for labor, gas and oil. According to the Company records this was the total cost of this work. The Company billed the Government for $840.00. According to the Company's own records this constitutes an erroneous claim against the Government.

3. Supervision. The contract provided for a supervisor at $20.00 a shift. The project was in actual operation for three months. The Company billed the Government for three months' salary for a supervisor at $400.00 a month. The Government paid its pro rata share of this amount, but the auditor disallowed $597.50 of Mr. Mahaxe's claim.

The Company's records disclosed that Mr. Mahaxe was paid only $602.50 and not the $1,200.00 claimed. The following figures were taken from the Company records:

Payments to Wm. R. Mahaxe, Supervisor:

September:		
Check #11	$ 190.10	
Payroll deductions	9.90	$ 200.00
October:		
Check #21	190.10	
Payroll deductions	9.90	200.00
Check #28	66.49	
Payroll deductions	1.01	67.50
November:		
Check #54	66.49	
Payroll deductions	1.01	67.50
Check #61	66.49	
Payroll deductions	1.01	67.50
Total		$ 602.50
Amount billed to Government		$1,200.00
Amount disallowed by Auditor		$ 597.50

Mr. McKare stated that Company stock had to be used to pay part of the cost of operation because the Government was so slow in reimbursing the Company. Our records show that the first bill rendered by the Company was dated October 12, 1951, and was certified for payment October 25, 1951, a lapsed time of 13 days between the date the Company prepared the bill and its vouchering for payment. There were 27 days and 30 days (including Christmas and New Years) on the other two billings.

4. Machinery and Equipment. The contract provided that certain equipment items would be rented at a specified cost, other items would be purchased and still other items were supposed to be furnished by the operator at a "depreciation rate". The fact is that the Company purchased most of the equipment on an installment purchase basis; but made claims against the Government for purchases, rentals and depreciation. Our Executive Officer in Region II is now trying to work out an equitable basis for settlement of this item. Had the Company followed the terms of the contract or requested an amendment for a change, the settlement problem as it now exists should not have arisen.

5. Transportation. The Company billed the Government $225.00 for this item. The Company, however, could present evidence of paying only $142.50 for transportation.

6. Conclusion. According to the Company's own records presented to our auditors, it appears to have made an erroneous claim against the Government. I have determined to ask the Double Eagle Tungsten Company if it desires to resubmit its claim. On the basis of the resubmission I shall have the Company's records resubmitted. I shall also advise the contractor that he may appeal any disallowances made by this Administration to the Comptroller General of the United States.

If there are further questions on which you would like information, or if you desire more detailed data on any of the points discussed above, please let me know.

The attachments to your letter are returned herewith.

Sincerely yours,

C. O. Mittendorf (for) 5-20-53

Administrator

JIChambers/wb
May 15, 1953
Retyped: 5-19-53

Attachments

Copy to: Admr. Reading File
Mails & Files
Operating Committee
Region II

Mr. J. H. Hedges
Mr. A. R. Kinkel
Mr. Martin
Mr. Chambers

JAMES E. MURRAY, MONT., CHAIRMAN
LISTER HILL, ALA.
MATTHEW M. NEELY, W. VA.
PAUL H. DOUGLAS, ILL.
HUBERT H. HUMPHREY, MINN.
HERBERT H. LEHMAN, N. Y.
JOHN O. PASTORE, R. I.
ROBERT A. TAFT, OHIO
GEORGE D. AIKEN, VT.
H. ALEXANDER SMITH, N. J.
WAYNE MORSE, OREG.
IRVING M. IVES, N. Y.
RICHARD M. NIXON, CALIF.
WILLIAM H. COBURN, CHIEF CLERK

United States Senate

COMMITTEE ON
LABOR AND PUBLIC WELFARE

April 30, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 1 1953

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

Dear Mr. Mittendorf:

Further reference is made to our recent correspondence regarding the DMEA tungsten exploration contract with the Double Eagle Tungsten Company. I am enclosing herewith a copy of a letter I have received from Mr. McLure of the Company in which he replies to a letter you had written Senator Mansfield. I did not send Mr. McLure a copy of the report you had furnished me, but I assume that the report you gave Senator Mansfield was identical.

I would appreciate having your further advice on this case in the light of Mr. McLure's letter.

Please return the enclosure after it has served its purpose.

Sincerely yours,

James E. Murray

C
O
P
Y

Philipsburg, Montana
April 27, 1953

Honorable James E. Murray, Senator
Capitol Building
Washington 25, D. C.

Dear Senator:

In answer to Mr. Mittendorf's letter to you of April 13, 1953.

I am enclosing original contract Idm-E114 on Bear and Float claims, for your reference. When you have finished with it, please return it to me.

Double Eagle Tungsten Company has cancelled checks to the amount of $7830.0 0 to show that she paid out that much cash on the contract project Idm-E114. Some of the men who worked on the project took part of their wages in stock. The stock they received represented $1203.30 in cash, making a total of $9033.30 spent on the project. The Government paid to us as their part of the contract the following:

November 2, 1951	-	$ 1697.45
December 1, 1951	-	1558.31
January 7, 1952	-	1418.21
January 26, 1952	-	461.25
Total		$ 5135.22

The Government paid 58.85% of the project instead of the 75% which the contract calls for.

Bulldozing

You will note the contract called for building 1000 feet of road at $240 and excavating with Bulldozer for cellar site $1440.00 - total $1680.00. I tried to contract this work but could get no contractor who would agree to do the necessary amount of work required for the price specified in the contract. I borrowed a bulldozer, did the work and charged the contract $840.00 or 50% of what the Government specified the work should cost. The Government paid us 75% of $840.00 or $630.00. This work was inspected and approved by an engineer of the Field Team Region II, Spokane, before I was allowed to proceed with the Incline.

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When the work on the contract first started we had trouble meeting our bills, partly because of the time the government took before paying their part of the contract. So I made an agreement

with the Company that I would take my salary either in stock or cash at the end of the project. But that was no reason why the government should not have paid their part of the supervision.

For over a year I looked after the project and worked with the field team in every respect.

The only charge that has been made against the project for Supervision has been for the months of September, October and November, 1951, although the project was not terminated until October, 1952.

Machinery and Equipment

The Double Eagle Tungsten Company has paid out for machinery and Equipment, used on the Project, the following accounts:

Check No.	Amount
23	$ 385.00
29	50.00
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65	30.00
74	51.25
80	385.00
82	51.00
83	16.75
85	150.00
86	385.00
102	385.00
114	9.46
Total....	$2183.46

The Double Eagle Tungsten Company has received from the Government as their part of the Machinery Account the following amounts:

September	- 75% of $ 435.00	— $ 326.25
October	- 75% of $ 796.00	— 590.00
November	- 75% of $ 439.00	— 328.55
	Total.....	$1144.80

The Government has paid 52.4% of the Machinery Account instead of the 75% which the agreement calls for.

You will note from the contract that the Double Eagle Tungsten Company was allowed the following rental per month for equipment:

Compressor	$ 325.00
Drifter Column & Arm	55.00
Gas Hoist	100.00
Mucking Machine	90.00
Sump Pump	20.00
Total.....	$ 590.00

The Double Eagle Tungsten Company charged the project for rental of equipment the following:

September, 1951	—	$ 435.00
October, "	—	435.00
November, "	—	439.00

$150.00 less per month than the contract called for.

You will note that the contract calls for purchasing machinery to the amount of $662.00. All the Double Eagle Tungsten Company charged the project for purchased equipment was $361.00.

CONCLUSION

If the Washington Office is going to take the same attitude that Mr. Turner of the Auditing Department took, that "Defense Mineral Project Contracts, were not contracts and the Government was not bound by the figures that were in them" then by every sense of justice they should except our cancelled checks and stock certificates as evidence that we spent that amount of Money on the project and pay us 75% of $9033.30.

Nearly two months ago, Mr. Turner of the Auditing Department spent all day auditing our books. We have never received any report of his findings, although everybody else connected with the DMEA seems to know all about it.

Mr. Mittendorf seems to have side stepped the main point in this controversy. The fact that the Bear & Float contract was cancelled by mutual consent of both parties, on the condition that a loan would be granted on the Double Eagle; also, the letter from the heads of the Field Team, stating that the Double Eagle justifies the loan.

I would appreciate it very much if this letter was called to the attention of Mr. Mittender.

Sincerely yours,

DOUBLE EAGLE TUNGSTEN COMPANY

By s/ William R. McClure
President.

cc: Senator Mike Mansfield

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 4/23/53

REFERRED TO:

1. ~~Code 400 for 3538~~
2. Mr. Mittendorf
3. Code 400
4.

FOR:

..... Action	..... Recommendation
..... Approval	..... Record of .....
..... Comment	..... Referring to .....
..... Conference	..... Reply for signature of .....
..... Consideration	..... Rewriting
..... Filing	..... Signature
..... Instructions	..... Suggestions
..... Investigation	✓ Your information
..... Initials	
..... Mailing	
..... Previous correspondence	

REMARKS: Believe we should hold this till we see what Senator Mansfield says about the identical letter we sent to him at the same time W.S.M.

Check (X) before the items needing attention.

ROBERT E. ADAMS

Initials of sender.

L.C.

GPO 16—63815-1

H. ALEXANDER SMITH, N. J., CHAIR
ROBERT A. TAFT, OHIO
GEORGE D. AIKEN, VT.
IRVING M. IVES, N. Y.
WILLIAM A. PURTELL, CONN.
FRANK A. BARRETT, WYO.
BARRY GOLDWATER, ARIZ.
JAMES E. MURRAY, MONT.
LISTER HILL, ALA.
MATTHEW M. NEELY, W. VA.
PAUL H. DOUGLAS, ILL.
HERBERT H. LEHMAN, N. Y.
JOHN F. KENNEDY, MASS.
PHILIP R. RODGERS, STAFF DIRECTOR

United States Senate

COMMITTEE ON
LABOR AND PUBLIC WELFARE

April 22, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 24 1953

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

Dear Mr. Mittendorf:

Thank you very much for the information on the Double Eagle Tungsten Company case.

I see your problem and I trust that the adjustments will not be too difficult to make.

Sincerely yours,

James E. Murray

FILE COPY
SURNAME:

Rutledge
Martin
Talbert

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

MAY 13 1953

Hon. Mike Mansfield
United States Senate
Washington 25, D. C.

My dear Senator Mansfield:

Receipt is acknowledged of your letter of May 6, 1953, transmitting correspondence received by you from Mr. William McLure, President of the Double Eagle Tungsten Company, in regard to Contract Idm-Ell4, Docket DMA 315X, and requesting further advice on the case.

While an audit has been made of this contract, no audit report has been issued to date because of certain administrative determinations yet to be made. The audit papers are held by the auditor located in Spokane, Washington. We have requested from the auditor some additional information necessary to give you further advice in regard to Mr. McLure's letter. Upon receipt of this information I shall give you further details concerning this contract.

Sincerely yours,

C. O. Mittendorf

Administrator

J.L. 5-13-53

JLChambers/ls
5/13/53

Copy to: Docket 315
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D. M. Lemmon, USGS
R. W. Seehan, USBM
Operating Committee
Field Team, Region 2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

BL

May 8, 1953

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

Re: Docket No. DMEA-315 (Tungsten)
Double Eagle Tungsten Company
Bear and Float Claims
Granite County, Montana
Contract No. Idm-E114

Dear Mr. Selfridge:

Enclosed are four copies of the Final Report on the subject property prepared by James J. Quinlan, Geologist, U. S. Geological Survey, and John S. McNabb, Mining Engineer, U. S. Bureau of Mines, dated April 3, 1953.

It has been recommended that no discovery be certified; the Field Team concurs with this decision of the Field Team examiners.

By DMEA Field Team, Region II

M. E. Volin

M. E. Volin, Acting Executive Officer
(U. S. Bureau of Mines)

Harold Kirkemo

Harold Kirkemo, Acting Member
(U. S. Geological Survey)

F.T. FINAL RPT.

Enclosure
cc: USBM (2)
Quinlan
Docket

Reviewed by
DMEA OPERATING COMMITTEE

5-22-53
(date)

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM, REGION II

FINAL REPORT

Contract Idm-E114

by

John S. McNabb
Mining Engineer
U. S. Bureau of Mines

James J. Quinlan
Geologist
U. S. Geological Survey

DOUBLE EAGLE TUNGSTEN COMPANY
Philipsburg, Montana

Docket No.:	DMEA 315
Commodity:	Tungsten
Contract date:	August 16, 1951
Termination date:	October 17, 1952

BEAR AND FLOAT CLAIMS
Combination Mining District
Sec. 16, T. 8 N., R. 14 W.
Granite County, Montana

Reviewed by
DMEA OPERATING COMMITTEE
5-22-53
(date)

Spokane, Washington

April 3, 1953

FINAL REPORT

DOUBLE EAGLE TUNGSTEN COMPANY
Bear and Float Claims
Combination Mining District
Sec. 16, T. 8 N., R. 14 W.
Granite County, Montana

Contract Idm-E114

* * * *

INTRODUCTION

Authorship

The sections on Exploitation Possibilities and Summary of Factual Data were prepared by John S. McNabb. The section on Geology was prepared by James J. Quinlan. The remaining sections of the report have a joint authorship.

Summary

The project was undertaken to test the tungsten potentialities of the Onyx vein. The project was predicated on the similarity between the Onyx and Combination veins, and on tungsten-bearing vein float found near the projected outcrop of the Onyx vein.

The proposed exploration program was to comprise bulldozing to uncover the vein, sinking on the vein 100 feet and drifting on the vein 200 feet from the bottom of the shaft.

The Operator failed to uncover the vein by bulldozing before starting the shaft. The shaft was collared in overburden where the Operator found vein float he believed indicated the vein. The shaft was sunk 65 feet on a 15° incline before work was stopped in November 1951 due to winter weather conditions. No further work was done under the contract.

Work completed failed to add to existing knowledge of the Onyx vein structure.

Recommendations

It is recommended that a discovery should not be certified.

LOCATION AND ACCESSIBILITY

The Bear and Float claims are in sec. 16, T. 8 No., R. 14 W., M.P.M., Black Pine mining district, Granite County, Montana. The claims adjoin the property of the Combination mine on the southeast. Access to the property is gained via an eight-mile graded gravel road commencing 4 miles north of Philipsburg, Montana, from hard surfaced U. S. Highway No. 10 A. The altitude at the Bear and Float claims is approximately 6,200 feet. The country is mountainous, and winter weather prevails at the property between November and April. Generally, severe snows and sub-zero temperatures hamper winter mining operations in the Black Pine mining district.

The mining town of Philipsburg, Montana, 12 miles southeast of the Black Pine mining district, serves as a labor source for most of the mines in the area. Philipsburg is serviced by a 26-mile branch line of the Northern Pacific Railroad which joins the main line at Drummond, 26 miles to the north. This branch line runs through Stone, Montana, in the Flint Creek valley. Stone is eight miles by gravel road from the Bear and Float claims and could serve as an ore shipping point.

Electric power has recently been run to the Combination mine, which is immediately adjacent to the Bear and Float claims.

PROPERTY

William R. McLure and Charles D. McLure entered into Exploration Project Contract Idm-E114 with the Government on August 16, 1951, to explore their Bear and Float unpatented quartz lode mining claims.

Messrs. McLure quitclaimed their rights, title and interest in the Bear and Float claims to the Double Eagle Tungsten Company on August 24, 1951, and assigned the Exploration Project Contract to this corporation on March 19, 1952. The Corporation accepted the assignment and assumed the obligation of the contract on March ~~24, 1952~~. The Government, without releasing the Operator, consented to this assignment on June 18, 1952, provided that all contributions by the Government prior to April 1, 1952, would be for the account of ~~the~~ Operator (Messrs. McLure), and contributions after that date would be for the account of the assignee (Double Eagle Tungsten Company).

Mine Workings and Plant

At the inception of work under contract Idm-E114 the Bear and Float claims had no noteworthy mine workings or buildings on the premises. Under the exploration project 1,150 feet of access road was built to the property, a 15-foot dozer cut was made at the collar site of the prospective inclined shaft, a camp site yard was leveled by bulldozing, operating equipment was hauled to the mine, a compressor shed was moved on to the property, and a 65-foot shaft was sunk on an incline of 15°.

Poor location of the shaft site and insufficient bulldozer stripping resulted in the shaft never reaching bedrock. The shaft was timbered with 6- by 8-inch stull caps and posts and lagged with 2- by 3-inch pole lagging. This mode of timbering proved inadequate in the fine free-running overburden and the shaft sloughed in when the spring break-up occurred in 1952.

Fixtures, installations, and equipment at the property were quite adequate for the exploration project. (See illustration sheet for pictures of the surface installation set-up under contract Idm-E114.)

PROJECT

The project was undertaken to test the tungsten potentialities of the Onyx vein. The project was predicated on the similarity between the Onyx and Combination veins and on tungsten-bearing vein float found near the projected outcrop of the Onyx vein.

The proposed program was to consist of construction of 1,000 feet of dozer road to the project site, excavation by bulldozer to bedrock in order to locate the vein, preparation of a suitable shaft collar site, sinking 100 feet on the vein, and drifting 100 feet in each direction on the vein from the bottom of the shaft.

The Operator completed the dozer road, a dozer cut, and 65 feet of shaft under the contract. The dozer cut was of a superficial nature and never reached bedrock or disclosed the vein. It represented more of an attempt to prepare a suitable shaft collar site than an attempt to uncover the vein. The shaft was started in overburden where the Operator believed that vein float indicated the presence of the vein, and reportedly sunk 65 feet on an incline of 15° in overburden before the project was stopped. Depth of the shaft could not be verified because it caved at the collar before DMEA field personnel could inspect the work.

Work completed by the Operator added nothing to the knowledge of the Onyx vein structure. However, it indicated that overburden in the area is at least 25 or 30 feet deep. It now appears that the amount of overburden may be too great for a bulldozer to handle and that diamond drilling or churn drilling should have been used to locate the vein.

Geology

The property is underlain by quartzites which are a part of the Spokane formation of the Belt series (pre-Cambrian age). Bedrock exposures on the Bear and Float claims are sparse, the area for the most part being covered by deep overburden. The rocks in the vicinity

of the property generally strike N. 30° W. and dip 10° to 20° SW., however, local variations in strike and dip are common.

The Onyx vein is one of four parallel vein structures known as the Combination vein system. The other three veins are known as the Combination, Tin Smith, and Upper veins. They are respectively about 650 feet, 1,100 feet and 1,300 feet in the hanging wall of the Onyx vein. The Combination is the only vein of the system that has been extensively exploited.

The Combination vein is a fissure vein containing quartz and variable amounts of tetrahedrite, pyrite, chalcopyrite, and hubernite. In oxidized portions of the vein pyromorphite, malachite, native silver, argentite(?), chalcocite(?), and scheelite have been noted. The vein generally conforms to the quartzite bedding and for the most part is a single vein structure, but in places it splits into several segments. It averages 2.5 feet in width, but at local bedding rolls and adjacent to faults it may thicken to a maximum width of six feet. The vein has a proven strike length of over 2,300 feet and has been explored down dip for over 2,200 feet.

The Combination vein was most actively exploited from 1888 to 1897 when approximately 100,000 tons of ore were mined. From this ore 2,135,000 ounces of silver and 1,411 ounces of gold were recovered. Intermittent activity since 1887 has resulted in the production of approximately 40,000 tons of ore from which were recovered 243,718 ounces of silver, 587 ounces of gold, and 357,323 pounds of copper. Most of this later production is reported to have come from mine dumps and tailings.

The first known reference to the occurrence of hubernite in the Combination ores is made by W. H. Emmons and F. C. Calkins in U. S. Geological Survey Professional Paper 78 entitled "Geology and Ore Deposit of the Philipsburg Quadrangle", on page 254. The U. S. Bureau of Mines conducted a field investigation of the tungsten potentialities of the Combination mine in 1947 and 1948. The results of this work are published in a report by M. E. Volin, Robert N. Roby, and John W. Cole, "Investigation of the Combination Silver-Tungsten mine, Granite County, Montana", U. S. Bureau of Mines, R. I. 4914, 1952. The DMEA undertook a tungsten exploration program at the Combination mine in November 1951 (DMEA Docket No. 1981). The result of this work proved disappointing, and upon the recommendation of the Administrator's Office of the DMEA, the contract was terminated February 9, 1953.

The Onyx vein is reportedly cut in workings near the northeast corner of the Combination property. These workings are inaccessible and are approximately 2,800 feet north of the DMEA shaft site which is on the Float claim.

It is reported that the vein can be traced by sporadic vein float on the east and north slope of Combination Ridge from these workings to the DMEA shaft site. This might be the case; however, float in the vicinity of the shaft on the Float claim can be followed to the Combination croppings, thus it is not certain that the float was derived from the Onyx vein in this area.

The principal evidence confirming the existence of the Onyx vein about 650 feet beneath the Combination vein consists of eight diamond drill hole intersections. Three holes drilled from the Combination underground workings intersected a 5- to 10-foot silver-bearing vein at depths of 640,663 and 689 feet beneath the Combination vein. Assay results from these holes shows the vein to contain 6.25 ounces to 13.5 ounces of silver where intersected. A copper assay on vein matter from one of the holes showed 0.75 percent copper. A surface hole drilled northwest of the Combination workings is reported to have intersected a 5-foot quartz vein containing 7.4 ounces of silver. The position of this vein appears to be about 100 feet too high for the projected position of the Onyx vein. The U. S. Bureau of Mines drilled four holes in 1948 to intersect the Onyx vein. (See Plate I for location of holes.) Holes Nos. 10, 11, and 12 were drilled in the vicinity of the Onyx vein mine workings. Quartz veins were intersected in all three holes. Assay results from these 3 holes indicate the Onyx vein to be of no commercial value where intersected. The fourth, No. 13, was drilled on the Float claim near its south end line and 700 feet northwest of the DMEA shaft. This hole intersected 3 feet of massive pyrite with minor quartz near the projected position of the Onyx vein. Assay results from this hole indicate the vein to be of no commercial value where intersected. The highest silver assay obtained from any of the four U. S. Bureau of Mines drill holes was 1.15 ounces. Tungsten assays run on core and sludge samples obtained from the Bureau of Mines drill holes indicated 0.01 percent tungsten trioxide.

The sum of the evidence, though inconclusive, strongly suggests that the Onyx vein is similar to the Combination vein and is a strong persistent structure about 650 feet below the Combination vein. Assay results of the limited number of holes drilled indicate that the vein contains ore minerals. However, no ore shoots have been indicated.

Justification for the projects depends on the knowledge of a vein beneath the Combination vein, and the presence of quartz float with hubnerite on the Bear and Float Claims.

Exploitation Possibilities

The exploration project was terminated before the vein was intersected. All work was done in overburden, and no samples were taken. Therefore, no additional information was obtained regarding the exploitation possibilities of the property.

Summary of Factual Data

Records concerning work performed under contract Idm-E114 were not kept on a unit basis. No time distribution sheet was kept. The only factual data available are contained in the sketchy monthly narratives submitted by the Operator. To further complicate the situation Mr. W. R. McLure, the Operator, utterly failed to comprehend the reimbursement phase of the DMEA contract, and this subsequently resulted in a chaotic condition that cannot be resolved by standard accounting procedures in a manner that would be fair and equitable to all interested parties. Consequently, the summary of factual data must be based upon preliminary audit figures, and is of necessity the result of arbitrary allocation of man hours, supplies, and equipment.

Work

Bulldozing (includes 1,150 ft. of access road, 15 ft. dozer cut at shaft site, and leveling camp site area) 20 hours (approx) @ $7.50/hr.	$ 149.96
Moving and erecting compressor house, moving equipment to the property, and framing shaft timber 1 job (includes labor, supervision, supplies, gas & oil, payroll taxes, transportation & haulage, and use of equipment)	1,687.92
Setting up compressor, building slusher ramp, and installing dump track. 1 job (includes labor, supervision, supplies, gas & oil, payroll taxes, transportation & haulage, and use of equipment)	425.00
Sinking and timbering 65 ft. inclined shaft 1 job (includes labor, supervision, supplies, gas & oil, payroll taxes, transportation & haulage, and use of equipment)	2,868.83
Total Amount Approved by Preliminary Audit	$5,131.71
Total Amount Claimed by Operator	6,846.95
Total Amount of Deletions	$1,715.24

Since the Operator was paid on the basis of $6,846.95 spent under the contract, he will owe the Government 75 percent of $1,715.24 if the findings of the audit become final.

Work under contract Idm-E114 was carried on by three men and a supervisor. The contract was set up for two miners and a supervisor, and the project no doubt could have been carried on with less expense if the Operator had adhered to this original plan. To do so, however, would have required that the supervisor be engaged as a working foreman.

Costs in the amount of $5,131.71 for building an access road, moving equipment in and setting it up, and sinking 65 feet of inclined shaft are considered reasonable. However, the quality of the work left something to be desired in that the inclined shaft caved within 6 months after it was sunk.

The contract was terminated on October 17, 1952. Only three months of active exploration was carried on at the Bear and Float claims and the total amount of money in the contract was not all used. The total amount in the contract was $16,382.00, with Government participation at 75 percent of the incurred costs or $12,286.50.

No production resulted from work performed at the project, and no royalty payments were due the Government.

Equipment

All of the operating equipment used under contract Idm-E114 was acquired by installment purchase, although the Double Eagle Tungsten Co. claimed reimbursement for most of the equipment on a rental basis. This procedure has caused difficulty in auditing and an equitable arrangement regarding final settlement has been proposed by the Field Team. The Double Eagle Tungsten Co. is delinquent in payments under the terms of the purchase contract, and it appears likely that ownership of the equipment will revert to the Flint Creek Valley Bank, holder of the chattel mortgage. The equipment used at the Bear and Float project is old and has little resale value. The following is a list of equipment:

1 Ingersoll-Rand compressor 10 by 12 inches with air receiver
1 Ingersoll-Rand stoper
1 Water tank
Water and air hose
3 Sets drill steel
400 feet of 2-inch pipe
Fittings and tools
1 Gas hoist
1 Sump pump
1 Tram car
1 Waukesha motor for compressor

Estimated resale value: $2,000.00

Difficulties in Administrating Contract

Work on the project was started in September 1951 and was stopped in November 1951 because of winter weather conditions. One routine inspection of the project was made prior to stoppage of work. This inspection was made by Mr. G. C. Reed of the Bureau of Mines on October 12 or 13, 1951. Mr. Reed reported that the Operator had started to sink the shaft, although he had not reached bedrock as specified in the contract. Because of the presence of hubnerite in the float, Mr. Reed thought that the shaft was not far from the vein but suggested that a geologist examine the property as soon as possible. Because of limited field personnel, a geologist was not immediately available to inspect the project, but on November 27, a wire was sent to Mr. McLure stating that a Survey geologist would meet him at Philipsburg in order to inspect the project. Mr. McLure, on November 28, wired that weather conditions made it impossible to make the inspection. Mr. McLure was then advised that work should not be resumed in the spring until it was possible for someone from the Field Team to inspect the project.

The property was inspected on May 27, 1952, by Mr. J. J. Quinlan of the Geological Survey. At the time of this inspection, the incline shaft was caved at the collar. As the Operator had reported that the shaft was sunk 65 feet in overburden and had failed to disclose the vein, it was fairly obvious that further sinking of the shaft would be useless until the position of the vein and the depth of overburden were determined.

At this point the Field Team could have, and perhaps should have, terminated the contract on the basis that by starting the shaft before bedrock was reached or the vein uncovered, the terms of the contract had not been followed. Furthermore, the fact that the shaft caved during the winter indicated that Mr. McLure had not done an especially competent job. The Field Team considered, however, that Mr. McLure's intentions had been honest, although his efforts had been to some degree misguided. Furthermore, no information of either positive or negative value had been obtained as a result of the work, and it was believed that some further efforts to explore the Onyx vein might have been worthwhile, provided that it did not cost too much.

Inasmuch as the overburden was deeper than had been expected and Mr. McLure's bulldozing had failed to reach bedrock, it did not appear that further attempts to bulldoze through the overburden would be worthwhile.

It seemed obvious, therefore, that the logical thing to do was to locate the vein more precisely by means of two shallow churn drill or diamond drill holes which would permit a shaft to be located

with more certainty and thus would find the vein with a minimum of digging through the overburden. Mr. McLure was reluctant to accept this suggestion but finally agreed to it, although, as far as it is known, no arrangements were made to undertake such a drilling program. On August 11, a recommendation was sent to the Chairman of the Operating Committee for a proposed amendment to permit the drilling. On August 22, a telegram was received from Washington advising that the Operating Committee was reserving decision on the proposed amendment until Mr. Selfridge had had an opportunity to discuss financial problems relating to the contract on his visit to the Northwest.

After a review of the contract by the Field Team and subsequent discussion with the Operator, it was decided that the contract should be terminated. This was accomplished on October 27, 1952.

Discussion of Conclusions

A succession of errors in judgment by the Operator contributed greatly to the ultimate failure of the exploration project. Bulldozing was not carried to bedrock, nor was the vein disclosed by the dozer trench.

Owing to the limited field personnel, only one routine inspection of the project was made prior to stoppage of work. This inspection was made shortly after work started. A second inspection had been scheduled, but before it could be made, early snow rendered the area inaccessible. Therefore, arrangements were made to inspect the project before start of work in the spring. Had field personnel been available to closely follow the work, it is possible that many of the mistakes could have been avoided.

Mr. W. R. McLure, who was in charge of the project, has been conducting mine exploration most of his life. He is considered by some to be a competent small mine operator. The technical aspects of the work were performed in an orderly manner; however, the Operator did not appreciate the geologic problems involved and therefore the relatively simple exploration program did not succeed.

The difficulty of testing the Onyx vein through the deep overburden makes further exploration of the Bear and Float claims unattractive at this time, although some shallow drilling might be done to determine the position of the vein more closely. Should future work demonstrate the existence of tungsten ore shoots of significant size on the Combination vein, exploration of the Onyx vein would appear to be well justified.

Enclosures 3

Distribution:
DMEA (4) ✓ Docket
USBM (5) Quinlan
USGS (SRO)

APPENDIX A

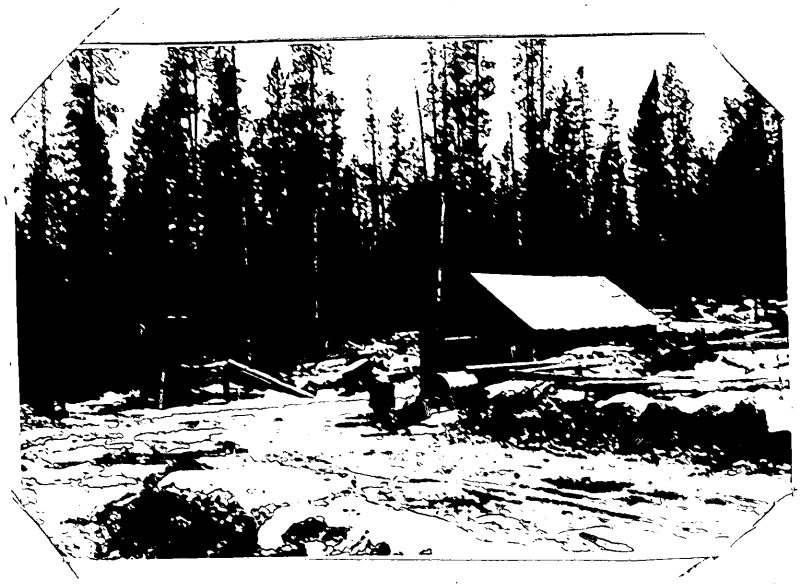


Fig. I - View showing surface installations Bear and Float Claims July 1952

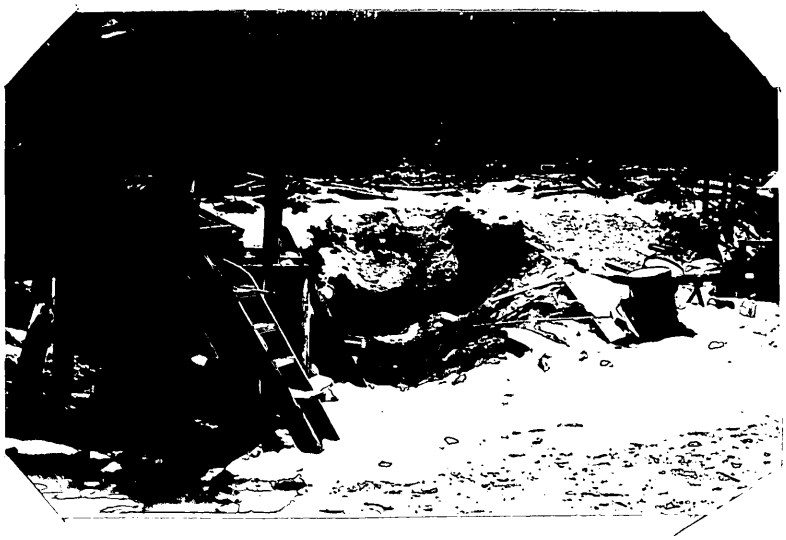
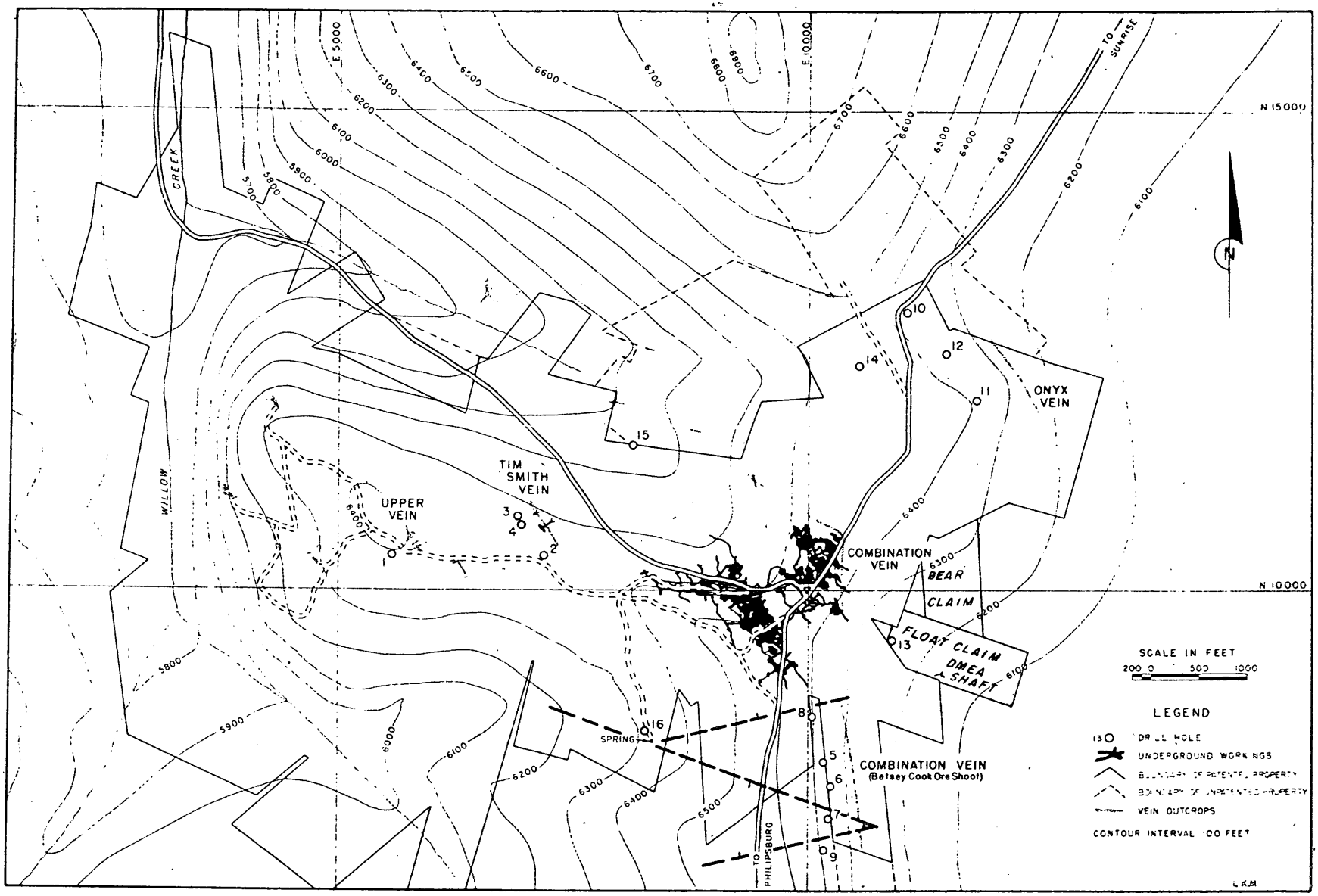


Fig. II - View showing slusher installation and caved shaft collar Bear and Float Claims July 1952

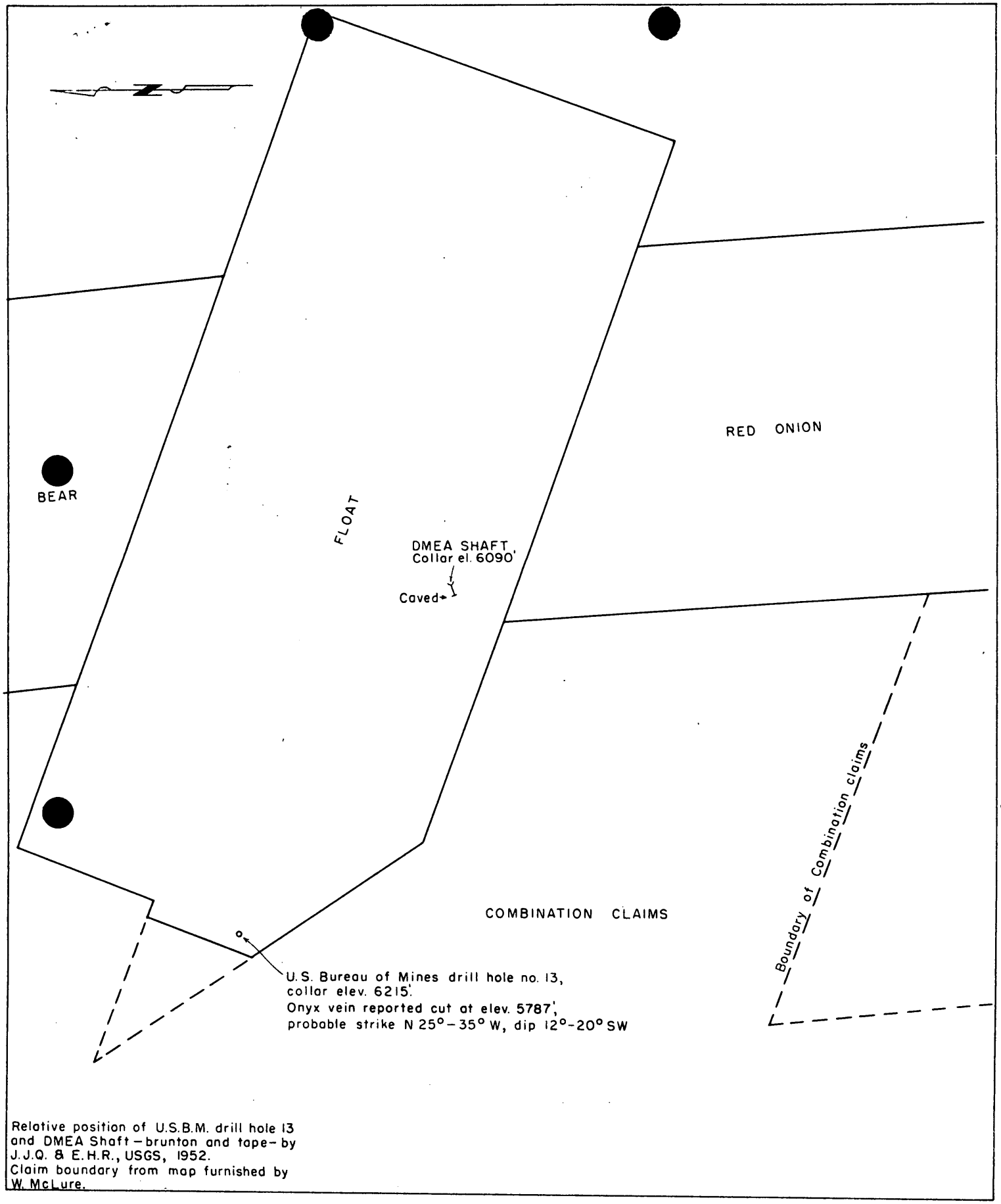
Fig. III - View showing caved shaft collar Bear and Float Claims July 1952



~~Figure 4~~ — Property, topography, and drill holes, Combination mine, Granite County, Montana

Plate 1. Double Eagle Tungsten Co. - Bear & Float Claims, Granite County, Montana. Docket#315 - Idm. E-114

From Bureau of Mines — R.I. 4914



SKETCH MAP SHOWING LOCATION OF DMEA SHAFT, BEAR AND FLOAT CLAIMS
DOUBLE EAGLE TUNGSTEN CO., GRANITE COUNTY, MONTANA
1" = 200'

FILE COPY
SURNAME:

Chamb

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

MAY 8 1953

Hon. James E. Murray
United States Senate
Washington 25, D. C.

My dear Senator Murray:

Receipt is acknowledged of your letter of April 30, 1953, transmitting correspondence received by you from Mr. William McLaren, President of the Double Eagle Tungsten Company, in regard to Contract Idm-K114, Docket DMEA-315, and requesting further advice on the same.

While an audit has been made of this contract no audit report has been issued to date because of certain administrative determinations yet to be made. The audit papers are held by the auditor located in Spokane, Washington. We are requesting from the auditor some additional information necessary to give you further advice in regard to Mr. McLaren's letter. Upon receipt of this information I shall give you further details concerning this contract.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

JLChambers/ama
May 8, 1953

S.H.
5-8-53

Copy to: Admr. Reading File
Mails and Files
Operating Committee
Mr. J. H. Hedges
Mr. A. R. Kinkel
Region II
Mr. Martin
Mr. Chambers

FILE COPY
SURNAME:

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

D.M.E.A.
DMEA

14X3923.970 Working Fund

Talbert
Chamberlin

Telegram

May 8, 1953

Mr. Charles A. Turner
DMEA Auditor
1201 North Division Street
Spokane, Washington

Re last page your letter March 6, 1953, on Double Eagle Tungsten, Idm-E114, DMEA-315. Please rush by air mail detailed analysis and reasons for contemplated disallowances of $597.50 for Supervision and $62.50 for Transportation.

SIGNED
Jay L. Chambers, Chief
Contract Administration
and Audit Division

S.H.
5-8-53

EDTalbert/ama
May 8, 1953

Copy to: Mails and Files
Admr. Reading File
Mr. Chambers

File

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

1201 N. Division St.
Spokane 2, Washington
May 8, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 11 1953

VIA AIR MAIL

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

Subject: Double Eagle Tungsten Co.
(McLure and McLure)
Contract Idm-E114
Docket No. DMA 315X (tungsten)

Dear Mr. Chambers:

I have reference to your telegram of May 8 regarding the subject project, in which you have asked for a detailed analysis and reasons for contemplated disallowances of $597.50 for supervision and $62.50 for transportation. The attached schedules reflect the amounts claimed and the actual payments in the above-mentioned categories.

Mr. McLure was under the impression that since the contract allowed and permitted certain allowable maximums for items of cost these allowable maximums could be claimed regardless of the fact that the actual costs did not reach the allowable maximums. Mr. McLure acted in the capacity of supervisor, or Supervision, at a salary of $400 per month; however, the actual payments to Mr. McLure from the project funds amounted to only $602.50, there being a balance of $597.50 which was never used from the project funds and therefore not an expense to the project and not allowable.

Transportation or pickup truck rental was claimed in the amount of the allowable maximum or $225.00 Actual payment to the owner of the truck amounted to $162.50, leaving a balance of $62.50 which was never an expense to the project and therefore not allowable.

I hope this additional information will satisfy your needs.

Sincerely yours,

C A Turner

Charles A. Turner
DMEA Auditor, Region II

Attachments

Double Eagle Tungsten Co.
(McLure and McLure)
Contract Idm-E114
Docket No. DMA 315X

Supervision

Claimed MF-104 - Item #5				
September			$400.00	
October			400.00	
November			400.00	
Total claimed				$1200.00
Payments to Wm. R. McLure, Supervisor				
September				
Check #11		$190.10		
	Payroll Deduction	9.90*	200.00	
October				
Check #21		190.10		
	Payroll Deduction	9.90*	200.00	
Check #28		66.49		
	Payroll Deduction	1.01*	67.50	
November				
Check #54		66.49		
	Payroll Deduction	1.01*	67.50	
Check #61		66.49		
	Payroll Deduction	1.01*	67.50	
Total payments				602.50
Balance of Supervision Disallowed				$ 597.50

This item of $597.50 was disallowed because it was not paid out of the project funds and therefore was not an actual cost or expense to the project.

*Payroll deductions: Ordinary payroll taxes, withholding taxes, etc.

Double Eagle Tungsten Co.
(McLure and McLure)
Contract Idm-E114
Docket No. DMA 315X

Transportation - Pickup Truck Rental

Claimed MF-104 - Item #8		
September	$75.00	
October	75.00	
November	75.00	
Total claimed		$225.00
Payments to Thomas Hendrickson		
Sept. 20, 1951 Check #5	25.00	
Oct. 3, 1951 " 8	25.00	
Oct. 19, 1951 " 18	25.00	
Nov. 2, 1951 " 25	30.00	
Nov. 6, 1951 " 55	27.50	
Dec. 3, 1951 " 62	30.00	
Total payments made		162.50
Balance to be disallowed		$ 62.50

The Operator claimed allowable costs rather than actual costs.

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

May 1, 1953

Memorandum

To: Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division

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

Subject: Contract Idm-X114, Docket DMEA-315, Double Eagle Tungsten

Reference is made to Mr. McNabb's memorandum of April 20, 1953, copies of which were forwarded to Mr. Selfridge by Mr. Weissenborn's letter of April 27, 1953, wherein suggestions are made for final settlement of the subject contract.

It is my understanding that you have advised Mr. Martin of your concurrence with Mr. McNabb's suggestions. Since I believe that Mr. McNabb's suggestions do not represent an equitable settlement, and that you may have indicated your concurrence without full consideration of the facts, I have prepared a Summary of Costs and Settlement Proposals with the thought that you may wish to retract your concurrence. A copy of this summary is attached.

It will be noted that under Mr. McNabb's latest proposal the Government will be contributing $5,129.44, which is 90.5% of the Operator's actual costs, as audited, of $5,666.71 (actual cash expenditures plus various wage and supply costs settled by issuance of capital stock). In my opinion no more that 75%, the contract percentage, or $4,250.03 of these actual costs can be considered as valid and proper for payment by the Government.

In his memorandum of April 20, 1953, Mr. McNabb states that your letter of March 16, 1953, to Mr. Turner indicates that this Division would not object to paying <u>rental allowance</u> during the period of suspended operations <u>provided</u> the Operator makes claims against the Government. Mr. McNabb proposes to <u>request</u> the Operator to submit a claim. Would not such action be a direct violation of the statute prohibiting the solicitation of claims?

In your letter of March 16, 1953, the term "fair rental value" was used, but I believe the intent was to use "fair use value". I recall that we discussed this problem with Mr. Hofflund and he suggested that "use value" (or maybe it was "use allowance") be the terminology, with the understanding that this would be considerably less than a rental rate but possibly more than a depreciation rate.

It appears to me that possibly Mr. McNabb's suggestion is based primarily on his statements that (1) the Operator "is not in a financially liquid position", (2) any action for recovery of the overpayments "would surely result in a court fight", and (3) the Operator has "signified his willingness to close out the contract on the basis of the subject proposal." I believe these arguments are quite immaterial in determining whether the amount to be certified by the Division's auditor is "valid and proper" for payment. Furthermore, I feel sure that if payment had not already been made that there would be no hesitancy in making the indicated disallowances, particularly since the Operator has presented claims which are in fact, though possibly unintentionally, fraudulent (especially in connection with the bulldozing and supervision charges).

After a thorough consideration of this case it is my recommendation that settlement be based on the actual costs to the Operator as indicated in the third monetary column of the attached summary. This would represent a "fair", and I believe "valid and proper" settlement.

Attachment

EDTalbert/wb
May 1, 1953

~~Copy to: Docket~~
Admr. Reading File
~~Mr. Talbert~~

Double Eagle Tungsten Co.
Idm-E114, DMEA-315

SUMMARY OF COSTS AND SETTLEMENT PROPOSALS

	Claimed by Operator	Approved by Cert. Off.	Actual per Audit	McNabb's Proposals Ltr. 3/4/53	McNabb's Proposals Ltr. 4/20/53
Operating Equipment:					
Purchased	361.00	361.00	)		
Rented	1,305.00	1,305.00	)(b) 1,840.00	(c) 1,305.00	(d) 3,012.54
Furnished by Operator	4.20	4.20	)		
Labor	2,475.00	2,471.75	2,471.75	2,471.75	2,471.75
Supervision	1,200.00	1,200.00	602.50	602.50	602.50
Explosives	73.00	73.00	73.00	73.00	73.00
Gas and Oil	104.65	104.65	104.65	104.65	104.65
Miscellaneous Supplies	71.35	71.35	71.35	71.35	71.35
Transportation	225.00	225.00	162.50	162.50	162.50
Workmen's Compensation	150.00	150.00	150.00	150.00	150.00
Contract Work (bulldozing)	840.00	840.00	149.96	149.96	149.96
Hauling Equipment	41.00	41.00	41.00	41.00	41.00
Totals	6,850.20	6,846.95	(a) 5,666.71	5,131.71	6,839.25
Government's share (75%)		5,135.20	4,250.03	3,848.78	5,129.44

(a) Actual expenditures in cash plus payments by issuance of capital stock.
(b) Four payments of $385.00 each to Flint Creek Valley Bank on installment purchase plus $300.00 to Miller Machinery Company for replacement of compressor motor (per Turner's letter of 3/6/53).
(c) Three payments of $385.00 each to the bank and three payments of $90.00 each to Miller for the three months (September, October and November, 1951) of operations (By memo 3/30/53 to Mr. Martin and letter 3/30/53 to Turner, Mr. Chamber's advised this method acceptable).
(d) Rental of $222.00/mo. for 13.57 months.

DMEA 315 & 2324 - Wm. McLure
DMEA-1981 (E209) John W. Cole

COPIED FROM MINING AND INDUSTRIAL NEWS VOLUME 21, No. 3, P.16
MAY 1953

Phillipsburg Co. plans tungsten mill in Montana

Construction of a mill for concentation of copper, silver and tungsten ores from Black Pine district northwest of Philipsburg, Mont., is planned by PHILIPSBURG TUNGSTEN COMPANY which in April filed articles of incorporation in Helena, Incorporators are John W. Cole, LeRoy Degenhart, Leslie Applegate, B. G. Paige, J. Chandice Ettien, Ben Walkup and Edwin T. Irvine, Capitalization is $150,000.

Combination mine is owned by August Buschmann of Seattle, Wash. Ben Walkup, lessee of the mine, and Wm. and Charles D. McClure of Philipsburg are cooperating in the project, which is supervised by John Cole.

Values of the ore range from 0.32 to 0.42 per cent tungsten trioxide and 12.70 to 13.92 ounces of silver, with encouraging amounts of copper.

The tungsten possibilities of the Combination mine in Black Pine district were investigated by Mr. Cole, a mining engineer of the Bureau of Mines in 1947, who recommended further investigation. Combination property consists of 52 patented claims and 15 patented mill sites 11 miles northwest of Phillipsburg. The mine was discovered in 1882 with principal period of exploration from 1888 to 1897. During World War II the tungsten possibilities were first indicated and some ore was hand sorted and sold to Metals Reserve Co.

400

FILE COPY
SURNAME:

Martin

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

April 30, 1953

Memorandum

To: Chief Counsel, DMMA

From: Iron and Ferro-Alloys Division, DMMA

Subject: Final settlement
Docket No. DMA 315 - Tungsten
Double Eagle Tungsten Company
Bear and Fleet claims
Granite County, Montana
Contract No. Idm-Mlb4

M.S. in R.P.

Attached is a memorandum of April 20, 1953, to DMMA Field Team, Region II, from John S. McNabb, Bureau of Mines, regarding the subject contract. Also attached is letter of April 27 to the Chairman of the Operating Committee from the Field Team, Region II, recommending that the settlement proposed by Mr. McNabb be approved.

The Field Team asks whether we agree that the proposed settlement can and should be made. This Division agrees that the proposed settlement should be made and it will be appreciated if you will advise us whether you have any objections. If there are no objections, please prepare the necessary amendment.

W. S. Martin

W. S. Martin, Acting Chief
Iron and Ferro-Alloys Division

Attachments

WSMartin/ls
4/30/53

cc: Docket
Code 400

UNITED STA[illegible]
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 4-30-53

REFERRED TO:

1. ~~[illegible]~~
2. ~~[illegible] R3538~~
3.
4.

FOR:

..... Action	..... Recommendation
..... Approval	..... Record of .....
..... Comment	..... Referring to .....
..... Conference	..... Reply for signature of .....
..... Consideration	..... Rewriting
..... Filing	..... Signature
..... Instructions	..... Suggestions
..... Investigation	..... Your information
..... Initials	
..... Mailing	
..... Previous correspondence	

REMARKS: 1 Cy to Audit

Check (X) before the items needing attention.

E. ADAMS

Initials of sender.

GPO 16—63815-1

Docket

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

Spokane, Washington
April 27, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
SPOKANE
APR 30 1953

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

Subject: Docket No. DMEA 315 (tungsten)
Contract Idm-E114
Double Eagle Tungsten Co.

Dear Mr. Selfridge:

Enclosed are four copies of a memorandum to the Field Team from John S. McNabb, Bureau of Mines, regarding a proposed final settlement of the subject contract.

As the history of this project was discussed in some detail in our letter of March 20, 1953, regarding Docket No. DMEA 2324 we shall not elaborate here. We believe McNabb's proposed solution is fair and recommend its adoption as the most practical way out of a difficult situation.

As McNabb points out, strict interpretation of the contract would result in the Double Eagle Tungsten Company owing the Government $2,265.18, an amount the company is in no position to return. Although the equipment and supplies were not acquired as specified in the contract, the fact remains that the Operator did produce the necessary equipment and supplies to do the work that was completed, and in all fairness he should be reimbursed for the Government's share of their cost.

If you agree that the proposed settlement can and should be made, we would like to have your advice as to how to proceed with the final settlement.

By Field Team, Region II

Harold Kirkemo
for A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

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

Copy retained 400

Enclosure

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

1201 N. Division St.
Spokane 2, Washington
April 20, 1953

RECEIVED
APR 30 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: John S. McNabb, Mining Engineer, Bureau of Mines

Subject: Final settlement, Double Eagle Tungsten Co. (McLure & McLure), Granite County, Philipsburg, Montana, Contract Idm-E114, Docket No. DMEA 315 (tungsten)

The final audit of the Double Eagle Tungsten Co., Contract Idm-E114, Philipsburg, Montana, revealed facts regarding equipment purchases, rentals, and depreciation which necessitated special handling of these items pursuant to a final settlement of the contract. Strict interpretation of the contract provisions reveals no manner in which payment can be made for equipment presumably rented but actually procured on a rental-purchase agreement. On the other hand, it is believed that there should be some provision for the reimbursement of the Double Eagle Tungsten Co. to compensate for equipment and materials used during the DMEA contract. Assuming that all legal aspects of the contract would be satisfied, it is deemed advisable to propose the final contract settlement in the following manner: Delete all rental, purchase, and depreciation costs of material and equipment that were included in the purchase contract between Arthur Taylor and the Double Eagle Tungsten Co., both of Philipsburg, Montana, and allow in lieu thereof a fair rental for all items used.

A subsequent inquiry was made at Philipsburg, Montana, regarding the age, condition, and use of the subject equipment and materials, in order to establish a fair rental value. Investigation revealed that the items involved were purchased by Arthur Taylor during the period of 1942-1946. Most of the equipment was not new when Mr. Taylor purchased it, and records are not available regarding its actual age or initial cost. Employing standard depreciation rates, the equipment had little or no value because of excessive age at the time it was purchased from Arthur Taylor by the Double Eagle Tungsten Co. However, mining machinery, tools, etc. were necessary to the exploratory program, and because the condition of the subject equipment and materials permitted their use, an equitable rental must be allowed. The following tabulation lists values and rentals recommended for adoption as the basis for a fair contract settlement:

Item	Estimated Value	Rental/mo.
319 cfm portable air compressor	$1250.00	$112.00
Ingersoll-Rand stoper (used as a drifter)	375.00	30.00
Gas hoist, 30 HP	400.00	30.00
Sump pump	200.00	15.00
Water tank, air and water hose, 3 sets of drill steel, pipe, fittings, tools and 2 tram cars	461.00	35.00
Total	$2686.00	$222.00/mo.

The adoption of the plan as outlined to resolve the difficulties encountered in closing Contract Idm-E114 is recommended. Mr. McLure, President of the Double Eagle Tungsten Co., has verbally signified his willingness to close out the contract on the basis of the subject proposal, provided the company is reimbursed upon claiming rental of equipment for the period September 1, 1951 to October 17, 1952. Active exploration was conducted from September 1, 1951, to December 1, 1951. The contract was officially terminated on October 17, 1952.

Mr. Jay L. Chambers, Chief, Contract Administration and Audit Division, DMEA, stated in his letter of March 16, 1953, to Mr. Charles Turner, DMEA auditor, Region II, that his office will not object to paying rental allowance during the period of suspended operation provided the Double Eagle Tungsten Co. makes said claim against the Government.

Upon adopting the proposed solution, the following course of action is suggested as a means of avoiding further criticism by the Double Eagle Tungsten Co. regarding Contract Idm-E114.

1. Inform Mr. McLure of the newly established rental rates and request that he submit a supplemental MF-104 listing all rental for equipment and materials claimed under the contract.

2. The Certifying Officer and DMEA auditors should establish the legality of the claim and make final payment on that basis.

Mr. Turner's audit of the Double Eagle Tungsten Co. revealed deletions in the amount of $1350.04, plus an additional $1670.20 should all rented, purchased, and depreciated equipment be disallowed. These two deletions total $3,020.24, but the Government has already paid the Double Eagle Tungsten Co. 75 percent of this amount, or $2,265.18. The Double Eagle Tungsten Co. is not in a financially liquid position permitting reimbursement to the Government in the amount of $2,265.18. Action against Mr. McLure for this amount would surely result in a court fight.

Assuming that the proposed plan of settlement is adopted and McLure claims rental for 13.57 months, the period covering active and suspended operations under the contract, final settlement would result as follows:

Audit deletions	$3,020.24
Claimed for rental ($222.00 x 13.57 mos.)	3,012.54
	$ 7.70
Balance due Government (75 percent x $7.70)	$ 5.78

Allowances for rental, although necessarily arrived at somewhat arbitrarily, are considered fair and realistic. For this reason and because additional difficulties with the Double Eagle Tungsten Co. should be avoided, it is recommended that the proposed rental rates and manner of settlement be adopted.

John S. McNabb

John S. McNabb

cc: Orig & 3 cys - Wash.
USGS (2)
DMEA
Certifying Officer
C. A. Turner, Auditor
JSM/he

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON, D.C.~~
1201 N. Division Street
Spokane 2, Washington
April 8, 1953

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

Dear Mr. Chambers:

This will acknowledge your letter of March 30, 1953, having reference to contract Idm-E114, Docket No. DMA-315X, Double Eagle Tungsten Co.

With reference to the above contract Mr. McNabb, DMEA Mining Engineer, is giving the subject of rental consideration as suggested in your letter to Mr. W. S. Martin, Acting Chief, Iron and Ferro-Alloys Division, and upon his recommendation for a fair rental value the audit will be completed and report mailed.

Yours very truly,

C. A. Turner
DMEA Auditor, Region II

Copy sent to
Mr. Martin 4/14/53

402

402
Amen 315

Hon. Mike Mansfield
United States Senate
Washington 25, D. C.

APR 13 1953

My dear Senator Mansfield:

Reference is made to your letter of March 10, 1953, concerning an application for exploration aid submitted to the Defense Minerals Exploration Administration by Mr. William R. McIlvre, President, Double Eagle Tungsten Company, Philipsburg, Montana, our Docket No. DMEA 2324-Tungsten. Our reply of March 12 reported to you that an investigation was being made of our denial of that application and the following information is now available.

Mr. McIlvre's previous project, our Docket No. DMA 315, Contract No. Idm-314, is still under review within this Administration for two reasons. The work done on the Bear and Float claims in 1951 was not done as specified in the contract. That project was not closely inspected because of the heavy work load then carried by our field men in that region, and we are assuming the work performed as having been done in substantial compliance with the contract terms.

On the other hand, our audit of the accounts and records of the operation presents a delicate problem. The exploration contract provided for bulldozing costs to be allowed at hourly rates. The Operator claimed bulldozing costs in the amount of $840.00 and the Government contributed its share of the costs based on that amount. Actually, the Operator had this work performed by Granite County, Montana, under a contract, for which the county issued a receipt in the amount of only $149.96. The exploration contract provided further for costs of supervision at a daily rate. The Operator claimed costs of supervision in the amount of $1,200.00 and the Government contributed its share of the costs based on that amount. Actually, the Operator was able to substantiate supervision costs in the amount of only $602.50. The Government has also overpaid a smaller amount for unsubstantiated transportation costs.

The contract provided for the rental of certain equipment, the purchase of some equipment, and an allowance for depreciation of certain other equipment owned and to be furnished by the Operator.

In disregard of these provisions and without requesting an amendment of the contract, the Operator acquired equipment used on the project under an installment purchase contract and presented claims for equipment under the contract provisions. This has introduced an additional complication to the final settlement of the contract.

Under the circumstances, we consider it inadvisable to reconsider our denial of the Double Eagle Tungsten Company's application for a new project on the Eagle and Double Eagle claims. We are returning herewith Mr. McLure's letter of March 3 to you, with all attachments.

With best personal regards.

Sincerely yours,

C. O. Mittenderf

Administrator

Enclosure

WSMartin/HORubin/ls
4/8/53

cc: Docket
Admn. Read. File
Code 400 — 315
Oper. Committee
Field Team, Region 2

D. M. Lemmon, USGS
R. W. Seehan, USBM

Same letter also sent Sen. Murray.
Copy filed in Dmen 2324.

FILE COPY
SURNAME:
BCC
Chambers

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

March 30, 1953

Memorandum

M. O. in R. v. R.

To: Mr. W. S. Martin, Acting Chief
Iron and Ferro-Alloys Division

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

Subject: Docket No. 315X, Contract No. Idm-4114, and
Docket No. DMEA-2324
Double Eagle Tungsten Company
Bear & Float Claims (DMA-315X) and
Eagle & Double Eagle Claims (DMEA-2324)
Granite County, Montana

I am returning your memorandum of March 26, 1953, re the above-cited project with the following comment.

Regardless of what DMEA does concerning another contract with Double Eagle Tungsten Company, our auditor will have to come to some conclusion in his audit report as to his recommendations for settling the project accounts, especially the phases dealing with exceptions which he has taken.

I believe that Mr. McNabb in his memorandum to the Field Team under date of March 4, 1953, has proposed a fair manner of treating the claims of the operator as outlined on page 3 under solution No. 1. We propose to advise our auditor to adopt Mr. McNabb's suggestions as fair both to the Government and to the operator. In case, however, the Government does give another contract to McClure, I would suggest that a proposal for collecting the Government's claims raised by the way of exceptions to project payment, be offset on the new project. This was proposed by Mr. Weissenborn in his letter to Mr. Selfridge under date of March 20, 1953.

Enclosure

JLChambers/wb
March 30, 1953

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

FILE COPY
SURNAME:

800

Chambers

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

BL

MAR 3 0 1953

Mr. Charles A. Turner
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Contract Idm-8114
Docket DMA-315X
Double Eagle Tungsten Co.

Dear Mr. Turner:

Attached hereto is a copy of a memorandum which I have sent to Mr. Martin, Acting Chief, Iron and Ferro-Alloys Division. If you have any further questions on this contract, please let us hear from you.

Sincerely yours,

S.N.
3/30/53

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Attachment

JLChambers/wb
March 30, 1953

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

FILE COPY
SURNAME:

Martin

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

Photostatic copies with DMEA 2324

Mr. Jay L. Chambers, Chief
Contract Adm. and Audit Division
Iron and Ferro-Alloys Division, DMEA

March 26, 1953

Docket No. 315X, Contract No. Idm-E-114, and
Docket No. DMEA 2324
Double Eagle Tungsten Company
Bear & Fleet claims (DMA 315X) and Eagle & Double Eagle claims (DMEA 2324)
Granite County, Montana

L. C. 3/30/53

Attached is letter dated March 20, 1953, with its enclosures, from the Executive Officer, DMEA Field Team, Region II, concerning the above-noted dockets.

Your comments concerning the accounting and auditing problems involved will be appreciated.

W. S. Martin, Acting Chief
Iron and Ferro-Alloys Division

Attachments

LScott 3/26/53

cc: DOCKET
ADMN. READ. FILE
CODE 400

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

March 20, 1953

Air Mail

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

Re: Docket No. DMEA-2324 (Tungsten)
Double Eagle Tungsten Company
Eagle and Double Eagle Claims
Granite County, Montana

Dear Mr. Selfridge:

I have your letter of March 16 enclosing a letter from Mr. McLure to Senators Mansfield and Murray together with your reply to Senator Mansfield. There are two subjects involved, the Bear and Float claims under Docket No. DMA-315X, Contract Idm-2114 and the application for exploration of the Eagle and Double Eagle claims, Docket No. DMEA-2324. In order to not mix the two problems, I will first discuss the Bear and Float claims, Docket No. DMA-315X.

Mr. McLure complains that had he been allowed to sink a perpendicular shaft or to have continued the incline and drifted from the bottom, he would have found ore. He also states in the second paragraph of his letter, "The shaft was to cut a flat deposit which did not show on the surface." As Mr. McLure correctly states the Onyx vein, which is the vein in question, does not outcrop, and its presence on the Bear and Float claims is known only from an intersection in a hole drilled by the Bureau of Mines on the Float claim some time ago. Quartz float with tungsten is also indicative of its presence somewhere on the property. Because of the many uncertainties concerning the location of the vein the Field Team did not okay the vertical shaft that Mr. McLure wished to sink. There being no evidence on where to locate the shaft, it would have been very easy to have missed the vein, and upon reaching bedrock it would have been impossible to tell whether the shaft was above or below the vein. The Field Team recommended, therefore, that a site be selected near the supposed intersection of the Onyx vein with the surface using the best information based on projection of the vein from the drill hole intersection, from the float, from study of the topography, and from a trench to be dug to bedrock in an attempt to expose the vein. If the vein could be found, the contract then called for sinking the shaft on the vein and for a small amount of drifting from the bottom of the shaft. This procedure would assure that the location of the vein would be known, that the shaft

would follow the vein, and that there would be no deadwork except such bulldozer trenching as was necessary to uncover the vein.

Mr. McLure began his work as he states in his letter. He did not, however, bulldoze to bedrock but did little more than clear a shaft site with the bulldozer and then start sinking in the alluvium. Mr. Reed of the Bureau of Mines visited the project on October 12 or 13, 1951 and reported that McLure had started to sink the shaft, although he had not reached bedrock as specified in the contract. Because of the presence of hubnerite in the float, Reed thought that the shaft was not far from the vein but suggested that we send a geologist to examine the property as soon as possible. Because we were short handed, we were unable to free a man immediately, but on November 27 wired Mr. McLure stating that a Harvey geologist would meet him at Philipsburg. Mr. McLure, on the 28th, wired that weather conditions made it impossible to make the examination. A photostat of his telegram is enclosed.

Mr. McLure is not quite correct in stating that ". . . At this time the Field Team in Spokane notified us to stop operations until they could send out a geologist to examine the surface". Mr. McLure's operations were stopped by the Montana winter, not by the Field Team. A photostat of Mr. McLure's November report is attached in which Mr. McLure states "Due to the unusual amount of snow at the elevation of the mine, making the roads impossible, we are forced to suspend operations as of November 30, 1591 until spring". However, we did tell Mr. McLure that he should not begin work until it was possible for someone from the Field Team to visit the property again in the spring.

The property was inspected on the 27th of May, 1952 by J. J. Quinlan almost immediately after it became accessible. In his memorandum to me dated June 27 Quinlan states, "At the time of my inspection the shaft was caved at the collar. The timber at the collar shows the direction of the shaft to be N. 71° W. and that it is sunk on an incline of 18 degrees." The attached photographs taken in July 1952 show the condition of the shaft. In spite of Mr. McLure's contention that, "it would have been cheaper to continue the present incline to the 100-foot level and crosscut from there if necessary", I think that the photographs indicate clearly that rehabilitation of the inclined shaft would have been very expensive--and perhaps impossible. Furthermore, since the incline had advanced 62 feet and not only had failed to find the vein but was still in overburden, it was fairly obvious that further sinking of the incline would be useless until the position of the vein and the depth of the overburden were known.

At this point the Field Team could have, and perhaps should have, terminated the contract on the basis that by starting his shaft before he had reached bedrock and uncovered the vein Mr. McLure had not followed the terms of his contract. Furthermore, the fact that his inclined shaft fell in during the winter indicated that Mr. McLure had not done an especially competent job. The Field Team felt, however, that Mr. McLure's intentions had been honest, although his efforts had been to some degree misguided. Furthermore, no information of either positive

or negative value had been obtained as a result of the work to date, and it was believed that some further efforts to explore the Onyx vein might be worthwhile, provided that it did not cost too much.

Inasmuch as the overburden was deeper than had been expected and Mr. McLure's bulldozing had failed to reach bedrock, it did not appear that further attempts to bulldoze through the overburden would be worthwhile.

It seemed obvious, therefore, that the logical thing to do was to locate the vein more precisely by means of two shallow churn drill or diamond drill holes which would permit a shaft to be located with more certainty and thus would find the vein with a minimum of digging through the overburden. (Quinlan's inspection report of June 26 discusses this, as does Reed's report of July 29, 1952.) Mr. McLure was reluctant to accept this suggestion but finally agreed to do it, although, as far as we know, he never made any arrangements to contract for a driller. On August 11 a recommendation was sent to the Chairman of the Operating Committee for a proposed amendment to permit the drilling. On August 22 a telegram was received here "reserving decision on the proposed amendment until Selfridge had discussed financial problems relating to the contract." The matter was therefore held pending your visit to the Northwest.

Meanwhile, Mr. McLure had submitted another application for the exploration of the Eagle and Double Eagle claims, a nearby property, and the Bear and Float contract became, unfortunately, somewhat entangled in the new application as Mr. McLure wished to abandon the Bear and Float claims in favor of the Double Eagle proposal. A preliminary field examination was made of the Double Eagle property on May 27, 1952 as soon as the country opened up. It was the Field Team's opinion as stated in our letter of July 6 "that a worthwhile exploration project could be worked out with the applicant; however, we feel that the work should be progressing to our satisfaction on the Bear and Float property, contract Lac-Kilo, by the same company, before another exploration contract is granted this company." (Note again that the Field Team was attempting to have the Bear and Float contract brought to a successful conclusion.)

During your visit here in September of last year, this matter was discussed with you, and I recall that you stated that the fact that McLure's work had not proved satisfactory on the Bear and Float property should not necessarily prejudice consideration of another project where the work involved would be simpler and more apt to be within the Operator's capacity to perform. Since we regarded the Double Eagle property as worthy of a small amount of exploration and Mr. McLure preferred to explore this property rather than the Bear and Float claim, we arranged with Mr. McLure to terminate the Bear and Float contract and we recommended a small project at the Double Eagle. In terminating the one contract and attempting to negotiate the other we obviously had to give McLure some hope and our letter of October 27 to McLure could be interpreted as something of a commitment. Note, however, that we merely said "the Field Team believes that a small exploration project...

can be justified..." No further commitment was entered into by me or any other member of the local staff, and I am positive that Mr. McLure was aware that in matters of this nature the Field Team cannot make commitments but can only recommend.

I wasn't present during the time when you talked to Mr. McLure. Quinlan recalls that you told McLure that it would be possible to terminate the Bear and Fleet contract and enter into a contract on the Double Eagle property. Quinlan does not believe that you made any promise to McLure and from my subsequent conversations with you, I am sure that you would have been careful to avoid making a definite commitment. Unfortunately, I am equally sure that McLure is convinced in his own mind that you did.

Frankly, I was somewhat disturbed by the turn-down of the Double Eagle proposal. Because of the difficulties which we have had in dealing with Mr. McLure, I am not anxious to see us enter into another contract, for as I see the situation, at best the Double Eagle property is not likely to be anything but a small producer of tungsten; I believe also that we would have difficulty in justifying a denial on geologic grounds because there is quite obviously a reasonable exploration bet on the property which could be tested at small cost. The only really logical basis that we would have for denial would be because McLure had proved by the Bear and Fleet contract that he was not competent to carry out an exploration program. Unless we are willing to deny it on this basis, I think that it would be better to approve a small contract with full knowledge that we would have to follow it very closely. This is essentially the recommendation made by the Field Team in forwarding the Double Eagle report.

In regard to the last question in which you asked us to investigate the possibility that one of the two copies of the denial letter sent to our office may have been made available to Mr. McLure, in checking I find that we received the original of the letter, which I am returning herewith. I can only assume that through a mixup in mailing in the DMEA Washington office, Mr. McLure received the carbons that were intended for us. No one in this office gave any carbons of this letter to Mr. McLure. We wouldn't have under any circumstances and we couldn't have because we never received them.

There is a third subject that Mr. McLure brings up, and that is the matter of payment. We have recently audited Mr. McLure's accounts. Our auditors have been forced to make a number of deletions and quite a few difficulties have arisen. An audit report is in preparation but some of these items are discussed in the attached self-explanatory memorandum, dated March 4, by J. S. McNabb, in which he points out that Mr. McLure has failed to comprehend the reimbursement phase of the DMEA contract. Your attention is also directed to a letter from Mr. C. A. Turner to Mr. Jay L. Chambers, dated March 6, 1953, and to a reply from Mr. Chambers dated March 16, both of which discuss the audit. We would be pleased to have your advice on how this matter should be handled.

There is a further complication revealed by the audit. Mr. McLure states that "about two weeks ago two auditors for the DMEA went over the books of the Double Eagle Tungsten Co. and came to the conclusion that they would not allow the bulldozing of the road and excavating for the inclined shaft, and therefore the Double Eagle Tungsten Co. owed the DMEA between $600 and $800." This statement we can only believe, arises from Mr. McLure's misunderstanding of the DMEA contract. Mr. McLure has claimed $840.00 as the cost of the bulldozing. Audit of his books show, however, that the bulldozing was contracted from Granite County, Montana, and a receipt from the County shows that only $149.96 was paid for these services. Naturally our auditors had to disallow $690.04, the amount in excess of cost. Other disallowances made by the auditors included $397.50 for supervision and $62.50 for transportation. None of these amounts could be substantiated by Mr. McLure. As a result, Mr. McLure owes the DMEA a total of $1,350.04. When his vouchers were presented for payment we did not know that the contract would not be completed, and they were paid in full. These payments were made early in the program when, as you will recall, such items as have been disallowed were not required to be as thoroughly invoiced as they now are.

Were it not for these difficulties, I would urge that DMEA reverse its decision and enter into a contract with McLure for the Double Eagle property, for I honestly believe that the property presents a very minor but nevertheless perfectly valid exploration proposal, denial of which would be difficult to justify on geologic grounds. Because of Mr. McLure's apparent misunderstanding of the DMEA contract and his poor performance on the Bear and Fleet contract, I cannot urge such reconsideration. In fact it would seem that Mr. McLure is in the embarrassing position of being liable for refund to the Government of all or part of the $1,350.04 which was deleted by audit of his contract. It would seem that there are two ways in which this problem might be handled, 1) for McLure to repay the $1,350.04, which we believe McLure is financially unable to do, and 2) a less publicized way would be to approve a contract at the Double Eagle, which should be strictly on a unit cost basis, and in which it would be understood with McLure that sums owed the Government from the Bear and Fleet contract would be deducted from payments due under the new contract.

Sincerely,

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

Enclosures
cc: USBM (2)
Quinlan

3/5

FILE COPY
SURNAME:

800

Chamber

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

MAR 1 6 1953

Mr. Charles A. Turner
DMEA Auditor
12001 North Division Street
Spokane 2, Washington

Re: DMEA-315, Idm-2114
Double Eagle Tungsten Co.

Dear Mr. Turner:

Reference is made to your letter of March 9, 1953, re the above-cited contract.

According to the terms of the contract operating equipment was to be obtained by three methods as follows: (1) 6 items to be rented in an estimated total amount of $5,220; (2) 5 items to be purchased at an estimated cost of $165; 800 ft. of rail, 400 ft. of piping, a shive wheel, rollers and miscellaneous fittings at a total of $697; and (3) to be furnished by the operator two team cars and one pick-up truck not to exceed $554.

It appears that the operator purchased a lot of material, which included all this material, for a lump sum of $3,000 to be paid in monthly installments of $365.00. The operator, however, billed the Government on the basis of the contract provisions. In addition, the operator claimed an excessive amount for the rental of the bulldozer. Your letter requests the advice of this office on what conclusions you should derive in your final audit. Under the circumstances, I think your best solution is to have at least one engineer designated by the Executive Officer to work out with you a fair rental allowance for the use of the material on a monthly basis.

The operator maintains that the project was suspended at the request of the Executive Officer but that the equipment was maintained on the project awaiting further instruction of the Executive Officer. An agreement was entered into by the Executive Officer representing the United States and William R. McClure representing the operator, to terminate the contract as of October 17, 1952. Therefore, this office will not object to paying rental allowance to the operator up to the date of the agreement provided he should make a claim against the Government. If he does not so claim, the audit should provide payment only for the time billed.

It is certainly advisable for you to go into all the details of the manner in which the equipment was obtained, including the excess claim made for the rental of the bulldozer on the project. In wiring your audit report describe the basis on which you and the engineer, or engineers, determine the fair rental value. It is my idea that the rental allowance be determined on the going rate for the locality near the project site.

It is absolutely necessary for you to be sure of the facts presented in the audit report since a copy of the audit report will eventually be sent to the operator.

As you know all audits should be presented to this office before distribution is made. I believe it is particularly important in this case that you do so.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

J.C. 3/16/53

JLChambers/wb
March 16, 1953

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

1201 N. Division St.
Spokane 2, Washington
March 6, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 9 1953

VIA AIR MAIL

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

Subject: Double Eagle Tungsten Co.
Contract Idm-E114
Docket No. DMEA 315 (tungsten)
Wm. R. McLure and Chas. D. McLure
Philipsburg, Montana

Dear Mr. Chambers:

The audit of the Double Eagle Tungsten Co., Contract Idm-E114, Philipsburg, Montana, revealed facts regarding equipment purchases, rentals and depreciation that require special attention and consideration as to the disposition thereof in the final audit.

The Double Eagle Tungsten Co. purchased operating equipment for the exploration project from Arthur Taylor, Philipsburg, Montana, amounting to $3,000.00 on an installment sales contract dated October 1, 1951. This installment sales contract is supported by a chattel mortgage held by the Flint Creek Valley Bank, Philipsburg, Montana. Payments by the Operator were to be made as follows: $385.00 down and the balance to the Flint Creek Valley Bank as follows: $385.00 on the first day of November 1951, December 1951, January 1952, June 1952, July 1952, August 1952, and $305.00 on September 1, 1952.

Payments were made October 1951, November 1951, December 1951, and January 1952, leaving an unpaid balance at the time the audit was made of $1,460.00 principal plus accrued interest.

An inventory of the equipment purchased is a part of the chattel mortgage as follows:

	Mining machinery	)
	Equipment	)
	Tools	)
	Steel	)
	Cable, hose and pipe	)
1	Ingersoll-Rand compressor 10x12 with air receiver	)
1	Ingersoll-Rand stoper	) $3,000.00
1	Ingersoll-Rand liner	)
	Hose and 1500 lbs. steel	)
2	Ingersoll-Rand jackhammers	)
4	Mine cars, 1000#	)
600	feet 2" black pipe	)
600	feet 3/4" water line pipe	)

There is no record that itemizes the equipment or the price of each item purchased.

This equipment purchase is further complicated by the fact that the motor for the compressor was electric. There being no electricity on the job, it was necessary to trade the electric motor for either a gas or diesel motor.

A Waukesha motor was purchased from the Miller Machinery Co., Missoula, Montana, for $650.00 on which the electric motor was taken in at a value of $350.00, leaving a balance of $300.00 to be paid at $50.00 per month. Payments on this contract were made as follows:

November 5, 1951	$50.00
December 13, 1951	50.00
January 12, 1952	50.00
January 17, 1952	150.00
	$300.00

Since the electric motor traded in on the Waukesha motor was subject to the mortgage it is assumed the Waukesha motor (which replaced the electric motor) is subject to the mortgage. This fact I was unable to verify.

The Operator claimed on his November 1951 MF-104 the following:

Equipment Rented

Air compressor	3 mo. @ $325.00 ✓	$975.00
Drifter	3 mo. @ 55.00 ✓	165.00
Gas hoist	3 mo. @ 35.00 ✓	105.00
Sump pump	3 mo. @ 20.00 ✓	60.00
		$1305.00

Equipment Purchased

Water tank	$51.00
Set water and air hose	65.00
3 Sets drill steel	49.00
2" pipe	96.00
Fittings and tools	100.00
	$361.00

Equipment Depreciated

Tram cars	1 mo. @ $4.20	$ 4.20

The question is how to consider the above items on the Operator's MF-104, taking into consideration the terms of the contract and purchases and ownership of the equipment.

There appear to be several ways in which to handle this:

Disallow

Equipment rented	$1305.00
" purchased	361.00
" depreciated	4.20
	$1670.20

and in place of the above charge

Allow

1. A fair rental for the equipment, or

2. The Government to acquire an equity in the equipment in amount of 75% of the payments made by the Operator to the vendor of the equipment.

In the event a rental is to be paid for the equipment, it is my thought to establish a fair rental rate by contacting the Miller Machinery Co., Missoula, Montana, and the Washington Machinery Co., Spokane, Washington (who are engaged in mining machinery business).

In the event it is decided the Government should have an equity in the equipment, it will be based on 75% of the payments made during the period of operation.

Both of the above solutions are subject to the facts that the Operator worked September, October and November 1951 yet the equipment is (information by John S. McNabb, DMEA engineer) still at the mine. The contract was terminated by mutual agreement October 17, 1952.

The Operator claimed on his MF-104 the sum of $6846.95 which has been paid in full (75% of $6846.95 or $5135.20).

The audit disclosed disallowances in the amount of $1350.04.

Supervision	$597.50
Transportation	62.50
Contract road	690.04
	$1350.04

Further disallowances for the equipment will increase the Operator's indebtedness to the Government less whatever compensation is made for the equipment.

I would appreciate your comments and suggestions on this matter.

Very truly yours,

C. A. Turner

C. A. Turner

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D. C.~~
1201 North Division Street
Spokane 2, Washington

March 4, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: J. S. McNabb, Mining Engineer, Bureau of Mines

Subject: Double Eagle Tungsten Co. (McLure and McLure)
Granite County, Philipsburg, Montana,
Contract Idm-Kll4, Docket No. DMEA 315 (tungsten)

Mr. Turner's audit of the Double Eagle Tungsten Co. reveals some things requiring attention.

The Double Eagle Tungsten Co. purchased operating equipment for the project from Arthur Taylor, Philipsburg, Montana, on an installment sales contract in the amount of $3,000.00, dated October 1, 1951. This installment sales contract is supported by a chattel mortgage held by the Flint Creek Valley Bank, Philipsburg, Montana. Down payment by the Operator was to be $385.00 with the balance to the Flint Creek Valley Bank in installments of $385.00 on the first day of November and December 1951, the first of January, June, July, August 1952, and final payment of $305.00 on September 1, 1952. At the time the audit was made, approximately $1,460 principal, plus accrued interest at the rate of 6 percent, remained unpaid.

This installment sales contract covered all the equipment used by the Operator under the exploration contract, listed as follows in the contract:

Equipment to be rented:

Air compressor at $325.00 per month
Drifter at $55.00 per month
Gas hoist at $100.00 per month
Sump pump at $20.00 per month

Equipment to be purchased in which the Government would have an equity:

Water tank	$ 51.00
Set water and air hose	65.00
3 sets drill steel	49.00
2" pipe	96.00
Fittings and tools	100.00
Total	$361.00

Equipment to be depreciated:

2 tram cars at $4.20 per month.

The inventory of equipment made a part of the chattel mortgage is nowhere completely itemized, the items being listed in a general way as follows:

Mining machinery Equipment Tools Steel Cable, hose and pipe 1 Ingersoll-Rand compressor 10x12 with air receiver 1 Ingersoll-Rand steper 1 Ingersoll-Rand liner Hose and 1500 lbs. steel 2 Ingersoll-Rand jackhammers 4 mine cars - 1600 lbs. 600 feet 2" black pipe 600 feet 3/4" water line pipe	$3000.00

This transaction is further complicated by the fact that the equipment purchased by the Operator was not all suitable for the project. The compressor was equipped with an electric motor which had to be exchanged for a gas or diesel motor. This was accomplished by purchase from the Miller Machinery Co., Missoula, Montana, of a Wauchesa motor costing $650.00; electric motor trade-in, $350.00; balance to be paid, $300.00. Payments were made as follows on this balance: November 5, 1951, $50.00, December 13, 1951, $50.00, January 12, 1952, $50.00, and January 17, 1952, $150.00, plus accrued interest on unpaid balances. Since the Operator traded a portion of the mortgaged equipment in on a new piece of equipment, it would seem that the new piece of equipment would be subject to the mortgage until paid in full. This has not been verified to date, however.

As of November 1951 the Operator had claimed DMMA equipment rental in the amount of $1,305.00; equipment purchased, $361.00, and equipment depreciated, $4.20. These amounts were paid. Work under the contract was closed down in November 1951 because of winter conditions and subsequently, never resumed.

The question now arises as to the disposition of the above items and final settlement of the contract. In view of the manner in which the equipment was purchased, two solutions suggest themselves.

1. All of the amounts claimed to date for operating equipment rented ($1,305.00); operating equipment purchased ($361.00); operating equipment depreciated ($4.20); total, $1,670.20, could be deleted and the Operator's actual payments on this equipment considered as an equitable bill for the use of all equipment under the contract during life of three months, namely: Three payments of $385.00 to the Flint Creek Valley Bank, totaling $1,155.00, and three payments of $50.00 each to the Miller Machinery Co., a total of $1,305.00. In this manner these deletions would result in final settlement as follows:

	Claimed	Deleted	Allowable under this plan
Operating equipment rented	$1305.00	$1305.00 (	
Operating equipment purchased	361.00	361.00 (	$1305.00
Operating equipment depreciated	4.20	4.20 (	
Supervision	1200.00	597.50	602.50
Transportation	225.00	62.50	162.50
Contract work - bulldozing	840.00	690.04	149.96

Total amount deleted: $1715.24.

2. Since all of the operating equipment used at the property under Contract Bm-2114 was included in the sales contract with Arthur Taylor, the monthly payments of $385.00 could be considered as payments of equity in equipment purchased. This would be the only source of action available were the Government to assume an equity in the subject equipment. This equipment, however, has little resale value, and it would not be too advantageous to pay the outstanding balance on the purchase contract as well as the Double Eagle Tungsten Co.'s equity so that the equipment would revert wholly to Government ownership. The Double Eagle Tungsten Co. now is delinquent in payments under the terms of the purchase contract, and it can be assumed that full title to the equipment probably will not be acquired.

Mr. W. R. Malure, president of Double Eagle Tungsten Co., has failed to comprehend the reimbursement phase of the DMEA contract, and this has resulted in a situation so complicated that established DMEA accounting procedures probably cannot resolve it in a manner that will be fair and equitable to all interested parties. It is believed that the manner of settlement as described in solution No. 1 would adequately handle the situation and its adoption is recommended if it satisfies all legal aspects of the contract. In any case, there should be some provision for reimbursement to the company of a just amount for use of the equipment during the time of active exploration under the DMEA contract.

J. S. McNabb

Orig. & 3 - Wash.
USGS - 2
A/B
DMEA
J. S. McNabb
C. Turner
J. Chambers

400

FILE COPY
SURNAME:

Rutledge
Martin
Thayer
Selfridge
Hedges

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

FEB 24 1953

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

Re: Docket No. DMA 315-X - Tungsten
Double Eagle Tungsten Company
Bear and Float claims
Granite County, Montana
Contract No. Idm-E-114

Dear Mr. Weissenborn:

In reviewing the subject docket, we note that the item for equipment purchased has not been closed.

According to the MF-104 cost report for the month of October 1952, a pressure tank costing $51.00 was purchased. Will you please check on this matter and have it closed out so we may complete our files on this operation.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

cc: Docket
Field Team, Region 2
Code 400
Admn, Read. File
Operating Committee
R. W. Geehan, USBM
D. M. Lemmon, USGS

FARutledge/hhb
2/19/53

COPY

400 file

LETTER FROM MR. E. D. TALBERT TO MR. JAY L. CHAMBERS

Anna 315

Butte, Montana
February 17, 1953

Dear Mr. Chambers:

Before I left Washington we had a conversation about the effect of termination notices after the expiration dates of contracts. It was agreed that such notices constituted "implied" approval of the extension of the contract and, consequently, costs between the contract expiration date and the termination date are allowable. With this in mind I'd like to point out, by examples, that some corrective measures appear necessary.

In Phillipsburg we audited Double Eagle Tungsten (E-114) and Combination Development (E-209). The first one was "suspended" on November 30, 1951 (pending inspection by the Field Team's geologist, per the operator), but a termination by mutual agreement was not effected until October 17, 1952, two months after the expiration date of the contract on August 16, 1952. The operator states he signed this termination agreement only as the result of Selfridge's visit, when the promise was made (so the operator states) that if he agreed to this termination an application on another project would be approved. He is sore because he hasn't gotten a new contract, and when we pointed out that certain exceptions would be taken to payments already made to him, he became very belligerent. As an offset he is going to claim rental for equipment left on the "suspended" project from November 30, 1951, until October 17, 1952. I think we would have to allow it since an operator can't be expected to return hard-to-get rented equipment merely on a temporary suspension of work.

On the other case, the Combination Development Co., the expiration date of the contract was December 9, 1952; and the work was completed on December 6, 1952; but a termination by the Government (because of the improbability of making any worthwhile discovery) was effective in February 1953. The operator believes there has been a discovery but needs more work to block it out; and he's going ahead on plans to build a mill in the summer. He opines that the Government has six months only from December 6, 1952 and not February 1953 to issue the Certificate of Discovery, if one is forthcoming. I think he is right — and I also think the Government will be in an incongruous position if they issue a Certificate of Discovery after writing a termination notice for the reason indicated.

But the main point of these examples (and there are many others) is that, in my opinion, termination notices or agreements

after the completion of work or the expiration of the contract are entirely unnecessary and only cause confusion. If for some legal reason they are considered necessary, I suggest that the words (quoting from the agreement) "is hereby terminated as of the first date above written" be changed to indicate the date when work was completed, or, at the latest, the expiration date of the contract.

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
JAN 12 1953

January 7, 1953

gd
1/14/53
WSM

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

Re: Docket No. DMEA-315 (tungsten)
Double Eagle Tungsten Company
(Bear and Float claims)
Granite County, Montana
Contract No. Idm-E114

Dear Mr. Johnson:

Enclosed is the original and two copies of a form terminating subject contract by agreement after commencement but before completion of the work. By copies of this letter, the Finance Officer's copy is distributed.

Work to date has failed to disclose the Onyx vein, and the cost of further exploration to locate the vein does not appear justified.

We trust this termination will now facilitate consideration of the Double Eagle tungsten property (Docket No. DMEA-2324).

Sincerely yours,

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

Enclosure 1 (in trip)
cc: Orig & 2-DMEA
USBM (2)
Finance Officer
Quinlan

RECEIVED
JAN 15 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

cal
1-12-53

Docket

GCL
12/23/52

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

December 18, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 23 1952

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

Re: Docket No. DMA-315x (tungsten)
Double Eagle Tungsten Company
McLure and McLure
Bear and Float Claims
Granite County, Montana
Contract Idm-E114

Dear Mr. Johnson:

This is in reply to Acting Chairman, Ellis' letter of December 11, 1952 regarding termination of the subject contract.

As of this date the Operator has failed to return the forms terminating the contract by mutual consent which were mailed to him October 27, 1952. Mr. W. R. McLure, President of the Double Eagle Tungsten Company, informed us November 21, 1952, that the company would sign the forms and return them to this office immediately. A letter, a copy of which is attached, has been sent to Mr. McLure requesting that the forms be returned within 10 days.

The final report on the subject contract as well as the Field Team report on the Double Eagle property (Docket No. DMEA-2324) have not been completed pending receipt of the forms terminating the subject contract. However, the Field Team report on the Double Eagle property will be prepared and forwarded as soon as possible without receipt of the termination agreement.

Copy retained 400

Sincerely yours,

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

Enclosure
cc: USBM (2)
Quinlan

Copy retained 400

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

December 1[illegible], 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC [illegible] 1952

Mr. William McClure, President
Double Eagle Tungsten Company
Philipsburg, Montana

Re: Docket No. [illegible]A-315x (tungsten)
Double Eagle Tungsten Co.
Bear and Float Claims
Granite County, Montana
Contract No. Idm-7114

Dear Mr. McClure:

This is to advise that the forms terminating Exploration Project Contract Idm-7114 by mutual agreement should be signed and returned to this office within 10 days. These forms were mailed to you October 27, 1952. On your visit to this office in November it was agreed that the forms would be signed and returned.

I wish to advise that it is best that the contract be terminated by mutual agreement so as to incur no prejudice by the Government toward the Double Eagle Tungsten Company.

Action on your Double Eagle application is pending receipt of the termination agreement.

Sincerely yours,

A. [illegible] Weissenborn
Executive Officer, DMEA
Field Team, Region [illegible]

cc: DMEA (2)
USBM (2)
Quinlan

FILE COPY
SURNAME:

Rutledge
Selfridge

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

BW.

Mr. A. E. Weissenborn
Executive Officer, Region II
South 157 Howard Street
Spokane 8, Washington

DEC 11 1952

Re: Docket No. DMA 315X - Tungsten
Double Eagle Tungsten Company
McLure and McLure
Bear and Fleet Claims
Granite County, Montana
Contract No. I4p-H14

Dear Mr. Weissenborn:

Exploration under the subject contract was terminated as of November 30, 1951. After lengthy discussion, a decision was reached in which the present contract was to be terminated by mutual consent of the Operator and Government. Forms for this purpose were forwarded to the Operator by your office on October 27, 1952.

Please advise us when we may expect a final report and what steps have been taken to dispose of the salvageable property.

When may we expect the field team report and recommendations on McLure's Double Eagle Tungsten Company, Docket No. DMA 2324.

Sincerely yours,

Ernest Wm. Ellis

ACTING Chairman, Operating Committee (JHG)

Approved:

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

A. R. Kinkel, Jr. (JHG)
Member, Geological Survey

FARutledge'lm
12/9/52

cc: Admn. Reading File
Docket
R. W. Geehan, USBM
D. M. Lemmon, USGS
Field Team Reg. II
Operating Committee
G. C. Selfridge
F. A. Rutledge

J.H.
12-11-52

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 31 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
[redacted] WASHINGTON 25, D. C.
Spokane, Washington

October 27, 1952

Mr. William McLure, President
Double Eagle Tungsten Company
Philipsburg, Montana

Re: Docket DMEA-315X (Tungsten)
Bear & Float Claims
Granite County, Montana
Contract Idm-E114

Dear Mr. McLure:

Enclosed are the original and five copies of a form terminating Exploration Project Contract Idm-E114 by agreement after commencement but before completion of work.

It is our belief that you would prefer to abandon this contract in favor of work on the Double Eagle property, but feel that you are obligated to complete the Bear and Float project, and that the granting of a contract on the Double Eagle property would be contingent upon your completing the Bear and Float. Although the work on the Bear and Float claims has perhaps not been carried out in the best possible manner, nevertheless we realize that the unexpectedly deep overburden created a somewhat special problem. Therefore, in view of the fact that the Double Eagle claim presents a somewhat simple problem, we do not believe that there would be any prejudice attached to your cancelling the Bear and Float contract. If this is your desire, please sign the enclosed termination forms, retain one for your files and return the rest to us for distribution.

The Field Team believes that a small exploration program entailing 50 feet of sinking, 100 feet of drifting and some short diamond drill or churn drill holes can be justified on the Double Eagle property. If this program is successful another more extensive program could then be considered. Mr. Quinlan of the U. S. Geological Survey will attempt to contact you at Philipsburg before November 1, 1952, in order to work out details of such a program.

By Field Team, Region II

A. E. Weissenborn, Executive Officer
U. S. Geological Survey
So. 157 Howard Street

M. E. Volin, Member - U. S. Bureau of Mines
1201 N. Division

cc: DMEA, Wash. (2)
USBM (2)
Quinlan

FILE COPY
SURNAME:

Selfridge

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

Yes

September 23, 1952

Memorandum

To: Administrator, DMEA

From: G. C. Selfridge

Subject: Inspection report
Docket No. DMA 315X - Tungsten
Double Eagle Tungsten Company
McLure & McLure
Bear & Float claims
Granite County, Montana
Contract No. Idm-E-114

The site of an inclined caved shaft was visited September 3 in company of Mr. J. J. Quinlan of the U. S. Geological Survey. Under the contract the Operator was to bulldoze the Onyx vein free of overburden and then sink an inclined shaft on the vein. He cleared a site in an area of vein float and then sunk a 65-foot, flatly inclined shaft in overburden. Operations were terminated in November 1951 and during the winter the shaft caved. About 20 feet of overburden is exposed by the cave. A nearby drill hole was cased 40 feet to reach bed rock. The adit site may be quite some distance from the projected trace of the vein at the surface. Field personnel have suggested that two diamond drill holes, aggregating 500 feet in length, be drilled near the caved shaft to determine the position of the vein at depth. The matter of finances was discussed in Spokane, pointing out that after the proposed drilling remaining funds would hardly cover the clearing of another shaft site and sinking of a shaft to a depth of 100 feet, a large part of which would be in overburden. The Company is involved in some internal dissension and short of funds. Mr. McLure, if he had a choice, would rather drop the Bear and Float project and proceed with a project on the west end of the Combination vein for which he has submitted an application. Drilling by John W. Cole on the Betsy Cook claim and rehabilitation by him of the Lewis shaft and the lower levels of the Combination Mine have been disappointing (Contract No. Idm-E-209). It was suggested to the Field Team that the programs be reviewed and the district reassessed, and subsequently that it be guided in its recommendations in the light of the results recently obtained in the area. While tungsten is present in seemingly scattered amounts, the narrowness of the veins practically precludes the possibility of finding significant tonnages of mineable ore.

George C. Selfridge

Chief, Iron and Ferro-Alloy Division

GCSelfridge:ls
9/23/52
Copy to: Docket
Admn. Read. File
G. C. Selfridge

FILE COPY
SURNAME:

C. O. Mittendorf

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

Defense Minerals Exploration Admn.
NX3923.970 Working Fund,
DMEA
Selfridge

STRAIGHT TELEGRAM

August 22, 1952

Mr. A. W. Weissenborn
Executive Officer, Region II
South 157 Howard Street
Spokane 8, Washington

Re: Double Eagle Tungsten Company - Docket No. DMA 315

Reserving decision on proposed amendment for drilling until Selfridge has discussed financial problems relating to contract with you.

C. O. Mittendorf (fw) J.N. 8-25-52

Acting Administrator
Defense Minerals Exploration
Administration

GCSelfridge'lm
8/22/52

cc: Admn. Reading File
Docket
R. W. Geehan, USBM
D. M. Lemmon, USGS
Field Team Reg. II
G. C. Selfridge
Audits

8/11/53
ltr.

8/22/52--We wired FT, reserving decision on proposed amendment for drilling until GCS has discussed financial problems relating to contract with FT.

Mr. Selfridge: 9/22/52

The McLure-~~Double Eagle~~ Tungsten contract was to expire 8/16/52. Note we are holding proposed amendment for processing and on 8/22 we wired Weissenborn that decision on proposed amendment for drilling was reserved until you had discussed financial problems with Region 2 on your trip. File attached for further processing of proposed amendment.

ls

Mr. Selfridge: 1-5-53

Re DMA 315 — Note — we are still holding Amend. #1. Since it will apparently never be processed, shall I now send original of the 8-11-52 ltr from F.T. to Adams for filing?

Hold amendment until contract is closed.

L S.

Termination notice rec'd & filed 1/22/53 ls

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

1201 North Division Street
Spokane 2, Washington
August 11, 1952

MEMORANDUM

To: Chairman, Operating Committee, DMEA

From: Field Team, Region II

Subject: Exploration Project Contract Idm-E114, Double Eagle Tungsten Company, Granite County, Montana, Docket No. DMEA 315 (tungsten)

Enclosed for consideration is a copy of a proposed amendment to the above captioned contract prepared to substitute diamond drilling for part of the sinking and drifting specified. Though the funds are not increased and the amendment could probably be executed in the field, it does change radically the manner in which the exploration is to be conducted. For that reason it is forwarded for the Administrator's approval.

As the need for such an amendment was discussed both in Mr. Weissenborn's letter of June 30, 1952, and in a routine inspection report of July 29, 1952, further justification will not be given unless requested. A copy of the foregoing inspection report is enclosed for your information.

Prompt action would be appreciated inasmuch as the season is rapidly drawing to a close and we are anxious to give the Operator an opportunity to resume work on the project.

By Field Team, Region II

Glenn C. Reed

Glenn C. Reed, for
M. E. Volin, Acting Exec. Off.

S. W. Hobbs

S. W. Hobbs,
Acting Member

cal
1-26-53

Copy retained

Enclosures

P.S. Enclosed also are two copies of a memo from Quinlan dated August 8, 1952 to which is attached a map of proposed diamond drill hole locations.

M. E. Volin, Member DMEA Field Team
Region II, Spokane, Washington

July 29, 1952

G. C. Reed, Mining Engineer

Routine inspection Contract Idm-E114, Bear and Float Claims, Granite County, Montana

L. Degenhart, Company Secretary, was interviewed on July 7, 1952, and W. R. McLure, President, was interviewed on July 18, 1952, both with respect to resumption of operations under the captioned contract.

The company officers meanwhile had come to a disagreement with result that Degenhart resigned effective July 22, 1952. Members of the group are unwilling to continue supplying funds, unless McLure arranges the company's internal affairs on a more equitable basis. It is doubted that McLure's personal finances are adequate to carry the exploration program forward alone.

In review, the contract specified location of a vein by mechanical trenching after which a small mine surface plan was to be built and the vein prospected by underground openings. Operations were started by bulldozer trenching of a suspected float area and continued to the limit of machine capacity. Altho quartz-bearing vein fragments were dug up the vein was not found. A combined compressor shed and shop was built, a stationary compressor installed and an air hoist set up for sinking, after which a portal cut was made and a flat incline shaft started.

Operations, recessed at the end of November, 1951, because of adverse weather and resulting access problems, have remained dormant to this date. Meanwhile, the 65-foot incline, entirely in overburden, has caved. During the interim McLure has devoted his time to opening up the North Granite prospect formerly proposed for exploration assistance by H. L. Maury of Butte, Montana. Also, during this period the Double Eagle Tungsten Co. presented a request for exploration assistance on the nearby Double Eagle claim.

Quinlan of the U. S. Geological Survey, after reviewing the situation, has recommended that two or three diamond drill holes be put down to probe the vein to determine its exact location in order to most effectively direct a new underground opening. This recommendation has been discussed with the company officers who agree that it presents probably the most logical plan of operation.

McLure advised me that he would immediately attempt to obtain the services of a drilling contractor. In this connection an appropriate contract amendment and a sketch map indicating the positions of the

recommended diamond drill holes are required.

In view of the foregoing, my recommendations are as follows:

1. The operator should be provided by the USGS with a sketch map indicating positions of the diamond drill holes.

2. The contract should be amended to permit diamond drilling.

3. The operator should be advised by the Field Team that drilling must be started not later than August 31, 1952. If drilling is not started by this date the contract should be terminated. No consideration should be given to the applicant's request for exploration assistance on the Double Eagle claim until such time as work under contract Idm-E114 either is progressing or concluded to the satisfaction of the Government.

G. C. Reed

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

So. 157 Howard Street
Spokane 4, Washington

August 8, 1952

Memorandum

To: S. Warren Hobbs, Acting Member, DMEA Field Team, Region II

From: J. J. Quinlan, Geologist, U. S. Geological Survey

Subject: Proposed Diamond Drill Hole Locations, Docket No. DMEA-315 Exploration Project Contract Idm-K114, Bear and Float Claims, Granite County, Montana (Tungsten)

In my routine inspection memorandum, Bear and Float Exploration Project, dated June 26, 1952, I recommended that two diamond drill holes be drilled in the vicinity of the DMEA shaft to determine the position, strike, and dip of the Onyx vein.

Attached is a sketch map showing the location of proposed Diamond Drill Hole No. 1 to intersect the Onyx vein. In accordance with the Bureau of Mines' request in Reed's memo of routine inspection dated 7-29-52, a copy of the map should be furnished the operator.

The Onyx vein is reported cut in USBM Diamond Drill Hole No. 13, 428 feet below the collar of the hole. This drill hole is 700 feet northwest of the shaft, and is the nearest point to the shaft where there is definite information regarding the vein. With the meager evidence available, it is difficult to project the vein to the shaft area. Assuming the Onyx vein to be approximately parallel to the Combination vein in the area, and using the outside limits of known strikes and dips along the Combination vein, proposed Drill Hole No. 1 should cut the Onyx vein at a point between 100 and 300 feet below the collar of the hole.

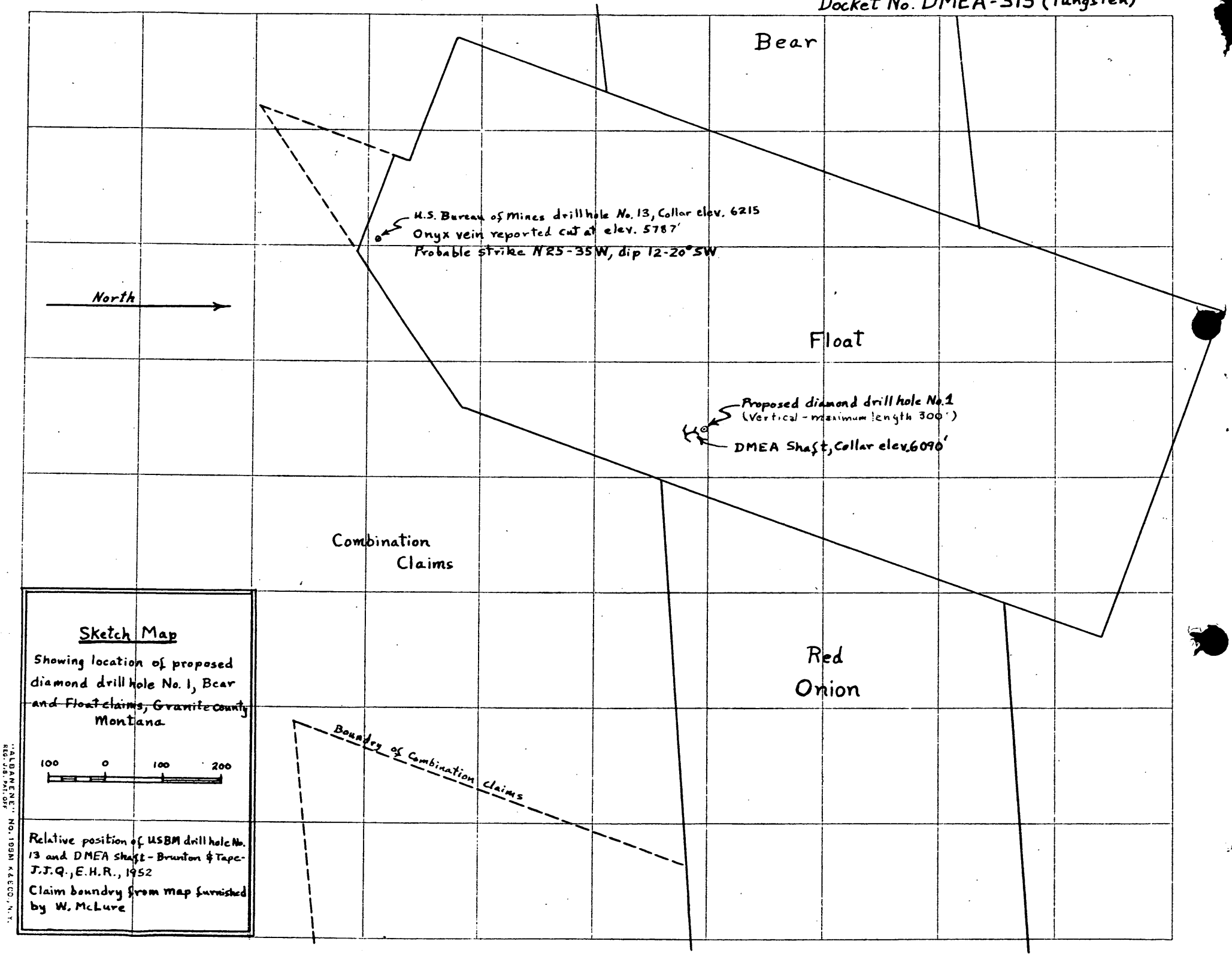
Upon completion of proposed Drill Hole No. 1, a second drill hole should be drilled west of the shaft. Location of this drill hole should be deferred until proposed Drill Hole No. 1 is completed, so as to take advantage of information gained.

The total length of these two holes should not exceed 500 feet.

Enclosure
cc: USBM (2)
DMEA (2)
J.J. Quinlan

J. J. Quinlan
Geologist

Docket No. DMEA-315 (Tungsten)



Sketch Map

Showing location of proposed diamond drill hole No. 1, Bear and Float claims, Granite County Montana

Relative position of USBM drill hole No. 13 and DMEA shaft - Brunton & Tape - J.J.Q., E.H.R., 1952

Claim boundry from map furnished by W. McLure

"ALBANENE" NO. 1984N K&E CO., N.Y. REG. U.S. PAT. OFF.

M. E. Velin, Member DMEA Field Team
Region II, Spokane, Washington

July 29, 1952

G. C. Reed, Mining Engineer

Dmea - 315

Routine inspection Contract Idm-4114, Bear and Float Claims, Granite County, Montana

L. Degenhart, Company Secretary, was interviewed on July 7, 1952, and W. R. McLure, President, was interviewed on July 18, 1952, both with respect to resumption of operations under the captioned contract.

The company officers meanwhile had come to a disagreement with result that Degenhart resigned effective July 22, 1952. Members of the group are unwilling to continue supplying funds, unless McLure arranges the company's internal affairs on a more equitable basis. It is doubted that McLure's personal finances are adequate to carry the exploration program forward alone.

In review, the contract specified location of a vein by mechanical trenching after which a small mine surface plan was to be built and the vein prospected by underground openings. Operations were started by bulldozer trenching of a suspected float area and continued to the limit of machine capacity. Althe quartz-bearing vein fragments were dug up the vein was not found. A combined compressor shed and shop was built, a stationary compressor installed and an air hoist set up for sinking, after which a portal cut was made and a flat incline shaft started.

Operations, recessed at the end of November, 1951, because of adverse weather and resulting access problems, have remained dormant to this date. Meanwhile, the 65-foot incline, entirely in overburden, has caved. During the interim McLure has devoted his time to opening up the North Granite prospect formerly proposed for exploration assistance by H. L. Maury of Butte, Montana. Also, during this period the Double Eagle Tungsten Co. presented a request for exploration assistance on the nearby Double Eagle claim.

Quinlan of the U. S. Geological Survey, after reviewing the situation, has recommended that two or three diamond drill holes be put down to probe the vein to determine its exact location in order to most effectively direct a new underground opening. This recommendation has been discussed with the company officers who agree that it presents probably the most logical plan of operation.

McLure advised me that he would immediately attempt to obtain the services of a drilling contractor. In this connection an appropriate contract amendment and a sketch map indicating the positions of the

recommended diamond drill holes are required.

In view of the foregoing, my recommendations are as follows:

1. The operator should be provided by the USGS with a sketch map indicating positions of the diamond drill holes.

2. The contract should be amended to permit diamond drilling.

3. The operator should be advised by the Field Team that drilling must be started not later than August 31, 1952. If drilling is not started by this date the contract should be terminated. No consideration should be given to the applicant's request for exploration assistance on the Double Eagle claim until such time as work under contract Ida-2114 either is progressing or concluded to the satisfaction of the Government.

G. C. Reed

CC: S.M.Shelton
2- USGS
2- Washington
1- DMEA

FILE COPY
SURNAME:

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

C O P Y

(Stamped)
July 17, 1952

Orig. incoming ltr. in Dmea 747

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

Re: Kelly Camp, 747)
1466 Addy Mining Company and) (Tungsten)
McLure contracts 315)

Dear Mr. Weissenborn:

This will acknowledge receipt of your covering letter of June 26,1952, and your enclosed letters with Field Team memoranda replying to our various letters commenting on operations under the Kelly Camp, Addy Mining Company and McLure contracts.

We regret that you have misinterpreted our reasons for sending you copies of the review reports prepared by the Commodity Divisions of DMEA. They are prepared for the information of the Administrator; but we thought they might be helpful to you so sent them for your information and comments. They are not being sent to you for the purpose of criticising the Field Team; but to furnish you with analyses of project operations, indicating both favorable and unfavorable aspects, and showing the progress of operations over a period of time. We believe that you and your staff do not have the time to prepare such analyses, although you may be completely aware of all the aspects of the operations. It was our thought that these review reports would be helpful in correcting any unfavorable features of the projects as well as in avoiding their occurrence in operations under future contracts. We also thought your comments on these reviews would be enlightening to this office.

We realize that your office and the Field Team have been overloaded with work and hope that funds will be made available in this fiscal year so that you can employ additional help. Some projects probably cannot be inspected as frequently as they should until the work-load lightens, or additional help is employed. No doubt, inspections are arranged so that projects which are being operated efficiently and have no problems arising from time to time are not visited as frequently as those that are having difficulties. This office, however, has not been kept as fully aware of project operations as it should be. This can be helped to a great extent, without adding to the work-load, by furnishing us with copies of all inspection reports as soon as they are prepared.

C O P Y

C C
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Y

DMEA has the responsibility for the Exploration Program and is called upon from time to time to furnish detailed reports and statistics on overall project operations, as well as on individual cases, to Congressional Committees, the Bureau of Budget, General Accounting Office, Defense Materials Procurement Agency, the Secretary's Office, and others. Hence, it must be fully cognizant of project operations in all respects.

We are very glad to know that you were aware of almost all of the points raised in our four letters and have either solved them or are attempting to work out a reasonable solution. We also appreciate receiving your comments thereon. You, no doubt, will agree with us that operations which are being run inefficiently should not be permitted to do so indefinitely, and if the conditions are not corrected within a reasonable period of time, these projects should be terminated. We have written you in reply to your letter of June 27, regarding the Kelly Camp project; but do not believe that your letters on the other projects covered by your letter of June 27, require individual replies.

We hope that you will receive our letters and the review reports, in the spirit, and for the purpose, they are written; that is, not to find fault with your office but to aid the Field Team and this office in the administration of contracts. We have complete confidence in the Field Officers and Field Teams. Our requests for information and review reports should not be interpreted that we lack confidence or do not appreciate the fine work that is being done in the field. By keeping us advised as currently as possible, however, we feel that very little misunderstanding will arise between the Washington office and the Field.

Sincerely yours,

/s/ George C. Selfridge

Acting Chairman, Operating Committee

APPROVED:

/s/ J. H. Hedges
Member, Bureau of Mines

/s/ T. P. Thayer
Member, Geological Survey

FEJohnson/bih 7/15/52
cc to; Mails & Files
Admr's Reading File
Operating committee
Region II
Messrs. Thayer R-5216 GSA Bldg.
Hedges R-4604
Selfridge
FEJohnson

C
O
P
Y

C O P Y

DOUBLE EAGLE TUNGSTEN COMPANY

PHILIPSBURG, MONTANA

July 6, 1952

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

Re: Docket No. DMEA-315
Double Eagle Tungsten Company
Bear and Float Claims
Granite County, Montana
Contract No. Idm-E114

Dear Mr. Mittendorf:

Your letter of June 23 received with enclosed forms.

I will fill out the forms and forward them to the Field Team in Spokane, Washington. Everything we ask for in these forms will be substantiated by documentary proof in our books, either in the form of cancelled checks, receipted bills, or stock certificate stubs. But it will be impossible for us to attach this proof to these forms.

Our books will be open for inspection by the Government in the office of Judge R. E. McHugh in Anaconda, Montana, at any time I am given three days notice in advance, and the Government may establish this proof for themselves.

Hoping this will be satisfactory, I remain,

Sincerely yours,

/s/ William R. McLure

William R. McLure, Pres.
Double Eagle Tungsten Company

cc. Senator Mike Mansfield
cc. Senator James E. Murray

(Penned postscript added:)
I enclose copy of a letter I received from the Executive Officer of Field Team II. This answers paragraph 4 of your letter
/s/ W.D.McLure

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

July 2, 1952

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

Subject: DMA-315X, Tungsten
McLure and McLure
Consent to Assignment

Dear Sir:

Enclosed are three copies of the Consent to Assignment. The cut-off date has been inserted.

Sincerely yours,

K H Gray
Kathryn Gray
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures

SLS 7-14-52

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
JUL 2 - 1952

So. 157 Howard Street
Spokane 4, Washington

June 30, 1952

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMA-315X - Tungsten
William R. McLure
Bear & Float Claims
Granite County, Montana
Exploration Project Contract Idm-E114

Dear Mr. Johnson:

This is in reply to the summary made by the Iron and Ferro-Alloy Division on the subject contract. A copy of the summary was transmitted to this office with your letter of June 12, 1952, requesting that we take whatever action seemed necessary.

Item (1) of the summary states that the contract allows for only two miners and a supervisor. This is erroneous. As we read it, the contract does not stipulate the number of miners who may be employed at a given time, but only limits the total number of shifts for all miners employed to 300 shifts. For the above reason it does not appear necessary to amend the contract because the operator used four men in the fulfillment of the contract.

Items (2), (3), and (4) of the summary discuss stoppage of the work because of winter weather, time, funds remaining to complete the project, and technical aspects of the project. The Field Team is fully cognizant of the points raised in the summary. However, we would like to point out several factors which will necessitate changing the program.

Owing to the limited field personnel, only one routine inspection of the exploration project was made prior to the stoppage of work last fall. This inspection was made by G. C. Reed, Bureau of Mines, near the start of the project. A second inspection was scheduled in the late fall but before this could be made early snows rendered the area inaccessible until spring. Arrangements were made to inspect the project before the start of work in the spring.

James Quinlan, geologist, Geological Survey, inspected the area on May 27, 1952 immediately after the road was open. He found that the operator had been premature in starting his shaft and was still in overburden. He also found that part of the shaft had caved during the winter. A traverse was run from the Bureau of Mines drill hole to the shaft collar and a section indicates that the shaft is above the Onyx vein. However, the outcrop is covered and as the distance between the drill hole and shaft is around seven hundred feet and as the dip of the vein is not certain the projection cannot be relied upon. It has, therefore, been recommended to the operator that he drill two shallow drill holes, which with the existing Bureau of Mines drill hole should determine accurately the dip and strike of the vein and permit selection of an appropriate shaft site.

The operator, who has been conducting mine exploration all his life, should have continued bulldozing until he was sure he was in bedrock and should have notified us before starting his shaft. Unfortunately he did not and went off half-cocked. Had we been able to inspect the project we could have avoided some lost motion but with 95 or so projects it is obviously impossible for us to be everywhere at once.

We are faced with the alternative of abandoning the project at a dead loss or of jumping in and trying to salvage something by trying to get him to the vein. We have chosen the latter course, hoping that McLure, the operator, will have profited by his experience.

Mr. McLure is considered to be a competent small operator. However, this is an excellent example of what can happen to a relatively simple exploration project when the operator does not fully appreciate the geologic problems involved. We find this to be the case with many small operators. Also, it illustrates the need for enough personnel to keep a close check on the progress of work under the contract.

Sincerely yours,

A. E. Weissenborn

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

cc: USBM
Dwight Lemmon

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

JUL 2 - 1952

June 26, 1952

Memorandum

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

From: J. J. Quinlan, Geologist, USGS

Subject: Routine Inspection, Docket No. DMEA 315 (Tungsten), McLure and McLure (Double Eagle Tungsten Co.), Bear and Float Claims, Exploration Project Contract Idm-E114, Granite County, Montana.

A routine field inspection of Exploration Project Idm-E114, Bear and Float claims, Granite County, Montana, was made May 27, 1952.

Owing to the limited field personnel, only one routine inspection of this project was made last fall. This inspection was made by G. C. Reed, USBM, at the start of the project.

The Operator's monthly reports indicated the program was being carried on as outlined in the contract. However, several days before winter set in, the Operator reported that the shaft had been sunk 65 feet and was still in overburden. Arrangements were made to have a geologist inspect the project, but before this inspection could be made, winter weather made the property inaccessible. The Operator was advised not to start work in the spring until a geologist had an opportunity to inspect the work completed under the project.

At the time of my inspection, the shaft was caved at the collar. The timber at the collar shows the direction of the shaft to be N. 71° W. and that it is sunk on an incline of 18°.

Little is known about the Onyx vein in the vicinity of the shaft. The project was approved on the strength of tungsten float found in the vicinity of the shaft, coupled with the proven persistency of the Onyx vein structure from diamond drill data. The DMA field examiners recognized the deep overburden in the area and allowed 96 hours of bulldozing to uncover the vein and prepare a suitable shaft collar site. The Operator used only approximately half the funds available for bulldozing. It seemed the Operator made a very feeble attempt to uncover the vein, most of the funds being used to prepare an ideal collar site.

The Onyx vein is reported cut in USBM Diamond Drill Hole No. 13, which is 700 feet northwest of the shaft. This is the nearest point to the shaft, where there is definite information regarding the vein. Assuming the vein to be parallel to the Combination vein in this area, the shaft appears to be approximately 100 feet in the hanging wall of the vein. This projection could be considerably in error.

It is recommended that two short diamond drill holes be drilled in the vicinity of the shaft; with information from USBM Diamond Drill Hole No. 13, a reliable position, strike, and dip of the vein can be calculated, materially aiding future underground exploration.

J. J. Quinlan

cc: USBM
DMEA (4)
USGS (SRO)

16,382.00
6231.90

10,150.10
3500

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just about sink
stuff?

140

FILE COPY
SURNAME:

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

Hoffmund
Gilbert
Lefridge
Johnson

JUN 19 1952

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 8, Washington

Subject: William R. McLure and
Charles B. McLure,
DMA-315X, Idm-E-114

Dear Mr. Weissenborn:

Reference is made to your letter to the Chairman of the Operating Committee dated April 16 and the enclosures therein mentioned.

Attached is the Consent of the Government to the assignment of the subject contract to Double Eagle Tungsten Company.

Your letter did not indicate what should be the cut-off date as between Assignor and Assignee. I do not know whether there are any claims or vouchers for the Government's contribution now pending. You are authorized and directed to fill in the cut-off date as of any time between March 24, 1952, and the date of delivery to the Assignor and Assignee, as may be suitable.

Very truly yours,

C. O. Mittendorf

6/19/52

Acting Administrator

Enclosures 6

JLHofflund/em

Copy to: Mails and Files
J. L. Chambers
F. Johnson
~~Acting~~ Administrator's Reading File
C. O. Mittendorf
chron

P. S. After insertion of the cut-off date, please return three copies to this office for distribution.

DMA 315, E 114

Assignment to Double Eagle Tungsten Co., Philipsburg, Granite County, Montana of Wm. R. McLure and Chas. B. McLure.

Weissenborn sent in letter of 4/16/52 making assignment request. GCS ~~draftx~~x~~xxxxxx~~ surnamed Hofflund's letter to Weissenborn approving the assignment but saying Weissenborn must indicate the cut-off date as between Assignor and Assignee (any time between 3/24/52 and date of delivery to assignor and assignee may be suitable.)

400 FILE COPY
SURNAME:

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

Selfridge
Mitt

JUN 12 1952

Mr. A. E. Weissenborn
Executive Officer, DMEA Region II
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMA 315X - Tungsten
William R. McLure
Bear and Float Claims
Granite County, Montana
Exploration Proj. Contract Idm-E114

Dear Mr. Weissenborn:

Attached hereto is a copy of a summary made by the Iron and Ferro-Alloy Division on the subject contract. Please note the contents and take whatever action seems necessary.

Sincerely yours,

(Signed) FRANK E. JOHNSON (JHB)

Chairman, Operating Committee
Defense Minerals Exploration
Administration

J.N. 6-12-52

Enclosure

Approved:

J. H. Hedges

Member, Bureau of Mines (JHB)

D. M. Lemmon

Member, Geological Survey (JHB)

GCSelfridge:ls 6/9/52

Copy to: Docket
Admn. Reading File
G. C. Selfridge
Operating Committee

Sel

FILE COPY
SURNAME:

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

Acting Administrator, DMEA

June 9, 1953

Selfridge

Iron and Ferro-Alloy Division

Analysis of Exploration Project Contract
Docket No. DMA 315X - Tungsten
William R. McLure
Bear and Float Claims
Granite County, Montana
Contract No. Idm-E114

The subject contract in the amount of $16,382.00 provided for sinking a 100-foot 18-degree incline shaft at approximately $60.00 per foot and driving 200 feet of level at the bottom of the shaft at an approximate cost of $38.00 a foot (In "Summary of Cost" the drift cost is also noted as $43.51 per foot).

During the review of the monthly reports the following were noted, to which the Division has added its comments or suggestions:

(1) Work to date has been carried on by three men and a supervisor. The contract allowed for only two miners and a supervisor. It would appear that two miners and a working supervisor should have been sufficient to sink the shaft since it is flat enough that a person can walk up and down it. If the fourth person was necessary, the position should be covered by an amendment to the contract.

(2) Because of winter weather the work was recessed at the end of November. The contract still has four operating months to run, which should be sufficient time to sink the remaining part of the shaft and drive the drifts.

(3) There are just about enough funds remaining to sink the last 35 feet of the shaft and drive the 200 feet of drift if the latter cost does not exceed $38.00 per foot.

(4) The bottom of the shaft is still in overburden but considerable quantities of scheelite are reported present in the soil and the Operator believes that he is close to the vein. Since the depth of overburden is greater than originally thought, it may be well to consider sinking the shaft deeper before driving the drifts because of the small amount of back which would be developed by driving at a depth of 100 feet on the incline. However, deeper sinking should depend upon what is found in the vein where exposed by the shaft.

GCSelfridge:ls
CC: Docket
Admn. Reading File
G. C. Selfridge

G. C. Selfridge, Chief
Iron and Ferro-Alloy Division

STANDARD FORM NO. 64

400

Office Memorandum • UNITED STATES GOVERNMENT

TO : G. C. Selfridge, Chief, Iron and Ferro-Alloy Division, DMEA

DATE: May 28, 1952

FROM : F. A. Rutledge

SUBJECT : Analysis of project progress
Exploration Project Contract No. Idm-E114
Docket No. DMA 315X - Tungsten
William R. McLure
Bear and Float Claims
Black Pine Mining District
Granite County, Montana

Exploration on the Onyx vein on the Bear and Float claim was set up to consist of a bulldozer cut to the vein at the best location based on the quantity of float. A 100-foot incline at approximately 18 degrees and 200 feet of drift composed the underground exploration.

At the end of November when the project was recessed because of the weather, the incline was down 65 feet still in overburden and 38 percent of the funds had been spent. This included the cost of road building, bulldozing, and rehabilitation which was $3,038.25.

Three men and a supervisor have been charged to the underground work. Rate per man shift and per shift have averaged 0.47 and 1.83 respectively. Average cost per foot for sinking the incline was $49.13 per foot. This is much lower than the estimated $60.00 a foot but the fact the slope is still in the overburden must be considered.

It is questioned if the incline should not be extended further than the original 100 feet to insure it having some appreciable back before or if drifts are driven.

F. A. Rutledge

F. A. Rutledge

315

MONTANA

GRANITE COUNTY

February 1, 1952

W. R. McLure and D. D. McLure, Idm-Ell4, Tungsten

75-25 of $16,382.00

One year

The main work to be done includes a 100 foot incline shaft on the Onyx vein and 200 feet of drifting off the shaft.

The incline was down 65 feet at the end of November when operations were suspended until spring. Considerable quantities of scheelite were present in the soil and the operator believes he is close to the vein. The unexpected depth of the overburden caused difficulties and caused the operator to vary somewhat from his original plan.

William R. McLure
DMA 315X - Tungsten

Rehabilitation

Month	Wages	Equipment	Supplies	Other	Total
Sept	$1138.00	—	—	$285.25	$1423.25
Oct	700.00	—	—	75.00	775.00
	$1838.00			360.25	2,198.25

Road building & excavating cut to vein

Sept.				840.00	840.00

Total: Rehab. & road building $3,038.25

Incline

Oct.	530.25	345.00	427.50	—	1302.75
Nov.	1303.50	349.20	163.25	75.00	1890.95

6231.25

William R. McLaue
DMA 315 X- Tungsten

Rate of Progress

Month	Advance feet	Man shifts	Shifts	Advance per Man shift	Advance per Shift	Advance feet	Man shifts	Shifts	Advance per Man shift	Advance per Shift
Sept.	18	50.0	12.5	0.36	1.44	—	—	—	—	—
Oct.	47 65	89.5	23	0.52	2.04	—	—	—	—	—

Project DMA 315 X - Tungsten, William R. McLure, Bear & Float claims; Block Pine Mining District, Granite Co., Montana.

Contract Idm.- E 114 : Total contract $16,382.00 (Government participation 75% - $12,286.50)

Scheduled exploration

100-foot inclined shaft @ $60.00 a foot	$6,000.00
200-foot drift @ $43.51 a foot	8,702.00
116 hr. Bulldozer work	1,680.00

Date of contract August 16, 1951 Time Limit 12 months

Monthly Progress

Month	Incline Advance feet	Incline Cost	Incline Cost per foot	Incline Cost per ft. to date	Drift Advance feet	Drift Cost	Drift Cost per foot	Drift Cost per ft. to date	Percent of Work Completed Incline	Percent of Work Completed Drift	Percent of Time Consumed	Percent of Funds Consumed
Oct.	18	1302.75	72.38	72.38	—	—	—	—	18	0	8.3	26.5
Nov.	47.05	1890.95	40.23	49.13	—	—	—	—	65	0	16.7	38.0
Recessed												

COPY

BRIEF REPORT FOR MONTH OF NOVEMBER, 1951

Advanced incline 47 feet, making a total depth of 65 feet.

Due to the unusual amount of snow at the elevation of the mine, making the roads impassible, we are forced to suspend operations as of November 30, 1951, until spring.

By /s/ William R. Mc Lure
William R. McLure

TELEGRAM
Official Business - Government Rates

From: Spokane, Washington
Bureau: Mines

William R. McLure
Philipsburg, Montana

November 27, 1951 Tuesday

Nov 29

QUINLAN OF GEOLOGICAL SURVEY WILL MEET YOU AT PHILIPSBURG THURSDAY MORNING TO EXAMINE EXPLORATION PROJECT.

Glenn C. Reed

WESTERN UNION 1951 Nov. 28 Wednesday AM 10 39

SKF025 PD - PHILIPSBURG MONT 28 1050A -
GLENN C. REED
BUREAU OF MINES 1201 NORTH DIVISION ST.

(Nov 29 Thursday)

WEATHER CONDITION MAKES IT IMPOSSIBLE TO MAKE EXAMINATION TOMORROW

WILLIAM R. MC LURE

1201 N. Division St.
Spokane 2, Wash.
November 28, 1951

Mr. William R. McLure
Philipsburg, Montana

Dear Bill:

Reference is made to your telegram concerning inclement weather in the Philipsburg area. I have informed Quinlan who, accordingly, will defer action pending further word from you.

It is suggested that you inform Weissenborn of the Geological Survey directly, either by wire or telephone, when weather conditions again are suited to field examination work.

Sincerely yours,

Glenn C. Reed
Mining Engineer

cc: USGS, Spokane
S. M. Shelton
DMA
DF

400

FILE COPY
SURNAME:

Ellis
Olund

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

AUG 17 1951 a. E. C.

AIR MAIL

Mr. A. E. Weissenborn
Executive Officer, Region II
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMA-315X, Tungsten
Exploration Project Contract
Idm-F114
W. R. McLure and C. D. McLure

Dear Mr. Weissenborn:

Enclosed for the use of your office is a copy of the contract covering the subject exploration project, which has been signed for W. R. McLure and C. D. McLure and for the Defense Minerals Administration.

A copy for the Regional Finance Officer will be forwarded directly by the Washington Finance Division.

Sincerely yours,

C. O. Mittendorf (J.H.)

C. O. Mittendorf, Director
Production Expansion Division

Enclosure-1
EWEllis/jem
8-16-61
cc to: Adm. Reading File
Reports & Records
Messrs. Mittendorf-Olund
Lyon
Holderer
Geehan
Thayer
Ellis
A. E. Weissenborn, Region II
Docket

FILE COPY
SURNAME:

Ellis
Olund

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

AUG 17 1951

G.E.C.

Mr. Frank McAtee, Jr.
Contract Service Section
General Accounting Office
Washington 25, D.C.

Re: Docket No. DMA-315X, Tungsten
Exploration Project Contract
Idm-Ella
N. R. Melure and C. L. Melure

Dear Mr. McAtee:

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

BJ 8/17

C. O. Mittendorf, Director
Production Expansion Division

Enclosure-1

EWEllis/jem
8-16-51

cc to: Adm. Reading File
Reports & Records
Messrs. Mittendorf-Olund
Holderer
Geehan
Thayer
Ellis
Docket

FILE COPY 400
SURNAME:

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

AUG 17 1951

AIR MAIL

Mr. William R. McLure
Philipsburg, Montana

Re: Docket No. DMA-315X, Tungsten

Dear Mr. McLure:

Enclosed find executed Exploration Project Contract No. Idm-R114 dated August 16, 1951, with attached Exhibit and map; also a set of monthly Progress Reports (MF-104). This report is to be submitted monthly in quadruplicate to the DMA field representative in your area where additional copies may be obtained.

Any questions appertaining to this project should be referred to Mr. A. E. Weissenborn, Executive Director, DMA Field Team, Region II, South 157 Howard Street, Spokane 8, Washington. Please notify Mr. Weissenborn when you begin work on this project.

A press release dated May 14, 1951, on "Questions and Answers on the Minerals Exploration Program" is also enclosed for your information.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

Enclosures-7
EWEllis/jem
8-16-51

cc to: Adm. Reading File
Reports & Records
Messrs. Mittendorf-Dlund
Lyon
Holderer
Geehan
Thayer
Ellis
A.E.Weissenborn, Reg. II
Contract Service Section, GAO
Docket

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

August 15, 1951

4070

Memorandum

To: Director, Production Expansion Division

From: General Counsel

Subject: William R. McLure and Charles D. McLure exploration contract -- Docket No. DMA-315X

The contract in the subject case is approved as to form and legality subject to execution by the Government, and the correction of a mistake in Exhibit "A". In the listing of operating equipment to be rented, there is an item of $510 for one Drifter for 6 months at $55. The mistake in this item should be stricken out, and the correct figures inserted.

The contract should be dated upon delivery to the operators.

Your file is returned herewith.

J. L. Hofflund
General Counsel

Attachment

Mr. Ellis

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 4, Washington

August 8, 1951

Through: Landon F. Strobel

Memorandum

To: C. O. Mittendorf, Director, Production Expansion Division

From: A. E. Weissenborn

Subject: Resubmittal of Exploration Project Contracts and Exhibits by Charles D. McLure and William R. McLure, DMA Docket 315X

On July 31 you forwarded to Mr. William R. McLure a request that he fill out six new copies of form MF-200, and that he also submit copies of his proposed work contract concerning the proposed exploration project.

This office received six signed copies of form MF-200 from McLure on August 6, together with a letter stating that he, McLure, did not understand your definition of work contract, and that inasmuch as he did not have copies of the exhibits to accompany the contract, would we please supply these exhibits for him.

After perusing the contracts, and our copy of the exhibits, we decided that the work contract applied to the proposed bulldozing program, which initially was referred to as work to be done by contract. Although we were unable to contact McLure for verification, we concluded that McLure, in all probability, had only a verbal contract with the bulldozer operator in question and thus it would be difficult for him to furnish a copy of the desired contract. Furthermore, it is entirely possible that McLure is awaiting signature of the proposed exploration contract with DMA before he definitely enters into a work contract with the bulldozer operator.

The Field Team wonders if it wouldn't be possible to arrange the pending bulldozer work contract between McLure and the bulldozer operator following signature of the Exploration Project Contract. At that time the lesser points on the work contract could be worked out in more detail. It is quite probable that some phases of the proposed bulldozer program would have to be changed which would, of course, affect the work contract.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 13 1951

This office has checked the enclosed contracts and exhibits and finds them correct to the best of our knowledge.

Very truly yours,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosure

cc: L. F. Strobel

FILE COPY
SURNAME:

Ellis / Olund / Mittendorf

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

July 31, 1951

AIR MAIL

W. E. C.

Mr. William R. McLure
P. O. Box 5
Phillipsburg, Montana

Re: William R. McLure and
Chas. D. McLure
Docket No. DMA-315X

Dear Mr. McLure:

We have this date received six signed copies of the above contract from the Executive Officer DMA Field Team, Region II. Since there are a number of errors in the contract necessitating the contract be done over again and further-more, since some of the work is to be done under a work contract but no such work contract is submitted we are again asking you to fill out the enclosed six forms MF-200 and submit them through the Spokane Office for checking. Also, submit copies of your proposed work contract along with the six copies of form MF-200.

Kindly note that you do not enter the date on the Project Contract. The date will be typed in when signed in Washington, D.C. by the proper government official. Type the name of the state and county in their proper places. Type in the proper land location of the claims. If Par. 2 (b) does not apply strike it out. Exhibit "D" shows miners at $18.00 per shift - 300 shifts equaling "$4500". Should the amount be $5400 or is the number of shifts wrong?

Please be assured we are trying to expedite your project contract but because of mistakes in the proper filling out of the form, delay is inevitable.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

Enclosures
EWEllis/jem
cc to: Adm. Reading File
Mittendorf-Olund
Weissenborn, Region II
Lyon
Holderer
Thayer
Geehan
Ellis
Reports & Records
Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

July 26, 1951

Through: L. F. Strobel

Memorandum

To: Production Expansion Department, DMA
Attention: Cap Ellis

From: Field Team, Region II

Subject: DMA Docket 315
Bear and Float Claim
Granite County, Montana

In accordance with our telephone conversation of Monday, July 23, this office forwarded to Mr. William R. McLure six copies of Form MF-200 for signature. Mr. McLure has returned these forms and we have added to the forms copies of the exhibits which we had in our files.

We do not, however, have copies of the sketch map of the property, thus you will have to obtain copies of this map from your files as was discussed in our telephone conversation.

Hoping this action meets with your approval.

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

cc: L. F. Strobel

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 26 1951
LANDON F. STROBEL
Executive Secretary

DMA-315

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

June 28, 1951

Through: Landon F. Strobel
Executive Secretary, DMA

MEMORANDUM

To: P. R. Bradley, Chairman
Tungsten Commodity Committee

From: Field Team, Region II

Subject: DMA Docket 315, Bear and Float Claims
Granite County, Montana

Enclosed are four copies of our examination team report on the Bear and Float claims, Granite County, Montana, and six unsigned copies of an Exploration Project Contract on that property. Please note there are also six signed copies of the Exploration Project Contract included; however, they are not attached to the exhibits inasmuch as we found at the last moment that Mr. McLure's name is spelled incorrectly on these contracts. Consequently we retyped new contracts and are sending them unsigned. We suggest that McLure either sign the new contracts later or that the name be changed on the original contracts and initialed by McLure later. We regret this error, but as Mr. McLure himself did not catch it, we don't feel too badly.

ON-SITE RPT.

The field team was doubtful of the proposal as originally made by the applicant. The present proposal has been revised after a field examination and is recommended by the field team.

by Field Team, Region II

A. E. Weissenborn

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

M E Volin

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

Enclosures

cc: L. F. Strobel
M. E. Volin
U. S. B. M., Albany

DMA Examining Team Report on Bear and Float Claims
(DMA Docket No. 315 X Tungsten

By

M. R. Klepper, U.S. G. S.
R. N. Roby, U. S. B. M.

RECOMMENDATIONS

The field team recommends that an exploration loan in the amount of $16,382 be granted the applicant to expose the Onyx vein on the Bear and Float claims, with 75 percent, or $12,286.50, to be provided by the Government, and 25 percent, or $4,095.50, to be provided by the applicant.

LOCATION

The Bear and Float claims adjoin the property of the Combination mine on the southeast; they are 11 miles by road northeast of Philipsburg, Granite County, Mont.

OWNERSHIP

The two unpatented Bear and Float claims are owned by William R. McLure, Philipsburg, Mont.

HISTORY

No production has been made from the Onyx vein but its existence has been indicated below the Combination vein in a number of drill holes from the Combination workings and in four holes drilled by the Bureau of Mines in 1948. The Onyx vein was only weakly mineralized where cut by the Bureau holes.

DESCRIPTION OF THE PROPOSAL

The applicant proposes to explore the Onyx vein by bulldozing in the area of heaviest vein float and then to sink an incline on the vein 100 feet. From the bottom of the 100 foot incline a level will be driven 100 feet in each direction along the vein. The outcrop of the vein at the proposed site of the adit is covered by surface debris. Mixed with the debris is an unusual amount of mineralized quartz containing hubnerite crystals.

TECHNICAL FEASIBILITY

Geologic Setting

The evidence suggesting the existence of a parallel vein, known as the Onyx, about 650 feet beneath the Combination vein consists of eight drill holes and sporadic vein float found on covered slopes east and north of the outcrop of the Combination vein. Vein float, some of which contains hubnerite and secondary copper minerals, was seen by the examination team at a number of localities along heavily wooded slopes east and north of the outcrops of the productive part of the Combination vein. The known occurrences of float, some of which have been test-pitted without encountering bedrock, occur for a length of at least 2000 feet, more or less on a contour down slope from the Combination vein suggesting the probability that the source is one or more gently dipping veins beneath the Combination vein. The continuity of the vein or veins could not readily be demonstrated by surface excavations due to excessive depth of overburden on these heavily wooded slopes.

Three underground drill holes, one drilled prior to 1900 and two drilled in 1936, intersected a silver-bearing vein at depths of 640, 663, and 689 feet beneath the Combination vein. In the first of these holes 5 feet of vein averaged 13.5 ounces of silver, in the second 5 feet averaged 6.25 ounces of silver, and in the third 10 feet averaged 10.5 ounces of silver and 0.75 percent copper. No copper assay was made of samples from the first two holes, and no tungsten assay was made on any sample. A surface hole drilled northwest of the Combination workings is reported to have intersected 5 feet of ore that assayed 7.4 ounces of silver. The position of this vein appears to be about 100 feet too high for the projected position of the Onyx vein. In 1948 three holes were drilled by the U. S. Bureau of Mines to intersect the Onyx vein near its outcrop. Quartz veinlets were intersected by all three of these holes near the projected position of the Onyx vein. A fourth hole intersected 3 feet of massive pyrite at approximately the projected position of the Onyx vein.

The sum of this evidence, though inconclusive, strongly suggests that the Onyx vein is a persistent feature for a strike length of at least 2000 feet and a dip continuity of at least 4000 feet. Both the holes and the float indicate that the vein contains low-grade silver and copper mineralization at least locally, and the float indicates that significant hubnerite is present in places.

The evidence, though by no means conclusive, suggests that a limited exploratory program might be justified and that the work should

be done in the area of greatest concentration of tungsten-bearing float. Exposure of the vein at a number of localities by bulldozing to determine thickness and grade at the outcrop is considered to be impractical because of the depth of overburden, which probably exceeds 10 feet in most places and locally may exceed 15 feet. Driving a crosscut adit to the vein and drifting thereon would also probably be unsatisfactory because of the considerable distance through overburden and wallrock that such a crosscut would have to be driven to obtain any significant depth beneath the outcrop of the vein. For example, a crosscut adit 400 feet long would attain a depth of about 75 feet beneath the surface or about 55 to 65 feet beneath the upper limit of vein in place.

The examination team believes that sinking an incline on the vein in the area of the greatest concentration of tungsten-bearing float would be the most feasible method of exploration. In order to sink on the vein, it will be necessary to excavate by bulldozer a trench of sufficient width, length, and depth to expose the vein in place and to prepare a suitable site for collaring a winze. In this excavation a winze should be sunk on the vein to a depth of approximately 100 feet and a level should be driven from the bottom of this incline for about 100 feet in each direction along the vein. Such a program would explore a block of vein containing about 8,000 tons, assuming a vein width of 5 feet.

RESERVES

No ore has been developed on the Onyx vein. The Bureau of Mines drilled the Combination vein, 600 to 700 feet above and approximately parallel to the Onyx vein. This work indicated 130,000 tons of ore in

two bodies. The weighted average metal content of this ore as indicated by drill-hole samples follows:

WO_3	0.42	percent
Cu	.86	do
Pb	.89	do
Au	.015	oz./ton
Ag	13.92	do

Mining Methods

The Onyx and Combination veins are in thin bedded sandstone and shales of the Spokane formation (Belt Series). These rocks have been altered locally to quartzite. The workings of the Combination vein have remained open for many years, the hanging wall being supported only by occasional pillars and by rock packs built of waste and low-grade ore.

The Onyx vein no doubt could be mined by open stope methods. Slushers would be required to move the ore in stopes because the vein dips only 10° to 30°.

EQUIPMENT

There is no equipment on the Bear and Float claims.

POWER

Electric power is available at the Sunrise mine, 3 miles northeast of the property.

TRANSPORTATION

The claims are 8 miles from the paved highway at Stone, Mont., in Flint Creek Valley. The altitude at the property is 6,200 feet; at Stone the altitude is 4,600 feet. Stone is on the Philipsburg branch of the Northern Pacific Railroad.

ADEQUACY OF THE FUNDS REQUESTED

The funds requested appear to be adequate to carry out the project.

COMPETENCE OF APPLICANT

The applicant is competent and is recommended as a good miner.

DISCUSSION OF PROPOSAL

Evidence of a vein below the Combination vein has been indicated. Surface holes drilled by the Bureau of Mines encountered a vein that should crop out in the vicinity of the Bear and Float claims. One area containing much mineralized float appears to be the covered outcrop of a vein containing tungsten. The overburden is too deep to disclose the vein in place by bulldozer trenching. The cheapest way to explore that vein appears by driving an incline, as proposed by the applicant.

7-19-51 6/5/51

Defense Minerals Administration

Review of Application for Exploration Assistance

Approved July 17, 1951, Docket No. DMA 315

Commodity Tungsten

Total Amount $16,382.00

Govt. Participation $12,286.50

1. Name and Address of Applicant Wm. R. McLure
Box 5, Philipsburg, Montana

2. Location of Property Section 16, T. 8 N., R. 14 W, M.P.M, Black Pine Mining District, 11.0 miles N.W. of Philipsburg, Granite Co., Mont.

3. Mineral or metal Tungsten Is it listed in Section 9 of MO-5? Yes.

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~~ Fair

b) Poor ——

c) None ——

d) Don't know—needs field examination Had examination

e) Is there an alternative and favorable project? No.
(If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? Yes - owned.
(question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? ——

Does the lease have sufficient time to run to cover a future productive period? ——

*question numbers are those of MF-103

7. Are subordination agreements necessary? No.

a) MF-201? ——

b) MF-202 ——

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes

b) Equipment and supplies Yes
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* Yes

d) Water (question 13)* Some will be developed in shaft.

e) Power (question 13)* Gas engines will be used.

Is a field check needed on any of these points? No.

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Yes

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.

b) Is there an adequate map or sketch of the proposed work? Surface map showing proposed shaft site.

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.

e) Are the cost estimates reasonable? Drilling appears high. On one page $43.51 a foot, on another $38.00 a foot.

f) Should more information be requested from applicant? Yes

g) Is a field examination necessary to complete Exhibit A? No.

11. Exhibit B (question 23-d)*

a) Is it applicable? Yes

b) If so, are sufficient data furnished? No. If so, attach a draft. See Exhibit B.

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

c) Are rents and charges reasonable? Some seem high, especially rent of bulldozer

d) Is a field check needed? No.

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? No. Implies 3 men per day for 150 days.

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? —

b) Sufficient data? —

c) Reasonable? —

d) Field check needed? —

15. In your judgment, can the proposed work be done in the proposed time? Yes.

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation. Has had field examination.

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: George C. Selfridge

Approved Tom Lyon

Date July 17, 1951

INT.-DUP. SEC., WASH., D.C. 99009

Memo. to GBH
from F.W.H. Suggested letter of denial

Mr. William R. McLure
Box 5
Philipsburg, Montana

Re: DMA-315 Tungsten
Philipsburg, Montana.

Dear Mr. McLure:

Your request for an exploration loan in the amount of $16,382.00 (Government share $12,286.50) has been carefully reviewed. The application cannot be approved on the basis of information now at hand. Work done on the adjoining property appears not to have been very successful. The Onyx vein, which you propose to explore by sinking and drifting, was cut by four drill holes drilled by the Bureau of Mines and was only weakly mineralized where cut. No production has been made from the Onyx vein and the evidence of ore in it appears to come from float containing hubnerite and secondary copper minerals encountered down slope from the vein on adjoining property.

We regret that your application must be denied.

~~Denied~~ approved.

July 9, 1951

Index of file sent to Exec. Secy

DMA-315 Tungsten
Bear and Float Claims
Philipsburg, Montana.

1. Letter 10/12/50, Wm R. McLure, applicant to John W. Cole attached to copy of letter 10/20/50, reply to same.
Office memo, 10/20/50, John W. Cole to M. E. Volin
Letter (2 pages) 11/27/50, applicant to Glenn C. Reed, Bureau of Mines, Albany, Oregon, re equipment, assays, cost of project.
2. "A Brief Survey of the Black Pine Mining District," no date, two pages, signed by applicant, attached to sketch map of the district.
3. DMA Referral of Application, 1/8/51, to ~~Cu CC~~ Copper Commodity Committee
4. Copy of letter 1/11/51, Copper Branch to applicant, re direct loan
5. Copy of letter 1/29/51, Field Team Region IV to applicant re application forms.
Copy of letter 2/2/51, Chief, Copper Branch to applicant re filing of information in application.
Letter 1/25/51, applicant to Chief, Copper Branch, submitting one copy of completed Form NSRB-146, attached.
6. Copy of letter 3/23/51, Copper Branch to applicant
7. " " " 4/23/57, " " " "
transmitting forms 100-5 NF-100 NF-103
8. Copy of letter, 5/1/51, applicant to Copper Branch re filing of applications

Index (cont.)

~~9. Letter 5/15 applicant to Copper Branch, re filing of applications on new forms.~~

9. Letter 6/5/51 Field Team Region II to Copper Branch

10. " 6/28/51 " " " " to Tungsten Branch transmitting report of field team examination, one copy of ~~[illegible]~~ which is attached

11. Five copies, Form MF-200, Exploration Contract signed by applicant, but name on face incorrectly spelled.

12. Five copies, (exhibits attached) Form MF-200, Exploration Contract, name of applicant correctly spelled by not signed by applicant.

JWH

This is held up for decision or recommendation. Field team approved
Memo. to GBH Lemmon recommends denial.
from FWHanson Request is for loan of 16,382.00

Re DMA-315 Tungsten
Wm R McLure
Philipsburg, Montana

No production has come from the vein it is proposed to explore. Its existence is indicated below the vein on adjoining property in a number of drill holes from the Combination workings and in four holes drilled by USBM in 1948. The Onyx vein was only weakly mineralized where cut by these four holes.

It is proposed to sink an incline 100 ft and drift 200 ft along the vein from the incline.

One drill hole, prior to 1900, 640 ft deep, showed 5 ft of vein, 13.5 oz Ag.

One hole, 1936, 663 ft deep, showed 5 ft. 6.25 oz Ag
" " " 689 " " " 10 ft., 10.5 oz Ag
0.75% Cu

No tungsten assays are given.

The three holes drilled by the Bureau in 1948 intersected the Onyx vein near its outcrop. Quartz veinlets were intersected by all three holes near the projected positions of the Onyx vein. A fourth hole intersected 3 feet of massive pyrite at approx: projected position of the vein. No assays are given in the report. Content of vein is inferred from extensive presence of hubnerite-bearing float. No ore has been developed in the Onyx vein.

Wm R. McLure &
Chas D McLure

DMA-315 Tungsten Idm E-114

Bear + Float Claims
Black Pine Mining Dist.
Granite Co., Mont.

Loan - $16,382.00
75% - $12,286.50

Contract
Dated: 8-16-51
~~Start~~: 30 days
Run - 12 mos
End - 8-16-52

DMA 315X - Idm E-114 Terminated

FILE COPY
SURNAME:

Gowen

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

June 14, 1951

Mr. A. E. Weissenborn
Executive Officer, DMA Field Team
Region II
South 157 Howard Street
Spokane, Washington

Docket: DMA-315
William McClure
Tungsten, Copper
Exploration Aid

Dear Mr. Weissenborn:

This is in reply to Mr. Klepper's letter of June 5, 1951 referring to W. L. McClure's Bear and Float claims near Philipsburg, Montana.

On May 1, 1951 Mr. McClure wrote in to the Copper Branch stating that his application should have been filed under tungsten instead of copper. The Copper Branch studied this application and agreed that Mr. McClure's project might have merit as either a copper or a tungsten project.

In a letter dated May 21, 1951 and addressed to the Copper Branch, Mr. McClure asked to have his application transferred to the Tungsten Branch. This was done accordingly and Mr. McClure was so advised in a letter dated June 11, 1951 which was written before the Copper Branch received notice of the Field Team visit. Copies of this correspondence have been transmitted to you.

The file is now in the hands of the Tungsten Branch so we are referring your letter to them.

Sincerely yours,

J. B. Gowen, Acting Chief
Copper Branch, DMA

JBGowen:pf

Copy to: Executive Officer, DMA Field Team, Region II
S.157 Howard St., Spokane, Washington (2)
Executive Secretary
Copper Branch, Room 3423
Tungsten Branch
Files

FILE COPY
SURNAME:

Gowen

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

June 11, 1951

Mr. William McLure

Philipsburg, Montana

Dear Mr. McLure:

This is in acknowledgment and reply to your letters of May 1, and May 23, 1951. As requested in your last letter we have transferred your application to the Tungsten Branch and you should hear from them in the near future.

Some additional information may be necessary before your application can be finally processed so it would be well to have such information available should the Field Team request it. This information is that which is requested on Form MF-103 that is different from that requested on Form MF-101, and is covered by those questions on Form MF-103 which are not marked with an asterisk.

Your data have well covered most of these items, but no contract can be signed before the required information is complete. I am therefore enclosing a copy of Form MF-103 which you can compare with the data already submitted and thus complete the data for your exploration application.

Very truly yours,

J. B. Gowen, Acting Chief
Copper Branch, DMA

Enclosure

JBGowen:ba

Copy to Executive Secretary, W.C.I.
A. H. Weiseenborn, South 157 Howard St., Spokane, Washington
Copper Branch, W. C. I.
Tungsten Branch, W. C. I.
F i l e s

DM A - 315

Purpose to sink 100 foot shaft and drift 100 feet on Lower Combination vein.

No data on vein

Considerable doubt exists about the value of the adjoining combination mine where some drilling and much stoping has been done. Therefore, why explore another vein by shafting, if no better values can be found.

Don Lemmon
6-6-51

Recommend denial of exploration [illegible]

DM R

Gowan

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

June 5, 1951

Subject: DMA Docket 315

Mr. J. B. Gowan
Acting Chief
Copper Branch
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Mr. Gowan:

In conjunction with several referred field investigations in western Montana, two members of the Region II Field Team visited W. L. McLure's Bear and Float claims near Philipsburg, Montana. The Field Team does not have a copy of Mr. McLure's application (DMA-315) for Government assistance in exploration and is not aware of the specific proposal that he made.

In conversation with Mr. McLure the Field Team gathered that his general plan is to explore a virtually unknown vein in the footwall of the main Combination-Black Pine vein. Such a plan is not without merit, but careful consideration should be given to how this exploration might best be accomplished. It would have to be regarded as a wild cat for this footwall vein is known only on the basis of a discontinuous belt of quartz float containing copper, tungsten, and silver minerals, two or three pits in heavy concentrations of similar float, and three old drill holes from the Combination mine which intersected a silver-bearing vein about 650 feet in the footwall of the Combination vein. Nevertheless, the limited field evidence does suggest the possibility of a relatively continuous footwall vein with worthwhile concentrations of silver and possibly locally significant amounts of tungsten and copper. For this reason a limited exploration project on the Bear and Float claims might be considered.

If you would send us Mr. McLure's docket, we would be in a position to make recommendations on the basis of the field examination and McLure's specific proposal.

Sincerely yours,

M. R. Klepper
For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Philipsburg, Montana
May 23, 1951.

Rec'd 6/12/51
ABC: ta

Mr. J.B. Gowen, Acting Chief
Copper Branch D.M.A.
Washington, D.C.

Dear Mr. Gowen:

The other day Mr. Glenn Reed from the Spokane office of the Bureau of Mines, called on me and we discussed my application for a defense loan.

At this time I wish you would change my application, No. 315-D-M-A, to a Defense Development loan on the "matching principle" filed under tungsten.

Yours truly,

William R. McLure

William R. McLure

c.c. A.E. Weissenborn,
So. 157 Howard Street
Spokane 8, Washington.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 31 1951
LANDON F. STROBEL
Executive Secretary

Draft - Mr. Gowen

May 22, 1951

Memorandum

To: Phil Bradley, Chief, Ferro Alloys Branch

From: J. B. Gowen, Acting Chief, Copper Branch

McClure

Subject: Exploration Aid application of William R. McClure, Box 5, Philipsburg, Montana, Docket No. DMA ~~129~~ 315

In recent correspondence Mr. McClure has presented the question as to whether his application should not have been filed as exploration for tungsten rather than copper.

The data submitted, together with available reports of the Bureau of Mines, have been studied by the Copper Branch and we believe that Mr. McClure's application is worthy of recommendation either as a copper or a tungsten exploration project. However, we feel that it may be more important as a tungsten project and would receive speedier action because of the smaller share of cost to be furnished by the applicant.

J. B. Gowen

JBGowen

~~LANDON F. S.~~ Bowen

Philipsburg, Montana - Box 5 -
May 1, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 8 - 1951
LANDON F. STROBEL
Executive Secretary

Mr. J.B. Gowen, Acting Chief
Copper Branch D.M.A.
Washington 25, D.C.

Dear Mr. Gowen:

Your letter with enclosures received today. About two months ago I filed with the D.M.A. a loan application on form N.S.R.B.-146. This was made out in detail and supported with maps and reports. This application should be in the files of Docket No. D.M.A.-315.

Under Mr. Boyd's Press release dated April 11, 1951, he said, quote, Applications that have been filed prior to the issuance of this regulation will be treated as though they were on the prescribed form, Administrator Boyd said, provided the information is full and sufficient. Unquote.

Will you kindly let me know whether it will be necessary to again fill out the application forms which you sent me.

At this time I would like to say that I think that my application should have been filed under tungsten instead of copper; the same as any other application in the Black Pine or Sunrise Area, as I believe I have as good a showing of tungsten as anybody in the district.

Yours very truly,

William R. McLure

William R. McLure

BUREAU OF MINES
WASHINGTON, D. C.

MAY 8 10 08 AM '51

FILE COPY
SURNAME:

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

April 23, 1951

Docket No. DMA-315

Mr. William R. McLure
Box 5
Philipsburg, Montana

Dear Mr. McLure:

Enclosed herewith is a copy of a press release dated April 11, 1951, a copy of the pertinent regulations, Form MO-5, also five copies each of the Form MF-100 (General Technical Data) and Form MF-103 (Application for Aid for an Exploration Project).

Very truly yours,

J. B. Gowen, Acting Chief
Copper Branch, DMA

Enclosures

JWAlt:bsl

Copy to: Executive Secretary
Copper Branch
Files

OFFICE OF THE DIRECTOR

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

AIR MAIL

April 19, 1951

Mr. William R. McLure,
Philipsburg, Montana

My dear Mr. McLure:

Mr. Henry Lowndes Maury delivered your letter of April 3, addressed to Mr. James Boyd, Director of the Bureau of Mines, this morning in Mr. Boyd's absence.

I was interested to hear of the showings of mineralization on the Gold Coin and Needle Gun Claims.

The question of whether or not the Bureau of Mines will be able to drill your property is one that depends upon the results of field examination and the availability of funds. Ordinarily, at this time of our fiscal year, which ends in June, our funds are all committed. However, I am asking our field representatives to give me a statement on the subject.

As an alternative procedure in securing financial assistance in exploring your property, I am enclosing a press release of April 11 announcing an exploration program sponsored by the Defense Minerals Administration wherein the expenses are shared by the applicant and the Government.

The details of the program are explained in the press release and the enclosed copy of MO-5, the published regulation. Also enclosed are five copies of MF-103, which is the application for exploration assistance, in case you wish to apply under the program. Four copies are to be submitted either to Defense Minerals Administration, Washington 25, D. C. or to Mr. Weissenborn whose address in Spokane is given in the press release.

I also gave Mr. Maury a set of application forms, so you may receive them again through that channel.

Sincerely yours,

Enclosures

LBMoon/hs
Copy to S. M. Shelton - Albany, Ore.
M. E. Volin " " Director
A. E. Weissenborn, Spokane, Wash.
Laddon B. Strobel
Tom Lyon C. W. Merrill
Otto Herres L. B. Moon (all with copies of incoming letter)
files

Philipsburg, Montana
April 3, 1951

Hon. James M. Boyd,
Director of the Bureau of Mines
Washington, D. C.

Dear Mr. Boyd:

I am writing this letter to call your attention to an area in the Philipsburg Mining District which I believe deserves investigation by the Bureau of Mines.

This area is in the granite formation and lies just east of the Trout, Scratch All and True Fissure mines and north of the Old Granite Mine and is approximately three miles square.

In the central and eastern portion of this area are numerous large veins, 10 to 20 feet in width, whose cropping resembles the Old Granite vein in almost every detail. In the western part of this area the large veins split into small ones and it is on these small veins that practically all of the development work has been done. But any where in the area where they have sunk 250 feet or better they have found high grade zinc, lead and silver ore. Some of it is too small to have a commercial value but is high grade with assays running as high as 20 to 25% zinc, 10 to 12% lead and 50 to 75 oz. silver. These small veins are unquestionably the pipes that made the large replacement of manganese and zinc that lie just on the other side of the contact in the lime.

There is one vein in the central and eastern part of this area that seems to stand out above the rest. It is known as the Gold Coin and Needle Gun Vein. It lies in a slight depression from 40 to 50 feet in width and may be traced through four claims east from the Gold Coin. The cropping is mostly covered with talus but where the quartz is exposed it resembles the granite cropping in every detail being a rotten iron and manganese stained quartz.

Although the vein is from 20 to 20 feet in width there has been no development done on it deeper than 40 feet and that work was done before 1905 when zinc was a detrement in the western United States rather than an asset.

According to W. H. Emmons in the professional paper No. 78, (Report on the Philipsburg Quadrangle) practically all of the ore that had a commercial value in this district was of secondary origin. Page 204, speaking of the Granite mine, quote "Most of the dividends the mine has paid came from exploitation of the secondary sulphide ore", unquote.

On page 189, again professional paper 78, Emmons describes the necessary requirements for secondary enrichment in this area;

(1) The presence of sufficient pyrite or other iron sulphides in the ore.

(2) Extensive fracturing after the primary ore has been deposited.

(3) The extensive downward circulation of waters.

and applies them to the Granite vein. These three conditions are just as much pronounced in the Gold Cein Needle Gun Vein as in the Granite Vein.

The drainage of Frost Creek is just as great as the drainage of Douglas and Dirty Dick Creeks. The Algonquin mine pumps 1100 gallons per minute from 1000 feet of depth.

The cropping show that there was a large quantity of iron sulphides in the primary ore and that the vein has post mineral fractures.

I believe that if the Bureau of Mines would diamond drill this area they would upon up an entirely new lead, zinc district.

Very truly yours.

SGD. William R. McLure

William R. McLure

FILE COPY
SURNAME:

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

March 23, 1951

Re: Docket No. 315

Mr. William R. McLure
Box 5
Philipsburg, Montana

Dear Mr. McLure:

This acknowledges your recent communication consisting of "A brief Survey of the Black Pine Mining District", and a sketch of the claims, vein system and principal shafts of the area.

It is expected that the Defense Minerals Administration will very shortly put into effect an exploratory program along the lines indicated in the enclosed preliminary announcement dated February 20, 1951.

Very truly yours,

Tom Lyon

Tom Lyon, Chief
Copper Branch

Enclosure

CHJOHNSON:pf

Copy to: Executive Officer, DMA Field Team, Region II,
South 157 Howard Street, Spokane, Washington
Executive Secretary
Copper Commodity Committee Rm.3423
Files

FILE COPY
SURNAME:

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

February 2, 1951

Mr. William F. McIure
Box 5
Philipsburg, Montana

DMA - 315

Dear Mr. McIure:

Your application for a loan of $16,050 to develop a vein known as the Lower Combination vein, has been received. It has been assigned the above docket number, and in any future correspondence you should refer to this number.

I am enclosing herewith a press release dated December 5, 1950. Your attention is directed to the final paragraph of this release, which outlines the essential data we must have in considering your application in any part. It is suggested that you file with us this information in order that we may intelligently assess your application.

Very truly yours,

[illegible]
F. S. [illegible]
Chief, [illegible] Branch

Enclosure

JKRichardson/sad

CC - Administrator's reading file
Executive Secretary - 4623
Executive Officer Field Team II
Copper Commodity Committee - 3425
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 8, Washington

January 29, 1951

DMA-315

Mr. William R. McLure
Route 5
Philipsburg, Montana

Dear Mr. McLure:

In reply to your letter of January 26, if you have filled out and forwarded to Mr. Richardson the NSRB loan application blanks that I sent you, it will not be necessary to fill out any more. Four copies of the NSRB forms should have been submitted to Mr. Richardson. I think it probable that at the time you wrote me I sent you only one copy of this form because at that time our supply of the forms was very limited. Inasmuch as it is not your fault that you did not have other forms available, I do not think that it will be essential for you to submit three additional copies to the Defense Minerals Administration, but I am enclosing four more forms for you to fill out if you so desire or if Mr. Richardson advises you that this will be necessary.

Very truly yours,

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

Enclosures

cc: J. K. Richardson

LANDON F. [illegible]

dma 315

Philipsburg, Mont. Jan. 25 1951

BUREAU OF MINES
WASHINGTON, D.C.
JAN 30 2 23 PM '51

Mr. J.K.Richardson
Chief of Copper Branch
Defense Monerals Administration
washington 25 D.C.

Dear Mr. Richardson;

I am enclosing copy of Loan Application, form N.S.R.B.- 146. Iam forwarding only one because that is all I recieved from Mr. Weissenborn. I am writing Mr Weissenborn to day requesting more forms and will forward them to you as soon as I receive them.

very truly yours.

William R. McLure

William R. McLure.
Box. 5
Philipsburg Mont.

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

January 12, 1951

Hon. Mike Mansfield
House of Representatives

My dear ~~Mr. Mansfield:~~ Mike

With reference to your letter of January 2 concerning the loan application of William L. McLure, Box 5, Philipsburg, Montana:

Mr. McLure has made an application for an exploration loan. The uncertainty which existed in connection with the tax laws until just recently precluded us from making such loans. The clarification of these tax features is now permitting us to work out a program to give exploration assistance.

We advised Mr. McLure on January 11 as to this situation and told him that we would consider his application when these exploration procedures had been worked out.

With warmest personal regards, I am

Sincerely,

JAMES BOYD

Administrator

JKRichardson/apd
cc - L. F. Strobel
Regional Office

FILE COPY
SURNAME:

Johnson

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

January 11, 1951

Re: Docket No. DMA-315

Mr. William R. McClure
Box 5
Philipsburg, Montana

Dear Mr. McClure:

This acknowledges receipt of certain correspondence between you and Mr. John W. Cole and Mr. Glen C. Reed, of the Bureau of Mines relative to the possibility of obtaining a loan for prospecting a copper-lead-tungsten property known as the Bear and Float claims, in Granite County, Montana. It is understood that the prescribed loan application forms will be transmitted through Mr. A. E. Weissenborn of the U. S. Geological Survey, Spokane, who is Executive Officer of the Defense Minerals Administration Field Team in Region II.

As yet, methods and procedures for giving assistance to mineral exploration under the Defense Production Act have not been completely formulated. They may or may not include direct loans such as you request. Therefore your application cannot be acted upon at once, but will be held until a program is worked out.

Very truly yours,

J. K. Richardson, Chief
Copper Branch

CWJohnson:ba

Copy to Mr. Weissenborn, Spokane, Washington, Executive Officer
Field Team, Region II
Mr. Strobel
Copper Commodity Committee
F i l e s

DMA 315

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

Nye, Montana
DATE: Oct. 20, 1950

TO : M. E. Volin

FROM : John W. Cole

SUBJECT: Application for prospecting loan from William R. McLure.

Enclosures: Letter from Mr. McLure, dated Oct. 12, 1950.

Copy of reply dated Oct. 20, 1950.

The Float claim referred to in Mr. McLure's letter is situated on the Smart Creek basin slope near the Combination mine. The area is described in my report on the Combination silver-tungsten mine. High grade silver-tungsten float is found near the projected outcrop of the Onyx, or lower, vein.

John W. Cole

cc: Mr. Shelton

U. S. BUREAU OF MINES
RECEIVED
OCT 24 1950
ALBANY, OREGON

Mr. Richardson

DEFENSE MINERALS ADMINISTRATION

Referral of Applications for Government Aid

Docket No. DMA - 315

Commodity: copper, lead, tungsten silver

Name of Applicant: William R. McLure

Address of Applicant: Box 5, Philipsburg, Montana

Name of Property: Bear and Float Claims

Location of Property:

Nature of Application: Loan of approximately $14,000

Action Dates

Application: 11/27/50

Received: 12/28/50

Acknowledged:

Referred to NONFERROUS METALS Committee: 1/ 8/51

Red - CuCC 1/10/51 JCR

Note: Mr. Weissenborn is following-up with loan application forms.

DMA-315

Philipsburg, Montana
November 27, 1950.

Glenn C. Reed
Mining Division
Bureau of Mines
Albany, Oregon

Dear Mr. Reed:

This is in answer to your letter of November 21, 1950, in regard to my request for a loan on the Bear and Float claims.

The project would call for sinking a one compartment and manway shaft 100 feet and driving a drift along the vein 100 feet. This would require about 400 man-shifts. It would also require making a road with bulldozer, about 1800 feet. The machinery necessary for the project would be:

1 Gas hoist
1 300 cu. ft. Compressor (Gas or Disel)
1 Jack-hammer equipped with shell, hose and fittings. Bar and arm for the Jack-hammer
Steel and bits for drilling
1 Mine car
200 ft. mine rail
200 ft. 2" Pipe and pipe fittings
100 ft. 1" Pipe and pipe fittings
1 sinking bucket
200 ft. of 3/8 hoisting cable
1 Sheave wheel
150 16ft. stulls (cut on the ground)
1000 ft. of 2" plank
1000 ft. of 1" boards
200 2x4 12 ft. long

The vein I wish to develop is known as the Lower Combination Vein and is mentioned by Emmens in his U.S.G.S. report on the Philipsburg Quadrangle folio No. 78.

The vein was first diamond drilled in 1896 by the Combination Mining and Milling Company. The hole was collared on the 1400 ft. level and cut the vein at 641 feet below this point. The following assays are from the original record which I have in my possession:

Ag

640 ft. .... 8 oz
641 ft. ....18 oz
643 ft. ....23 oz...au $1.60...cu 1½%
644 ft. .... 8 oz
645 ft. ....11 oz

The next hole was drilled in 1936, 600 ft down the main incline from the first. I do not have the log of this one but I did examine the core at the time it was drilled. The vein was big between 8 and 10 feet with about three or four feet of ore that would run better than 20 oz. silver, 2% cu and 3% lead. Both of these holes are more than 3000' down the vein from where it should apex on surface and about the same distance from where I wish to sink the shaft.

The cost of this project would be around $14,000.00, but the ore reserve that we would prove, between the old diamond drill holes and the shaft, would be immense, in the neighborhood of 300,000 or 400,000 tons of ore with a commercial value in copper, lead and tungsten. and Silver

If there is any other information you wish, kindly let me know and I will furnish it as soon as possible.

Yours truly,

William R. McLure

William R. McLure

Rye, Montana
Oct. 20, 1950

William R. Mullre
Box 5
Philipsburg, Montana

Dear "Bill",

This acknowledges receipt of your letter of October 12, regarding your proposed prospecting work at Black Pine. If loans are to be granted for prospecting, I believe your plan justifies consideration. As I understand it, an examination section has been organized at Albany, Oregon, to handle applications for loans. I am forwarding your letter to them for consideration.

Best regards,

Yours, very truly,

John W. Cole
Mining Engineer

JWC/M
cc: Mr. Shellen
Mr. Yelin

U. S. BUREAU OF MINES
RECEIVED
OCT 24 1950
ALBANY, OREGON

U. S. BUREAU OF MINES
RECEIVED

OCT 24 1950

ALBANY, OREGON

Philipsburg, Montana,
October 12, 1950.

John W. Cole,
401 Post Office Building,
Spokane 8, Washington.

Dear John:

I have just received a letter from Senator Murray, stating that all phases of the government's mine financing program will be handled through the Bureau of Mines.

I have spent as much time as possible at Black Pine this summer and I am more certain than ever that the lower vein passes through the Bear and Float claims. Drill hole No. 13 must have passed through it, one of the times when there was no recovery of either core or sluge,

I am going to attempt to get a small prospecting loan to sink a shaft, say a maximum of 100 feet, on the float claim. About 600 feet down the hill from drill hole No. 13.

I would greatly appreciate it if you would let me know with whom to take up the matter and whether in your opinion it would justify sinking a small prospect shaft.

Sincerely yours,

William R. McLure

William R. McLure
Box 5
Philipsburg, Montana.

U. S. BUREAU OF MINES
RECEIVED
OCT 24 1950
ALBANY, OREGON

MIKE MANSFIELD
1ST DISTRICT MONTANA

ADMINISTRATOR

COMMITTEE
FOREIGN AFFAIRS

Congress of the United States
House of Representatives
Washington, D. C.

DMA - 315
Richardson
for reply
1-10-51

January 2, 1951.

Mr. William Boyd, Director,
Bureau of Mines,
Interior Department.

Dear Bill:

It is my understanding that the request of William R. McLure, Box 5, Philipsburg, Montana, for loan assistance in connection with the development of the Bear and Float claims, Granite County, Montana, has been forwarded to the Operating Committee, Defense Minerals Administration, for review.

I would appreciate your advising me what action is taken by the Committee on this request.

Thanking you for your consideration and with best personal wishes, I am

Sincerely yours,

Mike Mansfield

Mike Mansfield, Member of Congress.