UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated (or cancelled) without certification. DMEA No. 1348

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 _____

IZM
Reviewer's Initials

7973

DEFENSE MINERALS EXPLORATION ADMINISTRATION

CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

I have examined the records and transactions of

Elkhorn Mining Company
(Forty-niner)
Boulder, Montana

Pertaining to Exploration Project Contract No. Idm-E123, Docket No. DMA 1348X, for the period of September 1, 1951 to April 30, 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	$11,845.00
Exceptions - - None	
Total Accepted Cost	$11,845.00

The contract calls for a 90 percent participation of the exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Ten thousand six hundred forty two and 50/100 Dollars,

$10,642.50

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.

October 18,1952

Robert M. Hull
Robert M. Hull
Auditor

Note: [illegible]

I INTRODUCTION

On September 29 and 30, 1952, a final audit (covering the period of September 1, 1951 through April 30, 1952) was made of the records and accounts of operations pertaining to Contract No. Idm-E123, Docket No. DMA 1348X dated August 22, 1951 and as subsequently amended on February 16, 1952, with the

Elkhorn Mining Company
(Forty-niner)
Boulder, Montana

covering a project of exploration for uranium.

The Elkhorn Mining Company is a Montana Corporation. The exploration project is located in the Clancy Mining district in Jefferson County, Montana.

The accounting records pertaining to this contract are located in the company's office in the Boulder Bank Building, Boulder, Montana.

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

Mr. Wade V. Lewis, President
Mr. R. J. Mulvaney, Accountant

Their cooperation and assistance greatly facilitated the audit.

II GENERAL INFORMATION ON RECORDS

The accounting records for the exploration project consist of monthly invoices from the subcontractors, copies of purchase invoices and cancelled bank checks.

In some instances duplicate purchase invoices were not available for examination during the audit. The missing invoices had been attached to the monthly form MT-104 and filed in compliance with the documentation requirements of the DMA Finance Officer. The auditor was, however, able by examination of the cancelled checks or monthly statements from

contractors to satisfy himself concerning the propriety of such items.

III SCOPE OF AUDIT AND FINDINGS

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

(1) Independent Contract

A sub-contract was entered into between the Operator and Mr. Jack Hampton effective September 1, 1951 and approved by the Executive Officer of the DMEA Field Team. The contract called for five hundred (500) feet of adit and drift work at $20.00 per linear foot, and also stated that 10% of the monthly costs would be withheld by the Operator until the first three hundred (300) feet of work had been completed. The same procedure was followed for the remaining two hundred feet (200).

The Field Team, (acting under authority granted by Order No. 2653 of the Acting Secretary of the Interior) on December 14, 1951 granted an increase from $20.00 to the full $25.00 per linear foot for the drift and adit work that is provided for in the exploration project.

It was found that the total costs properly chargeable to, and allowable under this item were:

Period 1951	Work Completed	Rate Per Foot	Amount Earned	Amount Withheld	Amount Paid
September	90 feet	$20.00	$1800.00	$180.00	$1620.00
October	106.5	$20.00	$2130.00	$213.00	$1917.00
November	103.5	$20.00	$2070.00	$207.00	$1863.00
December	30 feet	$25.00	$ 750.00	$ 75.00	$ 675.00

Period 1952	Work Completed	Rate Per Foot	Amount Earned	Amount Withheld	Amount Paid
January	None				
February	70 feet	$25.00	$1750.00	$175.00	$1575.00
March	85 feet	$25.00	$2125.00	$212.50	$1912.50
April	15 feet	$25.00	$ 375.00	None	$ 375.00

Accounting support for these items consisted of sundry statements showing the footage of drift and adit work performed. Payment was evidenced by cancelled checks which were examined for the entire period under audit.

(2) Fixtures and Improvements
Buildings

The charges to this item were examined and were supported by adequate evidence of incurrence and were within the limits authorized in Exhibit "B" of the Exploration Project.

(3) Labor and Supervision

The subcontractor supplied all necessary labor and such charges were included in the unit cost per linear foot. The superintendent's time was charged to the project at the rate of one-fourth of the amount set forth in Exhibit "D" of the exploration project.

IV CONCLUSIONS AND RECOMMENDATIONS

This audit has disclosed that the costs as charged to the project as reflected in Exhibit "A" attached to this report are in accordance with the terms of the contract and the amendments and written agreements thereto.

The sole asset in which the Government has an interest is a combination compressor house and toolshed which was constructed on the project at a cost of $300.00. The major portion of the construction cost was labor. Three bids were received, one from M. S. Molton for $10.00; one from James Carter

for $12.00 and the Elkhorn Mining Company for $20.00.

The Field Team has recommended that this bid be accepted and the Elkhorn Mining Company's check for $13.00 which is 90% of the bid price has been forwarded to the DMEA Finance Officer for appropriate action.

ELKHORN MINING COMPANY
FORTY-NINER

EXPLORATION PROJECT E-123

	Totals To Date April MF-104	Distribution Corrected	Allowed By Audit
(1) Independent Contract Crosscutting and drifting	$11,000.00	$11,000.00	$11,000.00
(2) Fixtures and Improvements Buildings	300.00	300.00	300.00
(3) Supervision	545.00	545.00	545.00
	$11,845.00	$11,845.00	$11,845.00

dmea 1348

AMENDMENT NO. 1

It is agreed this 16 day of February, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Elkhorn Mining Company, Boulder, Montana, a Montana Corporation.

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E-123 of August 22, 1952 between the parties hereto be modified and amended as described in Exhibit "B", 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 February 16, 1952.

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

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

Executed in sextuplicate the day and year first above written.

Elkhorn Mining Company
(Operator)

By [signature]

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 21 1952

The United States of America

By A. E. Weissenborn

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

Elkhorn Mining Company
Exploration Project Contract
Idm-E-123

EXHIBIT "B"

Due to inclement winter weather conditions, it was not possible to complete this project within the allotted 6-month period. Therefore, in the interest of the Government, the effective period of this contract shall be extended four months to a total of ten months.

APPROVAL

BN

12/14/51
Date

Under authority granted by Order No. 2653 of the Acting Secretary of the Interior, approval is hereby given Elkhorn Mining Co., Boulder Bank Bldg., Boulder, Montana, to increase cost of drift and adit work in subcontract to Mr. Jack Hampton, subcontractor, from $20 to $25 per linear foot. Copy of subcontract between Elkhorn Mining Co., and Mr. Jack Hampton is attached hereto.

the work to be performed under Exploration Contract Idm-E123 dated 22 August 1951.

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

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

M. E. Volin
M. E. Volin
Member, DMEA
Field Team, Region II

ELKHORN MINING COMPANY • Elkhorn Mining District - - Elkhorn, Montana . . . . .

PHONE 2121 . . . OFFICES: Boulder Bank Building
BOULDER, MONTANA

One Copy

December 5th, 1951.

Mr. A. E. Weissenborn,
Executive Officer, Field Team, RegionII,
Defense Minerals Administration,
U. S. Department of the Interior,
S. 157 Howard Street,
Spokane, Washington.

Subject:
DMA:1348X
IdmE123.

Dear Mr. Weissenborn:

Enclosed herewith are 6 multiple original copies of proposed contract relating to completion of authorized adit and drift work on the Forty-Niner uranium property, near Clancy, Montana, DMA:1348X, Idm E-123.

Work on original contract of 300 feet has been completed by Jack Hampton, independent contractor, he furnishing all supplies and equipment at a contract price of $20 per linear foot.

Hampton has requested the full $25 per foot (which is allowed under original Exploration Contract for this property), to continue on last 200 feet of adit and drift.

We have studied the matter and come to conclusion that $25 is a fair price to complete the authorized work, in view of longer tram, requirement of mechanical mucker instead of slushing, winter conditions now attending the enterprise and additional cost factors of the contractor. On first contract we saved $5 per foot of the $25 or $1500.00 which gives us sufficient there to cover any overhead including assaying which later will be required. In any event we will stay within allocated cost limits.

In view of the foregoing we request consideration of the enclosed contract which will not be delivered in orginal to Jack Hampton without approval from your office.

Thanking you,

Respectfully,

Elkhorn Mining Company,

Wade V. Lewis

Wade V. Lewis, Pres.

one copy

November 30th, 1951.

Mr. Jack Hampton,
Denver Block,
Helena, Montana.

Dear Mr. Hampton:

As an independent contractor you have this date completed 300 feet of crosscut at the Forty-Niner uranium property, near Clancy, Jefferson County, Montana, under terms of "Agreement" dated September 1st, 1951. You have indicated that you would consider another contract to continue adit and drift work at $25.00 per foot, work to continue from present working face.

This company agrees to payment of $25.00 per linear foot for continuing adit and/or drift work along vein, when penetrated, for a distance of not to exceed 200 feet under this letter agreement.

Upon acceptance of terms of this letter by you which, if satisfactory, please sign below, it is understood that this addendum letter shall be recognized as a contract and is part and parcel of that "Agreement" executed September 1st, 1951, by and between Elkhorn Mining Company as first party and Jack Hampton, as second party, same having been acknowledged Sept. 1st, 1951, that this letter addendum agreement shall be subject to all of the original terms of agreement dated September 1st, 1951, except linear foot price, herein named as $25.00 in lieu of $20.00.

This letter addendum agreement is executed herewith in 6 multiple original copies and is subject to approval of the U.S. Defense Minerals Administration, United States Department of the Interior, and the requirements of that department or other governmental agencies.

ELKHORN MINING COMPANY,

Wade V. Lewis

Wade V. Lewis, Pres.

Accepted:

Jack Hampton

Jack Hampton, Contractor.

Contract Adm, Audit Div.

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.

DEC 4 8 20 PM '51

APPROVAL

November 23, 1951
Date

Under authority granted by Order No. 2653 of the Acting Secretary of the Interior, approval is hereby given to the Elkhorn Mining Co., Boulder Bank Bldg., Boulder, Montana, operating under exploration contract DMA 1348x (Idm-E123) dated August 22, 1951 to turn the crosscut adit on the Forty Niner claim 15 degrees to the right (to N. 15 W.) and continue to intersection with Forty Niner vein or a distance not to exceed 400', balance of funds under contract to be devoted to drifting on vein.

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

R. E. Wesenberg
Executive Officer, DMA
Field Team, Region II

Glenn C. Reed for M. E. Volin
Member, DMA
Field Team, Region II

MF-200
(April 1951)

Docket No. DMA 1348 X
Commodity Uranium

Idm-E123

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Index
No.
Date
Received
11/15/51

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 22 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] Elkhorn Mining Company, Boulder, Montana
A Montana Corporation

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 Jefferson described as follows: [3] one unpatented quartz lode mining claim and one unpatented tunnel site, lying and being in the Clancy Mining district in sec. 5, 6, 7, and 8, T. 8 N., R. 3 W., M.P.M. to wit: Forty-niner claim, and Forty-niner tunnel site.

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

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

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

3. *Exploration project.* The Operator, within 30 days from the date of this contract shall commence work on a project of exploration for [5] Uranium; 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] 7 months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Attached hereto, marked "Exhibit 'B'," is a detailed list of additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute its agreed pro-rata share of the cost. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

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

RECEIVED
NOV 19 1951
CONTRACT SERV. SEC.

[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. Supplement No._____, dated 8-22-51 Attached 11-15-51

16—64066-1

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

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

9. *Rehabilitation and repairs.* Attached hereto, marked "Exhibit 'E'," is a detailed schedule of existing facilities, buildings, installations, and fixtures, with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition, which cost shall be allowed as a cost of the project.

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

11. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator 90 percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $11,520, which is 90 percent of the agreed estimated total cost of this project, $12,800.

12. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

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

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

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

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

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

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

16. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

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

Elkhorn Mining Company
(Operator)

By Wade H. Lewis, Pres.

THE UNITED STATES OF AMERICA

By C. Mitteudorf
Director, Production Expansion Division
Defense Minerals Administration

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

Elkhorn Mining Company
Forty-niner Project
Exploration Project Contract

EXHIBIT "A"

Exploration Project

Time Schedule

Month	
1st to 3d	Drive adit crosscut N. 30° W., 250 feet (see accompanying map for portal location).
4th	Drift 100 feet N.E. on vein structure (see accompanying map for approximate location of drift).
5th to 6th	Drift 150 feet S.W. on vein structure (see accompanying map for approximate location of drift).

This work to be performed and the estimated cost thereof is as follows:

1.	250 feet of crosscutting at $25 per foot (including labor, supervision, fuel, track, pipe, powder, timber, operating equipment, sampling and assaying).	$6,250.00
2.	250 feet of drifting at $25 per foot (including labor, supervision, fuel, track, pipe, powder, operating equipment, sampling, and assaying.	6,250.00
3.	Building to be constructed.)	300.00
	Total	$12,800.00

Elkhorn Mining Company
Forty-niner Project
Exploration Project Contract

EXHIBIT "B"

Fixtures & improvements	Cost
1. Construct combination compressor house and toolshed.	$300.00

Elkhorn Mining Company
Forty-niner Project
Exploration Project Contract

EXHIBIT "C"

Operating equipment

None.

Elkhorn Mining Company
Forty-niner Project
Exploration Project Contract

EXHIBIT "D"

Labor and Supervision

2	Miners	$12.00/1
1	Superintendent ($\frac{1}{4}$ time) (to direct operation, perform all sampling, engineering, geological and fiscal services as required).	400.00 per month /2

1/ *Job will be let in contract on a footage basis.

2/ Total monthly expenditure for superintendent will amount to about $100.00 per month.

Elkhorn Mining Company
Forty-niner Project
Exploration Project Contract

EXHIBIT "E"

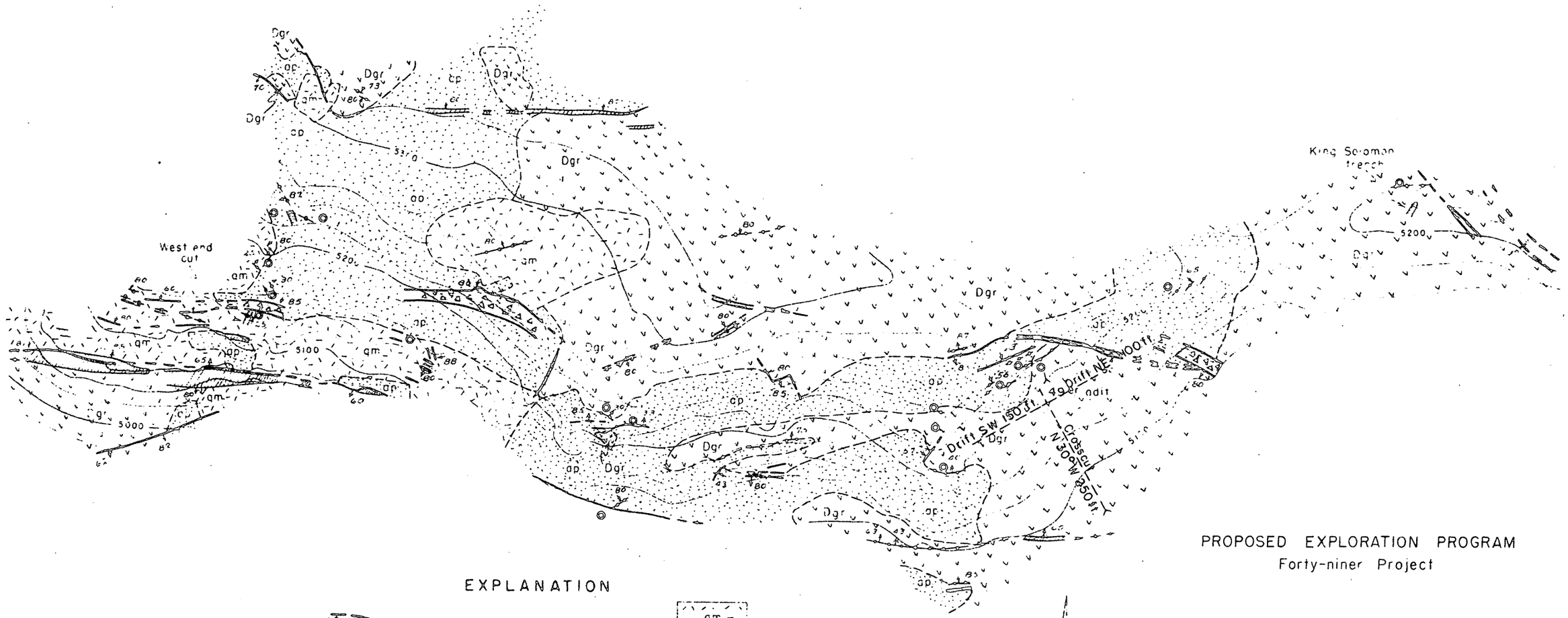
Rehabilitation and repairs

None

DEPARTMENT OF THE INTERIOR
UNITED STATES GEOLOGICAL SURVEY

DEFENSE MINERALS ADMINISTRATION
DOCKET NO. 1348X

EXHIBIT "A"



PROPOSED EXPLORATION PROGRAM
Forty-niner Project

EXPLANATION

Fault or breccia

Contact, approximately located

Siliceous mineralization

Radioactive

Quartz monzonite

Aplite

Contact phase of Aplite and Quartz monzonite

GEOLOGIC MAP OF A PORTION OF KING SOLOMON RIDGE

CLANCY MINING DISTRICT, CLANCY MONTANA

(After map by Sunshine Mining Company)

0 200 400 FEET

Contour interval 20 ft.

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

October 5, 1951

Memorandum

To: Reports and Records Unit

From: Director, Production Expansion Division

Subject: Docket No. DMA 1348X, Elkhorn Mining Company

The attached sub-contract to the above contract is to be filed with your copy of the contract.

Attachment-1

Under authority granted by Order No. 2653 of the Acting Secretary of the Interior, approval is hereby given to a subcontract between the Elkhorn Mining Company, a Montana Corporation, Contracting Officer, and Jack Lambson, of Helena, Montana, Contractor, described in a signed agreement dated September 1, 1951, an approved copy of which shall be kept on file in the Regional Office of the DMA Field Team, Region II, for a portion of the work to be performed under Exploration Contract DMA-13[illegible] dated August 22, 1951.

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

OCT 12 1951

17

MEUS.

CONTRACT SERV. SEC.

D. M. A.

Cont. Serv. Sec.

Office Order

Noted S.M.L.

Reviewed.....

The United States of America

A. E. Weissenborn

Executive Officer, DMA
Field Team, Region II

M E Malin

Member, DMA
Field Team, Region II

ELKHORN MINING COMPANY • *Elkhorn Mining District - - Elkhorn, Montana*

PHONE 2121 . . . OFFICES: Boulder Bank Building
BOULDER, MONTANA

Secret

July 23, 1951

Defense Minerals Administration
Requirements Division -- RC-7
New Interior Building
Washington 25, D. C.

Gentlemen:

Herewith enclosed is original and three copies of executed form RP-100, relative to Locat No. 1345-E, which copies are forwarded at this time in response to your letter of July 17, 1951, addressed to Elkhorn Mining Company, Boulder Bank Building, Boulder, Montana.

Trusting that these newly submitted forms RP-200 meet your requirements,

Respectfully,

ELKHORN MINING COMPANY

Wade V. Lewis

Wade V. Lewis, Pres.

WVL:EE
Encl. 4 RP-100

Form MF-100
(May 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. 1348-X

Date received

Elkhorn Mining Company
Boulder Bank Building
Boulder, Montana

Name and address of applicant

Date May 26th, 1951.

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (5) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production No production, new discovery as of April 3rd, 1949.
   If not in production or operation, estimated date when production will begin following development.
6. Experience of operators:
   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is 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 Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: 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)
* Wade V. Lewis, Pres. Boulder, Montana	President D	0	15000	148490	None	None	None
J. T. Lewis Boulder, Montana	Sec-Treas. D	0	15000	148490	"	"	"
W. S. Doyle Yakima, Wash.	Vice-Pres. D	0	125000	2000	"	"	"
* Walter H. Smith Boulder, Montana	Director	0	7500	500	"	"	"
Hugh S. Cannon 220 20th S Seattle Wn.	"	0	100000	28235	"	"	"
John E. Stiegler Naches, Washington	"	0	200000	16000	"	"	"
Floyd L. Lewis	"	0	50000	6250	"	"	"
	Total		x x x x x	349965		x x x x x	x x x x x

*No salaries pd to officers or directors; Wade V. Lewis, engr. geologist $3600 per year, W. B. Smith, hoistman, foreman, $225 per month.

If more lines are needed continue on separate sheet.

9. 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	$100,000	$74,487.50	$0.10	744,875	none
Preferred stock	None $	$	$		

*Indicate period covered.

10. Production: None, outcrops only, dozier and cut work exposing ores.

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)	as above				
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change. Production only following development and based on findings through development.

12. Ore or Mineral Reserves:

(a) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves. (See Report Attached)

ELKHORN MINING COMPANY • Elkhorn Mining District - - Elkhorn, Montana . . . . .

PHONE 2121 . . . OFFICES: Boulder Bank Building
BOULDER, MONTANA

MF 100

Defense Minerals Administration
U. S. Department of the Interior
Washington 25, D. C.

Pursuant to instructions and general technical data required in submitting Form MF 100, the following information is supplied:

1. Materials produced:
   (a) Uranium: autunite and torbernite, uraninite.
   (b) No by-products other than above.

2. Name and type of mine, etc: Forty-Niner property group
   (a) Linear feet of shafts: 75 feet of surface pits only
   (b) Linear feet of drifts and adits: 60 feet:total.
   (c) Linear feet of tunnels: none
   (d) Linear feet of other mine openings: Cuts, trenches, dozier work: 200 feet.
   No water problems at present nor anticipated in development.
3. (a) Property approximately 2½ miles west of Clancy, Montana, shipping point on Great Northern Railway.
   (b) Clancy Mining District, Jefferson County, Montana.
   (c) Township 8 North, Range 3 West, Sections 5, 6, 7, 8, M.P.M., Jefferson County, Montana (See claim Map attached)
4. (a) Property not now in operation but will be under dozier development within next two weeks, work anticipated by Elkhorn Mining Company.
   (b) Lessee as to part of property, as owner as to remainder.
5. Development only; production to follow proposed program of work.
6. Experience of Operators:
   (a) Applicant, Elkhorn Mining Company, operating since incorporation, in 1945, Elkhorn group, Elkhorn, Montana, and other properties, including the Free Enterprise uranium property now producing.
   (b) Wade V. Lewis, present engineer for company, in mining since 1913, graduate Oregon State College, School of Mines, 12 years as engineer and geologist with USGLO, Department of the Interior, mine operator in Montana since 1933.
7. History:
   (a) No previous exploration, no production; initial road work via dozier performed by Elkhorn Mining Company; most of work on property consists of geological examinations through private companies or government geologists and engineers.
   (b) No history of uranium production except the Free Enterprise uranium property in same county, operating under similar geological conditions as found on Forty-Niner; Newmont Mining Company now exploring Alhambra uranium property 2½ miles southeast of the Forty-Niner.
   (c) Report of Wade V. Lewis, Geologist, attached herewith (See map exhibits attached, Nos. 1, 2, 3, and MF 103 exhibits.

(8 to 12 incl. answered on Form MF 100.)

MF 100 1 to 12 incl. Elkhorn Mining Company, Boulder, Montana

Five Largest stockholders of Elkhorn Mining Company:

		Shares Held
Wade V. Lewis,	Boulder, Montana	148,490
J. T. Lewis,	Boulder, Montana	148,490
John R. Dodson,	224 Emerald Bay Drive, Laguna Beach, Calif.	41,000
R. M. Harris	413 North First Street Yakima, Washington	24,300
Leon Butori	Butte, Montana	25,600

***

ELKHORN MINING COMPANY • Elkhorn Mining District - - Elkhorn, Montana . . . . .

PHONE 2121 . . . OFFICES: Boulder Bank Building
BOULDER, MONTANA

Geological Report on

The Forty-Niner Uranium Group,

near Clancy, Montana

The Forty-Niner uranium group of lode mining claims consists of 9 lode locations and 2 tunnel site locations contained in Township 8 North, Range 3 West, M. P. M. Jefferson County, Montana, as depicted on map exhibit No. 1, attached herewith. Four claims are owned by Lessors Wayne Hinman, Dewey Hinman and Buford Miles. Five claims are owned by Elkhorn Mining Company, by right of location. One tunnel site is owned by lessors, one by Elkhorn Mining Company.

Topography is marked by an east-west trending ridge rising from 500 to 1,000 feet above the valley floor, this ridge containing known uranium mineralization and representing the divide between Lump Gulch on the north and Clancy Creek on the south.

Property is approximately 2½ miles west of the postoffice of Clancy, Montana, and is reached by county road from U. S. Highway No. 91. A further system of road approach has been made by Elkhorn Mining Company joining the county road at points 1½ miles apart. Approach is from the Clancy Creek side.

Vein structures on the Forty-Niner group are contained along and near summit of ridge consisting of monzonite with attendant aplite dikes and sills, together with a third igneous formation which may be described as a grano-aplite, a phase rock between the two. However, this third igneous rock intrusion may be an acid porphyry rock, possibly later than either the monzonite or the aplite. A few thin sections are required to more properly classify the rock.

Geological conditions and mineral occurrences at the Forty-Niner closely parallel conditions found at the Free Enterprise property now producing commercial uranium ore under operations of the Elkhorn Mining Company; they also closely parallel those found at the "Haines" property now being developed in the Alhambra District by the Newmont Mining Co. The Forty-Niner group lies about 18 miles north of the Free Enterprise group and about 2½ miles northwest of the Newmont property.

Mineralization at the Forty-Niner property is marked by uranium minerals only, autunite, torbernite, the meta-torbernites, with probable small amounts of uraninite or pitchblende.

Most of the Forty-Niner mineralization is found in outcrops and surface cuts. No depth greater than 15 feet has been attained at the property. However, geological and mineralogical factors appear favorable for disclosure of uranium ores at depth. Radioactivity along vein

MF 100-12

outcrops, while intermittent, is extended along the total length of the claim group; and such radioactivity is due entirely to uranium rather than other radioactive minerals. Reference is made to my exhibit No. 2, showing areal geology and points of uranium mineralization or points of particular radioactivity noted at the property.

The following description of Jefferson County uranium mineralization and attending geological conditions, applicable to and described in report by the undersigned on the Free Enterprise property near Boulder, Montana, may also be applied in general to the Forty-Niner property:

> ...Nearly all the uranium ore found in the quartz-monzonite appears to be associated with intrusive aplitic dikes and sills. Evidence indicates that uranium mineralization may be derived from the original aplitic segregation or the differentiated product formed when the granite magma cooled. The Free Enterprise vein system obviously is later than the aplite, the latter apparently being a favorable host rock controlling ore deposition, the latter serving also from a confining, impervious structural standpoint, trapping original mineral solutions and acting as a barrier for retention of secondary minerals. In passing through the aplite, the veins narrow, while the ore shoots widen where monzonite is encountered.

An initial 300 feet adit is first recommended as development for the Forty-Niner property at point noted on my exhibit No. 2 attached, which adit should attain a vertical depth of approximately 160 feet below outcrop. Should this adit with attendant lateral drift development along vein and mineral zone show increased uranium values or commercial ores, a longer adit as noted is thereafter recommended. Some diamond drilling or wagon drilling could properly supplement first adit development.

Development of the Forty-Niner property is recommended because of the following favorable factors:

1. Distribution of radioactivity due to autunite, torbernite, and other uranium minerals along entire strike of vein system and lode claim group.
2. Favorable geological structures as noted.
3. Accessibility, by roads and tunnel site locations.
4. Probability of host rock, the granite-aplite or porphyry lending to wide widths of material forming wide disseminated ore bodies.
5. Probability of primary pitchblende or uraninite at depth.

Wade V. Lewis, Geologist

May 21, 1951

Elkhorn Mining Company
Boulder, Montana

MF 100-12

13. Access Roads: Approximately 2½ miles from property to Clancy, Montana, P.O. on Highway 91. System of new roads and approached from county road to mining claims, constructed by Elkhorn Mining Company in 1949, 1950.

14. Water Supply: Water from Clancy Creek available, 1/2 mile distant; transportation required for initial mine work and drilling machines.

15. Power: Gasoline power anticipated for all development; electrical power eventually available through Montana Power Company lines 2 miles distant.

16. Labor: Nominal labor employed in mining to date; work by dozier contracted by operator only.

17. Equipment and Facilities: No equipment nor buildings on property. No equipment. Development via adits and drifts should be much cheaper through contracting work on linear foot basis, requiring least overhead in supervision.

18. No particular conditions or circumstances other than above noted.

******

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)	Outcrops only, as observed by government geologists and examiners.				
Indicated (probable)	Possible ore only				

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

CERTIFICATION

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

Elkhorn Mining Company
(Name of company)

By Wade V. Lewis
(Signature of authorized official)

May 26th, 1951
(Date)

Wade V. Lewis, President
(Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

ME-202 DMA-1348X

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned ~~are the owners in fee simple of that certain~~ the locators and owners of those certain unpatented lode mining claims in the parcel of ground in the county of Jefferson, State of Montana, described in a certain Exploration Project Contract dated August 22, 1951, between ELKHORN MINING COMPANY, a Montana Corporation, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessors of said property under lease dated May 24, 1951, do by these presents subordinate all of their rights, titles, and interests under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agree that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

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

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

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

Dated this 28th day of June, 1951.

Wayne Hinman

Don Hinman

Buford Miles

L E A S E

THIS AGREEMENT, Made and entered into this 24th day of May, 1951, by and between WAYNE HINMAN, D. M. HINMAN and BUFORD MILES, as first parties and lessors, and ELKHORN MINING COMPANY, a Montana corporation, with postoffice address Boulder Bank Building, Boulder, Jefferson County, Montana, as second party and lessee, W I T N E S S E T H:

That, for and in consideration of the sum of One Dollar ($1.00), together with the mutual covenants and agreements between the parties hereto and the expected faithful performance thereof, the first parties do hereby lease and let unto the second party, for mining purposes, all those certain unpatented quartz lode mining claims situated and being in Clancy Mining District, County of Jefferson, State of Montana, and particularly described as follows, to-wit:

> KING SOLOMON RIDGE Quartz Lode Mining Claim, located April 3, 1949, Notice of Location of which is recorded in Book 45 of Lode Locations, page 590, of the records in the office of the County Clerk and Recorder for said Jefferson County;
>
> BLUE MONDAY Quartz Lode Mining Claim, located April 3, 1949, Notice of Location of which is recorded in said Book 45 at page 589;
>
> FORTY-NINER Quartz Lode Mining Claim, located April 3, 1949, Notice of Location of which is recorded in said Book 45 at page 591;
>
> WEST END Quartz Lode Mining Claim, located April 22, 1949, Notice of Location of which is recorded in said Book 45 at page 592;
>
> FORTY-NINER Tunnel Site, unpatented, notice of location of which is filed for record in the office of said Clerk & Recorder as instrument No. 65816.

EXCEPTING, HOWEVER, from said leased property all that part of the surface of any one or more of said claims or locations owned by third parties, and in which first parties hereto have no right or interest.

The terms and conditions of this lease are as follows, to-wit:

1. This lease shall be for the term of ten (10) years from and after May 24, 1951, and as much longer as minerals or other valuable products in commercial quantity are produced and

shipped from the leased property hereunder, provided such extension shall not extend beyond May 24, 1981, and provided further that this lease may be terminated short of said full term or at any time hereafter as herein provided.

2. Second party shall have the right to possession of said leased property forthwith.

3. During each calendar year of this lease, beginning January 1, 1952, lessee shall do, or cause to be done, mining development work, and/or installation of mining machinery, and/or erection of structures for mining purposes upon the leased property, of a reasonable cost of Five Thousand Dollars ($5,000.00).

4. All ores, concentrates, minerals, metals and valuable products whatsoever mined and shipped from said leased property shall be shipped and sold only to a custom smelter or custom reduction plant of good reputation, or to the government of the United States or agency thereof.

5. First parties reserve to themselves in said leased property, royalties as follows:

> Either (a) eighty cents (80¢) per ton for each ton of ores mined and shipped from the leased property hereunder in each calendar month;
>
> Or (b) ten percent (10%) of the net returns from all ores, concentrates, minerals, metals and other valuable products produced, shipped and sold from the leased property hereunder in each calendar month;
>
> whichever is the greater sum.

By "net returns" is meant the gross proceeds received from the sale of such ores, concentrates, minerals, metals and other valuable products produced, shipped and sold from the leased property, plus all bonuses and allowances whatsoever arising from the oduction, transportation, haulage, shipment and sale of any mine oducts hereunder, and less, when incurred and paid by lessee, the charges of custom treatment

plant to which the products from said leased property may be shipped, and railroad freight charges, for control and umpire assaying, reasonable trucking charges on such products at commercial trucking rates and development bonuses, not in excess of Fifty Cents per pound of U_3O_8 produced from the leased property and allowed lessee by the United States, when actually devoted to development of the leased property.

And lessee guarantees such royalties shall produce to lessors at least Five Hundred Dollars ($500.00) in each six months' period of the life of this lease, beginning with the date hereof, and agrees to pay to lessors at the Bank herein named, within ten days after the end of each such six months' period, a sum of lawful money of the United States equal to the amount, if any, by which such royalties for such six months' period shall not equal five hundred dollars ($500.00) and lessors hereby acknowledge receipt from lessee of the sum of Five Hundred Dollars ($500.00) to cover the six months' period ending November 24, 1951.

6. Said royalty payments shall be made by such smelter, reduction works, treatment plant and/or government agent directly to the first parties at First National Bank & Trust Company of Helena, at Helena, Montana, for credit to the first parties hereto, one-third each, and with each such royalty payment the smelter, reduction works and government agent making the payment shall deliver to said bank, for examination by the first parties, a copy of its returns on the shipment and shipments producing the royalty.

7. Second party shall pay for all work, labor and materials placed by it on said leased property, so that no liens shall attach to said leased property by reason of any such labor and materials.

8. Second party shall post and keep posted during all the life of this lease, at each entryway to workings on the leased property, a legible notice in the English language to the effect that the property is being worked by the lessee and not by the owners.

9. On or before the 15th day of each calendar month of this lease, second party shall deliver to said bank for first parties, notice in writing of all shipments of products produced

from said leased property during the preceding calendar month (if any), such notice to show the date, weight, route, destination and consignee of each shipment, with car number if shipped by rail.

10. Second party shall keep accurate books and records of all production and shipments from said leased property and the proceeds thereof, together with expenditures of testing, developing and mining the leased property and improvements placed thereon, which books and records shall be open to inspection and copying by the first parties or their agent at all reasonable times.

11. At all reasonable times during the life of this lease, the first parties and their agents and engineers shall have the right of access and examination of said leased property and the workings thereon, and for such purposes shall have the free use of all hoists, ways and ladderways in and upon said leased premises.

12. Second party shall pay all taxes levied or assessed on machinery and improvements placed by it on said leased premises as and when such taxes are due, and shall pay all production, metal mines and license taxes levied or assessed on the production from said leased property as and when such taxes are due.

13. Second party shall do or cause to be done upon or for each unpatented mining claim herein referred to the annual assessment work required by law in order to hold such claim, for the year ending July 1, 1951, and for each subsequent year, and shall make and file, as required by law, affidavit proof of the doing of such assessment work, so long as this lease shall endure.

14. Second party shall do all work upon said leased premises in a good and minerlike manner, and likewise shall protect, as far as practical in said mining operations, first parties' extralateral rights in said mining claims.

15. Second party shall comply with the Workmen's Compensation Act of the State of Montana with respect to all work and labor on said leased premises under this lease.

16. Any notice herein provided to be given by one of the parties to the other shall be in writing and mailed at either Boulder, Montana, or Helena, Montana, in the United States Post Office, by first class mail, with postage fully prepaid, and when given by first parties to the second party shall be addressed to "Elkhorn Mining Company, Boulder Bank Building, Bouler, Montana," and when given by second party to the first parties shall be addressed to "D. M. Hinman, Wayne Hinman and Buford Miles, c/o First National Bank & Trust Company of Helena, Helena, Montana," and any such notice shall be considered as given when so mailed.

17. Upon the termination of this lease, by forfeiture or otherwise, second party shall have ninety (90) days within which to remove from the leased property all tools, machinery and supplies placed by him on the leased property, except buildings, mine timbering, shaft timbering, shaft collars, and ladderways.

18. If second party shall fail to keep or perform any one or more of the covenants or agreements on its part to be kept or performed, and such default shall continue for sixty (60) days after notice given by first parties to second party specifying such default or defaults, then at the option of first parties, and without further notice whatsoever, said lease shall terminate and first parties shall have the right of re-entry of, in and to said leased property and the whole thereof.

19. Second party may abandon this lease at any time upon giving first parties thirty (30) days' notice thereof in writing and accounting to first parties for all royalties produced hereunder, including any and all minimum royalty payments then due hereunder.

20. Upon termination of this lease, by forfeiture, abandonment or otherwise, second party shall make, execute, acknowledge and deliver to first parties its good and sufficient quitclaim deed of all the leased properties.

21. Time shall be of the essence of this agreement and of each and every provision hereof.

22. First parties hereby covenant and agree that this agreement shall be binding upon themselves, their heirs, personal representatives, successors and assigns.

23. No assignment of this lease, or of any interest therein, or in the leased property, shall be effective or valid, except that notice of such assignment in writing, stating (a) the interest assigned, (b) the name and address of the assignee, and (c) if the assignee be a corporation, the State under whose laws incorporated, and the names and addresses of its principal officers and stockholders, be given to the first parties hereto. And no such assignment or grant shall be effective or valid, except that the assignee endorse, in writing, on the said notice, in binding manner, the assignee's consent to be bound by the terms hereof.

24. Second party hereto hereby acknowledges that the Lease and Option agreement between the parties hereto, dated September 19, 1949, covering said lode claims has been cancelled and terminated.

25. This instrument is executed in quadruplicate originals, of which this is Original No. _____.

IN WITNESS WHEREOF, the first parties hereto have hereunto subscribed their names, and the second party has caused its corporate name and seal to be hereunto affixed by its proper officers hereto duly authorized, the day and year in this instrument first above written.

(Signed) Wayne Hinman
(Wayne Hinman)

(Signed D. M. Hinman
(D. M. Hinman

(Signed) BufordMiles
(Buford Miles)

FIRST PARTIES

ELKHORN MINING COMPANY,

by (Signed Wade V. Lewis
Its President

SECOND PARTY.

ATTEST:

(Signed) J. T. Lewis
Secretary

(Corporate Seal)

STATE OF MONTANA,)
: ss.
County of Lewis and Clark,)

On this 25th day of May, 1951, before me, Cecelia D. Everett, a Notary Public for the State of Montana, personally appeared WAYNE HINMAN, D. M. HINMAN and BUFORD MILES, to me known to be the persons whose names are subscribed to the foregoing instrument, and each for himself acknowledged to me that he executed the same.

(Signed) Cecelia D. Everett
Notary Public for the State of Montana
Residing at Helena, Montana
My Commission expires: March 10, 1953

Cecelia D. Everett
Notarial Seal#
State of Montana

(Notarial Seal)

STATE OF MONTANA,)
: ss.
County of Lewis & Clark)

On this 25th day of May, 1951, before me, Cecelia D. Everett, a Notary Public for the State of Montana, personally appeared WADE V. LEWIS, known to me to be the President of ELKHORN MINING COMPANY, the corporation executing the foregoing instrument, and acknowledged to me that such corporation executed the same.

(Signed) Cecelia D. Everett
Notary Public for the State of Montana
Residing at Helena, Montana
My Commission expires: March 10, 1953

(Notarial Seal)

Cecelia D. Everett
Notarial Seal
State of Montana

Form MF-103
(April 1951)

U. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

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

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

DO NOT FILL IN THIS BLOCK

Docket No. DMA 1348X

Date received 5-29-51

Participation

Elkhorn Mining Company
Boulder Bank Building
Boulder, Montana

Name and address of applicant

Date May 26, 1951.

FILL IN THIS BLOCK

Date of application May 26, 1951

Estimated cost $112,550.00

Mineral or metal Uranium

Percentage of Government participation 90%

Location of mine Clancy Dist., Jefferson County, Montana.

Date of filing MF-100 May 26, 1951.

DMA Docket Number, if available 1348X

INSTRUCTIONS

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

THE APPLICANT

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

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

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

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

16—64067-1

THE PROPERTY

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

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

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

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:

(*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.

(*b*) State briefly the known history and production of adjoining and neighboring properties.

(*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:

(*a*) If mine is in production, furnish the following information:

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

*18. Ore or mineral reserves: (If property is or has been operating.)

(*a*) Describe the ore or mineral deposits briefly.

(*b*) Submit available maps and assay data.

(*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:

(*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.

(*b*) Supervisors, by numbers and positions, with salaries of each.

(*c*) Cost of necessary repairs to existing facilities, structures, and buildings.

(*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.

(*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.

(*f*) Cost of rental for equipment which the operator proposes to rent.

(*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.

(*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.

(*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

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

Elkhorn Mining Company
(Name of company)

By Wade V. Lewis
(Signature of authorized official)

May 26, 1951.
(Date)

Wade V. Lewis, President
(Title)

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

*Same as footnote on page 1.

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

ELKHORN MINING COMPANY • Elkhorn Mining District - - Elkhorn, Montana . . . . .

PHONE 2121 . . . OFFICES: Boulder Bank Building BOULDER, MONTANA

MF 103

Defense Minerals Administration,
U. S. Department of the Interior,
Washington 25, D. C.

The Applicant

1. Elkhorn Mining Company, a Montana Corporation.
2. No partners.
3. Answered on MF 103
4. Answered on MF 103
5. Owner of 5 claims and Tunnel Site, Lesse of 4 claims and tunnel site.
6. No claims, liens, or encumbrances.
7. Copy of lease on foregoing four mining claims and tunnel site is herewith attached. Lease is in good standing.
8. Current financial statements: Attached hereto.
9. Elkhorn Mining Company is prepared to invest its part of the cost of proposed project as detailed in Question 23. It is prepared to invest 10% of total amount of project expense, or $11,255.00 assuming that loan application figure $112550.00 is 100% of expenditures, or $12,505.55 if application loan amount is 90% of total. Elkhorn Mining Company money to be derived from funds currently on hand at date of loan approval, ore returns and premiums, if any from Forty-Niner ore mining, if same be carried on under company expense while developing, and/or from security sales, sufficient to meet funds required, filing having been made as of May 20th, 1951 with the SEC. Funds sufficient for participation under Section 9, Mineral Order 5.

The Property

10. (a) Description of Property:

Mining claims for which development is proposed are contained on map exhibit No.1 and are as follows:

Under long term lease:

	Instrument No.
Forty-Niner lode claim	64884
King Solomon Ridge lode claim	64883
West End lode claim	64885
Blue Monday lode claim	64882
Forty-Niner Tunnel Site	65816

Owned by Applicant:

Big Rock Lode Claim	65754
West End No.1 Lode Claim	65731
North View Lode Claim	65755
East End Lode Claim	65730
East End No.1 Lode Claim	65732
West End Tunnel Site	

all situated in T 8 N., R 3 W., MPM, Sections 5,6,7,8, Jefferson Co. Mont

ELKHORN MINING COMPANY

Balance Sheet

(Period Jan. 1st, 1951 . . . April 15th, 1951, incl.)

Assets

Cash in banks		5,902.20
Cash in Transfer fund		3.72
Notes receivable		150.00
Placer gold on hand		135.30
Due on uranium-silver shipments		5,000.00
Due from smelter		250.00
Inventory:		
Properties and interests in properties based on ores indicated by exploratory work and geological structural conditions	400,000.00	
Value construction work	85,000.00	
Machinery and equipment	25,000.00	
Truck and car	3,479.60	
Geiger counters, radiation equipment	450.00	
Halross Scintillometer	800.00	
		514,729.60
		526,170.82

Liabilities

Unsecured accounts:		
Industrial Accident Board	79.97	
Loans by stockholders	7,500.00	
Cash advanced by director	1,532.98	9,112.95
Secured accounts:		
G. B. Bashaw, development expense	1,500.00	
Timepayments, car	1,897.50	3,397.50
Net Worth:		
Common stock (less stock unissued, par) . . .	74,481.50	74,481.50
Surplus:		
Paid in	86,803.50	
Unrealized appreciation	352,375.27	449,178.77
		526,170.82

Elkhorn Mining Company,
Boulder, Montana

ELKHORN MINING COMPANY

(Period Jan. 1st, 1951 . . . April 15th, 1951, incl.)

Receipts

Bank balances, January 1st, 1951	487.40
Cash, office transfer fund	0.72
Sale of stock	7,900.00
Reduction plant and smelter returns	2,197.67
Loans, individuals	7,500.00
Royalties	31.16
Grazing fee	25.00
Refunds	61.60
Transfer fees	7.00
	18,210.55

Disbursements

Wages, mining	4,461.00	
Mine supplies	1,410.74	
Insurance	525.89	
Gas, oil, car	392.14	
Repairs and replacements	31.73	
Hotel rent	54.75	
Subsistence	27.22	
Communication	270.72	
Withholding Tax	357.30	
Social Security	240.62	
Unemployment Compensation Commission	105.65	
Railroad fares	57.63	
Office supplies and expense	254.89	
Taxes	454.41	
Technical publications	11.75	
Freight	20.63	
Royalties	553.03	
Electric Power	732.21	
Commissions	450.00	
Postage	21.50	
Mine camp supplies	23.85	
Assays	71.30	
Geological and engineering fees	725.00	
Property payments	250.00	
Travelers checks and travel expense	378.00	
Express	11.98	
Trucking	23.36	
Attorney fees	50.00	
Car payment	30.00	
Mileage allowance, miners only	126.00	
Notary and fees	31.50	
Bank charges	2.25	12,157.05
Bal. Union Bank & Trust Co., Helena, Mont.		307.72
Bal. Metals Bank & Trust Co., Butte, Mont.		5,742.06
Cash, office transfer fund		3.72
		18,210.55

10. (b) Exploration will be conducted in West ½ of Section 5 and east half of Section 6, Township 8 North, Range 3 West, M.P.M., Jefferson County, Montana.

11. All claim locations made on and after April 3rd, 1949, claim group has been and is known as "Forty-Niner" group

12. Answered under MF 100.
13. Answered under MF 100.
14. Answered under MF 100.
15. Ores from the property are acceptable through the Vitro Chemical Company, 600 West 33rd South, Salt Lake City, Utah, to which this company is now shipping commercial uranium ores from its property near Boulder, Jefferson County, Montana.
16. Answered under MF 100.
17. Answered under MF 100.
18. Answered under MF 100. Assay maps submitted.
19. None.

The Exploration

20. Minerals:

Exploration will be conducted for uranium minerals including autunite, torbernite , uraninite and pitchblende, already indicated by exposures on the surface.

21. Proposed Work and Time period to complete it:

Proposed work of development entertains a two year period. Outlined program provides initialy for a 300 foot tunnel or adit which should intercept vein and ore zone at a vertical depth of approximately 160 below the surface. As vein is dipping at an angle of 65° toward the site of tunnel portal, advantage is gained by choosing adit development. This initial work provides for drifting 300 feet approximately N 60 E and 300 feet S 60 West along strike of vein and ore zone, exposed in discovery cut on Forty-Niner claim. (See map exhibit No.1 for points of proposed work. Direction of adit will be approximately N 30o W.

Adit No.2 , 1500 feet , is recommended as an overall development tunnel, to follow the work of Adit No.1, if ores are disclosed or indicated by initial work in No.1. Five hundred feet of additional drifting is suggested in each direction , approximately at right angles to direction of Adit No. 2 , which also will be approximately N 30oW in direction.

Advantage of adit work in each instance is based on depth being attained, as topography as noted on Map Ex.No.2 shows the steep south slope on which work of adits will be directed. Attention is invited to the contour intervals. Crosscut adits will penetrate grano-aplite or porphyritic zones favorable to mineral dissemination. Autunitic zones or areas are anticipated through development.

Geological basis for the project is determined from parallel conditions such as are found at the Free Enterprise

21.
22.

property , situated near Boulder, in Jefferson County, Mantana. The same uranium minerals, in part, together with the same associated aplite and quartz monzonite and phase rocks are found at the Forty-Niner property.

Supporting geological map , exhibit No. 2, is attached hereto, together with assay map, showing points at which samples were taken.

Favorable recommendation of the Forty-Niner property is made for development for reason that uranium minerals have been found intermittently and in many places with reasonable continuity along vein strikes over the entire length of the group structure. In fact, more mineral subject to chemical assays has been found at surface on the Forty-Niner group than on the Free Enterprise group which shows mild radioactivity only at the surface, no chemical results, but pitchblende and uraninite within 90 feet of the surface. Surface showings of uranium minerals at the Forty-Niner claims are much stronger than those found on a commercial producer.

*****

Requirements and Costs

24 month Period

(a) Labor: (contract work anticipated)	
1. Upper adit: 300 ft. @ $22.50 per ft...	$6,750.00
2. Upper adit drifts: 600' @ 22.50 per ft...	13,500.00
3. Lower adit: 1500' @$25 per ft....	37,500.00
4. Lower adit drifts, 1000' @ $25 per ft.	25,000.00
(b) Supervisors:	
1. Foreman eliminated by contract work; Supervisory work largely eliminated by contract work; allowance for all geological and engr. work.....2 years.	5,000.00
(c) Cost of necessary repairs to existing facilities structures and buildings..	None
(d) Cost of necessary installation or contruction of additional facilties, structures, buildings. compressor house and machnine shop.....	2,500.00
(e) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each:	
1. Expense of compressor, pipe, drilling machines mechanical mucker, etc. eliminated by contract work.....	None.
(f) Cost of rental for equipment which the operator proposes to rent: None: included in contract work..	None.
(g) Rental value of items if equipment which the operator now owns and which will be devoted to the work...	None.
(h) Cost of materials and supplies, including items of equipment costing less than $50 each.....	3,000.00
(i) Cost of power, water, utilities, and any other items not provided for: Power: included in contract prices	
Other items:	
1. Mine supplies: Powder, caps, fuse, bits, steel (22,800.00) eliminated by contract work...	..
2. Road and dozier and development* cuts...	6,000.00
3. Mine timbers and lumber...	4,000.00
4. Mine camp supplies...	1,500.00
5. Trucking, exclusive of ores.....	1,500.00
6. Minor repairs and replacements..	1,200.00
7. Assays.....	600.00
8. Freight and express.....	500.00
9. Scintillometer grid surveys, surface and underground...	4,000.00
10. Industrial Accident Insurance.. 5.6%) Montana State Unemployment 2.7%) Eliminated Social Security... 1.5%) by contract work.....	None.
Total...	$112,550.00

* Applicant agrees to a flexible program deviating from foregoing, including diamond drilling if recommended by the AEC, USGS, DMA, or other governmental agency, and agrees to a lesser program to cover upper adit only if required, or any lessor or greater scope of program as may be suggested by initial development and findings, and agrees to any modification or part of foregoing suggested program of development.

MF 103-24

Requirements and Costs

Time Schedule	24 months period
1st month: Dozier and approach work Excavations, compressor house etc.....	$3,000.00
1st month: drift or adit expense..	4,565.00
* Next 23 months..Allocated expense per month contract work; approx. 142' adit and drift work per month... $4,565.00	104,985.00
Total for project...	$112,550.00

****

* All expenses as listed on MF 103 -23 allocated over 23 month period.

* All contract work suggested may be resolved into day's pay project miners $12.00 per day, muckers, $10.00 per day, with attendant overhead. Mining work in Jefferson County, Montana, found more efficient and performed at less cost through contracting wherever possible.

****

ELKHORN MINING COMPANY • Elkhorn Mining District - - Elkhorn, Montana . . . . .

PHONE 2121 . . . OFFICES: Boulder Bank Building
BOULDER, MONTANA

Geological Report on The Forty-Niner Uranium Group, near Clancy, Montana.

The Forty-Niner uranium group of lode mining claims consists of 9 lode locations and 2 tunnel site locations contained in Township 8 North, Range 3 West, M. P. M. Jefferson County, Montana, as depicted on map exhibit No. 1, attached herewith. Four claims are owned by lessors Wayne Hinman, Dewey Hinman and Buford Miles. Five claims are owned by Elkhorn Mining Company, by right of location. One tunnel site is owned by lessors, one by Elkhorn Mining Company.

Topography is marked by an east-west trending ridge rising from 500 to 1,000 feet above the valley floor, this ridge containing known uranium mineralization and representing the divide between Lump Gulch on the north and Clancy Creek on the south.

Property is approximately 2½ miles west of the postoffice of Clancy, Montana, and is reached by county road from U. S. Highway No. 91. A further system of road approach has been made by Elkhorn Mining Company, joining the county road at points 1½ miles apart. Approach is from the Clancy Creek side.

Vein structures on the Forty-Niner group are contained along and near summit of ridge consisting of monzonite with attendant aplite dikes and sills, together with a third igneous formation which may be described as a grano-aplite, a phase rock between the two. However, this third igneous rock intrusion may be an acid porphyry rock, possibly later than either the monzonite or the aplite. A few thin sections are required to more properly classify the rock.

Geological conditions and mineral occurrences at the Forty-Niner closely parallel conditions found at the Free Enterprise property now producing commercial uranium ore under operations of the Elkhorn Mining Company; they also closely parallel those found at the "Haines" property now being developed in the Alhambra District by the Newmont Mining Company. The Forty-Niner group lies about 18 miles north of the Free Enterprise group and about 2½ miles northwest of the Newmont property.

Mineralization at the Forty-Niner property is marked by uranium minerals only, autunite, torbernite, the meta-torbernites, with probable small amounts of uraninite or pitchblende.

Most of the Forty-Niner mineralization is found in outcrops and surface cuts. No depth greater than 15 feet has been attained at the property. However, geological and mineralogical factors appear favorable for disclosure of uranium ores at depth. Radioactivity along vein outcrops, while intermittent, is extended along the total length of the claim group, and such radioactivity is due entirely to uranium rather

than other radioactive minerals. Reference is made to map exhibit No.2, showing areal geology and points of uranium mineralization or points of particular radioactivity noted at the property.

The following description of Jefferson County uranium mineralization and attending geological conditions, applicable to and described in report by the undersigned on the Free Enterprise property near Boulder, Montana, may also be applied in general to the Forty-Niner property:

> ...Nearly all the uranium ore found in the Quartz-monzonite appears to be associated with intrusive aplitic dikes and sills. Evidence indicates that uranium mineralization may be derived from the original aplitic segregation or the differentiated product formed when the granite magma cooled. The Free Enterprise vein system obviously is later than the aplite, the latter apparently being a favorable host rock controlling ore deposition, the latter serving also from a confining, impervious structural standpoint, trapping original mineral solutions and acting as a barrier for retention of secondary minerals. In passing through the aplite, the veins narrow, while the ore shoots widen where monzonite is encountered.

An initial 300 feet adit is first recommended as development for the Forty-Niner property at point noted on map exhibit No.2, attached, which adit should attain a vertical depth of approximately 160 feet below outcrop. Should this adit with attendant lateral drift development along vein and mineral zone show increased uranium values or commercial ores, a longer adit as noted is therafter recommended. Some diamond drilling or wagon drilling could properly supplement first adit development.

Development of the Fofty-Niner property is recommended because of the following favorable factors:

1. Distribution of radioactivity due to autunite, torbernite and other uranium minerals along entire strike of vein system and lode claim group.
2. Favorable geological structures as noted.
3. Accessibility, by roads and tunnel site locations.
4. Probability of host rock, the grano-aplite or porphyry lending to wide widths of material forming wide disseminated ore bodies.
5. Probability of primary pitchblende or uraninite at depth.

Wade V. Lewis
Geologist.

May 21st, 1951.

MF 103-22

Elkhorn Mining Company
Boulder, Montana

Standard Form No. 1044—Revised
Approved by Comptroller General U. S.
June 25, 1936

SCHEDULE OF COLLECTIONS

Schedule No. [illegible]-13

Sheet No. 1

U. S. DEPARTMENT OF THE INTERIOR, (Department or Establishment)

BUREAU OF MINES, (Bureau or Office)

Received by [illegible], [illegible] (Name) (Title) at [illegible], [illegible] (Station)

Period [illegible]-1952 (Month or quarter ended) Station [illegible]-23-020 D. O. Symbol No. 120

Date Received	Receipt Number	Name of Remitter	Detail Description of Purpose for Which Collections Were Received	Amount	Fund to be Credited (Symbol and title in full)
10/23/52	--	Elkhorn Mining Co. Company check No. 2157 dtd 7/22/52	For refund on Property Element of on completion of Contract Idr-[illegible]-115	412.01 ✓	14X1101 Revolving Fund, Defense Production Act, Interior
10/23/52	--	Elkhorn Mining Co. Company check No. 2117 dtd 7/7/52	For refund on Property Element of on completion of Contract Idr-E-123	18.00 ✓	do
10/23/52	--	American Smelting & Refining Company Company check No. 14319 dtd 10/15/52	For royalties on net proceeds of Commonwealth Lead Mining Co., Contract No. Idr-[illegible]-50, Lot 1938-4	51.22 ✓	do
10/23/52	--	United States Smelting Refining and Mining Company Company check No. 51563, dtd 10/20/52	For royalties on net proceeds of Pond Shafts, Silver Streak Mine, Contract Idr-[illegible]-92, Lot No. 1.	30.26 ✓	do
			SUBTOTAL 14X1101 511.49		
			TOTAL,	511.49	

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 10 1952

Received ....., subject to collection. Forwarded October 24, 1952

[illegible] (Disbursing clerk or accountable officer)

By .....

By ..... (Name) N. Ruler Lee,

Title Authorized Certifying Officer

Certificate of Deposit No. ..... dated .....

U. S. GOVERNMENT PRINTING OFFICE 10—1790

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. 597

Department of the Interior
Defense Minerals Administration
RECEIVED
APR 16 1952

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

Voucher prepared at Spokane, Wash.
(Give place and date)

PAID BY

(For use of Paying Office)

THE UNITED STATES, Dr., *Payee's Account No.* Idm-B123

To Elkhorn Mining Co.
(Payee)

Boulder, Montana
(Address) (City) (State)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	April 1952	As per attached certified form MF-104 dated 4/8/52.				771.75	
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 771.75

(Payee must NOT use this space)

Differences .....

Account verified; correct for 771.75

(Signature or initials) .....

Contract No. Idm-B123 Date Req. No. Date Invoice Rec'd.

771.75

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	~~Appropriation certified~~ Revolving Fund Defense Production Act, Interior	771.75	771.75

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.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

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, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22900a-2

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 123

Name of Operator Elkhorn Mining Company
Docket No. DMA 1348X
Total Contract Amount $ 12,800.00
Government Participation: 90 % Amount, $ 11,520.00
Distribution of Expenditures for Month of April, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 1 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.

Elkhorn Mining Company
(Name of Company)

By Wade V. Lewis
(Signature of Authorized Official)

Wade V. Lewis

April 8, 1952
(Date)

President
(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						
Combination Compressor & Tool Hs.	00.00	300.00	300.00			
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]						
(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]						
5. Supervision Engr-geol	20.00	525.00	545.00			
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 adit	837.50	10162.50	11000.00			
11. Other (specify)						
Total	857.50	10987.50	11845.00	857.50	10987.50	11845.00
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 [signature]
Entered by
Approved by Eric S. Erickson
Amount approved for payment 771.75
Remarks

16—64068-3

*Supervision: Wade V. Lewis-$20.00

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF [illegible]

(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	[illegible]				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics	[illegible]				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	[illegible]				[illegible]					

[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

Contract for April: 15 Ft @ $25 less 10 per cent....$337.50
Total 10% withheld on 200 Ft contract @ $25.... 500.00
$857.50

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 123

Name of Operator [illegible]
Docket No. DMA [illegible]
Total Contract Amount $ [illegible]
Government Participation: 90 % Amount, $ [illegible]
Distribution of Expenditures for Month of [illegible]

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.

[illegible] (Name of Company)

By [signature] (Signature of Authorized Official)

[illegible] (Date)

[illegible] (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						
Construction Company of a tool house	00.00	300.00	300.00			
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]						
(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]						
5. Supervision CHGE-3001	100.00	425.00	525.00			
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) unit (20)	1912.50	8250.00	10162.50			
(threshold for contract)						
Total	2012.50	8675.00	10,687.50			
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 Eric G. Erickson
Amount approved for payment
Remarks

16—64068-3

Supervision: Vado V. Lucic-200.00

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF [illegible], 1952.

(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	[illegible]	[illegible].50			[illegible].50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics	100.00				200.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible].00
Trenching										
Sampling and assaying						[illegible]				
Roads and trails						[illegible]				
Test pits										
Other (specify)										
Totals	[illegible].50				[illegible].50					

[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

[illegible] V. [illegible] - 100.00

April 3rd, 1952.

Mr. A. E. Weissenborn,
Mr. K. E. Volin,
Field Team, DMEA,
1201 North Division Street,
Spokane 2, Washington.

Gentlemen:

Herewith enclosed Form-MF-104 in original and 5 copies, for DMEA:1348X, Idm-E-123, Forty-Niner Uranium, near Clancy, Montana. On March 31st, 1952 adit had been advanced for distance of 485 feet, remainder to be completed during April, 1952. Although no uranium ore has been encountered, fracturing appears at about 440 feet in adit, which conforms closely to vein strike and dip found at surface. Following completion of crosscut adit it is suggested that consideration be given to any geological factors which might lead to ore. Further report will follow shortly within month of April, reporting completion of the 500 feet of work authorized under contract.

Respectfully,

Elkhorn Mining Company,

Wade V. Lewis, Pres.

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 [illegible]

Name of Operator [illegible]
Docket No. DMA [illegible]
Total Contract Amount $ [illegible]
Government Participation: 90 % Amount, $ [illegible]
Distribution of Expenditures for Month of February, 1952.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 2 [illegible] 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. 6

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.

[illegible]
(Name of Company)

By [illegible]
(Signature of Authorized Official)

March [illegible], 1952.
(Date)

(Title) President.

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						
Construction contractor a tool house	62.00	320.00	320.00			
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]						
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

March 3, 1952.

Mr. A. E. Weissenborn,
Mr. M. E. Volin, Field
Team, Region II,
Spokane, Washington.

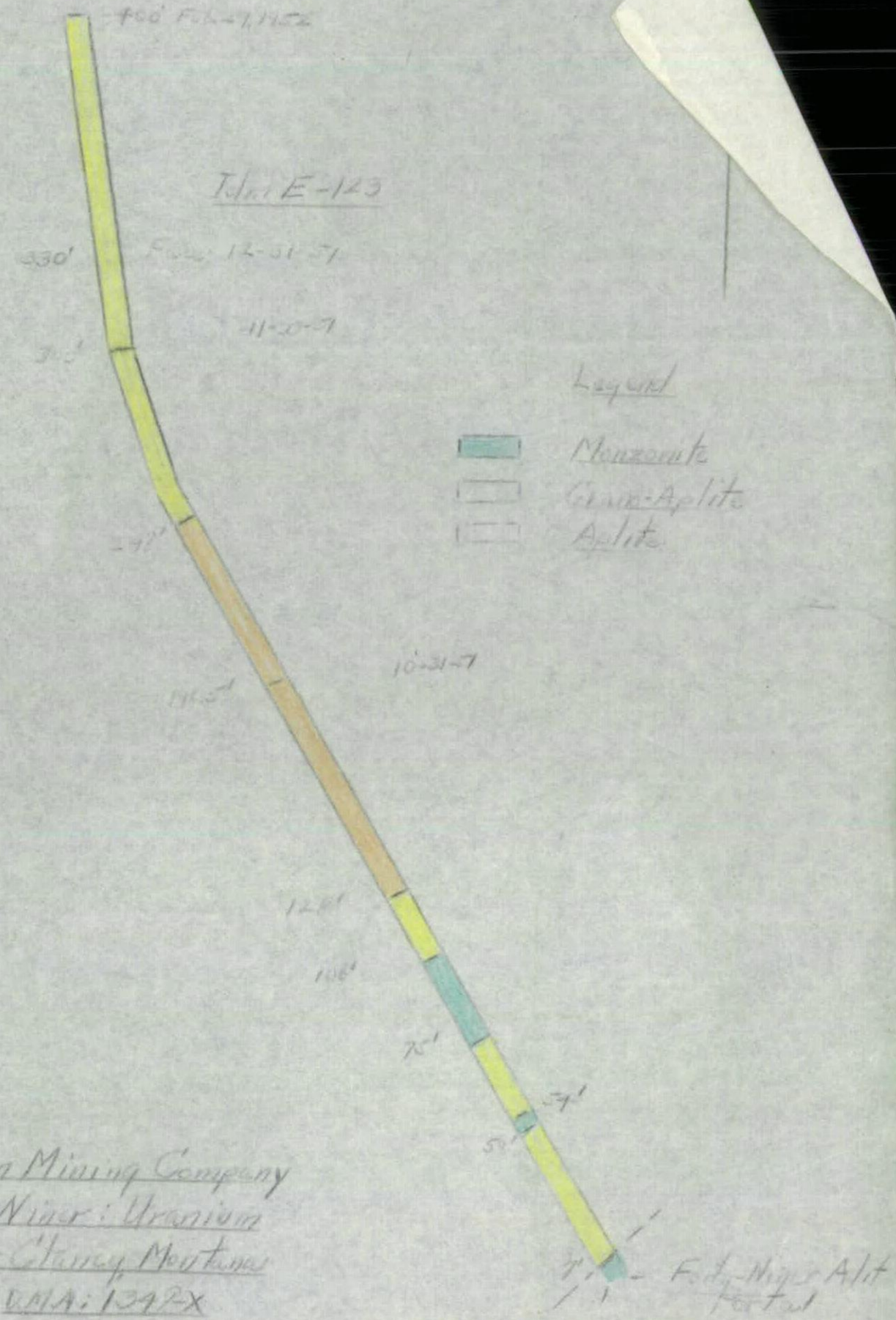
Dear Sirs:

Herewith MF-104 report on Forty-Niner uranium development, DMEA:1346X, Idm-3-123 for month of February, 1952. Contractor Jack Hampton advanced adit 70 feet during February. Uranium ore vein has not been encountered, although fissuring, fairly normal to strike and dip appearing on the surface is noted at about 382'. Adit is now 400 feet in length. In accordance with latest governmental instructions, the adit will be continued in crosscutting ore bearing area.

Respectfully,

Elkhorn Mining Company,

Wade V. Lewis, Pres.



Elkhorn Mining Company
Forty-Niner: Uranium
near Clinton Montana
UMA: 1342-X
Scale 1" = 40'
Wade V. Lewis

MONTH[illegible] SUMMARY COST STATEMENT—C[illegible]inued

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	100.00	325.00	425.00			
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)	175.00	675.00	850.00			
Total	175.00	700.00	875.00			
Deletions						
Adjusted totals						
Totals previously reported			700.00			
Totals to date			875.00			

[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
Entered by
Approved by Eric G. Erickson
Amount approved for payment
Remarks

16—64068-3

5. Supervision: [illegible] V. [illegible]-100.00

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF February, 1952.

(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	1675.00				1675.00	ft.	70	350	400	500
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics	100.00				100.00	ft.	100	25	125	700.00
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1675.00				1675.00					

[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

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 [illegible]

Name of Operator [illegible]
Docket No. DMA [illegible]
Total Contract Amount $ [illegible]
Government Participation: [illegible] % Amount, $ [illegible]
Distribution of Expenditures for Month of [illegible]

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.

[illegible]
(Name of Company)

By [illegible]
(Signature of Authorized Official)

[illegible]
(Date)

[illegible]
(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						
[illegible]						
[illegible]	00.00	300.00	300.00			
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]						
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

January 1st, 1951.

Mr. A. E. Volin,
U. S. Bureau of Mines,
Department of the Interior,
1201 N. Division Street,
Spokane 2, Washington.

DMA:1348X-Idm-5-123.
Forty-Niner Uranium
Clancy, Montana

Dear Mr. Volin:

Herewith enclosed in extuplicate is MF-104 for month of December, 1951, DMA:1348X, Idm-5-123.

Also enclosed is signed statement of Contractor, Jack Hampton for adit work performed during December, 1951.

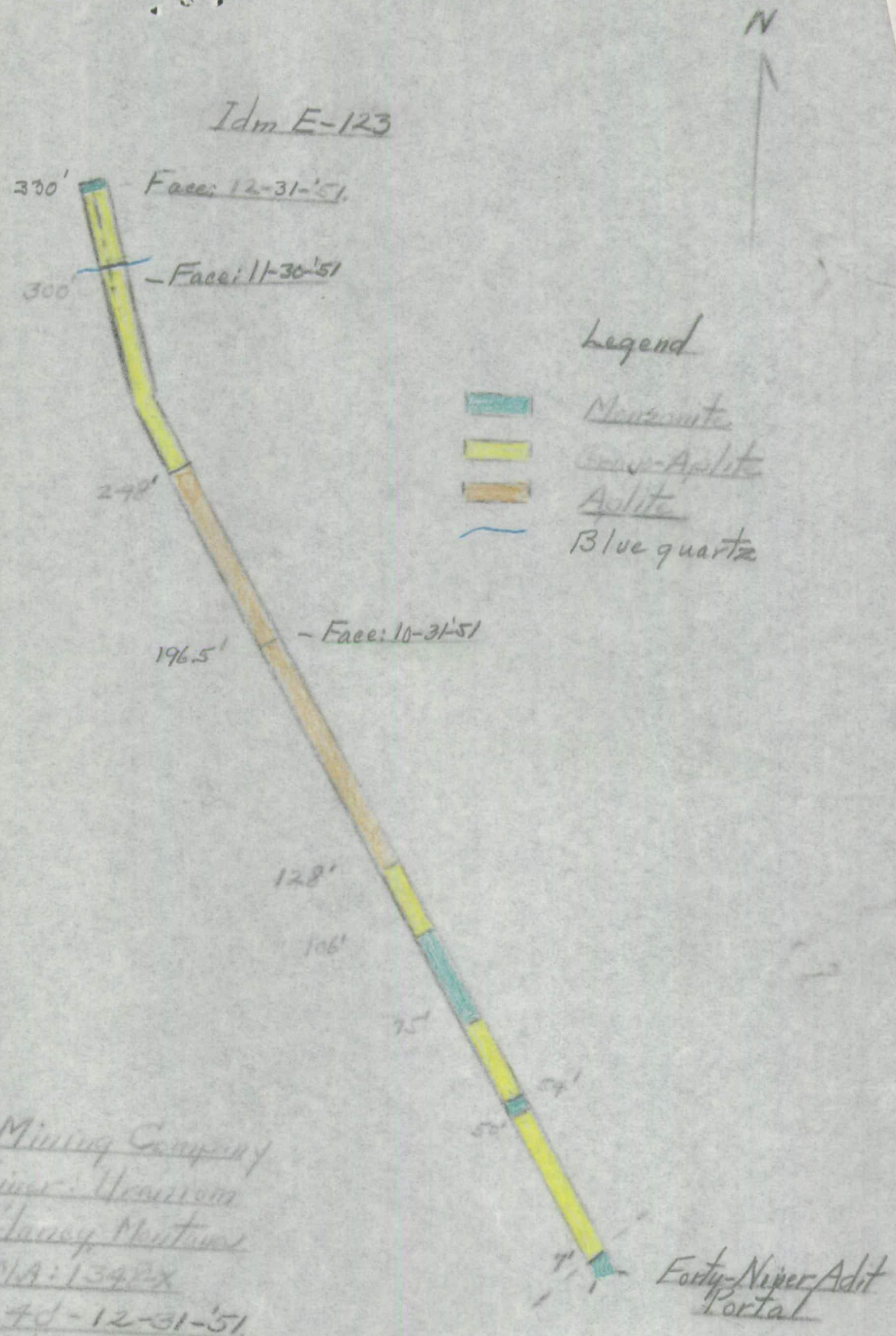
Also attached is sketch map showing progress for month of December. Sub-zero weather and heavy snows had their effect on work performed, temperatures being as low as 25° below zero, with blizzards combined.

At about 307.5 feet in from portal some blue quartz was penetrated, contained within a shattered zone. Mild radiation at this point. I would appreciate conferring with a representative of the AEC or the DMA or Bureau of Mines re further work to be performed, as following this blue quartz we might lead into an ore shoot.

Respectfully submitted,

Elkhorn Mining Company,

Wade V. Lewis, Pres.



EIKhorn Mining Company
Forty-Niner: Uranium
near Clancy Montana
DMA: 134P-X
Scale 1" = 40' - 12-31-'51
Wade V. Lewis

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 on project	100.00	235.00	335.00			
(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) [illegible]	675.00	6,000.00	6,675.00			
Total	775.00	6,235.00	7,010.00			
Deletions						
Adjusted totals						
Totals previously reported			6,535.00			
Totals to date			7,010.00			

[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
Entered by
Approved by Eric J. Erickson
Amount approved for payment
Remarks

16—64068-3

⊗ 5. Supervision Wade V. Lewis 100.00

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF _____

(Supply Data Below Applicable Only to Your Operations)

U. S. BUREAU OF MINES
RECEIVED
JAN 1 1952
ATLANTA, GEORGIA

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

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. [illegible]
Idm-E

Name of Operator [illegible]
Docket No. DMA [illegible]
Total Contract Amount $ [illegible]
Government Participation: [illegible] % Amount $ [illegible]
Distribution of Expenditures for Month of [illegible]

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.

[illegible]
(Name of Company)

By [illegible]
(Signature of Authorized Official)

[illegible]
(Date)

[illegible]
(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]						
(*c*) Furnished by operator						
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Installations						

December 1st, 1951.

Mr. M. E. Volin, Chief,
Mining Division,
U. S. Bureau of Mines,
1205 North Division,
Spokane, Washington.

Idm-E 123.
Nov. 51 report.
Forty-Niner Uranium.

Dear Mr. Volin:

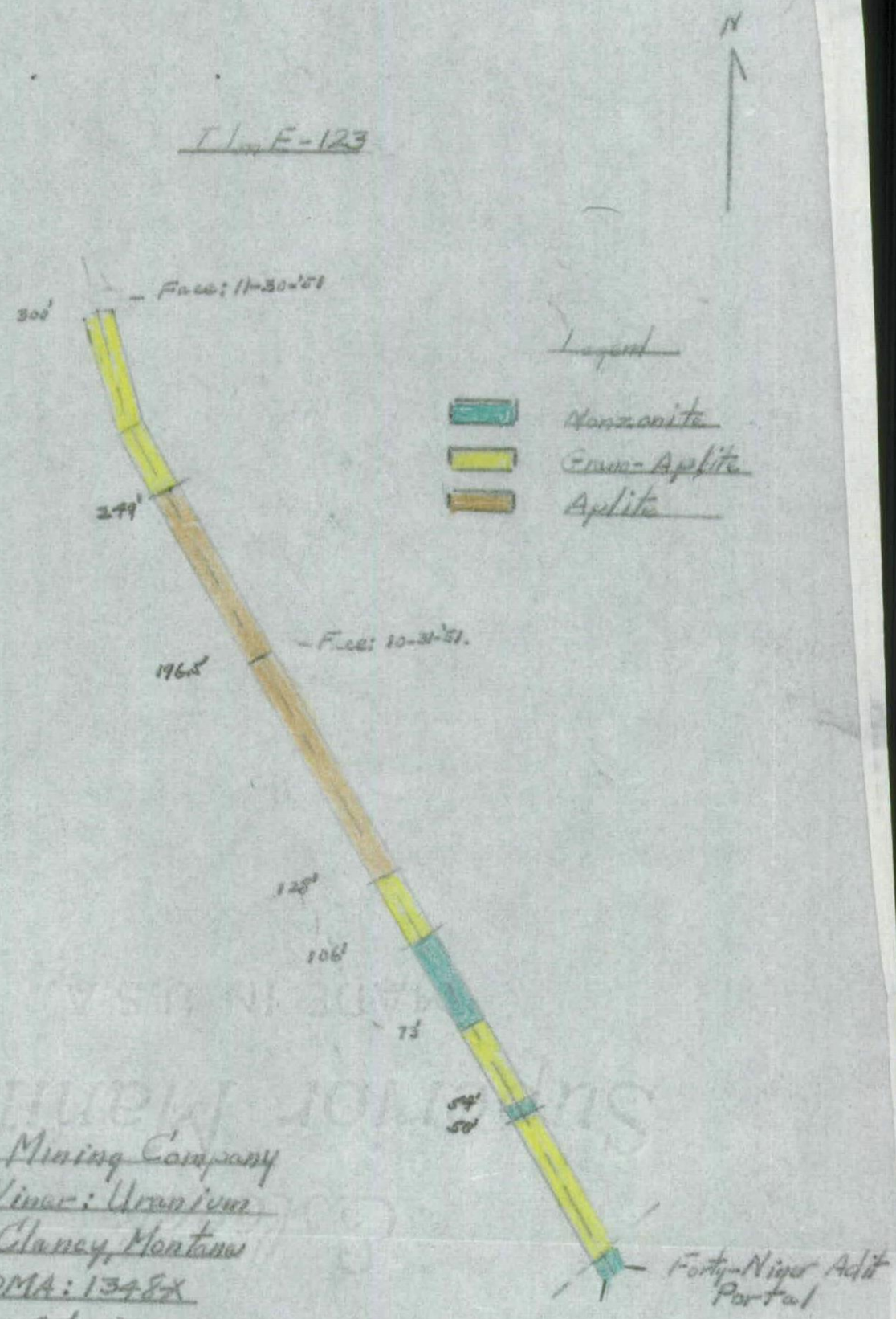
Herewith enclosed are six multiple originals of report, form MF 104, for November, 1951, DMA:1345X, Idm-E 123. Also enclosed are six copies of sketch map showing progress of work, including legend of monzonite, grano-aplite or phase rock, and aplite penetrated. Vein should be encountered at any time dependent on vein dip and other attending factors on the ground. Iron oxidation products near present face indicate nearness to orebody which appears in the phase rock at the surface.

Respectfully submitted,

Elkhorn Mining Company,

Wade V. Lewis, Pres.

Tl-E-123



Elkhorn Mining Company
Forty-Niner: Uranium
near Clancy, Montana
DMA: 1348X
Scale 1" = 40' - 11-30-1951
Wade V. Lewis

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 [illegible]

(Supply Data Below Applicable Only to Your Operations)

U. S. BUREAU OF MINES
RECEIVED
DEC 1 [illegible]
ALBANY, OREGON

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	[illegible]				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics	[illegible]				[illegible]					
Trenching						400	[illegible]	[illegible]	[illegible]	[illegible]
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	[illegible]				[illegible]					

[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

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 123

Name of Operator Elkhorn Mining Company
Docket No. DMA 134SX
Total Contract Amount $ 12,800.00
Government Participation: 90 % Amount, $ 11,520.00
Distribution of Expenditures for Month of October, 1951.

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
MAY 1 8 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.

Elkhorn Mining Company
(Name of Company)

By Wade V. Lewis
(Signature of Authorized Official)
Wade V. Lewis

November 1st, 1951.
(Date)

President.
(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

U. S. BUREAU OF MINES
RECEIVED
NOV 13 1951
ALBANY, OREGON

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 Combin. Compressor &Tool	00.00	300.00	300.00			
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]						
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

November 1st, 1951.

Mr. M. E. Volin, Chief,
Mining Division,
U. S. Bureau of Mines,
1205 N. Division Street,
Spokane, Washington.

Ide-R123, DMA: 1348X
Forty-Niner: Uranium
Progress, costs, etc.

Dear Mr. Volin:

Accompanying October, 1951 cost report, MF-104 herewith submitted is sketch map in quadruplicate showing advance of Forty-Niner crosscut adit to 196.5 feet, work being conducted by Jack Hampton, contractor. Project was started early part of September, 1951 in which month compressor and tool house was constructed and adit advanced 90 feet; October shows advance of additional 106.5 feet, total, 196.5 feet. Sketch shows the formations penetrated, Monzonite, grano-aplite, and aplite. Ground is breaking well and uranium vein should be encountered near end of November. Winter weather and even snows should not interfere too much as adit site is located on a south slope and road approach to adit portal is good.

No intermediate veins have been encountered, adit face is now in aplite, and since the aplite seems to be a confining feature for uranium ores in this district, the structural situation underground appears favorable at this time for penetrating uranium ores in vein which outcrops at surface. It appears that after some further drifting in the aplite that grano-aplite or other phase rock will be encountered before or at time of cutting the uranium bearing vein.

Attention is invited to a chalcedonic seam encountered and shown on sketch map herewith attached. It has been found in this district that these chalcedonic seams are sometimes ore markers or occur near uranium orebodies; sketch shows it dipping toward the 49'r uranium vein.

No increase in radiation has been found and none is expected until 49'r uranium vein is penetrated.

Respectfully submitted,

Elkhorn Mining Company,

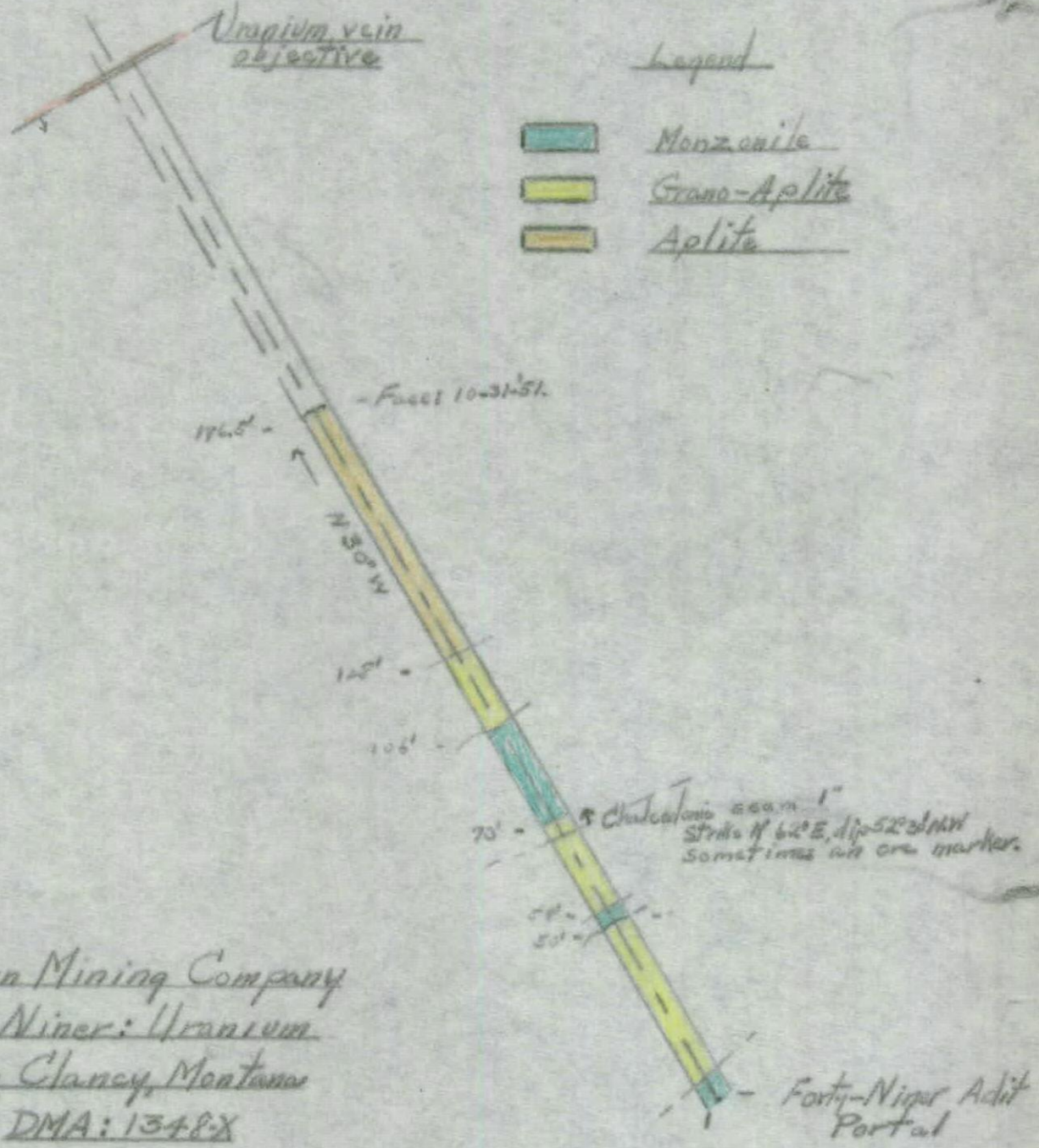
Wade V. Lewis, Pres.

Quad.

U. S. BUREAU OF MINES
RECEIVED
NOV 13 1951
SPOKANE, WASH.

U. S. BUREAU OF MINES
RECEIVED
NOV 13 1951
ALBANY, OREGON

Idm E-123



Elkhorn Mining Company
Forty-Niner: Uranium
near Clancy, Montana
DMA: 1348-X
Scale 1" = 40' - 10-31-1951
Wade V. Lewis

U. S. BUREAU OF MINES
RECEIVED
NOV 13 1951
ALBANY, OREGON

U. S. BUREAU OF MINES
RECEIVED
NOV 13 1951
ALBANY, OREGON

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 engr-geol.	100.00	25.00	125.00			
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 90%	1,937.00	1,620.00	3,557.00			
11. Other (specify)						
*10% of contract payment withheld per contract.						
Total	2,017.00	1,945.00	3,962.00			
Deletions						
Adjusted totals						
Totals previously reported			1,945.00			
Totals to date			3,962.00	2017.00	1,945.00	3,962.00

[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 W.R. Lee
Entered by
Approved by Glenn O. Reed
Amount approved for payment $1815.30
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 Contract.	1,917.00				1,917.00	Lin. ft	106.5	90.0	196.5	250.00
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics Congr.	100.00				100.00	$	100.00	25.00	125	$700.00
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	2,017.00				2,017.00					

[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

COPY

D. O. Vou. No. _____
Bu. Vou. No. DMA-25

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 10/11/51
(Give place and date)
THE UNITED STATES, Dr.,
To Elkhorn Mining Company
(Payee)
Address Boulder Bank Building, Boulder, Montana
Payee's Account No. Idm-E123

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)					
	9/1-30/51	Per certified form MF-104, dated 10/1/51, Con. Proj. 1348X				1,750	50

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 1,750 50

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

Contract No. Idm-E123 Date 8/16/51 Req. No. _____ Date _____ Invoice Rec'd _____

1,750.50

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	1,750.50	1,750.50

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)
April

25
Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

XXXXXXXXXX XXXXX 1348-X

Name of Operator Elkhorn Mining Company
Docket No. DMA 1348X
Total Contract Amount $ 12,800.00
Government Participation: 90 % Amount, $
Distribution of Expenditures for Month of September 1951.

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.

Elkhorn Mining Company
(Name of Company)

By /S/ Wade V. Lewis
(Signature of Authorized Official)

October 1st, 1951
(Date)

President
(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]						
(*c*) Furnished by operator						
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Installations						

MONTHLY SUMMARY COST STATEMENT

Distribution of Expenditures for Month of September, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date
Geol-Engr.			
Wages and salaries	25.00	none	25.00
Equipment purchase			
Equipment rental			
Buildings			
Explosives			
Repair parts			
Other supplies			
Power			
Transportation			
Withholding taxes			
Compensation insurance			
Other insurance			
Contract work			
Other (specify)	$1,920.00	none	1,920.00
TOTAL	1,945.00	none	1,945.00
Totals previously reported	none		none
Totals to date	1,945.00		1,945.00

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF September, 1951

Type	Number	Man-Shifts	Rate	Total
Miners				
Muckers				
Trammers				
Timbermen				
Pumpmen				
Hoistmen				
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent				
Engineers				
Geologists	1	1/16 mo.	400.00	25.00
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total	1			25.00

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 _____

Amount approved for payment _____

Remarks _____

_____

_____

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF September, 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 (Contract)	1,620.00				$1,620.00	L. Ft.	90	None	90	250
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geol. & Engr. Geology and geophysics	25.00				25.00					
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) Combination Compressor & tool Building.				300.00	300.00	1	1	None	1	1
Totals	1,645.00			300.00	1,945.00					

[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

☒ Audited

☐ Certified no

WO[illegible] ANALYSIS SHEET - DMEA PROJECT [illegible]

Analysis as of 12/3/54
Incl. Voucher for April 1952

☐ Actual Cost

☒ Agreed Unit Costs

Name Elkhorn Mining Co

DMA Docket No. 1348 X

State Montana

Commodity Uranium

Idn-E No. 123

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	500	$12,500.00	500	11,545.00	11,545.00
Raising					
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.		300.00		300.00	282.00*
Other (Specify)					
Totals		$12,800.00		$11,845.00	$11,827.00*

* Tool shed sold for $18.00 at completion of contract

Prepared by [signature]

COPY

February 11, 1955

Memorandum

To: Jay L. Chambers, Chief
Contract Adm. & Audit Division

From: Ernest Wm. Ellis, Chief
Rare & Miscellaneous Metals Division

Subject: Completed contracts - no discovery made

We have checked the attached list of contracts prepared by Mrs. Alley of your Division. It is not our intention to write "completion" letters to the Operators on these particular contracts, although in each instance the exploration work was unsuccessful, for the reason that the work was completed sometime prior to the adoption of the procedure to prepare final letters to the Operators.

/s/ Ernest Wm. Ellis

1-26-55

Rare and Miscellaneous Metals

Completed contracts on which certification or a closing letter of no discovery has not been issued.

Docket No.	Contract No.	Operator
1131	104	Sierra Copper Company
1324	108	Ashley J. Gold and Joe Gold
1514	112	Maravillas Minerals Company
1348	123	Elkhorn Mining Company
979	132	G. O. P. Antimony
1215	142	Compton I. White
1660	148	Oscar Svensson
1535	169	Columbia Mining Company
2013	215	Amador Mining Company
527	232	Yucca Mining & Milling Co.
1429	269	J. Walter Duncan, Jr.
1232	276	Alaska Copper Corporation

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

1201 N. Division St.
Spokane 2, Washington
May 20, 1954

Mr. Wayne Hinman
Box 125
Clancey, Montana

Re: Docket No. DMEA 1348 (uranium)
Elkhorn Mining Company
Forty-Miner Project
Jefferson County, Montana
Contract Idm-K123

Dear Mr. Hinman:

Reference is made to your letter of May 17, 1954 concerning the status of the claims which were explored under the referenced contract.

Although you do not so state, you probably wish to know if there is a claim and lien on the property as a result of the exploration work.

In the opinion of the Government the project was unsuccessful in discovering commercial ore, so no Certification of Discovery was issued. The Government has not and does not intend to assert its claim of lien on the property, and since we have closed our books on this project it is entirely free of any encumbrance so far as the Government is concerned.

Sincerely yours,

Wing G. Agnew
Acting Executive Officer
DMEA Field Team, Region II

cc: DMEA, Wash. (2)
USGS (2)

Clancey, Montana
May 17, 1945

RECEIVED
BUREAU OF M...
MAY 13 1954
SPOKANE

Defense Minerals Exploration Administration
1201 N. Division St.
Spokane, 2, Washington

DEPARTMENT OF Defense
MAY 25 1954

Sir:

I am writing you to inquire the status of the 49ER group of four claims at Clancey in Jefferson County Montana, owned by D.M. Hinman, Buford Miles of Helena, Montana, and Wayne Hinman of Clancey, Montana.

These claims were leased to the Elkhorn Mining Company, of Boulder, Jefferson County, Montana, who had an exploration loan DMEA1318X, contract No. IDM-E123.

The Elkhorn Mining Company forfieted their lease as of June 4th, 1953.

We have an opportunity to sell these claims to W. B. Hewson of Great Falls, Montana, and would like to inform him of their status. We are asking permission to make the transfer.

Respectfully yours,

Wayne Hinman
D.M. Hinman
Buford Miles

Wayne Hinman
Box 125
Clancey, Montana

Included in

Supplemental

report to Mr. Mittendorf, January 14, 1953

NARRATIVE ON DMEA CONTRACTS TERMINATED AS OF DECEMBER 31, 1952

Contract No. Idm-E123
Docket No. DMA-1343X
Contract date: August 22, 1951
Commodity: Uranium
Contractor: Elkhorn mining Company
Location: Jefferson County, Montana
Contract Amount: $12,800.00
Govt. participation: 90% - $11,520,00
Total spent: $11,825.00 (Govt. share - $10,642.50)

The project work, as revised, was terminated in April or May, 1952. The exact date is not known here.

The original contract called for 250 feet of crosscut followed by some 250 feet of drifting. However, at the completion of 250 feet of crosscut, no important vein structure was cut. It was decided to continue the crosscut to a maximum of 500 feet or until a major vein structure was intersected. Geologists of the Atomic Energy Commission concurred in this decision. Accordingly, the crosscut was continued for a total of 500 feet, and, while several small veins were intersected, no radioactive anomalies were detected. Therefore, it was concluded to terminate the contract. The work was completed in a satisfactory manner.

The Finance Officer on October 20, 1952, was instructed to pay the Operator's final invoice.

See Final Report of Field Team dated March 19, 1953
and Field Team memorandum March 26, 1953
filed underneath.
No "completion" letter was sent to Operator since this work was completed in 1952.

4/13/53 gla

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

April 9, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 10 1953

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4640

From: H. D. Keiser, Bureau of Mines Member
Uranium Commodity Committee

Subject: Final report, DMEA Docket 1348X, Forty-Niner Claim, Elkhorn Mining Co., Boulder, Montana.

I have reviewed the subject final report by the Field Team, Region II, and have discussed it with Joseph O. Hosted, representative of the Atomic Energy Commission.

It is recommended that the report be approved.

The report has been forwarded to the Chief, Minerals Division, in accord with the routing slip attached thereto.

H. D. Keiser

H. D. Keiser

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : E. Wm. Ellis, DMEA Member
Uranium Commodity Committee

DATE: April 8, 1953

FROM : Arthur P. Butler, Jr., USGS Member, Uranium Commodity Committee

SUBJECT: Final Report, Contract Idm-E123, DMEA Docket 1348X (Uranium), Elk Horn Mining Company, Contractor, Forty-Niner Claim, Secs. 5, 6, 7, and 8, T. 8 N., R. 3 W., Jefferson County, Montana.

I have reviewed the final report submitted on the results of exploration at the property identified in the subject above. I concur with the recommendations of the Field Team, Region II, that no discovery should be certified and that further work is not warranted.

Arthur P. Butler, Jr.

Arthur P. Butler, Jr.

Copy to: E. Wm. Ellis (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

March 26, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 30 1953

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

Re: Docket No. DMEA-1348X (Uranium)
Elkhorn Mining Company
Jefferson County, Montana
Contract Idm-E123

Dear Mr. Selfridge:

Enclosed are four copies of a final report on the Forty-Niner project, Elkhorn Mining Company, by Mr. S. W. Zoldok, U. S. Bureau of Mines, and Mr. G. E. Becraft, U. S. Geological Survey.

The report recommends that a Certificate of Discovery should not be issued to the project and that further exploration work is not warranted.

The Field Team concurs with recommendations made in the report.

By DMEA Field Team, Region II

M. E. Volin, Acting Exec. Officer
(U. S. Bureau of Mines)

Thor H. Kiilsgaard, Acting Member
(U. S. Geological Survey)

Enclosure
cc: USBM (2)
Becraft
Docket

Reviewed by
DMEA OPERATING COMMITTEE
4-3-53
(date)

FINAL REPORT

4/6/53

~~Mr. Ellis~~

The attached final report on Elkhorn Mining contract Idm-El23 covers one of those contracts that we included in our report to Mr. Mittendorf the early part of this year as having been completed or terminated during the year 1952.

Apparently, we do not have to get out a completion letter on this one

Completion date: Apr. 30, '52
gla

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM, REGION II

FINAL REPORT

Contract Idm-E123

by

Stephen W. Zoldok
Mining Engineer
U. S. Bureau of Mines

George E. Becraft
Geologist
U. S. Geological Survey

ELKHORN MINING COMPANY
Boulder, Montana

Docket No.:	DMEA 1348X
Commodity:	Uranium
Contract date:	August 22, 1951
Completion date:	April 30, 1952

FORTY-NINER CLAIM
Secs. 5, 6, 7, and 8, T. 8 N.,
R. 3 W., M.P.M.
Jefferson County, Montana

Reviewed by
DMEA OPERATING COMMITTEE
4-3-53
(date)

Spokane, Washington

March 19, 1953

FINAL REPORT

ELKHORN MINING COMPANY
FORTY-NINER CLAIM
Secs. 5, 6, 7, and 8, T. 8 N.,
R. 3 W., M.P.M.
Jefferson County, Montana

Contract Idm-E123

* * * *

INTRODUCTION

This report describes a project conducted by the Defense Minerals Exploration Administration for the exploration for uranium on the Forty-Niner claim by the Elkhorn Mining Company in Jefferson County, Montana.

Authorship

The sections on PROPERTY and Summary of Factual Data were written by Stephen W. Zoldok, Mining Engineer, Bureau of Mines. The section on Geology was written by Georg E. Becraft, Geologist, U. S. Geological Survey. The sections comprising the INTRODUCTION, Summary and Recommendations, LOCATION AND ACCESSIBILITY, THE PROJECT, Exploitation Possibilities, and Discussion of Conclusions have a joint authorship.

Summary

The purpose of the project was to explore for the downward projection of a chalcedonic vein zone containing anomalous radioactivity by an aggregate of 500 feet of crosscutting and drifting.

A 500-foot crosscut was driven which intersected several chalcedonic quartz veins, none of which showed radioactivity.

Recommendations

In the opinion of the Field Team, no Certification of Discovery should be made. No further exploration work is warranted.

LOCATION AND ACCESSIBILITY

The property is in Jefferson County, Montana, approximately 2-1/2 miles west of Clancy, Montana, on Clancy Creek, specifically, in sections 5, 6, 7, and 8, T. 8 N., R. 3 W., M.P.M.; Clancy, Montana, is on U. S. Highway 91, eleven miles south of Helena, Montana.

The topography is of medium relief with grass covered hills having sparse timber.

The climate is semi-arid with little rainfall during the summer and a 2- to 3-foot snowfall usual during the winter. Winters are often severe.

PROPERTY

The property consists of two unpatented lode mining claims, the Forty-Niner and Forty-Niner tunnel site and an unpatented mill site owned by the Elkhorn Mining Company, Boulder, Montana.

Mine workings consist of an adit 500 feet in length. The first 300 feet of the adit bears N. 30° W.; the adit then swings gradually to a due north bearing. The adit and a small portal shed constitute the only improvements on the property.

THE PROJECT

The original exploration plan was to drive a crosscut adit N. 30° W., a maximum distance of 250 feet, to intersect a vein structure exposed near the crest of the ridge along which several radioactivity anomalies had been detected. This vein was to have been explored by two drifts--100 feet northeastward and 150 feet southwestward.

Although several small chalcedonic veins were intersected, none could be correlated with the vein at the surface and none contained anomalous radioactivity, and therefore the crosscut was driven 500 feet.

A small tool shed costing $300.00 was constructed at the adit portal. The major portion of the cost was for labor.

The effective date of the contract was August 22, 1951. Work started early in September 1951 and was completed in April 1952. The project was recessed during January 1952 owing to weather conditions.

GEOLOGY

The adit cuts quartz monzonite and a younger group of silicic rocks, comprising aplite, alaskite, alaskite porphyry, and biotite granite. In the first 250 feet of crosscut, a few light- to

dark-grey chalcedonic stringers ranging in size from 0.1 to 1-inch were intersected (see attached map), but these stringers contained no anomalous radioactivity. As no major vein structure was intersected, the Operator was permitted to continue the crosscut to a maximum of 500 feet or until a major vein structure was intersected. Geologists of the Atomic Energy Commission concurred in this decision. After the crosscut had been driven approximately 300 feet, approval was granted to turn the crosscut 15 degrees to the north to come under a favorable outcrop. The Operator turned the heading about 30 degrees instead of 15; however, this minor deflection is believed to have been unimportant as the crosscut explored any structures that would have projected to the crosscut level from the outcrop.

At about 300 feet, a light- to dark-grey chalcedonic vein was intersected which ranges from 1-inch to 12 inches in thickness, strikes N. 85° W. and dips 30 to 35 degrees NE (see map). No radioactivity was detected in this vein. The vein does not appear to be the same vein that is exposed on the surface because of the large difference in attitude. The crosscut was continued to 500 feet, and several small chalcedonic veins were intersected; however, no radioactivity anomalies were detected. The exploration was halted after 500 feet of crosscut had been driven.

Exploitation Possibilities

No reserves of uranium or other ores were developed by the exploration work. A geiger counter survey of the underground work failed to disclose any vein or structure that warranted assaying.

Summary of Factual Data

A total of 500 feet of crosscutting was done at the property and a small compressor shed was built. The first 300 feet of crosscut was driven at a unit cost of $20.00 per foot and the balance of 200 feet at a unit cost of $25.00 per foot. The cost of the compressor shed was $300.00.

Expenditures	Total
(1) Independent contracts - Crosscutting	$ 11,000.00
(2) Supervision	545.00
(3) Fixtures & Improvements - Buildings	300.00
Total	$ 11,845.00
Total contract amount	$ 12,800.00
Government's share (90%)	11,520.00
Total amt. expended	11,845.00
Government's share of expenditures	10,660.50
Government's share of contract unexpended	859.50

No production resulted from the exploration work and no operating supplies or equipment was purchased.

The highest bid for the salvaged lumber in the compressor house was $20.00 submitted by the Elkhorn Mining Company. This bid was accepted and a check for $18.00 (90% of $20.00) was forwarded to the DMEA Finance Officer for appropriate action.

Discussion of Conclusions

No unusual difficulties were encountered in performance of the work. Cold weather and snow hampered operations during December 1951 and forced suspension of the work during January 1952.

From an overall standpoint the work standards were good, and the Operator can be considered competent.

Exploration work indicated that anomalous radioactivity detected on the surface did not persist to the depth of the crosscut for, although several chalcedonic veins were cut in the crosscut, none showed radioactivity. The veins intersected do not warrant further exploration.

Enclosures
Distribution:
DMEA(Orig.&3)
USBM(2)
Docket
USGS(SRO)
Author

DEPARTMENT OF THE INTERIOR
UNITED STATES GEOLOGICAL SURVEY

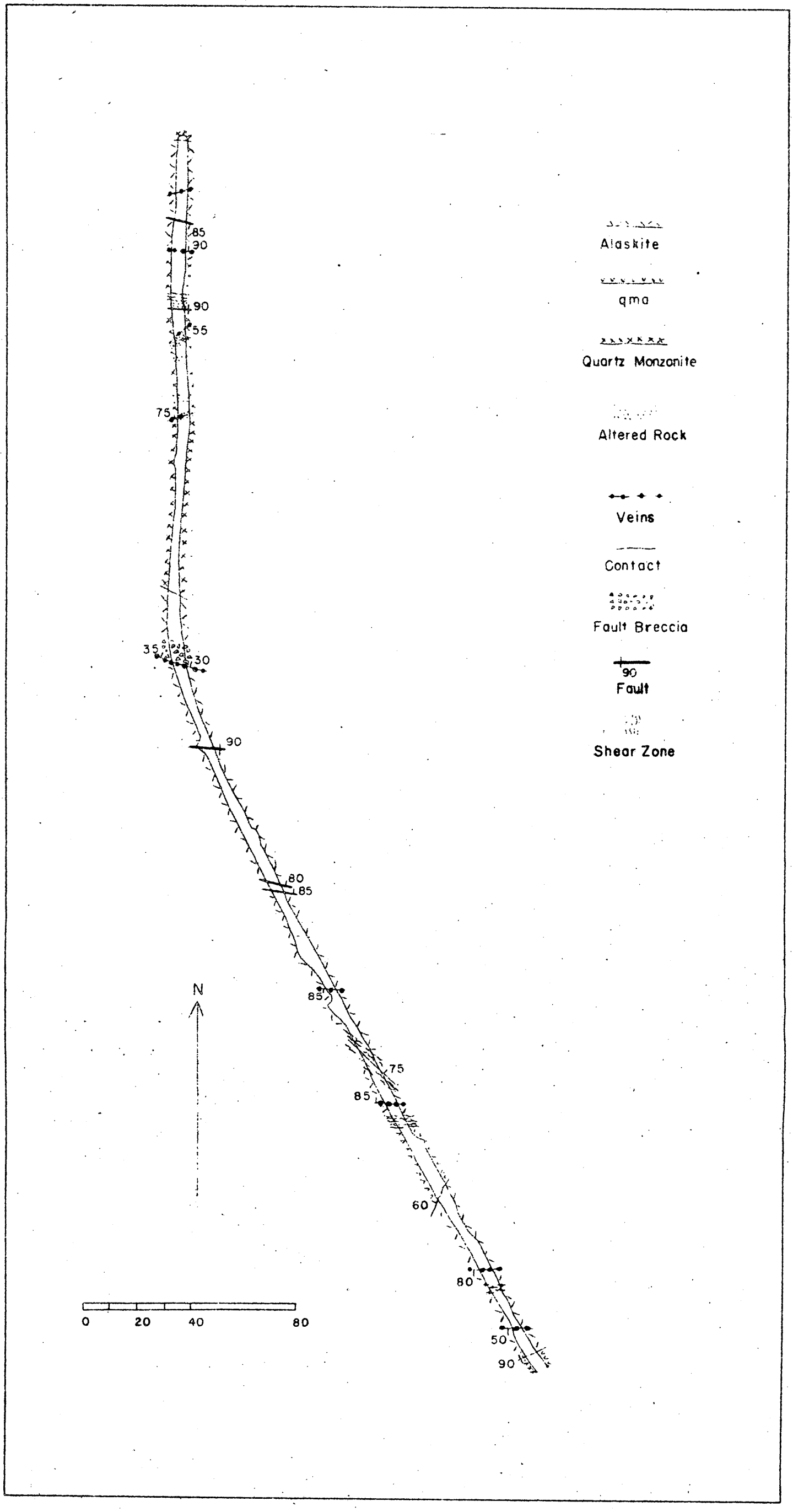
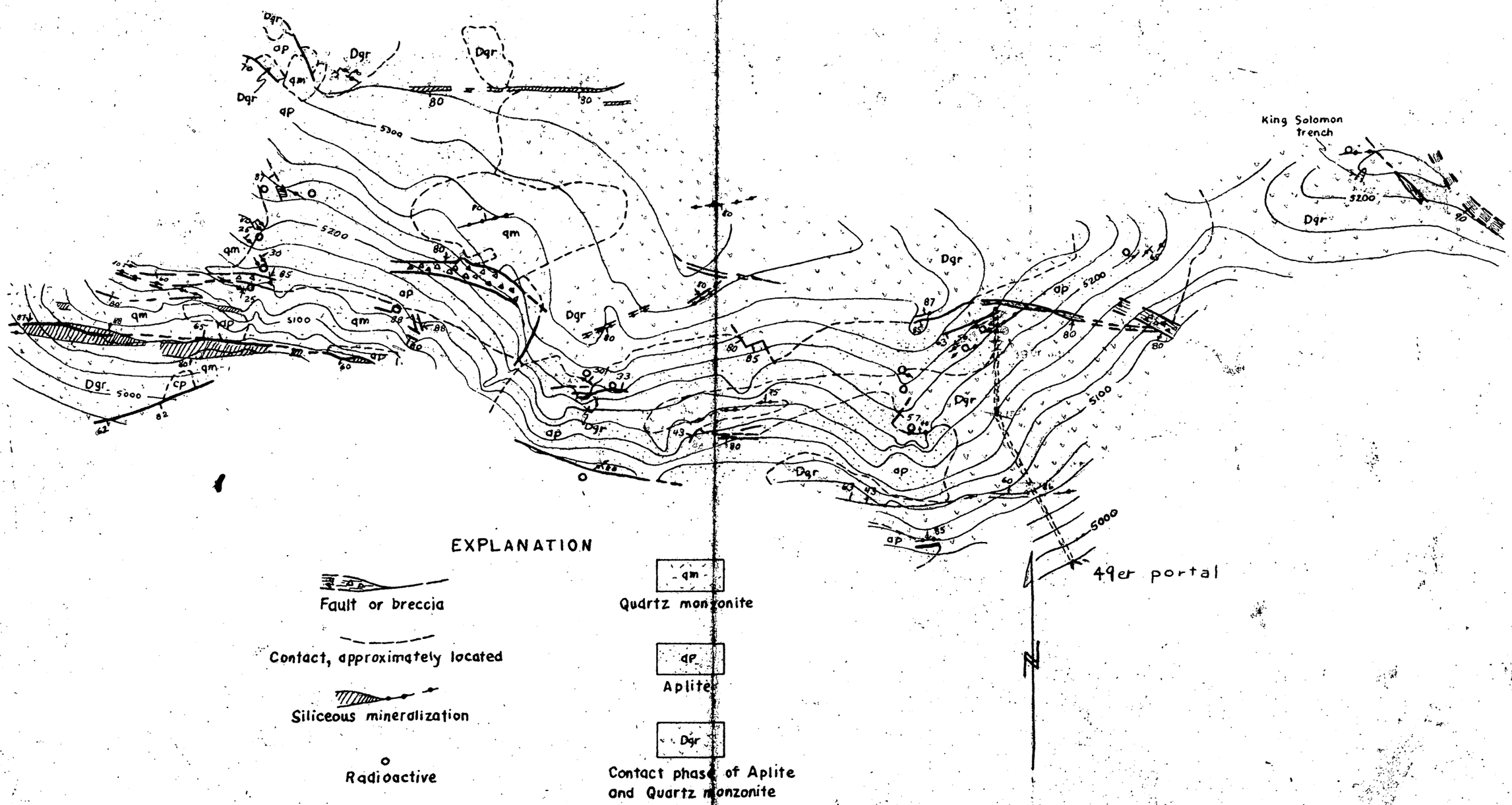


Fig. 4.— Map of the Forty-niner Adit



GEOLOGIC MAP OF A PORTION OF KING SOLOMON RIDGE
CLANCY MINING DISTRICT, CLANCY MONTANA
(After map by Sunshine Mining Company)

FIGURE 3

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
~~XXXXXXXXXXXXXXXXX~~
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 27 1952

October 20, 1952

Mr. W. Rulon Lee
Regional Certifying Officer, DMEA
U. S. Bureau of Mines
Region II
Albany, Oregon

Re: Docket No. DMEA 1348X (uranium)
Elkhorn Mining Co.
Forty-Niner Project
Jefferson Co., Montana
Contract Idm-E123

Dear Mr. Lee:

This is to inform you that all work under the subject contract has been completed to the satisfaction of the Government and that the full and final accounting of operations as presented by the Operator is considered acceptable by this office. A final report evaluating the results of work completed under the contract also has been presented and accepted as satisfactory.

Inasmuch as all requirements have been met, it is requested that the Operator's final invoice be accepted for vouchering and payment.

Sincerely yours,

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

cc: C.A. and Aud. Div., Wash. (1)
DMEA (3)
USBM (2)
Robt. Hull (1)

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

1201 N. Division St.
Spokane 2, Wash.
September 22, 1952

Mr. Wade V. Lewis
Elkhorn Mining Company
Boulder Bank Building
Boulder, Montana

Subject: Docket No. DMEA 1177X (uranium),
Contract Idm-E115, and
Docket No. DMEA 1348X (uranium),
Contract Idm-E123

Dear Mr. Lewis:

This will acknowledge your letter of September 13, 1952, regarding final settlements of the above-indicated contracts.

Before settlements can be completed final audits of your accounts must be made. Mr. Robert Hull, DMEA auditor, has been informed that work has been completed on both projects, and he is scheduling these audits at the earliest possible date.

We hope this unavoidable delay will not seriously inconvenience you.

Sincerely yours,

M. E. Volin, Member
DMEA Field Team
Region II

TEH/MEV/he

cc: DMEA, Wash. (2)
USGS (2)
DMEA & AD
W. Rulon Lee
DF
Robt. Hull

M. E. Volin, Member, DMEA Field Team, Reg. II August 8, 1952

T. E. Howard, Mining Engineer, U.S.B.M.

Elkhorn Mining Company, Contract Idm-E123, Docket No. DMEA 1348X, (Uranium)

The final report of operations under the subject contract has been received from the Operator.

A review of the file confirmed the Operator's statement that a tool shed constructed for use on the project at a cost of $300.00 is the sole asset in which the Government has an interest. As the major part of this cost was labor and the lumber has very little salvage value, it is recommended that the Operator's bid of $18.00 for the Government's equity be accepted.

A review of reports made by E. G. Erickson, Mining Engineer, USBM, and George E. Becraft, Geologist, USGS, during and after completion of the project, indicates that the work was accomplished according to the terms of the contract.

Therefore, it is recommended that the contract be assigned to Mr. Hull, auditor DMEA, for final audit or review so that final settlement may be made.

T. E. Howard

cc: Wash. - 2
USGS - 2
TEH
Robt. Hull

M. E. Volin, Member, DMEA Field Team, Reg. II June 17, 1952

R. C. Erickson, Mining Engineer, Bureau of Mines

Status of Elkhorn Mining Co.'s exploration contracts Idm-2115 (Free Enterprise), Docket 1177X (uranium) and Idm-2123 (Forty-niner), Docket 1348X (uranium), Jefferson County, Mont.

Both projects have been completed and we are awaiting operator's final report. These projects have been completed for more than a month and operator has been reminded of his responsibility regarding final report. Payment of last invoices will be withheld until final report is submitted and certificate of audit is issued.

R. C. Erickson

UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Mines Information
JUL 7 1952

Orig. to files
cc: BSS (2)
Mann. (2)

8/5/52 v glen
Sa

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

July 16, 1952

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

Dear Sir:

Attached are a closing report and geologic map on the Forty-niner property, Clancey, Montana, DMEA Docket 1348X, Contract Idm-E123, by George E. Becraft, U. S. Geological Survey. It will be noted that the map has no tie points and cannot be correlated with the contract map; however, Becraft is preparing a map which will show the exploration workings with relation to the surface geology.

The crosscut has failed to find any radioactivity anomalies, much less any uranium ore, and no discovery should be declared.

The Operator has been advised to submit a final report so the contract may be officially terminated.

Sincerely yours,

A. E. Weissenborn

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

Enclosures

cc: USBM
G. Becraft

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 28 1952

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

Reviewed by
DMEA OPERATING COMMITTEE

(date)

July 16, 1952

Memorandum

To: A. H. Meissenborn, Executive Officer, DMEA Field Team, Region II

From: George A. Becraft, Geologist, U. S. Geological Survey

Subject: Geological report on the Forty-niner adit, Clancey, Montana, DMEA 1341., Idn-123

A 500 foot crosscut adit was driven on the Forty-niner claim west of Clancey, Montana, and although several small chalcedonic veins were intersected, no radioactivity anomalies were detected. Therefore, it is recommended that no additional work be done on this crosscut adit and that no discovery be declared.

The original exploration plan was to drive a crosscut adit N. 30° W. a maximum distance of 250 feet to intersect a vein structure exposed near the crest of the ridge along which several radioactivity anomalies had been detected. This vein was to have been explored by two drifts - 100 feet northeastward and 150 feet southwestward.

The adit cuts quartz monzonite and a younger group of silicic rocks, consisting of dike, dacite, rhyolite porphyry, and biotite granite. In the first 200 feet of crosscut, several light to dark-gray chalcedonic stringers varying in size from 0.1 to 1 inch were intersected (see accompanying map), but these stringers contained no radioactivity anomalies. As no major vein structure was intersected the operator was permitted to continue the crosscut to a maximum of 500 feet or until a major vein structure was intersected. Geologists of the Atomic Energy Commission concurred in this decision. After the crosscut had been driven approximately 300 feet, approval was granted to turn the crosscut 35 degrees to the north to come under a favorable outcrop. The operator turned the heading about 30 degrees instead of 35; however, this minor deflection is believed to have been unimportant as the crosscut explored any structures that would have projected to the crosscut level from the outcrop.

At about 300 feet a light- to dark-gray chalcedonic vein that varies from 1 inch to 12 inches in thickness, strikes N. 35° W. and dips 30 to 35 degrees W. was intersected (see map). No radioactivity was detected in this vein. The vein does not appear to be the same vein that

is exposed on the surface because of the large difference in attitude. The crosscut was continued to 500 feet and several small chalcedonic veins were intersected; however, no radioactivity anomalies were detected. The exploration was halted after 500 feet of crosscut had been driven.

Enclosure

cc: [illegible]A (3)
[illegible], Spokane (1)
[illegible], Albany (1)
[illegible] (GMD)
[illegible]. [illegible]ecract ✓

M. L. Volin, Member, DMEA Field Team, Region II April 25, 1952

E. G. Erickson, Mining Engineer, Mining Division, Region II.

Routine Inspection, Contract Idm-E123, Docket No. 1348X (Uranium), Elkhorn Mining Company (Forty-Niner), Jefferson County, Montana.

Routine inspection was made March 25, 1952. Weather conditions have caused contractor, Mr. Jack Hampton, to lose many shifts which necessitated extending the time of contract. On date of inspection, the crosscut had been advanced a total of 465 feet. The remaining 35 feet of crosscutting authorized under the contract will be completed by mid-April, weather permitting.

The contract will be terminated upon completion of the crosscut. No encouraging vein structure has been disclosed to date. Unless more favorable structure is penetrated by the remaining authorized crosscutting, it is recommended that any further exploration be done by the Atomic Energy Commission.

Upon termination of the contract the government will have an interest (90%) in the compressor building (a temporary structure) constructed at the portal site. Total cost to the project for the building was $300. Most of the cost was for labor and hauling materials to site. The value of the salvageable material (less than 1,000 board feet of rough lumber) is estimated would be less than $50.00. Due to the cost of salvaging and marketing of any recoverable material it is recommended the government waive its interest in the building.

E. G. Erickson

Orig. to files
cc: T.N.G.C.
2 Washington
RGE

1348

MONTANA

JEFFERSON COUNTY

February 1, 1952

Elkhorn Mining Company, Idm-E123, Uranium

(Forty-niner)

90-10 of $12,800.00

7 months

The work to be done includes 250 feet of cross-cutting to a vein and 250 feet of drifting on the vein.

Work is progressing with satisfactory speed and excellent costs but the vein has not yet been reached.

400

FILE COPY
SURNAME:

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

Mrs. Mittendorf

OCT 1 1 1951

Contract Service Section
General Accounting Office
Washington 25, D. C.

Re: Docket DMA-1348X
Elkhorn Mining Company
Exploration Project Contract
Idm-E 123
Sub-contract

Gentlemen:

Enclosed for recording in your office is the original of a subcontract to the Exploration Project Contract between the operator named in the above reference and the Government of the United States.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

Enclosure-1
DEMoulds/hmj
c.c. to: Reports and Records
Adm. Reading File
Mittendorf, Olund
Mr. Moulds
Field Team, Region II
Docket

Mr. Howard

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
RECEIVED
SEP 28 1951
Defense Minerals Administration,
Production Expansion Division.

September 20, 1951

OFFICIAL FILE COPY

To	Init.	Date
400	A.E.C	9-28
210		

Mr. C. O. Mittendorf, Director
Production Expansion Division
Defense Minerals Administration
Washington 25, D. C.

Dear Mr. Mittendorf:

Enclosed are three copies of an approval of a sub-contract between the Elkhorn Mining Company and Jack Hampton for driving of a drift on the Forty-niner Group of claims, DMA-1348X.

Sincerely yours,

Enclosures

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 28 1951
DEM.

FILE COPY
SURNAME:

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

SEP 10 1951

Mittendorf

A. E. C.

Contract Service Section
General Accounting Office
Washington 25, D. C.

Re: Docket No. DMA-1348X, Uranium
Exploration Project Contract
Idm-E123
Elkhorn Mining Company
Boulder, Montana

Gentlemen:

Enclosed for recording in your office is the original, signed copy of an Exploration Project Contract executed between the operator named in the above reference and the Government of the United States.

Sincerely yours,

C. O. Mittendorf (MEH)

C. O. Mittendorf, Director
Production Expansion Division

JF 9-10

Enclosure-1
DEMoulds/jem
9/5/51

cc to: Adm. Reading File
Reports & Records
Messrs. Mittendorf-Olund
Mr. Moulds
Docket

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
So. 157 Howard Street
Spokane 4, Washington

August 29, 1951

Mr. C. O. Mittendorf, Director
Production Expansion Division
Defense Minerals Administration
Washington 25, D. C.

Re: DMA Docket 1177X
DMA Docket 1348X

Dear Mr. Mittendorf:

Returned herewith is the original and three copies of the signed exploration project contract, DMA Docket 1177X, Elkhorn Mining Company. One copy of the contract is being retained in this office and one copy was given the applicant as per your instructions.

In obtaining the signature on the subject contract we notified Mr. Wade Lewis, applicant, at Boulder, Montana, to come to Spokane to sign the contract. Although this trip was out of the way for Mr. Lewis we felt it would save him time in the long run inasmuch as it would give the field team opportunity to instruct Mr. Lewis on the proper manner in filling out and submitting his monthly report Form 104 concerning the contract. We might add that a considerable number of our applicants on exploration contracts have had difficulty in correctly presenting the monthly form MF-104. For this reason we intend to advise all future applicants to come to Spokane to sign their contracts and to obtain instructions on the correct procedure in presenting the monthly report.

Also enclosed is the original and three copies of the signed exploration project contract, DMA Docket 1348X submitted by the Elkhorn Mining Company, Boulder, Montana. Copies of this contract arrived at this office in time to receive the signature of Mr. Wade Lewis who had been called to Spokane to sign the previously discussed exploration project contract.

Very truly yours,

/s/ Thor. H. Kiilsgaard

For:

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

Enclosures

FILE COPY
SURNAME:

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

Moulds
Mittendorf

AIR MAIL

AUG 27 1951

Mr. A. E. Weissenborn
Executive Officer, Region II
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMA-1348, Uranium
Elkhorn Mining Company
Boulder, Montana

Dear Mr. Weissenborn:

Please find herewith six copies of contract for subject exploration project. The contract has been signed for the Government by this office and bears effective date and register number as shown.

The contract is to be signed by a duly authorized officer of the company in the presence of yourself or member of the DMA staff without any changes to its contents. If any provisions are unsatisfactory to the operator, the contract must be returned to this office for re-execution.

After signing the contract, one copy is to be given to the operator and one copy retained for your files. The remaining copies, including the original are to be returned to this office.

The copy required by the Regional Finance Office will be forwarded directly by the Washington Finance Section.

Sincerely yours,

C. O. Mittendorf (J. H.) BZ 8/27

E. O. Mittendorf, Director
Production Expansion Division

Enclosures

APPROVED:
Tom Lyon

Chairman, Coordinating Committee

Member, Bureau of Mines

Member, Geological Survey

DEMoulds/jem
8-22-51

cc to: Adm. Reading File
Reports & Records
Messrs: Mittendorf, Olund
Bourret
Keiser
Moulds
Field Team-Region II
Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington

June 27, 1951
Through: L. F. Strobel

MEMORANDUM

To: Mr. Weston Bourret, Chief, Rare and Minor Minerals, DMA

From: Executive Officer, Field Team, Region II, DMA

Subject: Forty-niner Uranium property near Clancy, Montana
Docket DMA-1348-X

Enclosed is a prepared contract for exploring the uranium occurrence on the Forty-niner claims, King Solomon Ridge near Clancy, Jefferson County, Montana. The property was examined last summer by Wayne Roberts and James H. Gude of the Geological Survey under the general direction of M. R. Klepper. Thurlow and Reyner of the A.E.C. have also examined the area and have prepared a brief report. A condensation of the results of this work has been prepared by Quinlan of the U. S. Geological Survey, who is also familiar with the deposit.

Moderate geiger readings can be obtained at several places on King Solomon Ridge. However, the uranium occurrence appears to lack continuity and, for this reason, Klepper does not regard the possibility of finding minable deposits of uranium in the King Solomon Ridge area as very good. Roberts, however, considers them as worth some investigation and rates them as No. 3 in the order of priority in which the deposits in the Clancy area should receive attention. E. E. Thurlow, A.E.C. geologist, also considers them as worth a limited amount of exploration, mostly on the basis that they differ somewhat from the Free Enterprise mine at Boulder and the Haynes ranch deposits nearer Clancy (now being investigated by Newmont), ~~also regards them as worth a limited amount of exploration.~~

The deposit the applicant proposes to explore is a vein structure that does have some evidence of continuity. The amount he proposes to expend for exploration, $112,550, is in our opinion wholly unwarranted on the basis of present knowledge of the deposit. The Field Team has revised this into a much more modest program, involving 500 feet of crosscutting and drifting, which requires a total expenditure of $12,800. Although there is a large element of risk, it is believed that an expenditure of this size is a reasonable one for the DMA exploration program.

FIELD TEAM, REGION II

A. E. Weissenborn

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

M. E. Volin

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

Room 3204 [illegible]

Field Report Received.
To Messrs Kuiper & Hosted for
final review & recommendations

I agree with field team program - JOH
I agree with field team program - JAUK
7/17/51

[illegible]

MF [illegible]

[illegible] 17, 1951 [illegible]
[illegible] 7/17/51

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

June 27, 1951

Memorandum

To: Executive Officer, DMA, Field Team, Region II

From: James J. Quinlan, U. S. Geological Survey

Subject: Forty-niner Uranium Prospect, near Clancey, Montana, docket DMA-1348 X

ON-SITE REPORT

The Forty-niner Uranium prospect is on King Solomon Ridge near Clancey, Jefferson County, Montana. The Forty-niner Uranium prospect, also known as Locality 9 and a part of the King Solomon Ridge deposit is described in three Government reports.1/

Moderate to low radioactivity is found along a zone several hundred feet wide and at least 2,000 feet long on King Solomon Ridge. The radioactivity, which is spotty, is associated with dark gray cryptocrystalline silica veins. These veins lack any appreciable amount of continuity, and in most instances cannot be traced more than a few tens of feet. The most promising showing along the ridge is the Forty-niner Uranium prospect described by Roberts and Gude as follows:

"Locality 9--Locality 9 is in and adjacent to a 2-foot-thick silicified zone. The silica is predominantly the dark gray cryptocrystalline variety. The zone trends N. 60 E., and dips 60° S. through granite porphyry. The dark gray cryptocrystalline silica can be followed to the west for more than 50 feet. The vein is exposed by a discovery pit and a small adit below the discovery pit. The vein is slightly thicker in the adit, but decreases in thickness toward the west. Torbernite-zeuerite and autunite or

1/ Klepper, M.R., Forty-niner, King Solomon Ridge, and West End Claims, near Clancey, Jefferson County, Montana. Trace Elements Memorandum Report 31. August 1950.
Roberts, W.A. and Gude, A.J., Uranium-Bearing Deposits West of Clancey, Jefferson County, Montana, U.S.G.S. Trace Elements Memorandum Report, January 1951. Thurlow, E.E. and Reyner, M.L., Preliminary Report on Uranium-Bearing Deposits of the Northern Boulder Batholith Region, Jefferson County, Montana, AEC, March 1951.

uranocircite occur as fracture linings in the dark gray crypto-crystalline silica and wall rock." /2

According to the Roberts and Gude report, nine promising uranium bearing localities are known in the Clancey district. They suggest the following order of development of the nine localities: 2, 6, "9", 3, 5, 7, 4, 8, and 1,/3 thus making the Forty-niner prospect No. 3 in any general development program for the district. Newmont Mining Company has undertaken a development program in locality 2, three miles southwest of King Solomon Ridge. This operation has proved disappointing to date, however development work is still in progress. As of this date, no development program is planned by the owners of Locality 6.

2/ Roberts, W. A. and Gude, A. J., Uranium-Bearing Deposits West of Clancey, Jefferson County, Montana, U.S.G.S. Trace Elements Report, p. 29, January 1951.

3/ Roberts, W. A. and Gude, A. J., Uranium-Bearing Deposits West of Clancey, Jefferson County, Montana, U.S.G.S. Trace Elements Report, p. 39, January 1951.

James J. Quinlan

James J. Quinlan

cc: U.S.B.M.,Spokane
U.S.B.M.,Albany
L. R. Page

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Washington 25, D. C.

So. 157 Howard Street
Spokane 4, Washington

December 19, 1951

Chairman, Operating Committee
Defense Minerals Exploration Administration
Department Interior
Washington 25, D. C.

Re: Exploration Contracts
Idm-E-123 & ~~Idm-E-105~~

1348

Dear Sir:

Enclosed are three copies of an approval to amend contract IdmE-123, and five Field Team approvals concerning contract ~~Idm-E-105~~. These copies are to be appended to copies of the exploration contract which you have retained for your files.

One copy of each of the approvals has been retained at this office, one copy forwarded to Fiscal Office, Albany, Oregon, and one copy forwarded to the Operator.

Sincerely yours,

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer DMEA
Field Team, Region II

Enclosures

c.c. to: U.S.B.M.

FILE COPY
SURNAME:

Moulds
Mittendorf

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

December 5, 1951

Memorandum

To: Reports and Records Unit

From: Acting Administrator,
Defense Minerals Exploration
Administration.

Subject: DMA 1348X Idn-X123
Elkhorn Mining Company

The attached amendment to the above contract is to be filed with your copy of the contract.

cc
12/7

C. O. Mittendorf (fw)

Attachment

DEMoulds/hmj
12-5-51

cc to: Reports and Records
Mr. Mittendorf
Mr. Moulds
Docket

OFFICE OF THE ADMINISTRATOR

Mr. Drouedes

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

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.
DEC 4 8 20 AM '51

157 So. Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
RECEIVED
DEC 4 1951
Defense Minerals Administration,
Production Expansion Division.

November 30, 1951

DMEA-1348
Uranium

Chairman Operating Committee
Defense Minerals Exploration Administration
Washington 25, D. C.

Dear Sir:

Attached are three copies of an approval for the Elkhorn Mining Company Contract, Idm-E123

Additional copies have been mailed to the Operator and the Fiscal Officer.

Sincerely yours,

A. E. Weissenborn KG

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

Contract Service Section
General Accounting Office
Washington 25, D. C.

Re: Docket DMA-1348X
Elkhorn Mining Company
Exploration Project Contract
Idm-E 123
Sub-contract

Gentlemen:

Enclosed for recording in your office is the original of a subcontract to the Exploration Project Contract between the operator named in the above reference and the Government of the United States.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

Enclosure-1
DEMoulds/hmj
c.c. to: Reports and Records
Adm. Reading File
Mittendorf, Olund
Mr. Moulds
Field Team, Region II
Docket

Contract Service Section
General Accounting Office
Washington 25, D. C.

Re: Docket No. DMA-13487, Uranium
Exploration Project Contract
Idm-5123
Elkhorn Mining Company
Boulder, Montana

Gentlemen:

Enclosed for recording in your office is the original, signed copy of an Exploration Project Contract executed between the operator named in the above reference and the Government of the United States.

Sincerely yours,

C. D. Mittendorf

C. D. Mittendorf, Director
Production Expansion Division

Enclosure-1

HEMoulds/jem
9/5/51

cc to: Adm. Reading File
Reports & Records
Messrs. Mittendorf-Olund
Mr. Moulds
Docket

AIR MAIL

Mr. A. E. Weissenborn
Executive Officer, Region II
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMA-1348, Uranium
Elkhorn Mining Company
Boulder, Montana

Dear Mr. Weissenborn:

Please find herewith six copies of contract for subject exploration project. The contract has been signed for the Government by this office and bears effective date and register number as shown.

The contract is to be signed by a duly authorized officer of the company in the presence of yourself or member of the DMA staff without any changes to its contents. If any provisions are unsatisfactory to the operator, the contract must be returned to this office for re-execution.

After signing the contract, one copy is to be given to the operator and one copy retained for your files. The remaining copies, including the original are to be returned to this office.

The copy required by the Regional Finance Office will be forwarded directly by the Washington Finance Section.

Sincerely yours,

C. D. Mittendorf

M. D. Mittendorf, Director
Production Expansion Division

Enclosures

Attest:

Chairman, Coordinating Committee

Member, Bureau of Mines

Member, Geological Survey

DMoulds/jem
8-22-51

cc to: Adm. Reading File
Reports & Records
Messrs: Mittendorf, Lund
Bourret
Keiser
Moulds
Field Team-Region II
Docket

FILE COPY
SURNAME:
240
Liebert

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

August 20, 1951

G.E.C.

Memorandum

To: Director, Production Expansion Division

From: General Counsel

Subject: Elkhorn Mining Company exploration contract -- Docket No. DMA-1348X

The contract in the subject case is approved as to form and legality subject to execution by the parties.

The contract should be dated when it is delivered to the operator.

Your file is returned herewith.

J. L. Hofflund

John G. Liebert, Acting for
J. L. Hofflund, General Counsel

Attachment

CJKoontz/ema

Copy to: Reports & Record Unit
C. J. Koontz
J. L. Hofflund
Chron.

ELKHORN MINING COMPANY • Elkhorn Mining District - - Elkhorn, Montana . . . . .

PHONE 2121 . . . OFFICES: Boulder Bank Building
BOULDER, MONTANA

August 14th, 1951.

Mr. Weston Bourret, Chief,
Minor and Rare Metals,
Defense Minerals Administration,
U. S. Department of the Interior,
Washington 25, D. C.

Re: Uranium
DMA-1348X
DMA-1186X

Dear Mr. Bourret:

This is to acknowledge and thank you for your letter of August 10th, received here this morning. We appreciate word re the foregoing applications and that they are now with the contract division awaiting finalization. We also appreciate the volume of applications your departments must be handling. We concur with whatever initial development steps that are provided for in contracts for DMA-1348X, DMA-1186 X, and Free Enterprise DMA-1177X, as it is our desire to spend no more of our money nor of the governments money than is necessary to prove the presence of commercial uranium orebodies.

The Free Enterprise uranium property near Boulder, Montana is disclosing first primary uraninite ore with some continuity and we are endeavoring to ship a railroad car of higher grade ore than we have heretofore shipped. For the information of your department we are forwarding to you by this mail parcel post three ore specimens, one showing autunite, one pitchblende, one uraninite from the Free Enterprise. The uraninite is the last and deepest ore mined last week. The pitchblende specimen shows a reading of 20.0 Mr/Hr on Geiger, likewise high Scintillometer count, the uraninite 5.0 Mr/Hr. The uraninite discovery was made following development work between two aplitic sills, impervious formations within the monzonite and of most importance proved the existence of primary material at greater depth. We feel that we may now more properly make selections of diamond drill holes anticipated.

B. C. I. Kerr Knotted

Our main thought and concern at this time is relative to the weather ahead for the Forty-Niner uranium, DMA-1348X, and the Last Chance thorium-uranium-rare earths property, DMA-1186X. These two properties lie at higher elevations and snows for Montana are not too far distant. As you have undoubtedly have heard we have two seasons in Montana, July and winter. So with this in mind, if there be a chance to give consideration to contract operations such will be appreciated.

Again many thanks for the word conveyed in your letter of the 10th.

Sincerely,

Elkhorn Mining Company,

Wade V. Lewis

Wade V. Lewis, Pres.

cc Mr. Tom Lyon, Wn. D. C.

FILE COPY
SURNME:

Good
Bowers

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

July 23, 1951

Memorandum

To: Director, Production Expansion Division

Through: Director, Supply Division

From: Minor and Rare Metals Branch

Subject: Forty-niner Project, near Clancy, Montana
DMA docket 1348x - Uranium

Under date of May 26, 1951, the Elkhorn Mining Company submitted the subject application, DMA-1348x requesting a project in the sum of $112,550, subsequently reduced to the sum of $12,800.00 for a government participation of $11,520.00 (90%).

The following factors have been carefully considered and weighed in reviewing this application:

1. Refer MO-5 - Section 7 (Criteria)

(a) Additional sources of uranium are desired.
(b) In the field team's report, J. J. Quindon states: "According to the Roberts and Gude report, nine promising uranium bearing localities are known in the Clancy district. They suggest the following order of development of the mine localities: 2,6, "9", 3,5,7,4, and 1, thus making the Forty-niner prospect No. 3 in any general development program for the district." The field team states further: - "D. E. Thurlow, A.E.C. geologist, also considers them as worth a limited amount of exploration". H. Reiser, U.S.G.S. and J. Hosted, A.E.C. both agree with field team program.
(c,d,e,f,) Manpower, equipment and supplies are available. There are adequate roads and ample water. Power will be from protable units.
(g) The Elkhorn Mining Company has a capable staff for direction of the project.

2. The ground to be included in the project is comprised of the Forty-niner claim and the Forty-niner tunnel site, both unpatented and held under lease from Wayne Hinman, D. M. Hinman and Buford Miles, These claims are in the Clancy Mining District, Jefferson County, Montana. Owners subordination agreement in sextuplicate is in the docket. There are no liens nor encumbrances against the property.

3. The project can be completed within seven months following approval of the contract. Work is to be started within thirty days of approval. During the first quaeter the adit crosscut of 250 feet is scheduled for completion; during the second and final quarter it is expected to drive 250 feet along the vein structure, (approximately 100 feet to the northeast and 150 feet to the southwest).

4. The project consists of driving a crosscut adit of approximately 250 feet to intercept vein and ore zone at a depth of more than 100 feet below surface, followed by drifting along the vein structure a distance of 100 feet towards the northeast and a distance of 150 feet towards the southwest.

5. Estimated costs for the project are as follows:

250 feet of crosscutting at $25 per foot*	$ 6,250.00
250 feet of drifting @$25 per foot*	6,250.00
Compressor-toolhouse construction	300.00
Total cost of project	$12,800.00

*Includes supervision sampling and assaying.

Therefore, it is recommended that the Production Expansion Division negotiate a formal contract, (MF-200), with the Elkhorn Mining Company which will permit the applicant to undertake the following; specific exploration along the lines described above:

(a) Drive adit crosscut 250 feet
(b) Drift 100 feet northeastward along vein structure
(c) Drift 150 feet southeastward along vein structure
(d) Erect compressor house-toolshed.

Weston Bourret M.H.
Weston Bourret, Chief
Minor and Rare Metals Branch

Attachment

EGordon/ mh
cc: Adm. Read. File
Reports and Records
Lyon
Field Team, II
Bourret
Hosted, USGS
Files

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

AIR MAIL

July 2, 1951

Mr. Jack V. Lewis, President
Elkhorn Mining Company
Boulder Bank Building
Boulder, Montana

Dear Mr. Lewis:

Thank you very much for your wire of June 25 advising that the Elkhorn Mining Company concurs in the modified development program worked out after consultation with the DMA field engineers. While we have not as yet received the recommendations from the DMA Spokane office, Region II, no doubt this material will be forthcoming before long. At such time we will be pleased to give your proposal our careful study and consideration.

Yours very truly,

Tom Lyon

Tom Lyon

Tom Lyon, Director
Supply Division

Bourret/bf
cc: Adm. Reading File
Lyon
Strobel
Field Team II
Reiser-Hosted
Bourret
Files

ELKHORN MINING COMPANY • Elkhorn Mining District - - Elkhorn, Montana . . . . .

PHONE 2121 . . . OFFICES: Boulder Bank Building
BOULDER, MONTANA

June 28, 1951

Mr. Tom Lyon, Director
Supply Division
Defense Minerals Administration
U. S. Department of the Interior
Washington 25, D. C.

Dear Mr. Lyon:

Following receipt of a letter with instructions from the Spokane office of the Defense Minerals Administration, we are enclosing herewith six copies of Landlord's Subordination Agreement signed by the three lessors of the Forty-Niner Group of uranium claims included in DMA-1348X.

It is our understanding that the Spokane Regional Office has been working up the detail relative to anticipated development work for the Forty-Niner, that same undoubtedly is being conveyed to your office.

I wish to thank you and others of your department for the handling and consideration of this application.

Very respectfully,

ELKHORN MINING COMPANY

Wade V. Lewis

Wade V. Lewis, Pres.

WVL:kl
Encl. 6 MF-202

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

So. 157 Howard Street
Spokane 4, Washington

June 28, 1951

Memorandum

To: Mr. Weston Bourret, Chief, Rare and Minor Minerals, DMA

From: Field Team, Region II

Subject: Forty-niner Uranium property near Clancey, Montana, Docket DMA-1348X

Through: Landon F. Strobel

Enclosed is docket material sent to Field Team, Region II for field examination of Forty-niner Uranium property.

Field Team's recommendations and contract air mailed to Washington on June 27, 1951.

J. J. Quinlan
For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosure

cc: L. F. Strobel

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

6/21/51

Dear Sir:

We attach "Review of Application for Exploration Assistance" on:

Docket No. DMA - 1348x

Commodity Uranium

Applicant Elkhorn Mining Co.

Please expedite the consideration of this application with particular reference to the points raised in the attached "Review."

Very truly yours,

Tom Lyon, Chairman
Coordinating Committee

For Bureau of Mines

For Geological Survey

6/5/51

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. DMA 1348x

Commodity Uranium

Total Amount $112,550.00

Govt. Participation 99%

1. Name and Address of Applicant Elkhorn Mining Company

Boulder Bank Building, Boulder Montana

2. Location of Property Clancy District, Jefferson County, Montana

W½, Sec. 5 and E½, Sec. 6, T. 8 N. R. 3 W., M.P.M.

3. Mineral or metal Uranium 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

b) Poor

c) None

d) Don't know—needs field examination Report of Field Team is required-sec. item 17

e) Is there an alternative and favorable project? (If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? (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?_____

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_____

b) Equipment and supplies_____
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)*_____

d) Water (question 13)*_____

e) Power (question 13)*_____

Is a field check needed on any of these points?_____

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)*_____

_____

Is a field check needed on this point?_____

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described?_____

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?_____

_____

c) Is the proposed work "exploration" under the definition of Section 8, MO-5?_____

If not, what part of it is?_____

_____

_____

_____

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed?_____

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data?_____ If so, attach a draft.

e) Are the cost estimates reasonable?_____

f) Should more information be requested from applicant?_____

g) Is a field examination necessary to complete Exhibit A?_____

11. Exhibit B (question 23-d)*

a) Is it applicable?_____

b) If so, are sufficient data furnished?_____ If so, attach a draft.

c) Is a field check needed?_____

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable?_____

b) Sufficient data?_____ If so, attach a draft.

c) Are rents and charges reasonable?_____

d) Is a field check needed?_____ _____

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data?_____

b) Is the schedule adequate for the work proposed?_____

c) Is the schedule excessive for the work proposed?_____

d) Are the proposed wages and salaries reasonable?_____

e) Is a field check needed?_____

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?_____

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question? See starement under Mf 103-23 where in applicant agrees to Modification of application.

Under MF 103-22, see statement by geologist to effect that Geological cend. are, in general, same as a Eree Enterprise, property (see DMA 1177-x and report there on by Mr. Weissenborn).

Reviewed by: H. D. Keiser

Geological Survey

Date 6-11-51

97692

FILE COPY
SURNAME:

Bourret
Moon
McCaught for Rose

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

Docket V
letter mailed

JUN 21 1951

Mr. Wade V. Lewis, President
Elkhorn Mining Co.
Boulder Bank Building
Boulder, Montana

Dear Mr. Lewis:

Your application, Docket DM-1348x for exploration project in the amount of $112,550.00 has been received by the Minor and Rare Metals Branch of the Supply Division.

Before a decision can be reached on your request we find it is necessary to obtain additional information on your property. Your application therefore is being referred to the office of the Executive Officer of DMA field team II, Mr. A. E. Weissenborn, South 157 Howard Street, Spokane, Washington, with the request that the needed information be supplied to us.

Yours very truly,

Tom Lyon, Director
Supply Division

WBourret/mh
cc: Adm. Reading File
Strobel
Lyon
Field Team II
Bourret
Files

6-20-51

MR. WAYNE HINMAN
CLANCY, MONTANA

RE LEASE OF PROPERTY TO THE ELKHORN MINING COMPANY.

SEE DMA 1092-856

DMA 1348

856

June 19th, 1951.

Mr. Weston G. Bourret, Chief,
Minor and Rare Metals Branch,
Defense Minerals Administration,
U. S. Department of the Interior,
Washington 25, D. C.

Subject: Forty-Niner Uranium
Property: DMA-1348X.

Dear Mr. Bourret:

Supplemental to application acknowledged by Mr. Landon F. Strobel, Executive Secretary DMA in letter of June 14th, 1951, we are enclosing and forwarding herewith three copies of Scintillometer Radiation survey of area covering site for 300 foot adit on the Forty-Niner uranium property being developed by the Elkhorn Mining Company. We are , following assignment of Docket number , marketing this exhibit accordingly: DMA -1348X, and are with this mail sending a fourth copy to Mr. A. E. Weissenborn, Executive Officer of Region II, S. 157 Howard Street, Spokane, Washington.

Our company has just completed a network of roads as approaches to this property and has completed tunnel sites including the one to be used this spring in Development work. Based on our experience in radiation surveys on other properties (with development following) we think that a 300 foot adit should be productive of commercial uranium ore at the 49'r property. You will note the important conclusions which may be reached by study of the enclosed survey map. Much float showing autunite and torbernite was found last week in the detrital material and talus slope below outcrop. I recommend the Forty-Niner as one of the best uranium prospects in Montana for continuity and ore depth.

Respectfully submitted,

Elkhorn Mining Company,

Wade V. Lewis, President.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 25 1951
LANDON F. STROBEL
Executive Secretary

FILE COPY
SURNAME: Bourret

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

AIR MAIL

June 19, 1951

Mr. A. W. Weissenborn, Executive Officer
Defense Minerals Administration
Field Team Region II
Spokane, Washington

Re: King Solomon Uranium
(Milkhorn Mine)
DMA 1348x

Dear Mr. Weissenborn:

With reference to your telegram of June 18 I wish to advise that the subject docket was sent to the coordinating committee for transfer to your office on June 29.

We have duly noted that the Hinman application, DMA 1092 is withdrawn.

Yours very truly,

Weston Bourret
M.H.

Weston Bourret, Chief
Minor and Rare Metals Branch

WBourret/bf
cc: Adm. Reading File
Lyon
Strobel
Keiser-Hosted
Field Team (2)
Bourret
Files

Bourret, 1348x

~~LANDON F. STROBEL~~
Bourret

482 WA SP /C-WPE/

SPOKANE 6-16-51 1245

L F STROBEL

EXECUTIVE SECRETARY DEFENSE

MINERAL ADMIN. DEPARTMENT OF INTERIOR WA

PLEASE SEND ELKHORN BOOKLET ON KING SOLOMAN URANIUM MINE, ALSO KNOWN AS KING SOLOMAN RIDGE DEPOSIT AND FORTY - ~~LUCKY~~ NINER CLAIM GROUP, TO D M A FIELD TEAM, REGION II, AS SOON AS POSSIBLE. APPLICATION PREVIOUSLY SUBMITTED BY WAYNE HINMAN ON THIS PROPERTY WITHDRAWN.

A E WEISSENBORN EXECUTIVE OFFICER

D M A FIELD TEAM REGION II SP

LC 1252

RECEIVED
JUN 19 7 35 PM
CENTRAL SERVICES BRANCH
PUBLIC BUILDINGS SERVICE
REG - CONTRACTS

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 1 9 1951
10:30 AM.
LANDON F. STROBEL
Executive Secretary

BUREAU OF MINES
WASHINGTON

1951 JUN 19 AM 9 37

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D.C.
JUN 19 9 39 AM '51

FILE COPY
SURNAME:

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

June 14, 1951

Mr. Wade V. Lewis, President
Milkhorn Mining Company
Boulder Bank Building
Boulder, Montana

Subject: DMA-1348X
Re: Exploration Loan -
Forty-niner Mine

My dear Mr. Lewis:

Receipt is acknowledged of your application and attachments for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1348X and referred to Mr. Weston G. Bourret, Chief, Minor and Rare Metals Branch on May 31, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1348X.

Sincerely yours,

LANDON F. STROBEL jc

Landon F. Strobel
Executive Secretary

L. F. Strobel:jc
cc: Strobel
File
Bourret
Lyon

N25°W 40FT.

N65°E 240 FT.

250o	105	120	105t	100t
150	175	150	125	130o
135o	105t	145o	130t	250o
115t	110	225o	125d	150o
135	100	120o	160o	100
95	90	150	125	90d
100	90d	200o	150t	115o
125t	120t	165	100o	115o
78d	110t	135o	100	82d
63d	125o	125o	165	125o
130o	200t	725 (dig)	200	130o disc. adit
135t	110t	700ph	400md	230md
160o	145t	120d	115t	130o
140o	140t	330o	115t	110t
165o	170o	600o	360e	140t
115t	120t	130d	105o	180t
160o	125t	260o	210t	125t
185o	150o	225o	130d	130t
135o	175o	130o	135o	120t
175o	145o	105t	130t	170t
175o	160o	140o	125t	125md
130o	140o	120t	150o	135t
160o	145o	400ph	145o	100o
80d	110o	120o	125o	130o
95o	75d	130o	115t	90o

N

RADIATION SURVEY
OF
FORTY NINER VEIN

LEGEND

TALUS	t
OUTCROP	o
MINE DUMP	md
DIRT	d
PROSPECT HOLE	ph
ERRATIC	e

SCALE: 1" = 20'

SCINTILLOMETER READINGS IN COUNTS/SECOND.
6-14-51

RADIATION SURVEY
OF
FORTY NINER TUNNEL SITE

SCALE: 1" = 40'

N

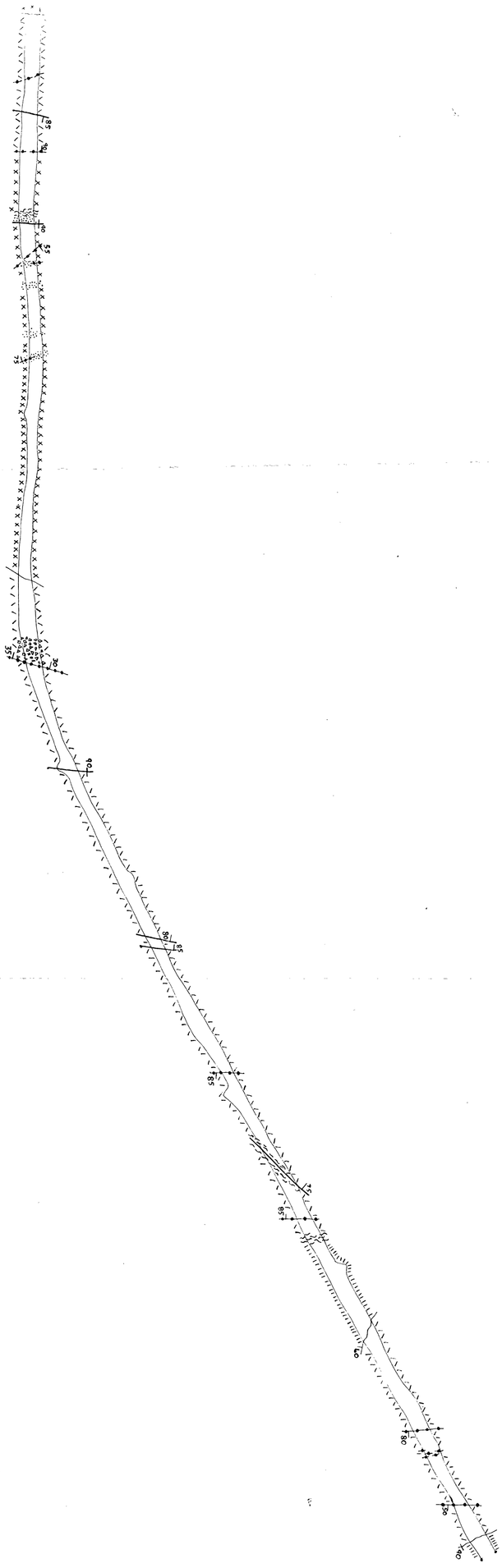
N65°E 200FT.

145	104	130	108	90	125	160	94	82	115	74	62	10	64	65	56	55	78	68					
155	165	115	112	84	96	102	102	74	64	70	64	erratic 700 60	72	76	62	58	70	70					
140	130	150	104	115	100	92	160	110	74	90	76	74 62	78	80	70	66	80	68					
165	135	260	112	190	190	200	130	64	110	76	100	64	10	72	88	56	80	72					
175 (725 disc. adit)	185	160	140	150	135	106	106	90	82	100	75	70	74	64	62	50	74	70					
500	160	115	115	130	120	130	120	100	80	80	76	90	74	66	65	60	60	66					
130	170	180	200	130	120	118	105	110	76	100	110	100	66	74	65	10	10	74					
280	150	140	160	120	135	154	115	104	72	74	80	62	62	62	60	54	68	62					
180	200	140	190	145	175	210	150	112	76	80	66	70	52	75	60	58	60	62					

N25°W 450 FT.

PROPOSED ADIT No 1

Elkhorn Mining Company
By DMA-1348X



Alaskite

Biotite Granite

Quartz Monzonite

Altered Rock

Veins

Contact

Fault Breccia

Fault

Shear Zone

Geologic Map of the 49'er Adit

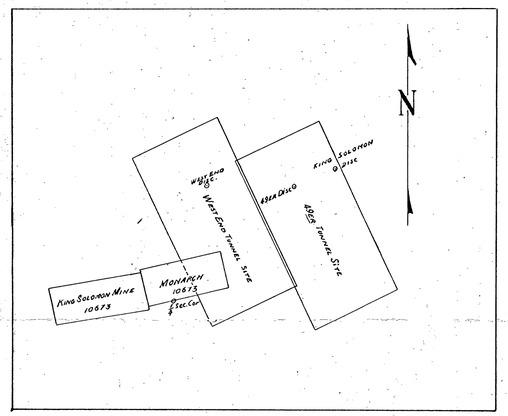
Clancey, Montana

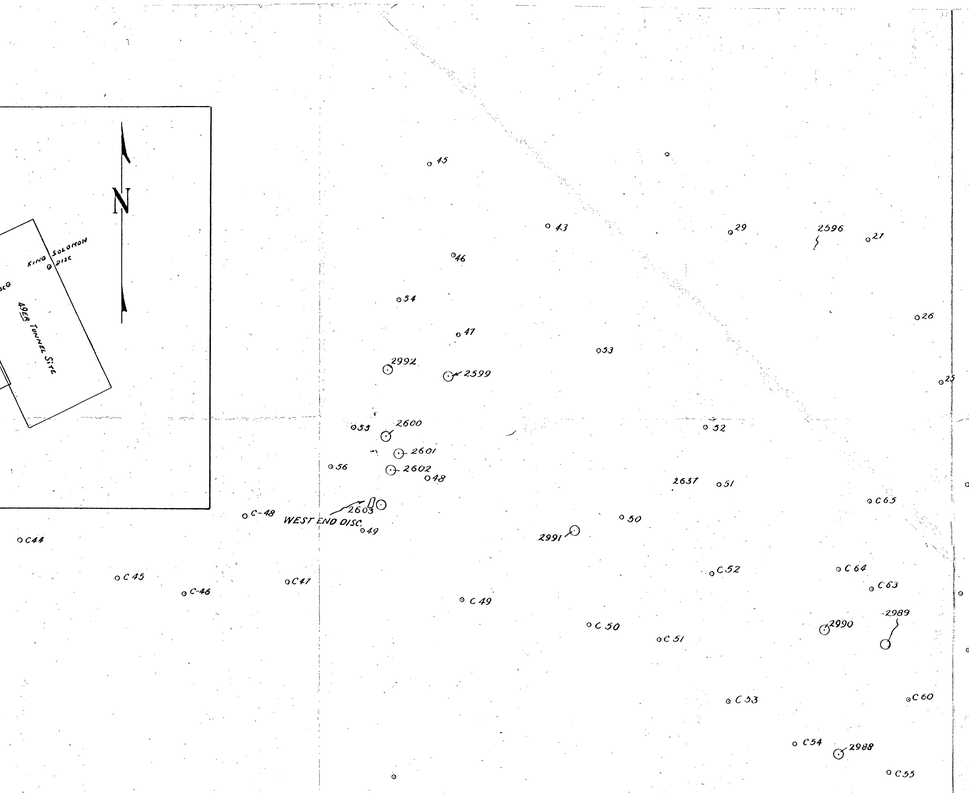
by

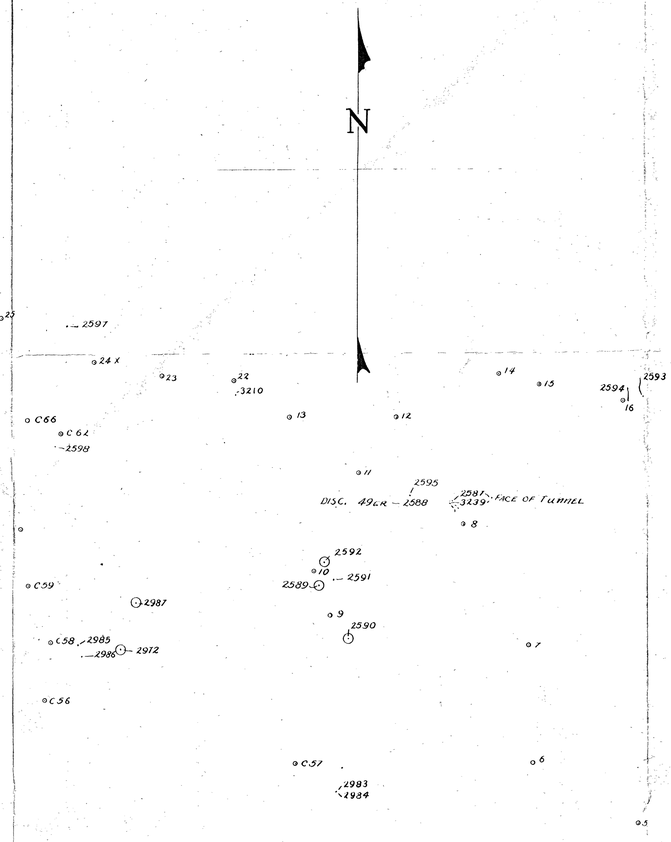
George E. Becraft

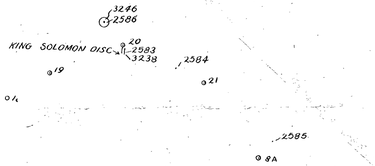
Scale 1" = 20'

N









SR #	WIDTH	% U_3O_8	%U
2583	6.0'		
84	grab	.008	
85	Float		
86	0.5'	.65	
87	1.9'	.099	
88	1.8'	.056	
89	grab	.303	
2590	1.9'	.056	
91	3.8'	.020	
92	0.6'	.057	
93	0.5'	.009	
94	0.5'	.037	
96	2.3'	tr.	
97	0.2'	"	
98	0.3'	"	
99	0.3'	.027	
2600	1.5'	.025	
01	0.2'		
02	0.5'	.048	
03	1.2'	.132	
2631	grab-ore		King Solomon Mine Dump
2632	grab		" " " "
2637	"		
2595	0.5'	.104	
2972		.005	
2983	0.6'	tr.	
84	1.5'	"	
85	grab		
86	3.4'		
87	0.4'	tr.	
88	0.1'	.021	
89	0.2'	.010	
90	0.1'	.014	
91	0.1'	.047	
2992	0.2'	.038	
BLACK MAGIC CLAIM			
2993	0.8'	.015	Black Magic claim lies west of West End claim.
2996	0.8	.016	
BLUE MONDAY CLAIM			
3204			.092 Blue Monday claim lies on east end of King Solomon claim.
3207		.060	Samples taken 1500'± east of King Solomon discovery.
3208		.061	

SAMPLE MAP OF PORTION OF THE 49er GROUP OF CLAIMS

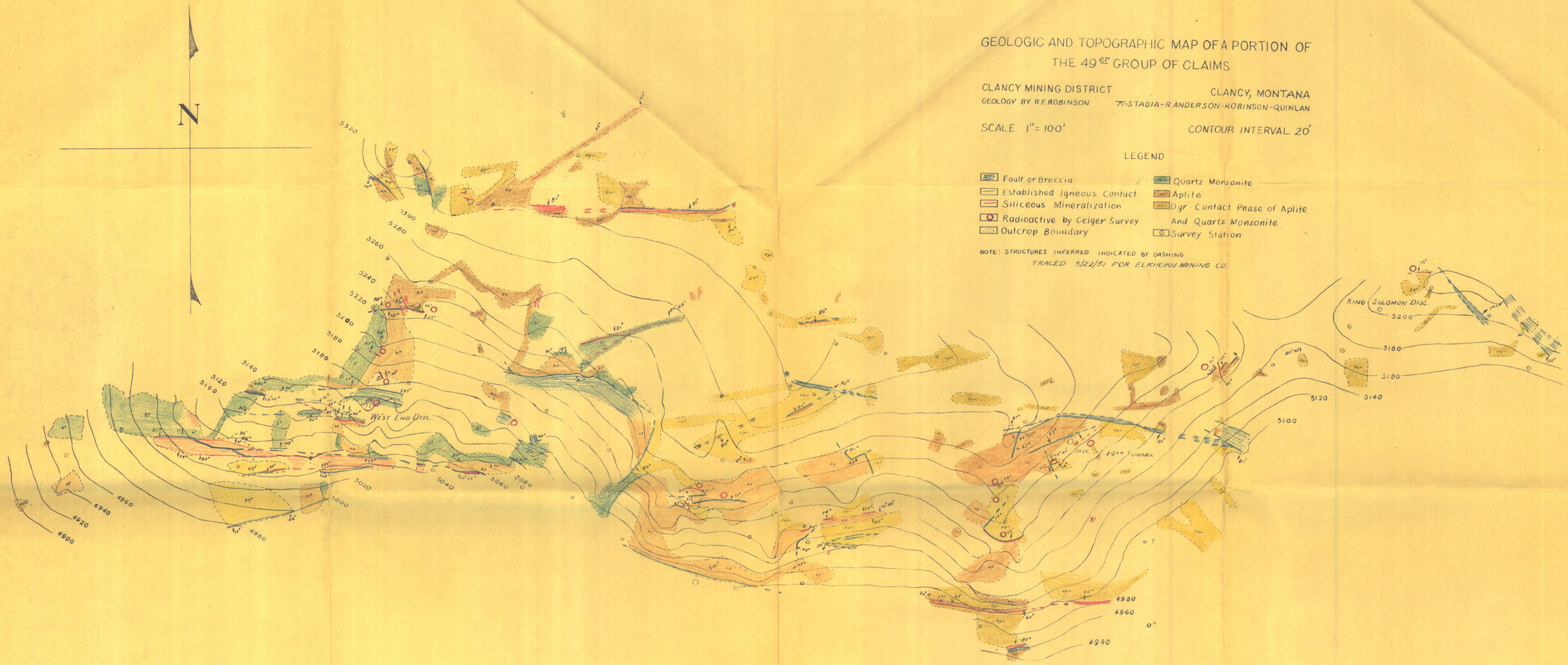
CLANCY MINING DISTRICT — CLANCY, MONT.

SCALE 1" = 100'

9990 SR Sample Numbers

TRACED 5/22/51 FOR ELKHORN MINING CO.

EXHIBIT 3



GEOLOGIC AND TOPOGRAPHIC MAP OF A PORTION OF THE 49th GROUP OF CLAIMS

CLANCY MINING DISTRICT — CLANCY, MONTANA

GEOLOGY BY R.F. ROBINSON — ~~A~~-STADIA-R. ANDERSON-ROBINSON-QUINLAN

SCALE 1" = 100' — CONTOUR INTERVAL 20'

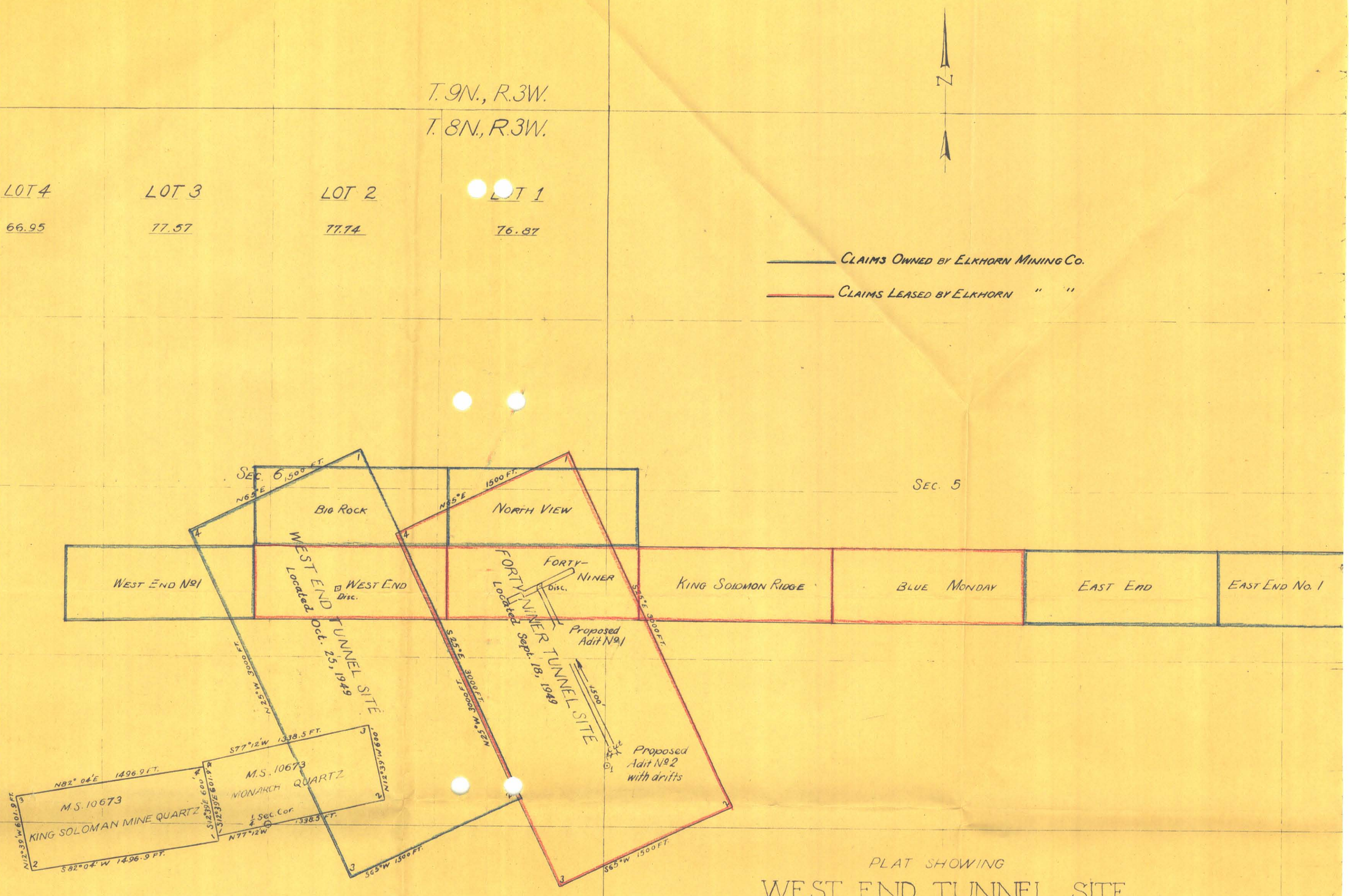
LEGEND

- Fault or Breccia
- Established Igneous Contact
- Siliceous Mineralization
- Radioactive by Geiger Survey
- Outcrop Boundary
- Quartz Monzonite
- Aplite
- Dgr Contact Phase of Aplite And Quartz Monzonite
- Survey Station

NOTE: STRUCTURES INFERRED INDICATED BY DASHING

TRACED 5/22/51 FOR ELKHORN MINING CO.

EXHIBIT 2



PLAT SHOWING

WEST END TUNNEL SITE
AND
FORTY NINER TUNNEL SITE

SITUATED IN SECTIONS 5, 6, 7, 8,
TOWNSHIP 8 NORTH, RANGE 3 W., M.P.M.,
JEFFERSON COUNTY,
NEAR CLANCY, MONTANA.

Survey by Brunton Pocket Transit and pacing, Sept. 19 – Oct. 25, 1949, Elkhorn Mining Company, Wade V. Lewis, Boulder, Montana.
Drawn by John T. Lewis.

SCALE: 1 IN. = 500 FT. – DECLINATION 21°30'E.

*Unpatented Claim positions subject to survey

EXHIBIT 1