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

PROJECT SUMMARY REPORT

By: J. W. Alt July 20, 1954

1. Docket No. DMEA-2731 (Lead-Zinc-Copper)
Contract No. Idm-E465
Property: Pearl Claim
Location: Broadwater County, Montana

Operator: Edmund E. Pohl, H. G. Kleinschmidt, and
A. R. Kleinschmidt
P. O. Box 679
Helena, Montana

Operator's Property Rights: Owner

2. Contract dated December 18, 1952. To complete - 5 months

Work Authorized

The purpose of the work is to explore the vein structure from the adit now being driven from a point 50 feet in from the portal in Trench No. 2.

Estimated Costs of the Project
(* Indicates allowable maximum)

Agreed Unit Cost

350 feet of drifting and crosscutting @ $28.00/ft*	$ 9,800.00
Timbering drift & crosscut where needed, not to exceed 350 feet @ $4.50/ft	1,575.00
Total Agreed Unit Cost	$11,375.00*

Scheduled Actual Costs

Consultants	$ 200.00*
Assays	200.00
Contingencies	225.00*
Total Estimated Cost of Project	$12,000.00*
Government Participation @ 50%	$ 6,000.00*

Amendments

No. 1 Dated April 1, 1953

Extend completion time from 5 to 9 months.

Work Completed

Drifting, 270 feet @ $28.00/ft	$7,560.00
Timbering, 270 feet @ $4.50/ft	1,215.00
Total Agreed Unit Cost	$8,775.00
Miscellaneous - sampling & analysis	45.00
Contingencies, Bulldozing, caved drift portal	225.00
Total	$9,045.00

Work was commenced on January 2, 1953 and was terminated by letter from Field Team on December 31, 1953.

3. Audit Certificate - Report of Review dated January 22, 1954

Total cost as billed by contractor June 1953 MF-104		$9,214.00
Less salvage proceeds on property		000.00
Net cost claimed by contractor		$9,214.00
Exceptions by DMEA Finance Officer	$169,00	
by this review	0.00	169.00
Total Accepted Cost		$9,045.00
Government Participation @ 50%		$4,022.50

4. Certification Date: No certification made as the project was not successful in disclosing ore.

5. Comments:

The objective of the project was to explore a mineralized vein structure for 300 feet of drifting and 50 feet of crosscutting. The drift was advanced 270 feet by the first week in June 1953, when heavy rains began. As a result of the rains, a landslide closed the portal. The Operators were unable to obtain a subcontractor to reopen the portal for what theybelieved to be a reasonable cost, and they finally abandoned the project.

Low grade mineralization was present sporadically along the vein, but no commercial ore was discovered.

Prior to the start of the project, the Operators had bulldozed seven trenches, each exposing lead-silver mineralization in one or more thin veins. While their application was being considered, the Operators drove the initial 65 feet of drift.

Several structures revealed as a result of a landside, indicate that the proposed crosscutting might have been more successful had the entire exploration been completed. The habit of ore deposits in the vicinity of the Pearl claims is such that the negative results on the vein explored do not necessarily indicate lack of ore in the adjacent structures. Further exploration is probably justified.

J. W. Alt

J. W. Alt

Copy to: Base Metals
Docket
Chron:

☒ Audited

☐ Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 12/14/54
Incl. Voucher for June 1953.

~~☒~~ Actual Cost

*☒ Agreed Unit Costs

Name Edmund E. Pohl et al.

Docket No. DMEA-2751

State Montana

Commodity Lead-Zinc-Copper

Idm-E No. 465

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting *	350'	$9,800.00	270'	$7,560.00	$7,560.00
~~Raising~~ Timbering Drift *	350'	1,575.00	270'	1,215.00	1,215.00
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Consultants, Misc. & Contingency		625.00		270.00	270.00
Totals		$12,000.00		$9,045.00	$9,045.00

Prepared by W. R. Klugescheid.

71626

March 21, 1955

Memorandum

To: Chief, Contract Administration & Audit Division

From: Chief, Base Metals Division

Subject: Docket No. DMEA-2731, Pohl, Kleinschmidt & Kleinschmidt, Contract No. Idm-E465

The terminal letter for the above contract is being waived, as too long a period has elapsed since its termination.

W. R. Griswold
W. R. Griswold

JWAlt/bjl

Copy to: Docket
Base Metals
Chron.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Edmund E. Pohl - Co-tenant
105 N. Harvard, Seattle 2, Washington
H. G. Kleinschmidt and A. R. Kleinschmidt - Co-tenants
P. O. Box 679, Helena, Montana
A Co-tenancy

pertaining to Exploration Project Contract No. Idm-3465, Docket No. DMEA 2731, including Amendment No. 1, covering a project of exploration for lead-zinc-copper, located in Broadwater County, Montana, commonly known as the Pearl Mines, for the period of December 18, 1952, to December 31, 1953.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Officer of the DMEA Field Team, and a determination of the reasonableness and propriety of the costs.

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

(a) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible further disallowances thereunder;
(b) a large portion ($8,775.00) of the costs were under a contract provision for payment by the Government on the basis of agreed unit costs of work actually performed in lieu of actual costs; and
(c) the Monthly Reports were supported by documentary proof of costs incurred under the contract, provisions for contribution by the Government on the basis of actual costs.

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

Total cost as billed by Contractor June 1953 MF-104		$9,214.00
Less salvage proceeds on property		none
Net cost claimed by Contractor		$9,214.00
Exceptions: (Per schedule attached)		
By DMEA Finance Officer	$169.00	
By this review	-0-	169.00
Total Accepted Cost		$9,045.00

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Four thousand five hundred twenty-two and 50/100 Dollars

-- $4,522.50 --

is considered valid and proper.

January 22, 1954

C. A. Turner, Auditor

SCHEDULE OF EXCEPTIONS

Edmund E. Pohl) DMSA 2731 Idm-2465
H. G. Kleinschmidt) a Co-tenancy
A. R. Kleinschmidt)

The following disallowances were made by the Certifying Officer on the Operator's June 1953 MF-104:

Technical services		$100.00
This item unsupported.		
Contingencies		
Bulldozing caved drift material	$294.00	
Allowable maximum	225.00	
Disallowed		69.00
Certifying Officer's disallowances confirmed by this review		$169.00

January 22, 1954

C. A. Turner, Auditor

DIVISION COPY

Docket No. DMEA-2731
(Amendment to Change Starting and/or Completion Dates) (Lead-Zinc-Copper)

AMENDMENT NO. 1

It is agreed this 1st day of April 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Edmund E. Pohl, H. G. Kleinschmidt, and A. R. Kleinschmidt, jointly and severally (a co-tenancy) (Pearl Mines) each acting in consideration of the agreement to the other to the terms hereinafter set forth, that the Exploration Project Contract Kom-E465 dated December 18, 1952 between the parties hereto be modified and amended to change the starting date from --- (No. of days) to within --- (No. of days) of the date of the contract and the completion period from 5 (No. of months) to 9 (No. of months) from the date of the contract. The effective date of this amendment shall be May 18, 1953.

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

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

Executed in sextuplicate the day and year first above written.

Edmund E. Pohl, H. G. Kleinschmidt, A. R. Kleinschmidt
(Operator)

THE UNITED STATES OF AMERICA

By H. G. Kleinschmidt

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 6 1953

Docket No. DMEA-2731 (Lead-Zinc-Copper)
Edmund E. Pohl, H. G. Kleinschmidt, and A. R. Kleinschmidt
Exploration Project Contract Idm-2465

Justification for Amendment No. 1

The Operators have requested an extension of time on their contract because the subcontractor feels that he may not be able to complete the work by May 18, 1953, with the present work force of two men, yet he would prefer not to increase the work force if possible.

The rate of progress of the subcontractors work has been very satisfactory, and the work has been performed in an efficient manner. As of March 11, the last date of inspection, 135 feet of tunneling had been completed under the contract. According to the Operator, heavy ground has slowed the subcontractor recently, and timber must be obtained; because of this, small delay is foreseen.

Because the work is being pursued energetically, this amendment is prepared to assure the subcontractor that as long as his work is satisfactory, the time element can be adjusted.

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. DMEA 2731

COMMODITY Lead-Zinc-Copper

Division Copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 19 1953

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

EXPLORATION PROJECT CONTRACT[1]

IDM-E 465

IT IS AGREED this 18th day of December, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Edmund E. Pohl, 105 E. Harvard, Seattle 2, Washington, H. G. Kleinschmidt, and A. E. Kleinschmidt, P. O. Box 679, Helena, Montana "Jointly and severally" (A co-tenancy) ("Pearl Mines")

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Montana, County of Broadwater, described as follows:[3] Two unpatented mining claims known as Pearl and Pearl No. 2, located in N. W. ¼ of N. W. ¼ of Sec. 35, and the N. E. ¼ of N. E. ¼ of Sec. 34, T. 8 N., R. 1 W., M.P.M. and recorded in Book 21 of Lode Locations, pages 84 and 117, Broadwater County, Montana

the Operator represents and undertakes:[4]

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

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

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

ARTICLE 3. *Exploration project.*—The Operator, within 15 days from the date of this contract shall commence work on a project of exploration for[5] Lead-Zinc-Copper

in or upon the described land; and shall bring the project to completion within a period of 5 months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

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

(*b*) The Government's payments [illegible]all cases will be based on actual, necessar[illegible]sts (including contract unit prices) incurred not in excess of any "allowab[illegible]aximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

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

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

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

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 50 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $6,000.00, which is 50 percent of $12,000.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

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

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

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

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

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

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

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

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* ______________________________

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____

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

Edmund E. Pohl [redacted] Co-tenant

H. G. Kleinschmidt [redacted] Co-tenant

[redacted]

[redacted] A. R. Kleinschmidt [redacted] Co-tenant

THE UNITED STATES OF AMERICA

By C O Mittendorf

Administrator, Defense Minerals Exploration Administration

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

____

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

EXPLORATION PROJECT CONTRACT
EDMUND E. POHL, H. G. KLEINSCHMIDT, A. R. KLEINSCHMIDT
DOCKET NO. DMEA-2731

EXHIBIT "A"

Description of the Work

The purpose of the work is to explore the vein structure from the adit now being driven from a point 50 feet in from the portal in Trench No. 2.

The work will consist of drifting and crosscutting together not to exceed 350 feet, as indicated on the map attached hereto and made a part hereof and entitled "Sketch Map of Pearl & Pearl No. 2." A drift is to be driven in a southwesterly direction along the vein structure for a distance of 300 or more feet. Crosscuts to delineate the width of the vein structure are not to exceed a total length of 50 feet. The drift and crosscuts are to be timbered where necessary, and the location and length of these crosscuts shall be mutually agreed on by the Operator and the Government.

Estimated Costs of the Project
(*Indicates allowable maximum)

AGREED UNIT COSTS

350 feet of drifting and crosscutting @ $28.00/ft.*	$9,800.00
Timbering drift and crosscut where needed, not to exceed 350 feet @ $4.50/ft.*	1,575.00
Total Agreed Unit Cost	$11,375.00*

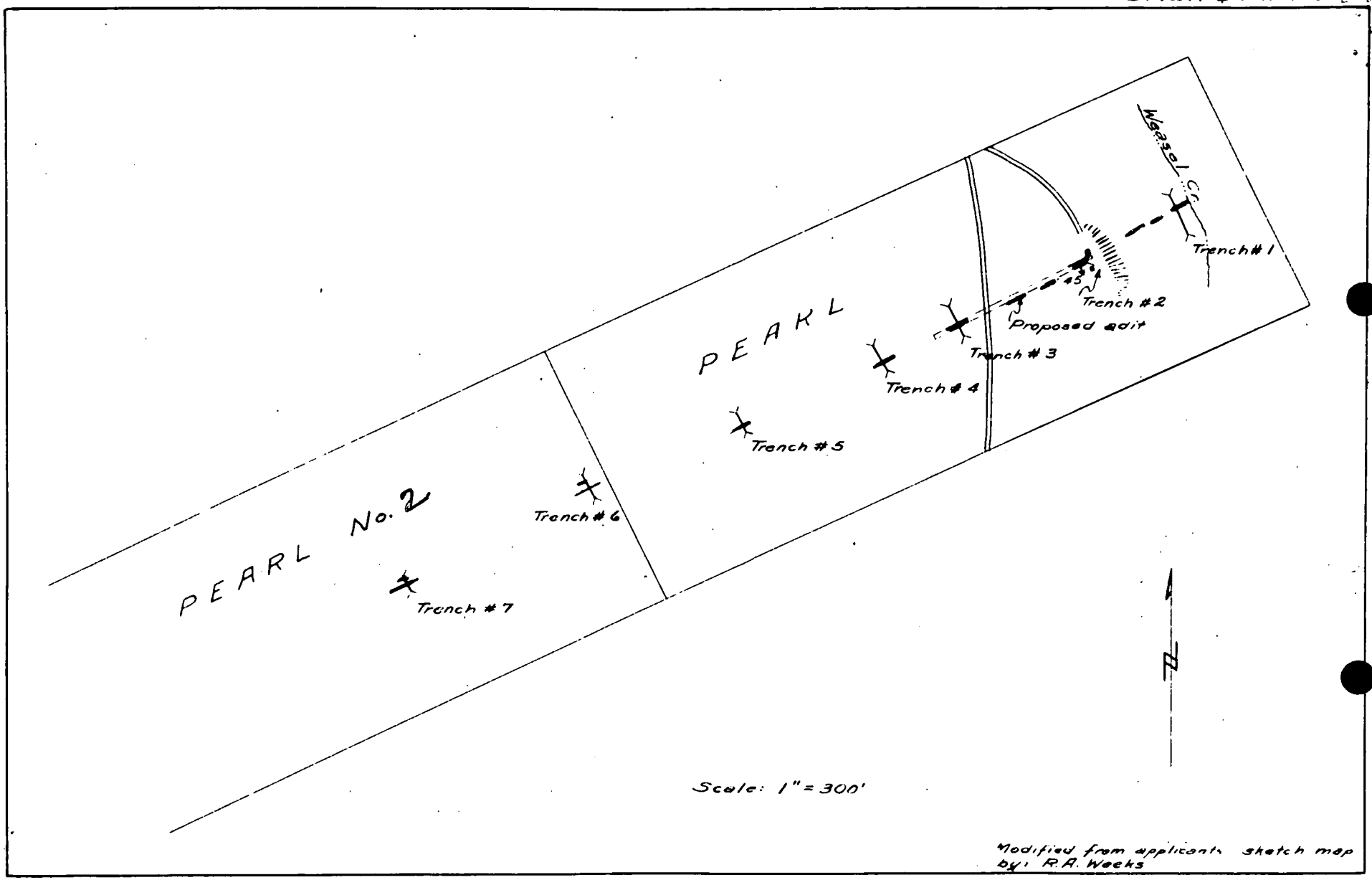
The Government will contribute to the costs of drifting, crosscutting and for timbering drifts and crosscuts, as they accrue, for units of work actually performed, on the basis of the agreed estimated unit cost per foot in lieu of actual costs.

The unit costs include all costs of the work except those costs scheduled below to which the Government will contribute on the basis of actual costs.

SCHEDULED ACTUAL COSTS

Labor, Supervision, Consultants	
Consultants	$ 200.00*
Miscellaneous	
Assays	200.00
Contingencies	225.00*
Total Estimated Cost of Project	$12,000.00*
Government Participation @ 50%	$ 6,000.00*

DMEA Docket 2731



Sketch Map of Pearl & Pearl No. 2
Claims, Sec. 34 & 35 T.8N., R.1W.
Broadwater Co., Montana

Mr. [illegible] Weissenborn
Executive Officer
Geol. Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Contract No. [illegible]-2731(Lead-Zinc-Copper)
Kohl, Gleinschmidt, and Gleinschmidt
Pearl Claim
Broadwater County, Montana
Contract No. [illegible]-2865

Dear Mr. Weissenborn:

A review of the above contract, which has been terminated, shows that in order to close the file on this contract we need the final Field Team report. Will you please advise us as to when we may expect to receive it.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

J. H. Hedges

Member, Bureau of Mines

D. M. Larrabee

Member, Geological Survey

JWAlt/bjl (2/10/54)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Kinkel
Mr. Bishop

UN[redacted] STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1954

[illegible], 157 [illegible] Street
[illegible] 4, [illegible]

[illegible] 27, 1954

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

[illegible] 2751 ([illegible])
[illegible]
[illegible] Pearl Flats, [illegible], [illegible]
[illegible] (terminated)

[illegible]

[illegible] the original [illegible] the operator [illegible] the subject project. [illegible] report has been [illegible] for the files of this office and for the files [illegible] Office.

[illegible] allowed a total of [illegible] feet of [illegible] and [illegible] with a set of [illegible] per foot. The [illegible] number of feet of [illegible] prior to signing the contract, [illegible] of the work. Therefore, a total [illegible] feet of [illegible] actually was accomplished.

[illegible] a [illegible] the [illegible] impossible. [illegible] attempted to have the sub-contractor get the [illegible] work was not resumed.

[illegible] 23, 1953, we received a letter from the operator [illegible] termination of the contract. As [illegible] of this [illegible] to work the original limit specified in the contract, the Field Team believed it would be [illegible] to accept the offer to do this partial termination agreed to terminate. However, rather than process the usual mutual termination agreement form and in some instances, the Field Team declined to negotiate by letter, as it was apparent that contract work [illegible] completed, to all intents and purposes, been completed. Therefore, it was believed that this procedure of termination should suffice [illegible] and [illegible] at the request [illegible]

[illegible] Report [illegible]. The field [illegible] letter [illegible] [illegible] (enclosed [illegible] operator on December 22, 1955).

[illegible] project [illegible].

[illegible]

[illegible], Project Officer
(U. S. Geological Survey)

[illegible] F. [illegible], Project Officer
(U. S. Bureau of Mines)

cc: [illegible] (2)
[illegible]
[illegible]
[illegible]

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

No. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1954

January 27, 1954

Mr. R. J. Hindman, Certifying Officer
DMEA Field Team, Region II
1201 North Division
Spokane 2, Washington

Re: Contract No. DMEA-2731 (lead-zinc-copper)
Pohl & Kleinschmidt
Pearl Claim
Broadwater County, Montana
Contract No. Idm-2465

Dear Mr. Hindman:

This is to inform you that work under the subject contract has been terminated. Only 270 feet of drift and cross-cut were driven of the 350 feet allowed in the contract; however, as the Operator had driven 65 feet of drift previous to the signing of the contract, a total of 335 feet of drift actually was driven to test the exploration objective. As the 335 feet of drift advance was within 15 feet of the limit originally intended for contract work, and as the Operator wished to terminate work, it was decided that it would be to the mutual advantage of the Government and the Operator to terminate the contract. This termination was effected by the Field Team letter of December 31, 1953, to the Operator.

The Operator has submitted his final report which has been accepted by the Executive Officer. In his report he informs that no further charges will be levied against DMEA. He further states that he will accept payment for his June invoices, currently being withheld, as outlined in the Field Team letter of December 31 to the Operator.

The Government does not have an equity in any equipment or machinery used on the subject property.

As all contract obligations have been met by the Operator, it is requested that a final DMEA audit of the Operator's account be made immediately. Final payment to the Operator on a total of

270 feet of timbered drift should be made as soon as possible, such payment to include funds currently being withheld, and the contract account closed.

Sincerely yours,

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

cc: DMA (2)
UMWA (2)
Weeks
Auditor Hall
Com. Adm. & Aud. Div., Wash., D. C.

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

1/11/54 - Received by Jul. A.
Betty

December 31, 1953

Mr. H. G. Kleinschmidt
P. O. Box 679
Helena, Montana

Re: Docket No. [illegible]
Pearl Claim
Broadwater County, Montana
Contract No. I[illegible]-[illegible]

Dear Mr. Kleinschmidt:

Reference is made to your letter of December 19, 1953, and to a letter from Mr. Edmund A. Pohl dated November 23, 1953. Both of these letters express a desire to terminate the subject contract before completion of the work.

The Field Team concurs with your request and agrees that work should be terminated at this point without completing the project. It is our understanding that of the 350 feet of drifting and crosscutting allowable in the contract, about 320 feet has been driven. It is also our understanding that the expiration date of the contract has been exceeded; however, we wish to inform you that the Government will participate in all allowable costs attendant to the closing out of the contract.

Our Certifying Officer has informed us that he has examined your June voucher but is withholding payment pending the final settlement of the contract account. Unfortunately, he has had to make certain deletions from your voucher including the $100 you charged for your services as a consultant. We do not doubt your expending the amount of money charged but we cannot accept the services of an Operator as a Consultant. Also, as the allowable maximum for contingencies is $225, we had to delete the amount of $294.00 that you submitted for contingencies by $69.00. The total approved amount for the June voucher is $[illegible]1.00, which will be payable when the account is settled.

Concerning the final report, we are concerned chiefly with a description of what was accomplished. This report does not have to be too lengthy or involved, but should be confined merely to your description of the work completed. No forms for the report

DMEA

are needed. We are, however, enclosing copies of Forms MF-104 and MF-104A. If you have any allowable charges in which DMEA has not participated, please note them on these forms and submit them. If you have no charges, please inform us in your final report that no further charges will be levied against DMEA.

When your final report and final charges have been received, we shall immediately audit our contract account and will then forward to you a check covering all payments currently being withheld or others that are payable.

By Field Team, Region II

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

Thomas S. Howard, Acting Member
(U. S. Bureau of Mines)

Enclosures

cc: Edmund E. Pomi

cc: USBM (2)
DMEA (2)
Weeks

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
No. 197 Howard Street
Spokane 8, Washington

DEC 1 8 1953

December 16, 1953

Mr. H. G. Kleinschmidt
P. O. Box 675
Helena, Montana

Re: Docket No. DMEA-2731 (lead-zinc-copper)
Pearl Claim
Broadwater County, Montana
Contract No. Ina-1465

Dear Mr. Kleinschmidt:

On November 24, 1953, this office received a letter from Mr. Edmond E. Pohl concerning the subject contract. In this letter Mr. Pohl stated that he was writing to you and that he was suggesting that you request termination of the contract. We are taking this occasion to also write you and to obtain your suggestions concerning termination of the contract, because as both you and Mr. Pohl are interested in the contract it will be necessary to obtain approval from both parties before a termination may be negotiated.

As you are aware, the contract was signed on December 18, 1952, and was to expire after a period of 9 months. This time has now elapsed; however, it is difficult for us to consider the contract as closed because there is work remaining to be done and funds to be expended. From our information, however, it would seem to be to the advantage of both the Operator and the Government to terminate the contract by mutual agreement at this time without completing the work. Therefore, if you would please write this office and request a termination, we will obtain from Washington, D. C., the approval for such a termination and can proceed to close out the contract. If such an agreement is entered into, we will be able to refund to you any payment currently being withheld, when you have submitted your final report as specified in the contract.

A prompt reply will be appreciated.

Sincerely yours,

Thor H. Millegaard
For: A. J. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: Edmond E. Pohl
USBM (2); DMEA (2); Weeks

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1953

October 31, 1953

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

Re: Docket No. DMEA 2731 (lead-zinc-copper)
Edmond E. Pohl, H. G. Kleinschmidt
and A. R. Kleinschmidt
Pearl Claim, Broadwater Co., Montana
Contract No. Idm-E465

Dear Mr. Selfridge:

In reply to your letter of October 8 regarding the status of the above-mentioned contract, as a result of a conversation which I had a short time ago with Mr. Pohl in Seattle, it is my belief that Pohl, et al intend to terminate the contract. I am writing him again to have this confirmed in writing.

Work on the contract, as you know, was suspended because of a landslide. We feel that this would be sufficient justification to terminate the contract unless the operator can show a practicable way of resuming work without excessive cost.

Sincerely yours,

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

cc: USBM (2)
Weeks

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 6 1953

So. 157 Howard Street
Spokane 4, Washington

November 2, 1953

Messrs. Edmond E. Pehl, H. O. Kleinschmidt
and A. R. Kleinschmidt, Co-Tenants
105 N. Harvard
Seattle 2, Washington

Re: Docket No. DMEA 2731 (lead-zinc-copper)
Pearl Claim, Broadwater County, Montana
Contract No. Idm-2465

Attention: Mr. Edmond E. Pehl

Gentlemen:

Work under the subject contract was suspended in June 1953, when a landslide blocked the portal of the DMEA exploration adit. Since that time, no work has been done on the project, although our field personnel reported in July that you contemplated spiling through the slide and continuing exploration.

At the recent American Mining Congress convention in Seattle, Mr. Pehl told Mr. Weissenborn that you were seriously considering indefinitely postponing exploration at the property. If this is your intent, it will be necessary to terminate the contract. We feel that this could be done by the co-tenants and the Government entering into a mutual termination agreement. However, if you feel that it will be possible for you to resume work on the project in the immediate future, this could be done by amending the contract to allow you time to complete the work, as the contract time limit expired September 18, 1953.

We would appreciate hearing from you in the immediate future regarding your intentions.

By Field Team, Region II

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

DMEA (2)
USBM (2)
Weeks

H. E. Fulin, Member
(U. S. Bureau of Mines)

cc: H. O. and A. R. Kleinschmidt

OCT - 8 1953

Mr. [illegible] Weissenborn
Executive Officer
[illegible] Field Team, Region II
Spokane 4, Washington

Re: Docket No. [illegible] 2731 (Lead-Zinc-Copper)
Kohl, Kleinschmidt, and Kleinschmidt
Broadwater County, Montana
Contract No. IGm-465

Dear Mr. Weissenborn:

Will you please advise us regarding the status of the above contract. The last progress report (MF-104) in our file is for the month of May 1953.

In the memorandum of Mr. J. S. Schabb, Mining Engineer, [illegible], to [illegible] Field Team, Region II, dated June 29, 1953, he states that the mine portal had caved during the first week in June due to excessive rain. He recommended that the $225.00, available in the contract for contingencies, be used to cover the cost of bulldozing and repairs to the portal necessitated by the recent cave-in.

The memorandum of Mr. [illegible] Weeks, Geologist, [illegible], dated July 14, 1953, states that Mr. H. G. Kleinschmidt called at the office on that date, and the future of the exploration was discussed.

Mr. John [illegible] Sardill, Metallurgist, [illegible], in his memorandum dated August 31, 1953, states that the subject property was discussed with Mr. [illegible] Weeks, [illegible], on August 7, 1953, and that Mr. Weeks planned to write the partners at Seattle to determine their intentions about continuing work under the contract.

The date of the contract is December 18, 1952, and the work was to be completed in 5 months. Amendment No. 1 changed the completion time from 5 months to 9 months. According to this amendment the completion time would be September 18, 1953. Our files do not contain any amendment allowing the operator an extension of completion time, nor granting the Operator a recess of operations.

We would appreciate hearing from you at your earliest convenience regarding the status of this contract.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

CONCURS:

J. H. Hedges
Member, Bureau of Mines

T. P. Thayer
Member, Geological Survey

Base Metals Division
Mr. Kinkel
Mr. Bishop
Chron.

JWalt/hmj (10-7-53)
CC to: Docket
Adm. R. File
Op. Committee

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

1201 N. Division St.
Spokane 2, Washington
August 31, 1953

Bebby

MEMORANDUM

To: DMEA Field Team, Region II

From: John D. Bardill, Metallurgist, Bureau of Mines

Subject: Routine inspection, Pohl and Kleinschmidt, partners, Pearl Claims, Broadwater County, Montana, Contract No. Idm-E465, Docket No. DMEA 2731 (lead-zinc-copper)

The subject property was discussed August 7, 1953, at Helena, Montana, with R. A. Weeks, U. S. Geological Survey. Mr. Weeks understood that work had been suspended and that there was no one at the property. He planned to write the partners at Seattle to determine their intentions about continuing work under the contract.

Since no work was reported having been done since the last routine inspection, the property was not visited.

John D. Bardill

Orig. & 3 cys - Wash.
USGS (2)
DMEA
A/D
JDB/he

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

No. 157 Howard Street
Spokane 4, Washington

April 1, 1953

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

RECEIVED
APR 6 1953

Re: Docket No. DMEA-2731 (Lead-Zinc-Copper)
Pearl Mines
Broadwater County, Montana
Contract Ism-146

Dear Mr. Selfridge:

Attached are the original and two signed copies of Amendment No. 1 to the subject contract with attached justification.

A copy of the amendment has been given to the Operator, a copy is being placed in our files, and by a carbon copy of this letter we are distributing the Finance Officer's copy.

Sincerely,

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

Attachment

cc: Finance Officer w/encl.
USBM (2)
Weeks

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

1201 N. Division St.
Spokane 2, Washington
March 6, 1953

Uncorrect
Betty

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 13 1953

Mr. H. G. Kleinschmidt
P. O. Box 679
Helena, Montana

Subject: Contract Idm-E465
Docket No. DMEA 2731 (lead-zinc-copper)
Request for extension of contract time

Dear Mr. Kleinschmidt:

This is in reference to your monthly narrative dated March 3, 1953, in which you request an extension of three months under the contract. The contract states that you have until May 18, 1953 to complete the work.

Mr. Buel's inspection reports show that the rate of progress and quality of the work have been better than we normally expect on a property operating under winter conditions, and it appears that a time extension might be unnecessary. We suggest, therefore, that you submit a request for an extension of time two or three weeks before May 18, 1953, in the event that it becomes apparent then that you need additional time to complete the work under the contract.

Sincerely yours,

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

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

140

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

FEB 2 1953

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

Re: Docket No. DMEA-2731
Pohl, Kleinschmidt, and
Kleinschmidt (Lead-Zinc-Copper)
Contract No. Idm-5465

Dear Mr. Weissenborn:

Reference is made to your letter to me dated January 7, in which you point out that the contract is signed by the operators who describe themselves as "cotenants", and not as "partners."

There is no objection to this since the operators "jointly and severally" promise performance of the contract obligations.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

ARKane/mef
1/30/53
cc to: Mails and Files
Adm. R. File
Op. Committee
Mr. Thayer
Mr. Hedges
Mr. Keating
Mr. Hofflund
Mr. Kane
Chron.
Pending

January 23, 1953

Notebook

Memorandum

To: Legal - Attention Mr. Kane

From: Base Metals Division

Subject: Docket No. DMEA-2731 (lead-zinc-copper) Edmund E. Pohl, H. G. Kleinschmidt, and A. K. Kleinschmidt, Pearl Mine, Broadwater County, Montana, Contract No. Idm-W65.

Will you please advise us regarding the signing of this contract. Mr. Weissenborn, Executive Officer, DMEA Field Team, Region II has raised the question as to the term "a co-tenancy", as the Operators have signed themselves as "co-tenants".

/s/ lyl
A. G. Keating

Attachment

JWAlt/hmj
1-23-53
CC to: Docket
Base Metals
Mr. Alt.
Chron

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

1201 North Division St.
Spokane 2, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 3 1953

Keating

January 21, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: E. W. Buel, Mining Engineer, Bureau of Mines

Subject: Pohl and Kleinschmidt (Pearl), Broadwater County, Mont., Contract Idm-E465, Docket No. DMEA 2731 (lead-zinc-copper)

Mr. H. G. Kleinschmidt, co-tenant, was contacted at the Harvey Hotel, Helena, Montana, on January 14, 1953. Invoicing procedures were discussed with Mr. Kleinschmidt. No inspection was made of the subject property.

Mr. Kleinschmidt stated that work was begun under the DMEA contract January 2, 1953 and that 20 feet of drifting under the contract had been completed.

A routine inspection will be conducted in about 2 weeks.

E. W. Buel

Orig. & 3 - Wash.
USGS - 2
DMEA
M/D
EWB/vf

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

Notebook

January 20, 1953

Mr. Harry C. Kleinschmidt
P. O. Box 679
Helena, Montana

Re: Docket DMEA-2731 (lead-zinc-copper)
Contract No. Idm-3465

Dear Mr. Kleinschmidt:

One item that has not yet been discussed with you except in very general terms is the matter of routine sampling and assaying of your exploration work. Money is provided in the contract to cover such assaying as is thought necessary.

In order to obtain as much information as possible, a systematic sampling as the work progresses is desirable, and two alternate ways of sampling can be used. These are: (1) a 5- to 10-pound sample of the muck from each round, or (2) a channel sample across the face for each round. If the material in each round is obviously barren, then a single sample for approximately each 10 feet of advance will certainly be adequate. If lenses or pods of high-grade ore are encountered, separate sampling of the high-grade and lower-grade material will probably be desired.

This sampling program should be initiated as promptly as possible. If there are any questions about which method of sampling to use, please have your miners take a 5- to 10-pound muck sample of each round until one of our field men can talk to you. The next regularly scheduled visit of properties in the Helena area will be early in February, at which time one of us will contact you for further discussion of this matter.

Sincerely yours,

Robert A. Weeks
For: A. L. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: DMEA (2)
USBM (2)
Weeks

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D. C.~~
Spokane 2, Washington
1201 North Division St.

January 7, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 12 1953

Keating
Betty
Inlet-ook

Reply to: M. E. Volin, Member
DMEA Field Team
Region II

Mr. H. G. Kleinschmidt
P. O. Box 679
Helena, Montana

Subject: Docket No. DMEA 2731 (lead-zinc-copper)
Contract Idm-E465

Dear Mr. Kleinschmidt:

Reference is made to your letter of December 27, 1952, enclosing five signed copies of the subject contract. The error in claim designation on the contract map, to which you called attention, has been corrected in this office. Please make the appropriate correction on your copy of the contract.

Your question regarding a new form of Government assistance for mine exploration is not clear. Compensation for work done and materials provided by the Operator is provided for in existing contracts under the present program of the Defense Minerals Exploration Administration. This office has not been advised of any other plan for exploration aid.

Enclosed are six copies each of Forms MF-104 and MF-104A to be used in submitting your first monthly operating report. The reverse side of each form contains complete instructions for their preparation.

Mr. E. W. Buel, mining engineer of this office, has scheduled a visit to your property for next week or the week following, and he will be glad to answer any further questions you may have.

Sincerely yours,

Thomas E. Howard, Chief
DMEA Section
Bureau of Mines, Region II

Enclosure

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
1953

[illegible]

[illegible]

[illegible]

DEC 3 1 1952(Notebook

Mr. H. G. Kleinschmidt
P. O. Box 679
Helena, Montana

Re: Docket No. [illegible]-2731 (Zinc, Lead, Copper)
Exploration Contract No. Idm-[illegible]465
Edmund [illegible] Pohl, H. G. Kleinschmidt,
[illegible]. [illegible]. Kleinschmidt
Broadwater County, Montana

Dear Mr. Kleinschmidt:

In reply to your letter of December 21, 1952 we wish to advise you that the above-referenced contract was approved by the Defense Minerals Exploration Administration and was mailed on December 18, 1952 to:

Mr. [illegible] Weissenborn
Executive Officer, Region II
[illegible] Field Team
South 157 Howard Street
Spokane 4, Washington

You will probably hear shortly from Mr. Weissenborn regarding this contract.

Sincerely yours,

/s/ [illegible]

A. G. Keating, Acting Chief
Base Metals Division

JMAlt/hmj
12-31-52
CC to: Adm. Reading File
Operating Committee
Mr. Keating (2)
Mr. Alt
Region II (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D. C.~~
1201 N. Division St.
Spokane 2, Washington
December 24, 1952

~~Acc~~ Keating
Betty

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 1953

Notebooks

Mr. Edmund E. Pohl
Mr. H. G. Kleinschmidt
Mr. A. R. Kleinschmidt
105 N. Harvard
Seattle 2, Washington

Subject: Docket No. DMEA 2731 (lead-zinc—copper)
Contract Idm-E465

Gentlemen:

Enclosed are the original and five copies of an exploration contract for your Pearl property, which has been signed by the Government. If the terms and conditions of this contract are satisfactory to you please sign all copies, retain the copy marked for the Operator, and return the others to this office.

In preparing the contract it has been assumed that the Operator is a partnership. If this is the case, before signing, please insert after the last name in the clause preceding Article 1 on the front of the contract form the words "A partnership" and the firm name and style, if any, under which it is doing business. If the individuals are not partners, the words "jointly and severally" should be inserted, and on the back of the form after the spaces provided for the signatures the word "partner~~ship~~" should be crossed out.

It will also be necessary to insert in the contract in the space provided under Article 3, the number of days from the date of the contract in which the work will commence.

If any of the terms of the contract are not satisfactory please return all copies with your comments.

Sincerely yours,

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

Enclosure

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

DEC 1 8 1952

notebook

[illegible] Chamberlain
Executive Officer
[illegible]
[illegible] Street
[illegible] 4, Washington

Re: Docket No. [illegible]-2731 (Zinc-Lead-Copper)
[illegible], [illegible] Hohl, [illegible] Kleinschmidt,
[illegible] Weikersheimer
Broadwater County, Montana

Dear [illegible] Weikersheimer:

We are enclosing the original and two copies of a proposed contract on the above captioned project, which have been signed by the Government, together with Exhibit "A" (2 pages) and one map.

Please [illegible] the contract, if the sponsor is a partnership, this must be in the name of the firm as the style, if any, under which it is being carried on. If the individuals are substituted then the words "jointly" or "severally" should appear after the [illegible].

If the contract meets with your approval, kindly present it to the Chairman of the Operating Committee, [illegible], Washington 25, D. C. In the event it is not in order, it should be returned with a statement concerning any doubtful clause.

[illegible] 12 [illegible] of the above provisions under Article 3, the number of [illegible] from the date of the contract on which the work shall commence.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee

Enclosures 2-6

cc: J. M. Hedges

JHAlt/hmj 12-12-52

Member, Bureau of Mines
A. R. Kinkel, Jr.

Member, Geological Survey

CC to: Adm Reading File
Op. Committee
Mr. Keating
Mr. Bishop
Docket File Copy
Mr. Keller (2)
Mr. Kinkle
Mr. Alt

2731

500

notebook

Mr. E. G. Kleinschmidt
P. O. Box 679
Helena, Montana

Re: Docket No. DMEA-2731 (Zinc, Lead, Copper)
Edmund E. Pohl, E. G. Kleinschmidt, A. E. Kleinschmidt
Broadwater County, Montana

Dear Mr. Kleinschmidt:

Your letter of October 11, 1952, to Mr. J. B. Cowen, Chief of Copper Division, Defense Minerals Administration, Washington, D. C., has been referred to the Base Metals Division of the Defense Minerals Exploration Administration for reply.

Your application was forwarded to this office on October 1, 1952, by:

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

Mr. Weissenborn stated that: "Inasmuch as field men are in the area, a field examination will be scheduled as soon as convenient."

We have reviewed your application and upon the receipt of the Field Team report we will be able to complete the processing of your application for Government assistance for your exploration project.

You may be assured that everything possible will be done to expedite the processing of your application.

Sincerely yours,

H. F. Keller

H. F. Keller, Chief
Base Metals Division

JWAlt/bjl (written 10/20/52)

Copy to: Docket
Admr. P. File
Op. Committee
H. F. Keller (2)
J. W. Alt
Mr. Bishop

Mr. McKnight
Reg. II
Edmund E. Pohl
Chron.

2731

560

OCT 3 3 1952

Notebook

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

Re: Docket No. A-2771 (Lime-Land-Lager)
Edmund F. Pohl, A. G. Kleinschmidt,
A. H. Kleinschmidt
Broadwater County, Montana

Dear Mr. Weissenborn:

The application of the above-referenced docket has been received from you and has been reviewed by the Rare Metals Division of the Defense Minerals Exploration Administration.

In your letter of October 1, 1952, you stated: "Inasmuch as field men are in the area, a field examination will be scheduled as soon as convenient."

We hope that you will be able to complete this field examination of the property before the winter sets in and that we will shortly receive the usual field report.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee

JWAlt/bw (written 10/20/52)
Copy to: Docket
Admr. R. File
Op. Comm.
Mr. Keller (2)
J. W. Alt
Mr. Bishop
Mr. McKnight
Chron.

Concur:

Charles H. Merrill
Member, Bureau of Mines

A. R. Kinkel Jr.
Member, Geological Survey