DOCKET 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 Idm-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.

Effective 4/27/53 Rubin

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 TREASURY
Bureau Unclaimed Property
RECEIVED
APR 6 1953

Docket No. DMEA-2731 (Lead-Zinc-Copper)
Edmund E. Pohl, E. G. Kleinschmidt, and A. H. Kleinschmidt
Exploration Project Contract Idm-8465

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

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

DEPARTMENT OF THE INTERIOR
IDM-E 485
Defense Minerals Administration
RECEIVED
JAN 19 1953

EXPLORATION PROJECT CONTRACT[1]

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. O. Kleinschmidt, and A. R. Kleinschmidt, P. O. Box 679, Helena, Montana ~~[illegible]~~ "Jointly and serverally" (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 a lessee in possession and entitled to possession, and the Owner's Consent to Lien is attached.~~

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

ARTICLE 3. *Exploration project.*—The Operator, within 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] [illegible] of mineral or minerals.

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

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

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

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

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

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

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay ......50...... percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $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.* ....

Executed in sextuplicate the day and year first above written.

Edmund E Pohl ~~Partner~~ Co-tenant

H. J. Kleinschmidt ~~Partner~~ Co-tenant

(~~Operator~~)

~~By~~ A. R. Kleinschmidt ~~Partner~~ 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.

....

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*

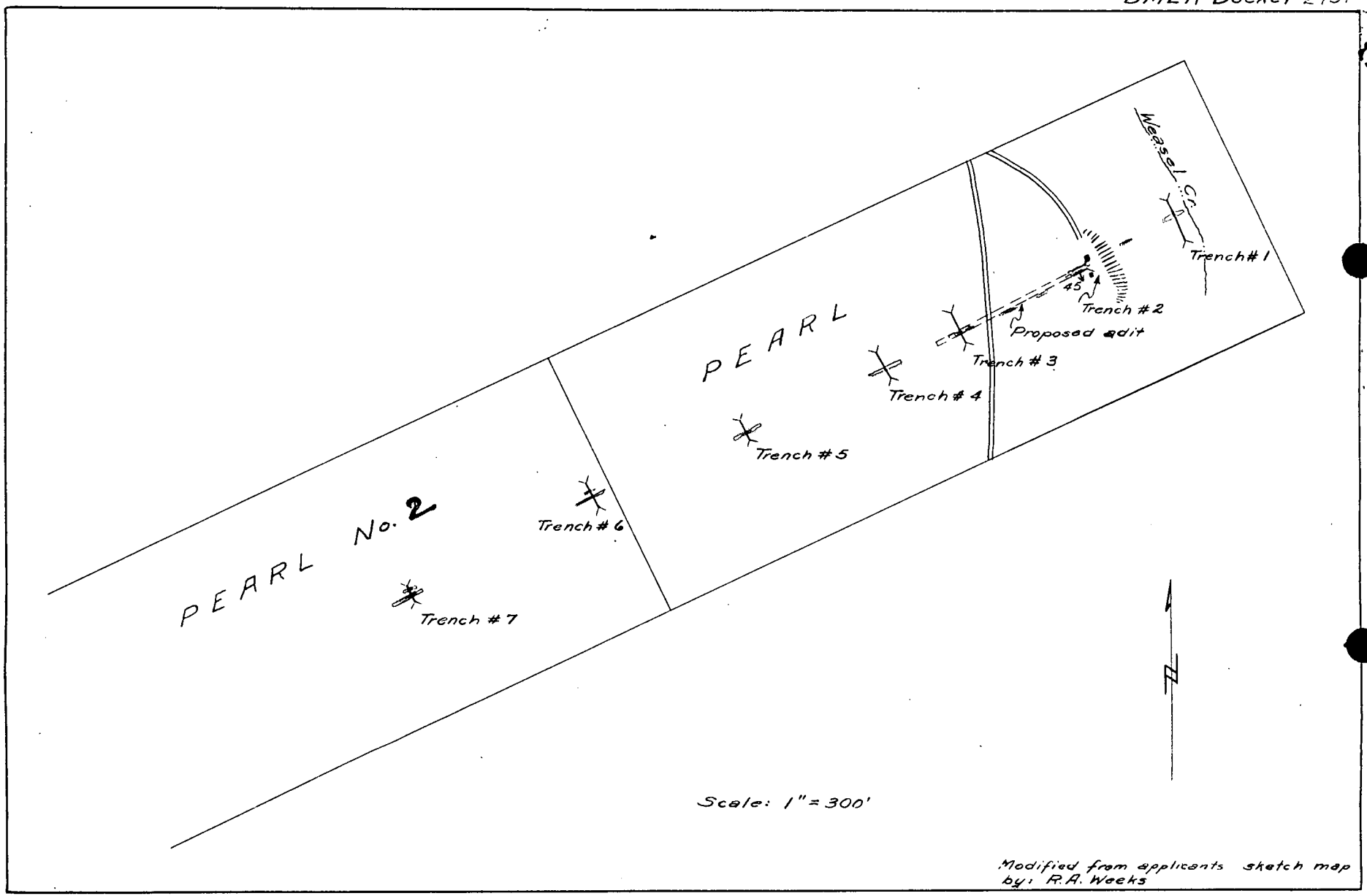
The Government will contribute to the costs of drifting, crosscutting and for timbering drifts and crosscuts, as they accrue, for units of work actually performed, on the basis of the agreed estimated unit cost per foot in lieu of actual costs.

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

DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 2731

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as

EXPLORATION ASSISTANCE

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

One copy to USBM. & USGS.

Routing Slip
Code 500, Room 2616

To:	Base Metals Div.	Date	10/7/52
To:	Oper Com.	Date	12-15-52
To:	Oper Com	Date	2-2-53
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CONTROLLED DOCUMENT

File Copy
Surname
J. W. Alt.

500

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

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.

File Copy
Surname

500

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

No. 5. in R.R.

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 (ejl)
J. W. Alt

Copy to: Base Metals
Docket
Chron:

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
JUN - 7 1954

June 3, 1954

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

Re: Docket No. DMEA-2731 (lead-zinc-copper)
Pearl and Pearl No. 2 Claims
Broadwater County, Montana
Contract No. Idm-E465

Dear Mr. Selfridge:

Enclosed are four copies of the Field Team's final report on the above-referenced contract which has been prepared by J. D. Bardill, Mining Engineer, U. S. Bureau of Mines, and R. A. Weeks, Geologist, U. S. Geological Survey.

The project was not successful in disclosing ore and the field examiners recommend that no Certification of Discovery or Development be issued; the Field Team concurs with this recommendation.

By Field Team, Region II

Wing G. Agnew, Acting Executive Officer
U. S. Bureau of Mines

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

Enclosure (in quad.)
cc: USBM (2)
Weeks

Reviewed by
DMEA OPERATING COMMITTEE
6-11-54
(date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 7 1954

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM, REGION II

FINAL REPORT

Contract Idm-E465

by

J. D. Bardill
Mining Engineer
U. S. Bureau of Mines

R. A. Weeks
Geologist
U. S. Geological Survey

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

Docket No.:	DMEA-2731
Commodity:	Lead-Zinc-Copper
Effective date:	December 18, 1952
Termination date:	December 31, 1953

PEARL AND PEARL NO. 2 CLAIMS
Winston Mining District
Broadwater County, Montana

Spokane, Washington

June 1954

Reviewed by
DMEA OPERATING COMMITTEE
6-11-54
(date)

FINAL REPORT

EDMUND E. POHL
H. G. KLEINSCHMIDT AND A. R. KLEINSCHMIDT
Pearl and Pearl No. 2 Claims
Winston Mining District
Broadwater County, Montana

Contract Idm-E465

* * * *

INTRODUCTION

This report describes an exploration project for lead, zinc, and copper ore on the Pearl claims, Winston mining district, Broadwater County, Montana, in which Edmund E. Pohl, H. G. Kleinschmidt, and A. R. Kleinschmidt, a co-tenancy, and the Defense Minerals Exploration Administration participated jointly.

Summary

The objective of the project was to explore a mineralized vein structure by 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 they believed to be a reasonable cost, and they finally abandoned the project. The project was terminated by the Field Team letter of December 31, 1953.

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

The original contract, approved in the amount of $12,000, was terminated by mutual consent when only 270 feet of the 350 feet of drifts and crosscuts had been completed. The total cost of the project was $9,045, of which the Government contributed 50 percent or $4,522.50.

Recommendations

The project was not successful in disclosing ore, and a Certification of Discovery or Development is not recommended.

Several structures, revealed as a result of a landslide, indicate that the proposed crosscutting might have been more successful had the entire exploration program 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.

LOCATION AND ACCESSIBILITY

The Pearl claims are on Weasel Creek about a quarter of a mile above the January mine. The property is in the NW¼, sec. 35, and NE¼, sec. 34, T. 8 N., R. 1 W., M.P.M., in the Winston mining district. It is 6 miles by graveled road from Winston, a small mining town located on U. S. Highway 10N and the Northern Pacific Railway; the distance from Winston to Helena is 20 miles and to East Helena, 15 miles.

The mine is at an altitude of about 6,200 feet on the side of a glaciated valley. The valley sides are steep but not precipitous, with maximum relief of about 1,400 feet. Winters are vigorous, but the road to the January mine is plowed as necessary, and year-round operations can be maintained.

PROPERTY

The property comprises the Pearl and Pearl No. 2 claims, both of which were located by the Operators. 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, and during the project continued the drift for an additional 270 feet.

In selecting the portal site, trench No. 2 was considered to be the most desirable from several standpoints. It was about 75 feet vertically below the Weasel Creek road and, therefore, could be made accessible on a good grade by an easy bulldozer cut. The portal site would provide adequate dump room without need of relocating the road and would provide sufficient backs if any commercial ore was discovered. The vein structures were strong and contained promising amounts of lead comparable to other showings on the property. In preparing the portal site the Operators enlarged the cut at trench site No. 2, leaving a vertical rock face about 15 to 25 feet high. Their first attempt at starting the portal resulted in a small cave-in, due to the broken nature of the vertical rock face. Portal entry timber sets were then started at a point 15 feet away from the vertical bank and these reinforced sets, heavily lagged on the top and sides, extended to the bank. Under this protective cover it was then possible to start the drift in the broken andesite. Fifty feet of drifting

was completed from this point before the effective date of the contract.

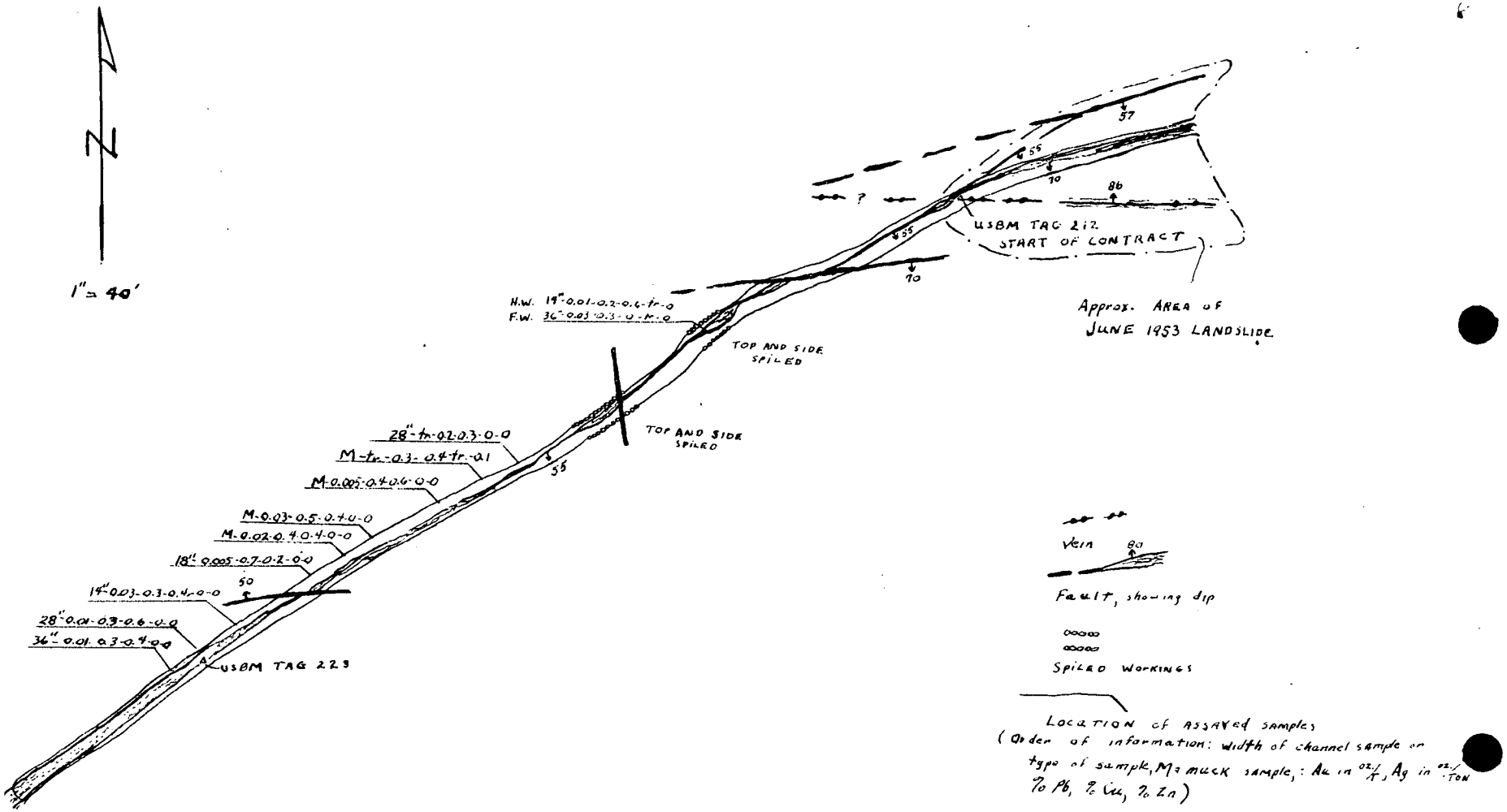
The adit was timbered throughout its length with top and side spiling emplaced where necessary. The ground will stand unsupported only for short periods of time, and lagging was necessary to retain the side walls in those sections that were not spiled. The heavy rains that fell in June 1953 saturated the ground and started a landslide involving a block of ground, bounded by two faults, that converged in a "V" shape, with the point of the "V" centering at the drift. The landslide began the first week in June and slid intermittently until about the end of June. An attempt to bulldoze away the slide material and gain access to the drift was unsuccessful and, in fact, resulted in additional slides. Movement of blocks of ground were primarily along pre-existing faults, as was clearly shown on newly slickensided old gouge seams, indicating up to 8 inches of displacement in a period of 3 days following the bulldozing.

GEOLOGY

The general area of the Pearl claims is underlain by a series of extrusive volcanic tuffs and flows of andesitic composition that have been intruded by stocks and associated dikes of porphyritic quartz monzonite. The Pearl claims lie between two stocks, the January stock being about 500 feet to the north and the Vosberg stock about 2,000 feet to the south. Small dikes of quartz monzonite are present on the surface of the Pearl claims, but none were encountered in the drifting. The andesites were moderately folded and much faulted before the stocks were emplaced. The andesites were moderately to intensely recrystallized by the intrusions. Shearing along east-trending zones was followed by complex mineralization; these same shear zones appear to have also had post-mineralization movement.

The Pearl adit explores a N. 60° E.-trending fault zone in the andesites. The fault zone dips from 55° to 70° to the southeast and is cut by four N. 75° E. to N. 85° E. faults and one north-trending fault, as shown on figure 1. The drift along the fault zone shows the fault has had post-mineralization movement. The fault zone is variable in width and composition, but consists of one or more strands of gouge and variable widths of broken, sericitic and kaolinitic andesite, with sparse to abundant pyrite, arsenopyrite, and quartz, and small pods of galena, with rare chalcopyrite and sphalerite. Near the portal, galena and other metallic minerals are completely oxidized.

The fault zone ranges in width from about 8 inches to over 6 feet. Pods of metallic minerals larger than 4 inches in length were not seen. Assay information shown on figure 1 indicates that low-grade mineralization was present everywhere in this fault zone, but that no commercial ore was encountered. The average of the



PEARL ADIT

BROADWATER COUNTY, MONTANA

Figure 1

assays shows the metallic content to be 0.01 ounce per ton gold, 0.3 ounce per ton silver, 0.4 percent lead, with a trace of copper and zinc.

The N. 75° E.-to N. 85° E.-trending faults are more nearly parallel to the known producing veins in this region, and additional exploration by crosscutting to these structures was planned but not completed because of the landslide.

THE PROJECT

The exploration contract was signed on December 18, 1952, and work began under the contract on January 2, 1953. The contract specified 300 feet of drifting and 50 feet of crosscutting. On May 18, 1953, the contract was amended to extend the completion date from 5 to 9 months. During the first week of June a landslide closed the portal, and after attempts at gaining access failed, actual work ceased. By this time 270 feet of drifting had been completed. After considerable negotiations, the contract was terminated by Field Team letter on December 31, 1953.

Results of the work

The 270 feet of drifting was entirely along a fault zone that contained sparse amounts of metallic minerals. Other subparallel faults were to have been explored by crosscutting, but work on the program ceased because of the landslide. Attempts to gain access to the portal by dozing failed, and the Operators were unsuccessful in their attempts to get a contractor to spile through the landslide for what they wanted to pay. Mineralization in the fault zone that was explored was disappointingly low grade, and the fact that funds for only 80 feet of additional work remained in the contract would not justify further Government participation in attempts to re-enter the drift.

Summary of Factual Data

Two hundred seventy feet of timbered drift was completed at an over-all cost of $33.50 per foot, including sampling and contingencies. The timbered drift contract was on a unit cost basis of $32.50 per foot.

The total contract was for $12,000 for 300 feet of drift and 50 feet of crosscuts, with the Government participating in 50 percent of the expenses. The contract was terminated by mutual consent by a Field Team letter to the Operators dated December 31, 1953.

The Operators supplied all items of equipment and supplies necessary for the work.

Distribution: DMEA(4); USBM(5); USGS(SRO); Weeks; Docket

ANNEX

The work performed under this contract was on a unit cost basis at the rate of $28 per foot of drift and $4.50 per foot of timbering. The contract was terminated by a Field Team letter dated December 31, 1953, when only 270 feet of the 350 feet of drifts and crosscuts had been completed.

A Report of Review of the Operators' final reports included the following cost items which were approved and accepted by the Washington DMEA office.

Item	Total cost	Cost per foot
(1) Independent contracts		
Drifting, 270 ft. @ $28.00/ft.	$7,560.00	$28.00
Timbering, 270 ft. @ $4.50/ft.	1,215.00	4.50
Total	8,775.00	32.50
(7) Miscellaneous		
Sampling and Analysis	45.00	0.17
(8) Contingencies		
Bulldozing caved drift portal	225.00	0.83
Total	$9,045.00	$33.50

The Government participated in 50 percent of the expenses in the amount of $4,522.50.

FILE COPY
SURNAME:

500

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

J.W. Alt
Selfridge
Weissenborn

FEB 12 1954

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

Re: Docket No. DMEA-2731(Lead-Zinc-Copper)
Pohl, Kleinschmidt, and Kleinschmidt
Pearl Claim
Broadwater County, Montana
Contract No. Idm-E465

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

R.C.S.
2-12-54

FILE COPY
SURNAME:

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

Talbert
Chambers

FEB - 4 1954

Mr. Charles A. Turner
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Contract Idm-R465, DMEA-2731
Pohl and Kleinschmidt
Broadwater County, Montana
Pearl Mines

Dear Mr. Turner:

Reference is made to the Report of Review, covering the subject exploration project contract, copies of which were forwarded to this Division under cover of your letter of January 29, 1954.

This Division has made the following revisions in the Washington copies of the Report of Review:

(1) In reason (a) for the review in lieu of audit the word "further" has been inserted between the words "possible" and "disallowances"; and

(2) To the end of reason (c) following the word "contract" add the additional words "provisions for contribution by the Government on the basis of actual costs."

Please make these revisions in the original and all other copies of the Report of Review, after which regular distribution may be effected.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
February 4, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

R.C. 2-4-54

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON, D.C.~~
So. 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: Docket No. DMEA-2731 (lead-zinc-copper)
Pohl & Kleinschmidt
Pearl Claim
Broadwater County, Montana
Contract No. Idm-5465

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

cc: DMEA (2)
DMEM (2)
Weeks
Auditor Hult
Gen. Adm. & Aud. Div., Wash., D. C.

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
FEB 2 1954

January 27, 1954

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

Re: Docket No. DMEA 2731 (lead-zinc-copper)
Pohl & Klienschmidt
Pearl Claims, Broadwater Co., Montana
Contract No. Idm-E465 (terminated)

Dear Mr. Selfridge:

Enclosed are the original and two copies of the operator's final report on the subject project. One copy of the report has been retained for the files of this office and one for the files of the Certifying Officer.

The contract allowed a total of 350 feet of drifting and crosscutting at an agreed unit cost of $28.00 per foot. The operator completed 270 feet of this amount; however, prior to signing the contract, he completed 65 feet of the work. Therefore, a total of 335 feet of exploration actually was accomplished.

During the past spring a landslide made the adit inaccessible. The operator attempted to have the sub-contractor open the adit but was unsuccessful, and work was not resumed.

On November 23, 1953, we received a letter from the operator requesting mutual agreement termination of the contract. As only 15 feet of drift remained to be driven to reach the original limit specified in the contract, the Field Team believed it would be impractical to reopen the adit to do this work and therefore agreed to terminate. However, rather than process the usual mutual termination agreement forms used in such instances, the Field Team decided to terminate by letter, as it was apparent that contract work originally specified had, to all intents and purposes, been completed. Furthermore, it was believed that this procedure of termination should suffice as it had been used under similar circumstances and at the request of

the Operating Committee, in terminating the Western Mines contract, DMEA Docket 2468, Contract Idm-E414. The Field Team letter terminating the contract was accordingly forwarded to the operator on December 31, 1953.

The Field Team recommends that no discovery be certified for project work.

By Field Team, Region II

A. E. Weissenborn

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

Thomas E. Howard

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

cc: USBM (2)
Hindman
Hull
Weeks

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1954

Pearl Mines
Box 9, Helena, Montana
January 12, 1954.

DMEA
S. 157 Howard St.
Spokane, 4, Washington.

Re: Docket DMEA 2731
Pearl Claim
Broadwater County, Montana
Contract No. Idm- E-465

Dear Sirs:

Pursuant to DMEA(Spokane) letter of Dec. 31, 1953, we herewith submit our final report and other than the allowable amounts of charges stated as approved in said letter we do not have any other or further charges against DMEA and no further charges than same, will be levied or claimed against DMEA now or in the future.

Previous to making application for this contract, several large open surficial cuts were made by dozing at intervals along the apex strike of the pearl vein. Assays and mineral indications in all of these cuts were such as to be considered as favorable for further developement. Following this work and previous to the application for the contract a quite extensive dozer cut was made sufficient to accomodate buildings such as timber shed, compressor house and other accessories was made, and access road was constructed, buildings erected, timber track air pipe and other paraphanalia was secured and placed on the area and a drift started. The first 15 feet of this drift was wrecked by a small block cave and was replaced by 15 feet of portal entry sets and from thence on an additional 50 feet of drifting was done so it may be said that in this work the equivelent of 65 feet of drifting was done as the first drift was started into a face of 20 to 25 feet in height(or depth). After the granting of the DMEA contract the work under it was started on January 2, 1953 and a total of 270 feet of the 300 feet of allowable drifting, was accomplished, so it may be said that an equivelent of a total of 335 feet of drifting, all timbered has been done.

In the end or face of this drift there was a structual condition encountered that at "first glance" appeared to be a split in the vein , it is, however, my opinion now, in view of later disclosures, that a faulted section of another vein was intersected by the vein drifted on which later was afterwards determined to be a fault and the Pearl vein as disclosed in the various cut and the first 65 feet of drift had been faulted both on dip and strike and the remainder of the drift had been driven along a baren fault plane of vein-like structure.

The conditions just mentioned were disclosed and discovered in June 1953 by reason of a large intense slip movement of the hillside for a considerable length width and depth along the course of the Pearl vein, all of which is set forth in more or less detail for the month of June, 1953.
This earth movement crushed several sets of the timbered drift and caved same. Following bulldozing of this slipped block of ground the closely surrounding structure was exposed and disclosed intersecting vein structures and faults, and the barren fault plane heretofore mentioned.

The conditions thus exposed were surveyed and map-platted by Mr. Weeks and Mr. McNabb of the U.S. Geological Department as well as by H. G. Kleinschmidt and the various fault conditions were then and thereby disclosed and calculated.

Following the caving and closing of the drift, the parties who held a contract for the work refused to continue, and the work has not been resumed since then.

Reports and maps for each month under the DMEA contract were submitted and the footage was as follows : All in 1953 : January 65 feet, February, 50 feet, March 65 feet, April 40 feet, May 50 feet, June,- work ceased by reason of caving before mentioned.

It was intended to reopen the drift after such time as it was considered safe to do so, or to run a lateral in the solid formation to the point where the barren fault had intersected and faulted the Pearl vein, and in either event, to enter the drift from there-on in, and to crosscut at selected points for the Pearl vein and another vein disclosed by the dozing of the slipped block of formation aforementioned, but as stated the contractors refused to further carry out thier agreements with Mr. Edmund Pohl, and as Mr. Pohl was carrying the burden of another operation and no additional funds were available from DMEA, it was finally decided to close the operation at least until next summer when it may be that the work will yet be resumed and the crosscutting done.

The work thus far accomplished does not disprove the merit of the prospect, but has been of considerable value and a large part of it may in the future be availed of in further work that should hold the probabilities of promise and success.

In conclusion we wish to thank the DMEA for the very fine and efficient cooperation in this entire affair, and we yet hope that within a reasonable time from returns from this property to repay DMEA the moneys advanced by them as thier participating share.

Respectfully yours,

H. G. Kleinschmidt

H. G. Kleinschmidt, co-owner

A. R. Kleinschmidt

A. R. Kleinschmidt, co-owner

Edmund E. Pohl

Edmund E. Pohl, co-owner

HGK:hmk

Pearl-Hines
Box 7 9, Helena, Montana
January-12, 1954.

DMEA
S. 157 Howard St.
Spokane, 4, Washington.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1954

Re: Docket DMEA 2731
Pearl Claim
Broadwater County, Montana
Contract No. Idn- E-405

Dear Sirs:

Pursuant to DMEA(Spokane) letter of Dec. 31, 1953, we herewith submit our final report and other than the allowable amounts of charges stated as approved in said letter we do not have any other or further charges against DMEA and no further charges than same, will be levied or claimed against DMEA now or in the future.

Previous to making application for this contract, several large open surficial cuts were made by dozing at intervals along the apex strike of the pearl vein. Assays and mineral indications in all of those cuts were such as to be considered as favorable for further development. Following this work and previous to the application for the contract a quite extensive dozer cut was made sufficient to accomodate buildings such as timber shed, compressor house and other accessories was made, an access road was constructed, buildings erected, timber track air pipe and other paraphanalia was secured and placed on the area and a drift started. The first 15 feet of this drift was wrecked by a small block cave and was replaced by 15 feet of portal entry sets and from thence on an additional 50 feet of drifting was done so it may be said that in this work the equivalent of 65 feet of drifting was done as the first drift was started into a face of 20 to 25 feet in height(or depth). After the granting of the DMEA contract the work under it was started on January 2, 1953 and a total of 270 feet of the 300 feet of allowable drifting, was accomplished so it may be said that an equivalent of a total of 335 feet of drifting, all timbered has been done.

In the end or face of this drift there was a structual condition encountered that at"first glance" appeared to be a split in the vein , it is, however, my opinion now, in view of later disclosures, that a faulted section of another vein was intersected by the vein drifted on which later was afterwards determined to be a fault and the Pearl vein as disclosed in the various cut and the first 65 feet of drift had been faulted both on dip and strike and the remainder of the drift had been driven along a barren fault plane of vein-like structure.

The conditions just mentioned were disclosed and discovered in June 1953 by reason of a large intense slip movement of the hillside for a considerable length width and depth along the course of the Pearl vein, all of which is set forth in more or less detail for the month of June, 1953.
This earth movement crushed several sets of the timbered drift and caved same. Following bulldozing of this slipped block of ground the closely surrounding structure was exposed and disclosed intersecting vein structures and faults, and the barren fault plane heretofore mentioned.

The conditions thus exposed were surveyed and map-platted by Mr. Weeks and Mr. McLabb of the U.S. Geological Department as well as by H. G. Kleinschmidt and the various fault conditions were then and thereby disclosed and calculated.

Following the caving and closing of the drift, the parties who held a contract for the work refused to continue, and the work has not been resumed since then.

Reports and maps for each month under the RFC contract were submitted and the footage was as follows : All in 1933 : January 65 feet, February, 50 feet, March 65 feet, April 40 feet, May 50 feet, June,- work ceased by reason of caving before mentioned.

It was intended to reopen the drift after such time as it was considered safe to do so, or to run a lateral in the solid formation to the point where the barren fault had intersected and faulted the Pearl vein, and in either event, to enter the drift from there-on in, and to crosscut at selected points for the Pearl vein and another vein disclosed by the dozing of the slipped block of formation aforementioned, but as stated the contractors refused to further carry out their agreements with Mr. Edmund Pohl, and as Mr. Pohl was carrying the burden of another operation and no additional funds were available from RFC, it was finally decided to close the operation at least until next summer when it may be that the work will yet be resumed and the crosscutting done.

The work thus far accomplished does not disprove the merit of the prospect, but has been of considerable value and a large part of it may in the future be availed of in further work that should hold the probabilities of promise and success.

In conclusion we wish to thank the RFC for the very fine and efficient cooperation in this entire affair, and we yet hope that within a reasonable time from returns from this property to repay RFC the moneys advanced by them as their participating share.

Respectfully yours,

H. G. Kleinschmidt

H. G. Kleinschmidt, co-owner

A. R. Kleinschmidt

A. R. Kleinschmidt, co-owner

Edmund E. Pohl

Edmund E. Pohl, co-owner

EEP:fmk

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
Bureau Mines Administration
RECEIVED
JAN 18 1954

December 31, 1953

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

Re: Docket No. DMA-4731
Pearl Claim
Broadwater County, Montana
Contract No. IDm-269

Dear Mr. Kleinschmidt:

Reference is made to your letter of December 19, 1953, and to a letter from Mr. Edmund E. 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 325 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 $231.00, 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

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

Enclosures

cc: Edmund C. Pohl

cc: USBM (2)
DMEA (2)
Weeks

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

[illegible]
[illegible]

[illegible] 1953

[illegible] 28, 1953

Mr. B. C. Kleinschmidt
P. O. Box 675
Helena, Montana

Re: Docket No. [illegible]-2751 (lead-zinc-copper)
Pearl Claim
Broadwater County, Montana
Contract No. [illegible]

Dear Mr. Kleinschmidt:

On November 24, 1953, this office received a letter from Mr. Edmond A. 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 10, 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 B. Hillegard
For: A. J. Eisenbrem
Executive Officer, DMEA
Field Team, Region II

cc: Edmond A. 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 2 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,

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

cc: USBM (2)
Weeks

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 5 1953

So. 157 Howard Street
Spokane 4, Washington

November 2, 1953

Messrs. Edmond K. Pohl, H. G. 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 K. Pohl

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. Pohl 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. K. Weissenborn, Executive Officer
(U. S. Geological Survey)

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

DMEA (2)
USBM (2)
Weeks

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

FILE COPY
SURNAME: 500

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

J. W. Alt
Zimmerman
Bayer
Selfridge
Hedges
Mattheney

OCT - 8 1953

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

Re: Docket No. MEA 2731 (Lead-Zinc-Copper)
Pohl, Kleinschmidt, and ~~Kleinschmidt~~
Broadwater County, Montana
Contract No. Idm-E465

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. McNabb, Mining Engineer, USBM, to DMEA 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. R. A. Weeks, Geologist, USGS, 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 D. Bardill, Metallurgist, USBM, in his memorandum dated August 31, 1953, states that the subject property was discussed with Mr. R. A. Weeks, USGS, 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 (GCS)
Chairman, Operating Committee

APPROVED:

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

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

JWAlt/hmj (10-7-53)
CC to: Docket
Adm. R. File
Op. Committee
Base Metals Division
Mr. Kinkel
Mr. Bishop
Chron.

R.G.B. 10-8-53

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

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

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

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

July 14, 1953

Memorandum

To: Field Team, Region II

From: R. A. Weeks, Geologist, U. S. Geological Survey

Subject: Docket No. DMEA-2731 (Lead-Zinc-Copper), Pohl & Kleinschmidt, Partners, Pearl Claims, Broadwater County, Montana, Contract Idm-E465

On July 12 I passed by the Pearl mine while conducting a group from the Geophysical Laboratory, Carnegie Institute through the area. A hasty examination showed that the landslide, previously reported to you by memo and telephone conversation, has temporarily stabilized and will probably not slide any further until the ground is again saturated. Judging from past years, the next probable time that the ground will be saturated will not occur until late October, and perhaps not until next spring.

Mr. H. G. Kleinschmidt called at the office today, and we discussed the future of the exploration. His expressed desire is to spile through the slide at the expense of the partners, and use the remainder of the exploration funds in crosscutting to have a look at the mineralized fault exposed by the slide. About 40 to 50 feet of crosscutting should intersect both faults exposed, and the remaining 30 to 40 feet of drifting under the contract would then be used to explore the better mineralized structure.

I am of the opinion that the proposed work will permit evaluation of the geology of the mineralized structures, and will decide for the Operators whether any further development of these claims is justified. I am also of the opinion that the expense involved in spiling through the slide will be relatively low, but that the cost of putting in a permanent portal to withstand future landslides would be quite high. If the Operators are willing to do the necessary work to gain temporary access to the existing workings, I see no reason why the Government should not continue the exploration work.

There is one factor that I am not able to assess, namely, that of safety. I expressed an opinion to Mr. Kleinschmidt that if

they decide to re-enter the workings, in the event of any long-continued rain they should advise the subcontractor to remove all portable equipment and suspend operations until the ground was again dry. I believe that before work is resumed on the contract it would be prudent to have a mining engineer determine the safety of the operation.

Mr. Kleinschmidt is discussing the matter with the subcontractor today, and will contact his partner, Mr. Pohl, to obtain his approval of the proposed re-entry. Presumably, they will not start operations for a day or two under any circumstances, so if for any reason you wish to suspend operations, please notify me immediately.

Distribution:
DMEA (Orig. & 3)
USBM (2)
Docket
Weeks

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

June 29, 1953

Memorandum

To: DMEA Field Team, Region II

From: J. S. McNabb, Mining Engineer, U. S. Bureau of Mines
and R. A. Weeks, Geologist, U. S. Geological Survey

Subject: Docket No. DMEA-2731 (lead-zinc-copper), Routine Inspection, Pearl Mine, Broadwater County, Montana, Contract Idm-E465

The subject property was visited by the writers in company with H. G. Kleinschmidt and Ed Pohl, two of the Operators. The mine portal had caved during the first week in June due to excessive rain. The Operators reported that over 20 inches of rain fell in a period of three or four days.

Work done since the last inspection could not be examined due to the caving. The Operators had engaged a bulldozer to remove the slide material, and in the course of dozing, have better exposed the structures that are being explored underground.

The writers mapped the two major structures, as shown by the new bulldozing, and have laid out a tentative location for a crosscut to determine whether the second structure is mineralized. The temporarily inaccessible condition of the workings makes verification of conditions difficult, but it is believed that the mineralized structure, as seen in the new dozer work, is not the structure followed by the drifting to date which is believed to be a relatively unmineralized fault that diverges slightly from the trend of the mineralized structure.

As soon as the workings are accessible, examination of the drift will be made, and a location for a crosscut will be decided by the examining team and the operators.

Total units of work to date could not be determined because of the cave in. The examining team recommends 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.

Distribution:
DMEA (Orig & 3)
USBM (2)
Docket
Weeks

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

1201 North Division Street
Spokane 2, Washington

May 14, 1953

MEMORANDUM

To: DMEA Field Team, Region II

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

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

The work progress was inspected in company with R. A. Weeks and A. Campbell, geologists, Geological Survey, on May 6, 1953. The subcontractors had been working on the property, but they could not be found on the premises at the time of the examination.

Since the last inspection an advance of 53.5 feet was made. The drift was timbered with 5-foot sets and lagged for a distance of 47 feet with 6.5 feet remaining to be timbered.

Total drifting accomplished under the DMEA contract amounts to 231.5 feet. Remaining work under the contract is 118.5 feet of drifting and crosscutting.

A survey tag USBM #223 was placed in the cap near the present face. The tag is approximately 225 feet from survey tag USBM #212 in the drift.

In the absence of the subcontractors, it was not possible to tie-in the Operator's sample map with the Examining Team's map because of the lack of a common control point. This matter will be clarified during a future visit.

The Operator's Narrative Report for April 1953 gives the following assay data:

Sample	Au	Ag	Pb	Cu	Zn	Sample Width
A-8	0.005	0.7	0.2	--	--	18 inches
A-9	0.03	0.3	0.4	--	--	14 inches
A-10	0.01	0.3	0.6	--	--	28 inches
A-11	0.01	0.3	0.4	--	--	36 inches

The work is being executed in a workmanlike manner.

E. W. Buel

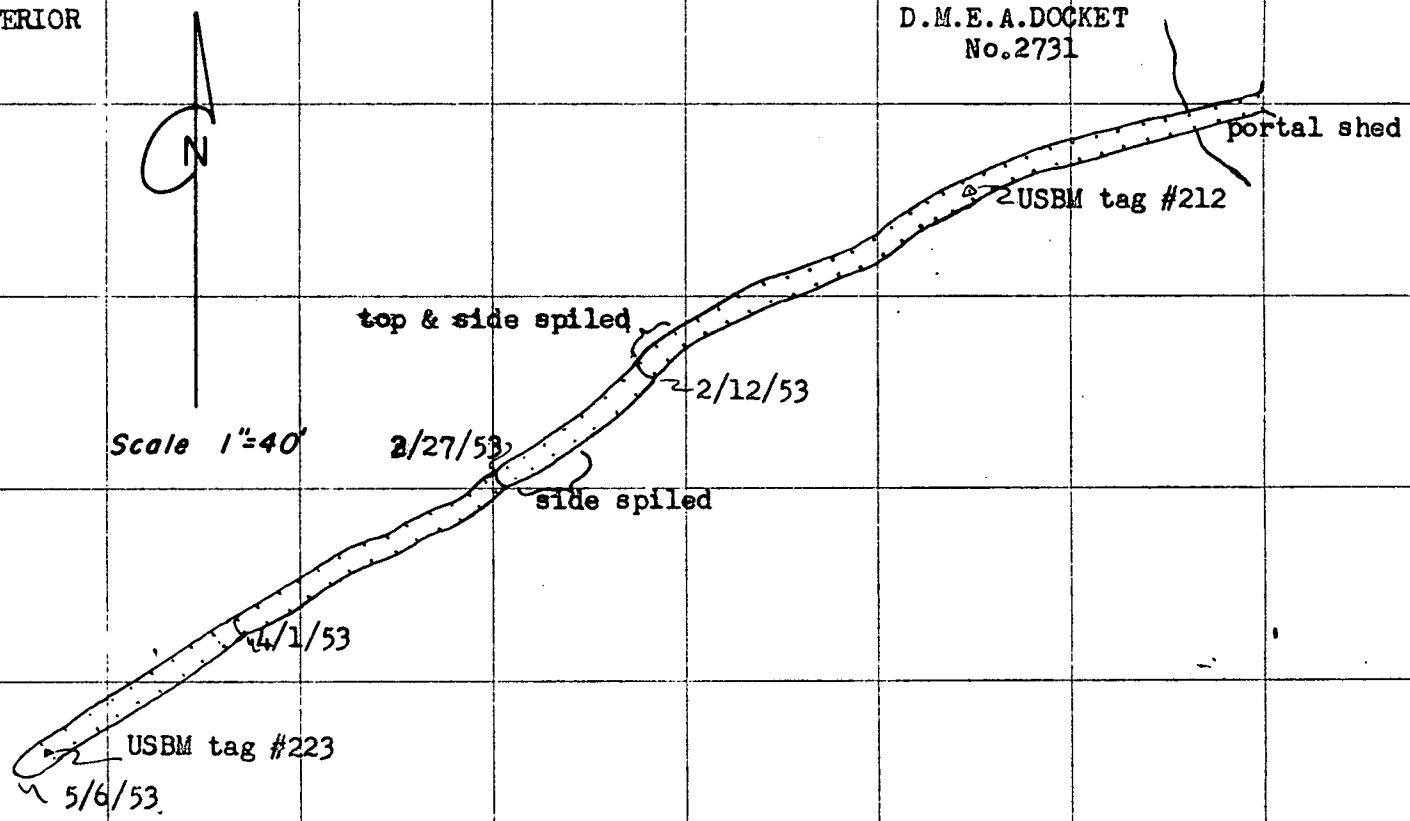
E. W. Buel

Enclosure

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

U.S.DEPARTMENT OF THE INTERIOR

D.M.E.A.DOCKET
No.2731



POHL & KLEINSCHMIDT (PEARL)
BROADWATER COUNTY, MONT.

Brunton & Tape Survey

Contract Idn- E465

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

1201 N. Division St.
Spokane 2, Washington
April 10, 1953

MEMORANDUM

To: DMEA Field Team, Region II

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

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

The work progress was inspected April 1, 1953, in company with Messrs. Berndt and Reynolds, subcontractors.

Since the last inspection an advance of 62 feet was made. The drift was timbered with 5-foot sets and lagged the entire distance. An additional 5-foot round of muck lay behind the lagging in the face. The subcontractors were preparing to spile through the muck area at the time of the inspection.

Total drifting completed under the DMEA contract amounts to 178 feet exclusive of 5 feet of muck behind the lagged face.

An attempt was made to see Mr. H. G. Kleinschmidt in Helena, Montana, on April 6, 1953, to discuss sampling and assay results. Mr. Kleinschmidt was absent at the time of the visit. His narrative for March 1953, however, does show that samples were taken with the following results:

	Ounces			Percent	
Sample	Au	Ag	Pb	Cu	Zn
A-3	Trace	0.2	0.3	-	-
A-4	"	0.3	0.4	Trace	0.1
A-5	0.005	0.4	0.6	-	-
A-6	0.03	0.5	0.4	-	-
A-7	0.02	0.4	0.4	-	-
A-8	Results not yet available				

Sample locations are not shown on the enclosed map because the Operator's sample map does not show a common control point for measurement. This matter will be straightened out sometime in the near future.

The ground is comparatively easy to break. The ground normally requires only 3 to 7 holes with 14 to 25 sticks of 8" powder of 40 percent composition. About 1/2 of the drill holes are hand augered in the fault gouge.

It was recommended to the subcontractors that a short crosscut should be made to delineate the width of the vein structure after the present drift is extended beyond the area to be spiled.

The work is being carried on in a very efficient manner.

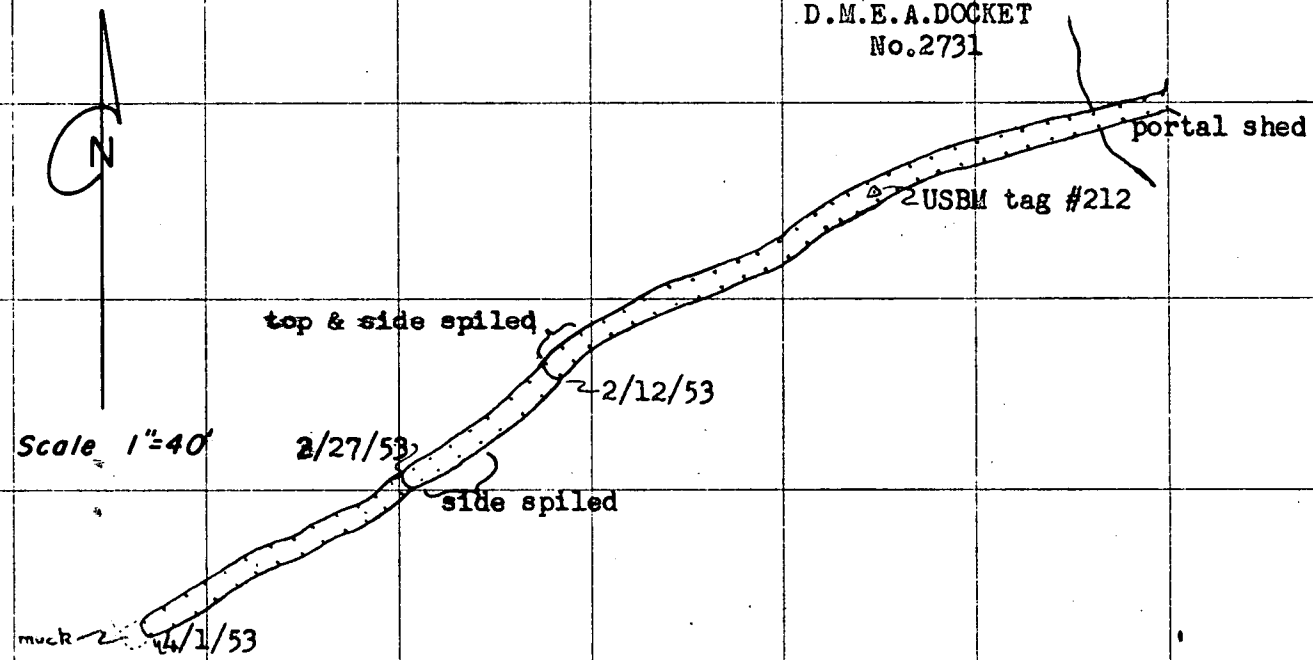
E. W. Buel

E. W. Buel

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
EWB/he

U.S.DEPARTMENT OF THE INTERIOR

D.M.E.A.DOCKET
No.2731



POHL & KLEINSCHMIDT (PEARL)
BROADWATER COUNTY, MONT.

Brunton & Tape Survey

Contract Idm- E465

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

Re: Docket No. DMEA-2731 (Lead-Zinc-Copper)
Pearl Mines
Broadwater County, Montana
Contract Lm-[illegible]

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,

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

Attachment

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

RECEIVED
APR 22 53
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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
APR 3 1953

March 18, 1953

Memorandum

To: DMEA Field Team, Region II

From: R. A. Weeks, Geologist, U. S. Geological Survey

Subject: Docket No. DMEA-2731 (Lead-Zinc-Copper), Routine inspection, Pohl and Kleinschmidt (Pearl), Broadwater County, Montana, Contract Idm-E465.

Routine inspection of the Pearl mine was made on March 11, 1953, accompanied by Mr. H. Kleinschmidt, co-tenant, and D. M. Pinckney, U. S. Geological Survey.

Work accomplished since the start of the contract totals 135 feet of drifting. Total length of the drift is now 200 feet, all of which is timbered and lagged.

The face of the tunnel exposes the principal fracture which is about three and a half feet in width, including 6 to 8 inches of gouge and up to three feet of strongly brecciated and altered andesite. This fault has been followed the entire 200 feet. Cross fractures of diverse trend are numerous, and appear to be both earlier and later than the main fault. Sulfide mineralization in the face is sparse, and relatively few pods of galena are reported by the Operator in the drifting done thus far.

The sampling and assaying program was discussed and the Operator agreed to obtain samples at not less than 10-foot intervals.

The Operator expressed some concern that they might not be able to complete the work on schedule, but if the current rate of progress is indicative, they should be able to complete the contract ahead of schedule. I informed the Operator that if unusual conditions slowed down the work, an extension of time should be applied for about a month before the contract deadline, and that presumably an extension of time could be granted.

R A Weeks

Dist:
DMEA (Orig. & 3)
USBM (2)
Docket
Weeks

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

1201 North Division Street
Spokane 2, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 3 1953

March 6, 1953

MEMORANDUM

To: DMEA Field Team, Region II

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

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

The work progress under the DMEA contract was inspected February 27, 1953, in company with Messrs. Berndt and Reynolds, subcontractors.

The drift was driven approximately 37 feet during the inspection interim. This drift was timbered with six 5-foot sets and one 4-foot set. The last three sets (distance 14 feet) are side spiled. Very heavy ground necessitated spiling. The last inspection report failed to mention that two sets situated 130 feet to 140 feet from the portal were side and top spiled. The drift is now 181 feet from the portal including 15 feet of portal shed (subcontractors removed a part of the hillside for 15 feet before entering underground).

Total units of work completed under the contract is 116 feet of drifting, timbered and lagged the entire distance. Timbering consists of 5-foot sets with the exception of one 4-foot set.

No samples were taken by the Operator. It was recommended to the subcontractors that a muck sample should be taken for each advance of 10 feet, and channel sampling taken in areas showing conspicuous ore minerals.

The Operator submitted assay returns for two samples taken from the drift. Locations of the samples were not given. The assay sheet showed the following:

	Ounces		Percent		
Sample No.	Au	Ag	Pb	Cu	Zn
#1	0.01	0.2	0.6	Trace	None
#2	0.03	0.3		Trace	

Work progress was hindered because of heavy ground which necessitated spiling past the bad ground. Some of the spiling had to be driven through ground which contained gouge 3 feet or more in width.

Work standards and progress are being conducted in an efficient manner.

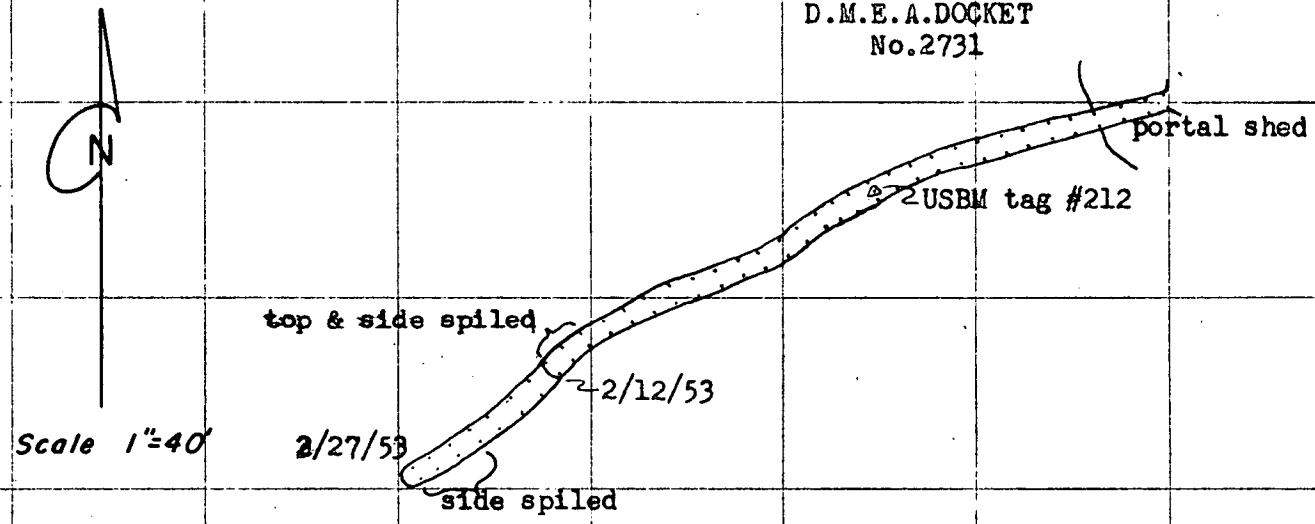
E. W. Buel

E. W. Buel

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

U.S.DEPARTMENT OF THE INTERIOR

D.M.E.A.DOCKET
No.2731



POHL & KLEINSCHMIDT (PEARL)
BROADWATER COUNTY, MONT.

Brunton & Tape Survey

Contract Idm- E465

"ALBANENE" NO. 195M K&E CO., N.Y. REG. U.S. PAT. OFF.

2731

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 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

2731

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

1201 N. Division St.
Spokane 2, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 9 1953

February 20, 1953

Memorandum

To: DMEA Field Team, Region II

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

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

Mr. E. Pohl, co-tenant, accompanied me during the inspection of the subject property February 12, 1953. This was the first inspection made of the property since work began under the DMEA contract January 2, 1953.

Work accomplished since the beginning of the contracts totals 79 feet of drifting. The Operator completed 65 feet of drifting exclusive of the contract. Total length of the drift is 144 feet. The drift is timbered and lagged the entire distance by 5-foot sets. The drift measures 3-3/4 x 6 feet in the clear. A USBM tag #212 was placed in a cap 65 feet from the portal. This represents the starting point of work under the DMEA contract.

The Operator reported taking two samples. Sample data were not available at the time of the inspection.

The work is being done by a subcontractor. Two miners are currently employed. The work cycle consists of drilling and mucking during one shift, and timbering, with some drilling, during the second shift.

The work is being carried on in a workmanlike manner.

E. W. Buel

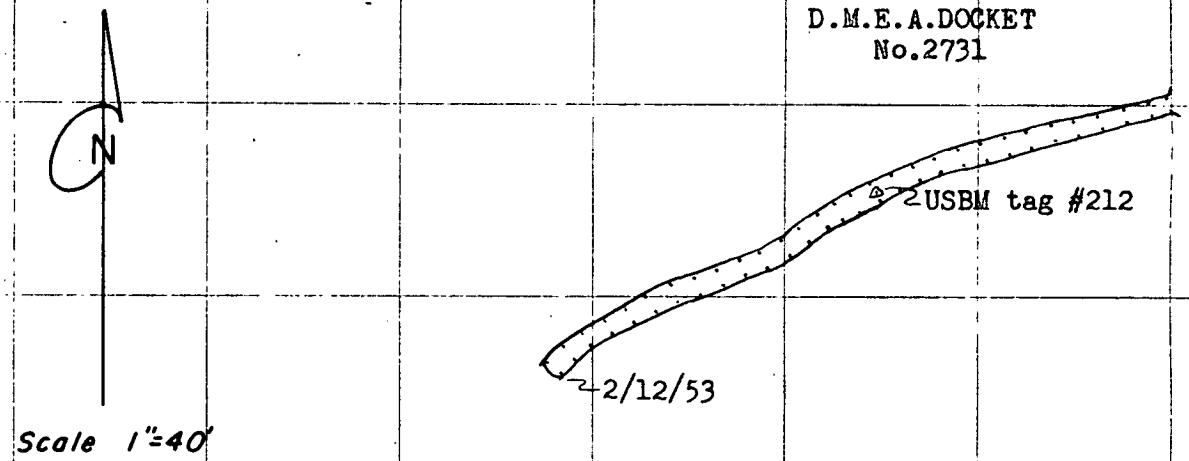
E. W. Buel

Enclosure 1

Orig. & 3 CC - Wash.
USGS (2)
DMEA
M/D
EWB/kt

U.S.DEPARTMENT OF THE INTERIOR

D.M.E.A.DOCKET
No.2731



POHL & KLEINSCHMIDT (PEARL)
BROADWATER COUNTY, MONT.

Brunton & Tape Survey

Contract Idm- E465

"ALBANENE" NO. 160M K&E CO., N.Y. REG. U.S. PAT. OFF.

FILE COPY
SURNAME:

200

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

BE

FEB 26 1953

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

Dmea 2731

Dear Mr. Hindman:

This will acknowledge your memorandum dated February 20, 1953 requesting that we return to you the original copy of the Form MF-104 and Voucher No. 660, in the name of Edmund E. Pohl, H. G. Kleinschmidt, and A. R. Kleinschmidt, together with copies of a memorandum to DMEA Field Team, Region II, Subject: Edmond E. Pohl, H. C. Kleinschmidt, and A. R. Kleinschmidt, contract Idm-M465, January 1953 MF-104, which were inadvertently forwarded to this office with other copies of the Form MF-104.

In answer to your request the material is enclosed herewith.

Sincerely yours,

ROBERT E. ADAMS

R.E.A. 2/26/53

Robert E. Adams, Chief
Operations Control & Statistics Div.

Enclosures - 3

READams/meb
2-26-53
cc to: Adm.Reading File
Mails & Files Br.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1201 North Division Street
Spokane 2, Washington
February 20, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 - 1953

Memorandum

To: Contract Administration and Audit Division

From: R. J. Hindman, Certifying Officer, Region II

Subject: Edmund E. Pohl, H. G. Kleinschmidt and A. R. Kleinschmidt, contract Idm-E465

We made a payment on the subject contract on Feb. 17, 1953, and are wondering if we inadvertently sent you our original copy of the MF-104 and Voucher No. 660 along with the two copies we usually send you. If so, will you please return this to us at your earliest convenience. Thanks.

R. J. Hindman

R. J. Hindman

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 North Division St.
Spokane 2, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 3 1953

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

E. W. Buel

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

140

FILE COPY
SURNAME:

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

AEKane
Hoffland
J. W. Gill
Keating
Selfridge

BL

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-E465

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."

J.C. 2/2/53

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

Sincerely yours,

George C. Selfridge

(GCS)

Chairman, Operating Committee

APPROVED:

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

A. R. Kinkel, Jr. (JHH)
Member, Geological Survey

AEKane/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

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

January 23, 1953

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. R. Kleinschmidt, Pearl Mine, Broadwater County, Montana, Contract No. Idm-E465.

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".

A.G.K.

A. G. Keating

Attachment

RECEIVED

JAN 23 1953

GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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

RECEIVED
JAN 23 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 19 1953

January 7, 1953

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

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

Dear Mr. Johnson:

Enclosed are the Government's copy, the Division copy, and the Docket copy of the subject contract. A copy has been distributed to the Finance Officer.

You will note that the Operator has supplied the missing data with respect to claims which you have requested. You will see that he has crossed out the word "partnership" and substituted the word "a co-tenancy" in the preamble to the contract and that the Operators have signed themselves as "co-tenants" rather than partners. This has caused us some concern as no one in this office knew exactly what a co-tenant was, and we thought that it might perhaps connote some leasing agreement, even though the Operator states that he is the owner of the property. In a telephone conversation with Mr. Pohl, one of the partners, I was informed that under the Montana law of 1899 a co-tenancy is a business association somewhat similar to a partnership which is sometimes used in Montana mining. As I understand Mr. Pohl's description, in a co-tenancy if one of the co-tenants or partners has supplied the money for the enterprise, he was entitled to get his money back from the first ore shipped before any profits are distributed among the partners. Mr. Pohl also states that another advantage is that in Montana a partnership must be registered whereas a co-tenancy need not be registered. I make no pretense of knowing whether this is correct or not and can only suggest that if you are not familiar with the term "co-tenant", you will undoubtedly wish to refer the matter to Mr. Hofflund for his advice.

coe 1/19/53

Sincerely yours

A. E. Weissenborn

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

Enclosures 3
cc: USBM (2)
Weeks
Finance Officer

UNITED STATES
DEPARTMENT OF THE INTERIOR

Docket

DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Spokane 2, Washington
1201 North Division St.
January 7, 1953

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

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 5 1953

Docket

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,

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

Enclosure

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

500 FILE COPY
SURNAME:

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

Docket

J. W. Alt
A. Keating

DEC 31 1952

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

Re: Docket No. DMEA-2731 (Zinc, Lead, Copper)
Exploration Contract No. Idm-E465
Edmund E. Pohl, H. G. Kleinschmidt,
A. R. 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. A. E. Weissenborn
Executive Officer, Region II
DMEA Field Team
South 157 Howard Street
Spokane 4, Washington

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

Sincerely yours,

/s/

A. G. Keating, Acting Chief
Base Metals Division

A.K.
12-31-52

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

Helena, Montana
December 21, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
DEC 26 1952

Mr. H. F. Keller, Chief
Base Metals Division, D.M.E.A.
U. S. Department of the Interior
Washington 25, D. C.

RE: Docket No. D.M.E.A. - 2731 (Zinc, Lead, Copper)
Edmund E. Pohl, H. G. Kleinschmidt, A. R. Kleinschmidt,
Broadwater County, Montana, and your letter to me
re same, dated Oct. 23, 1952, Washington D. C.

Dear Mr. Keller:

The field men referred to in your letter, as mentioned by Mr. Weissenborn, visited the premises of the Pearl Mining Claims very soon thereafter and after conferring with me on the ground and examining same practically assured me that their report would be favorable in all respects for the entire application proposition submitted by us in our application, a copy of which was forwarded to your office on Oct. 1, 1952.

On the strength of this I agreed that we would proceed with the drift far enough to reach beyond the "frost line" and be prepared to resume operations at any time under the application contract, no matter how adverse the weather conditions. This we have done. We also have expended several hundred dollars for timber and other miscellaneous items, which are on the ground, and the cost of which we did not estimate on our application and which are available for use at any time, the cost of which when used should be allowed for to us under the application if granted.

I do not know what has caused the delay in this matter, but a few days ago Mr. Pohl was in Spokane to make inquiry, and evidently the delay has probably been on that end. However, Mr. Pohl was assured that approval of our application would be sent to Washington that same day, so it should be there now and we would appreciate immediate action on same so that we can yet proceed before any severe weather conditions, which may occur this winter, intervene and add to expense by way of clearance of roads, removal of snow and other miscellaneous conditions, as well as causing corresponding time delays. We are now and have been"ready to go"and will be greatly obliged to you for a decision and reply on the part of your offices as soon as possible.

Respectfully yours,

H. G. Kleinschmidt

H. G. KLEINSCHMIDT
P. O. Box 679, Helena, Montana

FILE COPY
SURNAME:

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

AEKane

December 11, 1952

p.s. in R. v R.

Memorandum

To: Administrator

Through: H. F. Keller

From: Chief Counsel

Subject: Edmund E. Pohl, H. G. Kleinschmidt and A. R. Kleinschmidt - Docket No. DMEA-~~2371~~ 2731

There is attached in satisfactory legal form for execution, a contract covering the above-described project, subject to the ascertainment of the exact legal status of the Operator.

If the Operator is a partnership, this should be indicated as well as the firm name and style, if any, under which it is doing business. If the individuals are not partners, then after the last name should appear the words "jointly and severally."

J. L. Hofflund

J. L. Hofflund
Chief Counsel

Attachment
AEKane/ema
cc: Mails & Files
J. L. Hofflund
A. E. Kane
Chron.

FILE COPY
SURNAME:

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

500

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

DEC 18 1952

Re: Docket No. MLM-2731 (Zinc-Lead-Copper)
Edmund L. Pohl, H. O. Kleinschmidt,
A. R. Kleinschmidt
Broadwater County, Montana

Dear Mr. Weissenborn:

We are enclosing the original and five 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.

Before the contract can be executed, if the Operator is a partnership, this should be indicated as well as the firm name and style, if any, under which it is doing business. If the individuals are not partners then the words "jointly and severally should appear after the last name.

If the contract meets with your approval, kindly present it to the Applicant for approval and signature and, when completed, distribute in the usual manner. In the event that the contract is not satisfactory, return all copies with your recommendation concerning any modification.

It will 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.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee

Enclosures-6

APPROVED:

Geo. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

JWAlt/hmj 12-12-52

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

12-18-52

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

December 11, 1952

Memorandum

To: Administrator

Through: H. F. Keller

From: Chief Counsel

Subject: Edmund E. Pohl, H. G. Kleinschmidt and A. R. Kleinschmidt - Docket No. DMEA-2731

There is attached in satisfactory legal form for execution, a contract covering the above-described project, subject to the ascertainment of the exact legal status of the Operator.

If the Operator is a partnership, this should be indicated as well as the firm name and style, if any, under which it is doing business. If the individuals are not partners, then after the last name should appear the words "jointly and severally."

J. L. Hofflund
Chief Counsel

Attachment

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

December 11, 1952

Memorandum

To: Administrator

Through: H. F. Keller

From: Chief Counsel

Subject: Edmund E. Pohl, H. G. Kleinschmidt and A. R. Kleinschmidt - Docket No. DMEA-2731

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J. L. Hofflund
Chief Counsel

Attachment

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

December 2, 1952

Memorandum

Re: DMEA-2731
Pearl Property
Broadwater County, Montana
$12,000
Lead, zinc, copper

To: Mr. H. F. Keller

From: E. L. Newcomb, USGS
O. M. Bishop, USBM

Subject: Concurrence with field team recommendation for approval.

The applicant proposes to drift 350 feet southwest along the Pearl vein structure from a point 50 feet from the portal in trench #2.

The field team recommends a modified project involving 300 feet of drifting and 50 feet of crosscutting.

The results of dozing seven cuts across the Pearl vein have indicated that the vein can be traced for 1800 feet along the strike. The best exposure is in trench #2 where mineralization has a total width of 16 feet. Primary ore minerals are galena, sphalerite and tetrahedrite accompanied by pyrite, quartz, and calcite. The applicant has taken one sample from cut #2 which is reported to have averaged 1.8 per cent lead, 0.2 per cent zinc, 1.5 oz. of silver and a trace of gold. Although this one sample is rather low grade, the strength and persistence of vein structure indicates that further exploration at depth is warranted.

The geological conditions on the property are similar to the nearby January mine which has found a favorable ore body while exploring under a DMEA contract.

We concur with the field team's recommendation for approval.

E. L. Newcomb
E. L. Newcomb
Geologist

O. M. Bishop
O. M. Bishop
Base Metals Branch

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

December 2, 1952

Memorandum

Re: DMEA-2731
Pearl Property
Broadwater County, Montana
$12,000
Lead, zinc, copper

To: Mr. H. F. Keller

From: E. L. Newcomb, USGS
O. M. Bishop, USBM

Subject: Concurrence with field team recommendation for approval.

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The geological conditions on the property are similar to the nearby January mine which has found a favorable ore body while exploring under a DMEA contract.

We concur with the field team's recommendation for approval.

E. L. Newcomb
Geologist

O. M. Bishop
Base Metals Branch

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

DOCKET NO. EA 2731

COMMODITY lead-zinc-copper

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

EXPLORATION PROJECT CONTRACT [1]

IT IS AGREED this _____ day of _____, 195__, 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 N. Harvard, Seattle 2, Washington
H. G. Kleinschmidt, P. O. Box 679, Helena, Montana
A. R. Kleinschmidt, P. O. Box 679, Helena, Montana

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]
Pearl and Pearl No. 2 unpatented mining claims located in NW 1/4, NW 1/4 Sec. 35, NE 1/4, NE 1/4 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 a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

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

ARTICLE 3. *Exploration project.*—The Operator, within 30 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 payment in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

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

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

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

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

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

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay ---50--- percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $--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.* ----------

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

(Operator)

By ----------

By ----------

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

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
Pearl Claims, Broadwater County, Montana
Docket No. DMEA 2731 (Lead-Zinc-Copper)

Exhibit "A"

~~Maximum Allowance~~

Description of the Work

The object of the work is to explore the vein structure from an adit (now being driven) from a point 50 feet in from the portal in cut No. 2. The work will consist of 350 feet of drifting and crosscutting. A drift is to be driven in a southwesterly direction along the vein structure for a distance of 300 feet or more. Crosscuts to delineate the width of the vein structure are not to exceed total length of 50 feet.

Drifts and crosscuts will be 5 x 7 feet in the clear. An allowance of 350 feet of timbered workings is provided if necessary.

Estimated Costs of the Project

(1) Unit Cost Contract 1/

350 feet of drifting and crosscutting crosscutting not to exceed 50 feet at $28.00 per foot	$9,800.00
350 feet of timbering where necessary at $4.50 per foot	1,575.00
	$11,375.00

The Government will contribute to the cost of drifting and crosscutting on the basis of the above agreed unit costs per foot, as they accrue, for units of work actually performed in lieu of actual costs. These unit costs include all costs of the work excepting these estimated below, to which the Government will contribute on the basis of actual costs, as set forth in Article 6 of the contract.

(2) Supervision, Consultants

Consultants	$ 200.00

(3) Operating Materials and Supplies

None

(4) Operating Equipment

None

1/ To include all supplies, equipment, supervision, etc.

(5) Rehabilitation and Repairs

None

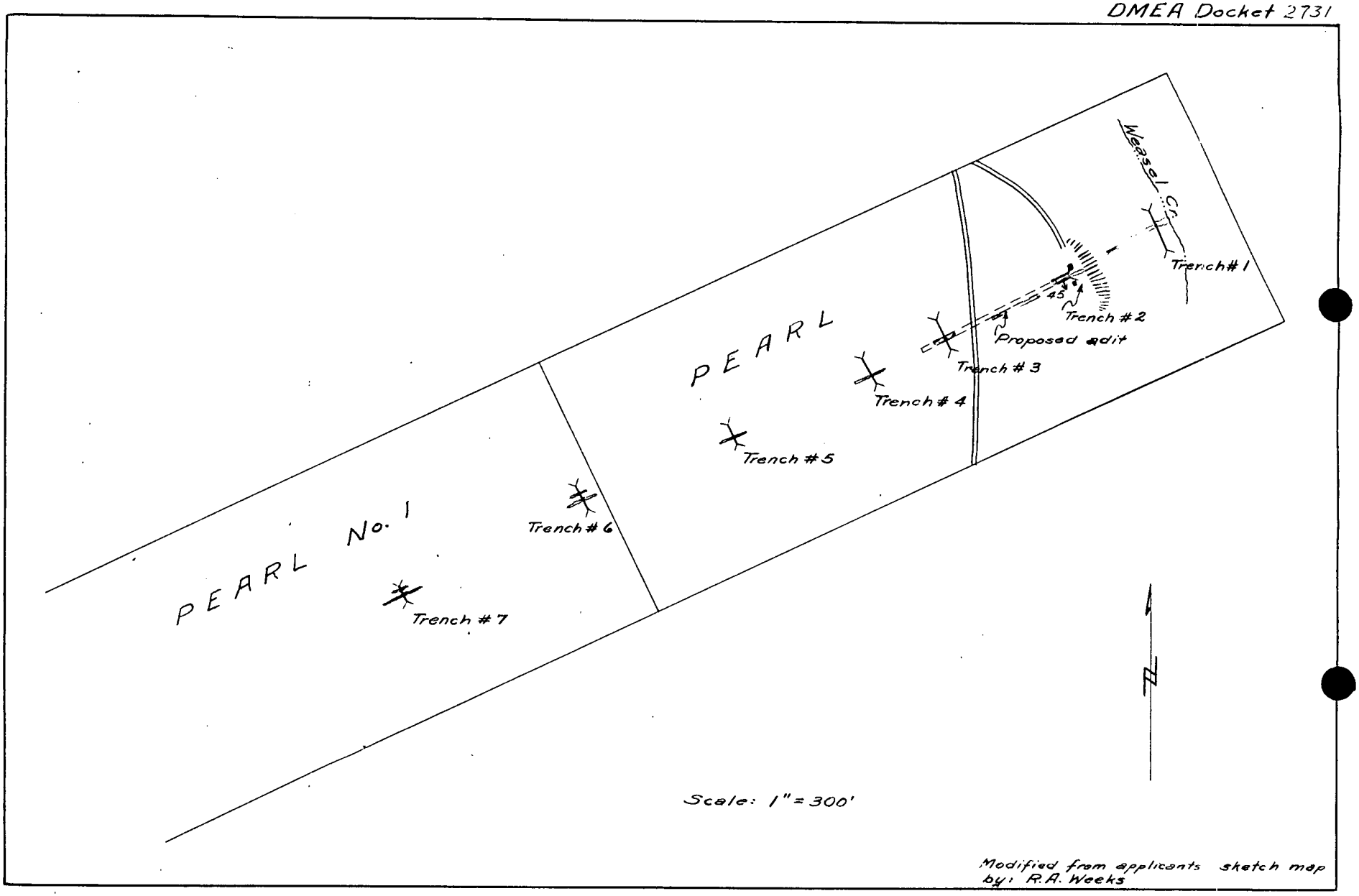
(6) New Buildings, Improvements, Installations

None

(7) Miscellaneous

Assays	$ 200.00
Contingencies	225.00
Total Estimated Costs	$12,000.00
Government's participation at 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

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 11-21-52

REFERRED TO:

1. Code 500
2.
3.
4.

FOR:

..... Action	..... Recommendation
..... Approval	..... Record
..... Comment	of .....
..... Conference	..... Referring
..... Consideration	to.....
..... Filing	..... Reply for signa-
..... Instructions	ture of .....
..... Investigation	..... Rewriting
..... Initials	..... Signature
..... Mailing	..... Suggestions
..... Previous correspondence	..... Your information

REMARKS: .....

Check (X) before the items needing attention.

R. E. ADAMS

Initials of sender.

Kae

GPO 16—63815-1

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

[redacted]
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 21 1952

11/24/52 Received by [illegible]

November 18, 1952

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

Re: Docket No. DMEA-2731 (lead-zinc-copper)
Pearl property
Broadwater County, Montana

Dear Mr. Johnson:

The following are enclosed:

1. Four copies of a joint memorandum by E. W. Buel, U. S. Bureau of Mines, and R. A. Weeks and E. J. Lyons, U. S. Geological Survey.
2. Two copies of a sample contract, together with 6 copies of a map to be attached to copies of the contract.

The DMEA field examiners recommend that a modified exploration contract be granted to the applicant. They note that proposed exploration will explore a strong structure which is geologically similar to the nearby January mine where a favorable ore body has been discovered by DMEA contract work.

The applicant's proposal to drift 350 feet has been modified to 300 feet of drifting and 50 feet of crosscutting, the crosscutting sites to be contingent upon geologic conditions encountered. The modification is deemed necessary because the structure is too wide to be explored by a drift heading.

The Field Team concurs with DMEA examiners and recommends that an exploration contract be granted to the subject applicant.

By DMEA Field Team, Region II

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

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

Enclosures

cc: USBM (2)
Klepper

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

1201 North Division St.
Spokane 2, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 21 1952

November 14, 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: E. W. Buel, Mining Engineer, U. S. Bureau of Mines
R. A. Weeks and E. J. Lyons, Geologists, U. S. Geological Survey

Subject: Field examination of the Pearl (Kleinschmidt-Pohl) prospect, Broadwater County, Montana, Docket No. DMEA 2731 (lead-zinc-copper)

INTRODUCTION

One of the applicants, Mr. H. G. Kleinschmidt, accompanied the examining team during the examination made October 21, 1952.

RECOMMENDATIONS

In the opinion of the examining team the exploration program, with some modifications, proposed by the applicant is recommended for approval for the following reasons:

(1) A strong and persistent vein structure is exposed on the surface for a distance of 1,800 feet or more and may be projected a depth of 300 feet.

(2) The geological conditions of the property are similar to productive properties of the district, especially to the nearby January mine that has encountered a favorable ore body while exploring under a DMEA contract.

LOCATION AND ACCESSIBILITY

The property is situated in the NE1/4, NE1/4 of Sec. 34, NW1/4, NW1/4 of Sec. 35, T. 8 N., R. 1 W., M.P.M., Broadwater County, Montana. The property is accessible from Winston, Montana, by U. S. Highway 10N, thence a well-graded county road along Beaver Creek for a distance of 5-6 miles, thence 2-1/2 miles up Weasel Creek. Winston is on the Northern Pacific railroad and is 16 miles south of East Helena, Mont.

TOPOGRAPHY AND CLIMATE

The area is mountainous; the claims lie on the slopes of a moderately steep-walled glaciated valley. The climate is semi-arid with warm summers and comparatively mild winters. Snow does not cover the ground in the open valleys for long periods.

The Beaver Creek county road passes through an open valley. The claims lie at an approximate elevation of 6200 feet. Winter operations should not be handicapped because of snow.

PROPERTY

The property consists of 2 unpatented claims, the Pearl and Pearl No. 2. These claims are recorded in Book 21, pages 84 and 117 of Lode Location Records of Broadwater County, Mont. No accurate survey map of the property exists. Judging from the sketch map submitted and the field relations, it appears as though the two adjoining claims adequately cover the vein outcrop.

MINE WORKINGS

The vein has been exposed by 7 bulldozer cuts. The average depth of the cuts is less than 10 feet with lengths not exceeding 250 feet. Recent work has included the construction of a snow shed over the portal, a compressor house, change house, and an equipment shed. At the time of the DMEA examination there were no underground workings. The Operator was preparing to drift 50 feet in a southwesterly direction along the vein from No. 2 cut. Upon completion of the 50 foot drift, the Operator proposed to continue the drift an additional 350 feet with the help of a DMEA contract.

GEOLOGY

Regional

The productive veins at the Kleinschmidt, Vossburg, Stray Horse, Freiburg, East Pacific, and January Mines, trend nearly east-west and dip steeply. The veins in the region are narrow, steep-dipping fracture-fillings with widths from 1 inch to 5 feet. Most of the productive mines have been developed over lengths exceeding 1,000 feet and depths of 500 feet. Post-ore faulting is not widespread and displacements of ore bodies are not greater than 3 feet.[1]

1/ Reed, G. C., Mineral and Mineral Deposits (Except Fuels), Broadwater County, Mont.; U. S. Bureau of Mines, Preliminary Report 44, August, 1950.

The primary ore minerals in the veins of the region are galena, spalerite, and tetrahedrite accompanied by pyrite, quartz, and some calcite. Surficial parts of ore bodies have been largely oxidized to secondary lead and zinc minerals. Most of the veins contain small amounts of copper.

Local

The property is in an area of tuffs and flow rocks of andesitic composition intruded by several small quartz monzonite bodies. Two such bodies crop out 500 feet to the north and 2,000 feet to the south, respectively, from the property. Most of the productive ore bodies of the region have been in/or adjacent to such quartz monzonite bodies.

The vein, as seen in the cuts, occurs as a strong, persistant structure that has been traced over a distance of 1,800 feet and a projected depth of over 300 feet. The best exposure is in cut No. 2 (see map and applicant's map and section, 1-A and 1-B), where the mineralization is exposed in a 25 foot face and has a total width of about 16 feet. This exposure may be described as follows: On the north side is a 6 foot vein consisting of iron-stained and bleached gouge and broken andesite. This vein strikes N. 65° E. and dips about 55° SE. Adjacent to this on the south is about 8-1/2 feet of iron-stained broken rock containing lenses and veins of gouge. On the south side is a 1-1/2 foot vein which strikes about N. 85 E. and is vertical. Similar, but narrower mineralized structures averaging about 4 feet in width are exposed in the cuts to the southwest. The structure is extremely strong for 500 feet in a southwesterly direction from No. 2 cut. In some of the higher cuts, parallel veins or splits are present.

The Pearl vein structure resembles the January vein which is 1200 feet to the north.

Assay returns of samples taken from the January vein exposed in bulldozer cuts showed low ore values. Underground development during the period from 1901 to 1918 however, has resulted in the removal of 3,100 tons of ore having an average recoverable grade of 0.11 percent copper, 5.0 percent lead, 3.4 percent zinc, 5.3 ounces silver and 0.108 ounce gold per ton.[2/]

Shipments from the January mine since April 1952, the first shipment under contract Idm-E246, have totaled 311.312 tons averaging 0.4303 ounce gold, 20.15 ounces silver, 17.39 percent lead, 0.71 percent zinc, and 0.56 percent copper. The total value after smelter charges, but before other deductions was $18,566.36, or $59.64 per ton.

2/ Reed, G. C., ibid, p. 47.

No primary ore minerals were seen in the Pearl vein as uncovered in cut No. 2. Assay returns of samples taken in cut No. 2 by the Field Team have not been received. The applicant has done some sampling, and reported an assay of one grab sample from cut No. 2 that contained 1.8 percent lead, 0.2 percent zinc, 1.5 ounces silver, and a trace of gold. 3/ In comparison, the assay of a surface trench at the January mine showed approximately 0.3 percent lead, trace of zinc, 1 ounce silver, and trace of gold.

PRODUCTION

There has been no production from the property.

COMPETENCE OF THE APPLICANT

The Kleinschmidt brothers have operated several successful properties. Mr. Pohl, one of the partners, is currently operating an adjoining property, the January Mine, under a DMEA contract. The Kleinschmidt brothers appear to be competent practical miners; Mr. Pohl is without much mining experience but has managed the business affairs of the January mine quite successfully.

OPERATING EQUIPMENT

The applicant proposes to contract all the work, with the contractor providing all of the operating equipment.

PROPOSED EXPLORATION PROGRAM

The applicant proposes to drift 350 feet in a southwesterly direction along the vein structure from a point 50 feet from the portal in cut No. 2. The applicant estimates that it may be necessary to timber as much as 80 percent of such workings.

The examining team recommends some modifications of the applicant's proposed exploration program. Because of the indicated width (16 feet) of the vein structure, crosscutting to explore the structure should be included in the program. The locations and lengths of the crosscuts will be mutually agreed upon by the Operator and the examining team, dependent upon geological conditions. The examining team's proposed exploration program is outlined below and in the accompanying map.

3/ Personal communication, H. G. Kleinschmidt.

Completion of the work under the contract will not exceed 5 months. The cost is estimated at $12,000.

The following exploration program is suggested for consideration:

1. From a point 50 feet in from the portal in cut No. 2 drive 300 feet or more of drift southwest along the vein structure, timbering where needed.

2. Drive crosscuts, not to exceed a total length of 50 feet, and timbered where necessary, to delineate the vein structure. Locations and lengths of crosscuts will be contingent upon geological conditions encountered during the drifting.

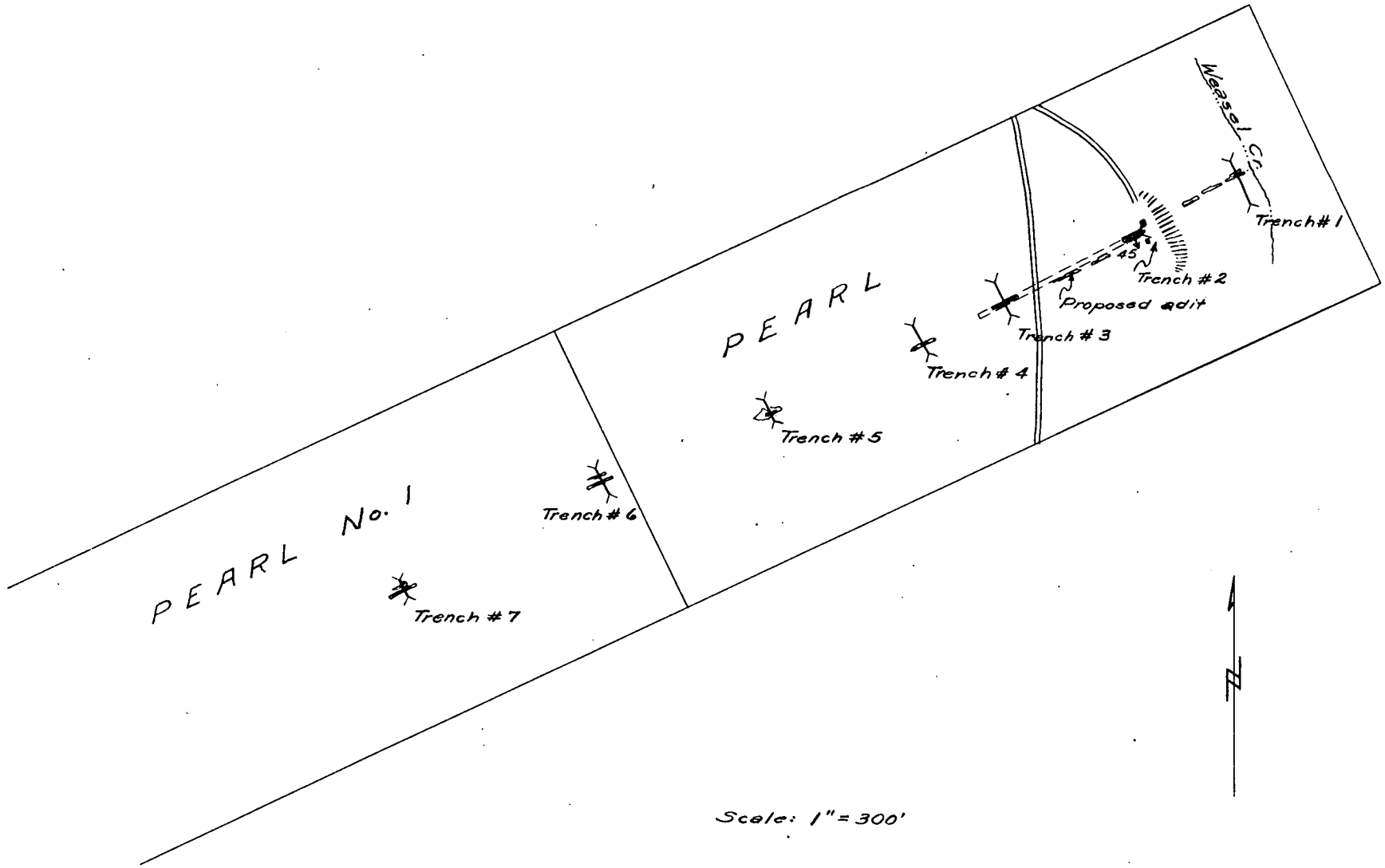
E. W. Buel, Mining Engineer

R. A. Weeks, Geologist

E. J. Lyons, Geologist

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

DMEA Docket 2731



Modified from applicants sketch map
by: R.A. Weeks

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

MT-200
(July 1951)
(Revised Feb. 1952)

DOCKET No. [illegible]A 2731

COMMODITY lead-zinc-copper

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

EXPLORATION PROJECT CONTRACT [1]

IT IS AGREED this _____ day of _____, 195__, 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 N. Harvard, Seattle 2, Washington
H. G. Kleinschmidt, P. O. Box 679, Helena, Montana
A. R. Kleinschmidt, P. O. Box 679, Helena, Montana

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]
Pearl and Pearl No. 2 unpatented mining claims located in NW 1/4, NW 1/4 Sec. 35, NE 1/4, NE 1/4 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 a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.~~

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

ARTICLE 3. *Exploration project.*—The Operator, within 30 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 payment in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

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

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

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

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

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

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 50 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $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.* _____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

_____
(Operator)

By _____

By _____

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

_____

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
Pearl Claims, Broadwater County, Montana
Docket No. DMEA 2731 (Lead-Zinc-Copper)

Exhibit "A"

~~"Maximum Allowance~~

Description of the Work

The object of the work is to explore the vein structure from an adit (now being driven) from a point 50 feet in from the portal in cut No. 2. The work will consist of 350 feet of drifting and cross-cutting. A drift is to be driven in a southwesterly direction along the vein structure for a distance of 300 feet or more. Crosscuts to delineate the width of the vein structure are not to exceed total length of 50 feet.

Drifts and crosscuts will be 5 x 7 feet in the clear. An allowance of 350 feet of timbered workings is provided if necessary.

Estimated Costs of the Project

(1) Unit Cost Contract 1/

350 feet of drifting and crosscutting crosscutting not to exceed 50 feet at $28.00 per foot	$9,800.00
350 feet of timbering where necessary at $4.50 per foot	1,575.00
	$11,375.00

The Government will contribute to the cost of drifting and cross-cutting on the basis of the above agreed unit costs per foot, as they accrue, for units of work actually performed in lieu of actual costs. These unit costs include all costs of the work excepting these estimated below, to which the Government will contribute on the basis of actual costs, as set forth in Article 6 of the contract.

(2) Supervision, Consultants

Consultants	$ 200.00

(3) Operating Materials and Supplies

None

(4) Operating Equipment

None

1/ To include all supplies, equipment, supervision, etc.

(5) Rehabilitation and Repairs

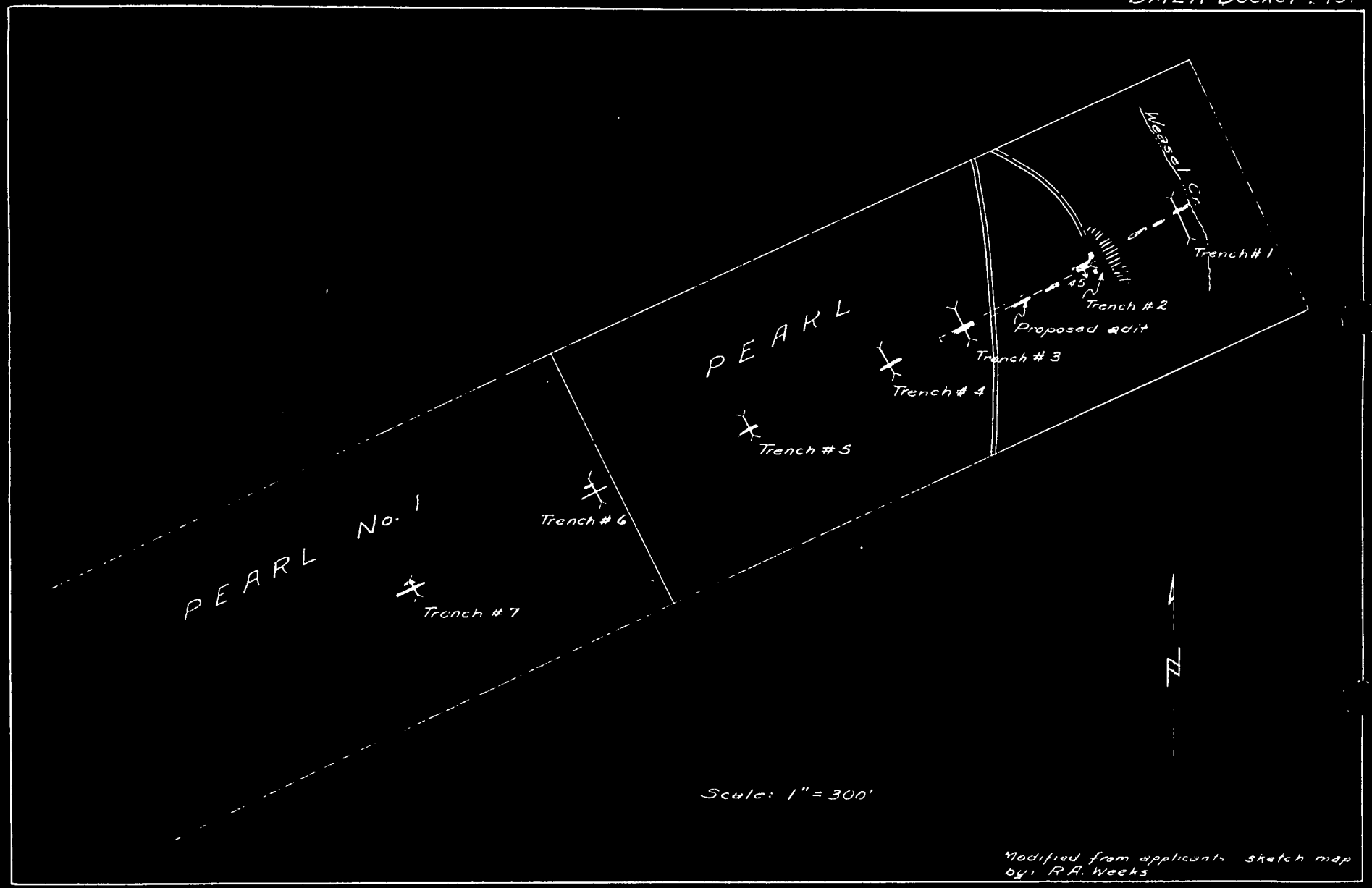
None

(6) New Buildings, Improvements, Installations

None

(7) Miscellaneous

Assays	$ 200.00
Contingencies	225.00
Total Estimated Costs	$12,000.00
Government's participation at 50%	$ 6,000.00



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

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

[redacted]
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 21 1952

November 18, 1952

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

Re: Docket No. DMEA-2731 (lead-zinc-copper)
Pearl property
Broadwater County, Montana

Dear Mr. Johnson:

The following are enclosed:

1. Four copies of a joint memorandum by E. W. Buel, U. S Bureau of Mines, and R. A. Weeks and E. J. Lyons U S Geological Survey.
2. Two copies of a sample contract, together with 6 copies of a map to be attached to copies of the contract.

The DMEA field examiners recommend that a modified exploration contract be granted to the applicant. They note that proposed exploration will explore a strong structure which is geologically similar to the nearby January mine where a favorable ore body has been discovered by DMEA contract work.

The applicant's proposal to drift 350 feet has been modified to 300 feet of drifting and 50 feet of crosscutting, the crosscutting sites to be contingent upon geologic conditions encountered. The modification is deemed necessary because the structure is too wide to be explored by a drift heading.

The Field Team concurs with DMEA examiners and recommends that an exploration contract be granted to the subject applicant.

By DMEA Field Team, Region II

Reviewed by
DMEA OPERATING COMMITTEE

11-26-52
(date)

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

T H Kalsgaard, Acting Member
(U S Geological Survey)

Enclosures

cc: USBM (2)
Kiepper

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 21 1952

1301 North Division St.
Spokane 2, Washington

November 14, 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: E. W. Buel, Mining Engineer, U. S. Bureau of Mines
E. A. Weeks and E. J. Lyons, Geologists, U. S. Geological Survey

Subject: Field examination of the Pearl (Kleinschmidt-Pohl) prospect, Broadwater County, Montana, Docket No. DMEA 2731 (lead-zinc-copper)

INTRODUCTION

One of the applicants, Mr. H. G. Kleinschmidt, accompanied the examining team during the examination made October 21, 1952.

RECOMMENDATIONS

In the opinion of the examining team the exploration program, with some modifications, proposed by the applicant is recommended for approval for the following reasons:

(1) A strong and persistent vein structure is exposed on the surface for a distance of 1,800 feet or more and may be projected a depth of 300 feet.

(2) The geological conditions of the property are similar to productive properties of the district, especially to the nearby January mine that has encountered a favorable ore body while exploring under a DMEA contract.

LOCATION AND ACCESSIBILITY

The property is situated in the NE1/4, NE1/4 of Sec. 34, NW1/4, NW1/4 of Sec. 35, T. 8 N., R. 1 W., M.P.M., Broadwater County, Montana. The property is accessible from Winston, Montana, by U. S. Highway 10N, thence a well-graded county road along Beaver Creek for a distance of 5-6 miles, thence 2-1/2 miles up Weasel Creek. Winston is on the Northern Pacific railroad and is 16 miles south of East Helena, Mont.

Reviewed by
DMEA OPERATING COMMITTEE

11-26-52
(date)

TOPOGRAPHY AND CLIMATE

The area is mountainous; the claims lie on the slopes of a moderately steep-walled glaciated valley. The climate is semi-arid with warm summers and comparatively mild winters. Snow does not cover the ground in the open valleys for long periods.

The Beaver Creek county road passes through an open valley. The claims lie at an approximate elevation of 6200 feet. Winter operations should not be handicapped because of snow.

PROPERTY

The property consists of 2 unpatented claims, the Pearl and Pearl No. 2. These claims are recorded in Book 21, pages 84 and 117 of Lode Location Records of Broadwater County, Mont. No accurate survey map of the property exists. Judging from the sketch map submitted and the field relations, it appears as though the two adjoining claims adequately cover the vein outcrop.

MINE WORKINGS

The vein has been exposed by 7 bulldozer cuts. The average depth of the cuts is less than 10 feet with lengths not exceeding 250 feet. Recent work has included the construction of a snow shed over the portal, a compressor house, change house, and an equipment shed. At the time of the DMEA examination there were no underground workings. The operator was preparing to drift 50 feet in a southeasterly direction along the vein from No. 2 cut. Upon completion of the 50 foot drift, the operator proposed to continue the drift an additional 350 feet with the help of a DMEA contract.

GEOLOGY

Regional

The productive veins at the Kleinschmidt, Vosburg, Stray Horse, Freiberg, East Pacific, and January Mines, trend nearly east-west and dip steeply. The veins in the region are narrow, steep-dipping fracture-fillings with widths from 1 inch to 5 feet. Most of the productive mines have been developed over lengths exceeding 1,000 feet and depths of 500 feet. Post-ore faulting is not widespread and displacements of ore bodies are not greater than 3 feet.[1]

1/ Reed, C. F., Mineral and Mineral Deposits (Except Fuels), Broadwater County, Mont., U. S. Bureau of Mines, Preliminary Report 44, August, 1950.

The primary ore minerals in the veins of the region are galena, sphalerite, and tetrahedrite accompanied by pyrite, quartz, and some calcite. Surficial parts of ore bodies have been largely oxidized to secondary lead and zinc minerals. Most of the veins contain small amounts of copper.

Local

The property is in an area of tuffs and flow rocks of andesitic composition intruded by several small quartz monzonite bodies. Two such bodies crop out 500 feet to the north and 2,000 feet to the south, respectively, from the property. Most of the productive ore bodies of the region have been in/or adjacent to such quartz monzonite bodies.

The vein, as seen in the cuts, occurs as a strong, persistent structure that has been traced over a distance of 1,800 feet and a projected depth of over 300 feet. The best exposure is in cut No. 2 (see map and applicant's map and section, 1-A and 1-B), where the mineralization is exposed in a 25 foot face and has a total width of about 16 feet. This exposure may be described as follows: On the north side is a 6 foot vein consisting of iron stained and bleached gouge and broken andesite. This vein strikes N. 65° E. and dips about 55° SE. Adjacent to this on the south is about 8-1/2 feet of iron-stained broken rock containing lenses and veins of gouge. On the south side is a 1-1/2 foot vein which strikes about N. 55 E. and is vertical. Similar, but narrower mineralized structures averaging about 4 feet in width are exposed in the cuts to the southeast. The structure is extremely strong for 500 feet in a southeasterly direction from No. 2 cut. In some of the higher cuts, parallel veins or splits are present.

The Pearl vein structure resembles the January vein which is 1200 feet to the north.

Many returns of samples taken from the January vein exposed in bulldozer cuts showed low ore values. Underground development during the period from 1901 to 1918 however, has resulted in the removal of 3,100 tons of ore having an average recoverable grade of 0.11 percent copper, 5.0 percent lead, 3.4 percent zinc, 5.3 ounces silver and 0.103 ounce gold per ton.2/

Shipments from the January mine since April 1952, the first shipment under contract Sm-F246, have totaled 311.312 tons averaging 0.4303 ounce gold, 20.13 ounces silver, 17.37 percent lead, 0.72 percent zinc, and 0.56 percent copper. The total value after smelter charges, but before other deductions was $18,566.36, or $59.64 per ton.

2/ Reed, R. G., Ibid, p. 47.

No primary ore minerals were seen in the Pearl vein as uncovered in cut No. 2. Assay returns of samples taken in cut No. 2 by the Field Team have not been received. The applicant has done some sampling, and reported an assay of one grab sample from cut No. 2 that contained 1.6 percent lead, 0.2 percent zinc, 1.5 ounces silver, and a trace of gold.[3] In comparison, the assay of a surface trench at the January mine showed approximately 0.3 percent lead, trace of zinc, 1 ounce silver, and trace of gold.

PRODUCTION

There has been no production from the property.

COMPETENCE OF THE APPLICANT

The Kleinschmidt brothers have operated several successful properties. Mr. Pohl, one of the partners, is currently operating an adjoining property, the January Mine, under a DMEA contract. The Kleinschmidt brothers appear to be competent practical miners; Mr. Pohl is without much mining experience but has managed the business affairs of the January mine quite successfully.

OPERATING EQUIPMENT

The applicant proposes to contract all the work, with the contractor providing all of the operating equipment.

PROPOSED EXPLORATION PROGRAM

The applicant proposes to drift 350 feet in a southwesterly direction along the vein structure from a point 50 feet from the portal in cut No. 2. The applicant estimates that it may be necessary to timber as much as 80 percent of such workings.

The examining team recommends some modifications of the applicant's proposed exploration program. Because of the indicated width (16 feet) of the vein structure, crosscutting to explore the structure should be included in the program. The locations and lengths of the crosscuts will be mutually agreed upon by the Operator and the examining team, dependent upon geological conditions. The examining team's proposed exploration program is outlined below and in the accompanying map.

---

[3] Personal communication, R. G. Kleinschmidt.

Completion of the work under the contract will not exceed 5 months. The cost is estimated at $12,000.

The following exploration program is suggested for consideration:

1. From a point 50 feet in from the portal in cut No. 2 drive 300 feet or more of drift southeast along the vein structure, timbering where needed.

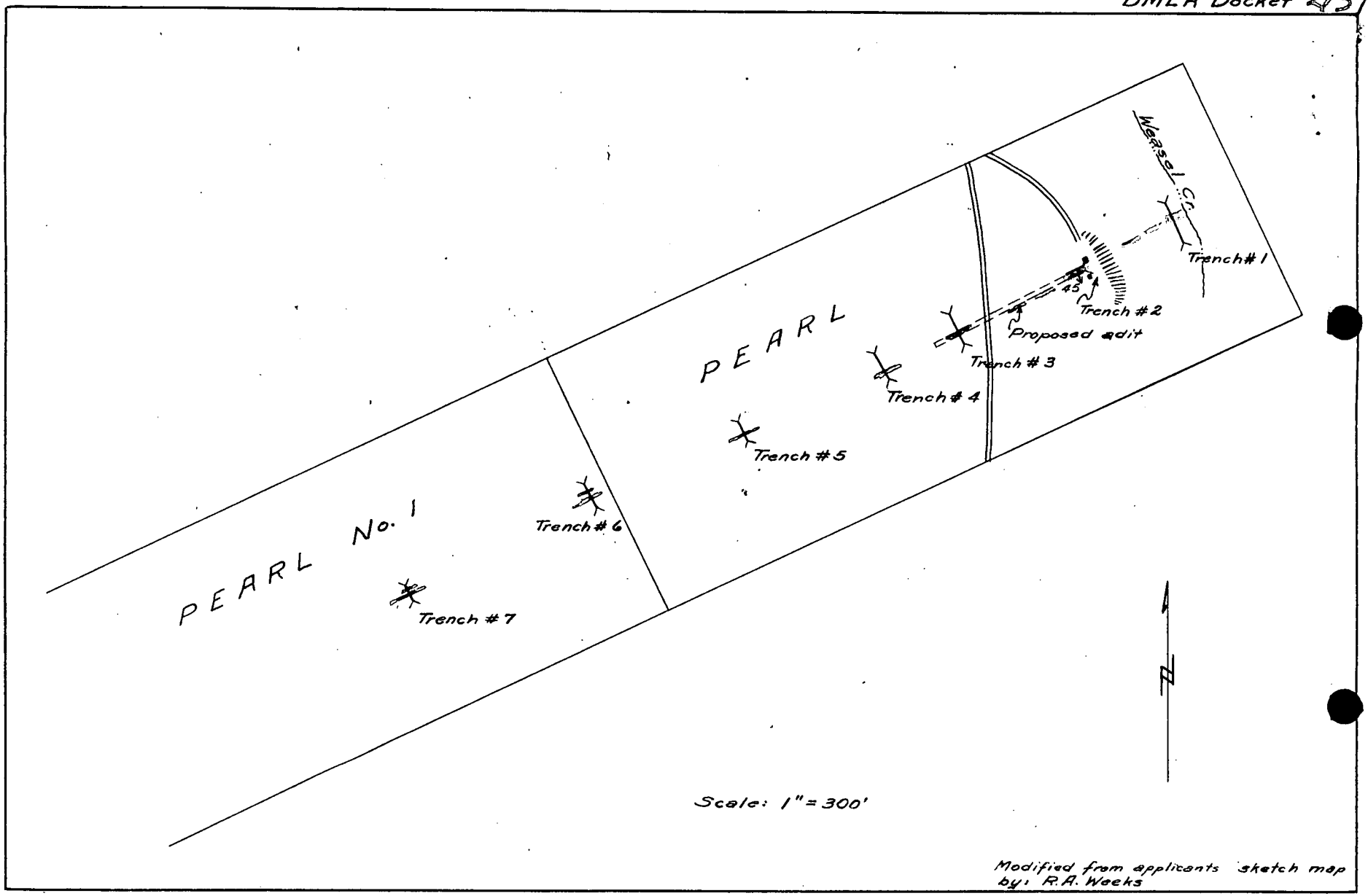
2. Drive crosscuts, not to exceed a total length of 50 feet, and timbered where necessary to delineate the vein structure. Locations and lengths of crosscuts will be contingent upon geological conditions encountered during the drifting.

E. V. Buel, Mining Engineer

F. A. Weeks, Geologist

E. J. Lyons, Geologist

Orig. & 3 - Wash. DMEA
Wash. USBM - 2
DEM - 2
DMEA
F/
M/M
EVB/vf



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

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 1952

October 27, 1952

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

Re: Docket DMEA-2731 - Lead-Zinc-Copper
Edmund E. Pohl, H. G. Kleinschmidt,
A. R. Kleinschmidt
Broadwater County, Montana

Dear Mr. Johnson:

This will acknowledge your letter of October 23 and advise you that a field examination of the subject property has been made. It is probable that a favorable recommendation will be made. A formal report will be submitted in the near future.

Sincerely yours

A. E. Weissenborn

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

cc: USBM (2)
Quinlan

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

October 27, 1952

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

Re: Docket DMA-2731 - Lead-Zinc-Copper
Edmund E. Pohl, H. G. Kleinschmidt,
A. E. Kleinschmidt
Broadwater County, Montana

Dear Mr. Johnson:

This will acknowledge your letter of October 23 and advise you that a field examination of the subject property has been made. It is probable that a favorable recommendation will be made. A formal report will be submitted in the near future.

Sincerely yours

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

cc: J. [illegible] (2)
Spokane

FILE COPY
SURNAME:

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

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

Re: Docket No. M-A-2731 (Zinc-Lead-Copper)
Edmund E. Pohl, H. G. Kleinschmidt,
A. R. 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 Base Metals Division of the Defense Minerals Exploration Administration.

In your letter of October 1, 1952, you state: "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

APPROVED:

Charles H. Merrill
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

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.

FILE COPY
SURNAME:

500

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

OCT 23 1952

J.W.A.
Kelly
Merrill
Johnson

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

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

Dear Mr. Kleinschmidt:

Your letter of October 11, 1952, to Mr. J. B. Gowen, 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

10-23

H. F. Keller, Chief
Base Metals Division

JWAlt/bjl (written 10/20/52)

Copy to: Docket
Admr. R. File
Op. Committee
H. F. Keller (2)
J. W. Alt
Mr. Bishop
Mr. McKnight
Reg. II
Chron.

Edmund E. Pohl

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

October
~~September~~ 11, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 15 1952

Mr. J. B. Gowan
Chief of the Copper Division
Defense Mineral Administration
Washington, 25, D. C.

Dear Mr. Gowan:

About Sept. 18 my brother A.R. Kleinschmidt and a Mr. Edmund E. Pohl and myself made application through the Spokane Regoinal Office of the D.M.A. for a loan, the details of which are in the enclosed sheets a duplicate of which together with maps should be in Washington by now and available to you.

As the season for severe winter weather is fast approaching in this part of the country I am writing this to you in the hope that you may be able to expidite this matter so that we may be able to have the operation under way before very adverse weather conditions set in.

Anything you may do to assist in facilitatijng this matter will be greatly appreciated.

With kind personal regards from my brother Albert and me,

I remain cordially yours,

H. G. Kleinschmidt

H. G. Kleinschmidt

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. .....
Metal or Mineral .....
Date Received .....
Estimated Cost .....
Participation (Government %) .....

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: [illegible] Pool, 110 Harvard No. Seattle, [illegible] Washington
[illegible] Heinschildt [illegible] Box 670, Helena, Montana
[illegible] Heinschildt [illegible] Box 670, Helena, Montana

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract. [illegible] of the [illegible] of Sec. 33 and the [illegible] of the [illegible] of Sec. 34 T 0 N, R 1 W, [illegible]

(*b*) State any mine name by which the property is known. [illegible] Pool No. 2 unpatented mining claims

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise owner

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it none

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. [illegible] respectively at pages 66 and 117 of book [illegible] of Mole Locations records of Broadwater County, Montana.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes. See attached sheets

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. none

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you. See attached sheets

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. See attached sheets

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power. See attached sheets

16—66551-1

5. *The exploration project.*—(*a*) S[illegible] the mineral or minerals for which you wish [illegible] explore lead, zinc and copper with necessary gold and silver values.

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc. a drift on discovery vein. See attached sheets.

(*c*) The work will start within 60 days and be completed within 12 months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations. See attached sheets.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project: See attached

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.). See attached sheets

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants. All included under contract estimate sheet attached.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel. All included under estimate sheets attached.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be. none. Contractor furnishes same.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project. none.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project. attached

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes. Independent contractors responsibility.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs. See estimate sheets attached

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? yes.

(*b*) How do you propose to furnish your share of the costs?

☒ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper. See attached sheets.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated [illegible], 1952

(Applicant)

By [illegible]

[illegible]

[illegible]

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

Edmund [illegible] Ohl, 125 Harvard [illegible]. Seattle, [illegible] Washington
[illegible] Kleinschmidt [illegible] Box 670, Helena, Montana
A. [illegible] Kleinschmidt, P. O. Box 670 Helena, Montana

Item No. 4.

(a.) There are seven large deep bulldozer cuts, the depth "backset" of which vary from 12 to 25 feet and which expose the vein at such intervals over a strike length of approximately 3000 feet as to disclose the persistency and continuity of the vein, to be exceptionally consistent and regular along a fracture of medium-heavy load. The workings are accessible by a county road kept in excellent repair and which leads to the railhead of Winston, Montana a distance of five miles.

(b.) none.

(c.) It is a vein in the geologic area of the Boulder Batholith and occurs in an Andesite formation near Monzonite contacts and intrusions and is disclosed as a strong vein of medium-heavy load and constant regularity in the various bulldozer cuts for approximately the 3000 feet covered by the two claims, the Pearl and Pearl No.2.

The outcrops exposed for all depths reached in the various bulldozer cuts show intense alteration and oxidation both in the vein and the wall rock, and these same general indications existing in this vein have in the immediate vicinity lead to the disclosure of ores containing lead, zinc and copper with good accessory values in gold and silver and resulted in good productive mines such as the East Pacific, Stray Horse, January and Freiburg the relative positions of which are shown in map No. 2. attached hereto. All of these mines mentioned were closed because of the increase of zinc content with depth at a time when zinc was a detriment and unmarketable and the producers were penalized for high zinc content. Today however metalurgical processes can eliminate this condition and produce marketable concentrates of the three main base metals contained in these ores. This vein has the strongest constant persistency of strength, size and indicated mineralization at or near the surface of any other vein thus far disclosed in the immediate vicinity. Very few of the veins in this vicinity show any commercial ores at surface nor anything also except small remnants of alteration and oxidation products.

This vein in the bulldozer cuts thereon has been examined by Mr. Klepper, the local D.M.A. geologist.

(d.) 5 miles from railhead at Winston and the main highway U.S. Route 10 N. on a county road which is kept in excellent repair and is of such gradient that it is amenable to both truck and passenger car use. Supply center, Helena, Montana 25 miles by rail or main highway. Resident points: Winston, Townsend and Helena, Montana. Smelter at East Helena 20 from the mine.

(e.) Electric power line and ample water cross the property. Equipment, supplies, materials and man-power are readily available within the local area.

Item No. 5.

(a.) Stated in the application sheet.

(b.) A drift on and along the discovery vein of the claim.

(c.) On application sheet.

(d.) The Kleinschmidt brothers have had a lifetime experience of mining geology, engineering and operation. Mr. Klepper can secure affirmation of this if necessary also refer to Mr. J. E. Gosson, Chief of the Copper Division of D.M.A. Washington, D.C.

Edmund E. Pohl, 10[illegible] Harvard Bo. Seattle, 2, W[illegible]ington
H. C. Kleinschmidt, P. O. Box 679, Helena, Montana
A. S. Kleinschmidt, P. O. Box 679, Helena, Montana

ITEM No. 6.

	Item	Totals
(a.) Contract to be let for drifting and crosscutting at the estimated costs of $28.00 per foot untimbered and $32.50 per foot timbered where required.		
It is estimated that it may be necessary to timber as much as 80 per cent of such workings, therefore estimated contract cost will be: 300 feet at $32.50 per foot---------	$9,750.00	
50 feet at $28.00 per foot--------	1,400.00	
	$11,150.00----	$11,150.00
(b.) All included under contract price above except supervision and engineering that may become necessary and except	500.00----	500.00
(c.) Rail and air-pipe.		
Rail	200.00	
Air-Pipe	150.00	
	350.00----	350.00
(d.) None. Contractor to furnish these items.		
(e.) None.		
(f.) Move and re-habilitate shed for compressor, etc. ----------	250.00----	250.00
(g.) Contractor responsibility.		
(h.) Contingencies including assays and unexpected costs due to winter weather conditions--	500.00----	500.00
Grand TOTAL-------		$12,750.00

ITEM No. 7.

(a.) Yes.
(b.) Money.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

October 14, 1952

Memorandum

Re: DMEA-2731
Pearl Claims
Broadwater Co., Montana
$12,750
Pb, Zn, Cu

To: Mr. H. F. Keller

From: E. L. Newcomb

Subject: Review of application

The applicant requests Government assistance to explore a lead-zinc-copper-gold vein at depth by driving a 300-foot exploration adit along the strike of the vein.

The field team states that an examination of the property will be scheduled as soon as possible.

We are returning the attached application to your office, but will further consider the applicant's proposal after we receive the field team's examination report.

E. L. Newcomb
E. L. Newcomb
Geologist

I concur with the above statement and will be prepared to review the applicants' proposal when the field team's report is received—

O W Bishop—

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

October 14, 1952

Memorandum

Re: IMEA-2731
Pearl Claims
Broadwater Co., Montana
$12,750
Pb, Zn, Cu

To: Mr. H. F. Keller

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The field team states that an examination of the property will be scheduled as soon as possible.

We are returning the attached application to your office, but will further consider the applicant's proposal after we receive the field team's examination report.

E. L. N.

E. L. Newcomb
Geologist

October 7, 1952

Mr. Edmund E. Pohl
105 Harvard North
Seattle 2, Washington

Subject: DMEA-2731
Re: Exploration Assistance
Pearl and Pearl No. 2

My dear Mr. Pohl:

The receipt of your application dated September 17, 1952 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-2731 and referred to the Base Metals Division.

Kindly refer to DMEA-2731 in any future correspondence relating to your application.

Sincerely yours,

R.E. ADAMS

Robert E. Adams
Chief, Operation Control
and Statistics Division

25451

October 7, 1952

Memorandum

To: Executive Officer, DMEA Field Team, Region II

From: Chief, Operation Control and Statistics Division

Subject: Assignment of Docket Number

Listed below you will find the assigned docket number to an application recently submitted from Region II.

DMEA-2731 - Pohl, Edmund E.
Kleinschmidt, H. G.
Kleinschmidt, A. R.

R. E. ADAMS

Robert E. Adams
Chief, Operation Control
and Statistics Division

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
OCT 7 1952

October 1, 1952

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

Dear Mr. Johnson:

Enclosed is an application submitted by Edmund E. Pohl and H. G. and A. R. Kleinschmidt for the exploration of the Pearl and Pearl No. 2 mining claims, Broadwater County, Montana. Please note that this property is adjacent to the January prospect which Mr. Pohl is at present developing with considerable success under a DMEA contract. This, however, is a different partnership from that which Mr. Pohl is associated with in the January prospect.

Inasmuch as field men are in the area, a field examination will be scheduled as soon as convenient.

Sincerely yours,

A E Weissenborn

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

Enclosures

cc: USBM (2)
Klepper

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

C
O
P
Y

October 1, 1952

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

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Sincerely yours,

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

Enclosures

cc: USBM (2)
Klepper

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 7 1952

October 1, 1952

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

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Inasmuch as field men are in the area, a field examination will be scheduled as soon as convenient.

Sincerely yours,

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

Enclosures

cc: USBM (2)
Klepper

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

RECEIVED
OCT 7 1952

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. dmea 2731
Metal or Mineral
Date Received 10-7-52
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Edmund E. Pohl, 105 Harvard No. Seattle, 2, Washington
H. G. Kleinschmidt P.O. Box 679, Helena, Montana
A. R. Kleinschmidt P.O. Box 679, Helena, Montana

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract The N.W. ¼ of the N.W. ¼ of Sec. 35 and the N. E. ¼ of the N. E. ¼ of sec. 34 T 8 N, R 1 W., M.P.M.

(*b*) State any mine name by which the property is known. Pearl and Peal No. 2 unpatented mining claims

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise owners

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it none

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. Pearl and Pearl No.2 recorded respectively at pages 84 and 117 of Book 21 of Lode Locations records of Broadwater County, Montana.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes. see attached sheets

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. none

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you. see attached sheets

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. see attached sheets

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.
See attached sheets

16—66551-1

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Lead, zinc and copper with accessory gold and silver values.

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc. a drift on the discovery vein. See attached sheets.

(*c*) The work will start within 60 days and be completed within 12 months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations. See attached sheets.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project: See at. sheet

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.). See attached sheets

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants. All included under contract estimate sheet. attached.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel. All included under estimate sheets attached.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be. none, Contractor furnishes same.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project. none.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project. See est. sheet attached

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes. Independent contractors responsibility.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs. See estimate sheets attached

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? Yes.

(*b*) How do you propose to furnish your share of the costs?

[X] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper. see attached sheets.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated September 17, 1952

(Applicant)

By H. G. Kleinschmidt

A. R. Kleinschmidt

Edmund E. Pohl

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

Edmund E. Pohl, 105 Harvard No. Seattle, 2, Washington
H. G. Kleinschmidt, P.O. Box 679, Helena, Montana
A.R. Kleinschmidt, P.O. Box 679 Helena, Montana

ITEM No. 4.

(a.) There are seven large deep buldozer cuts, the depth"backs" of which vary from 12 to 25 feet and which expose the vein at such intervals over a strike length of approximately 1000 feet as to disclose the persistency and continuity of the vein, to be exceptionally consistent and regular along a fracture of medium-heavy load. The workings are accesable by a county road kept in excelent repair and which leads to the railhead of Winston, Montana a distance of five miles.

(b.) none.

(c.) It is a vein in the geologic area of the Boulder Batholith and occurs in an Andesite formation near Monzonite contacts and intrusions and is disclosed as a strong vein of medium-heavy load and constant regularity in the various bulldozer cuts for approximately the 1000 feet covered by the two claims, the Pearl and Pearl No.2.

The outcrops exposed for all depths reached in the various bulldozer cuts show intense alteration and oxidation both in the vein and the wall rock, and these same general indications existing in this vein have in the immediate vicinity lead to the disclosure of ores containing lead, zinc and copper with good accessory values in gold and silver and resulted in good productive mines such as the East Pacific, Stray-Horse, January and Freiburg the relative positions of which are shown in map No. 2. attached hereto. All of these mines mentioned were closed because of the increase of zinc content with depth at a time when zinc was a detriment and unmarketable and the producers were penalized for high zinc content. Today however metalurgical processes can eliminate this condition and produce marketable concentrates of the three main base metals contained in these ores. This vein has the strongest constant persistency of strength, size and indicated mineralization at or near the surface of any other vein thus far disclosed in the immediate vicinity. Very few of the veins in this vicinity show any commercial ores at surface nor anything else except small remnants of alteration and oxidation products.

This vein in the bulldozer cuts thereon has been examined by Mr. Klepper, the local geologist, with the U. S. G. S.

(d.) 5 miles from railhead at Winston and the main highway U.S. Route 10 N. on a county road which is kept in excellent repair and is of such gradient that it is amenable to both truck and passenger car use.

Supply center, Helena, Montana 26 miles by rail or main highway.

Resident points: Winston, Townsend and Helena, Montana.

Smelter at East Helena 20 from the mine.

(e.) Electric power line and ample water cross the property. Equipment, Supplies, materials and man-power are readily available within the local area.

Item No. 5.

(a.) Stated in the application sheet.

(b.) A drift on and along the discovery vein of the claim.

(c.) On application sheet.

(d.) The Kleinschmidt brothershave had a lifetime experience of minimg geology, engineering and operation. Mr. Klepper can secure affirmation of this if necessary also refer to Mr. J. B. Gowan, Chief of the Copper Division of D.M.A. Washington, D.C.

Edmund E. Pohl, 105 Harvard No. Seattle, 2 Washington
H. G. Kleinschmidt, P. O. Box 679, Helena, Montana
A. A. Kleinschmidt, P. O. Box 679, Helena, Montana

ITEM No. 6.

	Item	Totals
(a,) Contract to be let for drifting and crosscutting at the estimated costs of $28.00 per foot untimbered and $32.50 per foot timbered where required.		
It is estimated that it may be necessary to timber as much as 80 per cent of such workings, therefore estimated contract cost will be; 300 feet at $32.50 per foot--------	$ 9,750.00	
50 feet at $28.00 per foot--------	1,400.00	
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(b.) All included under contract price above except supervision and engineering that may become necessary and except	500.00----	500.00
(c.) Rail and air-pipe.		
Rail	200.00	
Air-Pipe	150.00	
	350.00----	350.00
(d.) None. Contractor to furnish these items.		
(e.) None.		
(f.) Move and re-habilitate shed for compressor, Etc. ----------	250.00----	250.00
(g.) Contractor responsibility.		
(h.) Contingencies including assays and unexpected costs due to winter weather conditions--	500.00----	500.00
Grand TOTAL--------		$12,750.00

ITEM No. 7.

(a.) Yes.
(b.) Money.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 7 1952

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. dmea 2731
Metal or Mineral
Date Received 10-7-52
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Edmund E. Pohl, 105 Harvard No. Seattle, 2, Washington
H. G. Kleinschmidt P.O. Box 679, Helena, Montana
A. R. Kleinschmidt P.O. Box 679, Helena, Montana

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract The N.W. ¼ of the N.W. ¼ of Sec. 35 and the N. E. ¼ of the N. E. ¼ of sec. 34 T 8 N, R 1 W., M.P.M.

(*b*) State any mine name by which the property is known. Pearl and Peal No. 2 unpatented mining claims

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise owners

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it none

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. Pearl and Pearl No.2 recorded respectively at pages 84 and 117 of Book 21 of Lode Locations records of Broadwater County, Montana.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes. see attached sheets

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. none

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you. see attached sheets

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. see attached sheets

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

See attached sheets

16—66551-1

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Lead, zinc and copper with accessory gold and silver values.

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc. a drift on the discovery vein. See attached sheets.

(*c*) The work will start within 60 days and be completed within 12 months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations. See attached sheets.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project: See at. sheet

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.). See attached sheets

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants. All included under contract estimate sheet. attached.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel. All included under estimate sheets attached.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be. none. Contractor furnishes same.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project. none.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project. See est. sheet attached

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes. Independent contractors responsibility.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs. See estimate sheets attached

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? Yes.

(*b*) How do you propose to furnish your share of the costs?

[X] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper. see attached sheets.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated September 17, 1958

(Applicant)

By H. G. Kleinschmidt
A. P. Kleinschmidt
Edmund E. Pohl

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

Edmund E. Pohl, 105 Harvard No. Seattle, 2, Washington
H. G. Kleinschmidt, P.O. Box 679, Helena, Montana
A.R. Kleinschmidt, P.O. Box 679 Helena, Montana

ITEM No. 4.

(a.) There are seven large deep buldozer cuts, the depth"backs" of which vary from 12 to 25 feet and which expose the vein at such intervals over a strike length of approximately 6000 feet as to disclose the persistency and continuity of the vein, to be exceptionally consistent and regular along a fracture of medium-heavy lead. The workings are accessable by a county road kept in excelent repair and which leads to the railhead of Winston, Montana a distance of five miles.
(b.) none.
(c.) It is a vein in the geologic area of the Boulder Batholith and occurs in an Andesite formation near Monzonite contacts and intrusions and is disclosed as a strong vein of medium-heavy lead and constant regularity in the various bulldozer cuts for approximately the 6000 feet covered by the two claims, the Pearl and Pearl No.2.
The outcrops exposed for all depths reached in the various bulldozer cuts show intense alteration and oxidation both in the vein and the wall rock, and these same general indications existing in this vein have in the immediate vicinity lead to the disclosure of ores containing lead, zinc and copper with good accessory values in gold and silver and resulted in good productive mines such as the East Pacific, Stray-Horse, January and Freiburg the relative positions of which are shown in map No. 2. attached hereto. All of these mines mentioned were closed because of the increase of zinc content with depth at a time when zinc was a detriment and unmarketable and the producers were penalized for high zinc content. Today however metalurgical processes can eliminate this condition and produce marketable concentrates of the three main base metals contained in these ores. This vein has the strongest constant persistency of strength, size and indicated mineralization at or near the surface of any other vein thus far disclosed in the immediate vicinity. Very few of the veins in this vicinity show any commercial ores at surface nor anything else except small remnants of alteration and oxidation products.
This vein in the bulldozer cuts thereon has been examined by Mr. Klepper, the local geologist, with the U.S.G.S.
(d.) 5 miles from railhead at Winston and the main highway U.S. Route 10 N. on a county road which is kept in excellent repair and as of such gradient that it is amenable to both truck and passenger car use.
Supply center, Helena, Montana 26 miles by rail or main highway.
Resident points: Winston, Townsend and Helena, Montana.
Smelter at East Helena 20 from the mine.
(e.) Electric power line and ample water cross the property. Equipment, Supplies, materials and man-power are readily available within the local area.

Item No. 5 .

(a.) Stated in the application sheet.
(b.) A drift on and along the discovery vein of the claim.
(c.) On application sheet.
(d.) The Kleinschmidt brothers have had a lifetime experience of mining geology, engineering and operation. Mr. Klepper can secure affirmation of this if necessary also refer to Mr. J. B. Gowan, Chief of the Copper Division of D.M.A. Washington, D.C.

Edmund E. Pohl, 105 Harvard No. Seattle, 2, Washington
H. C. Kleinschmidt, P. O. Box 679, Helena, Montana
A. A. Kleinschmidt, P. O. Box 679, Helena, Montana

ITEM No. 6.

	Item	Totals
(a.) Contract to be let for drifting and crosscutting at the estimated costs of $28.00 per foot untimbered and $32.50 per foot timbered where required.		
It is estimated that it may be necessary to timber as much as 80 per cent of such workings, therefore estimated contract cost will be; 300 feet at $32.50 per foot--------	$ 9,750.00	
50 feet at $28.00 per foot--------	1,400.00	
	$11,150.00----	$11,150.00
(b.) All included under contract price above except supervision and engineering that may become necessary and except	500.00----	500.00
(c.) Rail and air-pipe.		
Rail	200.00	
Air-Pipe	150.00	
	350.00----	350.00
(d.) None. Contractor to furnish these items.		
(e.) None.		
(f.) Move and re-habilitate shed for compressor, Etc. ----------	250.00----	250.00
(g.) Contractor responsibility.		
(h.) Contingencies including assays and unexpected costs due to winter weather conditions--	500.00----	500.00
Grand TOTAL--------		$12,750.00

ITEM No. 7.

(a.) Yes.
(b.) Money.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 7 1952

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. dmea 2731
Metal or Mineral
Date Received 10-7-52
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Edmund E. Pohl, 105 Harvard No. Seattle, 2, Washington
H. G. Kleinschmidt P.O. Box 679, Helena, Montana
A. R. Kleinschmidt P.O. Box 679, Helena, Montana

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract The N.W. ¼ of the N.W. ¼ of Sec. 35 and the N. E. ¼ of the N. E. ¼ of sec. 34 T 8 N, R 1 W., M.P.M.

(*b*) State any mine name by which the property is known. Pearl and Peal No. 2 unpatented mining claims

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise owners

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it none

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. Pearl and Pearl No.2 recorded respectively at pages 84 and 117 of Book 21 of Lode Locations records of Broadwater County, Montana.

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(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you. see attached sheets

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. see attached sheets

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

See attached sheets

16—66551-1

5. *The exploration project.*—(a) State the mineral or minerals for which you wish to explore Lead, zinc and copper with accessory gold and silver values.

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc. a drift on the discovery vein. See attached sheets.

(*c*) The work will start within 60 days and be completed within 12 months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations. See attached sheets.

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(*b*) How do you propose to furnish your share of the costs?

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Explain in detail on acompanying paper. see attached sheets.

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The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated Sept 17, 1952

(Applicant)

By H. G. Kleinschmidt
A. R. Kleinschmidt
Edmund E. Pohl

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

Edmund E. Pohl, 105 Harvard No. Seattle, 2, Washington
H. G. Kleinschmidt, P.O. Box 679, Helena, Montana
A.R. Kleinschmidt, P.O. Box 679 Helena, Montana

ITEM No. 4.

(a.) There are seven large deep buldozer cuts, the depth"backs" of which vary from 12 to 25 feet and which expose the vein at such intervals over a strike length of approximately 1500 feet as to disclose the persistency and continuity of the vein, to be exceptionally consistent and regular along a fracture of medium-heavy load. The workings are accesable by a county road kept in exeelent repair and which leads to the railhead of Winston, Montana a distance of five miles.

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This vein in the bulldozer cuts thereon has been examined by Mr. Klepper, the local ~~RxMxA~~. geologist, with the U.S.G.S.

(d.) 5 miles from railhead at Winston and the main highway U.S. Route 10 N. on a county road which is kept in excellent repair and is of such gradient that it is amenable to both truck and passenger car use.

Supply center, Helena, Montana 25 miles by rail or main highway.

Resident points: Winston, Townsend and Helena, Montana.

Smelter at East Helena 20 from the mine.

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(a.) Stated in the application sheet.

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(c.) On application sheet.

(d.) The Kleinschmidt brothershave had a lifetime experience of minimg geology, engineering and operation. Mr. Klepper can secure affirmation of this if necessary also refer to Mr. J. B. Gowan, Chief of the Copper Division of D.M.A. Washington, D.C.

Edmund E. Pohl, 105 Harvard No. Seattle, 2, Washington
H. G. Kleinschmidt, P. O. Box 679, Helena, Montana
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Rail	200.00	
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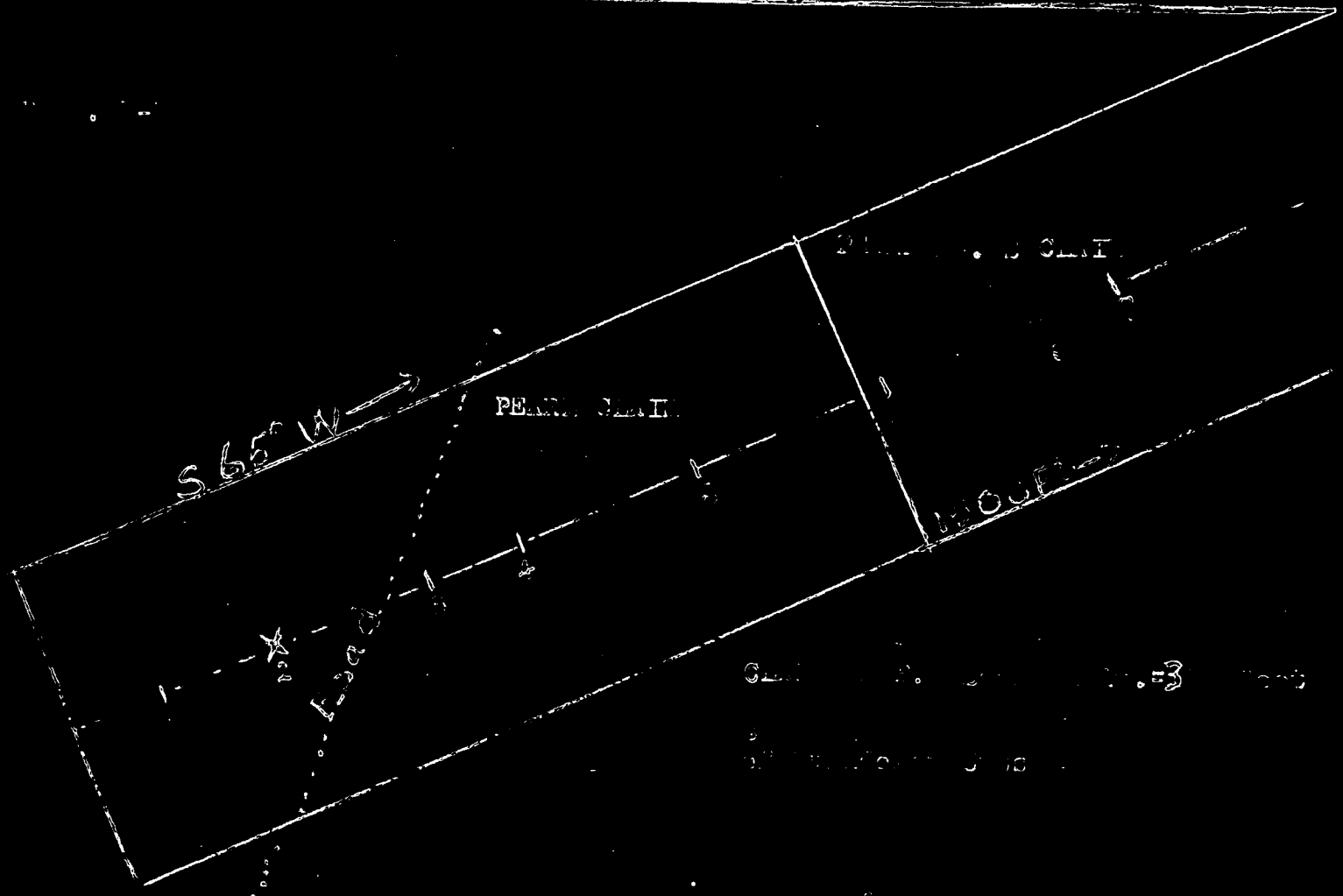
Grand TOTAL--------		$12,750.00

ITEM No. 7.

(a.) Yes.
(b.) Money.

Average Gradient along Vein Course = 24° for 1700 ft. S.W. from X
Cut 5
Cut 4
Cut 3
Cut 2
Cut 1
120'
300 ft.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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGIONAL OFFICE
REGION VII
NORRIS, TENNESSEE

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Mr. Jay L. Chambers
~~Defense Minerals Exploration~~
~~Administration~~
U. S. Department of Interior
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Washington 25, D. C.

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