OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

## REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-R588, Docket DMEA-2973 (tungsten), dated August 24, 1953, with

Florian L. Glineski
511 North Rodney
Helena, Montana
and his assignee
Boulder Ores, Inc.
of the same address

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Arnold Copper Mine and Snowshoe Gulch Tungsten Deposits located in Powell County, Montana, during the period September 9, 1959, through September 18, 1962.

In accordance with Amendment No. 3 and Annex III of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated August 9, 1956, indicated accepted costs under the exploration contract amounting to $8,579.47 with the Government's contribution on a 75 percent basis being $6,434.60.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through September 8, 1959. Accordingly, as of September 18, 1962, the royalty account of this project was found to be:

| | |
|---|---|
| Total Royalty Payable | $ -0- |
| Total Royalty Paid | -0- |
| Balance of Royalty Due | $ -0- |

E. D. Talbert

E. D. Talbert, OME Auditor

September 24, 1962

Idm-R588 Boulder Ores, Inc., Assignee DMEA-2973

## STATUS OF PROJECT, SCOPE OF REVIEW AND REASONS THEREFOR

This contract, as amended, provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land under the contract consists of six patented and nine unpatented claims in secs. 21, 22, 27, and 28, T. 11 N., R. 7 W., M.M.M. At the time the contract was executed the Operator was in possession by virtue of (a) ownership of one patented and two unpatented claims, (b) an October 8, 1952, lease and option from Gayle Burleson, Grand Rapids, Michigan, Ernest Ecklendafer, Missoula, Montana, and Ed C. Hughes, Boulder, Montana, of five patented claims, and (c) a January 14, 1953, Option and July 25, 1953, amendment thereto from Claude M. Bielenberg, Deer Lodge, Montana, of seven unpatented claims.

In consideration of the contract the grantors of the options executed Owner's Consents to Lien. All of the liens, however, are restricted to 10 years from the date of the contract and two specifically provide for non-recognition of any amendment altering the provisions for repayment. Amendment No. 3 to the exploration project contract changed the repayment period to 11 years, otherwise revised the repayment provisions, and deleted the so-called "abandonment" provision of the contract.

On August 26, 1953, the Operator transferred all his interests in the claims under the contract to Boulder Ores, Inc. On October 12, 1953, the Government consented to assignment of the contract without releasing the assignor from any of the provisions thereof.

Exploration work under the contract was suspended in August 1954 and formally terminated effective October 31, 1954, for failure to resume work by June 15, 1955. No ores were produced during the exploration period. Subsequent examinations of the property and inquiries by DMEA and GSS regional representatives disclosed no activity on the property through September 8, 1959, other than the performance of annual assessment work by the Operator and rehabilitation and exploratory drilling by a lessee, Carl A. Coon, Avon, Montana, during 1956.

A MMS Form 63 inquiry addressed to the Operator-Assignee resulted in a September 18, 1962, reply from the Operator-Assignor under the title of "Owner of the ground". Mr. Glinski, who was the Operator-Assignee's president, stated in his reply that (1) there had been neither change in status of the property nor production since

September 8, 1959, and (2) "Boulder Ores, Inc. non-active and non existant for several years, all of its officers having resigned".

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

(1) The files contain no evidence of any production from the property since the date of the contract; and

(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

September 25, 1962

Memorandum

To: Acting Field Officer, Region I

From: E. D. Talbert, Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMEA-2973 (Tungsten)
Boulder Ores, Inc., Assignee
Arnold Copper Mine
Powell County, Montana
Contract Idm-E588

The original and one copy of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.; and

(b) One copy for your files.

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

As evidence of your concurrence, a copy of your memorandum transmitting the original report to the Fiscal Section should be furnished this Division. If for any reason you do not concur, both copies of the report should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 9-25-62

CC:
Docket
Director's Reading File
CA & A Division
Fiscal Section

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-8588, Docket No. DMEA-2973 (Tungsten), dated August 24, 1953, with

Boulder Ores, Inc.
511 North Rodney Street
Helena, Montana
Assignee of Florian L. Glineski

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Arnold Copper Mine located in Powell County, Montana, during the period August 24, 1953, through September 8, 1959.

In accordance with Amendment No. 3 of the contract royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final cost audit dated August 9, 1956, indicated accepted costs under the exploration contract amounting to $8,579.47 with the Government's contribution, on a 75 percent basis, being $6,434.60.

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

(1) Exploration work under the contract was not resumed during the recess period provided by Amendment No. 3 resulting in termination of the contract as of October 31, 1954, and making "pseudo" certification effective from the date of the contract;
(2) Semi-annual reports by representatives of the Field Team, Region I, and other documents in the files do not disclose any production or sales of minerals from the property subject to Government royalty during the exploration period or subsequent thereto; and
(3) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

The review indicated that there has not been any production or sales of minerals from the land described in Article 2 of the contract since August 24, 1953, and no royalty is due the Government.

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

October 21, 1959

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Boulder Ores, Inc.

Address 511 North Rodney Street

Helena, Montana

Exploration Contract No. IOC-7538 Docket No. DMEA-2973

| | | Check One Yes | Check One No. |
|---|---|---|---|
| 1. | (a) Does the Operator stockpile ore subject to royalty repayment? | | X |
| | (b) If so, is segregation and identification procedure adequate? | | |
| 2. | (a) Does Operator commingle production subject to DMEA or OME royalties with exempt production? | | X |
| | (b) If so, do you consider the allocation of the commingled production equitable? | | |
| 3. | (a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period? | | X |
| | (b) If so, are adequate records maintained on such material to protect the Government's interest? | | |
| 4. | Do you consider the assay controls in effect are adequate? | X | |
| 5. | Do you consider that the manner of disposing of production gives the Government its fair royalty returns? | X | |
| 6. | Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties? | X | |
| 7. | Does the Operator buy from or sell to other Operators? | | X |
| 8. | Comment on any item 2 (b) to 6 if answer is No. | | |

**Property inactive.**

September 8, 1959
Date

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

53362

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

## REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Boulder Ores, Inc., Assignee
511 North Rodney Street
Helena, Montana
and
Florian L. Glineski, Assignor
511 North Rodney Street
Helena, Montana

RECEIVED
AUG 13 1956

pertaining to Exploration Project Contract No. Idm-E588, Docket No. DMEA-2973, dated August 24, 1953, including Amendments Nos. 1 to 3, inclusive, and assignment of contract dated September 19, 1953, covering a project for the exploration of tungsten, for the period of August 24, 1953 to August 31, 1954, on property known as the Arnold Copper Mine, located in Powell County, State of Montana.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Government representative who visited and examined the project, and a determination of the reasonableness and propriety of the costs.

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

(a) the administrative cost to the Government of an audit would be excessive in relation to estimated amount of possible disallowance thereunder;
(b) the Monthly Reports were supported by documentary proof of the costs incurred under the contract's provision for contribution by the Government on the basis of actual costs incurred; and
(c) a major portion ($6,090.00) of the costs incurred were under a contract provision for payment by the Government on the basis of agreed unit costs of units of work actually performed.

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

| | |
|---|---|
| Total Cost as billed by Contractor | $8,579.47 |
| Exceptions | None |
| Total Accepted Cost | $8,579.47 |

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Six thousand four hundred thirty four and 60/100 Dollars

--$6,434.60--

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

August 9, 1956

C. A. Turner, Auditor

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

AUG 13 1956

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

Re: Report of Review
Boulder Gems, Inc.
IDm-2588, DMEA-2973

Dear Mr. Turner:

Receipt is acknowledged of your Report of Review covering the above-cited project.

The Report is acceptable and normal distribution may be effected.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Chief
Contract Administration
and Audit Division

WBorovies/wb
August 13, 1956

Copy to: Docket
Admr. Reading File
Mr. Chambers

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

# OPERATOR'S MONTHLY REPORT AND VOUCHER

SUPPLEMENTAL VOUCHER FOR

OCT 15 1954

Month of JULY & AUGUST, 1954 Docket No. DMEA 2973 Contract No. IDM-5588
Operator's Name BOULDER CREEK, INC.,
Minerals TUNGSTEN
Address 511 N. RODNEY ST., HELENA, MONTANA
Contract Amount, $ 33,600.00 Government Participation: 75 % Amount, $ 25,200.00

| ITEMS OF COSTS | FOR OPERATOR'S USE: Monthly Total | Totals Previously Reported | Totals To Date | FOR GOVERNMENT USE ONLY: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling | | 6090.00 | 6090.00 | | | |
| Bulldozing | | | | | 6090.00 | 6090.00 |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | 300.00 | 300.00 | | 300.00 | 300.00 |
| JULY Supervision 550.00 / AUGUST Technical Services 376.68 | 926.68 | 1073.32 | 2000.00 | 926.68 | 1073.32 | 2000.00 |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | 176.87 | 176.87 | | 176.87 | 176.87 |
| Payroll Taxes | | 4.50 | 4.50 | | 4.50 | 4.50 |
| Liability Insurance | | | | | | |
| UNEMPLOYMENT COMP. | | 8.10 | 8.10 | | 8.10 | 8.10 |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | | 7652.79 | 8579.47 | 926.68 | 7652.79 | 8579.47 |

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 9/28/54 *Payee BOULDER CREEK, INC.,

Per Florian L. Schinasi Title PRESIDENT

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

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

(Instructions on reverse)

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

$ 695 01

Signature Myrle Purdy
(Authorized Certifying Officer)

Date 10/11/54 Vou. No. 1307

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E588 in accordance with the terms of the contract.

Signature /s/ John D. Bardill Title Metallurgist Date 9/30/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Stephen H. Goldok Title Mining Engr. Date 10/1/54

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104 (Rev.)
(April 1952)

W

Budget Bureau No. 42-R1036.5

# UNITED STATES
# DEPARTMENT OF THE INTERIOR
## DEFENSE MINERALS EXPLORATION ADMINISTRATION
# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1954 Docket No. DMEA 2973 Contract No. Idm-3508
Operator's Name Boulder Oros Inc. Minerals Tungsten
Address 511 N. Rodney St. Helena, Montana
Contract Amount, $33,600.00 Government Participation: 75 % Amount, $25,200.00

| ITEMS OF COSTS | FOR OPERATOR'S USE: Monthly Total | Totals Previously Reported | Totals To Date | FOR GOVERNMENT USE ONLY: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (1) Independent Contracts: ~~Short Form~~ | | | | | | |
| Drilling | | | | | | |
| Bulldozing 132 hours | 1848.00 | 4242.00 | 6090.00 | 1848.00 | 4242.00 | 6090.00 |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | 300.00 | 300.00 | | 300.00 | 300.00 |
| Supervision | | | | | | |
| Technical Services | 376.68 | 1623.32 | 2000.00 | -0- | 1073.32 | 1073.32 |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | 85.87 | 91.00 | 176.87 | 85.87 | 91.00 | 176.87 |
| Payroll Taxes | | 4.50 | 4.50 | | 4.50 | 4.50 |
| Liability Insurance | | | | | | |
| Unemployment Comp. | | 8.10 | 8.10 | | 8.10 | 8.10 |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 2310.55 | 6268.92 | 8579.47 | 1933.87 | 5718.92 | 7652.79 |

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 9/3/54 *Payee Boulder Oros Inc.

Per Florian F. Glinski Title President

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

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

(Instructions on reverse)

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

$1450 40

Signature MJP
(Authorized Certifying Officer)

Date 9/23/54 Vou. No. 1288
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E588 in accordance with the terms of the contract.

Signature 1st John D Bardill Title Metallurgist Date 9/17/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 1st Stephen W Zoldok Title Mining Eng Date 9/20/54

## MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

Defense Minerals Administration
RECEIVED
SEP 27 1954

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1954 Docket No. DMEA 2973 Contract No. Idn-E538
Operator's Name Boulder Cross Inc. Minerals Tungsten
Address 511 N. Rodney St., Helena, Montana

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Units | Unit Costs |
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | hour | 1848.00 | 132 | 6000.00 | 435 | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| Other Analyses, labor, Sup. | | | | 2490 | | | | |
| TOTAL DISTRIBUTED COSTS | | 1848.00 | 132 | 6000.00 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| | | | | 8580 | | | | |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| TOTAL COSTS | | | | | | | | |

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

Date 9/8/54 Operator Boulder Cross Inc.

Per Florian L. Glinski Title President.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

GPO 83-38475

BOULDER ORES INC.

PROGRESS REPORT FOR AUGUST 1954.

DOCKET No.DMEA 2973 CONTRACT No.Idm-E588

A total of 132 hours of trenching was done in this period. This makes an overall total of 403 hours spent in cutting 54 trenches which includes the work performed in the preceding period.

Following is a very brief report on the findings in each trench and all disclosures, together with sample locations and results are indicated on the accompanying maps.

## ARNOLD COPPER

Trench No.AC-3 Contact as shown
" No.AC-4 " " "
" No.AC-5 All limestone
" No.AC-6 " "
" No.AC-7 All Limestone with 7.5' of quartz in west end assaying 0.015 WO3.
At portal of old upper workings a sample was taken across 3.0' tactite assaying 0.03%WO3.

## ARNOLD FRACTION

Trench No.AF-1 Contact as shown
" No.AF-2 All limestone
" No.AF-4 " "
" No.AF-5 Small tactite zone in west end.
" No.AF-6 All limestone with small quartz vein in south end.

## MONTANA

Trench No.M-1 Contact and small tactite zone north end.
" No.M-2 " " " " " " " .
" No.M-3 Contact and small tactite zone as shown.
" No.M-4 Contact as shown.

## COPPERTUNG

Trench No.C-1 All limestone with a 3.5' quartz vein of obscure strike assaying 0.015% WO3.
" No.C-2 All limestone.
" No.C-4 All limestone with a little quartz and lots of copper stain.
" No.C-5 All limestone
" No.C-6 " "
" No.C-7 " "

## SNOWBIRD

Trench No.S-1 Small spot of tactite shown.
" No.S-2 A 10' zone of tactite adjacent to Arnold Copper main adit.

## PORTAL

Trench No.P-1 All limestone with granite contact on west end.
" No.P-2 All limestone.

## MOLYTUNG (Claim not shown on map)

Trench No.MT-1 Contact shown with wide tactite zone.
" No.MT-2 " " " " " "
" No.MT-3 " " " " " "

## FRIDAY NO.1

Trench No.F-1 Contact shown with considerable tactite.13.5' sample assayed 0.02% WO3.
" No.F-2 Contact shown,wide tactite zone. 11.0' sample assayed 0.02% WO3.
" No.F-3 West contact beyond map border. Tactite zone 200' wide with scattered WO3.
" No.F-4 West contact beyond map border. Tactite zone 200' wide,isolated WO3.
" No.F-5 Contact shown with considerable tactite and rather spotty WO3.
" No.F-6 Contact shown with wide tactite zone and showing some WO3.
A sample cut across 10.5' of tactite in an open cut just east of Trench No.F-5 was 0.35%WO3

## TUNGSTATE

Trench No.T-1 All granite.
" No.T-2 Wide tactite zone. 2.5' sample 0.227% WO3. Sample 3.2' assayed 0.413% WO3.
" No.T-3 Wide tactite zone. 1.5' sample assayed 0.526% WO3.
" No.T-4 Contact shown,some tactite and little WO3.
" No.T-5 Contact shown,some tactite with little WO3.
" No.T-6 Contact shown,good tactite zone and considerable WO3.

## SHAMROCK

Trench Shamrock No.1 Small tactite zone in the granite.
" Shamrock No.2 Cuts 3 contacts with wide tactite zone north end.3.0'sample 0.303WO3.
" Shamrock No.3 Contact shown.Fairly wide tatctite zone. 5.0' sample 0.163% WO3.
" Shamrock No.4 Contact shown and some tactite.

## STRATEGIC

Trench No.ST-1 Contact as shown with little tactite.
" No.ST-2 Contact shown on north end.Tactite zone over 200' wide.Four samples were cut,6.5',5.0',3.0',[illegible],assaying 0.146%,0.413%,0.270% WO3 respectively. the fourth sample taken close to P.F.Toepfer's sample No.53-127 was cut across 6.0' and assayed 0.850% WO3.
" No.ST-3 Contact as shown with wide tactite zone showing moderate amount WO3.
" No.ST-4 Formation undisclosed due to heavy overburden.
" No.ST-5 " " " " " "
" No.ST-6 Contact shown and fairly wide tactite zone exposed with some WO3.
" No.ST-7 Contact shown with two tactite belts each 1.5'wide assaying 1.016% WO3 and 1.153% WO3.
" No.ST-8 Contacts shown both ends.No tactite exposed.

## FLAGSTAFF

Due to rugged terrain,any trenching of informative value was impossible.

## CHIEF (Directly southwest of Flagstaff Claim)

Trench No.C-1 Contacts as shown. No tactite disclosed.
" No.C-2 " " " " " "

A study of the exposures made by trenching operations and all accessible underground workings in the area EAST of Snowshoe Creek has been somewhat disappointing with one exception. This exception is the present showing in the main underground workings of the Arnold Copper claim. This property beyond any question merits further development of its lower workings as there are at the present time several hundred tons of commercial ore opened up and no indication that the orebody limits have been reached.

On the WEST side of Snowshoe Creek, trenching has definitely disclosed several very promising locations for further development work. Mr. Robert Weeks, of the U.S.G.S., on Aug. 25th. lamped all the cuts made since his last visit on July 28, and at eleven points the scheelite showing warranted sampling. The results of such sampling are indicated on the accompanying maps.

Trenching on the Mollytung and Friday No.1 claims show extremely wide tactite zones which when lamped, for the most part show slight quantities of scheelite. An old cut on the Friday No.1 claim just east of Trench No.F-5, assayed 0.35% WO3 for a 10.5' width.

Tungstate claim trenches, disclose a wide tactite belt for 500 feet in length. Two samples in Trench No.T-2 gave the following results: 2.5' wide, 0.227% WO3 and 3.2' wide 0.413% WO3. A sample in Trench No.T-3, 1.5' wide assays 0.526% WO3. All trenches were examined under black lamp and showed varying amounts of scheelite.

Four trenches on the Shamrock claim disclosed a tactite zone of varying size and for the most part scheelite was indicated under the black light. Two samples taken gave the following results: Shamrock Trench No.2, cut 3.0' wide, 0.303% WO3. Shamrock Trench No.3, cut 5.0' wide, 0.163 WO3.

Eight trenches in all were cut on the Strategic claim and one of these ST-8 was cut just south of the south end line. In trenches Nos.ST-4 and ST-5, it was impossible to expose the formation due to the extremely heavy overburden. Trench ST-1 shows contact and a little tactite in the south end, black light showing some scheelite. Trench ST-2 disclosed the contact and a tactite zone of over 200' in width. Four samples cut where the black light indicated better values gave the following results: 6.5' wide 0.146%, 5.0' wide 0.413%, 3.0' wide 0.270%, and 6.0' wide 0.850%. The last sample was taken rather close to Mr. P.H. Toepher's sample No.53-127 which assayed 1.15% WO3. Trench No.ST-3 cut the contact and disclosed 60' of tactite which lamps rather spottily. Trench No.ST-6 cut the contact with approximately 40' of tactite. Trench No.ST-7 disclosed the contact and cut two tactite zones, each 1.5' wide. A sample taken from each zone assayed 1.016% and 1.153% WO3.

SUMMARY With but three exceptions, all trenching on the Friday No.1, Tungstates, Shamrock, and Strategic claims has disclosed tactite zones varying in width from 1.5' to over 200'. In no instance have these cuts failed to show at least a small quantity of WO3, when lamped. In many cases the result of sampling has indicated commercial ore. The outstanding possibility, as now indicated, of developing commercial ore, lies on the Strategic claim. Samples taken by Mr. P.H. Toepher in this area, both surface and underground, appear to substantiate this statement.

The Strategic lower adit was driven some distance on the contact and below a rather deep gulley. This tunnel is caved about 120' from the portal and splits at about 70 feet. The left fork is in very good tungsten ore, while the right fork is in a spotty condition. This tunnel if used for further development, would require retimbering for its entire length as it is too low and in bad shape in many places.

There is an excellent small camp site immediately adjacent to the Strategic adit. The ground is quite flat and ample water is available for ordinary purposes.

Surface development in the form of trenching has eliminated the necessity for using any part of the $8000.00 set up in Stage 2 for diamond drilling. Stage 2 also provided for 400 feet of drifting, crosscutting and or raising, and at $37.50 per foot would equal $15,000.00. Thus the total appropriation would amount to $23,000.00 for stage 2.

RECOMMENDATIONS: Trenching and sampling results have indicated ore of commercial grade at several locations on the Strategic claim. I therefore unhesitatingly recommend that an amount of $500.00 be allocated to enlarge and retimber the lower Strategic adit. That at least 600 feet of drifting, crosscutting and or raising be authorised at $37.50 per foot. The direction of such drifting, crosscutting and or raising, to be mutually agreed upon between the representative of Boulder Ores Inc. and the government engineer or geologist, but such work to be done through the Strategic adit and for the express purpose of developing at depth, the tungsten bearing zones now disclosed on the surface. The $8,000.00 set up for diamond drilling, I hope may be used for the additional footage requested for drifting, crosscutting and or raising.

I sincerely believe this proposed development is fully justified by the results of the work already performed, and I do earnestly urge you to give it your careful consideration.

Respectfully submitted,

S.H.Fairweather, Supervising engineer.

1201 N. Division St.
Spokane 2, Washington

September 22, 1954

Mr. Florian L. Glineski, President
Boulder Ores, Inc.
511 N. Rodney St.
Helena, Montana

Re: Contract Idm-E588
Docket No. DMEA 2973
Monthly Operating Report
for August 1954

Dear Mr. Glineski:

The subject operating report has been received and processed for payment.

We regret that it has been necessary to delete the amount claimed for technical services as no supporting payroll or other acceptable documentation was submitted with the MF-104. As you know, an amendment has now been signed removing the time limitation so that we may participate in the payment of Mr. Fairweather's salary up to the maximum amount of $1,000.00 allowed by the contract under Stage II. It is necessary, however, that you reclaim the amount of $550.00 which was deducted from your July 1954 MF-104 and the $376.68 which we have deducted from the August 1954 MF-104. You may do this either by filing a supplemental MF-104 or by reclaiming the items on the next monthly MF-104 you submit for payment.

We have prepared payroll statements covering the months of July and August which may be of help to you in making up your voucher. If you wish, you may just sign the enclosed original statement covering the technical service charges for each month and attach them to the MF-104 on which you reclaim these costs. We are enclosing a supply of forms for your use.

Yours very truly,

Thomas E. Howard
For Wing G. Agnew, Member
DMEA Field Team, Region II

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

# UNITED STATES
## DEPARTMENT OF THE INTERIOR
### DEFENSE MINERALS EXPLORATION ADMINISTRATION
# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1954 Docket No. DMEA 2973 Contract No. Idm-E588
Operator's Name Boulder Ores Inc. Minerals Tungsten
Address 511 N. Rodney St. Helena, Montana.
Contract Amount, $33,600.00 Government Participation: 75 % Amount, $25,200.00

| ITEMS OF COSTS | FOR OPERATOR'S USE: Monthly Total | Totals Previously Reported | Totals To Date | FOR GOVERNMENT USE ONLY: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (1) Independent Contracts: | | | | | | |
| Drilling | | | | | | |
| Bulldozing 253 hours | 3542.00 | 700.00 | 4242.00 | 3542.00 | 700.00 | 4242.00 |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | 300.00 | 300.00 | | 300.00 | 300.00 |
| Supervision | | | | | | |
| Technical Services | 550.00 | 1073.32 | 1623.32 | —0— | 1073.32 | 1073.32 |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | 91.00 | 91.00 | | 91.00 | 91.00 |
| Payroll Taxes | | 4.50 | 4.50 | | 4.50 | 4.50 |
| Liability Insurance | | | | | | |
| Unemp. Comp. | | 8.10 | 8.10 | | 8.10 | 8.10 |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 4092.00 | 2176.92 | 6268.92 | 3542.00 | 2176.92 | 5718.92 |

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 8-2-54 *Payee Boulder Ores Inc.

Per William F. Glinski Title President

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

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

(Instructions on reverse)

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

$2656.50

Signature MJP
(Authorized Certifying Officer)

Date 8/16/54 Vou. No. 1245
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 588 in accordance with the terms of the contract.

Signature /S/ Stephen W Zoldok Title Mining Engr Date 8/16/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldok Title Mining Engr Date 8/16/54

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-204A
(April 1952)

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

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1954 Docket No. DMEA 2973 Contract No. Idm-R588
Operator's Name Boulder Ores Inc. Minerals Tungsten
Address 511 N.Rodney St. Helena, Montana

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Units | Unit Costs |
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | hour | 3542.00 | 253 | 4242.00 | 303 | 14.00 | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| TOTAL DISTRIBUTED COSTS | | 3542.00 | 253 | 4242.00 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| TOTAL COSTS | | | | | | | | |

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

Date 8-2-54 Operator Boulder Ores Inc.

Per Florian L. Glinski Title President.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

GPO 83-38475

PROGRESS REPORT FOR JULY 1954.

Docket No.DMEA 2973 Contract No.Idm-E588

A total of 253 hours of bulldozing was done on the several properties as specifically shown by Trench number on the accompanying maps.

With the exception of three areas on claims located EAST of Snowshoe Creek,results of dozing are somewhat disappointing. Mr.Robt.Weeks of the U.S.G.S.,on July 28th.accompanied me on an examination of all cuts and after dark we lamped everything which had indicated the prescense of tungsten. The three exceptions are indicated by samples which have been taken in each instance and a cut of which will be forwarded to your office shortly.

In the area WEST of Snowshoe Creek,we have just got started with our dozing program. The trenches to date,as before stated,are specifically shown by trench number. At the time of Mr.Weeks visit,trenches No.F-1 and No.F-2 were just completed,and both when lamped,were quite encouraging. One sample was taken from each cut and if the assay result bears out the black lamp indication,I believe we have commercial ore in at least two trenches.

It has not always been physically possible to follow Mr.Toepfer's dozing instructions,but for the most part the trenches conform very closely to his plan.

We are now in a more rugged terrain and it will take more dozing hours per trench than heretofore required I believe to accomplish the results needed for intelligent investigation.

Respectfully submitted

S.H.Fairweather,Supervising Engineer.

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION II

Administrative Audit Difference Statement

Date: Aug. 16, 1954
Payee's
Reference: Boulder Ores, Inc.
Contract Idm-E588, July 1954
Operating Report

DMEA Field Team, Region II
Spokane, Washington

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend their account accordingly:

| | |
|---|---|
| Amount Claimed | $ 4,092.00 |
| Difference | $ 550.00 |
| Amount Approved | $ 3,542.00 |

The reason for the difference was:

The invoice covering technical services is incomplete. The amount deleted may be reclaimed on a subsequent Operating Report by showing the days and weeks worked as the contract limits the time as well as the amount which may be spent for engineering supervision. The payroll data submitted must, of course, bear the words "Certified True Copy" and must be signed.

Any reclaim for deductions made above must be supported by a copy of this form.

DMEA Certifying Officer, Region II

Form MF-104 (Rev.)
(April 1952)

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

# UNITED STATES
# DEPARTMENT OF THE INTERIOR
## DEFENSE MINERALS EXPLORATION ADMINISTRATION
# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1954 Docket No. DMEA 2973 Contract No. Idm - 588
Operator's Name Boulder Ores, Inc., Minerals Tungsten
Address 511 N. Rodney St., Helena, Montana
Contract Amount, $ 33,200.00 Government Participation: 75 % Amount, $ $25,200.00

| ITEMS OF COSTS | FOR OPERATOR'S USE: Monthly Total | Totals Previously Reported | Totals To Date | FOR GOVERNMENT USE ONLY: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (1) Independent ~~Short Form~~ Contracts: | | | | | | |
| Drilling | | | | | | |
| Bulldozing 18 hrs. | 252.00 | 448.00 | 700.00 | 252.00 | 448.00 | 700.00 |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | 300.00 | 300.00 | | 300.00 | 300.00 |
| Supervision | | | | | | |
| Technical Services 4 days | 73.32 | 1000.00 | 1073.32 | 73.32 | 1000.00 | 1073.32 |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | 91.00 | 91.00 | | 91.00 | 91.00 |
| Payroll Taxes | | 4.50 | 4.50 | | 4.50 | 4.50 |
| Liability Insurance | | | | | | |
| Unemp. Comp. | | 8.10 | 8.10 | | 8.10 | 8.10 |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 325.32 | 1851.60 | 2176.92 | 325.32 | 1851.60 | 2176.92 |

I certify that the above bill is correct and just and that payment therefor has not been received.

Date July 13, 1954 Payee Boulder Ores, Inc.,

Per J. L. Klinski, Title Pres.

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

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

(Instructions on reverse)

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

$ 243 99

Signature M. J. P.
(Authorized Certifying Officer)

Date 8/2/54 Vou. No. 1239
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 588 in accordance with the terms of the contract.

Signature /s/ John D Bardill Title Metallurgist Date 7/16/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Stephen W Zoldok Title Mining Engr Date 7/19/54

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-101A
(April 1952)

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

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1954 Docket No. DMEA 2973 Contract No. Idm - E 588
Operator's Name Boulder Ores, Inc., Minerals Tungsten
Address 511 N. Rodney St., Helena, Montana

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Units | Unit Costs |
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | $14.00 p/ hr. | $252.00 | 18 | $700.00 | 50 | $700.00 | 450 | $6300.00 |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| | | | | | | | | |
| TOTAL DISTRIBUTED COSTS | | | | | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| TOTAL COSTS | | | | | | | | |

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

Date July 15, 1954 Operator Boulder Ores, Inc.,

Per J. L. Jelinski Title President

REMARKS: Trenching was done by D-7 Dozer with hydraulic controlled blade. Operated by Dave Bower, Owner, under the supervision of Stanley Fairweather, Supervising Engineer.

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

GPO 83-38475

Boulder Ores., Inc.,
511 North Rodney St.
Helena, Montana
July 13, 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 5 - 1954

Docket No. DMEA 2973
Contract Idm - E588
Operators Monthly Report
MF - 104 Boulder Ores, Inc.,

Mr. R. J. Hindman
Certifying Officer, Region II
Defense Minerals Exploration Administration
1201 N. Division St.,
Spokane, Wash.,

Dear Mr. Hindman:

I am enclosing MF - 104 copies for June showing bull-dozing and engineering expenses.

Snow and rain, and having to locate a different contractor to do the dozing has delayed the start of the project, but now that we have started I believe it will continue smoothly as we were fortunate to secure an exceptionally good dozer man.

Also, the engineer in charge, Stanley Fairweather, whom Mr. Weissenborn recommended, appears to be most capable as well as exacting, and just the man for the job, so maybe I won't give you as much trouble as I have in the past.

Sincerely yours,

F. L. Glineski

F. L. Glineski

flg

NARRATIVE REPORT FOR JUNE 1954.
CONTRACT No. Idm - E 588
DOCKET No. DMEA 2973.

Defense Minerals Administration
RECEIVED
AUG 5 - 1954

A late Spring with considerable snow and rain, and the necessity of having to locate another contractor to do the dozing delayed the start of work on this project.

The dozer operator, a Mr. Dave Bower of Breanneau, Idaho moved his equipment from Bruneau to do the bull-dozing. He arrived in Snowshoe Gulch Sunday June 27th, ready to work Monday. However, because of a bad snow storm Monday, he was unable to start trenching until Teusday, June 29th, putting in 9 hours that day and 9 hours Wednesday June 30th, for a total of 18 hours for June 1954.

Mr. Stanley Fairweather, engineer in charge, had him clean out and deepen the trenches made last fall on the Arnold Survey as well as make some of the new cuts called for in Spokane's instructions.

Mr. Fairweather arrived in Elliston on Saturday June 27th and spent Sunday going over the ground with me. Mr. Fairweather has contracted his professional services to our company at the stipulated rate of $550.00 per month. This contract also calls for our furnishing a 4 x 4 pickup truck and its expenses for his transportation between his motel and the mine. It further calls for the payment by him, of all of his and ours pay roll taxes and insurance on the amounts paid to him.

Mr. Bob Weeks went over the ground with Mr. Fairweather at the start of the job and will again go over it with him this next week.

F. L. Glineski.

F. L. Glineski.

July 13th, 1954.

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

Defense Minerals Administration
RECEIVED
JUL 9 - 1954

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Supple me ntal Report to

Month of Oct. Nov. Dec., 1953 Docket No. DMEA 2973 Contract No. Idm - E 588

Operator's Name Boulder Ores, Inc., Minerals Tungsten

Address 511 N. Rodney St., Helena, Montana

Contract Amount, $ 33,600.00 Government Participation: 75 % Amount, $ 25,200.00

| ITEMS OF COSTS | FOR OPERATOR'S USE: Monthly Total | Totals Previously Reported | Totals To Date | FOR GOVERNMENT USE ONLY: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (1) Independent ~~Short Form~~ Contracts: | | | | | | |
| Drilling | | | | | | |
| Bulldozing | | | | | 448.00 | 448.00 |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | 300.00 | | 300.00 | 300.00 | -0- | 300.00 |
| Supervision | | | | | | |
| Technical Services | 40.00 | (1000.00) (Only 960.00 allowed.) | 1000.00 | 40.00 | 960.00 | 1000.00 |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | 91.00 | 91.00 |
| Payroll Taxes | 9.00 | | 9.00 | 4.50 | -0- | 4.50 |
| Liability Insurance | | | | | | |
| Unemp. Comp. on allowable labor. | 8.10 | | 8.10 | 8.10 | -0- | 8.10 |
| (8) Contingencies (specify): | | | | | | |
| Add'l Technical Services to Geological work. See Toepfer letter. | 300.00 | | 300.00 | -0- | -0- | -0- |
| TOTALS | 657.10 | | 657.10 | 352.60 | 1499.00 | 1851.60 |

I certify that the above bill is correct and just and that payment therefor has not been received.

Date April 24, 1954 Payee Boulder Ores, Inc.,

Per [signature] Title President

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

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

(Instructions on reverse)

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

$ 264 45

Signature MJP
(Authorized Certifying Officer)

Date 7/1/54 Vou. No. 1204

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 5 8 8 in accordance with the terms of the contract.

Signature /s/ John D Bardill Title Metallurgist Date May 6 - 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Thomas E Howard Title Mining Engr Date 5/6/54

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form M-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

# UNITED STATES
# DEPARTMENT OF THE INTERIOR
## DEFENSE MINERALS EXPLORATION ADMINISTRATION
# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Oct. Nov. Dec., 1953 Docket No. DMEA 2975 Contract No. Idm E 588
Operator's Name Boulder Oreo, Inc., Minerals Tungsten
Address 511 N. Rodney St., Helena, Montana
Contract Amount, $ 35,600.00 Government Participation: 75 % Amount, $ 26,200.00

| ITEMS OF COSTS | FOR OPERATOR'S USE: Monthly Total | Totals Previously Reported | Totals To Date | FOR GOVERNMENT USE ONLY: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (1) Independent Contracts: ~~Short Form~~ | | | | | | |
| Drilling | | | | | | |
| Bulldozing 32 hrs. | $448.00 | - | $448.00 | 448.00 | — | 448.00 |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | 686.00 | - | 686.00 | — | — | |
| Supervision | | | | | | |
| Technical Services | 1000.00 | - | 1000.00 | 960.00 | — | 960.00 |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis 13 | 91.00 | - | 91.00 | 91.00 | — | 91.00 |
| Payroll Taxes | 16.80 | - | 16.80 | — | — | — |
| Liability Insurance | - | - | - | | | |
| Unemployment Comp. | 15.12 | - | 15.12 | — | — | — |
| (8) Contingencies (specify): | | | | | | |
| Additional survey to geological work. (authorized) | 440.00 | - | 440.00 | — | — | — |
| TOTALS | 2696.92 | - | 2696.92 | 1499.00 | — | 1499.00 |

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Jan. 11, 1954 *Payee Boulder Oreo, Inc.,

By William P. Glinski Title President

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

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

(Instructions on reverse)

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

$ 1124.25

Signature (Authorized Certifying Officer)

Date 4/1/54 Vou. No. 1124

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E588 in accordance with the terms of the contract.

Signature /s/ John D Bardill Title Metallurgist Date 3/29/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Stephen W Zoldok Title Mining Engr Date 3/29/54

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

## OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 195 3 Docket No. DMEA 2973 Contract No. Idm- E588

Operator's Name Boulder Ores, Inc., (Florian L. Glinoski, Pres.) Minerals Tungsten

Address 511 N. Rodney St., Helena, Montana

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Units | Unit Costs |
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | $14.00 p/hr | $448.00 | 32 | $448.00 | 32 | $448.00 | 480 | $6300.00 |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| | | | | | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| TOTAL DISTRIBUTED COSTS | | $448.00 | | $448.00 | | | | |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| TOTAL COSTS | | | | | | | | |

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

REMARKS: Trenching was done by a D-8 Dozer.

Date January 11, 1954 Operator Boulder Ores, Inc.,

Per Florian L. Glinoski Title President

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

GPO 83-38475

Snowshoe Tungsten Mine
Powell County
Montana

RECEIVED
JAN 12 1954

DMEA Contract No.2973

Florian L. Glineski
511 N. Rodney St.,
Helena, Montana

NARRATIVE REPORT FOR OCTOBER, NOVEMBER, DECEMBER 1953.

After receipt of Contract Approval, Mr. Peter H. Toepfer was contacted to assimalate the technical data required for the project.

H e started on October 11, 1953. During the course of the work it was seen that he could not thoroughly do the job and cover the ground stipulated by the contract in the time allotted.

In discussing this with Mr. Bob Weeks and Mr. Jack Bardill, inasmuch as the weather was still good, with no snow, it was agreed that the further work needed to be done could be covered to the extent of the contingency fund allowed in the contract. Mr. Toepfer worked in the field until snowfall and then worked up his maps from his notes. A copy of his letter to me covering days worked is attached. His maps and report and assay results have already been submitted to the Bureau.

The building of a compressor house and tool shed was not started pendddg the examination of another location for the drifting other than that originally contemplated.

A total of 32 hours was used in bulldozing on the project in making cuts on the contact and a roadway to the South Arnold and Main Arnold entrances. Heavy snowfall made any further work by the dozer impractical. A D-8 dozer was used. Prior to starting work on the project, $550.00 was spent in building approximately a mile of new road to the area, eliminating two creek crossings and making a more uniform grade. This latter item was not called for in the contract.

Thirteen assays were made of samples given to Goodall Bros. The charge is $91.00.

Mr. Dean R. Akin was hired at the rate of $300.00 per month to rehabilitate and clean out the caved in portals of several of the tunnells and drifts on the Arnold and Montana claims. His wages came to a total of $560.00 for 56 days spent there. The Contract allowed for $300.00 of this expense.

Additional work of hand drilling in the Main Arnold tunnell which was not called for in the contract was contracted to Mr. William Eden for $126.00 as we desired this work to be done.

Respectfully submitted,

Florian L. Glineski

Florian L. Glineski

1 - 11 - 1954

OCT 1 3 1964

Mr. F. L. Glimski
511 North Rodney Street
Helena, Montana

Re: DMEA-2973 (Tungsten)
Boulder Ores, Inc., Assignee
Arnold Copper Mine
Powell County, Montana
Contract Idm-2308

Dear Mr. Glimski:

By the terms of the subject Exploration Project Contract and the royalty agreement in Item 3(c) of Amendment No. 3, all minerals mined or produced from August 24, 1953, to August 24, 1964, were subject to the Government's percentage royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

George Kunich, Jr.

Acting Director

MMerrithew/mm (10/13/64)
cc: Claude N. Bielenberg, Deer Lodge, Mont.
Ernest Ecklesdafer, Missoula, Mont.
Ed C. Hughes, Boulder, Mont.
Gayle Burleson, Grand Rapids, Michigan
Director's Reading File
✓CA&A Division
Region I
Docket
Code 120M

Mr. Chambers, Code 800

400

APR 18 1956

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

Re: Docket No. DMEA 2973 - Tungsten
Boulder Open, Inc.
Arnold Copper Mine
Powell County, Montana
Contract No. Idm-2588

Dear Mr. Weissenborn:

Reference is made to the Field Team's letter of March 14, 1956, directing our attention to paragraph 5(c) of Amendment No. 3 to the subject contract, which provides for payment of royalty for the maximum period provided in the contract, a certification of discovery being waived; and suggesting that there is sufficient evidence to warrant a formal certification.

The purpose of Amendment No. 3 was to grant a suspension period and extend the time for completion of the contract work. The provisions of paragraph 5 of this amendment were to be effective only if work were not resumed by the end of the suspension period. As the Operator did not resume work as required, sub-paragraph 5(c) is now operative and protects the Government's rights to royalty for the period of 11 years from the date of the contract. As a certification of discovery or development is not required, there is no necessity for your making such a recommendation.

It is noted that you have repeatedly requested the Operator to submit his required engineering and geological final report. If you receive no reply to your letter of March 14, 1956, to Mr. Florian A. Glinski, within a reasonable time, and if any money has been withheld, it is requested that you advise the Operator that you are withholding $100 or $200 in lieu of a final report.

In case no money has been withheld no further word to the Operator concerning the final report is necessary. In that event,

however, please remind the Operator, with copies to the owners of the property, of the Government's lien on the property pursuant to paragraph 5(c) of Amendment No. 3.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

J. W. Pennington

Member, Bureau of Mines

N. E. Nelson

Member, Geological Survey

cc: Docket
Code 100
Adm. Pend. File
Oper. Comm.
FT. REC. I - NWD
R. W. Halliday, USBM
T. H. Killegaard, USGS
Mr. Chambers - Audit Div.
AIMcMAHON/la/fec

Government's copy

RECEIVED
JUN 20

EXPLORATION PROJECT CONTRACT
BOULDER ORES, INC.
DOCKET NO. DMEA-2973

AMENDMENT NO. 3

It is agreed this 28th day of April, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Boulder Ores, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E588 (Docket No. DMEA-2973), dated August 24, 1953, as amended, hereinafter called the "Contract," that:

1.(a) Work under the Contract shall be suspended during the period beginning October 31, 1954, and ending not later than June 15, 1955.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government, and the Government shall not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

(c) The Operator at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work and any property in which the Government has an interest.

2. The time fixed for the completion of the work is further extended to November 24, 1955.

3. Annex II to the Contract is cancelled, and Annex III, attached hereto and made a part hereof, is substituted for the provisions of Article 9 of the Contract form.

4. In Article 10 that part of the second sentence beginning with the word "Provided" is deleted.

5. It is of the essence of this Contract that the work be resumed before the termination of the period here fixed for suspension; and if it is not so resumed in the manner required by the Contract, the following provisions shall thereupon become effective:

(a) Effective October 31, 1954, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

(b) Any work or operations prosecuted or costs incurred by the Operator beginning with said effective date shall

be for the sole account of the Operator without contribution by the Government.

(c) The total net amount contributed by the Government shall be repayable in the form of a percentage royalty on any minerals mined or produced from the land referred to in Article 2 of the Contract, in the manner and amount provided in Annex III to this Amendment, for the period of eleven years from the date of the Contract or until the total net amount contributed by the Government is repaid, a certification of discovery or development being hereby waived.

(d) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the Contract, except as otherwise provided in this Amendment No. 3.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, the amount of any item designated as "allowable maximum," nor the agreed unit cost of any item of work.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mitkevich
Administrator, Defense Minerals
Exploration Administration

BOULDER ORES, INC.

By Florian L. Schmiedt
President

RECEIVED
JUN 20 1955

ANNEX III

The following provisions are in lieu of Article 9:

Repayment by Operator.--a. Certification.--If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Royalty on production.--The Operator, as principal, if the Operator is the producer, or as surety, if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land*, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years‡ from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

c. Basis for computation.--The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight paid by the buyer to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the

* The word "land" refers to the land described in Article 2 of the Contract.

‡ The period "eleven years" is substituted for the period "ten years."

Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

d. Unsold production.--If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

e. Percentages of royalty.--The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.
>
> (For instance: the royalty on an amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

f. Lien for payment.--To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

g. Notice to purchasers.--The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

h. No obligation to produce.--Nothing in this contract is 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.

i. Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

Docket No. DMEA 2973
(tungsten)

Minerals Administration
RECEIVED
SEP 20 1954

AMENDMENT NO. 2

GOVERNMENT COPY

It is agreed this 8th day of September 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Boulder Ores, Inc., assignee of Florian L. Glineski

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E 588 of August 24 1953 between the parties hereto be modified and amended as described in Exhibit "F" attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be June 15 1954.

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.

BOULDER ORES, INC.
(Operator)

By Florian L. Glineski
Pres.

THE UNITED STATES OF AMERICA

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

(As authorized in teletype from Oper. Comm. 9/7/54)

Bureau of Mines Minerals Administration
RECEIVED
SEP 20 1954

BOULDER ORES, INC.
Exploration Project Contract No. Idm-E588
Docket No. DMEA 2973 (tungsten)

AMENDMENT NO. 2

Exhibit "F"

Changes and modifications

In Exhibit "A" of the contract under Estimated Costs of the Project, Actual Costs, (2) Labor, Supervision, consultants, Stage II, delete

| | |
|---|---|
| 1 Engineer and/or geologist plus assistant @ $250.00/wk.* 4 weeks* | 1,000.00* |

and substitute

| | |
|---|---|
| 1 Engineer and/or geologist plus assistant @ $250.00/wk.* | 1,000.00* |

*Indicates allowable maximum

SEP 20 1954

BOULDER ORES, INC.
Exploration Project Contract No. Idm-E588
Docket No. DMEA 2973 (tungsten)

Justification for Amendment No. 2

The Government will benefit by removal of the limitation on time as the services of an engineer are being obtained for a longer period without exceeding the maximum amount authorized under the contract.

S. W. Zoldok

Government Copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 30 1954

(Amendment to Change Starting and/or Completion Dates)

AMENDMENT NO. 1

It is agreed this 15th day of July 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Boulder Ores, Inc., Assignee of Florian L. Glineski

(Docket No. DMEA-2973)

each acting in consideration of the agreement to the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E588 dated August 24, 1953 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 9 (No. of months) to 15 (No of months) from the date of the contract. The effective date of this amendment shall be May 24, 1954.

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.

BOULDER ORES, INC.
(Operator)

By Florian L. Glineski

THE UNITED STATES OF AMERICA

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

Defense
JUL 30 1954

Exploration Project Contract Idm-E588
Boulder Ores, Inc. (Assignee of Florian L. Glineski)
Powell County, Montana
Docket No. DMEA-2973 (tungsten)

Justification for Amendment No. 1

Because of extremely heavy snowfall this winter and late spring, access to this property has been impossible, and therefore it is believed that an extension of the completion date of this contract is justified.

John S. Vhay

Government's Copy

E-588

Suggested Form for Assignment and Acceptance of DMEA Contract:

ASSIGNMENT OF EXPLORATION PROJECT CONTRACT

I, Florian L. Glineski (Assignor) for and in consideraton of One ($1.00) Dollar now paid, and other valuable consideration, do hereby grant and assign, subject to Government approval, to Boulder Ores Inc. (Name of Company), all of my interest in a certain Exploration Project Contract, No. 2973, dated 8-24-53 195__, between the United States of America, acting thru the Department of the Interior, Defense Minerals Administration, hereinafter called the Government, and myself, as Operator.

By acceptance of this Assignment, the assignee agrees to assume and perform all of the reservations, terms, conditions, agreements and covenants in said contract contained.

The post office address of the grantee and assignee herein is as follows:

511 North Rodney Helena Montana

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of September 1953.

Florian L. Glineski
(Grantor and Assignor)

STATE OF Montana:

COUNTY OF Lewis & Clark

I, the undersigned, a notary public in and for the State of Montana, hereby certify that on this 21st day of September 1953, personally appeared before me Florian L. Glineski (Assignor), to me known to be the individual described in and who executed the foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes herein mentioned.

WITNESS my hand and official seal this 21st day of September 1953.

R. Russell Angle
(Notary Public) NOTARY PUBLIC for the State of Montana
Residing at Helena, Montana.
My commission expires September 29th 1955

In consideration of the foregoing Assignment, the undersigned hereby accepts the same and agrees to assume and perform all of the reservations, terms, agreements, and covenants contained in the contract above described.

Dated this 19th day of Sept. 1953.

NAME OF COMPANY
Boulder Ores Inc.
By John S. Stohr - President
(Title of Person Authorized to Sign)

Without releasing the Operator from any of the terms, provisions, and conditions of the said Exploration Project Contract, consent to the above assignment and Approval by the Government is given.

Signed O. Mittendorf Date OCT 12 1953
Title ~~Acting~~ Administrator, Defense Minerals Explorations Administration

Contract No. Idm-E 608

Docket No. 2973

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

| Date of Contract | Region | State | Commodity |
|---|---|---|---|
| August 24, 1953 | I W | Montana | Tungsten |

Name and Address of Operator: Florian L. Ollmoeld
511 North Rodney
Helena, Montana

| | Reserve | Obligation |
|---|---|---|
| Prior Amount | 0 | $25,200.00 |
| Increase | 0 | 0 |
| Decrease | 0 | 18,765.40 |
| Revised Amount | 0 | $ 6,434.60 |

Remarks:

(Name)
Allen D. Dalton, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 6/30/56

98963

Docket No. DMEA 2073

Commodity Tungsten

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 586

Date of Contract ~~or Amendment~~: August 24, 1953

Name and Address of Operator:

Florian L. Glinoski
511 North Rodney
Helena, Montana

Amount of Government participation $25,200.00

Percent of Government participation 75 %

Region: II State: Montana

(Name)

J. L. Chambers,
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. Aug. 24, 1953 13908

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

DOCKET NO. IEA 2973

COMMODITY Tungsten

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

Docket Copy
IDM-E 588

# EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 24th day of August, 1953 between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Florian L. Glineski
511 North Rodney
Helena, Montana

hereinafter called the "Operator," as follows: and as set forth in Annexes I, and II, attached hereto and made a part hereof

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 Powell, described as follows:[3] Six (6) patented and nine (9) unpatented lode mining claims in Secs. 21, 22, 27, and 28, T. 11 N., R. 7 W., MPM, as set forth in Annex I, and as indicated on the map entitled "Fig. 1 - Claims Snowshoe Gulch, Powell County Montana F.L. Glineski," attached hereto and made a part hereof

the Operator represents and undertakes:[4]

(*a*) That the Operator is the owner, in possession and entitled to possession, of those claims listed in Annex 2 as owned 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, of those claims listed in Annex I as leased, 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 60 days from the date of this contract shall commence work on a project of exploration for[5] Tungsten

in or upon the described land; and shall bring the project to completion within a period of nine (9) 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 allowable depreciation, are allowable maximums.

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

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

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

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

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

(*b*) The Government's payments 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 75 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $25,200.00, which is 75 percent of $33,600.00, 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: See Annex II, substituted for that part of 9(a) preceding the colon.

(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.* To the extent that costs are set forth in Exhibit "A" as agreed unit costs, they are in lieu of the actual costs set forth in Article 6(a) of the contract form.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

XXXXX
(Operator)

By Florian L. Glineski - Operator

By Administrator, Defense Minerals Exploration Administration

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

[CORPORATE SEAL]

EXPLORATION PROJECT CONTRACT
FLORIAN L. GLINESKI
DOCKET NO. DMEA-2973

ANNEX I

The land referred to in Article 2 of the contract form consists of the claims listed below. All unpatented claims are recorded in the Office of the County Recorder of Powell County, Deer Lodge, Montana.

(a) Owned by Operator

Patented Snow Bird claim (U.S. Survey No. 8526); unpatented Arnold Fraction (Book 9, Page 1); and unpatented Portal (Book 9, Page 3).

(b) Leased by Operator

Patented mining claims owned by Gayle Burleson of Grand Rapids, Michigan, Ernest Ecklesdafer of Missoula, Montana, and Ed C. Hughes of Boulder, Montana, leased to Operator under an instrument dated October 8, 1952:

Arnold (U.S. Survey No. 941); Flagstaff (U.S. Survey No. 10025); Copper Queen (U.S. Survey No. 10025); Montana (U.S. Survey No. 10026); and Shamrock (U.S. Survey No. 10027).

Unpatented mining claims owned by C. N. Bielenberg, Deer Lodge, Montana, leased to Operator under an instrument dated January 17, 1953, as amended July 25, 1953:

| | |
|---|---|
| Friday No. 1 Lode | (Book 8, Page 100) |
| Strategic Lode | (Book 8, Page 146) |
| Tungstate Lode | (Book 8, Page 147) |
| Copper Tung Lode | (Book 8, Page 151) |
| Molly Tung Lode | (Book 8, Page 159) |
| Harmony Lode | (Book 8, Page 191) |
| Dozer Lode | (Book 8, Page 634) |

EXPLORATION PROJECT CONTRACT
FLORIAN L. GLINESKI
DOCKET NO. DMEA-2973

ANNEX II

The following provisions are in lieu of all of paragraph (a) of Article 9 which precedes the colon:

If the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after a sufficient, complete, final report and final account referred to in the contract has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development, The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2, as follows: (1) Regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 3 1953

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of [redacted], County of [redacted], described as [redacted]

[redacted]

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ [redacted]

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

Dated this 25th day of July, 1953.

Hayle B. Burlson [Seal]
By E.C. Eckle-dafe
attorney in fact [Seal]

_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of 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, as follows:

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

(b) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent 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) per cent 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) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

c. Definitions.--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.

d. Lien for Payment.--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.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--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.

MF-20[illegible]

[illegible] AGREEMENT [illegible]

WHEREAS, the [illegible] owner [illegible], [illegible] has an interest in certain property in the State of Montana [illegible] County of Powell, described as ~~follows:~~ 1/

In an Option Contract to Purchase Dated October 8th, 1952 and Recorded in (Page 421) Book 9, Miscellaneous, Official of said County.

which is the subject of a proposed [illegible] project [illegible], hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Florian L. Glineski, of 511 N. Rodney St., Helena, Montana.

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's [illegible] right to [illegible], [illegible] take possession of, and [illegible] dispose of [illegible] or other [illegible] as provided in the contract, or any amendment [illegible] shall prevail over and be prior and superior to any conflicting or adverse rights of the [illegible], and the Government is authorized to enter upon the land for such purpose.

2. To secure the [illegible] to the Government of the [illegible] royalty on production3/ provided for under the [illegible] any amendment thereof which does not increase the [illegible] amount of the Government [illegible] or alter the provisions for repayment, there is hereby granted to the Government [illegible] land herein described and upon any production of minerals therefrom, until the [illegible] fully paid in the amount of the Government's contribution, not to exceed the sum of $ 75,000.00, or ten years have elapsed from the date of the contract.

3. The undersigned [illegible] that may contravene or conflict with the liens, [illegible], or rights of the Government under the provisions of said contract. This agreement shall be binding upon the [illegible], administrators, successors, and assigns of the undersigned.

Dated this [illegible] day of March, 19[illegible] 3.

[signature] [seal]

[signature] [seal]

[seal]

[illegible]

[illegible]

[illegible] (50 per cent of such net amounts

[illegible] ($5.[illegible] per ton.
[illegible] net amount of two dollars ($2.[illegible] per ton.
[illegible]

[illegible] gross receipts from sales of ore if not sold, the market [illegible] amount after it is mined in the form in which [illegible] and the place where it [illegible] which the mine is not disposed of [illegible] from mining [illegible] for percentage depletion purposes [illegible]

[illegible]

[illegible]

[illegible]

[illegible] the [illegible] required [illegible] shall [illegible] to [illegible] of, [illegible] by the Government, with- [illegible] follows:

[illegible] of eight dollars [illegible]

[illegible] (½) per cent [illegible] such net amounts exceed [illegible] per cent of such net amounts.

[illegible] dollars ($5.00) per ton. [illegible] per ton, three and one [illegible] (3½) [illegible]

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

[illegible] of its percentage royalty. The [illegible] shall have and is hereby granted a lien [illegible] Article 2 and upon any production of minerals therefrom, until the royalty [illegible] time [illegible] paid.

(d) The articles [illegible] be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

[illegible] All facilities, buildings, fixtures, equipment, or other items costing [illegible] or purchased with funds contributed jointly by the Operator and the [illegible], 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 [illegible] of the contract shall be disposed of promptly by the Operator for the [illegible] the Government and the Operator, either by return to the vendor, by sale to other [illegible] Operator, at a price at least as high as could otherwise be obtained, [illegible] interest of the Government, unless the Government, in writing, waives [illegible]. If necessary to accomplish such disposition, the Operator [illegible] land, and remove any such item, the cost thereof to [illegible] their respective interests. If the [illegible] Operator fails, neglects [illegible] of other [illegible] land, take possession [illegible] provided.