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DMEA
RECEIVED JUN 12 1957
DATE | INITIALS | CODE

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

George M. Hoffman
917 8th Avenue
Helena, Montana

pertaining to Exploration Project Contract No. Idm-2795, Docket No. DMEA-3303, including Amendment No. 1 and Termination Agreement dated June 21, 1956, for the months of August 1955 to May 1956, inclusive, covering a project for the exploration of uranium on property known as the White Pine Mine, located in Jefferson 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, consultation with the Executive Officer of the DMEA Field Team, Region I, Northwest District, and a determination of the reasonableness of the costs.

No audit was made for the following reason:

There was some question as to the legality of the mode of operating this project which has been fully covered by reports and letters in the project folders. Upon legal advice and a thorough examination by engineers of all operations and results therefrom, and upon recommendation of the Executive Officer, it was determined on April 25, 1957, by C. O. Mittendorf, Administrator, "that the exploration program work was performed according to contract specifications and should be and is hereby accepted by the Government."

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

Total cost as billed by contractor (Final Form MF-104)		$13,529.50
Exceptions (schedule attached):		
By DMEA Finance Officer	$(1.50)	
Herewith	-0-	-0-
Total Accepted Cost		$13,531.00

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 Ten thousand one hundred forty-eight and 25/100 Dollars

$10,148.25

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.

G. A. Turner, Auditor

May 16, 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1201 N. Division St.
Spokane 2, Washington

June 10, 1957

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DATE	INITIALS	CODE
6/12	JWD	220
		800

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

Dear Mr. Chambers:

Enclosed are three copies of Report of Review covering the George M. Hoffman contract, No. Idm-E799, Docket DMEA 3303. This is, indeed, an improvement over the first Report of Review mailed to your office and I thank you for your help in this.

I would have acknowledged this sooner, but I have been at Wallace, Idaho engaged in the Hecla Mining Company audit, Contract No. Idm-E732. This is a very complex set of records and difficult to audit in that it takes a great amount of time to unwind some of the entries and I expect to be in their office at least one more week and perhaps two.

Yours very truly,

C. A. Turner, Auditor

Enclosure

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

Re: Report of Review
George M. Hoffman
Docket DMEA-3303
Contract Idm-8799

Dear Mr. Turner:

I have taken the liberty to rewrite your Report of Review on the George M. Hoffman case because the statement in regard to the Administrator's findings, in my opinion, could be improved. I wanted to mention the fact behind the administrative determination were engineering, Executive Officer, and legal, as well as accounting advice and that the subject had been covered fully by reports and letters on the case. While doing this I also omitted a phrase in your introductory paragraph which stated an effective date of the termination agreement. No instructions had heretofore been set up in cases of this kind because they are so rare and no opportunity in your region so far as I remember has come up.

I am therefore returning your report along with my rewrite.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosure

JLChambers/wb
May 28, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

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800

1201 N. Division St.
Spokane 2, Washington

May 17, 1957

Mr. Charles A. Turner
DMEA Auditor, Region I
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. DMEA-3303 (uranium)
George H. Hoffman
White Pine Mine
Jefferson County, Montana
Contract No. Idm-5799

Dear Mr. Turner:

The project work under the referenced contract was completed to the satisfaction of the Government on May 18, 1956. (See Field Team letter to the Operator dated May 23, 1956.) The contract was terminated by mutual agreement on June 21, 1956 and made effective on May 19, 1956. A final inspection report on the project was submitted by John A. Beamber, Mining Engineer, Bureau of Mines, on June 14, 1956.

The Operator's final engineering and geological report was transmitted to the Field Team on June 1, 1956 and is considered as having met the requirements of Article 7(e) of the contract. (See Field Team letter of August 16, 1956 to Washington.)

Work under the contract was done on a maximum allowable cost basis. The Government has no equity in equipment, materials or supplies purchased for use on the project.

The project was unsuccessful in disclosing significant ore mineralization and a Certification of Discovery or Development will not be recommended.

Work units completed within the terms of the contract are as follows:

Stage I	Authorized	Completed
Replace track on adit dump	150 ft.	150 ft.
Excavate for and reset transformer	Job	Yes
Replace timber in adit	12 sets	12 sets
Condition access adit-portal to drift face on White Pine vein	600 ft.	600 ft.
Drift on White Pine vein	350 ft.	350 ft.
Timbering drift	350 ft.	222.1 ft.
Chemical analyses - U_3O_8, Pb, Zn	45	22
Geologist	18 days	18 days

Stage II		
Drifting	150 ft.	22 ft. (authorized)
Timbering	150 ft.	none
Raising	275 ft.	none
Chemical analyses	60	none
Geologist	18 days	none

It is now in order for you to issue your Report of Review.

By Field Team, Region I, NM District

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

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: DMEA (3)
USGS (2)
USBM (AD)
Docket

MAY - 1 1957

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

Re: Docket No. DMEA-3363 (Uranium)
George M. Hoffman
White Pine Mine
Jefferson County, Montana
Contract No. IAm-8799

Dear Mr. Weissenborn:

Attached you will find three copies of a "Memorandum for the Files", dated April 25, 1957, signed by G. O. Mittenhuber, Administrator. This memorandum is in the form of an administrative determination to close the project cited above.

Two copies are for the Field Team and one copy is for the Finance Officer's files. Mr. Chambers has already furnished the auditor with a copy.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

Frank D. Lamb
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Attachment

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. Kiilsgaard
Mr. Crawford
Mr. Ellis
Mr. Chambers

JLChambers/wb
April 30, 1957

APR 30 1957

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

Re: George M. Hoffman
Contract Idm-2799
Docket DMEA-3303

Dear Mr. Turner:

Reference is made to your letter of August 13, 1956, transmitting a Report of Review and the documents listed below concerning the above-cited project. The Report of Review was returned to you by our letter of September 20, 1956. I am enclosing the documents with this letter.

(1) Affidavit signed by T. V. Leonard, Vice President, Western America Uranium Exploration Corporation, and George M. Hoffman.

(2) Exploration Project Contract between George M. Hoffman, party of the first part, and Western America Uranium Exploration Corporation, second party.

(3) Supplemental Agreement between George M. Hoffman, party of the first part, and Western America Uranium Exploration Corporation, second party.

(4) Lease and Option to Purchase between George M. Hoffman and Elizabeth M. Hoffman, first party, and Western America Uranium Exploration Corporation, second party.

(5) Two copies of letter exchanges between Paul Dawson, President, Western America Uranium Exploration Corporation, and George M. Hoffman.

(6) A letter from T. V. Leonard, Vice President of the Western America Uranium Exploration Corporation to George M. Hoffman and Elizabeth M. Hoffman.

(7) A receipt acknowledging the sum of $3,401.00 signed by George M. Hoffman and given to the Western America Uranium Exploration Corporation.

In addition to the above articles I am sending you a copy of a letter dated March 13, 1957, from Paul Dawson, former president of Western America Uranium Exploration Corporation, to Mr. C. O. Mittendorf, giving his position on and understanding of the contract.

This contract has lingered unduly long in this office because there appeared to be several ways of settling it, and these various ways constituted the subject of a long line of discussions among the various divisions of this organization. It was finally decided that the case should be settled by administrative determination. Therefore, I am sending you a copy of such determination signed by C. O. Mittendorf, Administrator, for your file. Other copies for the region's files will be sent to the Field Team by the Operating Committee.

In making your Report of Review prepare it as any other Report of Review, except in the factual part merely show the total claimed by the Operator and in lieu of other information refer to the memorandum of administrative determination.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

JLChambers/wb
April 30, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

800

April 25, 1957

MEMORANDUM FOR THE FILES

PURPOSE: To make a determination of status and to close Docket No. DMEA-3303, Contract No. Idm-2799, George M. Hoffman

This contract was dated May 18, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and George M. Hoffman (Operator) to explore for uranium on certain land in Jefferson County, Montana, described in the contract and owned by said George M. Hoffman. The Government was required to contribute 75 percent of the cost and the Operator 25 percent.

The program of exploration as outlined in detail in Exhibit "A" of the contract consisted largely of drifting and rehabilitation of old works, and essentially was to be done by subcontracting to individuals or business concerns. The contract did not require the Operator to obtain bids, but it has been an administrative requirement that subcontracting be made on a bid basis.

George M. Hoffman, without asking for bids from several contractors, arranged with the Western America Exploration Corporation to do all the work without any contribution from the Operator. This company held an option to purchase the land after exploration was completed.

In a letter dated March 13, 1957, to the Administrator, Paul Dawson, president of Western America Exploration Corporation at the time the exploration was done under this contract, stated that the corporation promised Mr. Hoffman to furnish his share of the cost (25 percent), in lieu of paying a cash consideration for obtaining the option agreement. (An affidavit from the sub and the Operator also indicate the parties had an arrangement of this kind.) Mr. Dawson further wrote that his company's actual exploration cost was $22,000.00 and that it billed the U. S. Government for $13,329.50.

The Government's Executive Officer of the region apparently knew of the arrangement between the Operator and the subcontractor, having approved payment directly to the subcontractor, rather than to the Operator of the Government's share of the costs. In total, the Government accepted $13,531.00 of the billed amount as meeting requirements of the contract. The Government paid the sum of $9,898.26 on its share of the cost and withheld the sum of $250.00 pending the receipt of final engineering reports from the Operator.

The Administration's auditor found support for the amount claimed by Western America Exploration Corporation for the work billed the Government, but did not have access to the corporation's books for the balance. The corporation offered to open its books, which at the time were in its New Jersey headquarters, and did read the items and item costs over the telephone to the auditor.

The auditor sent to Washington a review of the contractor's accounts, and approved the amount claimed by the corporation and accepted by the Executive Officer, but recited departures from regular procedure in the conduct of the project, including the following:

1. Contract for work on a barter instead of a bid basis;

2. The contractor assuming the share of cost supposed to be paid by the Operator; and

3. The Executive Officer paying the Government's share of cost directly to the subcontractor at the request of the Operator rather than sending the money directly to the Operator.

The Field Team, in a letter of August 16, 1956, to the Operating Committee, accepted the final report of the project work and commented as follows:

"We do not contemplate recommending a certification of discovery or development as a result of contract work.

"The work was carried out in an excellent fashion and the Operator's monthly narrative reports were clear and informative; the geology was mapped quite adequately."

As stated above the Contract Administration and Audit Division examined the books of the company covering the work it billed the Government for, and also received telephoned information of the additional costs, and believes that the subcontractor did a good job. Further, it is the opinion of the Field Team, the Washington engineers who drew the contract and who reviewed the general results, that the exploration work was well done in accordance with the specification of the contract and at a fair price.

Had the parties requested of the Government approval of an assignment of the contract it would have been granted, as the sub was a more substantial business entity than the Operator, and the question would not have arisen concerning payment by the Operator of his share of the "costs." In effect, the actions of the Field Team regarding the subcontractor substantially amounted to treatment of the sub as the Operator.

The questions involved here were reviewed informally by Messrs. Chambers and Rubin with Mr. Peter, Assistant General Counsel, and Mr. Lynn, of the General Accounting Office, who indicated they foresaw no basis for objecting to the settlement of this docket as indicated herein.

In view of these facts I have administratively determined that the Government has not been harmed, and that the exploration program work was performed according to contract specifications and should be and is hereby accepted by the Government.

E. O. Mittendorf

Administrator

JLChambers/wb
April 25, 1957

Copy to: Docket
Admr. Reading File
Administrator
Fld. Tm. Reg. I NWD (2)
Mr. Ellis
Mr. Turner
Mr. Chambers

PAUL DAWSON
REAL ESTATE

TELEPHONE [illegible]
P. O. BOX [illegible]
BILLINGS, MONTANA

March 1[illegible], [illegible]57

[illegible] Mittendorf
[illegible]inerals Exploration Administration
[illegible]nited States Dept. of Interior
[illegible], [illegible]ton

[illegible]rf:

Re: D[illegible]
Geo. [illegible]
[illegible]

In reference to [illegible]
[illegible] Feb. 26, 1957, [illegible] Mr. [illegible]
[illegible] as follows.

[illegible] negotiat[illegible] Mr. [illegible]
[illegible] My feelings [illegible]
[illegible] question as to total cost of [illegible]
financial position in meeting his 5% interest [illegible]
[illegible]tract, we offered to spend that additional amount [illegible]
[illegible].

A total of $[illegible],000.00 [illegible] spent [illegible]
[illegible]ment. The United States Government [illegible]
[illegible], [illegible]0. Since the DMA contract was in [illegible]
[illegible] of the down payment by Mr. Hoffman [illegible]
[illegible]ct. If the [illegible] had be[illegible]
[illegible] results at an earlier stage Mr. Hoffman [illegible]
[illegible] time would have been the maximum one.

On the question of $75,000.00 or $[illegible] [illegible]
[illegible] for the property the contract read that if [illegible]
of [illegible],000.00 in five cash yearly payments of $10,000.00 we would
receive title to the property. If the property was paid for out
[illegible] 10% royalty payment the total price was to be $75,000.00.

The corporation retained Mr. Hoffman in the capacity
[illegible] since our geologist felt he was experienced as a miner
[illegible] information about the property would be useful.

If there is any further information that you [illegible]
[illegible] vise me of the same.

Yours very [illegible],

FEB 26 1957

Mr. T. V. Leonard
Western America of Montana, Inc.
P. O. Box 782
Helena, Montana

Registered Mail
Return Receipt Requested

Re: Docket No. DMEA-3303 (Uranium)
George M. Hoffman
White Pine Mine
Jefferson County, Montana
Contract No. Idm-E799

Dear Mr. Leonard:

I desire to take advantage of your kind offer in the last paragraph of your letter to me under date of November 23, 1956.

After a careful review of all the documents furnished this Administration re the above-cited contract, such as (1) the affidavit of August 7, 1956; (2) the exploration contract of August 1, 1955; (3) the supplemental agreement of August 15, 1955; (4) the lease and option to purchase of August 11, 1955, and various letters between Western American Uranium Exploration Corporation and George M. Hoffman, this Administration is still not convinced by the evidence submitted that the operator paid his 25 percent of the authorized and accepted costs of the project as required by the referenced DMEA exploration project contract. Rather, it appears that the Government actually paid the total cost.

For this reason I am asking you to request Paul Dawson, the former president of Western American Uranium Exploration Corporation, to furnish this office a step-by-step detail of the negotiations preceding the execution of the exploration contract and the lease option agreement between the corporation and George M. Hoffman. This detail should include the answers to such questions as, why the lease option agreement did not specify that a part of the consideration for it was that the operator would not have to pay your corporation his 25 percent share of the exploration costs, but did specify that the corporation was to pay to George M. Hoffman and wife 10 percent of royalty in the case ore was discovered or $50,000 to $75,000 in case the corporation decided to exercise its option; and why the corporation employed Mr. Hoffman for the sum of $1,900 to work on the project.

Any other information you have which may enable this Administration to determine the prime question of whether the Government paid all of the exploration costs allowable under the DMEA contract or whether it paid only its valid or proper 75 percent, should be included.

Sincerely yours,

E. O. Mittendorf

Administrator

JLChambers/wb
February 20, 1957

Copy to: Docket
Admr. Reading File
Mr. Johnson
Mr. Ellis
Mr. Chambers
Mr. Turner

RECEIVED
FEB 14 1957
ASSOC. SOLICITOR
MINERAL RESOURCES

Draft 2/12/57
J. Chambers/wb

Mr. George M. Hoffman
917 - 8th Avenue
Helena, Montana

Re: Docket No. DMEA-3303 (Uranium)
White Pine Mine
Jefferson County, Montana
Contract No. Idm-E799

Dear Mr. Hoffman:

The exploration contract of May 18, 1955, identified as Docket No. DMEA-3303, Contract No. Idm-E799, between the United States Government (through the Department of the Interior, Defense Minerals Exploration Administration) as the first party, and yourself (George M. Hoffman) as the second party, for exploration for uranium as outlined in a program set forth in Exhibit "A" of the contract provides among other things that the Government will contribute 75 percent of the costs actually incurred in prosecution of work accepted by the Government. Article 5 of the contract also makes all contributions by the Government under this contract provisional payments until the account between the Operator and the Government is finally audited and settled.

The Defense Minerals Exploration Administration auditors have concluded that the provisional payments on this project are not satisfactory in all respects because the evidence which you offered for your 25 percent portion of the costs was not adequate. This particular point was presented to our legal counsel who agreed with the auditors that satisfactory proof of your 25 percent contribution to the costs has not been presented. For this reason I have decided to give you an opportunity to submit further evidence that you actually bore 25 percent of the costs.

Legal disagreed. Letter never finished JFC

The conclusion of the auditors was premised, in part, on a finding that your lease given to the Western America Uranium Exploration Corporation permitted it to explore your land for mineral in consideration of a 10 percent royalty. The lease also gave the corporation an option to purchase your land for the sum of $50,000.00 if the option was executed within five years. It is our understanding that the corporation did so execute the option after the Executive Officer, DMEA Field Team, Region I, Northwest District, of the Defense Minerals Exploration Administration wrote you a letter stating that he would not recommend certification of a discovery.

Unless you present satisfactory proof of your 25 percent contribution to the costs of this project, it will be necessary for this Administration to refer the case to the Comptroller General of the United States for ~~his consideration and decision.~~ further action.

Administrator

or refund the indicated excess contribution by the Government of $2,28[illegible]

"Approved" Costs	$ 13,531.00
75%	10,148.25
75% of 75%	7,611.19
Paid Operator	10 148.25
	9,898.26
	$ 250 00
Overpayment.	$ 2,289.07

February 8, 1957

Memorandum

To: The Administrator

From: Ernest Wm. Ellis, Chief
Base and Nonmetallic Metals Division

Subject: Contract No. [illegible] (Terminal)
Contract No. [illegible]
George H. Rathman
White Pine Mine
Jefferson County, Montana

1. The contract to explore the property is dated May 18, 1955.

2. An investigation reveals that an agreement was signed by the Operator and the Western Nuclear Exploration Corporation on August 2, 1956, for the latter to do the exploration work as an independent contractor. The interim report, dated October 6, 1956, of Region 5, Exploration Division, states the Operator advised the Government that the work was to be done by an independent contractor.

3. The Contract Administration and Audit Division reports their investigation indicates that the independent contractor actually expended more for the value of work completed than was allowed in the contract and paid by the Government. The Field Note, in their letter, dated August 14, 1956, accepted the Operator's Final Report and stated "It is not contemplated recommending a certification of discovery or development as a result of contract work.

"The work was carried out in an excellent fashion and the Operator's monthly interim reports were clear and informative; the geology was mapped quite adequately."

Did the approved work was done in a satisfactory manner by an independent contractor approved by the Executive Officer, and the actual cost each of the work completed appears to have exceeded the cost allowed in the contract. All of the information indicates that the Government received full value for the work of the value of work approved by the Field Note, but because the work of the independent contractor was approved by the Executive Officer which for which the Executive Officer's delegated authority, we see no objection in this connection.

Therefore, it is recommended that the project work completed be approved and accepted as provided for in the contract.

Ernest Wm. Ellis

Ernest Wm. Ellis

Mr. Chambers

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

NOV - 9 1956

Western American of Montana
Box 782
Helena, Montana

Registered Mail
Return Receipt Requested

Re: Docket No. DMEA-3903 (Uranium)
George M. Hoffman
White Pine Mine
Jefferson County, Montana
Contract No. [illegible]

Gentlemen:

Some questions have been raised in regard to the project cited above on which your predecessor, the Western American Uranium Exploration Corporation, was listed as the independent contractor. It would save a great deal of trouble and may expedite the settlement of this case if you will answer the following questions:

1. What was the total cash payments you received for the exploration work on this contract broken down as follows: (a) from the Government, and (b) from George M. Hoffman?

2. What portion if any of the above amounts was used for any items not specified in the Government's exploration contract?

3. How much did you pay George M. Hoffman for the lease of the land on which this work was done?

4. What work did George M. Hoffman do for you on the contract?

5. How much did you pay George M. Hoffman for these services?

6. On what day was the independent contract for the exploration work between George M. Hoffman and yourself drawn up and signed?

7. Did not "Lease and Option to Purchase" of August 1, 1955, (paragraph 3, 4 and 5), contain your promise to search for minerals?

8. Have you taken advantage of the option? If so, at what time?

9. On or about what date did you first learn that the Government was to contribute to the cost of an exploration project on the Hoffman land?

10. Was this Government contract a consideration in connection with your executing the lease and option to purchase with Mr. Hoffman?

We shall appreciate an early reply, giving any additional information you may have which bears upon this matter.

A copy of this letter is being sent to Alscope Explorations, Ltd., Room 909 County Bank Building, Passaic, New Jersey.

Sincerely yours,

Frank E. Johnson

Acting Administrator

JLChambers/wb
November 9, 1956

Copy to: Docket
Admr. Reading File
Mr. Johnson
Mr. Ellis
Mr. Chambers
Mr. Turner

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

Memorandum

To: Mr. Robert P. Dwyer, Associate Solicitor
Division of Mineral Resources

From: Administrator

Subject: Docket No. DMEA-3303 (Uranium)
George M. Hoffman, White Pine Mine
Jefferson County, Montana, Contract No. Idm-E799

Attached you will find the files for project listed above. I wish to call your attention particularly to letters written by the Chairman of the Operating Committee and by the Chief, Contract Administration and Audit Division, to the Executive Officer and the auditor, respectively, located in Spokane, Washington.

The Operator of the project, George M. Hoffman, claims that he gave the lease to the Western American Exploration Corporation as his part of the cost of exploration. The Audit Division has made some inquiry as evidenced in the letter dated October 12 from C. A. Turner, regional auditor, to Jay L. Chambers, Chief, Contract Administration and Audit Division, which I am sending you.

If you will be kind enough to go through the files and give us your opinion whether there is anything more which we should do (or whether the project was carried out according to law), I shall appreciate it.

Administrator

Attachments

This memorandum returned by Mr. Rubin with the oral instruction that the case should be determined administratively.

RECEIVED
OCT 22 1956
ASSOC. SOLICITOR
MINERAL RESOURCES

Typed Oct. 19, 1956

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

RECEIVED
OCT 15 1956

October 12, 1956

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

Re: George M. Hoffman
Idm-E799, DMEA 3303

Dear Mr. Chambers:

Pursuant to the instructions in your letter of September 20, 1956, I went to Helena, Montana, to audit the records of George M. Hoffman, Contract No. Idm-E799, DMEA 3303, as well as those of the independent contractor, Western America Uranium Exploration Corporation. They did not have any knowledge of my coming until I walked into the office of the Western America Uranium Exploration Corporation. Mr. Hoffman does not have an office of his own, but did come to the Uranium Company office when telephoned. Mr. John Bowsher, Mining Engineer, accompanied me on the audit.

George M. Hoffman

Mr. Hoffman's records consist of one legal size manila filing cabinet folder which contains the following:

1. The Exploration Project contract and Amendment No. 1.
2. Termination Agreement
3. Copies of Forms MF-104 submitted
4. Copies of the various contracts between George M. Hoffman and the Western America Uranium Exploration Corporation
5. Various correspondence concerning the contract.

The only actual cost records kept on the exploration project were by the Western America Uranium Exploration Corporation.

Western America Uranium Exploration Corporation

The Western America Uranium Exploration Corporation performed the exploration work and kept the cost records. Mr. George M. Hoffman acted as a foreman in the employ of the Uranium Company from August 1, 1955 until December 15, 1955.

On June 12, 1956 the Western America Uranium Exploration Corporation merged with

Alscope Explorations, Limited
111 Thompson Building
Edmonton, Alberta, Canada

The Western America Exploration Corporation changed its name Sept. 1, 1956 to

Western America of Montana
Box 782, Helena, Montana

During the process of the merger all of the permanent records of the Western America Uranium Exploration Corporation with the exception of items such as the foreman's pocket time books, copies of the various State and Federal reports, and some correspondence, were surrendered to the parent company, Alscope Explorations, Limited, whose American address is Room 909, County Bank Building, Passaic, New Jersey. The records are in the custody of Mr. Joseph Waters, public accountant.

Alscope Explorations, Limited, now have the records prior to the merger and are maintaining the current records.

The records remaining in the Helena office were examined.

The foreman's pocket time book contained the employee's name, rate and amount earned. The time book did not give the classification of labor or the location worked. Payroll checks were not available. Labor as shown by the time books, some of which might be questionable, was found to be

Labor	$10,783.00
Supervision	1,800.00
Geologist	500.00
Total	$13,083.00

Supervision was the wages of Mr. Hoffman, August 1, 1955 to December 15, 1955, while in the employ of the independent contractor.

Payroll taxes and industrial insurance were found by the correspondence file to be 5% and 8% respectively. These were not computed due to the uncertainty of the accuracy of the labor records.

There were no records available pertaining to the supply items, these records are all in the New Jersey office. However, Mr. T. V. Leonard,

President of Western America of Montana, telephoned the Eastern office and the following supply items are the result of the conversation:

Timber	$ 829.39
Explosives	719.00
Bits	39.40
Drill Steel	87.93
Nails, Bolts and Hardware	29.11
Air Pipe 2", 350 feet	115.50
Water Pipe 1" plastic, 900 feet	180.00
Canvas Air Ducts 1000 feet	1,500.00
Metal Air Duct 1200 feet	960.00
Electric Power	688.53
Gas, Oil, Grease and Diesel Fuel	1,026.91
Rail, 25# - 600 feet	78.75
Rail, 16# - 280 feet	49.72
Assays	92.00
Compressor Rental	1,350.00
Total	$7,746.24

Jefferson County Records
Boulder, Montana

Have recorded the following on October 3, 1956.

1. Lease and Option to Purchase
   Book 8 of Miscellaneous, page 459
2. Re Lease and Option to Purchase in letter form
   Book 8 of Miscellaneous, page 475
3. Termination of Exploration Project Contract
   Book 8 of Miscellaneous, page 476

Note: These records are in your possession.

My conclusions are that the records in the possession of the Western America of Montana, (the independent contractor), and those of George M. Hoffman (the Operator) are of little value to determine the actual costs of the exploration project. The records in the possession of the New Jersey office might be of some help.

May I please have your suggestions.

Yours very truly,

C. A. Turner, DMEA Auditor

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

1201 N. Division St.
Spokane 2, Washington
September 25, 1956

RECEIVED
SEP 27 1956

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

Re: Idm-E799, DMEA-3303
George M. Hoffman

Dear Mr. Chambers:

This will acknowledge your instructions regarding the George M. Hoffman contract, No. Idm-E799, Docket No. DMEA-3303, contained in your letter of September 20, 1956.

I am at the present time involved in the final audit of the Whitedelf Mining and Development Co., Contract No. 189, Docket No. DMA 255X. I hope to get the field work done this week and plan to get on the Hoffman contract about October 1, 1956.

Yours very truly,

C. A. Turner, Auditor

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

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

SEP 21 1956

Re: Docket No. DMEA-3303 (Uranium)
George M. Hoffman
White Pine Mine
Jefferson County, Montana
Contract No. Idm-2799

Dear Mr. Weissenborn:

This case was referred to the Associate Solicitor of the Department for advice and counsel because the owner of the land claimed that he paid the Western Uranium Exploration Corporation in kind, i. e., the privilege of leasing his land. The lease itself made no claim for this type of remuneration but plainly stated that the owner was to get 10 percent royalty on with an option to purchase at the price of $50,000 within five years or $75,000 within ten years.

The Associate Solicitor has requested further information in a memorandum to the Administrator under date of September 17, 1956. Mr. Chambers, Chief of the Contract Administration and Audit Division has written to his auditor, Mr. Turner, requesting the type of information which legal desires. Two copies of this letter were forwarded to you at the time Mr. Turner's letter was mailed to him. Two copies of the memorandum of the Associate Solicitor are attached.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

APPROVED:

J. W. Pennington
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Attachment

JLChambers/wb 9-21-56

Copy to: Docket
Admr. Reading File
Operating Committee
J. E. Crawford, USBM
T. H. Kiilsgaard, USGS
E. W. Ellis
J. L. Chambers
C. A. Turner

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

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

SEP 2 0 1956

Re: Km-8799, DMEA-3303
George M. Hoffman

Dear Mr. Turner:

When I was in Spokane a few days ago we talked about the above-cited project, and whether or not Mr. George M. Hoffman actually did get as partial cost for leasing his land, free service in carrying out the provisions of the contract.

It is my opinion that the only way we will be able to settle the problem is to examine the books of Mr. Hoffman and the Western Uranium Exploration Corporation. So I am suggesting that you make a trip for this purpose as soon as feasible without letting them know in advance of your coming.

For your information I am sending you a copy of an opinion rendered by the Associate Solicitor in regard to the legality of these transactions. The Operating Committee is also sending a copy to Mr. Weissenborn.

You will also find returned herewith your Report of Review on the project. It is noted that you added $1.50 to the claim of the contractor making the amount $13,531.00, but in the Schedule of Exceptions this amount appears to have been added by the Certifying Officer. If this be the case this should be shown in your Report of Review under the line item "Exceptions", as a credit.

It is hoped that you can review the books of both Hoffman and the Western Uranium Exploration Corporation to see whether or not their books reflect such transactions currently or whether they were an afterthought to the deal. Before final audit is made you should actually examine the books of the contractor and the subcontractor to determine the facts in same. This should be written as an audit report.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure:

JLChambers/wb
September 19, 1956

Copy to: Docket
Admr. Reading File
Mr. Weissenborn
Mr. Chambers

P.S. Papers forwarded to this office relating to this case will be returned to you when the subject has been fully decided.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

SEP 17 1956

Memorandum

To: The Administrator, DMEA

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. DMEA-3363, George H. Redman, Contract Ida-8288 Uranium

Your memorandum dated August 21, 1956, requested our view on a question raised by a letter dated August 13, 1956, to the Chief, Contract Administration and Audit Division, from Mr. C. A. Turner, Auditor. That letter referred to an audit Report of Review covering the subject contract and pointed out that the Government's 75 percent contribution to the costs of the work performed by the independent contractor was paid to the independent contractor, Western Uranium Exploration Corporation, but that the Operator instead of paying its 25 percent share of the costs billed to the Government granted the independent contractor a lease and option to purchase certain claims owned by the Operator. An affidavit executed by both of these parties, with attached exhibits, were enclosed with Mr. Turner's letter.

We have reviewed the enclosures referred to above and, with respect to the question of payment of the Operator's share of the costs, they appear to disclose the following:

(a) The affidavit recites that in an agreement of August 1, 1955, with the Operator, the independent contractor undertook to perform all the work in the Government exploration project contract, and that, at the same time, these parties executed a lease-option agreement with the understanding that payment of 25% of the costs due the independent contractor from the Operator would not be made by the Operator, such percentage of the costs being a consideration to the Operator from the independent contractor for the granting of the lease-option rights.

(b) The independent contract (Exhibit "A" to the affidavit) recites that the considerations for entering

J. L. Chambers

into it are the terms, conditions, and schedule of payments stated therein. The independent contract covered all the work in the Government exploration contract and adopted as a schedule of prices for such work all the maximum unit prices scheduled in the Government contract for the same work. This agreement also provided with respect to payment that the Government would be instructed to pay its 75 percent share of the costs directly to the independent contractor and that the independent contractor would issue a receipt to the Operator for said payment.

(c) In a Supplemental Agreement dated August 13, 1955 (attached as an exhibit to the independent contract but not referred to in the affidavit), the independent contractor agreed to furnish the Operator with a receipt for the total costs of work performed in a prior month, in return for payment to the independent contractor of 75 percent of the costs of said work. On the face of this agreement, the independent contractor agreed to give up its right to payment of the Operator's 25 percent share of the costs without gaining anything in return, an arrangement of doubtful legal effect.

(d) The lease-option agreement (Exhibit B), covering the Eagle's Nest and B & G claims, executed August 1, 1955, recites that it was granted "for and in consideration of the rents and royalties, covenants and agreements" described therein. This agreement was to become effective when the lease-option agreement covering the land described in the subject contract became effective. No copy of the letter agreement was submitted with the affidavit. A letter dated February 13, 1956, from the independent contractor (Exhibit C) agreed to a change of the exercise date to the date when the Government exploration contract was completed.

(e) Lastly, the affidavit refers to a receipt, dated June 21, 1956 (Exhibit F), signed by the Operator, which recites that the Operator received from the independent contractor the sum of $3,481.80 as a consideration for the execution of the lease-option agreement (item (d) above), such sum representing the exact amount of the Operator's share of the claimed costs of the work under the subject exploration project contract with the Government.

From our review of the above-described exhibits, it is our opinion that they do not establish as a fact the alleged arrangement of the parties that "payment" of the Operator's share of the costs is

represented by the lease-option agreements granted to the independent contractor in lieu of payment, since none of the various exhibits, discussed in subparagraphs (a) through (d) above, mention the execution of the lease-option agreement as being consideration for the Operator's share of the costs. The receipt executed by the Operator after the contract was terminated, in the exact amount of the Operator's share of the claimed costs of the work, is of doubtful evidentiary value on this point.

Accordingly, it is suggested the Operator be informed that the Government has not been convinced by the evidence submitted that the Operator paid its share of the costs of the work, and that unless this fact can be established by more substantial evidence, the Government will be required to ask for an adjustment of the payments made under the subject contract.

Robert P. Dwyer

Robert P. Dwyer

RCRubin/cmd

Copy to: Solicitors Docket (2)
MMEA docket
E. W. Ellis
J. L. Chambers
G. C. Selfridge
R. P. Dwyer
R. C. Rubin
chron.

Mr. Chambers

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

AUG 21 1956

Memorandum

To: Mr. Robert F. Dwyer, Associate Solicitor
Division of Mineral Resources

From: Administrator

Subject: Docket No. DMEA-3303 (Uranium)
George M. Hoffman, White Pine Mine
Jefferson County, Montana, Contract No. Lim-2799

The subject contract, executed on the long-form (MF-200, Revised June 1956), provides for the Government to contribute 75 percent of the allowable costs set forth in Exhibit "A" under categories (1) Independent Contracts, plus the incidental costs of technical services and chemical analyses under categories (2) and (7).

The exploration work was performed by the Western American Uranium Exploration Corporation under a subcontract at the maximum unit costs specified in the DMEA exploration project contract for the items under categories (1) (2) and (7). It appears, however, that despite the terms of the subcontract the Operator, George M. Hoffman, paid no money at all but was able to get the independent contractor to perform the work for the Government's 75 percent participation. It seems, also, that in lieu of his 25 percent contribution the Operator gave the subcontractor a lease with option to purchase on the basis of a 10 percent royalty on a $50,000 purchase price if option was taken up within 5 years or a $75,000 price if exercised within 10 years.

The question arises as to whether the Government should have paid its 75 percent participation on the basis of the full amounts claimed by the Operator, such claims having been made at the unit rates specified in the exploration project contract and the independent contract. This matter is referred to you for an answer at the request of the Contract Administration and Audit Division.

In connection therewith there are attached, in addition to the docket file, the original or a copy of each of the following documents obtained from the Operator and subcontractor:

(a) An affidavit sworn to on August 7, 1956, by the Operator and the subcontractor;

(b) An exploration project contract executed August 1, 1955, by the same parties;

(c) A supplemental agreement executed August 15, 1955;

(d) A lease and option to purchase executed by the same parties under date of August 1, 1955;

(e) A letter dated February 15, 1956, addressed to the Operator by the subcontractor changing the date of the lease and option to purchase to the "date of completion" of the DMEA contract;

(f) A letter dated May 26, 1956, addressed to the subcontractor by the Operator advising of the completion of the DMEA contract;

(g) A letter dated June 4, 1956, from the subcontractor giving Operator 15 days notice of intent to place in effect the lease and option to purchase; and

(h) A receipt, given the subcontractor by the Operator under date of June 21, 1956, for $3401.00 (the equivalent of the Operator's contribution to the claimed costs) in "payment of the consideration for the execution of that certain Lease and Option to Purchase."

It is requested that these documents be returned with your reply.

C. O. Mittendorf

Administrator

Attachment

EDTalbert/wb
August 17, 1956

Copy to: Docket
Admr. Reading File
Mr. Ellis
Mr. Chambers
Mr. Turner

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

RECEIVED
AUG 15 1956

August 13, 1956

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

Re: Docket No. DMEA 3303
Contract Idm-E799
George M. Hoffman

Dear Mr. Chambers:

Three copies of Report of Review covering the George M. Hoffman contract No. Idm-E799, Docket No. 3303, are enclosed.

I wish to call your attention to certain facts pertaining to this contract.

Mr. Hoffman contracted the exploration work to the Western America Uranium Exploration Corporation (who acted in the capacity of an independent contractor) at the prices in Exhibit "A" of the contract. The Western Uranium Exploration Corporation received 75% (or the amount contributed by the Government) for completion of the exploration work. The balance due the Western Uranium Exploration Corporation (25%, or Hoffman's share of the exploration expenses) was paid by Hoffman by giving a Lease and Option to Purchase the property upon completion of the exploration work.

The Western Uranium Exploration Corporation have taken advantage of the option.

This seemed like such an unusual situation I went to Helena and interviewed both Mr. George M. Hoffman, the operator, and Mr. T. V. Leonard, Vice-president of the Western Uranium Exploration Corporation.

Copies of the various contracts between Hoffman and the Western Uranium Exploration Corporation are enclosed.

The above facts were discussed in full with Mr. Weissenborn.

Will you please return the contracts to be filed with my audit work papers?

Yours very truly,

C. A. Turner

C. A. Turner, Auditor

RECEIVED
JUL 19 1956

xxxxxxxxxxxxxxxx
1201 N. Division Street
Spokane 2, Washington

July 16, 1956

rge M. Hoffman
- 8th Avenue
elena, Montana

Re: Docket No. DMEA 3303 (Uranium)
Contract Idm-E799
Monthly operating reports for
April and May 1956.

Dear Mr. Hoffman:

The subject monthly operating reports have been processed and forwarded to the Disbursing Officer at Portland, Oregon, for payment.

As the contract has been terminated and the May MF-104 is the final voucher to be submitted, it is necessary that we withhold a portion of the Government's contribution to project costs until a final audit of the Operator's records can be made and a final report summarizing and evaluating the results of the work done under this exploration project has been received. The amount being withheld is $250.00.

By Field Team, Region I, NW District

cc: DMEA (2)
USGS (2)

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

Donald R. MacLaren, Acting Member
U. S. Geological Survey

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

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

Bu. Vou. No. 1997

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

Voucher prepared at Spokane, Washington 6/21/57
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E799

To Western America Uranium Exploration Corporation
(Payee)

1010 - 11th Ave. Helena, Montana
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	May 1956	Balance withheld under Voucher No. 1819 paid July 13, 1956, adjusted to adult				249	99
PAYMENT: Complete ☐ Partial ☐ Final ☐		FINAL PAYMENT					
		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	249	99

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

(Sign original only)

Date ..... *Payee .....
(This certificate not required when a like certificate is made by payee on attached bill or bills)

Per ..... Title .....

(Payee must NOT use this space)

Differences .....

Account verified; correct for 249 99

(Signature or initials) .....

Contract No. Date Req. No. Date Invoice Rec'd.

Pursuant to authority vested in me, I certify that this account is correct and proper for payment.

† Approved for $ 249.99

By .....

Title .....

SIGN ORIGINAL ONLY

† .....
(Authorized Certifying Officer)

Title .....

Date .....

THE REVERSE OF THIS FORM MUST BE EXECUTED WHEN PURCHASES ARE MADE OR SERVICES SECURED WITHOUT WRITTEN AGREEMENT IN ANY FORM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount

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

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

Payee .....
(Sign original only)

Per .....

Title .....

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

16—22900-3

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

16—22900-2 ☆ U. S. GOVERNMENT PRINTING OFFICE : 1950—O-75806

RECEIVED

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 1957
DATE 6/27 C CODE 220 800

1201 N. Division St.
Spokane 2, Washington

June 20, 1957

Mrs. Dorothy Long, Certifying Officer
DMEA Field Team, Region I, NW
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. DMEA-3303 (uranium
George M. Hoffman
White Pine Mine
Jefferson County, Montana
Contract No. Idm-2799

Dear Mrs. Long:

The work completed under the contract was done to the satisfaction of the Government. The contract was terminated by mutual agreement on June 21, 1956 and made effective on May 19, 1956. A final report evaluating the results of the exploration program has been presented by the Operator and accepted by the Executive Officer.

The Government has no interest in supplies or equipment purchased for use on the project.

Certification of Discovery or Development will not be recommended.

A final Report of Review dated May 16, 1957 by DMEA Auditor C. A. Turner has been received.

As all contract requirements have been met, it is requested that final settlement of our account with the Operator be made.

Sincerely yours,

A. H. Weissenborn, Exec. Officer
DMEA Field Team, Region I, NW Dist.

cc: DMEA (2)
USGS (2)
Contract Admin.
Docket

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

JUN 21 REC'D

Budget Bureau No. 42-R1036.5

RECEIVED

JUL 10 1956

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

Month of May, 1956 Docket No. DMEA 3303 Contract No. E799
Operator's Name George M. Hoffman Minerals Uranium
Address 917 8th Ave., Helena, Montana
Contract Amount, $ 26025.00 Government Participation: 75 % Amount, $ 19518.75

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contracts:						
Short Form						
excavate for						
Light transformer	-0-	22.50	22.50		22.50	22.50
Bulldozing track on dump	-0-	127.50	127.50		127.50	127.50
condition adit	-0-	300.00	300.00		300.00	300.00
Drifting 34 ft.	1020.00	10140.00	11160.00	1020.00	10140.00	11160.00
adit timber sets	-0-	300.00	300.00		300.00	300.00
drift timber-cort	300.00	800.00	1100.00	300.00	800.00	1100.00
(2) Labor and Supervision:						
Labor Geologist	-0-	450.00	450.00			
Supervision						
Technical Services					450.00	450.00
(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	-0-	69.50	69.50		71.00	71.00
Payroll Taxes						
Liability Insurance						
Voucher correction for assays--instead of $144.00 as previously reported the correct amount is $69.50. Over-vouchered $74.50						
(8) Contingencies (specify):						
TOTALS	1320.00	12209.50	13529.50	1320.00	12211.00	13531.00

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

Date 6/6/56 *Payee George M. Hoffman
GEORGE M. HOFFMAN
Per _____ Title Owner

*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) withheld 990.00 250.00 740.00

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

$ 740 00

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

Date 7-13-56 Vou. No. 1819
(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. E799 in accordance with the terms of the contract.

Signature 1st John a Bowsher Title Mining Engr. Date 7-5-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 1st Wing G Agnew Title Acting Exec. Date 7-12-56

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-R1151.2

JUN 21 REC'D

RECEIVED
JUL 19 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 195 6 Docket No. DMEA 3303 Contract No. E799
Operator's Name George M. Hoffman Minerals Uranium
Address 917 8th Ave., Helena, Montana

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
excavate for			-0-				Stage	I
transformer	XXXX	-0-	~~22.50~~	22.50	1		1	22.50
Drifting		1020.00	34	11160.00	372		350	30.00
track on dump		-0-	-0-	127.50	150		150	0.85
condition adit		-0-	-0-	300.00	600		600	0.50
adit timber		-0-	-0-	300.00	12		12	25.00
Drift timber		300.00	60	1100.00	220		350	5.00
Geogolist Eng.		-0-	-0-	450.00	18		18	25.00
Analysis		-0-	-0-	69.50	19		65	6.00
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1320.00		13529.50				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1320.00		13529.50				

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 6/6/56 Operator George M. Hoffman
GEORGE M. HOFFMAN
Per Title Owner

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)

151 John A Bowsher

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 872894

JUN 21 1956

RECEIVED
JUL 10 1956

P. O. Box 752
Helena, Montana

To: Mr. John A. Bousher
United States Bureau of Mines
Administration Building
c/o Montana School of Mines
Butte, Montana

From: Richard N. Miller
Geologist, Western America
Uranium Exploration Corp.

Date: June 1, 1956

Subject: Narrative Report (final report)
for May, 1956
Docket No. DMEA 3303 (uranium)
White Pine Mine
Jefferson County, Montana

Prior to government withdrawal on May 18, 1956, from the uranium exploratory project on the White Pine property, the following underground work and work of a geological nature was accomplished.

(1) Underground

The drift on the present working level was advanced an additional 34' (12' --BM 709 plus 338-350---Stage I; and 22' --BM 709 plus 350-372 (face)---Stage II). New timber was also added to the following intervals (none in Stage II portion of drift); BM 709 plus 128-137 (9'); BM709 plus 179-194 (15'); and BM 984 plus 36 (30')---Total-60 linear feet.

(2) Engineering and Geological

(a) Structure--The White Pine structure is moderately weak within the final 34' of drift. Some jointing cuts the interval, but no strong systems were noted.

(b) Wall-rock Alteration--Fresh unaltered biotite is still present in the somewhat altered quartz monzonite adjacent to mineralization, testifying to the overall degree of alteration. The alteration extends only a short distance.

(c) Mineralization

Uranium--Radioactive vein material was not disclosed in the 34 foot interval.

Base Metals--Sulfides of iron, lead, and zinc occur only sparsely throughout the interval, with mineralization of any kind extending over thicknesses of only 2-5 inches.

(d) Assays--No additional samples have been cut for assay, as the strength of mineralization throughout the interval was not sufficient to warrant it.

(e) Maps----The transit survey of the underground workings has been completed to the face. A copy of the amended mine map illustrating the last of the underground work, and the intervals that have been newly timbered, is enclosed. Copies of the completed underground geological map are attached also.

(f) Final Report--As per government regulations regarding DMEA loans, a geologic and engineering report concerning the findings obtained from the 372' of exploratory drift will follow.

Respectfully submitted,

Richard N. Miller

Richard N. Miller
Geologist

cc

P. O. Box 782
Helena, Montana

JUL 19 1956

Mr. George M. Hoffman
917 - 8th Avenue
Helena, Montana

Re: Docket No. DMEA 3303 (uranium)
Engineering and Geological Work
White Pine Mine
Jefferson County, Montana

Dear Mr. Hoffman:

Engineering and geological work accomplished on the White Pine property in the month of May amounts to the following:

(1) The 34' (12' --Stage I; 22' --Stage II) of drifting completed prior to government withdrawal from the exploration project on May 18, 1956, has been mapped and studied.

(2) The transit survey of the White Pine underground workings has been completed and the mine map amended to show the newest advance and additional timber.

Throughout the last 34' of drifting, the White Pine structure has remained moderately weak, and the base metal mineralization disclosed therein is weak to absent. Wall-rock alteration throughout the interval is also weak, and no radioactive vein material exists.

As per government regulations, a final report on the uranium exploration project, including an analysis of the findings obtained in 372' of eastward advance on the White Pine structure, will follow.

Respectfully submitted,

Richard N. Miller

Richard N. Miller, Geologist

cc

RECEIVED
JUL 19 1956

xxxxxxxxxxxxxxxx
1201 N. Division Street
Spokane 2, Washington

July 16, 1956

Mr. George M. Hoffman
917 - 8th Avenue
Helena, Montana

Re: Docket No. DMEA 3303 (Uranium)
Contract Idm-E799
Monthly operating reports for
April and May 1956.

Dear Mr. Hoffman:

The subject monthly operating reports have been processed and forwarded to the Disbursing Officer at Portland, Oregon, for payment.

As the contract has been terminated and the May MF-104 is the final voucher to be submitted, it is necessary that we withhold a portion of the Government's contribution to project costs until a final audit of the Operator's records can be made and a final report summarizing and evaluating the results of the work done under this exploration project has been received. The amount being withheld is $250.00.

By Field Team, Region I, NW District

cc: DMEA (2)
USGS (2)
Wash. (2)
JAB
AD

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

Donald R. MacLaren, Acting Member
U. S. Geological Survey

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

W

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 19 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1956 Docket No. DMEA 3303 Contract No. E799
Operator's Name George M. Hoffman Minerals Uranium
Address 917 8th Ave., Helena, Montana
Contract Amount, $ 26,025.00 Government Participation: 75 % Amount, $ 19,518.75

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contracts: Short Form						
excavate for transformer	-0-	22.50	22.50		22.50	22.50
Drilling						
track on dump	-0-	127.50	127.50		127.50	127.50
Bulldozing						
condition adit	-0-	300.00	300.00		300.00	300.00
Crosscutting						
Drifting 105 ft.	3150.00	6990.00	10140.00	3150.00	6990.00	10140.00
adit timber sets	-0-	300.00	300.00		300.00	300.00
drift timber-78 ft	390.00	410.00	800.00	390.00	410.00	800.00
(2) Labor and Supervision:						
Labor Geogolist	-0-	450.00	450.00			
Supervision						
Technical Services					450.00	450.00
(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 9	54.00	90.00	144.00	1.00	72.00	71.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
	3594.00	8690.00	12284.00			
TOTALS				3539.00	8672.00	12211.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 5/5/56 *Payee George M. Hoffman
GEORGE M. HOFFMAN
Per Title Owner

*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:

$ 2654 25

Signature M JP
(Authorized Certifying Officer)

Date 7-13-56 Vou. No. 1819
(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 799 in accordance with the terms of the contract.

Signature (S) Eldon C Pattee Title Mining Eng. Date 5-21-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature (S) Wm G Agnew Title Acting Exec Date 7-12-56

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 1962)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 10 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1956 Docket No. DMEA 3303 Contract No. E799
Operator's Name George M. Hoffman Minerals Uranium
Address 917 8th Ave., Helena, Montana

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract Stage I Units	Authorized by Contract Stage I Unit Costs
Drifting excavate for transformer		-0-	-0-	22.50	1		1	22.50
Cross Cut Drifting		3150.00	105	10140.00	338		350	30.00 ft
Rail track on dump		-0-	-0-	127.50	150		150	0.85 ft
Shaft condition adit		-0-	-0-	300.00	600		600	0.50 ft
Winze adit timber		-0-	-0-	300.00	12		12	25.00 st
Drift timber		390.00	78	800.00	160		350	5.00 ft
Geologist Eng.		-0-	-0-	450.00	18		18	25.00 da
Analysis		54.00	~~9~~	~~144.00~~	~~24~~ 22		65	6.00 ea
Stripping		100.00		71.00				
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		3539.00 ~~3594.00~~		12284.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		3539.00 ~~3594.00~~		12211.00 ~~12284.00~~				

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

Date 5/5/56 Operator George M. Hoffman
GEORGE M. HOFFMAN
Per Title Owner

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)

/s/ Eldon C. Pattee

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 872894

P. O. Box 782
Helena, Montana

RECEIVED
JUL 1 0 1956

To: Mr. John A. Bousher
United States Bureau of Mines
Administration Building
c/o Montana School of Mines
Butte, Montana

From: Richard N. Miller
Geologist, Western America
Uranium Exploration Corporation

Date: May 3, 1956

Subject: Narrative Report for April 1956
Docket No. DMEA 3303 (Uranium)
White Pine Mine
Jefferson County, Montana

Work accomplished on the White Pine property during the month of April 1956, consists of drifting, drift timbering, and the necessary engineering and geological work. A brief description of the underground work, and of the structure and mineralization thus disclosed appears below. Information regarding assays and the analytical results on additional water samples is included also.

(1) Underground

(a) Drifting - An additional 105 feet of advance has been made on the White Pine vein (338 feet - total advance to 5-1-56).

(b) Timbering - An additional 78 feet of the drift has been timbered. The newly timbered intervals are: (footage east of BM 709) 23-36 (13'); 112.8-128.2 (15.4'); 136.9-161.5 (19.6'); 167.8-179.5 (11.7'); and (footage east of BM 719) 23.8-41.9 (18.1').

(2) Engineering and Geological

(a) Structure - The White Pine fissure system continues moderately strong throughout all of the newly opened interval. Weak cross-fracturing cuts but does not displace the main fissure in the interval 84-109 (footage east of BM 719). This zone also comprises a water course. Southerly dips, to attitudes that are nearly vertical, characterize the newly explored interval. The system consistently exhibited dips to the north in the interval opened early in the contract work. This reversal of direction of dip on the main White Pine structure appears to have had some localizing control on mineralization.

(b) Mineralization

Uranium No radioactive vein material was discerned in the interval explored during the month of April.

Base Metals

In the interval 20-80 (footage east of BM719), the sulfide content within the vein remains moderately high, with local increase and decrease in the amount of galena and sphalerite (note enclosed assay results). Mineralized thicknesses up to 15 and 16 in. occur locally, but the average thickness along the interval is somewhat less than this. Interval 80-100

is almost void of sulfides. However, beyond this to the present face, a slight increase is again noted and this in the form of small veinlets and stringers.

(c) Assays The table appearing below contains all assay data not reported previously (assay sheets enclosed).

Sample Number	Sample Interval In Feet	Au, oz;	Ag, oz;	Pb,%;	Zn, %;	U_3O_8,% (chem)
WP-U-9	1.4					0.04
WP-U-12	2.0					0.05
WP-U-13	1.0					0.04
WP-U-14	1.3					0.10
WP-15	1.2	0.10	3.0	3.6	0.2	-
WP-16	1.3	0.06	0.6	0.4	2.5	-
WP-17	1.3	0.08	0.8	0.6	0.7	-
WP-18	0.9	0.08	1.1	0.6	1.0	-
WP-19	1.0	0.07	0.6	0.6	0.3	-

(d) Water Sampling The analytical results from two sets of water samples appear below. A map illustrating the sample locations, and copies of the results are enclosed.

Sample No.	PPM	Location	Date Sampled
WP-WS-11	0.58	White Pine Crosscut	3-22-56
12	0.23	Newberg	"
13	0.17	Diamond Drill Hole	"
14	0.13	280 feet east on vein	"
15	0.13	560 feet east on vein	"
16	0.13	705 feet east on vein	"
17	0.23	White Pine Crosscut	4-23-56
18	0.06	Newberg	"
19	0.06	Diamond Drill Hole	"
20	0.17	280 feet east on vein	"
21	0.17	560 feet east on vein	"
22	2.92	705 feet east on vein	"

(e) Maps - Additional transit surveying has been accomplished, and all maps brought up to date. Maps enclosed are: mine map; underground geological map; and the water sample map.

Respectfully submitted,

Richard N. Miller

Richard N. Miller
Geologist

P. O. Box 782
Helena, Montana
May 3, 1956

RECEIVED
JUL 10 1956

Mr. George M. Hoffman
917 8th Avenue
Helena, Montana

Re: Docket No. DMEA 3303 (Uranium)
Engineering and Geological Work
White Pine Mine
Jefferson County, Montana

Dear Mr. Hoffman,

During the month of April 1956, the following engineering and geological work was accomplished on the White Pine property. A description of the mineralization and structure thus disclosed is included also.

1. The new ground opened by 105 feet of drifting was mapped geologically (amended map enclosed).

2. Additional transit surveying was undertaken to advance the horizontal and vertical control into the newer workings. A copy of the amended mine map is thus enclosed.

3. In the interval 35 to 70 feet east of BM 719, an increase in sulfide mineralization occurs (note enclosed assay sheets and/or the map of the underground geology). The vein material consists predominantly of pyrite, with minor showings of galena, sphalerite, and quartz. Although the mineralized part of the vein attains a maximum thickness of 18", thicknesses of this magnitude do not persist throughout the 35' interval. A noticeable change in the attitude of the White Pine structure occurs within the interval explored in the month of April. The structure exhibits dips ranging from 82° to the south to vertical - a persistent dip to the north was characteristic in the first 200 feet of advance.

4. No radioactive vein material was disclosed by the 105 feet of new work.

5. Analytical results on a third and fourth set of water samples have been obtained. Copies of these results, and a map of the present level showing the sample points are enclosed.

6. Assay results on channel samples cut on the uranium occurrence disclosed by last months advance (March) have been obtained and are attached.

Respectfully submitted,

Richard N. Miller

Richard N. Miller, Geologist

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAY 5 - 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March, 1956 Docket No. DMEA 3303 Contract No. E799
Operator's Name George M. Hoffman Minerals Uranium
Address 917 8th Ave., Helena, Montana
Contract Amount, $ 26,025.00 Government Participation: 75 % Amount, $ 19,518.75

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:						
Excavate for transformer	-0-	22.50	22.50		22.50	22.50
Building track on dump	-0-	127.50	127.50		127.50	127.50
Cross Cut Condition Adit	-0-	300.00	300.00		300.00	300.00
Drifting 102 ft.	3060.00	3930.00	6990.00	3060.00	3930.00	6990.00
adit timber sets	-0-	300.00	300.00		300.00	300.00
(2) Labor and Supervision:	-0-	410.00	410.00		410.00	410.00
Labor Geologist	-0-	450.00	450.00		450.00	450.00
Supervision						
Technical Services						
(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	48.00	~~90.00~~ 42.00	90.00	30.00	42.00	72.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3108.00	5582.00	8690.00	3090.00	5582.00	8672.00

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

Date 4/14/56 *Payee George M. Hoffman
GEORGE M. HOFFMAN
Per _____ Title Owner

*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 person 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:

$ 2317.50

Signature MJP
(Authorized Certifying Officer)

Date 4/27/56 Vou. No. 1763
(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 799 in accordance with the terms of the contract.

Signature 1st Eldon C. Pattee Title Mining Engr Date 4/17/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 1st A. E. Weissenborn Title Exec. Officer Date 4/24/56

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-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAY 7 - 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1956 Docket No. DMEA 3303 Contract No E799
Operator's Name George M. Hoffman Minerals Uranium
Address 917 8th Ave., Helena, Montana

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Stage I Units	AUTHORIZED BY CONTRACT Stage I Unit Costs
Drifting		3060.00	102	6990.00	233		350	30.00 ft.
Crosscutting excavate for transformer		-0-	-0-	22.50	1		1	22.50
Raising								
Shafts								
Winzes track on dump		-0-	-0-	127.50	150		150	0.85 ft.
Drilling Core condition adit		-0-	-0-	300.00	600		600	0.50 ft
Chiseling adit timber		-0-	-0-	300.00	12		12	25.00 Set
Auger drift timbering		-0-	-0-	410.00	82		380	5.00 ft
Stripping Geologist Engineer		-0-	-0-	450.00	18		18	25.00 day
Analysis		48.00	8	90.00	15		65	6.00 ea.
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		3108.00		8690.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3108.00		8690.00				

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

Date 4/14/56 Operator George M. Hoffman
GEORGE M. HOFFMAN
Per Title Owner

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)

/S/ Eldon C Pattee

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 872894

RECEIVED
MAY 5 - 1956

P. O. Box 782
Helena, Montana
April 3, 1956

Mr. George M. Hoffman
917 - 8th Avenue
Helena, Montana

Re: Docket No. DMEA 3303 (uranium)
Engineering and Geological Work
White Pine Mine
Jefferson County, Montana

Dear Mr. Hoffman:

Engineering and Geological work accomplished on the White Pine mine during the month of March, 1956, amounts to the following:

(1) That portion of the White Pine vein exposed by an additional 102 feet of advance (drifting) has been mapped geologically (amended map enclosed).

(2) At a point 170 feet east of BM 709, the sulfide mineralization within the vein increased (note enclosed assay sheets and/or the map of the underground geology) and held moderately strong for a distance of approximately 15 feet. Assays on channel samples from the occurrence are enclosed.

(3) A second occurrence of radioactive vein material has been disclosed in the interval 195 to 225 feet east of BM 709. Spotty primary mineralization and secondary values as fracture coatings and disseminations are present along the main White Pine fissure and in portions of the enclosing wall-rock. The uranium-carrying vein material attains a maximum thickness of 26 inches. Assay results from 4 channel samples cut along the interval are pending.

(4) Analyses on a third set of water samples are also pending.

Respectfully submitted,

Richard N. Miller

Richard N. Miller
Geologist

cc

P. O. Box 782
Helena, Montana

To: Mr. John A. Bousher
United States Bureau of Mines
Administration Building
c/o Montana School of Mines
Butte, Montana

From: Richard N. Miller
Geologist, Western America
Uranium Exploration Corp.

Date: April 4, 1956

Subject: Narrative Report for March, 1956
Docket No. DMEA 3303 (uranium)
White Pine Mine
Jefferson County, Montana

Appearing below is an outline of the work accomplished on the White Pine property during the month of March, 1956, and a description of the structure and mineralization thus disclosed.

(1) Underground--An additional 102 feet of drift has been driven on the White Pine vein (233 feet--total advance to 4/1/56).

(2) Engineering--Geological

(a) Structure

Interval 131--156 (distance east of BM 709)---The White Pine structure is almost barren of value, and is somewhat tight.

156--190--- The structure is again stronger, both with regard to number of individual fissures and to alteration envelope.

190--233--- The fissure system is moderately strong, and is cut (locally), but not displaced, by weak cross-fracturing.

(b) Mineralization

Uranium

Interval 131--170 (distance east of BM 709)---Interval of no radioactive vein material.

170--172 Weak cross-fracturing occurs in the short interval. The vein material exhibits radioactivity over a thickness of 1.4 feet (Sample No. WP-U-9; assay pending).

172--195 Interval of no radioactive vein material.

195--228	The main fissure system, and locally the wall-rock on either side, carries spotty primary uranium values and secondaries (?) as coatings on fractures and as disseminations. Locally, radioactivity occurs over thicknesses of 22-26 inches--mineralization is localized by weak cross-fracturing.
228-233	The radioactivity exhibited by the vein material has decreased, but remains slightly over background.

Base Metals

Interval 131--156 (distance east of BM 709)----------	Locally, the vein contains minor tyrite as thin veinlets and as disseminations, but otherwise it is barren.
156--195	An increase in base metal content within the vein occurs within the interval. A moderately strong fracture entering from the right wall of the drift has a localizing effect on the mineralization, which attains a thickness of approximately 4 feet in the sill. As this fracture and the main vein have converging dips (upward), the occurrence pinches in that direction. Lead and zinc values occur only sparsely in the widest interval, where the dominant mineral is pyrite (assay results enclosed).
195--233	The vein thins (6-8 in.), and carries only small amounts of galena and sphalerite along with the more abundant pyrite. The sulfide content diminishes in the last 5 feet of vein exposed.
Note:	At the present face, the degree of wall-rock alteration is increasing even though the sulfide content within the vein has diminished.

(c) Assays--Although incomplete as regards uranium analyses, the table appearing below contains other assay results obtained during the month.

Sample No.	Sample interval in feet	Au, oz.;	Ag. oz.;	Pb. %;	Zn. %;	U_3O_8, % (chem)
WP-U-5	0.5	0.08	0.1	-----	-----	0.19
WP-U-6	1.3	0.005	0.2	-----	-----	0.13
WP-7	2.0	0.02	0.4	0.4	0.2	----
WP-8	1.5	0.09	2.9	3.0	3.2	----
WP-U-9	1.4	----	---	-----	-----	
WP-10	1.5	0.16	5.9	7.4	3.1	----
WP-11	2.6	0.05	1.0	0.4	2.0	----
WP-U-12	2.0	0.05	0.4	0.6	1.1	
WP-U-13	1.0	0.06	0.6	0.8	0.2	
WP-U-14	1.3	0.07	1.1	1.6	0.3	

(d) Water Sampling--The analytical results on a third set of water samples are pending.

(e) Maps--Copies of the underground geological map are enclosed.

Respectfully submitted,

Richard N. Miller

Richard N. Miller
Geologist, Western America
Uranium Exploration Corporation

xxxxxxxxxxxxxxxxxx
1201 N. Division Street
Spokane 2, Washington
May 7, 1956

RECEIVED
MAY 14 1956

Mr. George M. Hoffman
917 - 8th Avenue
Helena, Montana

Re: Docket No. DMEA 3303
Contract No. Idm-E799
Monthly operating report for
March 1956

Dear Mr. Hoffman:

This is to inform you that payment under the subject voucher could not be made in the full amount claimed. The attached copy of a memorandum to the Field Team from the certifying officer explains the deletion made. If you reclaim these assay costs please send in the invoices to cover.

By Field Team, Region I, NW District

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

cc: DMEA (2)
USGS (2)

Wing G. Agnew, Member
U. S. Bureau of Mines

DMEA Field Team, Region I, NW District May 7, 1956

DMEA Certifying Officer, Region I

Docket No. DMEA 3303, Contract Idm-E799, George M. Hoffman.
Monthly operating report for March 1956.

The subject monthly operating report has been processed and forwarded to the Disbursing Officer at Portland, Oregon, for payment.

The operator claimed $48.00 for sampling and analysis but the invoices submitted covered assay charges in the amount of $30.00. Therefore, a deletion of $18.00 has been made from the amount claimed. The operator may reclaim this amount providing the item is properly documented.

Myrtle Purdy

cc: Operator
DMEA (2)
USGS (2)

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

Budget Bureau No. 42-R1036.5

MAR 13 REC'D

RECEIVED
MAR 26 1956

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

Month of February, 1956 Docket No. DMEA 3303 Contract No. E799
Operator's Name George M. Hoffman Minerals Uranium
Address 917 8th Ave. Helena, Montana
Contract Amount, $26,025.00 Government Participation: 75% Amount, $19,518.75

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 Contractors:						
Short Form						
excavate for ~~Drilling~~ transformer	-0-	22.50	22.50		22.50	22.50
~~Blasting~~ track on dump	-0-	127.50	127.50		127.50	127.50
~~Crosscutting~~ condition	-0-	300.00	300.00		300.00	300.00
Drifting 57ft. Adit	1,710.00	2220.00	3930.00	1710.00	2220.00	3930.00
adit timber sets	-0-	300.00	300.00		300.00	300.00
drift timber 82'	410.00	~~410.00~~	410.00	410.00		410.00
(2) Labor and Supervision:						
Labor-Geogolist	-0-	450.00	450.00		450.00	450.00
Supervision						
Technical Services						
(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	18.00	24.00	42.00	18.00	24.00	42.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2138.00	~~3854.00~~ 3444.00	5582.00	2138.00	3444.00	5582.00

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

Date 3/10/56 *Payee George M. Hoffman
GEORGE M. HOFFMAN

Per _____ Title Owner

*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:

$1603 50

Signature MRP
(Authorized Certifying Officer)

Date 3/22/56 Vou. No. 1735
(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 799 in accordance with the terms of the contract.

Signature /S/ Eldon C. Patton Title Mining Engr. Date 3/14/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ A. E. Weissenborn Title Exec Officer Date 3/19/56

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-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAR 26 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1956 Docket No. DMEA 3303 Contract No. E799
Operator's Name George M. Hoffman Minerals Uranium
Address 917 8th Ave., Helena, Montana

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Stage I Units	AUTHORIZED BY CONTRACT Stage I Unit Costs
Drifting excavate for		1710.00	57	3930.00	131		350	30.00 ft.
Crosscutting transformer		-0-	-0-	22.50	1		1	22.50
Raising								
Shafts								
Winzes track on dump		-0-	-0-	127.50	150		150	0.85 ft.
Drilling: Condition adit		-0-	-0-	300.00	600		600	0.50 ft.
Adit timber		-0-	-0-	300.00	12		12	25.00 set
Chute drift timber		410.00	82	410.00	82		82	5.00 ft.
Auger Geologist-								
Engineer		-0-	-0-	450.00	18		18	25.00 day
Stripping Analysis		18.00	3	42.00	7		65	6.00 ea.
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2138.00		5582.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2138.00		5582.00				

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

Date 3/10/56 Operator George M. Hoffman
GEORGE M. HOFFMAN
Per Title Owner

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)

151 Eldon C. Pattee

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 872894

P. O. Box 782
Helena, Montana

RECEIVED
MAR 26 1956

To: Mr. John A. Bousher
United States Bureau of Mines
Administration Building
c/o Montana School of Mines
Butte, Montana

From: Richard N. Miller
Geologist, Western America
Uranium Exploration Corp.

Date: March 7, 1956

Subject: Narrative Report for
February, 1956
Docket No. DMEA 3303
White Pine Mine
Jefferson County, Montana

In the month of February, 1956, the following work was accomplished on the White Pine property.

(1) Underground
(a) The drift was extended to the east for a distance of 57 feet.
(b) Of the 131 feet of advance accomplished by the end of the month (total footage), 62 feet have been timbered.

(2) Engineering--Geological

(a) Structure--The White Pine structure remains moderately strong, but there has been a considerable increase in the magnitude and number of cross-fractures which cut the main structure obliquely and at high angles. The material is thus much more blocky, and requires timber for support. A number of water courses have been disclosed, which are controlled by the cross-fracturing.
Two fissures, both strong and nearly vertical, are being followed at present, each of which carries from 3 to 4 inches of gouge material.

(b) Mineralization
Base Metals--No important showings of lead and/or zinc have been disclosed to date.

Uranium--At a position 80-85 feet east of USBM 709, material exhibiting radioactivity much above background has been disclosed. The uranium showing can be traced for a distance of better than 5 feet along the drift, and from the sill to the back. It perhaps continues [illegible] to geologic map), but

(d) Water Sampling Program--The latest (February 10, 1956) water analysis results appear below (copy forwarded late last month).

Sample No.	Uranium in ppm	Sample Location
WP-WS-6	0.50	portal
WP-WS-7	less than 0.50	diamond-drill hole
WP-WS-8	less than 0.50	280' east on drift
WP-WS-9	less than 0.50	560' east on drift
WP-WS-10	0.50	Newberg

(e) Preparation of Mine Maps--Copies of an amended mine map, and the up-to-date map of the underground geology are enclosed.

Respectfully submitted,

Richard N. Miller

Richard N. Miller, Geologist

P. O. Box 782
Helena, Montana
March 7, 1956

RECEIVED
MAR 26 1956

Mr. George M. Hoffman
917 - 8th Avenue
Helena, Montana

Re: Docket No. DMEA 3303 (uranium)
Engineering and Geological Work
White Pine Mine
Jefferson County, Montana

Dear Mr. Hoffman:

The following engineering and geological work was accomplished on the White Pine Mine during the month of February, 1956.

(1) The structure and mineralization exposed by 57 feet of eastward advance on the White Pine vein have been mapped geologically (map enclosed).

(2) The advance under government contract, Docket No. DMEA 3303, has been transit-surveyed, and the mine map brought up to date (amended copy enclosed).

(3) A uranium occurrence was encountered early in the month, between 80 and 85 feet east of USBM 709 (start of government contract work) on the left wall of the drift. The occurrence is controlled by three fractures making up a portion of the main White Pine structure. The vein material lying between the fractures exhibits radioactivity for a distance of slightly better than 5 feet along the wall of the drift, and from the sill to the back. Radiometrically and chemically, the highest uranium values are to be found along the first, and between the first and the second (thickness 0.5 feet) fractures (orientation--right to left--facing east). The mineral uraninite has been identified, occurring in small concentrations (2 to 3 in.), as coatings, and as disseminations, and being associated with small quartz veinlets and minor pyrite. Between the second and third fractures, the vein material contains as disseminations a medium brown to orange brown waxy mineral, which has been tentatively identified as gummite (thickness 1.3 feet).
Assay results from samples taken on the uranium showing appear below (copy enclosed).

Thickness	% U_3O_8 (chemical)
1.3'	0.13
0.5'	0.19

No important showings of lead and zinc have been exposed by the 131 feet of drifting accomplished to date.

Respectfully submitted,

Richard N. Miller

Richard N. Miller, Geologist

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAR - 8 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Jan., 1956 Docket No. DMEA 3303 Contract No. E799
Operator's Name George M. Hoffman Minerals Uranium
Address 917 8th. Ave. Helena, Montana
Contract Amount, $ 26,025.00 Government Participation: 75 % Amount, $ 19,518.75

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 excavate for transformer	-0-	22.50	22.50		22.50	22.50
Bulldozing track on dump	-0-	127.50	127.50		127.50	127.50
Crosscutting condition adit	-0-	300.00	300.00		300.00	300.00
Drifting	2220.00	-0-	2220.00	2220.00	-0-	2220.00
adit timber sets	-0-	300.00	300.00		300.00	300.00
(2) Labor and Supervision:						
Labor						
Supervision Geologist-engineer	-0-	450.00	450.00		450.00	450.00
Technical Services						
(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	24.00	24.50	24.00		24.00	24.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2220.00	1224.00	3444.00	2220.00	1224.00	3444.00

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

Date Feb. 20, 56 *Payee George M. Hoffman

Per George M. Hoffman Title Owner

*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:

$ 1665.00

Signature MJP
(Authorized Certifying Officer)

Date 3/5/56 Vou. No. 1723
(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. E799 in accordance with the terms of the contract.

Signature /S/ John A Bowsher Title Mining Engr. Date 2/24/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ A. E. Wellesenborn Title Exec Officer Date 2/28/56

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-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAR - 8 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Jan. 195 6 Docket No. DMEA 3303 Contract No. E799

Operator's Name George M. Hoffman Minerals Uranium

Address 917 8th. Ave. Helena Montana

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Stage I Units	AUTHORIZED BY CONTRACT Stage I Unit Costs
Drifting								
Crosscutting excavate for	350	2220.00	74	2220.00	74	2220.00	350	30.00ft
Raising transformer	I	-0-	-0-	22.50	I	22.50	I	22.50
Shafts								
Winzes track on dump	I50	-0-	-0-	I27.50	I50	I27.50	-I50	0.85ft
Drilling condition	600	-0-	-0-	300.00	600	300.	600	0.50ft
Auger adit timbering	I2	-0-	-0-	300.00	I2	300.00	I2	25.00set
Geologist- engineer	I8	-0-	-0-	450.00	I8	450.00	I8	25.00da
Stripping								
Trenching Uranium analysis	65	-0-	-0-	24.00	4	24.00	65	6.00ea.
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2220.00		3444.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2220.00		3444.00				

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

REMARKS:

Date Feb. 20, 56. Operator George M. Hoffman

Per George M. Hoffman Title Owner

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)

Is/ John A Bowsher
Mining Engr.

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 872894

Telephone ELgin 9-9962

Reported Feb. 6, 1956

DEASON & NICHOLS
ASSAYERS & CHEMISTS
C. Ivan Nichols Wm. J. Deason
160 So. West Temple Street
Salt Lake City 1, Utah

Western America Uranium Exploration Corp.
Box 782 - Helena, Montana

RECEIVED
MAR - 8 1956

January 31, 1956

ASSAY PER TON OF 2000 POUNDS

DESCRIPTION	NO.	GOLD OUNCES	SILVER OUNCES	WET LEAD %	COPPER %	ZINC %	INSOL %	Uranium %	%	%	%
								Parts per Million			
Solutions											
WP - WS - 1								0.70			
WP - WS - 2								1.00			
WP - WS - 3								0.50			
WP - WS - 4								0.50			
WP - Ws - 5								0.10			

CHARGES $ 25.00

C. Ivan Nichols

FEB 24 1956 B

P. O. Box 782
Helena, Montana
February 11, 1956

Mr. George H. Hoffman
917 8th Avenue
Helena, Montana

RECEIVED
MAR - 8 1956

Re: Docket No. DMSA 3303 (uranium)
Engineering-Geological Work
White Pine Mine
Jefferson County, Montana

Dear Mr. Hoffman:

Engineering and geological work accomplished on the White Pine mine during the month of January, 1956, consisted of the following:

(1) The new ground opened by 74 feet of eastward drift on the White Pine vein has been mapped with relation to structure and mineralization. No sampling has been undertaken to date.

(2) A program of sampling the mine waters at a number of points in the underground workings, and of having them analyzed for their uranium content, has been started. This sampling will continue throughout the next four or five months. Data on weather conditions and on run-off is being gathered, which will be utilized in a final analysis of the results of the water sampling program.
The results of the first set of samples appears below. A map indicating the sample points will be forwarded to you in the near future. (Copy of Assay results enclosed).

Sample No.	Uranium in ppm	Sample Location
WP-WS-1	0.70	Portal
WP-WS-2	1.00	Diamond-Drill Hole
WP-WS-3	0.50	280' east on vein
WP-WS-4	0.50	560' east on vein
WP-WS-5	0.10	Newberg

Copies of the mine map (Scale 1 in. = 50 ft.), and of a revised surface map, the tracings of which are in the final stages of preparation, will be forwarded to you in a few days.

Very truly yours,
Richard N. Miller
Richard N. Miller, Geologist

P. O. Box 782
Helena, Montana

To: Mr. John A. Bousher
United States Bureau of Mines
Administration Building
c/o Montana School of Mines
Butte, Montana

From: Richard N. Miller
Geologist, Western America
Uranium Exploration Corp.

Date: February 15, 1956

Subject: Narrative Report for
January, 1956
Docket No. DMEA 3303
White Pine Mine
Jefferson County, Montana

Work accomplished on the White Pine mine in the month of January, 1956, amounts to the following:

(1) Underground

(a) Approximately 150 feet of 8 in. air duct was installed.
(b) The siding was completed and timbered.
(c) 74 feet of eastward advance on the White Pine vein was made.

(2) Surface

(a) Additional facilities for the dumping of waste were constructed.

(3) Engineering-Geological

(a) Structure--At the beginning of the drift operation (USBM 709), the White Pine structure was somewhat weak and tight. However, the exploration work accomplished to date has shown that the structure is becoming stronger as regards alteration and number of mineralized and unmineralized fractures. A number of the stronger breaks carry as much as 2 - 3" of gouge material.

(b) Mineralization--No material exhibiting radioactivity above normal background has been encountered by the 74' of new drift. Moderately strong pyrite mineralization, occuring both has thin veins and disseminations, was encountered approximately midway along the new drift, and this mineralization continued to the face. Some sphalerite as disseminations, and as small pods and stringers, was encountered also, as were small quartz veins carrying some sulfides. The quartz stringers vary in thickness from 1/4" to 1 1/2" . No observable lead mineralizations has been encountered in the drifting to date, even though it is perhaps present as fine disseminations and is thus difficult to discern megascopically.

(c) Assays--Assays on the above are pending.

(d) Water Sampling Program--A program of sampling the mine waters, and of having them analyzed for their uranium content, has been newly instigated. Samples are being taken every month at a number of widely separated locations underground, and, if possible, from the face. Data on weather conditions and on run-off is also being acquired, which will be utilized in an analysis of the results. Results from the first of these samples appear below (official copy enclosed).

Sample No.	Uranium in ppm	Sample Location
WP-WS-1	0.70	Portal
WP-WS-2	1.00	Diamond-drill hole
WP-WS-3	0.50	200' east on vein
WP-WS-4	0.50	560' east on vein
WP-WS-5	0.10	Newberg

Results of additional sampling will be supplied you as they are obtained. Also, a map of the underground workings containing the sample locations will be forwarded to you in the very near future.

(e) Preparation of Mine Maps--Copies of the mine map (scale: 1" = 50') and a revised surface map (scale: 1" = 100') will be supplied to you shortly. Also, the geological map of the 74' of new drift, together with the assay results, will follow.

Respectfully submitted,

Richard N. Miller

Richard N. Miller, Geologist

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
FEB 27 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Dec., 1955 Docket No. DMEA3303 Contract No. E 799
Operator's Name George M. Hoffman Minerals Uranium
Address 917 8th. Ave. Helena, Montana
Contract Amount, $26,025.00 Government Participation: 75% Amount, $19,518.75

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 Excavate for						
Bulldozing transformer	-0-	22.50	22.50		22.50	22.50
Crosscutting Track on dump	-0-	127.50	127.50		127.50	127.50
Drifting Condition adit	-0-	300.00	300.00		300.00	300.00
Adit timber sets	-0-	300.00	300.00		300.00	300.00
(2) Labor and Supervision:						
Labor Geologist-	150.00	300.00	450.00	150.00	300.00	450.00
Supervision Engineer						
Technical Services						
(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	-0-	24.00	24.00		24.00	24.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	150.00	1074.00	1224.00	150.00	1074.00	1224.00

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

Date Jan. 28, 56 *Payee George M. Hoffman

Per George M. Hoffman Title Owner

*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:

$ 112 50

Signature M g P
(Authorized Certifying Officer)

Date 2/21/56 Vou. No. 1715
(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. E799 in accordance with the terms of the contract.

Signature 1st John A. Bowsher Title Mining Engr Date Jan 31-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 1st A. E. Weissenborn Title Exec Officer Date 2/13/56

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-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
FEB 27 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Dec. 195 5 Docket No. DMEA 3303 Contract No. E 799

Operator's Name George M. Hoffman Minerals Uranium

Address 917 8th. Ave. Helena, Montana

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract Stage I Units	Authorized by Contract Stage I Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Excavate for transformer	-0-	-0-	22.50	I	22.50	I	22.50
Winzes	Track on dump	-0-	-0-	I27.50	I50	I27.50	I50	0.85 ft.
Drilling: Core	Condition adit to face	-0-	-0-	300.00	600	300.00	600	0.50 ft.
Churn								
Auger	Adit timbering	-0-	-0-	300.00	I2	300.00	I2	25.00 set
Stripping	Geolugist-Engineer	I50.00	6 days	450.00	I8 days	450.00	I8	25.00 day
Trenching	Uranium analysis	-0-	-0-	24.00	4	24.00	65	6.00 ea.
Test Pits								
Roads and Trails								
Total Distributed Costs		I50.00		I,224.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		I50.00		I,224.00				

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

Date Jan. 28, I956 Operator George M. Hoffman

Per _____ Title George M. Hoffman Owner

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)

/s/ John A Bowsher
Mining Eng.

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 872894

B

P. O. Box 782
Helena, Montana

To: Mr. John A. Boushee
United States Bureau of Mines
c/o Montana School of Mines
Administration Building
Butte, Montana

From: Richard N. Miller
Geologist, Western America
Uranium Exploration Corp.

Date: January 18, 1956

Subject: Narrative Report—December
Docket No. DMEA 3303(uranium)
White Pine Mine
Jefferson County, Montana

The following work was accomplished on the White Pine property during the month of December. Because of mechanical failure of certain surface equipment, and a transformer failure at the Alhambra substation, considerable delay was again experienced. Thus no eastward advance on the White Pine vein was accomplished during the month in question.

A. Underground

(1) 600 feet of 12 inch air bag was installed.
(2) A start was made, approximately 30 feet back from the present face, on the slanting-off of the right hand side of the drift for a siding.
(3) The siding was timbered, and the back caught-up with stulls—a matte of waste timber was placed above the lagging and timber sets for added protection.

B. Surface

(1) A new air-receiver tank was installed, replacing the damaged one.
(2) Additional facilities for the dumping of waste were constructed.

C. Engineering—Geological

(1) The transit-survey of the present underground workings was completed.
(2) All survey data thus accumulated was worked-up as regards station coordinates.
(3) A start was made in the preparation of the mine maps.

Respectfully submitted,

Richard N. Miller
Richard N. Miller
Geologist

cc

JAN 31 1956 B

P. O. Box 782
Helena, Montana
January 17, 1956

Mr. George M. Hoffman
917 8th Avenue
Helena, Montana

Re: Docket No. DMEA 3303 (uranium)
Engineering-Geological Work
White Pine Mine
Jefferson County, Montana

Dear Mr. Hoffman:

During the month of December, the transit-survey of the White Pine underground workings was completed. To date, all survey data has been calculated as regards station coordinates, and the mine maps, which will be the end result, are being prepared.

Very truly yours,

Richard N. Miller

Richard N. Miller, Geologist

Form MF 104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

RECEIVED
JAN 12 1956

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

Month of Nov., 1955 Docket No. DMEA 3303 Contract No. E-799
Operator's Name George M. Hoffman Minerals Uranium
Address 917-8th. Ave., Helena, Montana.
Contract Amount, $ 26025.00 Government Participation: 75 % Amount, $ 19518.75

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						
Prospecting	-0-	22.50	22.50		22.50	22.50
Trenching	-0-	127.50	127.50		127.50	127.50
Construction	200.00	100.00	300.00	200.00	100.00	300.00
Drifting	-0-	300.00	300.00		300.00	300.00
Geologist-engineer	150.00	150.00	300.00	150.00	150.00	300.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(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	-0-	24.00	24.00		24.00	24.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	350.00	724.00	1074.00	350.00	724.00	1074.00

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

Date Dec. 16, 55 *Payee George M. Hoffman

Per George M. Hoffman Title Owner

*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:

$ 262 50

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

Date 1-9-56 Vou. No. 1683

(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. E799 in accordance with the terms of the contract.

Signature 1S1 Eldon C Pattee Title Mining Engr Date 12-23-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 1S1 Stephen H Zoldok Title Mining Engr Date 1-3-56

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-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JAN 12 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Nov. 195 5 Docket No. DMEA 3303 Contract No. E 799

Operator's Name George H. Hoffman Minerals Uranium

Address 917-8th. Ave., Helena, Montana.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract Stage I Units	Authorized by Contract Stage I Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes excavate for transformer		-0-	-0-	22.50	1	22.50	1	22.50
Drilling: Core track on dump		-0-	-0-	127.50	150	127.50	150	0.85 ft.
Churn condition adit		200.00	400ft	300.00	600ft	300.00	600	0.50 ft.
Auger adit timbering		-0-	-0-	300.00	12	300.00	12	25.00 set
Stripping Geologist-engineer		150.00	6da.	300.00	12	300.00	12	25.00 da.
Trenching Uranium analysis		-0-	-0-	24.00	4	24.00	65	6.00 ea.
Test Pits								
Roads and Trails								
Total Distributed Costs		350.00		1074.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		350.00		1074.00				

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

Date Dec. 16, 55 Operator George H. Hoffman

Per George H. Hoffman Title Owner

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)

15. Eldon C. Patton

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 872894

RECEIVED
JAN 12 1956

P. O. Box 782
Helena, Montana
December 19, 1955

Mr. George M. Hoffman
917 8th Ave.
Helena, Montana

Re: Docket No DMEA 3303 (uranium)
Engineering-Geological Work
White Pine Mine
Jefferson County, Montana

Dear Mr. Hoffman:

During the month of November, additional surveying of the White Pine underground workings was accomplished, and all data accumulated to date worked up in preparation for placing all underground maps on a coordinate base.

Very truly yours,

Richard N. Miller

Richard N. Miller, Geologist

December 16, 1955

RECEIVED
JAN 12 1956

Mr. John A. Bousher
%Montana School of Mines
Administration Building
Butte, Montana

Dear Mr. Bousher,

As you could see in your routine inspection that the mine was in quite a state of confusion due to the fire that started from an unknown origin. The loss amounted to about ten days time of the underground operation. The compressor house, compressor, toolwarehouse with all the equipment that was to go underground, and the change room with personal belongings of all the men was destroyed.

There has been a new compressor house built. A compressor brought from Butte and installed. All the wiring has been completed. A trailorhouse has been moved on the property to be used for a change room. The miners are working underground at the present time.

There was 500 feet of 12 in. air duck installed. The drift has been completely reconditioned to the face. Mr. Miller, the geologist, has worked 6 days doing some surveying and working on maps for the next report.

In the event that you care to contact me at anytime please do at my residence telephone Hickory (HT) 2- 6827. I am no longer employed by Western American.

Very Truly Yours,

George M. Hoffman

George M. Hoffman

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

RECEIVED JAN 3

Month of Oct., 1955 Docket No. DMEA 3503 Contract No. Ian 1700
Operator's Name George M. Hoffman Minerals Uranium
Address 917-6th, Ave., Helena, Montana.
Contract Amount, $ 20025.00 Government Participation: 75 % Amount, $ 19518.75

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: excavate adjust	22.50	-0-	22.50	22.50	-0-	22.50
Bulldozing: Track condition	-0-	127.50	127.50		127.50	127.50
Crosscutting: Adit to	100.00	-0-	100.00	100.00	-0-	100.00
Drifting						
Adit timber sets	275.00	25.00	300.00	275.00	25.00	300.00
(2) Labor and Supervision:						
Labor: Geologist-engineer	150.00	-0-	150.00	150.00	-0-	150.00
Supervision						
Technical Services						
(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	24.00	-0-	24.00	24.00	-0-	24.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	571.50	152.50	724.00	571.50	152.50	724.00

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

Date Nov. 19, 55 *Payee George M. Hoffman

Per George M. Hoffman Title Owner

*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:

$ 428.63

Signature MEP
(Authorized Certifying Officer)

Date 12-23-55 Vou. No. 1675
(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. E799 in accordance with the terms of the contract.

Signature 151 John A. Bowsher Title Mining Engr Date 11-22-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 151 Stephen W. Zoldok Title Mining Engr. Date 12-22-55

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-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED JAN 3 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Oct. 1955 Docket No. DMEA 3303 Contract No. E799

Operator's Name George M. Hoffman Minerals Uranium

Address 917-8th. Ave., Helena, Montana.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Stage- I Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Excavate for transformer		22.50	I	22.50	I	22.50	I	22.50
-track on dump		-0-	-0-	127.50	150	127.50	150	0.85 ft
-condition adit face		100.00	200	100.00	200	100.00	600	0.50 ft
-adit timber sets		275.00	II	300.00	12	300.00	12	25.00 set
Geologist-engineer		150.00	6	150.00	6	150.00	18	25.00 da
Uranium analysis		24.00	4	24.00	4	24.00	65	6.00 ea
TOTAL DISTRIBUTED COSTS		571.50		724.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		571.50		724.00				

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

REMARKS:

Date Nov. 12, 55 Operator George M. Hoffman

Per George M. Hoffman Title Owner

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)

151 John A. Bowsher

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 872894

Helena, Montana
917 8 th. Ave.
November 12, 1955

Mr. John A. Bousher
% Montana School of Mines
Administration Building
Butte, Montana

Dear Mr. Bousher,

The track on the dump has been extended another 35 feet. About 450 feet of 16 inch fresh air duck has been installed. The tunnel has been reconditioned and timber replaced for 600 feet from the adit.

The timbef replacement as follows:
Sets No. 14 through Sets No. 85. No. 14, 44, 45, 73, 79, 80, 81, 82, 83, 84, and 85 are all Sets. From set No. 82 through 85 is where the broken post was. This section of the crosscut airslacked and started to run about the time it was all cleaned up and before the timber was in place it widened out to better then 15 feet, it also came from over the old timbers compelling us to reinforce Sets No. 79, 80, and 81. By the time we got it timbered so as to stop it from hindering our work it chewed out a block of ground about 15 feet wide 20 feet long and 20 or 35 feet high. This delayed us 7 days which I am sure will not happen again.

I am submitting Richard N. Miller in place of Clay Peters as Geologist-engineer, hoping this change meets with your approval. Mr. Miller's qualifications are as follows:

1953 Bachelor of Science in Geological Engineering from Montana School of Mines, Butte, Montana.
1954 Master of Science in Geological Engineering from Montana School of Mines, Butte, Montana.
July, 1954---April, 1955---Shell Oil Company Production Department Training Program. (Status-Junior Engineer.)
May, 1955 to the present---. Employed by Western America Uranium Exploration Corporation. (Status-Geologist.)

Mr. Miller has completed 6 days work. I am inclosing his reports, photo-static copy of 4 ore sample results, and preliminary mapping.

Very Truly Yours,

George M. Hoffman

George M. Hoffman

P. O. Box 601
Helena, Montana
November 14, 1955

Mr. George M. Hoffman
917 - 8th Avenue
Helena, Montana

Re: Docket No. DMEA 3303 (Uranium)
Engineering-Geological Work
White Pine Mine
Jefferson County, Montana

Dear Mr. Hoffman:

The following engineering and geological work was accomplished on the White Pine property in the month of October, 1955.

(1) Preliminary surface mapping was completed.

(2) Preliminary surface map was prepared (enclosure).

(3) The present drift face was channel sampled and the assay results, which appear below, were obtained.

Sample No.	Thickness	Description	Assayed % U_3O_8
WP-1	1.90'	Quartz Monzonite plus small sulfide stringer.	0.01
WP-2	0.75'	Fault gouge.	trace
WP-3	0.67'	Quartz Monzonite plus minor dissem. sulfides.	0.01
WP-4	1.33'	Quartz Monzonite.	trace
	4.65' (total)		

(4) Approximately 570' of the underground workings were transit surveyed.

(5) Sun observations for calculation of azimuth were made.

Very truly yours,

Richard N. Miller

Richard N. Miller, Geologist

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

RECEIVED JAN 5

Month of August, 1955 Docket No. DMEA 3303 Contract No. Idm.E799
Operator's Name George M. Hoffman Minerals Uranium
Address 917 - 8th Ave., Helena, Montana
Contract Amount, $26025.00 Government Participation: 75% Amount, $ 19518.75

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
[redacted] Track	127.50	-0-	127.50	127.50	-0-	127.50
Crosscutting						
Drifting						
Adit - Timber Set	25.00	-0-	25.00	127.50	-0-	127.50
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(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						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	152.50	-0-	152.50	152.50	-0-	152.50

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

Date Sept. 6, 1955 Payee George M. Hoffman
GEORGE M. HOFFMAN
Per _____ Title Owner

*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:

$ 114 38

Signature MAP
(Authorized Certifying Officer)

Date 12-23-55 Vou. No. 1675
(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. 6799 in accordance with the terms of the contract.

Signature (S.) Eldon C. Pattee Title Mining Engr Date 9-15-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature (S.) Stephen W. Zoldok Title Mining Engr Date 12-22-55

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-R1151.2

RECEIVED JAN 3 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1955 Docket No. DMEA 3303 Contract No. 2799
Operator's Name George M. Hoffman Minerals Uranium
Address 917 - 8th Ave., Helena, Montana

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Stage 1 Units	Unit Costs
Drifting		-0-	-0-	-0-	-0-	-0-	350ft	30.00 ft.
Crosscutting								
Raising								
~~Shafts~~ Timbering		-0-	-0-	-0-	-0-	-0-	350ft	5.00 ft
~~Winzes~~ Analysis & assays		-0-	-0-	-0-	-0-	-0-	65	6.00 ea
Drilling: Core								
Churn 1 Geologist Engineer		-0-	-0-	-0-	-0-	-0-	10 days	2500 da.
Auger condition adit to								
~~XXXXXX~~ face		-0-	-0-	-0-	-0-	-0-	600 ft.	0.50 ft.
~~XXXXX~~ reset transformer		-0-	-0-	-0-	-0-	-0-	22.50	22.50
~~XXXXX~~ track		127.50	150	127.50	150	127.50	150 ft.	0.85 ft.
Roads and Trails								
Timber sets adit		25.00	1	25.00	1	25.00	12	25.00 set
TOTAL DISTRIBUTED COSTS		152.50		152.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		152.50		152.50				26025.00

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

Date SEPT 6,1955 Operator George M. Hoffman
GEORGE M. HOFFMAN
Per Title Owner

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)

/s/ Eldon C Pattee

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 872894

917 - 8th Avenue
Helena, Montana
September 6, 1955

Mr. John A. Bousher
% Montana School of Mines
Administration Building
Butte, Montana

Dear Mr. Bousher:

The track has been laid on the dump, also all the old buildings have been repaired, a new timber shed and a new house for the blower have been completed. The adit has been repaired to the amount of all new back lagging from portal through Set No. 12 with the exception of Sets 8 and 9. Sets Nos. 3,4,5,&6 have new caps, set No. 4 has new post and side lagging. Set No. 11 is a complete new set.

Very truly yours,

George M. Hoffman

GEORGE M. HOFFMAN

RECEIVED
BUREAU OF MINES
OCT 12 1955
SPOKANE, WASH.

Helena, Montana
917 5th. Ave.
October 6, 1955

Mr. John A. Boucher
% Montana School of Mines
Administration Building
Butte, Montana

Dear Mr. Boucher:

The roofing on the new timber shed and blower house has been completed. The air receiver is set in place. The Power Company changed the line coming into the mine, there had to be some trees branched also some cut down. The installation of the switch box, transformers, power line, connecting of the blower and the electricity will be turned on and completed tomorrow.

I will start to blow fresh air into the mine Saturday, also start to hang the air duck that has been ordered. At present there is about 450 feet delivered.

I am very sorry about the delay on the power line.

Very Truly Yours,

George M. Hoffman

w

no Mf 1045 filed as yet

RECEIVED

917 - 8th Avenue
Helena, Montana
August 5, 1955

Mr. Eldon C. Pattee
Montana School of Mines
Administration Building
Butte, Montana

Dear Sir:

Please accept my apologies for this delay in the docket MMA No. 3303, Contract No. Idm-3799.

It appears as though all of the misfortune started when I returned from Spokane. Prior to my visit to Spokane an agreement was made for the purchase of machinery from a local mining company. However, when I returned from Spokane the company owning the machinery had reconsidered and decided not to sell. Due to this fact a considerable amount of time has been wasted in locating other machinery.

To date there has been purchased a Hanchie Trammer, mine cars, drill, mucking machine, air compressor, blower, small tools and rail. Some of this equipment has been moved on to the property. I was notified that there will be a delay in delivery of the air compressor.

There have been four heavy rain storms that have done some damage to the road. Also, a heavy wind blew down several large trees across the road and power line. Due to these storms and the hauling of a bulldozer a bridge collapsed which necessitated securing material for a new bridge. At present we are putting in 24 feet of 36inch concrete pipe in place of the bridge. The road will be repaired and if no other misfortunes occur we will be well on the way. It is presently intended to begin laying rail Monday. If the compressor arrives, operations should continue barring unforeseen further delays.

The project calls for an engineer-geologist. I would like to submit the name of Clay Peters, 805 - 6th Avenue, Helena, Montana for your consideration. Mr. Peters is a geologist for the State of Montana and his qualifications are enclosed.

Very truly yours,

George M. Hoffman

GEORGE M. HOFFMAN

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

NOV 15 1957

Mr. George M. Hoffman
917 - 8th Avenue
Helena, Montana

Re: Docket No. DMEA-3303 (Uranium)
Contract No. Idm-E799
White Pine Mine
Jefferson County, Montana

Dear Mr. Hoffman:

Reference is made to your terminated exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government 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 project. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the period indicated.

Your interest in the DMEA exploration program and participation therein are fully appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

FLKnouse/gla
11-15-57
cc to: Admr.'s Reading File
Contract Adm. & Audit Division
FLKnouse
DMEA Field Team, Region I (2)

Government's Copy

TERMINATION AGREEMENT

It is agreed this 21st day of June, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and George M. Hoffman, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E799, Docket No. DMEA-3303, dated May 18, 1955, hereinafter called the "Contract," that:

1. Effective May 19, 1956, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided shall be and are hereby terminated.

2. The Government shall contribute to allowable costs incurred prior to said effective date, and to the costs of analyses of samples sent by the Operator prior to said effective date for analysis, and shall contribute to allowable costs incurred or to be incurred beginning with said effective date in performing winding-up and settlement actions provided for in the contract, including (a) the preservation and disposal of property to the cost of which the Government has contributed, and (b) the making and rendering of reports and accounts.

3. Any work or operations prosecuted or costs incurred by the Operator beginning with said effective date, except as otherwise provided in this termination agreement, shall be for the sole account of the Operator without contribution by the Government.

4. The Operator shall promptly perform all winding-up and settlement actions provided for in the contract, including (a) the disposal of any facilities, buildings, fixtures, equipment, or other items to the cost of which the Government has contributed; and (b) the rendering of the final report and final account.

5. All rights of the Government provided for in the contract with respect to a certification of discovery or development and a percentage royalty and lien for its payment are preserved. All rights of the Government under the contract with respect to records, audits and recovery of any overpayment are preserved.

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

THE UNITED STATES OF AMERICA

George M. Hoffman
George M. Hoffman, Operator

By A. E. Weissenborn
Executive Officer
DMEA Field Team
Region I, Northwest District

RECEIVED
JUL 13 1956

GOVERNMENT COPY

RECEIVED

FEB 24 1956

(Amendment to Change Starting and/or Completion Dates)

AMENDMENT NO. 1

It is agreed this 30th day of January 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and George M. Hoffman

917 - 8th Avenue, Helena, Montana

(Docket No. DMEA 3303 - uranium)

each acting in consideration of the agreement to the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E799 dated May 18 1955 between the parties hereto be modified and amended to change ~~the starting date from _____ to _____ (No. of days) within _____ (No. of days) of the date of the contract and~~ the completion period from Feb. 1, 1956 (No. of months) to Sept. 1, 1956. (No. of months) ~~from the date of the contract.~~ The effective date of this amendment shall be February 1, 1956.

This amendment is made by authority granted the Executive Officer, DMEA Field Team, Region ~~II~~ I, NW District, in Order No. ~~2684~~ 2808 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

GEORGE M. HOFFMAN
(Operator)

By George M. Hoffman

THE UNITED STATES OF AMERICA

By A. E. Weissenborn
A. E. Weissenborn
Executive Officer
DMEA Field Team, Region ~~II~~ I,
Northwest District

RECEIVED
FEB 24 1956

George M. Hoffman
Exploration Project Contract No. Idm-E799
Docket No. DMEA-3303

Justification of Amendment No. 1

As of January 12, 1956, the mine had been rehabilitated and the Operator was ready to start breaking ground. Work at the mine has been delayed because of adverse conditions, such as slow delivery of equipment, fires, and a receiver tank blowing up, through no fault of the Operator.

The termination date of the contract is February 1, 1956, and there remains 500 feet of drifting and 175 feet of raising to complete the contract. It is anticipated that it will take an additional 7 months to complete the contract work.

E. C. Pattee

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

May 11, 1955

Memorandum

To: Chairman, Operating Committee

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

Subject: Docket No. DMEA-3303 (Uranium)
George M. Hoffman
White Pine Mine, Jefferson County, Montana

I have surnamed the attached proposed contract but I wish to call your attention to the last paragraph on page one of the Description of the Work under Exhibit "A".

It appears that we have stipulated the requirement that the contractor for the work under this project must at all times have a crew of three men on the job, notwithstanding the fact that there might be conditions under which he would bid for the work at a lower figure if this requirement was not a part of the contract. In addition to the fact that this requirement might increase the cost of the work, the reason also exists that the auditor might have to take exceptions to the account if three men were not maintained on the project for six days a week at all times.

I suggest that the Operating Committee recommend that this paragraph be lined out of the contract and that Mr. Mittendorf approve the lining out by initialing it.

Attachment

JLChambers/wb
May 11, 1955

Copy to: Docket
Admr. Reading File
Mr. Ellis
Mr. Chambers

DMEA Form 14

Contract No. Idm-E 799

Docket No. 3303

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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
May 10, 1955	I NW	Montana	Uranium

Name and Address of Operator: George M. Hoffman
917 6th Avenue
Helena, Montana

	Reserve	Obligation
Prior Amount	0	019,516.75
Increase	0	0
Decrease	0	9,370.50
Revised Amount	0	010,146.25

Remarks:

ALLEN S. DAKAN
(Name)

Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 6/19.57

16416

Docket No. DMEA - 3303

Commodity ~~Uranium~~

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 799

Date of Contract: May 18, 1955

Name and Address of Operator:

George M. Hoffman
917 - 8th Avenue
Helena, Montana

Amount of Government participation $19,518.75

Percent of Government participation 75 %

Region: 1 State: Montana

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

(Title)

Date Delivered to Bureau of Mines, Washington.

5/18/55

54458

Government's copy

RECEIVED

JUN 27 1955

MF-200
(Revised June 1954)

Docket No. DMEA -3303

Commodity Uranium

Contract No. Idm-E - 799

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 18th day of May, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] George M. Hoffman, whose mailing address is 917 - 8th Avenue, Helena, Montana, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and Annex II.

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Montana, County of Jefferson, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] owner of [5] the entire interest in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] ---, [7] - recorded in Book --, page --, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: none

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

of the land (lessor, seller, optionor, etc.), are attached, as follows: .....

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of uranium. The work to be performed is described in Exhibit "A." The Operator on or before June 20, 1955 shall commence the work, and on or before February 1, 1956 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A."

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this 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.

(c) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $26,025.00. The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $19,518.75: *Provided,* That until the Operator has rendered to the Government his final report, 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 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated, total allowable cost of the work.

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums.

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 9.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and related costs incurred.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 8. *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 a sufficient final report and final account (see Article 7) 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.

See Annex II substituted for this paragraph.

(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, within 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 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 crude 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 therof 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 (1½) 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 (½)

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 (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest 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 or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 13. *Changes and added provisions.*—
See Annex II substituted for paragraph (b) of Article 8.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mitchell
Administrator, Defense Minerals
Exploration Administration

GEORGE M. HOFFMAN
(Operator)

By George M. Hoffman

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

EXPLORATION PROJECT CONTRACT
GEORGE M. HOFFMAN
DOCKET NO. DMEA-3303

ANNEX I

The land referred to in Article 2 of the contract consists of 6 patented lode mining claims and fractional claims situated in Sections 29, 30, 31, and 32., T. 8 N., R. 2 W., Montana Principal Base and Meridian, Jefferson County, Montana. The locations of the claims are shown on the map entitled "Fig. 2 Property Map White Pine and Bell Group, Jefferson County, Montana," attached hereto and made a part hereof. The mining claims are as follows:

Claim Name	Survey Number
Bland Fraction	9929
R. P. Bland	9022
White Pine	8476
Genevieve	9931
Capital	8477
Susie	9930

EXPLORATION PROJECT CONTRACT
GEORGE M. HOFFMAN
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ANNEX II

Special Agreement Concerning Royalty

The Operator acknowledges that he is receiving the benefit of a prior exploration project conducted by White Pine Lead Company under Contract Idm-E273 (Docket No. DMEA-2034), dated March 11, 1952, on some of the same land that is described in the subject contract. Therefore, as a part of the consideration for the Government to enter into the subject contract, Article 8(b) of the subject contract is amended to read as follows:

(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 under the subject contract and under Contract Idm-E273 (Docket No. DMEA-2034), $9,321.73, without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government under the subject contract and under Contract Idm-E273 (Docket No. DMEA-2034), $9,321.73, without interest is fully repaid, whichever occurs first.

EXPLORATION PROJECT CONTRACT
GEORGE M. HOFFMAN
DOCKET NO. DMEA-3303

EXHIBIT "A"

Description of the Work

The project consists of some rehabilitation work, drifting, and raising. The approximate location of the drift is shown on the two maps entitled "Fig. 1 White Pine Mine, Jefferson County, Mont. Plan" and "Fig. 2 Property Map White Pine and Bell Group, Jefferson County, Montana," attached hereto and made a part hereof. The location of the raise requires the prior written approval of the Government.

The work is divided into two stages. The Operator shall perform Stage I, and shall perform so much of the work under Stage II as is approved in advance by the Government.

The cross-sectional dimensions of the drift shall be not less than 5 feet by 7 feet in the clear of timber and of the raise not less than 3.5 feet by 6.5 feet in the clear of timber. The access adit and drift1/ shall be timbered with not less than 8 inch by 8 inch drift set timbers on 5-foot centers and 2 inch by 12 inch side and back lagging. The raise shall be two-compartment and timbered its entire length with either cribbing or square sets.

The Operator shall furnish the Government with such samples as it specifies, and the method of all sampling and sample analyses are subject to the approval of the Government.

The project shall be directed for the Operator by an engineer-geologist, approved by the Government, who shall devote at least six full work days per month to the project work, shall do the required surveying, mapping, and sampling, and shall prepare all required reports.

The location, direction, and extent of all work are subject to the approval of the Government.

1/ The drift shall be timbered where necessary.

The work is as follows:

Stage I

(a) Replace 150 feet of track on adit dump.

(b) Excavate for and reset electric transformer.

(c) Replace twelve sets of timber in the access adit.

(d) Condition the access adit from portal to east drift face on White Pine Vein.

(e) Extend drift east along White Pine Vein a distance of 350 feet.

Stage II

(a) Extend drift along White Pine Vein an additional 150 feet.

(b) From the drift, drive a raise 175 feet.

Estimated Costs of the Project
(In addition to maximums set forth in Article 6, an asterisk indicates maximum)

Category (1) Independent Contracts

Stage I

Replace 12 adit timber sets @ $25.00/set	$300.00	
Replace 150 feet of track on adit dump @ $0.85/ft.	127.50	
Excavate foundation for and reset transformer	22.50	
Condition access adit 600 feet @ $0.50/ft.	300.00	$ 750.00
350 feet drifting @ $30/ft.		10,500.00

350 feet of drift timbering @ $5/ft.	$ 1,750.00

Stage II

150 feet of drifting @ $30/ft.	4,500.00
150 feet drift timbering @ $5/ft.	750.00
175 feet of raising @ $35/ft. (the rate per foot of raising includes timbering)	6,125.00

Category (2) Personal Services

Subcategories (a) & (b) Supervision and Technical Services

Stage I

1-Geologist-engineer, 18 days @ $25/day	450.00

Stage II

1-Geologist-engineer, 18 days @ $25/day	450.00

Subcategory (c) Labor

None

Category (3) Operating Materials and Supplies

None

Category (4) Operating Equipment

None

Category (5) Rehabilitation and Repairs

None

Category (6) New Buildings, Improvements, Installations

None

Category (7) Miscellaneous

Stage I

65 chemical analyses for uranium, lead and zinc @ $6/ea.*	$ 390.00*

Stage II

60 chemical analyses for uranium, lead and zinc @ $6/ea.*	360.00*
Estimated Total Cost of Project	$26,025.00*
Government Participation @ 75%	$19,518.75*

Orig v 5

Docket No. DMEA 3303

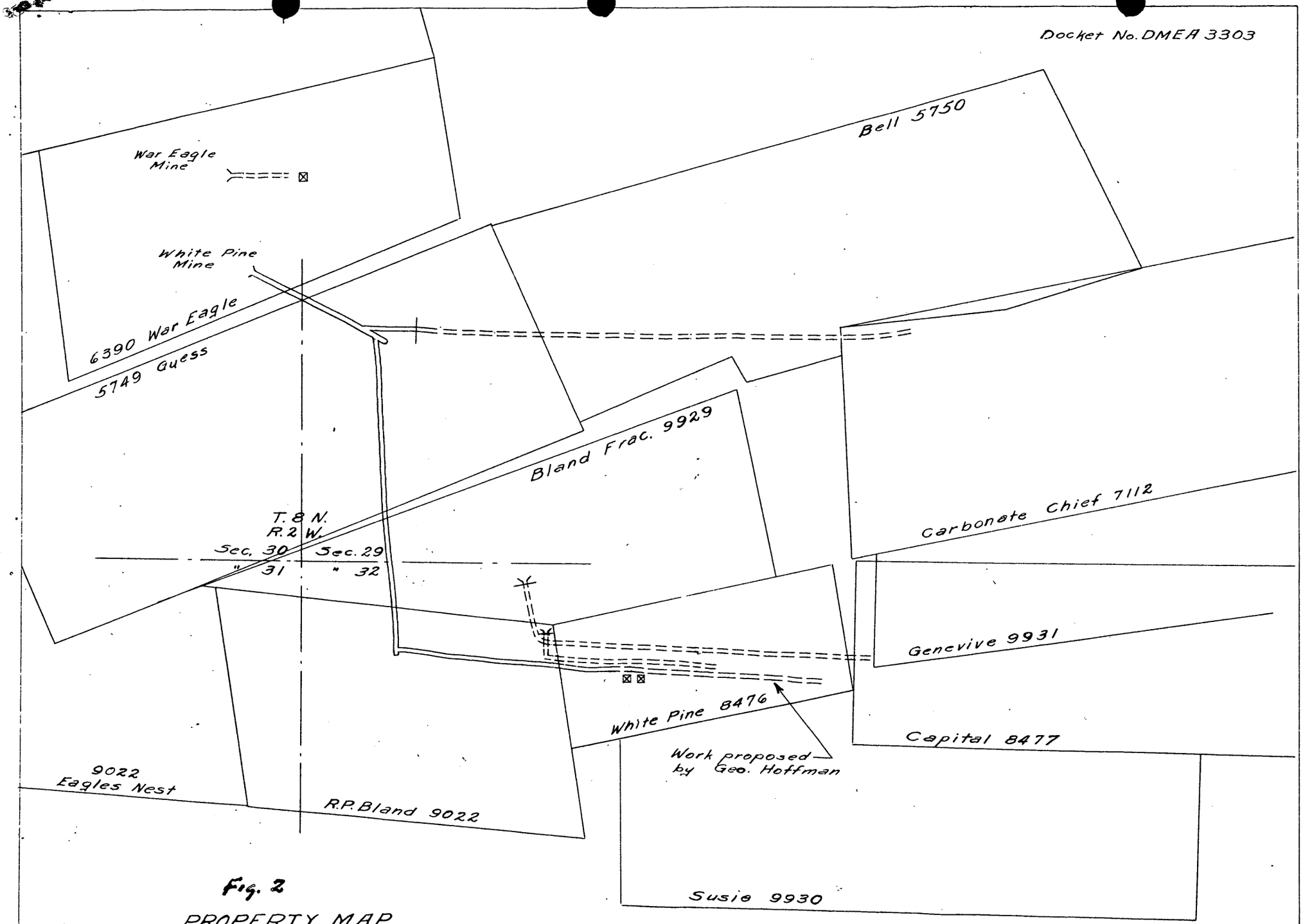


Fig. 2

PROPERTY MAP
White Pine and Bell Group
Jefferson County, Montana

Fig. 8

WHITE PINE MINE

JEFFERSON COUNTY, MONT.

PLAN

SCALE: 1" = 50'

N

Assay Data:
Thickness - Au - Ag - Pb - Zn

Description
SAMPLES

WP-100 - Fe, H2O sample
from old surface flat drains
Bell Vein zone

WP-101 - Fe, H2O sample
stream, center of tunnel

WP-102 - Fe, H2O sample
water from debris

WP-103 - Fe, H2O sample
stream

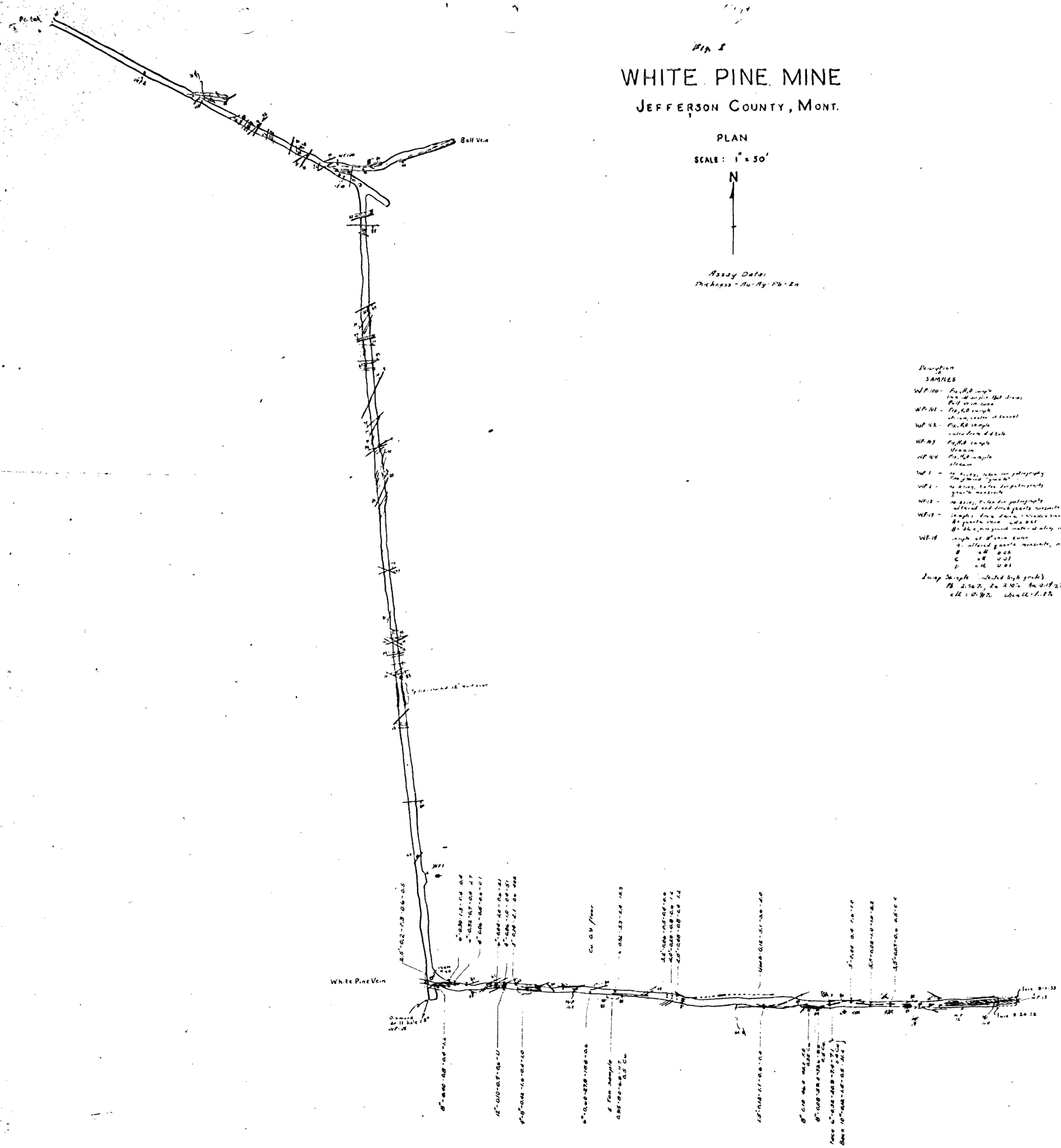
WP-104 - Fe, H2O sample
stream

WP-1 - no assay, taken for petrography
fine grained "granite"

WP-2 - no assay, taken for petrography
granite monzonite

WP-12 - no assay, taken for petrography
altered and fresh granite monzonite

WP-13 - sample from dump (breccia zones)
A: quartz vein cut 0.02
B: 2 ft. of ground material along shears, cut 0.01

WP-14 sample of 8" vein zone
A: altered granite monzonite, w. silicification
B cut 0.02
C cut 0.01
D cut 0.01

Dump Sample (selected high grade)
Pb 2.26%, Zn 2.10% Au 0.19 oz/ton Ag 1.96 oz/ton
cut: 0.97% Uranium: 1.8%