DMEA Form 9
(Rev. 5/57)

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E No. 799

DMEA NO. 3303

Application (Denied
(Withdrawn
(After disposition, delete items not applicable)

Contract
X (Terminated - not Certified
(Cancelled
(Terminated - Certified
(Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

Royalty Audits 1/
Certification of Discovery
X Cost Audits 2/
X Termination Notice or Agreement
Recision Notice
Assignment of Contract
X Contract Amendments
X Contract with all exhibits and annexes
Owner's Consent to Lien
Subordination Agreement
X Application and attachments
Envelope for maps

Right Side

X Project summary
X Work completed analysis
All other material filed in chronological order including the following reports if checked:

Field Team Semi-Annual Report for Certified Project
X Final Field Team Report (Tab)
X Operator's Final Report (Tab)
X Interim Field Team Reports
X Operator's monthly reports and all attachments
X On-site Exam Report (Tab)
Settlement Sheets
Drill Logs

Additional Folders:

Left Side

Folder No.____:
Analysis of Semi-Annual Inspection Reports
Interim Summary Reports by DMEA Engineers

Right Side

Field Team Semi-Annual Report for Certified Project
Field Team Interim Reports
Operator's Monthly Report with transmittal, narrative, maps.

Folder No.____: Maps (Use pocket folder or envelope.)

Folder No.____: Settlement Sheets

Folder No.____: Drill Logs

Folder No.____: Royalty material

1/ Or reports of royalty review
2/ Or cost reports of review

R.G.B.

16592

EXTRA COPY
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RECEIVED JUN 19 1957

DATE	INITIALS	CODE
6/14	Com	100

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-2799, 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)	
Research	-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.

C. A. Turner, Auditor

May 16, 1957

Docket Copy

Indrity Assigned 5/6/56 "Appd Sol. Off."

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-2799, 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 Q. E. Weissenborn
Executive Officer
DMEA Field Team
Region I, Northwest District

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JUL 13 1956

DOCKET 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 30n-1799 dated May 18 1955 between the parties hereto be modified and amended to change ~~the commencement date of the contract (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 ~~III~~ I, in Order No. 2684 by the ~~Acting~~ Secretary of the Interior.

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

Executed in sextuplicate the day and year first above written.

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 ~~III~~ I,
Northwest District

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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

Docket 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 O Mittendorf
Administrator, Defense Minerals
Exploration Administration

Butin
F R Lyons
Ellis
Chambers
(See my memo to O.C. 5/11/55)
Selfridge
Hoffman,

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

RECEIVED
JUN 21 1985

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
DOCKET NO. DMEA-3303

RECEIVED
[illegible]

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-8273 (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-8273 (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-8273 (Docket No. DMEA-2034), $9,321.73, without interest is fully repaid, whichever occurs first.

RECEIVED
JUN 27 1955

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-feet 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 specified, 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

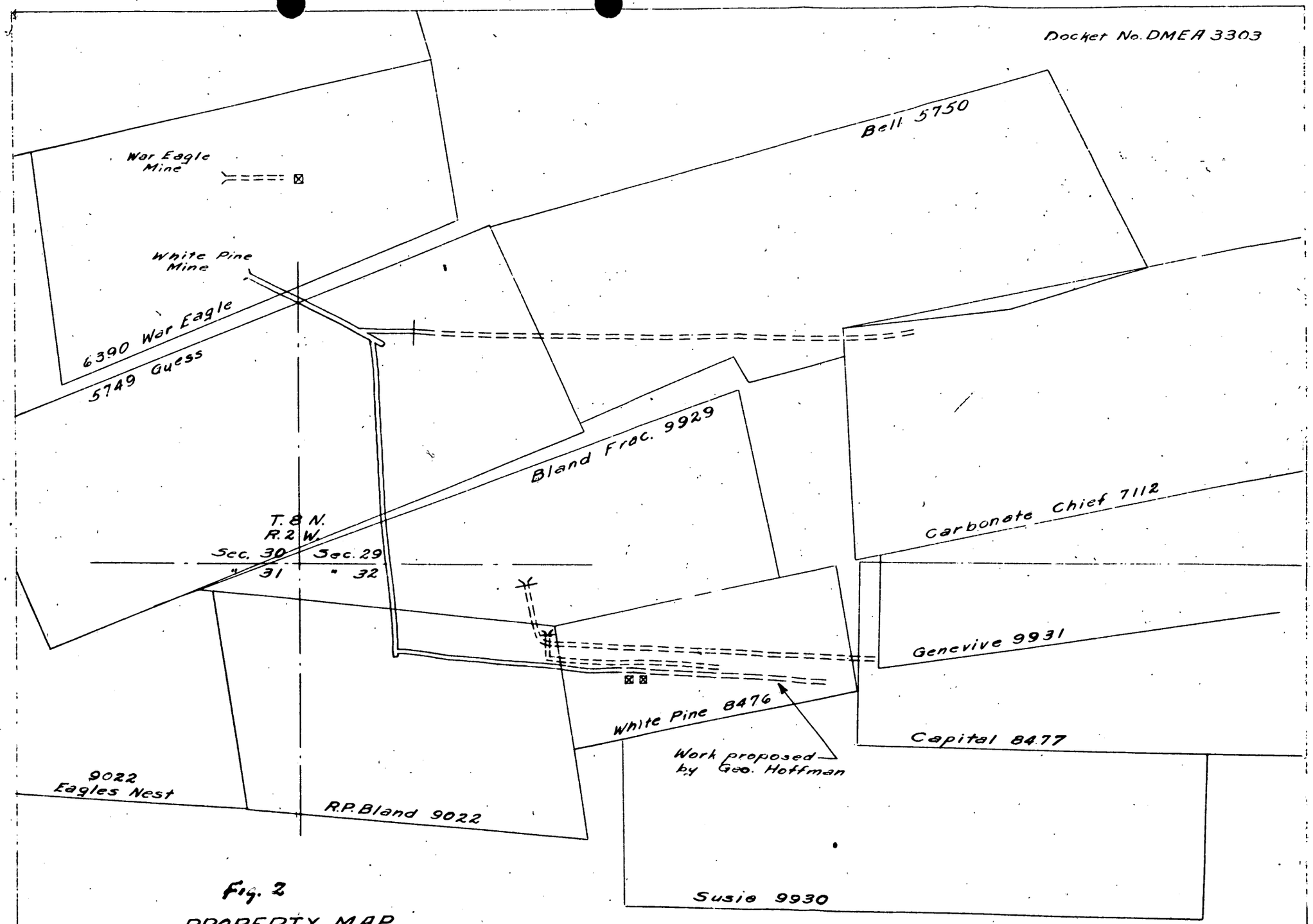


Fig. 2

PROPERTY MAP
White Pine and Bell Group
Jefferson County, Montana

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Not to be filled in by applicant

Docket No. 3303
Metal or Mineral Uranium-Lead-Zinc
Date Received
Estimated Cost $54,295
Participation (Government %)

APR - 8 1954

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: George M. Hoffman
917 8th. Ave.
Helena, Montana

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract White Pine patented claim Survey #3474; Capital patented claim Survey # 3474; Genevieve patented claim Survey #9931; Susie patented claim Survey #9930; Bland Fraction patented claim Survey #9929; all in T.8N, R2W, Jefferson County, Montana.

(*b*) State any mine name by which the property is known. White Pine Mine

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

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

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

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

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

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

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

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

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

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Uranium, lead, zinc.

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

(*c*) The work will start within 30 days and be completed within 18 months from the date of an exploration project contract.

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

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

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

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

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

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated November 30, 1953

George M. Hoffman
(Applicant)

By

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

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

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

SUPPLEMENTAL INFORMATION TO FORM MF-103

4.(a) See DMEA Contract No. Idm-E-273. No work done other than examination since termination of DMEA contract.

(b) See DMEA Contract No. Idm-E-273.

(c) Since completion of the exploration work performed by the White Pine Lead Co., they have relinquished their lease and option to me. In examining the dump with a scintillator this summer, I discovered moderate radioactivity. I informed R. A. Weeks of the U. S. Geological Survey of the find, and together with him examined the White Pine drift. The source of radioactivity was located in thin black seams and veinlets occurring in the back one hundred feet of the drift. Previous reports supporting the application of the White Pine Mining Co. are still valid. The work done under the previous DMEA loan was exploration for lead.and zinc. Commercial amounts were not found in the drifting. Apparently the radioactivity was not detected . Since it now has been detected, I believe that additional exploration for uranium is warranted.

(d) See DMEA Contract No. Idm-E-273.

(e) Manpower - sufficient experienced miners available locally.
Materials and supplies - nearest source Helena; major mining equipment obtainable at Helena and Butte.
Water - plentiful on property.
Power - power line of Montana Power Co. already installed.

5.(b) The proposed work shall consist of two stages. In stage 1, 250 feet of drifting on the White Pine vein with one raise in the presently known radioactive ore and other raises and crosscuts as required to show the extent of radioactive mineralization. Such raising and crosscutting will amount to 300 feet of working.

In stage 2, contingent upon findings in stage 1, drift 250 feet additional in White Pine vein, and raise and crosscut as required to show extent of radioactive mineralization. Such rasing and crosscutting will amount to 300 feet of new work.

(d) I completed a similar contract for the Newmont Development Co. under the supervision of the Atomic Energy Commission, which was considered very satsifactory. For reference, contact Ernest Thurlow, Atomic Energy Commission, Salt Lake City, Utah.

6. Estimate of costs:

		Stage 1	Stage 2
(a)	None		
(b)	U. S. G. S. and A. E. C.		
(c)	Unit cost:		
	250 feet timbered drifting @41.75	$10,437.50	$10,437.50
	300 feet timbered raising, crosscutting and drifting	13,650.00	13,650.00
(d)	Scintillator, Model 111	495.00	
(e)	Replace or reinforce 12 sets of timber; Replace 150 feet of track on dump; excavating and replacing transformers; cleaning up 600 feet of drift	1,000.00	
(f)	None		
(g)	Assaying	300.00	300.00
(h)	Road repairs and snowplowing, as necessary	500.00	500.00
	Maintenance and depreciation of equipment	1,512.50	1,512.50
		$27,895.00	$26,400.00
	Applicant's share of contract	6,873.75	6,600.00
	Government's share of contract	$21,021.25	$19,800.00

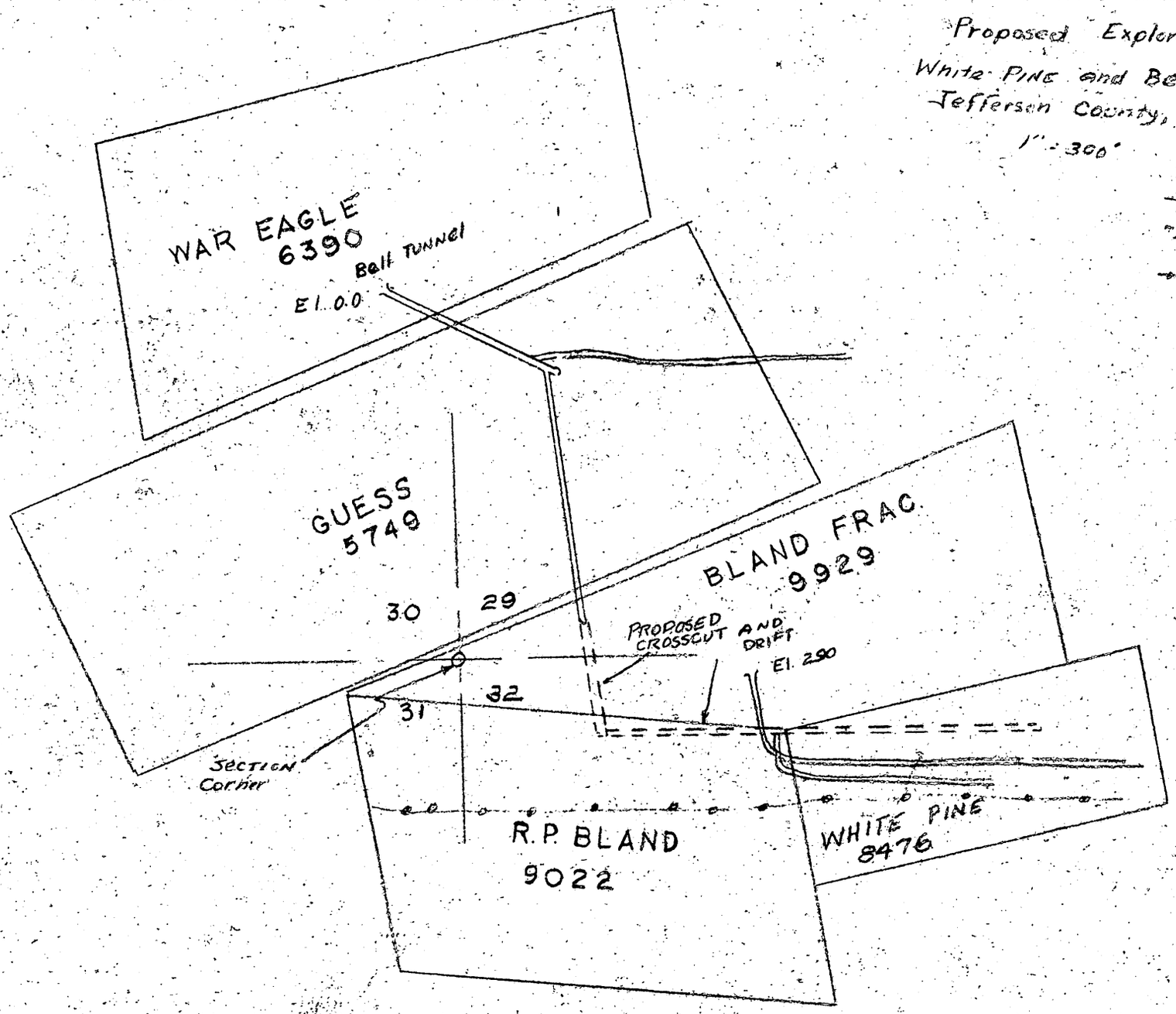
Totals:

Applicants share	$13,473.75
Government's share	40,821.25
	$54,295.00

7. (a) Yes
(b) Applicant's share will be furnished in cash when contract is approved. This will be available to meet current operating costs. It is proposed that the applicant be reimbursed once monthly upon submission of statements on basis of work accomplished.

Docket No. DMEA-2034

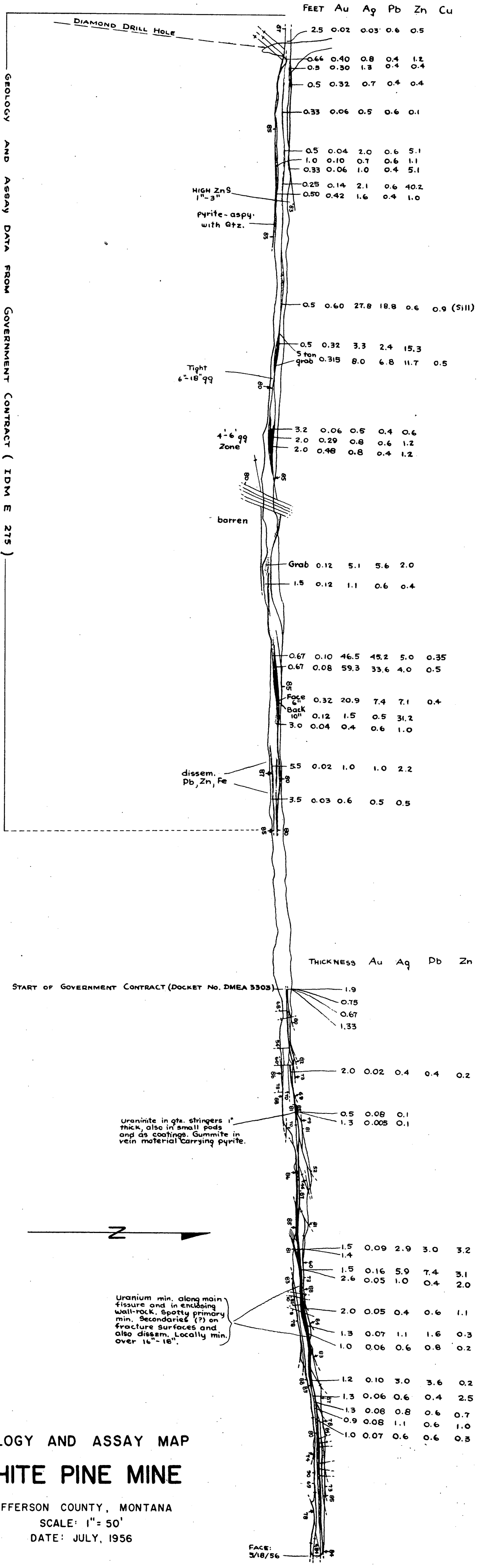
Proposed Exploration
White Pine and Bell Groups
Jefferson County, Montana
1" = 300'



DOCKET NO. DMEA 3303

WHITE PINE VEIN —

GEOLOGY AND ASSAY DATA FROM GOVERNMENT CONTRACT (IDM E 275)



ASSAY DATA

FEET	Au	Ag	Pb	Zn	Cu
2.5	0.02	0.03	0.6	0.5	
0.66	0.40	0.8	0.4	1.2	
0.5	0.30	1.3	0.4	0.4	
0.5	0.32	0.7	0.4	0.4	
0.33	0.06	0.5	0.6	0.1	
0.5	0.04	2.0	0.6	5.1	
1.0	0.10	0.7	0.6	1.1	
0.33	0.06	1.0	0.4	5.1	
0.25	0.14	2.1	0.6	40.2	
0.50	0.42	1.6	0.4	1.0	
0.5	0.60	27.8	18.8	0.6	0.9 (Sill)
0.5	0.32	3.3	2.4	15.3	
5 ton grab	0.315	8.0	6.8	11.7	0.5
3.2	0.06	0.5	0.4	0.6	
2.0	0.29	0.8	0.6	1.2	
2.0	0.48	0.8	0.4	1.2	
Grab	0.12	5.1	5.6	2.0	
1.5	0.12	1.1	0.6	0.4	
0.67	0.10	46.5	45.2	5.0	0.35
0.67	0.08	59.3	33.6	4.0	0.5
Face 6"	0.32	20.9	7.4	7.1	0.4
Back 10"	0.12	1.5	0.5	31.2	
3.0	0.04	0.4	0.6	1.0	
5.5	0.02	1.0	1.0	2.2	
3.5	0.03	0.6	0.5	0.5	

THICKNESS	Au	Ag	Pb	Zn	U_3O_8 CHEM.
1.9					0.01
0.75					TR.
0.67					0.01
1.33					TR.
2.0	0.02	0.4	0.4	0.2	
0.5	0.08	0.1			0.19
1.3	0.005	0.1			0.13
1.5	0.09	2.9	3.0	3.2	
1.4					0.04
1.5	0.16	5.9	7.4	3.1	
2.6	0.05	1.0	0.4	2.0	
2.0	0.05	0.4	0.6	1.1	0.05
1.3	0.07	1.1	1.6	0.3	0.10
1.0	0.06	0.6	0.8	0.2	0.04
1.2	0.10	3.0	3.6	0.2	
1.3	0.06	0.6	0.4	2.5	
1.3	0.08	0.8	0.6	0.7	
0.9	0.08	1.1	0.6	1.0	
1.0	0.07	0.6	0.6	0.3	

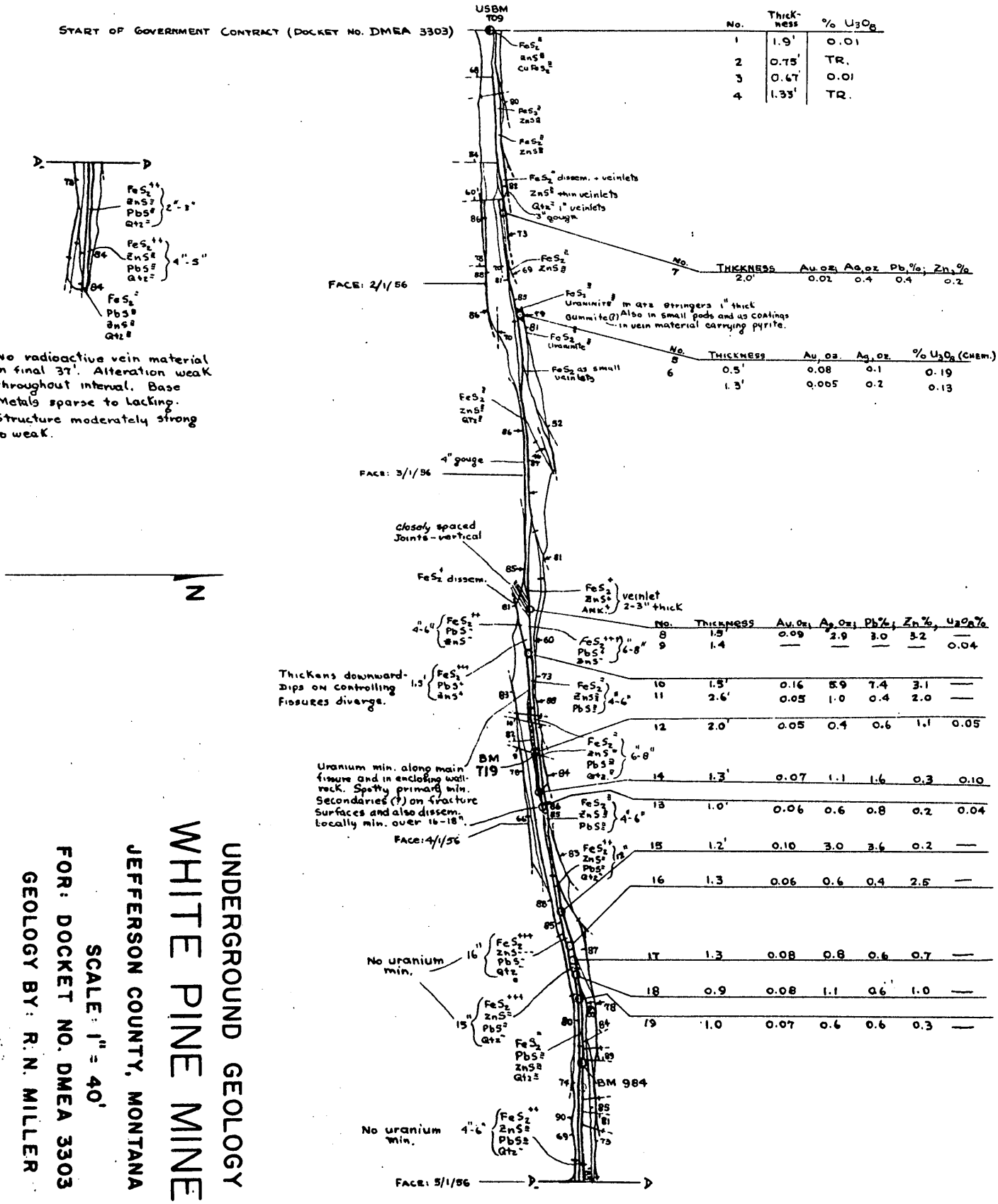
GEOLOGY AND ASSAY MAP

WHITE PINE MINE

JEFFERSON COUNTY, MONTANA

SCALE: 1" = 50'

DATE: JULY, 1956



No.	Thickness	% U_3O_8
1	1.9'	0.01
2	0.75'	TR.
3	0.67'	0.01
4	1.33'	TR.

No.	Thickness	Au, oz;	Ag, oz	Pb, %;	Zn, %
7	2.0'	0.02	0.4	0.4	0.2

No.	Thickness	Au, oz.	Ag, oz.	% U_3O_8 (chem.)
6	0.5'	0.08	0.1	0.19
	1.3'	0.005	0.2	0.13

No.	Thickness	Au, oz;	Ag, oz;	Pb %;	Zn %,	U_3O_8 %
8	1.5'	0.09	2.9	3.0	5.2	—
9	1.4	—	—	—	—	0.04
10	1.5'	0.16	5.9	7.4	3.1	—
11	2.6'	0.05	1.0	0.4	2.0	—
12	2.0'	0.05	0.4	0.6	1.1	0.05
14	1.3'	0.07	1.1	1.6	0.3	0.10
13	1.0'	0.06	0.6	0.8	0.2	0.04
15	1.2'	0.10	3.0	3.6	0.2	—
16	1.3	0.06	0.6	0.4	2.5	—
17	1.3	0.08	0.8	0.6	0.7	—
18	0.9	0.08	1.1	0.6	1.0	—
19	1.0	0.07	0.6	0.6	0.3	—

UNDERGROUND GEOLOGY
WHITE PINE MINE

JEFFERSON COUNTY, MONTANA

SCALE: 1" = 40'

FOR: DOCKET NO. DMEA 3303

GEOLOGY BY: R. N. MILLER

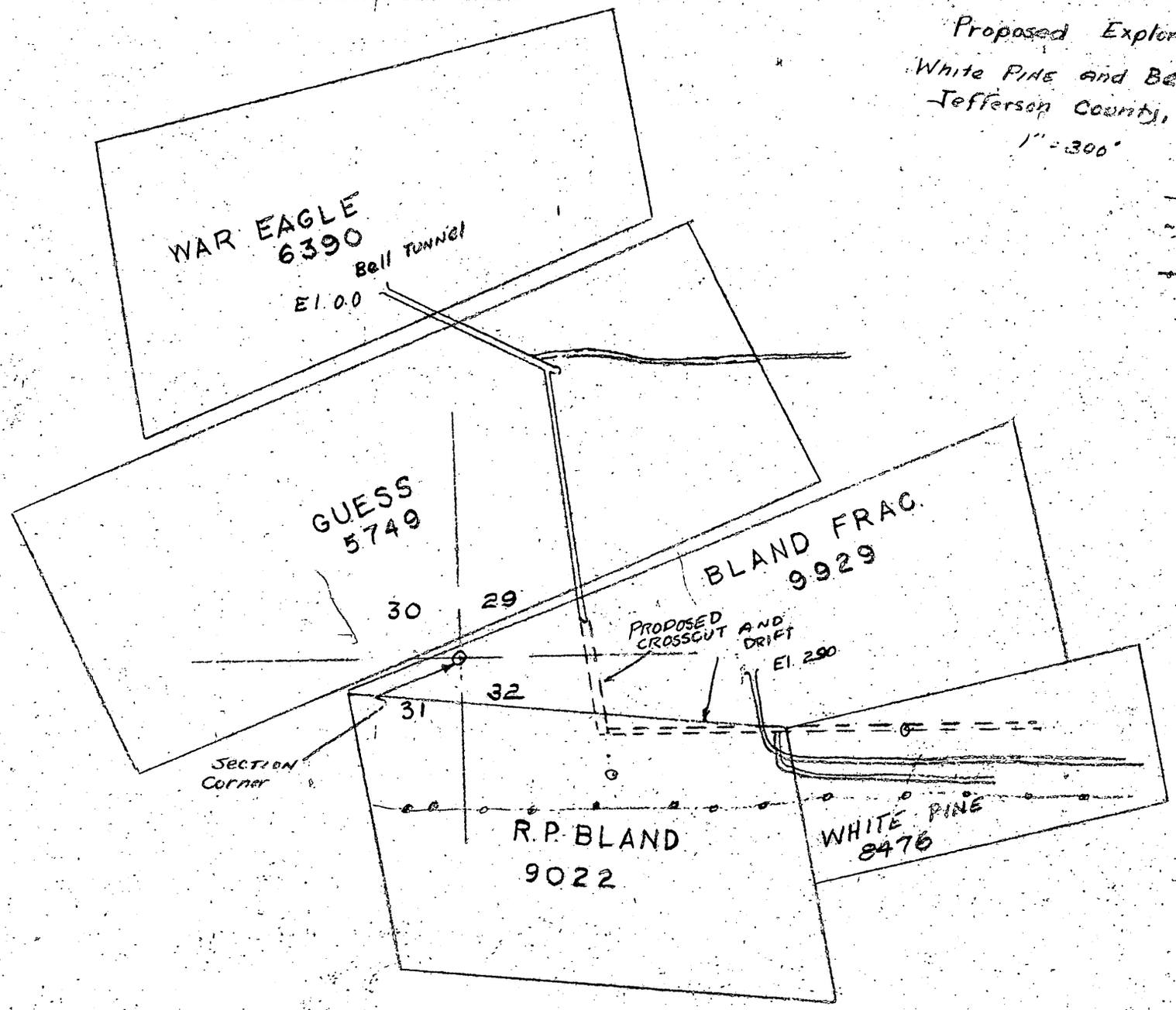
● BENCH MARK

[redacted]

[redacted]

Docket No. DMEA-2034

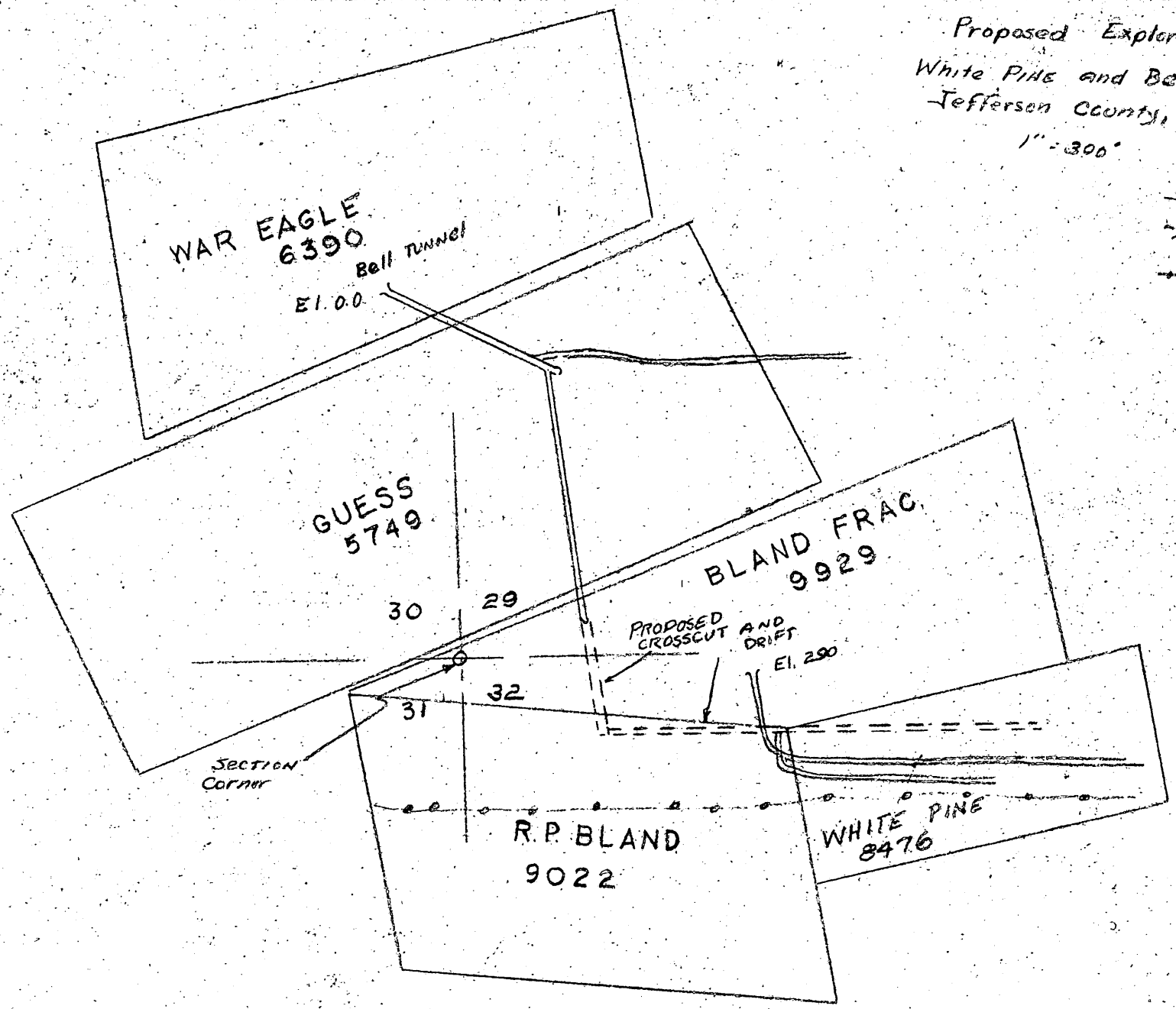
Proposed Exploration
White Pine and Bell Groups
Jefferson County, Montana
1" = 300'



Vein

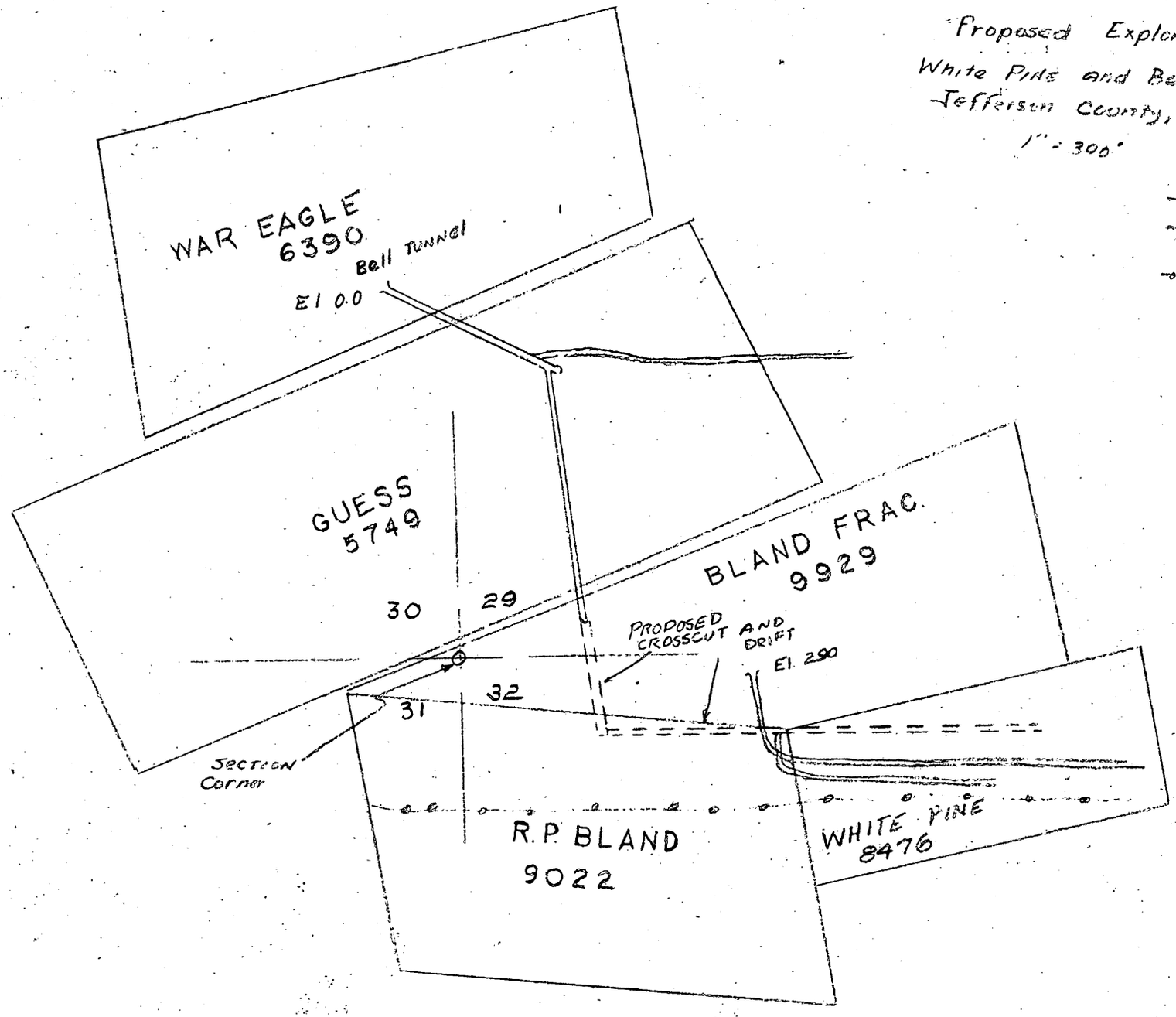
Docket No. DMEA-2034

Proposed Exploration
White Pine and Bell Groups
Jefferson County, Montana
1" = 300'



Docket No. DMEA-2034

Proposed Exploration
White Pine and Bell Groups
Jefferson County, Montana
1" = 300'



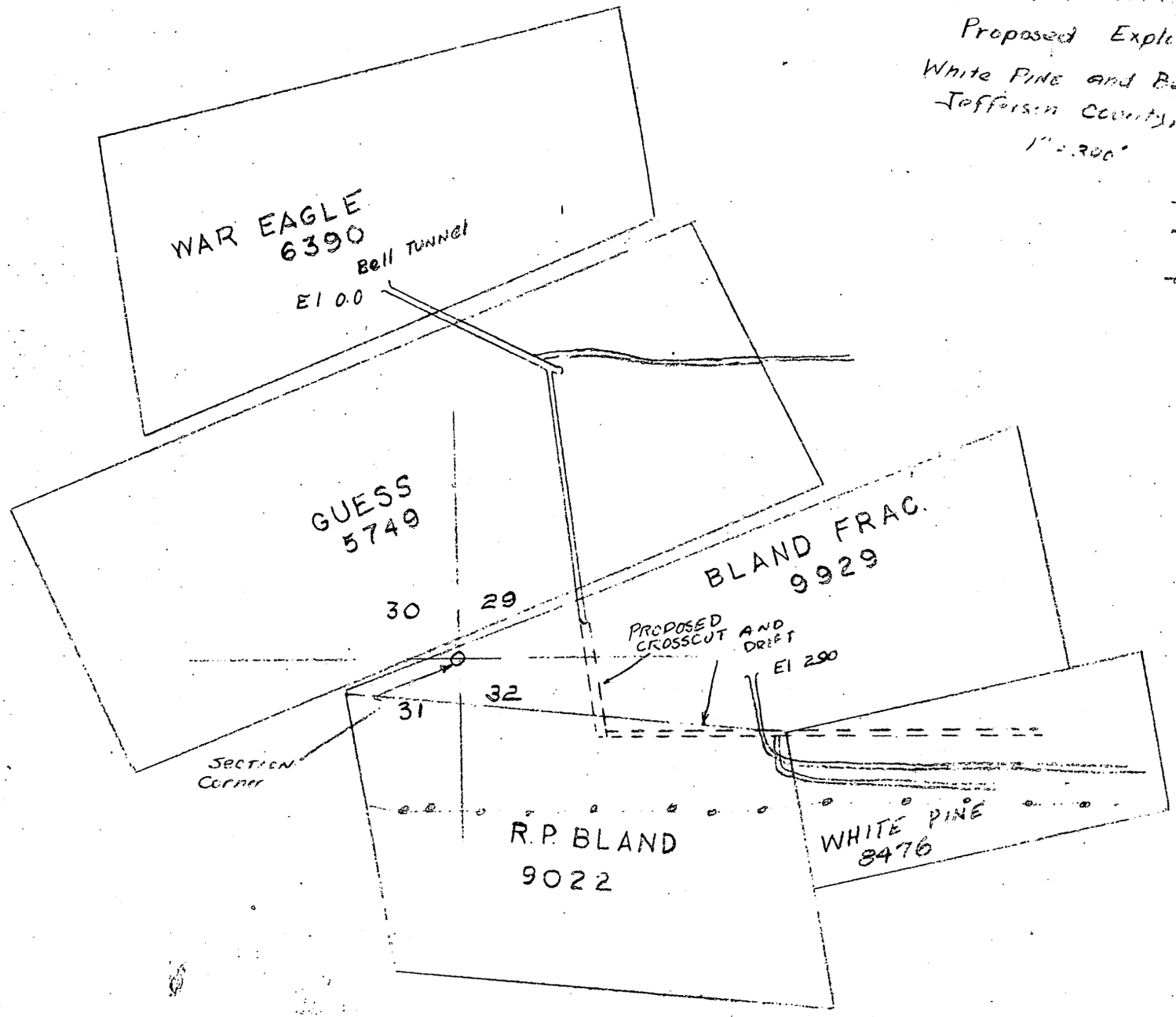
Docket No. DMEA-2034

Proposed Exploration

White Pine and Bell Groups

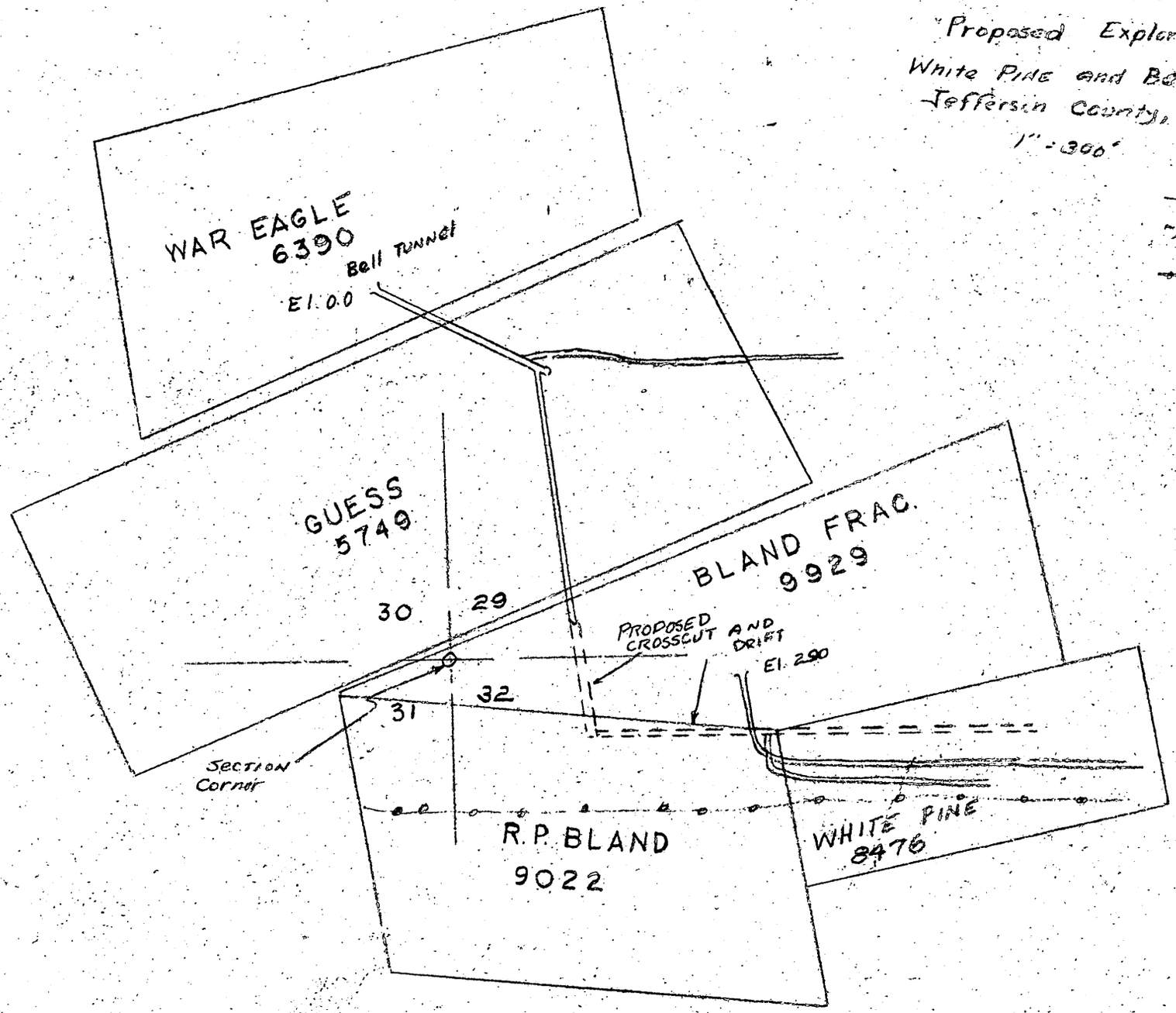
Jefferson County, Montana

1" = 300'



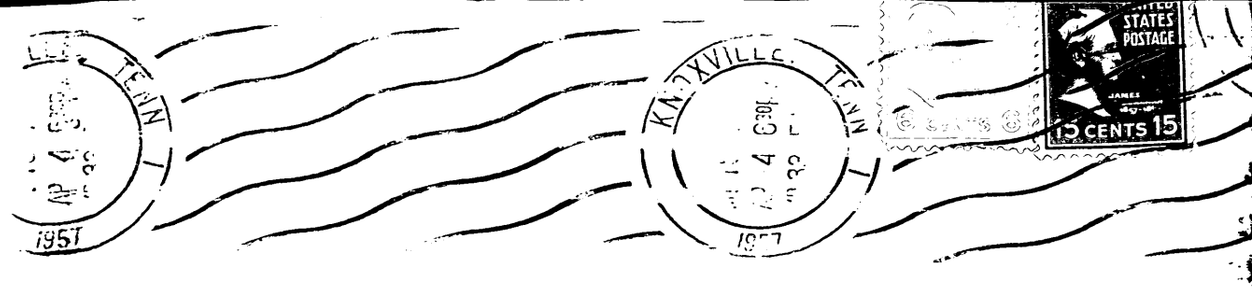
Docket No. DMEA-2034

Proposed Exploration
White Pine and Bell Groups
Jefferson County, Montana
1" = 300'



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
ICE BLDG.
N.

OFFICIAL BUSINESS



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

15

DOCKET COPY

Project Summary Report

By: F. L. Knouse November 15, 1957

1. Docket No. DMEA-3303 (Uranium)
Contract No. Idm-E799

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

Property - Consists of five claims and one fraction claim in secs. 29, 30, 31, and 32, T. 8 N., R. 2 W., M.P.M.& B., Jefferson County, Montana. The claims! names are: Bland Fraction, R. P. Bland, White Pine, Genevieve, Capital, and Susie.

Property Rights - Owner.

2. Contract dated: May 18, 1955

The project work was started June 20, 1955, and was completed on May 18, 1956. During the period of contract work a fire destroyed the initial installation and delayed the completion of the contracted work.

Work authorized -

Consisted of a two-stage drifting and raising program along the White Pine vein to test it for uranium bearing-ore. Also included in the program was the rehabilitation of the adit to the drift face and the installation of a transformer and track at the adit portal. The program was estimated to cost $26,025.00.

Stage I

Consisted of the installation of 150 feet of track on the mine dump, transformer installation, rehabilitation of 600 feet of adit, and 350 feet of drifting along the White ~~Rim~~ Pine vein.

Stage II

Consisted of 150 feet of drifting and 175 feet of raising along the White Pine vein.

Estimated and completed cost of the project work:

Stage I	Est. cost	Work completed Units	Work completed Cost
Actual Cost			
12 sets of adit timbers @ $25/set	$300.00	12	$300.00
150 ft. of track on dump @ $0.85/ft.	127.50	150	127.50
Transformer installation	22.50	-	22.50
600 ft. adit rehabilitation @ $0.50/ft.	300.00	600	300.00
350 ft. drifting @ $30/ft.	10,500.00	350	10,500.00
350 ft. drift timbering @ $5/ft.	1,750.00	220	1,100.00
Geologist-Engineer - 18 days @ $25/day	450.00	18	450.00
65 sample chemical analyses @ $5/each	390.00	22	71.00
Stage II			
Actual Cost			
150 ft. drifting @ $30/ft.	4,500.00	22	660.00
150 ft. drift timbering @ $5/ft.	750.00	-	-
175 ft. raising @ $35/ft.	6,125.00	-	-
Geologist-Engineer 18 days @ $25/day	450.00	-	-
60 sample chemical analyses @ $6/each	360.00	-	-
Estimated total cost of the project	$26,025.00		$13,531.00
Government Participation @ 75%	$19,578.75		$10,148.25

Amendments -

No. 1, dated January 30, 1956: Because of adverse conditions, fire, and delivery of supplies, completion date of the project work was changed from February 1, 1956, to September 1, 1956.

Termination Agreement - dated June 31, 1956, effective May 19, 1956.

Final Reports - Operator's: dated July 28, 1956, received in Division August 20, 1956.
Field Team's: dated October, 1957, received in Division October 31, 1957.

In addition, samples of mine water contained uranium in what was thought to be anomalous amounts. Also, the value of uranium added to the value of gold, silver, and base metals might be enough to make ore of the vein material in spite of its narrow width.

The White Pine structure followed by the drift is a weak but persistent shear zone that strikes N. 85° E. and dips from 80° N. to 80° S. in quartz monzonite of the Boulder batholith. Along the shear zone there is some rock alteration and, in places, it is mineralized. The shear zone consists of 1-4 thin gouge seams averaging about 2 feet wide, although in places it widens to as much as 4 feet and narrows to a few inches. Small pods or short veinlets containing quartz, pyrite, galena, sphalerite, and arsenopyrite are present in a few places where fault strands join the zone.

Radioactivity was found in only two places. About 100 feet east of the starting point of this contract work several thin-branching veinlets containing pyrite and arsenopyrite contained up to 0.19% U_3O_8. Also, samples from the vein a few inches wide, 200 to 255 feet from the starting point, contained from 0.04 to 0.10% U_3O_8. In only one place, about 220 feet from the starting point, was galena and sphalerite found of ore grade. Here a small lens about 1-1/2 feet wide assayed 0.16 oz. Au., 5.9 oz. Ag., 7.4% Pb., and 3.1% Zn.

After completion of Stage I work, and 22 feet of drifting under Stage II, the Operator requested that the contract be terminated, and the contract was mutually terminated with an effective date of May 19, 1956.

The results of the exploration work do not justify issuing a certificate of discovery. Also, participation by the Government in further exploration of the property is not warranted.

F. L. Knouse

F. L. Knouse

3. Audit Report of Review, dated May 16, 1957:

Total cost as billed by contractor		$13,529.50
Exceptions:		
By DMEA Finance Officer($1.50)		
Herewith	-0-	-0-
Total Accepted Cost		$13,531.00
Government Participation @ 75 percent		$10,148.25

4. The Field Team wrote that the results of the exploration work do not justify issuing a certification of discovery. The writer concurs with the Field Team's conclusion.

Production:

Incomplete shipping records from the White Pine and Bell mines indicate shipment of 5,700 tons containing 1.138 oz. Au.; 5.83 oz. Ag; 2.9% Pb.; 2.0% Zn.; and 0.3% Cu./ton, prior to DMEA contract Idm-E273 - net value $165,920.86.

While Contract Idm-E273 was in effect, there was shipped 18,073 lbs. of ore having a net value of $75.53, or about $8.35/ton. The grade of the shipment was 0.155 oz. Au., 8.94 oz. Ag., 5.03% Pb., and 6.7% Zn. Royalties of $3.37 were paid to the Government on the above production.

There was no production while this contract (Idm-E799) was in effect.

5. Comments -

Contract work was accomplished in a~~n ac~~creditable manner and the Operator furnished very complete monthly reports, maps, and a satisfactory final report. Except for the difficulties cited above, the work was done without undue difficulties. The contract work was done by an independent contractor and was approved by the Executive Officer.

After the property was unsuccessfully explored for lead and zinc under Contract Idm-E273, Docket DMEA-2034, and terminated, the Operator found radioactivity along the White Pine vein. (The work along this vein was stopped because shoots of base metal minerals were too narrow and too low grade to constitute ore.) Selective specimens were found that assayed 1.37% U_3O_8. Also, the vein was found to be radioactive for the innermost 100 feet of drifting.

[XX] Audited

[ ] Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 11-12-57
Incl. Voucher for May 1956

[✓] Actual Cost

[ ] Agreed Unit Costs

Name George M. Hoffman

Docket No. DMEA-3303

State Montana

Commodity Uranium

Idm-E No. 799

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	500 ft.	$15,000.00	372 ft.	$11,160.00	$11,160.00
" " Tunneling	500 ft.	2500.00	220 ft.	1,100.00	1,100.00
Raising	175 ft.	6,125.00			
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs		150.00		150.00	150.00
Underground Rehabilitation		600.00		600.00	600.00
New Building, Improvements, etc.					
Other (Specify) Engineering & Sample analyses		1650.00		521.00	521.00
Totals		26,025.00		$13,531.00	$13,531.00

Prepared by J. Illegible

71626

IN REPLY REFER TO:

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

November 22, 1957
Re: DMEA 3303 Idm-E799
Geo. M. Hoffman
White Pine Mine
Jefferson Co., Mont.
Uranium

Memorandum

To: E. W. Ellis, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team Final Report

The contract, approved the expenditure of $26,025.00 on the exploration of a narrow gold-bearing quartz vein in quartz-monzonite, in which uranium had been detected. Accessory metals are silver, lead, and zinc. The vein had been explored for lead and zinc under Contract No. Idm-E273, DMEA 2034. No material worth mining was found.

Under contract Idm E779, the vein was drifted upon for 372 feet in which distance three samples assaying more than 0.10% U_3O_8 were taken, as:-

Width Feet	U_3O_8 Percent
0.5	0.19
1.3	0.13
1.3	0.10

With 3 exceptions samples of the narrow continuous vein showed only low values in gold, silver, lead, and zinc. No material worth mining was found.

Including money spent on rehabilitation in the long cross-cut entry, the expenditure totalled $13,531.00, of which the Government's share is $10,148.25. Royalty payments totalling $3.37 have been remitted, this from ore sold under the previous contract, that is, Idm-E273.

The contract (Idm-E799) was terminated by mutual agreement effective May 19, 1956.

The examiners do not recommend certification and conclude participation by the Government in further exploration unwarranted.

N. E. Nelson

N. E. Nelson

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/15	Knouse	700
11/18	Ellis	700
11-18	Chambers	800
11/18	Selbridge	120
"	Johnson	110
"	Mittendorf	100
11/19	C	220
		225

NOV 18 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 (for)

Administrator

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

8623

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DMEA
RECEIVED OCT 25 1957

DATE	INITIALS	CODE
10/25	C	220
4	F-LK	700

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

Date October 25, 1957

DMEA Docket No. 3303
DMEA Contract No.
Commodity Uranium
Name of applicant George M. Hoffman
Name of property White Pine Mine
Location of property Jefferson County, Montana
Estimated cost of project $13,531.

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: James Paone, Bureau of Mines Member
Uranium Commodity Committee

Subject: Review of Field Team Report
(Application, Field Team Report, etc.)

1. Date of subject document: 10/15/57 2. Date received by reviewer: 10/25/57

3. Field reports on this property known to reviewer: Yes ☐ No ☐

4. Field reports on nearby properties known to reviewer: Yes ☐ No ☐

5. Information available on past production: Yes ☐ No ☐

6. Other pertinent factors known to reviewer: Yes ☐ No ☐

7. Explain items marked yes above:

8. Factors requiring special consideration:
a. Location ☐
b. Ownership ☐
c. Evidence of mineralization ☐
d. Geology ☐
e. Proposed exploration method ☐
f. Alternate exploration method ☐
g. Costs ☐
h. ☐

9. Action advised:
a. Obtain information from applicant ☐
b. Refer to Field Team ☐
c. Revise ☐
d. Agree with Field Team ☐x
e. Disagree with Field Team ☐
f. Suggest alternate plan ☐
g. Request another opinion ☐
h. Approve ☐
i. Consult with Mr. at

10. Remarks (Use back of page if necessary) Recommend that no certification of discovery be made.

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

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DMEA
RECEIVED OCT 21 1957
DATE | | CODE
10/21 gb 220
10/21 JB 130
" 7E 110
10/25 JB 130
10/31 FLK 220

October 15, 1957

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

Re: Docket No. DMEA-5303 (Uranium)
George M. Hoffman
White Pine Mine
Jefferson County, Montana
Contract No. Idm-E799

Dear Mr. Selfridge:

Enclosed are three copies of a Field Team final report on this property prepared by George T. Krempasky, Mining Engineer, Bureau of Mines, and Darrell M. Pinckney, Geologist, Geological Survey.

The contract became effective May 18, 1955, and was terminated May 19, 1956. The drift on the White Pine vein was extended 500 feet at a total cost of $13,531, of which the Government's share was 75 percent or $10,148.25.

The drifting disclosed a few pods and short, narrow veinlets containing quartz, pyrite, galena, sphalerite, and arsenopyrite. Only two places showed radioactivity and samples indicated 0.19 percent U_3O_8 and 0.04 to 0.10 percent U_3O_8, respectively.

Krempasky and Pinckney conclude that the project was unsuccessful in discovering significant amounts of uranium or base metal sulfides and recommend that no Certification of Discovery or Development be made and that no further Government funds be spent on this property.

We concur with these conclusions and recommendations.

By Field Team, Region I

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

for Stephen C. Zolebok
Thomas E. Howard, Acting Member
U. S. Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
10-25-57
(date)

Enclosures
cc: USBM(2) AEC, Salt Lake
USGS(SRO) Pinckney

FINAL F.T. REPORT

see map in pocket

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM, REGION I

OFFICIAL FILE COPY
D M E A
RECEIVED OCT 21 1957

DATE	[illegible]	CODE
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		220

FINAL REPORT

Contract Idm-E799

by

George T. Krempasky
Mining Engineer
U. S. Bureau of Mines

Darrell M. Pinckney
Geologist
U. S. Geological Survey

GEORGE M. HOFFMAN
917 Eighth Avenue
Helena, Montana

Docket No.:	DMEA-3303
Commodity:	Uranium
Date of contract:	May 18, 1955
Termination date:	May 19, 1956

WHITE PINE MINE
Warm Springs Creek
Jefferson County, Montana

Reviewed by
DMEA OPERATING COMMITTEE

10-25-57
(date)

Spokane, Washington

October 1957

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Discussion of Conclusions	9

ILLUSTRATION

Plate 1 - Geology of the White Pine Mine (April 1957, Jefferson County, Montana — In pocket

FINAL REPORT

GEORGE M. HOFFMAN
White Pine Mine
Warm Springs Creek
Jefferson County, Montana

Contract Idm-E799

* * * *

INTRODUCTION

This report describes an exploration project for uranium conducted jointly by George M. Hoffman and the Defense Minerals Exploration Administration at the White Pine mine, Jefferson County, Montana.

Summary

The purpose of the project was to explore the White Pine mine for uranium which was detected after the termination of a previous project, Docket No. DMEA-2034 (lead-zinc), Contract No. Idm-E273.

The access adit was reconditioned approximately 600 feet to the east drift face and the drift extended about 372 feet on the White Pine vein without disclosing any significant uranium, lead or zinc mineralization. The contract was terminated by mutual agreement on May 19, 1956.

Recommendation

The project was unsuccessful in discovering significant uranium or other mineralization and no Certification of Discovery or Development is recommended. Government participation in further exploration at the White Pine mine is not warranted.

LOCATION AND ACCESSIBILITY

The White Pine mine is at an altitude of 5,600 feet, near the head of the Middle Fork of Warm Springs Creek. The property is approximately 5 miles, by Forest Service road, from Alhambra Hot Springs, which is on U. S. Highway 91 and the Great Northern Railway. Alhambra Hot Springs is about 13 miles south of Helena, Montana.

PROPERTY

The property explored under the contract consists of 6 patented lode claims and fractions owned by George M. Hoffman, Helena, Montana. The claims are in secs. 29, 30, 31 and 32, T. 8 N., R. 2 W. M.P.M., Jefferson County, Montana. The claims covered by the contract are as follows:

Claim	Survey No.
Bland Fraction	9929
R. P. Bland	9022
White Pine	8476
Genevieve	9931
Capital	8477
Susie	9930

The Bell Tunnel, which provides access to the White Pine vein, passes through the War Eagle and Guess patented claims and the open ground between the War Eagle and Guess claims and between the Guess and Bland Fraction.

Rights of way, through the War Eagle and the Guess patented claims are recorded in the Jefferson County Courthouse, Boulder, Montana, in Book 76 of Deeds, page 28, and is dated May 22, 1943.

Mine Workings and Plant

The mine workings on the White Pine vein consist of 3 adits, the most important of which is the lower and only accessible adit at an altitude of 5,600 feet. The intermediate level adit and the upper adit levels are respectively at altitudes of 5,880 and 5,976 feet.

From the lower adit the White Pine vein is reached by means of a southeast-south crosscut approximately 2,400 feet long. The vein has been explored eastward for a distance of about 1,172 feet.

Maps of the intermediate and upper levels are not available.

The mine plant, at the portal of the lower adit, consisted of a transformer station, house trailer for office, compressor house, timber shed, and shed housing the ventilating fan. The equipment consisted of a motor-driven compressor and ventilating fan, Mancha storage battery tramer, mine cars, air drills, and accessory and miscellaneous tools.

History and Production

According to Stone (Stone, R. W., Geologic Relation of Ore Deposits in the Elkhorn Mountains, Montana, U. S. Geol. Survey Bull. 470, p. 75-98) the mines of the Warm Springs area produced about $1,000,000 by 1907.

The Field Team final report, Contract No. Idm-E273, written by Bardill and Weeks, states that incomplete shipment records obtained from the present owner indicate a shipment of 5,700 tons of ore from the White Pine and Bell mines. The ore shipped contained 1.138 ounces gold and 5.83 ounces silver per ton, 2.9 percent lead, 2.0 percent zinc, and 0.3 percent copper. Net proceeds as listed by these records are $165,920.86.

While work under Contract No. Idm-E273 was being executed, 18,073 pounds of ore having a net value of $73.53, or about $8.36 per ton, was shipped to the smelter and the Government received its percentage royalty. The average grade of these shipments was 0.155 ounce gold and 8.94 ounces silver per ton, 5.03 percent lead and 6.70 percent zinc.

GEOLOGY

The general geology of the White Pine mine is fully decribed in the Field Team final report by Bardill and Weeks under Docket No. DMEA-2034 (lead-zinc), Contract No. Idm-E273.

Geology of the New Workings

The White Pine structure east of EM709 is a weak but persistent sheared zone that strikes about N. 85° E. and dips from 80° N. to 80° S. in quartz monzonite of the Boulder batholith (pl. 1). Along the sheared zone some of the rock has been altered and, in places, a little of it has been mineralized. The main part of the shear zone consists of 1-4 thin gouge seams averaging about 2 feet wide, although, in places, it is as much as 4 feet or as little as a few inches in width. Bands of altered rock bordering the seams range in width from about an inch to a foot, and in many places much of the rock between individual seams is completely fresh. Small

pods or thin short veinlets containing quartz, pyrite, galena, sphalerite, and arsenopyrite are present in a few places where fault strands join each other or where the stronger strands are close together.

Radioactivity was found in only two places. About 100 feet east of EM709 the north wall of the drift is cut by several thin branching veinlets containing quartz, pyrite and arsenopyrite. Some of this material contained up to 0.19 percent U_3O_8. From about 200 to 255 feet east of EM709 a vein a few inches wide is radioactive in spots. Samples from this vein contained from 0.04 to 0.10 percent uranium. None of this material could be considered ore. In only one place, about 220 feet east of EM709, was galena and sphalerite of ore grade found. Here a small lens about 1½ feet wide was exposed in the face. A sample of this lens assayed 0.16 ounce gold and 3.9 ounces silver per ton and 7.4 percent lead and 3.1 percent zinc. This lens was only a few feet long and it did not extend upward to the back of the drift.

THE PROJECT

Geologic Justification

During the summer of 1953, Mr. Hoffman found radioactivity along the White Pine vein, samples from which contained 0.01 percent or less uranium.

The justification for the project that was given by R. A. Weeks, Geologist, Geological Survey, in his report of March 1, 1954, recommending additional work at the White Pine, is briefly:

(1) Persistence of the vein structure,

(2) The original project was not completed,

(3) Uranium was found near the end of the drift and the extent of it along the vein was not known,

(4) The value of the uranium added to the value of the gold, silver, and base metals might be enough to make the vein material ore in spite of its narrow width, and

(5) The knowledge that could be gained here would be applicable to similar deposits in the area.

In addition, samples of mine water contained uranium in what was thought to be anomalous amounts, indicating that there was a source of uranium mineralization underground and, it was hoped, in significant amounts. Six samples of mine water were collected by Philip F.

Fix, Geochemistry and Petrology Branch, U. S. Geological Survey, and were analyzed for uranium (pl. 1). According to Fix, water from nonuranium-bearing areas in the Boulder batholith contains about 0.55 parts per billion uranium. Of the six water samples, only two were collected from the White Pine vein; one of these contained 230 parts per billion uranium and the other contained 7.4 parts per billion uranium. The sample containing 230 parts per billion uranium came from a small pool into which only a small amount of water flowed. The pool had no outlet and its level probably was maintained by a balance between inflow and evaporation. This may have concentrated uranium in the water and could account for the sample having a uranium content that is unusally high. The second sample of water from the vein contained less uranium than a third sample of water from a diamond drill hole drilled into barren wall rock.

Proposed Program

The DMEA contract started on June 20, 1955, to explore interesting uranium mineralization which was exposed under Contract No. Idm-E273. This occurrence of uranium was noted in the last 100 feet of the drift, in the White Pine zone area, and also in the mine water.

George M. Hoffman, owner of the property, proposed an exploration program consisting of 500 feet of drifting and 600 feet of raising and crosscutting that was estimated to cost $54,295. The scope of the applicant's proposal was reduced somewhat and broken down into two stages. The recommended proposal included drifting, raising, timbering, assaying and sampling, rehabilitation, and consultant work. The estimated cost of the revised exploration program was $25,275.

After an agreement was reached between the applicant and the Government concerning the inclusion of the amount of the Government's participation in Contract No. Idm-E273, Contract No. Idm-E799 was signed by the applicant. The total amount of the contract agreed upon was $26,025, of which the Government's share was 75 percent or $19,518.75.

The work was to be done on a unit-cost basis and to be performed in two stages, with Stage II dependent upon results obtained from Stage I. The following items of work were authorized:

Stage I

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

(b) Excavate for and reset electric transformer.

(c) Replace 12 sets of timber in the access adit.

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

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

Stage II

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

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

The following costs were authorized under the unit-cost basis:

Stage I

	Unit cost	Total cost
Replace 12 adit timbers	$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	22.50
Condition access adit 600 feet	0.50/ft.	300.00
Drift 350 feet	30.00/ft.	10,500.00
Set 350 ft. of timber (if necessary)	5.00/ft.	1,750.00
Geologist-engineer, 18 days	25.00/day	450.00
65 chemical assays	6.00/sample	390.00
Total - Stage I		$13,840.00

Brought forward, Stage I			$13,840.00
Stage II			
	Unit cost	Total cost	
Drift 150 feet	$30.00/ft.	$ 4,500.00	
Set 150 ft. of timber (if necessary)	5.00/ft.	750.00	
Raise 175 feet	35.00/ft.	6,125.00	
Geologist-engineer, 18 days	25.00/day	450.00	
60 samples	6.00/sample	360.00	
Total - Stage II			$12,185.00
Total - Stages I and II			$26,025.00
Government participation at 75 percent			$19,518.75

Summary of Factual Data

The work completed under the contract at the time of termination is as follows:

Stage I

	Authorized	Completed	Total cost
Replace adit timbers	12 sets	12 sets	$ 300.00
Replace track on adit dump	150 feet	150 feet	127.50
Reset transformer	unit	unit	22.50
Condition access drift	600 feet	600 feet	300.00
Drift on White Pine vein	350 feet	350 feet	10,500.00
Chemical analysis	65 samples	22 samples	71.00
Drift timbering	350 feet	220 feet	1,100.00
Geologist-engineer	18 days	18 days	450.00
Total - Stage I			$12,871.00

Stage II

Drifting	150 feet	22 feet	660.00
Total approved cost			$13,531.00

Total amount of contract	$26,023.00
Government's share at 75 percent	$19,518.75
Total amount expended	$13,531.00
Government's participation	$10,148.25
Total amount unexpended	$12,494.00
Government share unexpended	$ 9,370.50
Royalty payments received	$ 3.37

Discussion of Conclusions

During the execution of the contract work the Operator's progress was delayed because of a fire which destroyed the initial installations, necessitating an extension in completion time from February 1 to September 1, 1956.

After completion of Stage I and 22 feet of drifting under Stage II, the Operator requested that the contract be terminated. The mutual termination agreement became effective May 19, 1956.

The work done under the contract was accomplished in a creditable manner and much thanks can be expressed to the contractor's geologist, who forwarded very complete monthly reports plus excellent maps of the work accomplished.

The results of the exploration work do not justify issuing a certification of discovery. Participation by the Government in any future work at the property is unwarranted.

Enclosure
Distribution:
DMEA (3)
USEM (5)
USGS (SRO)
Dockat
Pinckney
AEC, Salt Lake

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

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 12 1957

DATE	INITIALS	CODE
8/12	O.K.	220
11	FLK	700

August 9, 1957

Mr. W. S. Martin, Acting Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

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

Dear Mr. Martin:

This is in reply to your letter of August 2, 1957, asking when you may expect to receive the final Field Team report on the above-referenced project.

This report, recommending that no certification be made, is ready for final typing. With 16 examination reports in various stages of preparation, most of which will be ready for typing during the next two or three weeks, it is doubtful that this final will be typed until late in September unless you wish it be given priority. The same situation applies to the final Field Team report on the Triumph Mining Company project, Docket DMEA-3394.

copy of this letter sent to Code 500

By Field Team, Region I

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

for John H. Bandell
Wing G. Agnew, Member
U. S. Bureau of Mines

cc: USBM (2)
USBM (AD)
Pinckney

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8-1	Knouse	700
8-1	Ellis	700
8/2	Martin	130
"	Johnson	110
"	Whitehead	108
8/2	C D	220
		700

AUG - 2 1957

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

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

Dear Mr. Weissenborn:

Please advise when we may expect to receive the final Field Team report for the subject project.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (HB)

APPROVED:

P. F. Yopes (HB)
Member, Bureau of Mines

Thor H. Kiilsgaard (HB)
Member, Geological Survey

FLKnouse/izm 8-1-57
cc to: Mr. Knouse
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224

8623

Official

COPY
DMEA
RECEIVED
DATE | INITIALS | CODE
6/27 | ELK | 7CD

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. IAm-8799

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 G. 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

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 .....

SIGN ORIGINAL ONLY

Title .....

† .....
(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)

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

Per .....

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

1201 N. Division St.
Spokane 2, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 24 1957

DATE		CODE
6/24	C	220
6/24		800
"	~~FILE~~	700

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

cc: DMEA (2)
USGS (2)

1201 N. Division St.
Spokane 2, Washington

June 20, 1957

EXTRA COPY
D M E A
RECEIVED JU

DATE	INITIALS	CODE

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-E799

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

cc: DMEA (2)
USGS (2)

OFFICIAL FILE COPY

Date	Surname	Code
5-28	Chambers	800
5/28	C	220
		700

MAY 28 1957

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-E799

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

8623

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 20 1957

DATE	INITIALS	CODE
5/20	C	220
5/20	[illegible]	800
5/24	Yphone	700

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 M. Hoffman
White Pine Mine
Jefferson County, Montana
Contract No. Idm-E799

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. Bowsher, 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(a) 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	65	22
Geologist	18 days	18 days

Stage II		
Drifting	150 ft.	22 ft. (authorized)
Timbering	150 ft.	none
Raising	175 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, NW 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

OFFICIAL FILE COPY

Date	Surname	Code
5-1	Chambers	800
"	Ellis	700
5/1	Selfridge	130
5/1	Johnson	110
"	Mittendorf	100
5/2	C	220
		225

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

Dear Mr. Weissenborn:

Attached you will find three copies of a "Memorandum for the Files", dated April 25, 1957, signed by C. O. Mittendorf, 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

8623

Form 7
(-56)

OFFICIAL FILE COPY

Date	Surname	Code
4-30	Chambers	800
4/30	C	220
		225

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

APR 30 1957

Re: George M. Hoffman
Contract Idm-E799
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.

8623

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

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4-25	Chambers	800
4-25	Kyprie	700
"	Ellis	700
	Bartin	140
	Shaeffer	140
4/29	Sellers	120
"	Johnson	110
"	Whitesides	100
4/30	C	220

225

April 25, 1957

MEMORANDUM FOR THE FILES

PURPOSE: To make a determination of status and to close Docket No. DMEA-3303, Contract No. Idm-E799, 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 $13,529.50.

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.

C O Mitteudorf

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

Draft 4/5/57
Chambers/wb

Chambers
Kuyper
Ellis
HCR

MEMORANDUM FOR THE FILES

PURPOSE: To make a determination of status and to close Docket No. DMEA-3303, Contract No. Idm-E799, George M. Hoffman

This contract was ~~made~~ 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 ~~a~~ certain ~~tract of~~ land in Jefferson County, Montana, described in the contract and owned by said George M. Hoffman. The Govt. was required to contribute 75 per cent of the cost and the Operator 25 percent.

The program of exploration was outlined in detail in Exhibit "A" of the contract consist~~s~~ed 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 ~~The Government long has required such~~ subcontracting ~~to~~ be made on a bid basis.

George M. Hoffman, without ~~did not~~ asking for bids from personal contacts, ~~but~~ arranged with the Western American Exploration Corporation to do all the work without any contribution from the Operator. This company had an option to purchase the land after exploration was completed, to the Operator.

In a letter dated March 13, 1957, Paul Dawson, president of Western America Exploration Corporation at the time the exploration was done under this contract, stated ~~wrote~~ that the corporation promised Mr. Hoffman to furnish his share of the cost ~~which was~~ (25 percent), in lieu of furnishing a cash contribution for a drilling program. Mr. Dawson further wrote that his company's actual exploration cost was $22,000, and that it billed the U. S. Government for $13,529.50. The Government's Executive Officer of the region 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 ~~work~~ cost and withheld the sum of $250.00 pending the receipt of final engineering reports from the Operator.

(Or officials from the Govt. had, apparently, approved the arrangement between the Operator and the subcontractor, rather than to the Operator of the Govt's share of the costs.)

RECEIVED
APR - 8 1957
ASST. SOLICITOR
MINERALS RESOURCES

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 ~~called attention to the~~ received departures from regular procedure in the conduct of ~~this~~ the project. ~~These departures~~ 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. ~~and~~ A 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.

~~Of the above three departures the first only is of a serious nature. However,~~ The Field Team, in a letter of August 16, 1957, to the Operating Committee, ~~the Operator~~ accepted ~~his~~ 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 ~~has~~ 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.

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.

Had the parties requested the Govt. 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 Govt. of this slush of the "costs." In effect, the actions of the Field Team reversing the subcontractor, amounted to treatment of the sub as the Operator.

The questions involved were fully reviewed by Messrs. Chambers and Rikin, with Mr. Beck, asst. gen. counsel, and Mr. Lynn, of the General accounting Office, who indicated they found no basis for objecting to the settlement of this docket as indicated herein.

RECEIVED
BUREAU OF MINES
MAR 15 1957
SPOKANE, WASH.

PAUL DAWSON
REAL ESTATE
TELEPHONE 9-0463
P. O. BOX 628
BILLINGS, MONTANA

Mr. C.: Returned by Mr. [illegible]

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 25 1957

DATE	INITIALS	CODE
3/25	C	220
4-5	[illegible]	800
		~~225~~
		700
		225

March 13, 1957

Mr. C. O. Mittendorf
Defense Minerals Exploration Administration
United States Dept. of Interior
Spokane, Washington

Dear Mr. Mittendorf:

Re: DMEA Contract 3303
George Hoffman
IDM- E- 799

In reference to the above named contract and your letter of February 26, 1957, addressed to Mr. T. V. Leonard, please be advised as follows.

In the negotiations with Mr. Hoffman for the acquisition of his White Pine property he desired a payment of $5,000.00 in cash. My feelings were that due to the lack of development work, the question as to total cost of re-work and Mr. Hoffmans financial position in meeting his 25% interest in the DMEA contract, we offered to spend that additional amount on the property.

A total of $22,000.00 was spent on the property and its development. The United States Government was vouchered for $ 13,529.50. Since the DMEA contract was in stages we felt this dismissal of the down payment by Mr. Hoffman was in excess of 25% of the contract. If the development had been stopped because of unfavorable results at an earlier stage Mr. Hoffmans interest at that time would have been the maximum one.

On the question of $75,000.00 or $50,000.00 to be paid for the property the contract read that if we paid a total of $50,000.00 in five cash yearly payments of $10,000.00 we would receive title to the property. If the property was paid for out of the 10% royalty payment the total price was to be $75,000.00.

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

If there is any further information that you desire please advise me of the same.

Yours very truly,

Paul Dawson

LICENSED AND BONDED REAL ESTATE BROKER STATE OF MONTANA

A Form 7
(12-56)

FEB 26 1957

OFFICIAL FILE COPY

Date	Surname	Code
2-20	Chambers	800
2-21	Kuyper	700
"	Ellis	700
	Sawyer	~~140~~
2/26	Schindel	120
"	Dawson	110
2-27	Whitenberg	100
		220
		225

Noted

, V. Leonard
rn America of Montana, Inc.
O. Box 782
lena, 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.

8623

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,

C. O. Mittendorf (for)

Administrator

JLChambers/wb
February 20, 1957

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

AEA Form 7
(12-56)

700

OFFICIAL FILE COPY

Date	Surname	Code
2-8	Knouse	700
2-8	Chamberlin	800
		110
		100
		220

February 8, 1957

Memorandum

To: The Administrator

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

Subject: Docket No. DMA-3303 (Uranium)
Contract No. Idm-E799
George M. Hoffman
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 Uranium Exploration Corporation on August 1, 1955, for the latter to do the exploration work as an independent contractor. The interim report, dated October 6, 1955, of Region I, Northwest District, 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 units of work completed than was allowed in the contract and paid by the Government. The Field Team, in their letter, dated August 16, 1956, accepted the Operator's Final Report and stated "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."

All the approved work was done in a satisfactory manner by an independent contractor approved by the Executive Officer, and the actual unit cost of the work completed appears to have exceeded the unit cost allowed in the contract. All of our information indicates that the Government received full value for the cost of the units of work approved by the Field Team. And because the work of the independent contractor was approved by the Regional Office which is within 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

FLKnouse/izm 2-8-57
cc to: Code 700
Mr. Knouse

8623

CABLE ADDRESS: WAUECO
HELENA, MONTANA

WESTERN AMERICA URANIUM EXPLORATION CORPORATION

9-10 GOLD BLOCK TELEPHONE: HICKORY 2-2654
P. O. BOX 782
HELENA, MONTANA

RECEIVED NOV 26 1956 D.M.E.A.

November 23, 1956

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

United States Department of the Interior
Defense Minerals Exploration Administration
Washington, 25, D. C.

Dear Sir: Attention: Mr. Frank E. Johnson, Acting Administrator

In response to your letter of November 9, 1956, with reference to the above captioned contract, please be advised as follows:

Question 1. a. $11,203.00
b. No cash. The agreed consideration for the "Lease and Option" was an amount equivalent to Hoffman's 25% participation under the contract. This company actually expended approximately $21,000.00 in the exploration work under the contract.

Question 2. None

Question 3. No cash consideration.

Question 4. Hoffman was employed in a supervisory capacity for a short period.

Question 5. A total of $1900.00, between July 24 and November 15, 1955.

Question 6. August 1, 1955.

Question 7. Yes. See copy of "Lease and Option to Purchase" which has been furnished your Spokane office.

Question 8. Yes, September, 1956.

Question 9. About August 1, 1955

Question 10. Yes.

It is our understanding that copies of our contracts with Mr. Hoffman have been furnished your office. Additionally, periodic reports have been prepared and furnished as required. Your field agents have inspected the work done on these properties, and have been kept fully advised in connection with the same.

If further information is required, we will be glad to furnish same if available. The former president of Western America Uranium Exploration corporation, who was instrumental in the negotiations with Mr. Hoffman, is no longer with this company but can be contacted if necessary.

Very truly yours,

WESTERN AMERICA OF MONTANA, INC.

T V Leonard

T. V. Leonard,

TVL:cvl
cc: E. K. Cheadle
N. Martini

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

Docket copy
Surname:

NOV 2 0 1956

Western American of Montana
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. DMA-2799

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?

R.G.

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 converting 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

RECEIVED
OCT 1 1956

XXXXXXXXXXXXXXXXX
1201 N. Division Street
Spokane 2, Washington

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-M799, 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-M799, DMEA 3303, as well as those of the independent contracter, 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

Docket copy
Surname:
Chambers
J Keane
Ellis
Selfridge
Johnson
Mathews

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-E799

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 (JLC)

APPROVED:

J. W. Pennington (JLC)
Member, Bureau of Mines

Thor H. Kiilsgaard (JLC)
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

RCL

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 20 1956

Re: Idm-E799, 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

R.G.S.

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

SEP 7 1956

Memorandum

To: The Administrator, DMEA

From: Associate Solicitor, Division of Mineral Resources

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

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 15, 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 latter agreement was submitted with the affidavit. A letter dated February 15, 1956, from the independent contractor (Exhibit C) agreed to a change of the execution 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 $3,401.00 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

Docket copy
Surname:
Talbert
Chamber
Hellman
Allgeier
Ellis

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

1956

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. Lm-2799

The subject contract, executed on the long-form (MF-200, Revised June 1954), 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 20 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.~~

So. 157 Howard Street
Spokane 4, Washington

August 16, 1956

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

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

Dear Mr. Selfridge:

Enclosed are two carbon copies (the original was not received) of the Operator's final report on an exploration project at the White Pine mine, which is acceptable to the Field Team. We do not contemplate recommending a certification of discovery as a result of contract work.

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

By Field Team Region I, NW Dist.

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

Thomas E Howard
for: Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosure

cc: USBM (2)
USBM(AD)
Pinckney

Rec 8-20-56
Div. of Lands & Minerals

OPER'S FINAL RPT.

RECEIVED
AUG 20 1956

AUG 1956

. O. Box 782
Helena, Montana

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

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

Date: July 26, 1956

Subject: Final Report
Docket No. DMA 3303 (uranium)
White Pine Mine
Jefferson County, Montana

Introduction and Summary

By May 18, 1956, the termination date of Government contract having docket No. DMA 3303 (uranium), a total of 372 feet of drift had been driven in an eastward direction on the White Pine vein. This work penetrated under the mineralized zones productive prior to 1928, at a level 275 feet below.

On the above date, although two separate occurrences of uranium-bearing vein material had been disclosed by the exploration project, it was decided that the existing geologic conditions were not favorable for the formation of commercial deposits of uranium, and that completion of all of the work specified in the Government contract could not, therefore, be justified. The conditions found to exist in that segment of the White Pine vein recently explored are as follows: (1) The White Pine structure is tight on the present working level, and only locally and on a small scale has it been at all permeable and otherwise receptive to mineralizing solutions; (2) Intense wall-rock alteration which under the geologic conditions existing on the White Pine property would be an excellent indication of strong hydrothermal activity and thus perhaps of mineralization, is all apparent locally and nowhere extends a great distance outward from the vein; and (3) Strong and persistent sulfide mineralization of any type, was not penetrated by any of the exploration work accomplished to date—the uranium values found were in both instances intimately associated with sulfide mineralization.

Recent Exploratory Work and Values Disclosed

The 372 feet of drifting disclosed two separate intervals containing vein material exhibiting radioactivity above normal background count. The work also disclosed one interval containing a noticeably large increase in base-metal content.

RECEIVED
AUG 30 1956

Description of Uranium Occurrences-

In both intervals found to be uranium-bearing, the mineralization was controlled by weak crossfracturing. The main fissure system, and locally the wall-rock on either side carry spotty primary uranium values and secondaries (autunite ?) as disseminations and as coatings on fractures.

Only one occurrence of the two, in the interval 195-225 feet east of M 709 (refer to enclosed maps), has dimensions approaching those of a mineable body. Three samples cut on the occurrences having thicknesses of 2.0, 1.3 and 1.0 feet, assayed in the same order 0.05, 0.10, and 0.04 U3O8. The second occurrence, which exists in the interval 80 to 85 feet east of the same reference point, is of slightly higher grade locally, but is not as long or as persistently mineralized.

Description of Base-Metal Occurrences-

In the interval 150 to 295 feet east of M 709, an increase in base-metal content within the vein is apparent (refer to enclosed maps). Within the interval the strength of mineralization increases and decreases locally, but is never entirely absent. The alteration envelope surrounding the vein is also stronger in the interval than at any other place in the newly explored ground. Assays of better than commercial grade have been obtained from the interval, but no distinct shoots of commercial grade material of minimum thickness and extent are present.

Geological Evaluation of Entire Vein Interval Explored to Date

On the present working level, approximately 375 feet of drift has disclosed no uranium deposits of commercial grade, and in view of the existing geologic conditions (cited in summary, above) it is doubtful that such are present in or along the quartz vein structure.

The underground work recently accomplished has also penetrated under the mineralized zones (base-metal) productive prior to 1928, at a level 475 feet below. Although no ore shoots of commercial grade and minimum dimension have been discovered, several intervals have been disclosed which perhaps represent either the downward extension of shoots worked out on the upper levels, or are portions of what could be termed "blind" ore shoots. Additional underground work in the form of raising and/or sinking would be necessary to further evaluate these occurrences. However, again in view of existing geologic conditions, it is probable that only small shoots capable of limited production would be disclosed.

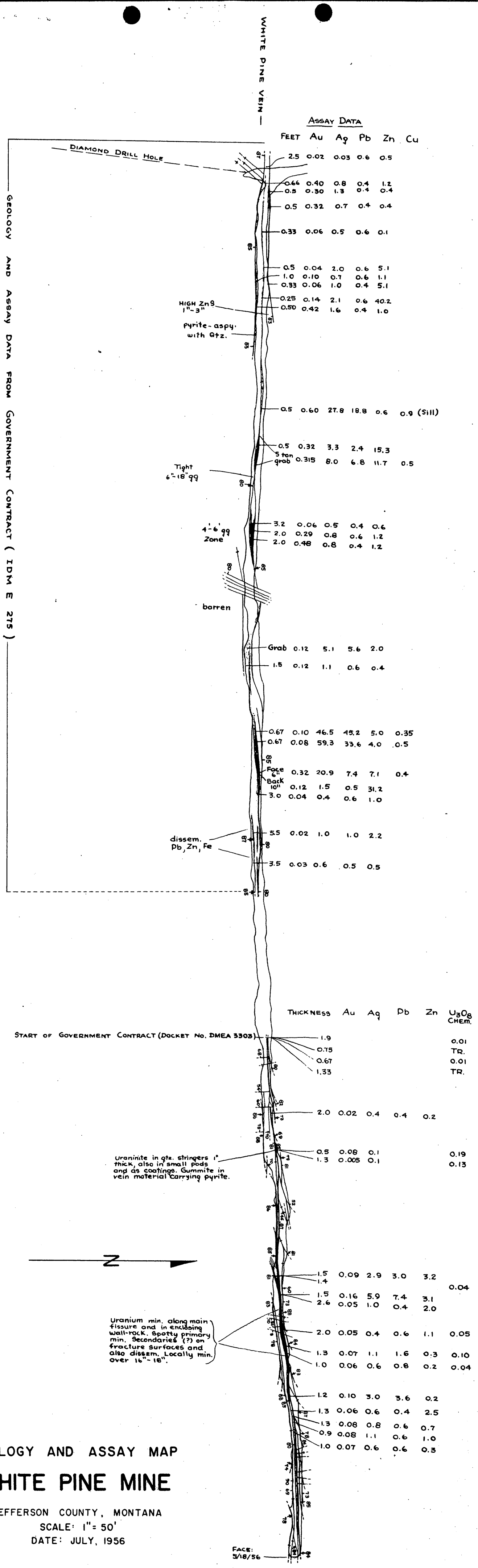
Respectfully submitted.

Richard N. Miller

RICHARD N. MILLER, Geologist
Western America Uranium
Exploration Corporation

RNM/dh
cc. United States Bureau of Mines
WAUECO

DOCKET NO. DMEA 3303



GEOLOGY AND ASSAY MAP

WHITE PINE MINE

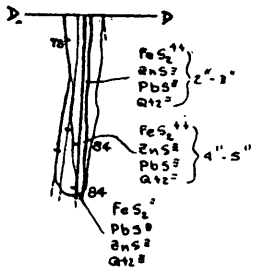
JEFFERSON COUNTY, MONTANA

SCALE: 1" = 50'

DATE: JULY, 1956

DOCKET NO. DMEA 3303

START OF GOVERNMENT CONTRACT (DOCKET NO. DMEA 3303)



No radioactive vein material in final 37'. Alteration weak throughout interval. Base Metals sparse to lacking. Structure moderately strong to weak.

N

USBM T09

No.	Thickness	% U_3O_8
1	1.9'	0.01
2	0.75'	TR.
3	0.67'	0.01
4	1.33'	TR.

FeS2? ZnS? CuFeS2?

FeS2? ZnS?

FeS2? ZnS?

FeS2" disseem. + veinlets
ZnS? thin veinlets
Qtz= 1" veinlets
3" gouge

No.	Thickness	Au, oz.	Ag, oz.	Pb, %;	Zn, %
7	2.0'	0.02	0.4	0.4	0.2

FeS2? ZnS?

FACE: 2/1/56

FeS2? Uraninite? in qtz. stringers 1" thick
Gummite(?) Also in small pods and as coatings in vein material carrying pyrite.

FeS2? Uraninite?

No.	Thickness	Au, oz.	Ag, oz.	% U_3O_8 (CHEM.)
5				
6	0.5'	0.08	0.1	0.19
	1.3'	0.005	0.2	0.13

FeS2 as small veinlets

FeS2? ZnS? Qtz?

4" gouge

FACE: 3/1/56

Closely spaced Joints - vertical

FeS2 disseem.

FeS2+ ZnS+ AMK+ } veinlet 2-3" thick

No.	Thickness	Au, oz.	Ag, oz.	Pb%,	Zn%,	U_3O_8%
8	1.5'	0.09	2.9	3.0	3.2	—
9	1.4	—	—	—	—	0.04

4"-6" { FeS2++ PbS- ZnS- }

FeS2+++ PbS? ZnS- } 6-8"

Thickens downward - Dips on controlling Fissures diverge.

1.5' { FeS2+++ PbS? ZnS? }

FeS2? ZnS? PbS? } 4-6"

No.	Thickness	Au, oz.	Ag, oz.	Pb%,	Zn%,	U_3O_8%
10	1.5'	0.16	5.9	7.4	3.1	—
11	2.6'	0.05	1.0	0.4	2.0	—
12	2.0'	0.05	0.4	0.6	1.1	0.05

FeS2? ZnS? PbS? Qtz? } 6-8"

BM T19

Uranium min. along main fissure and in enclosing wall-rock. Spotty primary min. Secondaries (?) on fracture surfaces and also disseem. locally min. over 16-18".

No.	Thickness	Au, oz.	Ag, oz.	Pb%,	Zn%,	U_3O_8%
14	1.3'	0.07	1.1	1.6	0.3	0.10
13	1.0'	0.06	0.6	0.8	0.2	0.04

FeS2? ZnS? PbS? } 4-6"

FACE: 4/1/56

FeS2++ ZnS? PbS? Qtz? } 12"

No.	Thickness	Au, oz.	Ag, oz.	Pb%,	Zn%,	U_3O_8%
15	1.2'	0.10	3.0	3.6	0.2	—
16	1.3	0.06	0.6	0.4	2.6	—

No uranium min.

16" { FeS2+++ ZnS- PbS- Qtz- }

15" { FeS2+++ ZnS? PbS? Qtz= }

No.	Thickness	Au, oz.	Ag, oz.	Pb%,	Zn%,	U_3O_8%
17	1.3	0.08	0.8	0.6	0.7	—
18	0.9	0.08	1.1	0.6	1.0	—
19	1.0	0.07	0.6	0.6	0.3	—

FeS2" PbS? ZnS? Qtz?

BM 984

No uranium min.

4"-6" { FeS2++ ZnS? PbS? Qtz- }

FACE: 5/1/56

D D

UNDERGROUND GEOLOGY
WHITE PINE MINE

JEFFERSON COUNTY, MONTANA

SCALE: 1" = 40'

FOR: DOCKET NO. DMEA 3303

GEOLOGY BY: R.N. MILLER

BENCH MARK

[redacted]

[redacted]

7-19-56

RECEIVED
JUL 19 1956

xxxxxxxxxxxxxxxxx
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 MP-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

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

July 10, 1956

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

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

Dear Mr. Selfridge:

Enclosed are the Government, Docket, and Division copies of Termination Agreement of the contract.

By copy of this letter other copies of the agreement have been distributed.

Sincerely yours,

Donald R. MacLaren

Donald R. MacLaren
for: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I, NW Dist.

Attachments

cc: Finance Office w/encl.
USBM (2)
Pinckney

RECEIVED
JUL 13 1956

RECEIVED

xxxxxxxxxxxxxxxx

Bo. 157 Howard Street
Spokane 4, Washington

June 21, 1956

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

Re: Docket No. DMEA-3303 (Uranium)
White Pine Mine
Jefferson County, Montana
Contract No. Ids-8799

Dear Mr. Hoffman:

Enclosed for your signature are the original and six copies of a Termination Agreement. If it meets with your approval, would you please sign all copies, retain the one marked for the Operator, and return the rest to this office.

Your attention is called to Item 4(b) of the Agreement about the rendering of the final report and final account. Article 7(c) of the contract states: "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 (five copies), and a summary of the work performed and related costs incurred."

It would be to your advantage to submit your report on the project and your final voucher, according to the terms of the Termination Agreement, as soon as you can. We will not be able to proceed with the closing out of your account and making settlement thereof until you do so.

By Field Team Region I, NW Dist.

cc: DMEA (2)
USBM (2)
USBM(AD)
Pinckney
Turner

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

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

7-20-56

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

RECEIVED
JUL 19 1956

1201 N. Division St.
Spokane 2, Washington
June 14, 1956

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: John A. Bowsher, Mining Engineer, Bureau of Mines

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

The final inspection of the project was made June 12, unaccompanied. The previous inspection was on May 10.

The Field Team informed the Operator by letter of May 23 that they believed it to be in the best interest of the Government to participate in no further work on this vein. According to the records, the authorized and completed Stage II work consists of 22 feet of drifting and the necessary timbering.

During the interim of May 10-June 12 the advance in the drifting amounted to 25 feet for a total advance of 378 feet from the starting point of the contract, BM 709. The timber advance during the interim was 35 feet, BM 984 plus 35 feet, for a total of 222.1.

The Operator has vouchered for a total of 372 feet of drifting (BM measurement 378 feet) and 220 feet of timbering (BM measurement 222.1 feet).

The attached sheet shows the items authorized and completed.

John A. Bowsher

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
Docket
Auditor
Engineer
AEC (2)

Contract No. Idm-E799

Final inspection: 6/12/56
Interim report: 5/10-6/12

	Authorized	Completed
Stage I		
Replace adit timber sets	12 sets	12 sets
Replace track on adit dump	150 feet	150 feet
Reset transformer	$22.50	$22.50
Condition access adit	600 feet	600 feet
Drifting on White Pine vein	350 "	350 "
Drift timbering	350 "	222.1 "
Chemical analysis	65 samples	19 samples
Geologist-engineer	18 days	18 days
Stage II		
Drift on White Pine vein	150 feet	28 feet *
Drift timbering	150 "	none
Raising on White Pine vein	175 "	none
Chemical analysis	60 samples	none
Geologist-engineer	18 days	none

*Govt. participation limited to 22 feet per Field Team letter of May 23, 1956.

[illegible]

[illegible]

Date 7-19

Referred to:

1. ~~Mr. McCormack~~
2. ~~Mr. Hinson~~
3. ~~Mr. Hughes~~
4. ~~Chief, Engineering Mining and Milling~~
5. ~~Chief, Division of Raw Materials~~
6. Chief, Control Mills and Plants

Note comments in regard to:

1. Mutual termination?

2.

3.

4.

and take appropriate action.

Action taken by Division: Operator was advised by F.T. Luther dated May 23, 1956 that Government would not contribute to any more than 22 feet of drifting and necessary timbering. 7-20-56

Robert E. Adams

700

FILE COPY

Surname:
Knouse
Crawford
Martin
Kiilsgaard
Hosted

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

JUN 11 1956

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

Re: Docket No. DMEA-3303 (Uranium)
Contract No. I4m-4799
George M. Hoffman
White Pine Mine
Jefferson County, Montana

Dear Mr. Weissenborn:

As requested in your letter of May 24, 1956, there are enclosed for execution the original and five copies of a Termination Agreement for the subject project.

After this Agreement has been executed, please make the usual distribution.

P. S. If any objections are raised by the Field Team or Operator, the usual procedure should be followed.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Enclosure

APPROVED:

/s/ Robert W. Geehan
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

~~RMMurphy/ix~~
FLKnouse/izm 6-8-56
cc to: Docket
Code 700
Mr. Knouse
Admr.'s Reading File
Operating Committee
Messrs. JECrawford, Rm. 3643
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

R.C.

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

7-19-56 JUN 21 REC'D

Budget Bureau No. 42-R1036.5

RECEIVED
JUL 19 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: 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:						
expenses 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 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
(2) Other Underground Work: drift timber-80ft	300.00	800.00	1100.00	300.00	800.00	1100.00
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			
Payroll Taxes					71.00	71.00
Liability Insurance						
*Voucher correction for assays--instead of $144.00 as previously reported the correct amount is $69.50. Over-vouchered $74.50						
(8) Miscellaneous Expense						
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

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)

990.00
withheld 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 MOP
(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 /S/ John A. Bowsher Title Mining Engr. Date 7-5-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ 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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 1 9 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1956 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 I	Unit Costs
excavate for transformer		-0-	-0-	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'
excondition adit		-0-	-0-	300.00	600		600	0.50'
adit timber		-0-	-0-	300.00	12		12	25.00st
Drift timber		300.00	60	1100.00	220		350	5.00'
Geologist Eng.		-0-	-0-	450.00	18		18	25.00da
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

P. O. Box 782
Helena, Montana

RECEIVED
JUL 10 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: 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 (36')---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 onl sparsely throughout the interval, with minera zation of any kind extending over thicknesses of only 2-5 inches.

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JUL 1 0 1956

(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

JUN 21 REC'D

P. O. Box 782
Helena, Montana

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:

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,

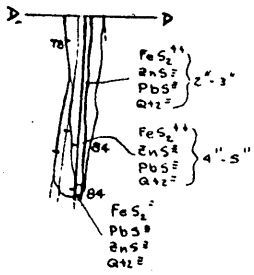
Richard N. Miller

Richard N. Miller, Geologist

cc

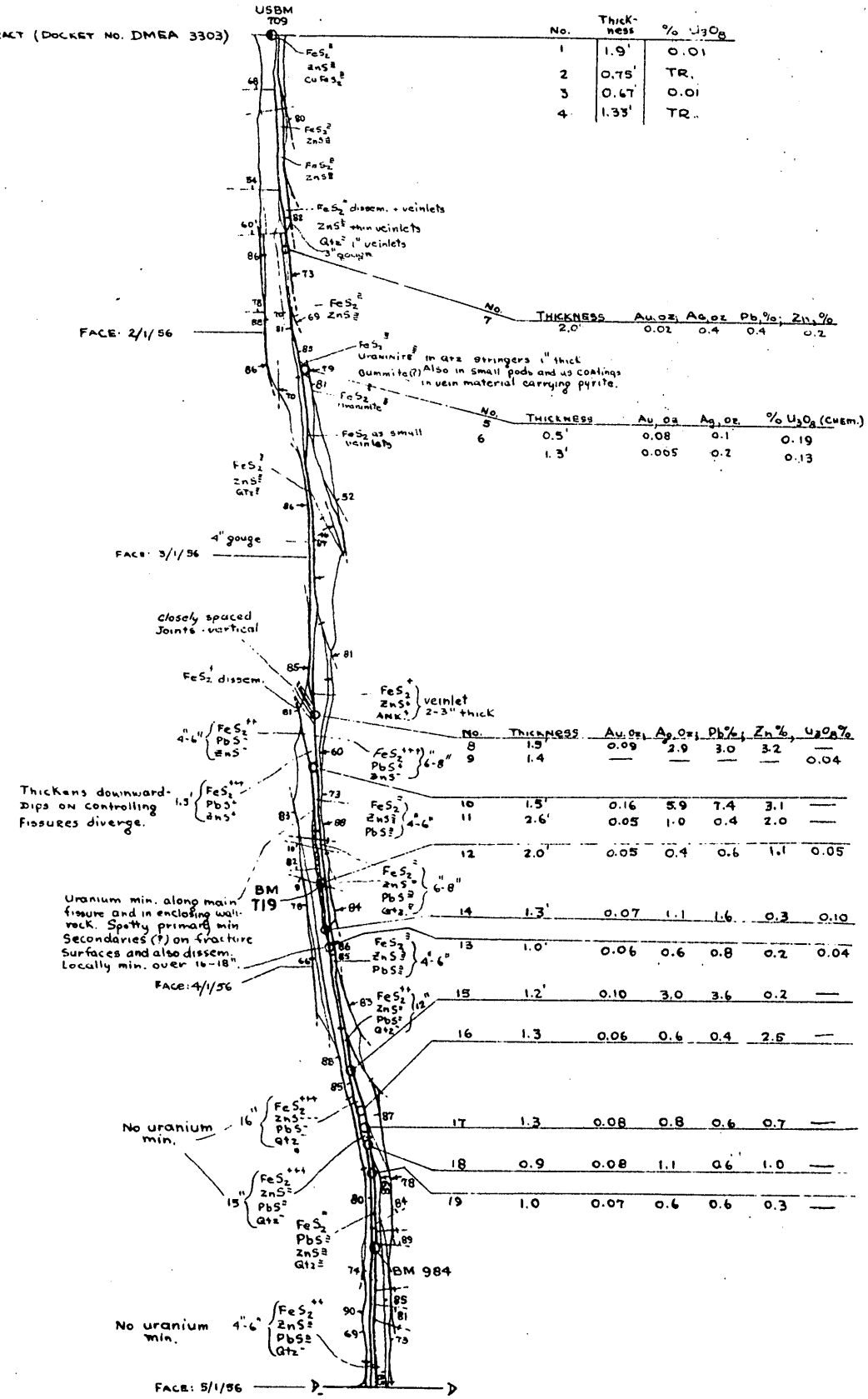
DOCKET NO. DMEA 3303

START OF GOVERNMENT CONTRACT (DOCKET NO. DMEA 3303)



No radioactive vein material in final 37'. Alteration weak throughout interval. Base Metals sparse to lacking. Structure moderately strong to weak

N



No.	Thickness	% U_3O_8
1	1.9'	0.01
2	0.75'	TR.
3	0.67'	0.01
4	1.33'	TR.

No.	Thickness	Au, oz	Ag, oz	Pb, %	Zn_2, %
7	2.0'	0.02	0.4	0.4	0.2

No.	Thickness	Au, oz	Ag, oz.	% U_3O_8 (Chem.)
5	0.5'	0.08	0.1	0.19
6	1.3'	0.005	0.2	0.13

No.	Thickness	Au, oz;	Ag, oz;	Pb %;	Zn %,	U_3O_8 %
8	1.9'	0.09	2.9	3.0	3.2	—
9	1.4	—	—	—	—	0.04
10	1.5'	0.16	5.9	7.4	3.1	—
11	2.6'	0.05	1.0	0.4	2.0	—
12	2.0'	0.05	0.4	0.6	1.1	0.05
14	1.3'	0.07	1.1	1.6	0.3	0.10
13	1.0'	0.06	0.6	0.8	0.2	0.04
15	1.2'	0.10	3.0	3.6	0.2	—
16	1.3	0.06	0.6	0.4	2.5	—
17	1.3	0.08	0.8	0.6	0.7	—
18	0.9	0.08	1.1	0.6	1.0	—
19	1.0	0.07	0.6	0.6	0.3	—

UNDERGROUND GEOLOGY
WHITE PINE MINE

JEFFERSON COUNTY, MONTANA

SCALE: 1" = 40'

FOR: DOCKET NO. DMEA 3303

GEOLOGY BY: R.N. MILLER

● BENCH MARK

Same copy

700

F L Knouse
Ellis

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

May 29, 1956

Memorandum

To: Associate Solicitor, Division of Mineral Resources

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

Subject: Docket No. DMEA-3303 (Uranium)
Contract No. Ida-8799
George M. Hoffman
White Pine Mine
Jefferson County, Montana
Termination Agreement

Please prepare a termination agreement for the subject project. We recommend for this purpose "Termination Agreement" (all Contract Forms MF-200 and MF-200A) with the long form provisions as is attached to DMEA Circular 33.

The last working day under the contract was May 18, 1956. Therefore, the agreement should state that any cost incurred after that date, except the cost of engineering to render a final report and the cost for sample analyses, will not be contributed to by the Government.

Ernest Wm. Ellis

FLKnouse/gla
5-29-56
cc to: Docket
Code 700
Mr.Knouse

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

RECEIVED
MAY 28 1956

May 24, 1956

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

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

Dear Mr. Selfridge:

We have informed the Operator (copies of letter enclosed) that the Government will participate in no more than 22 feet of Stage II work.

As shown by the Operator's reports and assays, and further described in the enclosed memorandum from D. M. Pinckney, Geological Survey, the structure is weak and has contained insignificant amounts of base metals and uranium.

We recommend that a mutual termination agreement be prepared. The last working day of the contract was May 18, 1956.

By Field Team, Region I, NW District

A. E. Weissenborn

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

Wing G. Agnew

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

cc: USBM (2)
USBM (AD)
Pinckney
AEC, Salt Lake
AEC, Butte

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
MAY 28 1958

May 23, 1956

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

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

Dear Mr. Hoffman:

This will inform you that the Government will not participate in any more of Stage II work than was completed on Friday, May 18, 1956. According to our records completed Stage II work consists of 22 feet of drifting and the necessary timbering.

The work done to date has shown that the structure is weak and contains only minor amounts of base metals and uranium. We believe it to be in the best interests of the Government to participate in no further work on this vein.

By Field Team, Region I, NW Dist.

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

Verne C. Fryklund, Jr., Act. Member
U. S. Geological Survey

cc: DMEA (2)
USBM (2)
USBM (AD)
Pinckney

3303

ACTION ON INTER[illegible]
OR FINAL FIELD TEAM REPORT

Date 5·28

Referred to:

1. ~~Mr. Mittendorf~~
2. ~~Mr. Hehmann~~
3. ~~Mr. Chambers~~
4. ~~Docket Control Mails and File~~
5. ~~Public Utilities Division~~
6. Docket Control Mails and File

Note comments in report regarding:

1. Recommends termination
2.
3.
4.

and take appropriate action.

- - - - - - - -

Action taken by Division:

Associate Solicitor requested to prepare termination agreement, by memorandum dated 5/29/56.

gla

Robert E. Adams

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

RECEIVED
MAY 28 1956

May 23, 1956

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: Darrell M. Pinckney, Geologist, U. S. Geological Survey

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

The White Pine mine was inspected May 18, 1956. Work under Stage I, 350 feet of drifting, had been completed. The vein on the lowest level has been exposed in the drift for a distance of 900 feet; 550 feet of this work was done under the old contract, Idm-E273. The drift has been advanced to a point believed to be under the area stoped in early mining.

The vein structure is weak although persistent; the mineralization along it has been very weak and spotty. The structure consists of one to three persistent east-trending fractures spaced a few feet apart, accompanied by some subparallel fractures that branch from the main set and die in the walls. The mineralization consists of a few small pods of pyrite, galena, and sphalerite, and a few thin quartz stringers; narrow alteration bands are adjacent to the fractures. The small sulfide pods seem to be controlled by the intersection of branching subparallel fractures. The bands of altered rock adjacent to the fractures are narrow and in most places the wall rock is fresh a few inches from the strongest fractures. Only a few quartz stringers of very local extent are present.

Strong radioactivity has been found in only three places along the vein -- in a few quartz stringers, in a small fracture zone, and in two small sulfide pods. A band of wall rock altered to sericite, adjacent to the main fractures, is also very weakly radioactive in places. Two samples taken by the Operator, of the most radioactive material, contained only 0.19 and 0.13 percent U_3O_8. The results of more complete sampling are not yet available.

Because of the scarcity of both uranium and base metals at the White Pine mine, I recommend that contract work be stopped.

Distribution:

DMEA (Orig. & 3)	Docket
USBM (2)	AEC, Salt Lake City
USBM (AD)	Pinckney

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

1201 N. Division St.
Spokane 2, Washington
May 21, 1956

RECEIVED
JUN - 7 1956

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: E. C. Pattee, Mining Engineer, Bureau of Mines

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

The project was inspected May 10, 1956, accompanied by Richard Miller, representing the Operator. The previous inspection was April 3.

During the reporting period the drift east along the White Pine vein was advanced 117 feet for a total advance of 353 feet from the starting point of the contract, BM 709. A Bureau of Mines tag, BM 984, was placed 91 feet easterly from BM 719. The face is 50 feet easterly from BM 984.

Since the previous inspection, 78.8 linear feet of timber had been installed, at the following intervals:

BM 709 plus 22.2 to 34.8 feet	12.6 feet
BM 709 plus 137.7 to 157.7 feet	20.0 "
BM 709 plus 168.2 to 195.7 feet	27.5 "
BM 719 plus 23.0 to 41.7 feet	18.7 "

The drifting has advanced 3 feet beyond the footage authorized by Stage I of the contract. At the face the vein was 2-1/2 inches wide and consisted principally of pyrite. The wall rock was altered for 8 to 10 inches on both sides of the vein.

The Operator has over-vouchered for sampling. The error will be corrected on the April 1956 voucher.

The status of the contract work on May 10 was as follows:

Stage I

	Authorized	Completed
Replace adit timber sets	12 sets	12 sets
Replace track on adit dump	150 feet	150 feet
Reset transformer	$22.50	$22.50
Condition access adit	600 feet	600 feet

Stage I - continued	Authorized	Completed
Drifting on White Pine vein (east)	350 feet	350 feet
Drift timbering	350 "	178.1 "
Chemical analysis	65 samples	19 samples
Geologist-engineer	18 days	18 days
Stage II		
Drift on White Pine vein (east)	150 feet	3 feet *
Drift timbering	150 "	
Raising on White Pine vein	175 "	
Chemical analysis	60 samples	
Geologist-engineer	18 days	

*Subject to authorization by the Government.

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

E. C. Pattee

SUMMARY

Object: Contract termination

Docket No.: DMEA-3303 (Uranium)

Contract No. Idm-E779

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

Property Rights: Owner of 6 patented lode mining claims and fractional claims as follows: Bland Fraction, R. P. Bland, White Pine, Genevieve, Capital, and Susie, in secs. 29, 30, 31, and 32, T. 8 N., R. 2 W., M. P. M. & B., Jefferson County, Montana

Contract Dated: May 18, 1955

Work Authorized: The object of the work was to explore for uranium by drifting and raising on a vein that was explored under Docket No. DMEA-2034, Contract No. Idm-E273, for zinc and lead. After the project was completed uranium mineralization was discovered along the vein and in water draining from the area.

Stage I -	Install 150 ft. track on dump set transformer, and repair and condition 600 ft. of adit to drift face	$ 750.00
	350 ft drifting @ $30/ft.	10,500.00
	350 ft. drifting timbering @ $5/ft.	1,750.00
	Supervision & Technical Services	450.00
	60 Chemical Analyses @ $6/sample	390.00
	Total - Stage I	$13,840.00
Stage II-	150 ft. of drifting @ $30/ft.	4,500.00
	150 ft. drift timbering @ $5/ft.	750.00
	175 ft. of raising @ $35/ft.	6,125.00
	Supervision & Technical Services	450.00
	60 Chemical Analyses @ $6/sample	360.00
	Total - Stage II	$12,185.00

Total Estimated Cost of Project-$26,025.00
Government Participation @ 75% -$19,518.75

Work Completed: (Extracted from Field Team Interim Report, May 23, 1956)

All of Stage I work was completed, plus 22 feet of drifting and the necessary timbering under Stage II. The vein has been exposed for a distance of 900 feet. 500 feet of this work was done under the old contract (Idm-E273). The vein structure is weak although persistent; the

mineralization along it has been very weak and spotty. The structure consists of one to three persistent east-trending fractures spaced a few feet apart, accompanied by some subparallel fractures that branch from the main set and die in the walls. The mineralization consists of a few small pods of pyrite, galena, and sphalerite, and a few thin quartz stringers.

Strong radioactivity has been found in only three places along the vein -- in a few quartz stringers, in a small fracture zone, and in two small sulfide pods. Two samples taken by the Operator, of the most radioactive material, contained only 0.19 and 0.13 percent U_3O_8. The results of more complete sampling are not yet available.

Because of the scarcity of both uranium and base metals at the White Pine mine, it is recommended that the contract work be stopped.

F. L. Knouse, Rare and Miscellaneous Metals Division: Concurs with the field examiners and the Field Team that the contract work should be stopped, and the contract terminated.

F. L. Knouse

F. L. Knouse

5-15-56

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

RECEIVED
MAY 14

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

RECEIVED
MAY 14 1956

Docket No. DMEA 3303, Contract Ida-2799, George A. 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

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

MAY 8 REC'D RECEIVED JUL 19 1956

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.						
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 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 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 9	54.00	90.00	144.00		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. J. 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 151 Eldon C. Pattee Title Mining Engr Date 5-21-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 151 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 1962)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 1 0 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 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 excavate for transformer		-0-	-0-	22.50	1		1	22.50
Cr Drifting		3150.00	105	10140.00	338		350	30.00 ft
Ra track on dump		-0-	-0-	127.50	150		150	0.85 ft
Sh condition adit		-0-	-0-	300.00	600		600	0.50 ft
Wi adit timber		-0-	-0-	300.00	12		12	25.00 st
Dr 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~~ 1.00	~~9~~	~~144.00~~ 91.00	~~24~~ 22		65	6.00 sa
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		~~3594.00~~ 3539.00		12284.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		~~3594.00~~ 3539.00		~~12284.00~~ 12211.00				

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

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

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 BM 719), 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.

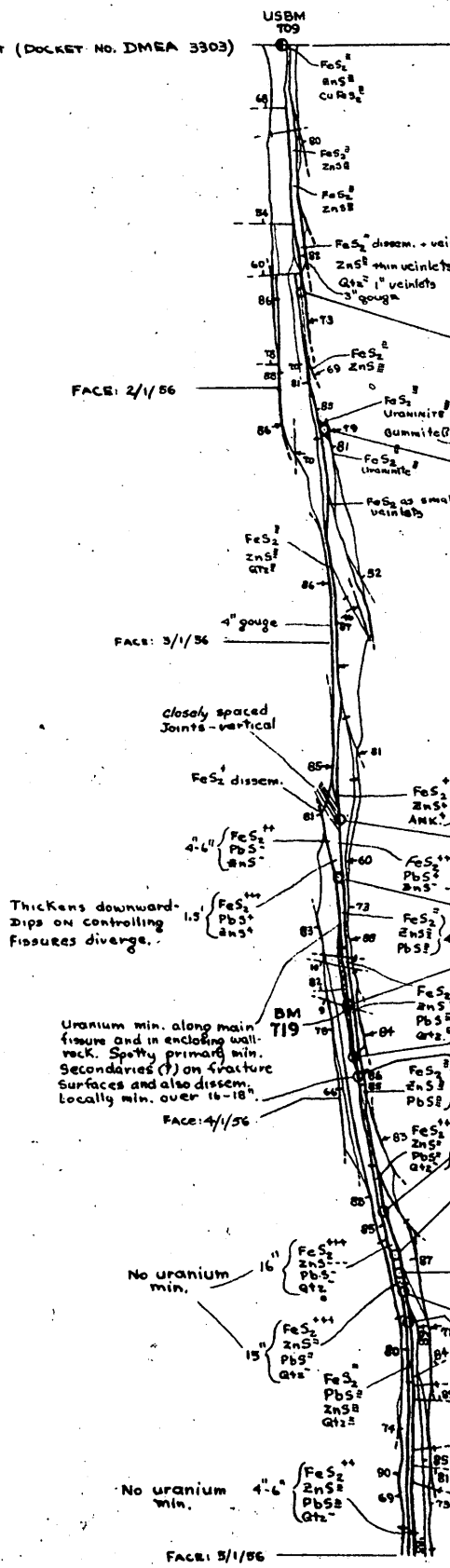
Respectfully submitted,

Richard N. Miller

Richard N. Miller, Geologist

DOCKET NO. DMEA 3303

START OF GOVERNMENT CONTRACT (DOCKET NO. DMEA 3303)



No.	Thickness	% U_3O_8
1	1.9'	0.01
2	0.75'	TR.
3	0.67'	0.01
4	1.33'	TR.

No.	Thickness	Au, oz.	Ag, oz.	Pb, %;	Zn, %
7	2.0'	0.02	0.4	0.4	0.2

No.	Thickness	Au, oz.	Ag, oz.	% U_3O_8 (chem.)
5	0.5'	0.08	0.1	0.19
6	1.3'	0.005	0.2	0.13

No.	Thickness	Au, oz;	Ag, oz;	Pb%;	Zn%;	U_3O_8%
8	1.9'	0.09	2.9	3.0	3.2	—
9	1.4'	—	—	—	—	0.04
10	1.5'	0.16	5.9	7.4	3.1	—
11	2.6'	0.05	1.0	0.4	2.0	—
12	2.0'	0.05	0.4	0.6	1.1	0.05
14	1.3'	0.07	1.1	1.6	0.3	0.10
13	1.0'	0.06	0.6	0.8	0.2	0.04
15	1.2'	0.10	3.0	3.6	0.2	—
16	1.3	0.06	0.6	0.4	2.6	—
17	1.3	0.08	0.8	0.6	0.7	—
18	0.9	0.08	1.1	0.6	1.0	—
19	1.0	0.07	0.6	0.6	0.3	—

N

UNDERGROUND GEOLOGY
WHITE PINE MINE

JEFFERSON COUNTY, MONTANA

SCALE: 1" = 40'

FOR: DOCKET NO. DMEA 3303

GEOLOGY BY: R. N. MILLER

THE BROWN LABORATORY

2263 Broadway
GRAND JUNCTION, COLORADO

ANALYTICAL DEPARTMENT

PHONE 1543-W

CERTIFICATE OF ANALYSIS

TO

Western American Uranium Exploration Corp.
P. O. Box 782
Helena, Montana

Date 4-19-56
Order No. 6395-8

RECEIVED
JUL 19 1956

Material: Ore Samples - 4
Received: 4-18-56
For: Analysis

Lab. No.	Your No.	Description	%U_3O_8	%V_2O_5	%$CaCO_3$
6395-1	WPU-14		0.10		
6395-2	WPU-12		0.05		
6395-3	WPU-13		0.04		
6395-4	WPU-9		0.04		

H. D. Brown
Analyst.

Telephone ELgin 9-9962

Mr. Richard N. Miller, Geologist
Western America Uranium Exploration Corp.
P O Box 782
Helena, Montana

RECEIVED
JUL 19 1956

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

April 26, 1956

ASSAY PER TON OF 2000 POUNDS

DESCRIPTION	NO.	GOLD OUNCES	SILVER OUNCES	WET LEAD %	COPPER %	ZINC %	INSOL. %	Uranium %	%	%	%
								Parts per Million			
Solutions											
W P - W-S-17								0.23			
W P - W-S-18								0.06			
WPP - W-S-19								0.06			
W P - W-S-20								0.17			
W P - W-S-21								0.17			
W P - W-S-22								2.92			

CHARGES $ 30.00

Reported April 6, 1956

Telephone ELgin 9-9962

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

Mr. Richard N. Miller
Western Uranium Exploration Corporation
P O Box
Helena, Montana

March 31, 1956

ASSAY PER TON OF 2000 POUNDS

DESCRIPTION	NO.	GOLD OUNCES	SILVER OUNCES	WET LEAD %	COPPER %	ZINC %	INSOL %	Uranium %	%	%	%
								Parts per Million U308			
WP - WS - 11								0.58			
WP - WS - 12								0.23			
WP - WS - 13								0.17			
WP - WS - 14								0.13			
WP - WS - 15								0.13			
WP - WS - 16								0.13			

CHARGES $ 30.00

A. V. TRENT,
Owner-Manager

GOODALL BROTHERS

ASSAYERS AND METALLURGICAL CHEMISTS

46 SO. MAIN ST., HELENA, MONTANA

TEL. HI 2-3770
P. O. BOX 537

RECEIVED
JUL 19 1956

Date APR 25 1956

UMPIRE ASSAY ..... CONTROL ASSAY ..... HAND SAMPLE .....

ASSAYED FOR: Western America Uranium Expl. Corp.

MARKS:

Sample No.	DESCRIPTION	Gold Ozs. Per Ton	SILVER Ozs. Per Ton	WET LEAD Per Cent	COPPER Per Cent	ZINC Per Cent	IRON Per Cent	INSOL. Per Cent	Per Cent	Total Value Per Ton
WR 15	4/24	0.10	3.0	3.6		0.2				
16	✓	0.06	0.6	0.4		0.5				
17	✓	0.08	0.8	0.6		0.7				
18	✓	0.08	1.1	0.6		1.0				
19	✓	0.07	0.6	0.6		0.3				

Gold not deducted: .....

Charges $ 22.50

GOODALL BROS.

By A. V. Trent

NPCo. C-3669

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

RECEIVED
APR 23 1956

1201 N. Division St.
Spokane 2, Washington
April 9, 1956

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: John A. Bowsher, Mining Engineer, Bureau of Mines

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

The project was inspected April 3, accompanied by Richard Miller, geologist, representing the Operator. The previous inspection was February 8.

During the interim of February 8 to April 3, drifting east along the White Pine vein advanced 160 feet for a total of 236 feet from the place of beginning, BM 709. Another brass tag, BM 719, was set at 212 feet from BM 709.

Sets of drift timber have been installed at BM 709 plus 4.8 (4.8 feet), BM 709 plus 34.8 to 129.3 (94.5 feet) for a total of 99.3 linear feet. The last set of timber installed between BM 709 and BM 719 was at BM 719 minus 82.7 feet.

The structure of the White Pine is strong and consistently the width of the drift, but the mineralization of base metals is scanty.

Contract work completed to date is shown on the attached sheet.

John A. Bowsher

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

Contract Idm-E799

Interim inspection: 4/3/56
Interim report: 4/9/56

Item	Authorized	Completed
Stage I		
Replace adit timber sets	12 sets	12 sets
Replace track on adit dump	150 feet	150 feet
Reset transformer	$22.50	$22.50
Condition access adit	600 feet	600 feet
Drifting on White Pine vein, E.	350 "	236 "
Drift timbering	350 "	99.3 "
Chemical analyses	65 samples	7 samples
Geologist-engineer	18 days	18 days
Stage II		
Drift on White Pine vein, E.	150 feet	--
Drift timbering	150 "	--
Raising on White Pine vein	175 "	--
Chemical analysis	60 samples	--
Geologist-engineer	18 days	18 days

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

5/8/56

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
MAY 7 - 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:						
Drilling excavate for transformer	-0-	22.50	22.50		22.50	22.50
Prospecting track on dump	-0-	127.50	127.50		127.50	127.50
Prospecting 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) Other Underground Development: drift timber	-0-	410.00	410.00		410.00	410.00
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	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

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:

$ 2317.50

Signature M.D.P. (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 (S) Eldon C. Pattee Title Mining Engr. Date 4/17/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature (S) 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 8 - 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
Churn adit timber		-0-	-0-	300.00	12		12	25.00 set
Auger drift timbering		-0-	-0-	410.00	82		350	5.00 ft
Stripping Geologist Engineer		-0-	-0-	450.00	18		18	25.00 day
Trenching 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

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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
April 3, 1956

RECEIVED
MAY 5 - 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.

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MAY 7 - 1956

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.

Narrative Report for March, 1956
Docket No. DMEA 3303 (uranium) cont'd

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.

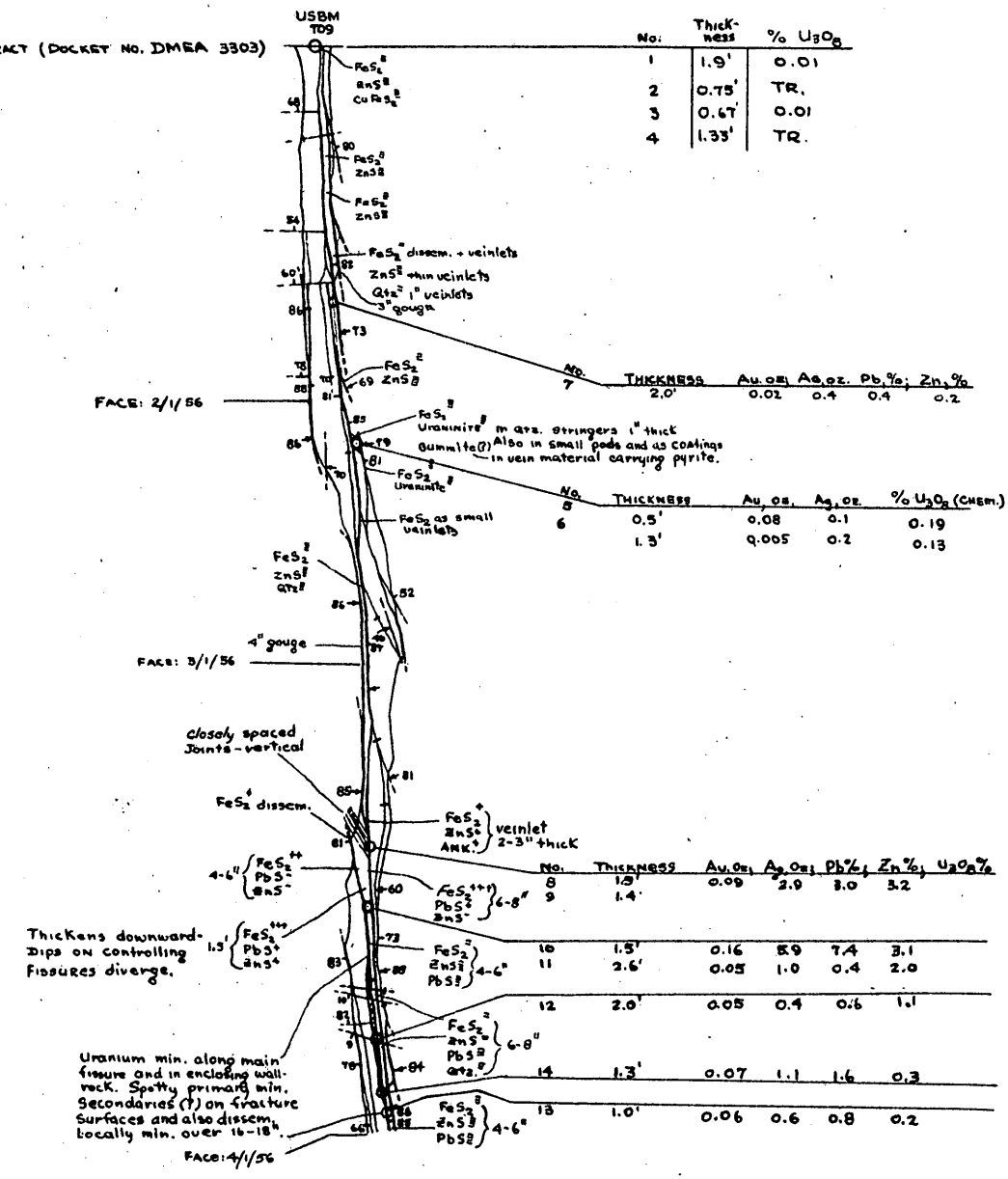
(e) Maps--Copies of the underground geological map are enclosed.

Respectfully submitted,

Richard N. Miller

Richard N. Miller
Geologist, Western America
Uranium Exploration Corporation

START OF GOVERNMENT CONTRACT (DOCKET NO. DMEA 3303)



No.	Thickness	% U_3O_8
1	1.9'	0.01
2	0.75'	TR.
3	0.67'	0.01
4	1.33'	TR.

No.	Thickness	Au, oz;	Ag, oz.	Pb, %;	Zn, %
7	2.0'	0.02	0.4	0.4	0.2

No.	Thickness	Au, oz.	Ag, oz.	% U_3O_8 (chem.)
6	0.5'	0.08	0.1	0.19
	1.3'	0.005	0.2	0.13

No.	Thickness	Au, oz;	Ag, oz;	Pb %;	Zn %;	U_3O_8 %
8	1.9'	0.09	2.9	3.0	3.2	
9	1.4'					
10	1.5'	0.16	5.9	7.4	3.1	
11	2.6'	0.05	1.0	0.4	2.0	
12	2.0'	0.05	0.4	0.6	1.1	
14	1.3'	0.07	1.1	1.6	0.3	
13	1.0'	0.06	0.6	0.8	0.2	

N

UNDERGROUND GEOLOGY
WHITE PINE MINE

JEFFERSON COUNTY, MONTANA

SCALE: 1" = 40'

FOR: DOCKET NO. DMEA 3303

GEOLOGY BY: R. N. MILLER

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

March 6, 1956

Memorandum

To: Miss Curtin, Statistics and Control Division, DMEA

From: Hazel Berry, Operating Committee, DMEA

Gy 257

Subject: Amendments to Contracts

Attached are the following docket copies of amendments to contracts which have been reviewed and approved by the Commodity Divisions and the Contract Administration and Audit Division. They were returned by Legal as not requiring clearance. The official dockets are also attached.

George M. Hoffman, DMEA-3303, Idm-E799, Amendment No. 1.

Marble Canyon Uranium, Inc., DMEA-3612, Idm-E816, Amendment No. 1.

Salvi, Salvi and Watson, DMEA-3744, Idm-E892, Amendment No. 1.

Branch Mining Co., DMEA-3926, Idm-E881, Amendment No. 1.

Attachments-4

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

Budget Bureau No. 42-R1036.5

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 Short Form Contracts:						
~~xxxxx~~ excette for transformer	-0-	22.50	22.50		22.50	22.50
Bulldozing ~~xxxxxx~~ track on dump	-0-	127.50	127.50		127.50	127.50
Crosscutting ~~xxxx~~ Condition	-0-	300.00	300.00		300.00	300.00
Drifting Adit 57ft.	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
(2) Lateral Stoping Drift timber 82'	410.00	410.00	410.00	410.00	-0-	410.00
Labor						
Supervision -Geogolist	-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						
Payroll Taxes	18.00	24.00	42.00	18.00	24.00	42.00
Liability Insurance						
		~~xxxxx~~				
(8) Contingencies (specify):						
TOTALS	2138.00	~~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 M. A. P.
(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 track on dump		-0-	-0-	127.50	150		150	0.85 ft.
Winces condition adit		-0-	-0-	300.00	600		600	0.50 ft.
Drilling: Adit timber		-0-	-0-	300.00	12		12	25.00 set.
Churn drift timber		410.00	82	410.00	82		82	5.00 ft.
Geologist- Auger 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

A. V. TRENT,
Owner-Manager

GOODALL BROTHERS

ASSAYERS AND METALLURGICAL CHEMISTS

46 SO. MAIN ST., HELENA, MONTANA

TEL. HI 2-3770
P. O. BOX 537

RECEIVED
MAY 7 - 1956

Date. MAR 3 - 1956

UMPIRE ASSAY..... CONTROL ASSAY..... HAND SAMPLE ✓

ASSAYED FOR: Western American Mining Corp. 67782 MARKS:

Sample No.	DESCRIPTION	Gold Ozs. Per Ton	SILVER Ozs. Per Ton	WET LEAD Per Cent	COPPER Per Cent	ZINC Per Cent	IRON Per Cent	INSOL. Per Cent	Per Cent	Total Value Per Ton
1	W.F.-2	0.08	0.1							
1		0.09	0.2							

Gold not deducted:

Charges $ 3.00

GOODALL BROS.

By C. B. Goodall

NPCo. C-3669

A. V. TRENT,
Owner-Manager

GOODALL BROTHERS

ASSAYERS AND METALLURGICAL CHEMISTS

46 SO. MAIN ST., HELENA, MONTANA

TEL. HI 2-3770
P. O. BOX 537

Date MAR 1 5 1956

UMPIRE ASSAY ..... CONTROL ASSAY ..... HAND SAMPLE .....

ASSAYED FOR: Western American Uranium Expl. Co.

MARKS:

Sample No.	DESCRIPTION	Gold Ozs. Per Ton	SILVER Ozs. Per Ton	WET LEAD Per Cent	COPPER Per Cent	ZINC Per Cent	IRON Per Cent	INSOL. Per Cent	Per Cent	Total Value Per Ton
8 - L.P.	(1.5' channel)	0.09	2.9	3.0		3.2				$ 24.01

Gold not deducted: .....

Charges $ 1/50

GOODALL BROS.

By A. V. Trent

NPCo. C-3669

A. V. TRENT,
Owner-Manager

GOODALL BROTHERS

ASSAYERS AND METALLURGICAL CHEMISTS

46 SO. MAIN ST., HELENA, MONTANA

TEL. HI 2-3770
P. O. BOX 537

Date MAR 17 1956

UMPIRE ASSAY CONTROL ASSAY HAND SAMPLE

ASSAYED FOR: Western American Vermiculite Corp.

MARKS:

Sample No.	DESCRIPTION	Gold Ozs. Per Ton	SILVER Ozs. Per Ton	WET LEAD Per Cent	COPPER Per Cent	ZINC Per Cent	IRON Per Cent	INSOL. Per Cent	Per Cent	Total Value Per Ton
10	W/P (1.5' channel)	0.16	5.9	7.4		3.1				$ 42.37
11	W/P (2.6' channel)	0.05	1.0	6.4		2.0				$ 9.33

Gold not deducted:

Charges $ 9.00

GOODALL BROS.

By O. L. Trent

NPCo. C-3669

A. V. TRENT,
Owner-Manager

GOODALL BROTHERS

ASSAYERS AND METALLURGICAL CHEMISTS

46 SO. MAIN ST., HELENA, MONTANA

TEL. HI 2-3770
P. O. BOX 537

RECEIVED
MAY 7 - 1956

Date MAR 27 1956

UMPIRE ASSAY ..... CONTROL ASSAY ..... HAND SAMPLE .....

ASSAYED FOR: [illegible]

MARKS: [illegible]

Sample No.	DESCRIPTION	Gold Ozs. Per Ton	SILVER Ozs. Per Ton	WET LEAD Per Cent	COPPER Per Cent	ZINC Per Cent	IRON Per Cent	INSOL. Per Cent	Per Cent	Total Value Per Ton
	[illegible]	.05	0.4	0.6		1.1				[illegible]

Gold not deducted: .....

Charges $ [illegible]

GOODALL-BROS.

By [illegible]

A. V. TRENT,
Owner-Manager

GOODALL BROTHERS

ASSAYERS AND METALLURGICAL CHEMISTS

46 SO. MAIN ST., HELENA, MONTANA

TEL. HI 2-3770
P. O. BOX 537

Date MAR 26 1956

UMPIRE ASSAY ..... CONTROL ASSAY ..... HAND SAMPLE .....

ASSAYED FOR: Western America Uranium Exp. Corp.

MARKS:

Sample No.	DESCRIPTION	Gold Ozs. Per Ton	SILVER Ozs. Per Ton	WET LEAD Per Cent	COPPER Per Cent	ZINC Per Cent	IRON Per Cent	INSOL. Per Cent	Per Cent	Total Value Per Ton
13	W.P. 4.	0.06	0.6	0.8		0.2				
14	" "	0.07	1.1	1.6		0.3				

Gold not deducted: .....

Charges $ 9.00

GOODALL BROS.

By C. A. Trent

NPCo. C-3669

RECEIVED
MAR 20 1956

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: 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), 82 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 in a westerly direction (refer to geologic map), but it cannot be traced as the controlling fissures pass out into the drift wall. Uraninite has been identified, occurring in small 2-3" concentrations, as coatings, and as disseminations, associated with thin quartz veinlets and minor pyrite (thickness 0.5'). Immediately adjacent to the above, a 1.3' thickness of normal vein matter carries uranium mineral, primarily as disseminations, which has tentatively been identified as gummite. The vein material carries some disseminated pyrite.

(c) Assays--Assay results on the uranium showing appear below. Assays for base-metal content over the same interval are pending.

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

(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

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

RECEIVED
MAR 26 1956

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 UCBM 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).

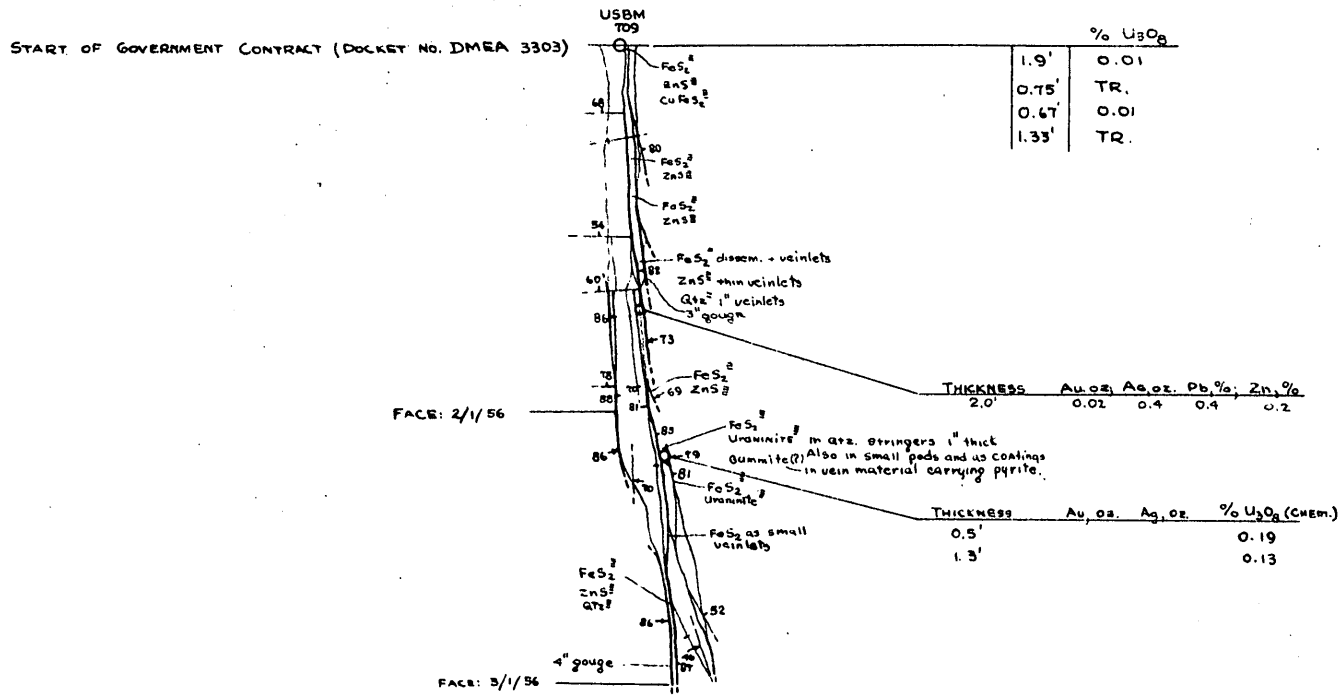
Thickness	% U_3O_8 (chemical)
1.3'	0.13
0.5'	0.19

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



N

UNDERGROUND GEOLOGY

WHITE PINE MINE

JEFFERSON COUNTY, MONTANA

SCALE: 1" = 40'

FOR: DOCKET NO. DMEA 3303

GEOLOGY BY: R.N. MILLER

THE BROWN LABORATORY

2263 Broadway
GRAND JUNCTION, COLORADO

ANALYTICAL DEPARTMENT

PHONE 1543-W

RECEIVED
MAR 26 1956

CERTIFICATE OF ANALYSIS

TO

Date 2-28-56
Order No. 6050-S

Western American Uranium Exploration Corp.
P. O. Box 782
Helena, Montana

Material: Ore Samples - 2
Received: 2-27-56
For: Analysis

Lab. No.	Your No.	Description	$\%U_3O_8$	$\%V_2O_5$	$\%CaCO_3$
6050-1	WP-U-5		0.13		
6050-2	WP-U-6		0.19		

Analyst.

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

1201 N. Division St.
Spokane 2, Washington

RECEIVED
FEB 24 1956

Rcd. emk
MAR 5 1956

February 21, 1956

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

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

Dear Mr. Selfridge:

Enclosed are the Government, Docket, and Division copies of Amendment No. 1 to this contract.

Sincerely yours,

Wing G. Agnew
Acting Executive Officer
DMEA Field Team, Region I
Northwest District

Enclosures

cc: Finance Office w/encl.
USGS (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

1201 N. Division St.
Spokane 2, Washington
February 16, 1956

RECEIVED
MAR - 5 1956

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: John A. Bowsher, Mining Engineer, Bureau of Mines

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

The project was visited on February 8 and January 12. The previous inspection report is of the examination made December 8, 1955.

No progress had been made on January 12, the previous visit, because accidents to equipment continued to plague the Operator. All rehabilitation and preparation for drifting had been completed and vouchered in December.

During the interim of January 8 - February 12 drifting east along the White Pine vein was started and advanced 74 feet from BM 709, a brass tag set at the beginning. The total advance to date is 74 feet (scheduled 350 feet) under Stage I.

The underground transit survey has been completed by the geologist and maps will be available in the near future.

In the course of the drifting N-S sulphide stringers have been cut; mineralization is minor.

The work items authorized and completed are:

		Authorized	Completed
Stage I			
	Replace adit timber sets	12 sets	12 sets
	Replace track on adit dump	150 feet	150 feet
	Reset transformer	$22.50	$22.50
	Condition access adit	600 feet	600 feet
	Drifting on White Pine vein E.	350 "	--
	Drift timbering	350 "	--
	Chemical analysis	65 samples	4 samples
	Geologist-engineer	18 days	18 days

		Authorized	Completed
Stage II			
	Drift on White Pine vein E.	150 feet	--
	Drift timbering	150 feet	--
	Raising on White Pine vein	175 feet	--
	Chemical analysis	60 samples	--
	Geologist-engineer	18 days	--

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

John A. Bowsher

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

February 1, 1956

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

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

Dear Mr. Hoffman:

Enclosed are the original and six copies of Amendment No. 1 which extends the completion date from February 1, 1956 to September 1, 1956. If this amendment meets with your approval would you please sign all copies and return all but the copy marked for the Operator.

If the amendment does not meet with your approval please return all copies with your comments.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I, NW Dist.

Enclosures

cc: DMEA (2)
USBM (2)
USBM (AD)
Pinckney

3/9/56 - [illegible]
W

Form MF-104 (Rev.)
(Apr. 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 417 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 Short Form Contracts:						
Drilling excavate for transformer	-0-	22.50	22.50		22.50	22.50
Blasting truck on dump	-0-	127.50	127.50		127.50	127.50
Cleaning condition adit	-0-	300.00	300.00		300.00	300.00
Drifting	2,220.00	-0-	2,220.00	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	-0-	24.00	24.00		24.00	24.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2,220.00	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 M. G. P.
(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. E-799 in accordance with the terms of the contract.

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ A. E. Weissenborn 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. 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	350	2220.00	74	2220.00	74	2220.00	350	30.00ft
Crosscutting excavate for transformer	I	-0-	-0-	22.50	I	22.50	I	22.50
Raising								
Shafts track on dump	I50	-0-	-0-	I27.50	I50	I27.50	I50	0.85ft
Winzes condition	600	-0-	-0-	300.00	600	300.00	600	0.50ft
Drilling 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
Auger								
Stripping Uranium analysis	65	-0-	-0-	24.00	4	24.00	65	6.00ea.
Trenching								
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.

Date Feb. 20, 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)

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

FEB 24 1956 B

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

RECEIVED
MAR - 3 1956

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

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 be continued 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

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

RECEIVED
MAR - 8 1956

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

January 31, 1956

ASSAY PER TON OF 2000 POUNDS

DESCRIPTION	NO.	GOLD OUNCES	SILVER OUNCES	WET LEAD %	COPPER %	ZINC %	INSOL %	Uranium %	%	%	%
Solutions								Parts per Million			
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

P. O. Box 782
Helena, Montana

RECEIVED
MAR - 8 1956

To: Mr. John A. Boushee
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.

Narrative Report for the Month of January, 1956—White Pine Mine (cont'd)

(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).

RECEIVED
MAR - 8 1956

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

A. V. TRENT,
Owner-Manager

GOODALL BROTHERS

ASSAYERS AND METALLURGICAL CHEMISTS

46 SO. MAIN ST., HELENA, MONTANA

TEL. HI 2-3770
P. O. BOX 537

Date FEB 23 1956

UMPIRE ASSAY ..... CONTROL ASSAY ..... HAND SAMPLE ✓

ASSAYED FOR: Western American Uranium Expl. Co.

MARKS:

Sample No.	DESCRIPTION	Gold Ozs. Per Ton	SILVER Ozs. Per Ton	WET LEAD Per Cent	COPPER Per Cent	ZINC Per Cent	IRON Per Cent	INSOL. Per Cent	Per Cent	Total Value Per Ton
7	WR	0.02	0.4	0.4		0.2				

Gold not deducted: .....

Charges $ 4.00

GOODALL BROS.

By A. V. Trent

NPCo. C-3669

Telephone ELgin 9-9962

Mr. Richard N. Miller, Geologist
Western American Uranium Exploration Corp.
P O Box 782
Helena, Montana

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

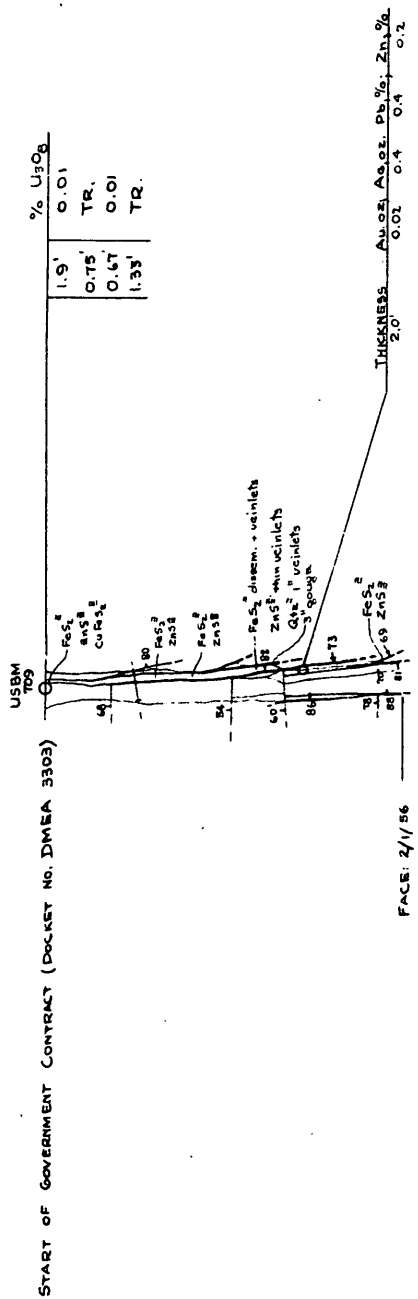
ASSAY PER TON OF 2000 POUNDS

February 20, 1956

DESCRIPTION	NO.	GOLD OUNCES	SILVER OUNCES	WET LEAD %	COPPER %	ZINC %	INSOL %	Uranium %	%	%	%
								Parts per Million			
W-P W-S 6								0.50			
W-P W-S 7								<0.50			
W-P W-S 8								<0.50			
W-P W-S 9								<0.50			
W-P W-S 10								0.50			

CHARGES $ 25.00

C. Ivan Nichols



N

UNDERGROUND GEOLOGY

WHITE PINE MINE

JEFFERSON COUNTY, MONTANA

SCALE: 1" = 40'

FOR: DOCKET NO. DMEA 3303

GEOLOGY BY: R. N. MILLER

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

JAN 31 REC'D B

Budget Bureau No. 42-R1036.5

RECEIVED

FEB 27 1956

FEB 27 1956

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

Month of Dec., 1955 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						
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
Super 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.A.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 /S/ John A. Bowsher Title Mining Engr Date Jan 31-1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ 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 MP-104A
(April 1952)

JAN 31 REC'D B

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. 1955 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	Excavate for	-0-	-0-	22.50	I	22.50	I	22.50
Shafts	transformer	-0-	-0-	I27.50	I50	I27.50	I50	0.85 ft.
Winzes	Track on dump	-0-	-0-	300.00	600	300.00	600	0.50 ft.
Drilling: Core	Condition adit	-0-	-0-	300.00	I2	300.00	I2	25.00 set
Churn	for face	-0-	-0-	300.00	I2	300.00	I2	25.00 set
Auger	Adit timbering							
Stripping	Geolugist-	I50.00	6 days	450.00	I8da.	450.00	I8	25.00 day
Trenching	Engineer							
Test Pits	Uranium	-0-	-0-	24.00	4	24.00	65	6.00 ea.
Roads and Trails	analysis							
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, 56 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 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

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

JAN 31 REC'D B

P. O. Box 782
Helena, Montana

To: Mr. John A. Boosher
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 slabbing-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

XXXXXXXXXXXXXXXXXX
1201 N. Division Street
Spokane 2, Washington
December 30, 1955

RECEIVED

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

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

Dear Mr. Hoffman:

This is your authority to retain Mr. Richard N. Miller as Geologist-Engineer, to direct the work at the White Pine mine.

By Field Team, Region I
Northwest District

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

cc: DMEA (2)
USGS (2)

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

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

1201 N. Division St.
Spokane 2, Washington
December 14, 1955

MEMORANDUM

RECEIVED
JAN 3 1956

To: DMEA Field Team, Region I, Northwest District

From: John A. Bowsher and E. C. Pattee, Mining Engineer, Bureau of Mines

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

The project was examined December 8, accompanied by Mr. Miller, contractor's geologist. The previous inspection report is of the examination made October 4.

Mr. Bowsher and Mr. Zoldok, Bureau of Mines Engineers, visited the property on October 29. The mine personnel were employed in cleaning track and replacing timber at the time of the visit.

The track has been cleared and timber replaced in the access adit and in the east drift on the White Pine vein to a point 27 feet from the face. Item (c) of Stage I (replace 12 sets of timber) and Item (d) of Stage I (condition access adit 600 feet) have been completed and may be vouchered.

A fire which burned compressor, compressor house and change house has slowed up work during the interim.

Mr. Hoffman was informed that payment of the October voucher would be held back until a notarized letter is received, authorizing payment of vouchers directly to the contractor.

E. C. Pattee

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

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. S-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:						
excavate for track on dump	-0-	22.50	22.50		22.50	22.50
transformer	-0-	127.50	127.50		127.50	127.50
condition adit	200.00	100.00	300.00	200.00	100.00	300.00
adit timber sets	-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
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:

$ 262 50

Signature MRP
(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. E 799 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 W 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 MP-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED
JAN 12 1956

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.

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	I2750	I50	0.85 ft.
Drilling: Core condition adit		200.00	400ft	300.00	600ft	300.00	600	0.50 ft.
Churn adit timbering		-0-	-0-	300.00	I2	300.00	I2	25.00 set
Auger Geologist-engineer		I50.00	6da.	300.00	I2	300.00	I2	25.00 da.
Stripping uranium analysis		-0-	-0-	24.00	4	24.00	65	6.00 ea.
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		350.00		I074.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		350.00		I074.00				

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. I6, 55 Operator George M. Hoffman

Per George M. 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)

151 Elton C Patten

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

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 300 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 (HI) 8- 6827. I am no longer employed by Western American.

Very Truly Yours,

George M. Hoffman

George M. Hoffman

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

JAN 12 1956

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

1-4-56

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

Budget Bureau No. 42-R1036.5

RECEIVED
JAN 3 1956

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

Month of Oct. 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: 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:						
Drilling						
Exploration Drift	22.50	-0-	22.50	22.50	-0-	22.50
Building Track	-0-	127.50	127.50		127.50	127.50
Crosscutting Adit to Face	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. 12, 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 MJP
(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 /S/ John A. Bowsher Title Mining Engr Date 11-22-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldoff 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
Approval expires 6-30-53.

RECEIVED
JAN 3 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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 excavate for transformer		22.50	I	22.50	I	22.50	I	22.50
Raising								
Shafts -- track on dump		-0-	-0-	I27.50	I50	I27.50	I50	0.85 ft
Winzes -- condition adit		I00.00	200	I00.00	200	I00.00	600	0.50 ft
Drilling -- Core to face								
-- adit timber		275.00	II	300.00	I2	300.00	I2	25.00 set
Geologist-engineer		I50.00	6	I50.00	6	I50.00	I8	25.00 da
Uranium analysis		24.00	4	24.00	4	24.00	65	6.00 ea
Stripping								
Trenching								
Test Pits								
Roads and Trails								
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.

Date Nov. I2,55 Operator George M. Hoffman

Per George M. 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)

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 83-38475

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 timber 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

Helena, Montana
917 6 th. Ave.
November 22, 1955

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

Dear Mr. Bowsher,

The track on the dump has been extended another 25 feet. About 450 feet of 10 inch track air duct has been installed. The tunnel has been reconditioned and timber replaced for 600 feet from the adit.

The timber replacement is follows:
Sets No. 14 through Sets No. 83. No. 14, 44, 45, 73, 79, 80, 81, 82, 83, 84, and 85 are all Sets. From set No. 86 through 85 is where the broken post was. This section of the crosscut straightened and started to run about the time it was all cleaned up and before the timber was in place it widened out to better than 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 showed out a block of ground about 15 feet wide 20 feet long and 20 or 30 feet high. This delayed us 7 days which I am sure will not happen again.

I am submitting Richard H. 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 American Exploration Corporation. (Status-Geologist.)

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

Very Truly Yours,

George H. Koffman

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

THE BROWN LABORATORY

2263 Broadway
GRAND JUNCTION, COLORADO

ANALYTICAL DEPARTMENT

PHONE 1543-W

CERTIFICATE OF ANALYSIS

TO

Western American Uranium Exploration Corp.
P. O. Box 601
Helena, Montana

Date 10-31-55
Order No. 5105-S

Material: Ore Samples
Received: 10-29-55
For: Analysis

Lab. No.	Your No.	Description	$\%U_3O_8$	$\%V_2O_5$	$\%CaCO_3$
5105-1	WP-1		0.01		
5105-2	WP-2		Trace		
5105-3	WP-3		0.01		
5105-4	WP-4		Trace		

Analyst.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

1201 N. Division St.
Spokane 2, Washington
October 6, 1955

RECEIVED
OCT 24 1956

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: John A. Bowsher, Mining Engineer, Bureau of Mines

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

The project was visited on October 4, 1955 in the company of George M. Hoffman, Operator. The previous visit was on August 30, 1955.

At the time of the previous visit, surface installation for power facilities was ready for the setting of transformers by the Montana Power Company. The power company examined the site, recommended certain changes, and informed Mr. Hoffman that shortage of personnel and prior commitments would prevent the installation of transformer until the week of September 26 or later. Rehabilitation of the drift will begin as soon as the power line is completed and transformer installed.

Mr. Hoffman has related that the work will be done under an independent contract, the contractor to furnish all equipment, personnel including supervision and technical services, and supplies. Mr. Hoffman was requested to furnish the Government with a copy of the contractor's bid and a letter authorizing the Government to pay the contractor direct.

John A. Bowsher

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

RECEIVED
BUREAU OF MINES
OCT 13 1955
SPOKANE, WASH.

Helena, Montana
917 8th. Ave.
October 6, 1955

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

Dear Mr. Bousher:

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 instilation of the switch box, transformers, power line, connecting of the blower and the electricty 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

RECEIVED
OCT 10 1955

xxxxxxxxxxxxxxxxx

1202 N. Division St.
Spokane 2, Washington
September 15, 1955

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: John A. Bowsher and H. C. Pattee, Mining Engineers, Bureau of Mines, Region I

Subject: Interim report, Docket No. DMEA-3303 (uranium), George M. Hoffman, White Pine Mine, Jefferson County, Montana, Contract No. Idm-5799

The routine inspection visit was made on September 30, 1955 accompanied by George M. Hoffman. The previous visit was on July 27.

No advance underground has been made to date; the activity consists of surface installations and rehabilitation of the adit portal. The post holes were ready for the Montana Power Company to set the electric transformer. The 150 feet of track on the adit dump is installed. The structure and concrete foundation for the compressor is ready for the delivery of the equipment. A timber shed is being erected, but this is not a contract item and the work is on company time. A blower is housed with 20 hp motor connected, and as soon as the electric power is turned on, ventilation will be provided to clean out the east drift face. Some timbering has been reset in the portal area; the 11th set from the portal was reset.

John A. Bowsher

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

1-4-56 dym

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

Budget Bureau No. 42-R1036.5

RECEIVED
JAN 3 1956

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

Month of August, 1955 Docket No. DMEA 3303 Contract No. Idm 2799
Operator's Name George E. 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						
Track	127.50	-0-	127.50	127.50	-0-	127.50
Crosscutting						
Drifting						
Adit - Timber Set	25.00	-0-	25.00	25.00	-0-	25.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
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Explosives						
Pipe						
Track						
(4) Operating Equipment:						
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(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 E. 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.

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(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 M. 2P
(Authorized Certifying Officer)

Date 12-23-55 Vou. No. 1675
(See other side)

Original to Washington 10-27-55

(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/ 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

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(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.

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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.

[illegible] for
[illegible] negotiations
[illegible] resumed.

RECEIVED
OCT 5 1955

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
August 12, 1955

RECEIVED
AUG 19 1955

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

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

Dear Mr. Hoffman:

This is your authority to retain Mr. H. Clay Peters, Consulting Geologist, to direct the work at the White Pine mine.

To get the maximum benefit from Mr. Peters' services, it might be desirable not to retain him until drifting under Stage I has started, as there is authorized only $450.00 for such services in Stage I and the same amount in Stage II.

In claiming reimbursement for Mr. Peters' services please enclose cancelled checks, or other evidence of payment, with your monthly MF-104s.

By Field Team, Region I
Northwest District

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

cc: DMEA (2)
USGS (2)

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

8/26/55 gla W

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 DMEA 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 Manchie 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 unforseen 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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
OCT 31 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1955 Docket No. DMEA 3303 Contract No. 3799
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	AUTHORIZED BY CONTRACT Stage 1 Unit Costs
Drifting		-0-	-0-	-0-	-0-	-0-	350ft	30.00 ft.
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
xxx Timbering		-0-	-0-	-0-	-0-	-0-	350ft	5.00 ft
xxxx Analysis & assays		-0-	-0-	-0-	-0-	-0-	65	6.00 ea
1 Geologist Engineer		-0-	-0-	-0-	-0-	-0-	10 days	2500 da.
construct adit to								
xxxxx reset transformer	face	-0-	-0-	-0-	-0-	-0-	600 ft.	0.50 ft.
xxxxx track		-0-	-0-	-0-	-0-	-0-	22.50	22.50
Timber sets adit		127.50	150	127.50	150	127.50	150 ft.	0.85 ft.
		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

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
AUG - 1 1955

~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
August 4, 1955

MEMORANDUM

To: DMEA Field Team, Region I, NW District

From: John A. Bowsher and E. C. Pattee, Mining Engineers, Bureau of Mines

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

The first visit to the property, under this contract, was made on July 27, 1955. The property has been explored under Contract Idm-E173.

The project was idle at the time of this visit and no operating personnel was available. The starting date of the contract was June 20, 1955. Equipment seen near the adit portal consisted of caterpillar tractor, battery trammer, small electric motor and three mine cars.

Mr. Hoffman was contacted at his Helena, Montana residence by telephone the evening of July 27, 1955. He stated that project work had been interrupted and would be delayed until delivery of additional equipment. Compressor, blower, and pipe for air line and water line will be moved to the project site as soon as delivered.

Mr. Hoffman was informed that he should submit a monthly narrative of work whether or not items of work were ready for vouchering.

John A. Bowsher

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
AD
JAB/lb

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

June 21, 1955

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

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

Dear Mr. Selfridge:

Enclosed are the Government, Docket, and Division copies of Contract No. Idm-E799.

Distribution of this contract has been made in the usual manner.

Sincerely yours,

A. E. Weissenborn

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

Attachment as indicated

cc: Finance Office
USBM (2)
Pinckney

6/10/5-5gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUN 10 1955

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

May 26, 1955

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

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

Dear Mr. Hoffman:

We are enclosing herewith DMEA Contract Idm-8799 for the exploration of the White Pine mine in Jefferson County, Montana. If this contract is satisfactory to you, please sign all copies, retain the one marked "Operator's Copy" and return the rest to us. Also, please inform us of the date you expect to commence work so that we can insert it in Article 3 of the contract. Please insert it on your copy also.

We wish to call to your attention that most of the work specified in the contract is to be done by independent contract and that the entire contract is on an actual cost basis with a maximum allowable cost for each item.

We also call to your attention the provision in the next to the last paragraph on the first page of Exhibit "A" which specifies that the project will be directed by an engineer-geologist approved by the Government who shall devote at least 6 full work days per month to the project work, shall do the required surveying, mapping, and sampling, and shall prepare the required reports.

By Field Team, Region I, NW District

cc: DMEA (2)
USBM (2)
USBM(AD)
AEC, SLC
AEC, Butte
Pinckney

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

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

Enclosure

Surname copy
F.L. Knouse
Ellis
Selfridge
H. Johnson

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

MAY 1 8 1955

Mar E. Weissenborn
tive Officer, Northwest District
Field Team, Region I
th 157 Howard Street
kane 4, Washington

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

Dear Mr. Weissenborn:

Enclosed, with attachments, are the original and five copies of a contract designed to explore the subject property, signed by the Administrator for the Government.

If the terms and conditions of the contract meet with your approval and the Operator's, insert in Article 3 of the contract the date when the work is to be started, then have the original and all copies signed by the Operator, and make the usual distribution of the copies.

If any part of the proposed contract does not meet with your approval or the Operator's and cannot be amended within your delegated authority, the original and all copies are to be returned with the proposed changes for consideration.

Please call to the Operator's attention that work is on an actual cost basis with a maximum allowable cost for each item.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (2/B)

Enclosures

APPROVED:

M. E. Volin for J. H. Hedges (2/B)
Member, Bureau of Mines

Thor H. Kiilsgaard (2/B)
Member, Geological Survey

FLKnouse/gla
5/11/55
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Code 700
Mr. Knouse

R.C.

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 drift[1] 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.

~~The regular work schedule shall be at least one 8-hour shift per day for a crew of three men, working six days per week, until the project is completed.~~

1/ The drift shall be timbered where necessary.

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
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

I concur with Mr Chambers' proposal
Peter H Nilsagard
M Mittendorf

Draft
FLKnouse:am
4-19-55

MF-200
(Revised June 1954)

Docket No. DMEA 3303

Commodity Uranium

Contract No. Idm–E

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this ..... day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] 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 .....

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 mineral rights 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, XXXX or encumbrances: Repayment of DMEA contribution on Contract Idm-E273 - Docket No. DMEA-2034 of $9,321.73 from royalty on production provided a discovery is made as a result of this work.

(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 ..... shall commence the work, and on or before ..... (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.

(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.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By .....

Administrator, Defense Minerals Exploration Administration

George M. Hoffman
(Operator)

By .....

.....

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

.....

[CORPORATE SEAL]

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

Draft
FlKnouse:am
4-19-55

EXPLORATION PROJECT CONTRACT

George M. Hoffman

Docket No. DMEA-3303

ANNEX I

The land included in Article 2 of the contract consists of 6 patented lode mining claims and fractions 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." The mining claims are as follows:

Claim Name	Survey Number
Bland Fraction	9929
R. P. Bland	9029
White Pine	8476
Genevive	9931
Capital	8477
Susie	9930

Draft
FLKnouse:am
4-19-55

EXPLORATION PROJECT CONTRACT

George M. Hoffman

Docket No. DMEA-3303

EXHIBIT "A"

Description of the Work

The project consists of ~~conditioning~~ installing mine dump, track, conditioning access adit workings from portal to the east face of the White Pine Vein and driving a drift along the White Pine Vein and also driving a raise along the Vein from the drift to explore for uranium-bearing ore. The approximate location of the drift is shown on the attached maps, "Fig. 1 White Pine Mine, Jefferson County, Montana" and, "Fig. 2 Property Map White Pine and Bell Group, Jefferson County, Montana," and the location of the raise requires the prior written approval of the Government.

The work shall be done in two stages. Stage I, shall be performed first and if, in the opinion of the Government, the results of the work done under Stage I justify further work, a part or all of the work described in Stage II shall be undertaken.

The cross-sectional dimension of the drift shall be not less than 5 X 7 feet and the raise 3.5 X 6.5 feet in the clear of timbering. The drifts shall be timbered adequately where necessary, and the raise is to be two-compartment and timbered with either cribbing or square sets its entire length.

The Operator shall furnish the Government with such samples as it specifies, and the method of all sampling, and of all sample determination 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 and shall do the required surveying, mapping and sampling and prepare all required reports.

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

The regular work schedule shall be at least one 8-hour shift per day, with a crew of three men, six days per week until the project is completed.

The work is as follows:

STAGE I

(a) Replace 150 feet of track on adit dump and reset electric transformer.

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

(c) Condition for drifting and raising the access adit from portal to east drift face on White Pine Vein.

(d) Drive drift east along White Pine Vein 350 feet. ~~@ $30/ft.~~

(e) Drift timbering [Item (d)] with not less than 8" X 8" drift set timbers on 5 foot centers and 2" X 12" side and back lagging.

(f) Not to exceed 65 sample analyses for uranium, lead and zinc.

Stage II

(a) ~~Drive~~ Continue driving drift along White Pine Vein - 150 feet. [ITEM (d) STAGE I]

(b) Drift timbering ~~of~~ [Item (a)] (same as Item (e) Stage I).

c) Drive a raise 175 feet from the drift (Items (d) Stage I ~~and~~ or Item (a) Stage II) along the White Pine Vein.

d) Not to exceed 60 sample analyses for uranium, lead and zinc.

Estimated Cost of the Project

(*Indicates allowable maximum)

Category (1) Independent Contracts

Stage I

Items (a), (b) and (c) replace track on adit dump, reset electric transformers, replace 12 sets of adit timbers, and condition access adit for drifting and raising to east drift face of White Pine Vein	$750.00*
Item (d) 350 feet drifting @ $30/ft.*	10,500.00
Item (e) 350 feet of drift timbering @ $5/ft.*	1,750.00

Stage II

Item (a) 150 feet of drifting @ $30/ft.*	$4,500.00*
Item (b) 150 feet drift timbering @ $5/ft.*	750.00*
Item (c) 175 feet of raising @ $35/ft.* The rate per foot includes timbering and all other costs of the work.	$6,125.00*

Category (2) Personal Services

Subcategory (a)ψ(b) Supervision and Technical services

Stage I

1. Geologist-engineer* 6 days per month* for 3 months* @ $25.00/day* $450.00*

Stage II

1. Geologist-engineer* 6 days per month* for 3 months @ $25.00/day* $450.00*

Subcategory (c) Labor

Stages I and Stage II

None*

Category (3) Operating Materials and Supplies

Stage I and Stage II

None*

Category (4) Operating Equipment

Stage I and Stage II

None*

Category (5) Rehabilitation and Repairs

Stage I and Stage II

None*

Category (6) New Buildings, Improvements, Installations

Stage I and Stage II

None*

Category (7) Miscellaneous

Stage I

65 chemical analyses @ $6 each* $390.00*

Stage II

60 chemical analyses @ $6 each* 360.00*

Estimated total cost of Project	$26,025.00
Government Participation at 75 percent	19,518.75

Whereas the Government has contributed $9,321.73 to an exploration project to explore this property under Contract Idm E-273 Docket No. DMEA-2034. Now therefore the Operator agrees to repay this ammount in addition to the Government's contribution set forth above as royalty on production as is set forth in Article 8 of this contract.

4/15/55 gla

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

RECEIVED APR 15 1955

April 13, 1955

Air Mail

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

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

Dear Mr. Selfridge:

After receiving your teletype of April 4, 1955, regarding certain open ground in the property covered by the cited application, we wrote to George Hoffman, the applicant. The enclosed letter dated April 8, 1955, from David R. Smith, attorney, answers the questions raised about the property. We trust that it is satisfactory, and that consideration of the application can now go ahead.

Sincerely yours,

John S. Vhay

John S. Vhay
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I
Northwest District

Enclosure (in tripl.)

cc: USBM (2)
Kellum

PAUL W. SMITH
DAVID R. SMITH
J. MILLER SMITH
CHADWICK H. SMITH
ATTORNEYS AT LAW

26 WEST SIXTH AVENUE
HELENA, MONTANA

April 8, 1955

REFER TO | ACTION | SEND REPORT
Jack

Mr. A. E. Weisenborn
Executive Officer DMEA
Field Team Region 1
Northwest District
South 157 Howard Street
Spokane 4, Washington

Division of Mines
Bureau Minerals Administration
RECEIVED
APR 15 1955

Dear Mr. Weisenborn:

Please refer to docket number 3303 (uranium) White Pine Mine, Jefferson County, Montana.

This letter is in answer to a letter dated April 6, 1955, signed and sent by John S. Vhay. His letter pertained to rights of way across the War Eagle and Guess Mines and as to right of way through open ground between the War Eagle and Guess at one place and between the Guess and Bland Fraction.

The right of way between the White Pine and Guess has been in existence some 50 years. The right of way between the Guess and the Bland Fraction has been in existence in the neighborhood of 10 years. Any patent heretofore issued covering the ground through which these tunnels go through on the open ground would be subject to the rights of way in existence at the time the patent was issued. So far as Mr. Hoffman knows no one else has a claim to this open ground and if they did their rights would be subject to the existing right of way which would have been in existence before the claims were taken up.

Mr. Hoffman stated that he would post the open ground as soon as he could get up there. The snow at present is very deep. On the other hand, there is no mineral on the ground so far as is known to Mr. Hoffman. He stated that it was all granite. The claims would probably be invalid for that reason but for anyone else to contest they would also have to show mineral.

RECEIVED
APR 11 1955
U.S.G.S.
SPOKANE, WASH.

Very respectfully yours,

DAVID R. SMITH

DRS/jh

xxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

April 6, 1955

Mr. George
917 - 8th
Helena, Mo

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

Dear Mr.

hington office is apparently satisfied with respect to your f access through the War Eagle and Guess claims, as proved cuments which you sent in with your letter of March 9, 1955. t out, however, that the evidence submitted failed to pro f access through the fractions (open ground, probably?) betwee Eagle and Guess claims, and between the Guess and Bland claims. These fractions are marked on the enclosed map.

ese fractions are open ground, we suggest that you stak herwise apparently you will have to make satisfactory arra ith whoever owns them.

are sorry that these questions have caused so much tro

Yours sincerely,

John S. Vhay
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team Region I, NW District

cc: DMEA (2)
USBM (2)
Kellum

(Note: Per Operating Committee's teletype of April 4, 1955.)

Surname 700

Ellis
Kiilsgaard
Hodges
Selfridge
Knouse
Johnson
Mitchenden

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

DEPARTMENT OF THE INTERIOR

DMEA

APR - 4 1955

14X1101(01)Revolving Fund,
Defense Production Act (Interior)
(Allocated Working Fund to the Office
of the Secretary)

T E L E T Y P E

A. A. WEIDEMANN
EXECUTIVE OFFICER, NORTHWEST DISTRICT
DMEA FIELD TEAM, REGION I
SOUTH 157 HOWARD STREET
SPOKANE 4, WASHINGTON

RECEIVED MARCH 24 AND DATED FEBRUARY 14 DMEA 3303 GEORGE M. BATTAN. EVIDENCE SUBMITTED BY OPERATOR FAILS TO PROVE RIGHT OF ACCESS THROUGH FRACTIONS BETWEEN WAR EAGLE AND GULLS CLAIMS AND BETWEEN GULLS AND BLAND FRACTION CLAIMS. CAN PROBLEM BE RESOLVED.

George C. Selfridge

George C. Selfridge, Chairman
Operating Committee

FLKnouse: FEJohnson:am
4-1-55 - 4-4-55
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm.3641
T. H. Kiilsgaard, Rm.5224
J. O. Hosted, Rm.3210, GSA
Code 700
Mr. Knouse
DMEA Field Team, Northwest District, Reg. I

R.E.J.

Surname 700

F L Knouse

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

DEPARTMENT OF THE INTERIOR

DMEA

14X4401(01)Revolving Fund,
Defense Production Act (Interior)
(Allocated Working Fund to the Office
of the Secretary)

T E L E T Y P E

A. L. WEISSENBORN
EXECUTIVE OFFICER, NORTHWEST DISTRICT
DMEA FIELD TEAM, REGION I
SOUTH 157 HOWARD STREET
SPOKANE 4, WASHINGTON

REURTLT MARCH 24 AND OURLET FEBRUARY 14 DMEA 3303 GEORGE M. HOFFMAN. EVIDENCE SUBMITTED BY OPERATOR FAILS TO PROVE RIGHT OF ACCESS THROUGH AREAS IN QUESTION. CAN PROBLEM BE RESOLVED.

George C. Selfridge, Chairman
Operating Committee

FEJ

FLKnouse:am
4-1-55
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Code 700
Mr. Knouse
DMEA Field Team, Northwest District, Reg. I

3/28/55 gla

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

March 24, 1955

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

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

Dear Mr. Selfridge:

Enclosed is a letter from George Hoffman, applicant on the cited application, in answer to our letter to him of February 25, 1955, which asked him about certain questions raised by you in a letter of February 14, 1955.

Also enclosed are two documents from the Jefferson County Clerk and Recorder and the Jefferson County Abstract Company regarding some of the property covered by the cited application.

We trust that these things take care of the questions raised in your letter of February 14, 1955.

Sincerely yours,

John S. Vhay

John S. Vhay
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I
Northwest District

Enclosures as indicated

cc: USBM (2)
Kellum

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 28 1955

March 9, 1954

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

Re: Docket No. DMEA-3303
(uranium)
White Pine Mine
Jefferson County, Mont.

Dear Mr. Weissenborn:

I am sorry about the Patent No. 3474 indicated on my application. In checking my abstract, I find that your Patent No. 8476 is correct for the White Pine. You are also correct about the Capital Patent No. 8477.

I am sending a letter from the Jefferson County Clerk and Recorder regarding my right-of-way across the Guess Patent No. 5749, and R. P. Bland Patent No. 9022. This is a copy of the deed on record in Jefferson County, Montana. I trust this will furnish evidence of my right-of-way across the War Eagle. This deed portion of the War Eagle belongs to the Guess, therefore, my right-of-way covers the portion of War Eagle in question.

Sincerely yours,

George Hoffman

George Hoffman

Encs.

GH:am

George Hoffman
917 Eighth Avenue
Helena, Montana

RECEIVED
MAR 11 1955
SPOKANE

DEPARTMENT OF THE INTERIOR
Colorado Minerals Administration
RECEIVED
MAR 28 1955

March 9, 1954

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

Re: Docket No. DMEA-3303
(uranium)
White Pine Mine
Jefferson County, Mont.

Dear Mr. Weissenborn:

I am sorry about the Patent No. 3474 indicated on my application. In checking my abstract, I find that your Patent No. 8476 is correct for the White Pine. You are also correct about the Capital Patent.No. 8477.

I am sending a letter from the Jefferson County Clerk and Recorder regarding my right-of-way across the Guess Patent No. 5749, and R. P. Bland Patent No. 9022. This is a copy of the deed on record in Jefferson County, Montana. I trust this will furnish evidence of my right-of-way across the War Eagle. This deed portion of the War Eagle belongs to the Guess, therefore, my right-of-way covers the portion of War Eagle in question.

Sincerely yours,

George Hoffman

George Hoffman

Encs.

GH:am

George Hoffman
917 Eighth Avenue
Helena, Montana

RECEIVED
MAR 11 1955
U.S.D.I.
SPOKANE, WASH.

COMMISSIONERS:
ED McCAULEY, Chairman, Boulder
AL SMITH, Whitehall
DAN OSMUNDSEN, Clancy

ALTA M. DAWSON, County Clerk and Recorder
MARY DEAN FLAHERTY, Deputy and Stenographer

COUNTY CLERK AND RECORDER

JEFFERSON COUNTY
BOULDER, MONTANA

March 4, 1955

TO WHOM IT MAY CONCERN:

I, Alta M. Dawson, Clerk and Recorder of Jefferson County, Montana, DO HEREBY CERTIFY that a right-of-way was recorded in the name of George Hoffman across the Guess Quartz Lode Mining Claim, Survey No. 5749, in the Warm Springs Mining District. Said right-of-way is recorded in Book 76 of Deeds, at Page 28, and is dated May 22, 1945, and shows that George Sekech was the grantor.

Also, a Decree of Quiet Title was recorded July 17, 1944, in Book 64 of Deeds, Page 535, to George Hoffman. Property described in this Decree included the R. P. Bland Lode Mining Claim, Survey No. 9022, embracing a portion of Township eight north, Range two west.

Alta M. Dawson

County Clerk and Recorder
Jefferson County, Montana

JEFFERSON COUNTY ABSTRACT COMPANY

BOULDER, MONTANA

Feb. 8, 1955

TO WHOM IT MAY CONCERN:

The following is a correct abstracted instrument as taken from the records of Jefferson County, Montana:

HENRY McFARLAND, of Helena, Montana	:	DEED
	:	Dated Sept. 18, 1901
	:	Filed Sept. 20, 1901,
-to-	:	at 10:00 A. M.
	:	Recorded in Book 29
C. W. FLEMING of Clancy, Montana	:	Deeds, page 542
	:	Cons: $1.00

.....

Bargain, sell and convey, to-wit: That the said second party shall have the right to use and occupy the surface ground of the said premises for the purposes of dumping ore, rock, earth, debre thereon and right of way across same for wagons, cars, track, mining implements and appliances, and to build thereon ore houses, blacksmith shops and such other buildings as may be necessary for operating and using that certain tunnel now thereon the property of the second party, and maintain and continue the said tunnel and use, apply and occupy the said premises for the said purposes at all convenient or necessary time or times without let, inlets, or molestation from the said party of the first part, it being expressly understood and agreed however, between the said parties hereto that the said party of the second part shall not mine below the surface upon the said premises except for the purpose or purposes mining said tunnel no right being granted to the said second party to the mineral or minerals below the surface ground of the said premises. The premises herein mentioned are described as follows:

> Beginning at the Northwest corner No. 4 of the Survey No. 6390 of the War Eagle lode claim, thence running south 57°20' East 715 feet to a point on the south boundary line of said survey, distant 561 feet from the southwest corner No. 1 of said survey and thence northeasterly along said boundary line 28 feet to a point, thence north 37°28' west 559 feet to a point on the north boundary line of said survey, distant 294 feet from said corner number 4, thence 294 feet westerly along said north boundary line to the place of beginning.

JEFFERSON COUNTY ABSTRACT COMPANY

BOULDER, MONTANA

This grant is intended as well to pass any right, title or interest as herein conveyed which the said party of the first part may hereafter acquire to the said premises by reason of patent from the United states therefor, said premises being situate in the County of Jefferson, State of Montana.

To Have and To Hold, - forever.

HENRY McFARLAND
By Mary B. Child,
His Attorney in Fact

Duly Acknowledged.

JEFFERSON COUNTY ABSTRACT COMPANY

By F. B. Lucas
Registered Abstracter

Surname 700

FLKnouse
Ellis
Selfridge
FLKnouse
McKenzie

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

MAR 4 - 1955

DEPARTMENT OF THE INTERIOR

DMEA

14X4401(C1)Revolving Fund,
Defense Production Act (Interior)
(Allocated Working Fund to the Office
of the Secretary)

TELETYPE

A. E. WEISSENBURN
EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION I
SOUTH 157 HOWARD STREET
SPOKANE 4, WASHINGTON

REURLET FEBRUARY 25 DMEA 3303 GEORGE M. HOFFMAN OPERATOR IS NOT REQUIRED TO OBTAIN VACANT GROUND BETWEEN WHITE PINE AND CAPITAL CLAIMS.

George C. Selfridge

George C. Selfridge, Chairman
Operating Committee

FLKnouse:am
3-3-55
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm.3210,GSA
Mr. Knouse
Code 700

R.C.G.

3/2/55 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

February 25, 1955

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

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

Dear Mr. Selfridge:

In reply to your letter of February 14, 1955, you will have received our letter of February 15, enclosing the correct copy of the mining claims in the vicinity of the subject mine. As you will see, two of the claim numbers listed in the application are in error--the White Pine, Patent No. 8476, and the Capital, Patent No. 8477. We will notify Mr. Hoffman that the claim numbers listed in his application appear to be in error.

We will also notify Mr. Hoffman to produce evidence of his right-of-access through the War Eagle, Guess, and R. P. Bland claims.

From the corrected claim map accompanying our letter of February 15, you can see that the Genevieve and Capital claims cover the eastward extension of the proposed work, except for a very narrow strip of unclaimed ground lying between the White Pine and Capital claims. If you deem it necessary, we will advise Mr. Hoffman to obtain this piece of vacant ground.

Sincerely yours,

A. E. Weissenborn

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

cc: USBM (2)
AEC (2)
Weeks

So. 157 Howard Street
Spokane 4, Washington

February 25, 1955

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

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

Dear Mr. Hoffman:

Our Washington office has pointed out a minor discrepancy between your application, the previous application, and our records. On your application you list the White Pine claim as Patent No. 3474, while our records show it to be Patent No. 8476. You show the Capital claim as Patent No. 3474, while our records show it to be Patent No. 8477. Please advise us of the correct patent numbers.

They have also requested that you furnish evidence of your right-of-way through the War Eagle, Guess, and R. P. Bland claims. Will you please submit the appropriate documents or statement of ownership of these claims.

Sincerely yours,

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

cc: DMEA (2)
USBM (2)
Weeks

2/18/55 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 18 1955

February 15, 1955

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

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

Dear Mr. Selfridge:

We are sorry to report that through a slip-up, the wrong map, showing claims and location of the proposed work, was attached to the January 5, 1955, memorandum by R. A. Weeks. This report was sent to you on January 21, 1955. Therefore, would you please substitute the enclosed map for the one attached to Mr. Weeks' memorandum. The incorrect map is labelled "Docket No. DMEA-2034, Proposed Exploration."

Sincerely yours,

John S. Vhay

John S. Vhay
Acting Member, DMEA
Field Team, Region I
Northwest District

Enclosure
cc: USBM (2)
Weeks
AEC, SLC
AEC, Butte
USGS(SRO)

Surname 700

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

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

FEB 14 1955

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

Dear Mr. Weissenborn:

This is with reference to Item 2 of our letter dated May 6, 1954, the Operator's application Item 3, and the part of Mr. R. A. Week's report dated January 5, 1955, regarding Point 2 of the above-mentioned letter which concerns the mining claims to be included in the contract and copies of a claim map.

Please refer to the claim map submitted with the Field Team's letter dated January 21, 1955 and Item 3 of the Operator's application. The claims are shown as follows:

Claim Map	Patent Survey No.	Application	Patent Survey No.
War Eagle	6390	White Pine	3474
Guess	5749	Capital	~~3474~~ 8477
Bland Fraction	9929	Genevive	9931
R. P. Bland	9022	Susie	9930
White Pine	8476	Bland Fraction	9929

You will note from the above list the discrepancies in the claims listed by the Operator and those shown on the claim map.

In this connection you will note from the claim map that the "Well Tunnel" portal is located on the War Eagle Claim and the access tunnel to the proposed exploration work passes through areas between the War Eagle and Guess, the Guess and Bland Fraction claims that are not covered by mining claims. We will require evidence from the Operator that he has access through these areas.

We note that the proposed drifting for Stages 1 and 2 total 500 feet. From the location of the drift face (as shown of the sample and geological map if plotted on the claim map) only 500 feet on drifting will be required to reach the east boundary of the White Pine Claim.

If the Operator controls the property east of the White Pine Claim it should be included in this contract, otherwise the drifting should not extend nearer than 50 feet of the property boundary.

Please reconcile the above questions, and furnish us with your recommendations with new claim maps if required which show the properties to be included in the contract, and the proposed work.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

APPROVED:

J. H. Hedges

Member, Bureau of Mines

E. L. Newcomb

Member, Geological Survey

FLKnouse:am
2-11-55
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Mr. Knouse
Code 700

2/14/55 gh

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 11 1955

February 11, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4445

From: John E. Crawford, Bureau of Mines Member
Uranium Commodity Committee

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

I have reviewed the application for assistance under Docket No. 3303, George M. Hoffman, White Pine Mine, Jefferson County, Montana, and I have discussed this application with Mr. Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

We are in accord with the recommendations of the Field Team and suggest that the applicant proceed with an exploration program as outlined in his application, to include the proposed modifications as proposed by the Field Team.

John E. Crawford

John E. Crawford

Attachment

2/8/55 gla

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 8 1955

February 7, 1955

Re: DMEA-3303
George M. Hoffman
(White Pine Mine)
Jefferson Co., Mont.
$25,275 - Uranium

Memorandum

To: E. W. Ellis, Defense Minerals Exploration Administration

From: E. L. Newcomb, U. S. Geological Survey

Subject: Recommendation for approval

The applicant proposes to further explore the White Pine mine for uranium mineralization by drifting, raising and crosscutting from the DMEA drift developed under contract Idm-E273, DMEA-2034 (lead-zinc).

The Field Team has recommended a two-stage project be approved.

Stage I
1.) 350 feet of drifting
2.) 125 feet of raising

Stage II
1.) 150 feet of drifting
2.) 50 feet of raising

All of this work would be done eastward on the White Pine vein from the present face of the DMEA drift. For purposes of repayment of royalties from production, the previous contract Idm-E273 (lead-zinc) should be included in a new unit cost type contract. The teletype of July 8, 1954, from the Chairman, Operating Committee to A. E. Weissenborn agreed to 75 percent Government participation in the event a contract was approved.

There has been a considerable amount of correspondence on the proposed uranium exploration. All of the geologists and engineers of the Bureau of Mines, Geological Survey and the A.E.C., who have examined, sampled or studied the White Pine mine by on-site investigations are agreed that further exploration is warranted.

The original contract Idm-E273 provided for 1,000 feet of drifting along the White Pine vein and an additional 100 feet of crosscutting. An amendment allowed diamond drilling in place of some crosscutting. At the time the contract was terminated a total

of 549 feet of drifting and 150 feet of diamond drilling were allowed for payment. There is about 450 feet of drifting from the old contract which can be applied to the 675 feet proposed under the new exploration program.

The drifting under the old contract disclosed only small amounts of lead-zinc ore in a few narrow lenses on the White Pine vein. The nature of the ore bodies as small, narrow, low grade deposits did not justify a Certification of Discovery. However, radioactive material was discovered along the last 100 feet of the DMEA drift which indicated some further exploration might be warranted.

The analyses of mine water samples collected by Mr. P. Fix, Survey geologist, and the assays of vein samples taken by Mr. R. A. Weeks, Survey geologist, indicate that significant amounts of uranium are present in the White Pine vein. Although the mineralization occurs in very narrow veinlets and is rather low grade, a sample from the present drift face assayed 0.21 percent eU and a selected dump sample contained 0.91 percent eU and 1.37 percent U (chemical analysis).

Inasmuch as the White Pine contract was terminated before all the stipulated work was completed, the ultimate objective of the program was not attained. It originally was planned to drift out far enough to come under the productive zone in the upper levels. The presence of uranium along this mineralized structure has substantially increased the geologic feasibility of further exploration eastward along the White Pine vein structure.

I recommend the Field Team's two-stage project be approved. Each succeeding item of work should be subject to approval of the Field Team based on their review of previous results. Under Stage I, for example, an examination should be made of new drifting work before any raising is approved.

R.N.Trace
for E. L. Newcomb

1/25/55 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Central Library Collection
JAN 24 1955

January 21, 1955

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

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

Dear Mr. Selfridge:

Reference is made to your teletype of December 30, 1954, and to previous correspondence on the cited docket.

Inasmuch as Mr. George M. Hoffman has now indicated his desire to go ahead on a contract based on the cited application, we are sending the original and three copies of a memorandum by R. A. Weeks, U. S. Geological Survey, in answer to your letter of May 6, 1954, together with seven copies each of two maps.

The Field Team still believes that this deposit is worth exploration, both for uranium and base metals, although it has some reservations regarding the applicant, and hopes that an "air-tight" contract can be presented to him.

By Field Team, Region II

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

John S. Vhay, Acting Member
U. S. Geological Survey

Enclosures

cc: USBM (2)
Weeks
AEC, SLC
AEC, Butte

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

So. 157 Howard Street
Spokane 4, Washington

January 5, 1955

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

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

Subject: Docket No. DMEA-3303 (uranium), George M. Hoffman, White Pine Mine, Jefferson County, Montana, Operating Committee Teletype of December 30, 1954

The subject teletype requests all information previously requested by the Operating Committee in its letter of May 6, 1954, and in memoranda attached to this letter by Butler and Keiser dated April 23 and April 16, respectively. Points No. 4 and 5 of the letter were concerned with repayment of the previous contract and percentage of Government participation, and until these were settled, little additional work was done to answer the other questions raised.

Point No. 1 of the Operating Committee's letter concerns itself with requesting answers on questions raised by Keiser and Butler. Keiser requests that the opinion of E. E. Thurlow be solicited. This had been done by our letter to Thurlow of April 27, 1954, and his reply, copies of which were sent to Washington May 27, 1954. The points raised by Thurlow's memorandum should be considered if a contract is drawn up. Additional samples, as requested by the postscript of Keiser's memorandum have not been obtained. Further sampling of noncommercial ore seems pointless, and at any rate, the mine has not been accessible if there had been need for additional samples.

In reply to Mr. Butler's memorandum, certain basic assumptions on Mr. Butler's part are different from mine. He envisions the White Pine as a vein that has been tested completely and found to lack commercial ore. The presence of small, admittedly noncommercial amounts of uranium fails to arouse his curiosity, and he feels that the target is too small.

My assumptions are different. I feel that the White Pine vein was not tested thoroughly; that the evidence from the water sampling conducted by P. F. Fix suggests a sizable amount of uranium may be present in the vicinity; and that a comparison of ore bodies in the Bell vein suggests production of a few ten thousands of tons as an order of magnitude that might be achieved.

The best target area both for uranium and for base metals is still believed to be the area originally outlined by Rankin in the initial DMEA program. This target area was not reached by the first DMEA contract. Butler's comment on the removal of lead and zinc from the list of metals being supported is of course no longer valid.

As for Mr. Butler's specific recommendations; putting the proposed workings into three stages instead of two is feasible, but I see no reason to stop at 200 feet. If the exploration is carried that far, the additional work required to come beneath the reported ore body in the old workings is, I believe, justified. As field examiner, I will be hard pressed to stop the work at the end of 200 feet, if the operator wishes to continue to the limit of Stage I as recommended by the Field Team.

The $750.00 cost of renovating is over and above the agreed unit costs.

The White Pine mine offers an excellent two-way chance for ore--either for the base metal or uranium or possibly both. It is on a strong structure, and previous exploration has shown the structure to be continuously mineralized, although too low-grade at present to be called ore in the section explored. Similarly, the uranium observed in the final 100 feet of drifting is not of ore-grade, and further assays of such material would not contribute to the decision to explore. As stated in my recommendation, the radioactive veinlets are not commercial ore, but they may indicate that uranium ore is to be found in the vicinity. Inasmuch as this uranium occurrence is about 4 miles east of the nearest previously known occurrence at Alhambra Hot Springs, it represents an extension of the area of radioactive anomalies. The desirability of exploration for uranium in the White Pine mine is obvious, in that 100 feet of drifting in radioactive vein material is already accomplished, the owner is willing to do the work (in contrast to many other deposits where the AEC has footed the bill completely), there is radioactive material in the face of the drift, and the exploration program has a double chance for success in that gold-silver-lead-zinc mineralization in potentially commercial amounts is present in the vein. The combination of circumstances indicates to me that this is the best chance for ore and information on uranium in this area.

Concerning point two, copies of the claim map as furnished for the final report for the former DMEA exploration program are in Washington. Seven additional copies, amended to show location of proposed work, are attached.

The claim numbers as shown are believed to be correct. They check with the claim numbers used by Mr. Rankin and Mr. Hoffman.

3. Seven copies of the map showing mineralization and sample data on the White Pine drift are attached. These are the same maps furnished with my previous memorandum recommending exploration, and they show the location of all samples known to have been taken. No sampling can be done in the upper workings as they are not accessible. No surface sampling has been done, and as the property is undoubtedly covered by snow, the surface sampling cannot be done at this time. The surface exposures are essentially non-existant except for caved workings. Dump material was assayed on the upper White Pine workings, and the B and G dump as reported by Rankin in support of the original application.

Enclosures

Distribution:
DMEA (Orig. & 3)
USBM (2)
USGS (SRO)
Docket
Weeks
AEC, Rwoll
AEC, SBC

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

F. L. Knouse
Ellis
Whitehouse
Newcomb
Duhan
Martin
Robinson

Department of the Interior
Defense Minerals Exploration Adm.
14X4401(01) Revolving Fund,
Defense Production Act, Interior
(Allocated Working Fund to the Office of the Secretary)

DEC 30 1954

TELETYPE

(Uranium)

A. E. WEISSENBORN, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION II
SOUTH 157 HOWARD STREET
SPOKANE 4, WASHINGTON

ALL AVAILABLE

REURLET DECEMBER 20 DMEA-3303 GEORGE M. HOFFMAN/INFORMATION REQUESTED

OURLET MAY 6 REQUIRED BEFORE PROCESSING CAN PROCEED.

W. S. Martin
~~GEORGE M. HOFFMAN~~ (SB)
ACTING CHAIRMAN, OPERATING COMMITTEE

FLKnouse/gla
12/28/54
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. J.E.Crawford, Rm. 3641
T.H.Kiilsgaard
J. O. Hosted, Rm. 3210, GSA
Code 700
F. L. Knouse
Confirmation to Region II

R.C.B.

12/27/54 gla

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

December 20, 1954

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

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

Dear Mr. Selfridge:

Enclosed is a copy of a letter from Mr. George M. Hoffman dated December 13, 1954. You will recall that there has been an exchange of a series of correspondence between the Executive Officer and the Hon. Lee Metcalf (September 24, September 29, October 4, and October 9, 1954). In this present letter Mr. Hoffman now agrees to the terms of the contract as previously outlined; to wit: 75% Government participation and repayment of the previous DMEA loan from royalties on any ore produced. Inasmuch as Mr. Hoffman has now agreed to the stipulated conditions there appears to be no obstacle to entering into a contract with him to further explore the White Pine property.

Mr. Hoffman's third paragraph is not clear. The two claims mentioned by him are not a part of the proposed exploration work and were not included by him in his application. Neither were they included in the exploration project under Contract Idm-E273. It therefore does not appear necessary to include them in the present contract.

It would seem that the starting date proposed by Mr. Hoffman's fourth paragraph is reasonable, in that costs of opening the mine prior to April or May might be excessive in view of the prevailing climate at the White Pine mine. We therefore recommend that April 15 be used as the date of the contract.

By Field Team, Region II

A. E. Weissenborn

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

Wing G. Agnew

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

Enclosure
cc: USBM (2)
Weeks

(5)

FROM
DMEA

Defense Minerals Administration
RECEIVED
DEC 20 1954

917 Eighth Avenue
Helena, Montana
December 13, 1954

Mr. A. E. Weissenborn
Executive Officer, DMEA
United States Dept. of Interior
South 157 Howard Street
Spokane, Washington

Dear Mr. Weissenborn:

Reference is made to your letter dated September 17, 1954 and your letter dated October 8, 1954 to Hon. Lee Metcalf regarding the terms of a contract as outlined in your letter dated July 9, 1954 and the extension date for my reply of January 1, 1955.

The terms of the contract with conditions as outlined in your letter of July 9, 1954 are acceptable with the express understanding that reimbursement due under Contract Idm-E173 is to be made only from royalties on ore produced.

Since none of the loan under Contract Idm-E173 to the White Pine Lead Company was expended on the B&G or the Eagles Nest property; would you please advise me if it would be possible to remove these properties from the terms of the contract with the White Pine Lead Company?

I would also like to know if, due to weather conditions in this area, it would be possible to make my loan effective not earlier than April 15, 1955; which according to my present understanding would give me until May 15, 1955 to start work on the property.

Very truly yours,

George M. Hoffman

GEORGE M. HOFFMAN

RECEIVED
DEC 15 1954

No. 157 Howard Street
Spokane 4, Washington

December 20, 1954

Mr. George H. Hoffman
917 Eighth Avenue
Helena, Montana

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

Dear Mr. Hoffman:

Your letter of December 13 has been referred to our Washington office. Since repayment to the Government in connection with a DMEA contract is in all cases made only from royalty on ore produced there now appears to be no obstacle to further consideration of your application.

Your request to exclude the B & G and Eagles Nest claims is not completely clear, inasmuch as these claims were not a part of the original exploration program of the White Pine Lead Company, and were not included by you in your application either. Since no exploration is contemplated on these claims, it does not appear necessary that they be included in the exploration contract unless further study of the application shows that they will be benefited by the proposed exploration.

Your proposed starting date appears reasonable and we have recommended to our Washington office that if a contract is negotiated the starting date should be about April 15.

Sincerely yours,

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

cc: DMEA (2)
USBM (2)
Weeks

10/18/54 gla

XXXXXXXXXXXXXXXXX
So. 157 Howard Street
Spokane 4, Washington

October 8, 1954

Hon. Lee Metcalf
House of Representatives
Washington 25, D. C.

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

My dear Mr. Metcalf:

I was glad to receive your reply to my letter concerning the White Pine mine. In answer to your letter of October 4, 1954, a review of our records shows that all of the costs to which the Defense Minerals Exploration Administration contributed in connection with the White Pine project were for the purpose of exploration. Our records also show that the DMEA did not participate in the purchase of any equipment used on the above project. The White Pine Lead Company used its own equipment on the project for the use of which it received a depreciation allowance, as is customary in DMEA contracts.

I regret that in my letter of September 29, 1954, I overlooked replying to your request that the time allowed Mr. Hoffman to notify us of his intentions of accepting the DMEA contract be extended from the October 17, 1954, deadline we had set.

In setting a deadline we did not intend to press Mr. Hoffman unduly; we merely wished to have the matter resolved one way or the other within a reasonable time, as the present state of uncertainty regarding the contract is obviously unsatisfactory to both parties. In order to permit you time to look into this matter more fully, if you so desire, we would be glad to extend the so-called "deadline" until January 1, 1955, or, if you do not consider this sufficient, to any date which you consider reasonable.

As I am not sure whether you are at present at your Washington or Helena office, I am sending the original of this letter to Washington, D. C., with a copy to Helena.

Sincerely yours,

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

cc: DMEA (2)
USBM (2)
Weeks

cc: Galen Block
Helena, Montana

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE OCT 7 1954

REFERRED TO:

1. Mr. Mitterdorf
2. ~~Mr. Mitterdorf~~
3. ~~Mr. Mitterdorf~~
4. Lifridge
5. ~~Mr. Mitterdorf~~
6. Ellis
7. Kuarese
8. Docket

FOR:

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

REMARKS: Hoffman should request – not an assessor. Non-salvage value of equip was a part of the cost of the work, Salvage value presumably credited to cost!

(over)

Check (X) before the items needing attention.

ROBERT E. ADAMS
Initials of sender.

GPO 16—63815-1

Until we hear from Wessenbom
further action should be
deferred as he is able to
answer them satisfactorily
from his file in case

J. M.
10-12-59

House of Representatives, U. S.

4 October 1954

MEMORANDUM

Dear Mr. Mittendorf:

The attached refers to a subject in which you are interested and is, therefore, referred for your information

Yours very truly,

Leo Mestas

10/12/54 gla

LEE METCALF
1st Dist., Montana

Congress of the United States
House of Representatives
Washington, D. C.

OCT 7 1954

4 October 1954

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

Dear Mr. Weissenborn:

Thanks for your letter of 29 September and the review of the situation at the White Pine Mine in Jefferson County, Montana, Docket No. DMEA-3303 (uranium).

I agree that Mr. George Hoffman should repay the government for the benefit which accrues to the mine as a result of the previous loan.

I believe it should be demonstrated that all the money was actually used to develop the claim to the point where this exploration can be resumed. Mr. Hoffman should not be required to repay that part of the loan, if any, which went for purposes other than development. In this connection, Mr. Hoffman says that part of the loan went to purchase machinery, which since has been removed from the property.

It may be that a mining engineer could inspect the mine and determine the value to Mr. Hoffman of the work done.

I again request an extension of the 17 October deadline, set in your letter of 17 September, by which Mr. Hoffman is to notify you whether he is interested in a contract under conditions outlined in your letter of 9 July.

Very truly yours,

CC: Mr. C.O. Mittendorf

No. 137 Howard Street
Spokane 4, Washington

September 29, 1954

Air Mail

Hon. Lee Metcalf
Member of Congress
Helena, Montana

Re: Contract No. IDM-3303 (uranium)
George M. Hoffman
White Pine Mine
Jefferson County, Montana

My dear Mr. Metcalf:

Your letter to Mr. Wing G. Agnew has been referred to me in Mr. Agnew's absence as Mr. Agnew and I together form the DMEA Field Team in Region II.

With regard to your request to see the correspondence dealing with Contract Idm-3273 with White Pine Lead, I am not quite sure as to which correspondence you refer. Because the file on the White Pine contract is rather voluminous I suggest that it might be more convenient for you to take this matter up with Mr. Mittendorf on your return to Washington, where the complete file is available. We would, of course, be glad to talk to you or an authorized representative at this office where we could also consult the files.

I am glad however to have this opportunity to review the situation at the White Pine property for you. As you know, on March 11, 1952, the DMEA entered into a contract to explore the White Pine property with the White Pine Lead Company, holder of a lease on the White Pine property. Work done up to the fall of 1952 disclosed two small lenses of lead-zinc minerals but these were too short and narrow to be of any value, as evidenced by a small trial shipment to the Helena Smelter. Work was recessed in October 1952 for the winter. It was our understanding that the White Pine Lead Company intended to resume exploration the following spring, but because of the unfavorable results of the exploration and the drop in base metal prices which occurred about that time, the White Pine Lead Company evidently became discouraged and decided to abandon the project. According to our information the lease reverted back to the owners, George and Elizabeth Hoffman on May 27, 1953. Because of poor results of the

exploration the DMEA did not insist on the completion of the contract and the contract was terminated by mutual agreement. As in our judgment the DMEA exploration did not disclose any ore from which production might be made no Certification of Discovery or Development was made.

Most of the workings had been tested with a Geiger counter but the last hundred feet or so of advance had not been seen by our field men before the project recessed for the winter, and bad air prevented entrance to this part of the property when our field men made their final inspection the following spring. After the abandonment of the project by White Pine Lead Company radioactive minerals were discovered on the White Pine dump. Later examination of the mine after Mr. Hoffman had improved the ventilation disclosed a few narrow uraniferous stringers near the end of the adit. These are not extensive enough nor do they contain enough uranium to be regarded as ore, nevertheless their presence is of considerable interest. Supplemental study of the uranium content of the mine water by Mr. Philip Fix of the Geological Survey also gave additional encouragement and on this basis the Field Team recommended approval of Mr. Hoffman's proposal to continue the exploration. In effect this would have essentially completed the work specified in the original contract, had Mr. Hoffman accepted the contract that was offered him.

In regard to Mr. Hoffman's contention that the terms of the contract as outlined in my letter of July 9* are unfair to him in that they require payment of money loaned not to him but to the White Pine Lead Company, I am sure that neither the Field Team nor the DMEA itself wishes to be unreasonable in this matter. We contend, however, that the existence of uranium on the property has become known wholly as a result of the DMEA work on which a total of $18,643.96 has been expended, $9,321.98 of which was contributed by the DMEA. Furthermore, the exploration to be done by Mr. Hoffman is an extension of the work done under the previous contract. Should the work proposed by Mr. Hoffman not result in a discovery, Mr. Hoffman will have the benefit of this work without cost to himself, and will not be required to repay the amount contributed by the DMEA to the new work.

* Actually the matter is discussed more fully in the Field Team letter dated July 2 to Mr. Hoffman, a copy of which is attached.

In the event of a discovery, repayment will be expected of the amount contributed by the DMEA to the cost of exploration. This repayment will be assured by means of royalty on any ore produced from the property; it will be paid only if production is actually made, and will expire automatically after a period of ten years. If the work proposed by Mr. Hoffman were to explore a different part of the property than that explored under the previous contract we would probably agree with Mr. Hoffman that he should not be required to repay the costs of any work done under that contract, but because if a discovery is made the property will have benefited so directly from DMEA work we do not feel that it is unreasonable to expect Mr. Hoffman to repay the total amount contributed by the DMEA to the exploration of the property including the $9,181.98 which was the Government's share of the work done under the previous contract.

We want to make clear that we are not attempting to make Mr. Hoffman responsible for work done by the White Pine Lead Company; we merely wish, in the event of a discovery, to provide that the DMEA be reimbursed for the amount it has expended in the exploration of the property. We feel that if a substantial discovery is made through DMEA assistance, Mr. Hoffman should be more than happy to repay the Government the full amount it has advanced for the exploration of his property.

We most certainly do not wish to be unfair to Mr. Hoffman and I will most gladly forward any comments you may have to Mr. Mittenderf or I would be most happy to have you write him directly.

Sincerely yours,

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

cc: C. O. Mittenderf (airmail)
DMEA, Op. Com. (2) (airmail)
USBM (2)
Weeks

Read draft to F. E. Johnson, Acting Administrator, over telephone September 29, 1954, who agreed that the subject should be handled in this manner.

DMEA

LEE METCALF
1st District of Montana
COMMITTEE:
EDUCATION AND LABOR

Congress of the United States
House of Representatives
Washington, D. C.

MERRILL ENGLUND
EXECUTIVE SECRETARY
SECRETARIES:
BEVERLY L. KNOWLES
MRS. DONALDEEN WHITE
FIELD OFFICE:
GALEN BLOCK
ON LAST CHANCE GULCH
HELENA, MONTANA

Helena, Montana
24 September 1954

Mr. Wing G. Agnew
Defense Minerals Exploration Administration
So. 157 Howard
Spokane 4, Washington.

Dear Mr. Agnew:

Mr. George M. Hoffman of Helena has asked my help in connection with his loan application: Docket No. DMEA-3303 (uranium), White Pine Mine, Jefferson County, Montana.

Mr. Hoffman contends that the contract as outlined in Mr. Weissenborn's letter of 9 July is unfair in that it would require him, in event of a discovery, to repay money previously loaned not to him but to the White Pine Lead Co., which had leased this property at the time the loan was made.

It seems to me that Mr. Hoffman has a point. To satisfy myself, I would like to see the correspondence dealing with the loan made to White Pine Lead under Contract Idm-E173.

Meanwhile, I request an extension of the 17 October deadline, set in your letter of 17 September, by which Mr. Hoffman is to notify you whether he is interested in a contract under conditions outlined in the 9 July letter.

Very truly yours,

Lee Metcalf

cc: Mr. C.C. Mittendorf

RECEIVED
SEP 27 1954
U. S. A. S.
SPOKANE, WASH.

9/22/54 gla

XXXXXXXXXXXXXX
No. 157 Howard Street
Spokane 4, Washington

September 17, 1954

Mr. George M. Hoffman
711 Eighth Avenue
Helena, Montana

Re: Docket No. DMEA 5603 (uranium)
White Pine Mine
Jefferson County, Montana

Dear Mr. Hoffman:

Please refer to our letter of July 9 asking whether or not you were interested in a contract under conditions outlined therein.

If we do not hear from you by October 1, we will assume you are no longer interested and we will recommend to our Washington office that your application be withdrawn.

Very truly yours,

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

cc: DMEA (2)
USBM (2)
Wells

7/12/54 gla

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

July 9, 1954

Mr. George M. Hoffman
917 Sighth Avenue
Helena, Montana

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

Dear Mr. Hoffman:

Your letter of July 1, 1954, has been referred to the Washington office of the DMEA and we have been informed that if a DMEA contract is approved the Government will participate on the 75 percent basis requested by you. However, they reaffirm that you must be willing to reimburse the Government for the amount which the Government expended in exploring the property under Contract Idm-E173 with the White Pine Lead Co. Such reimbursement would come only from royalties on ore produced. Royalties are due, of course, only if there is production and no obligation is assumed by you if there is no production. The obligation remains, however, only for the duration of the ten year period following the date of the contract.

Please let us know if you are interested in a contract under these conditions. If so, your application will be considered as soon as we hear from you.

Sincerely yours,

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

cc: DMEA (2)
USBM (2)
Weeks

Surname 700

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

JUL 8 - 1954

T E L E T Y P E

FLKnouse

DMEA-Department of the Interior

14X4401(01) Revolving Fund, Defense Production Act (Interior) (Allocated Working Fund to the Office of the Sec.)

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

A. E. WEISSENBORN, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION II
SOUTH 157 HOWARD STREET
SPOKANE 4, WASHINGTON

REURMEMO JUNE 2 DMEA-3303 GEORGE M. HOFFMAN, GOVERNMENT WILL PARTICIPATE ON 75 PERCENT BASIS PROVIDED CONTRACT IS APPROVED. REPAYMENT CONDITIONS WOULD BE INCLUDED IN CONTRACT AS CITED OURLET MAY 6 ITEM 4. IF TERMS ACCEPTABLE TO APPLICANT ADDITIONAL INFORMATION REQUESTED OURLET MAY 6 IS REQUIRED.

George C. Selfridge

George C. Selfridge, Chairman
Operating Committee

FLKnouse/am
7-7-54
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. A.P.Butler, Jr.,Rm. 3212,GSA
J.O.Hosted, Rm. 3210, GSA
H.D.Keiser, Rm. 3641
Code 700
Mr. Knouse
Confirmation to Region II

R.C.S.

7/6/54 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

July 2, 1954

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

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

Dear Mr. Selfridge:

Enclosed is a copy of a letter received from Mr. G. M. Hoffman dated July 1, 1954, in reply to my letter to him of May 14, 1954, informing him of items 4 and 5 in your letter of May 6, 1954.

Your attention is called to the matter stated in paragraphs 2 and 3 of his letter, and it is requested that you write him your final decision on the matter of 62.5 percent versus 75 percent.

Until we hear from you on this matter, we will do nothing further with respect to the other items requested in your letter of May 6, as we presume that Hoffman's letter of July 1 is, in effect, a withdrawal of the application. We feel that the proposed exploration is technically sound, but in view of Mr. Hoffman's attitude perhaps the best course would be to accept his withdrawal.

Sincerely yours,

A. E. Weissenborn

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

Enclosure
cc: USBM (2)
Weeks

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

July 2, 1954

Mr. George M. Hoffman
517 Eighth Avenue
Helena, Montana

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

Dear Mr. Hoffman:

In reply to your letter of July 1, 1954, in which you state that you will not accept a DMEA exploration contract at the White Pine mine on a 62.5 percent basis, your letter is being sent to the Washington office of the DMEA for consideration. As you will note from the enclosed pamphlet describing the DMEA program, it is the established policy of the DMEA that in the event two or more of the minerals are the subject of the proposed exploration the allowable percentage shall be apportioned between them. Our Washington office will have to decide whether circumstances justify making an exception in your case.

With reference to your comments on the previous contract on the property with the White Pine Lead Company, we are aware that you did not subject the property to a DMEA lien and it certainly is not our intention that you should be penalized for anything that transpired between that company and the Government. Nevertheless, the work done under that contract has benefited the property; in fact, the work you propose is merely an extension of that work. For this reason if your proposed exploration results in a discovery, it does not seem unreasonable that the amount that the Government has expended on the previous contract should be repaid by royalty on any production that you might make. If there is no discovery under your proposed project or if there is no production, then the Government will not be reimbursed for its contribution either for the work you propose or that done under the previous contract.

Our Washington office has stated, however, that the proposed contract will not be entered into unless you agree to these conditions.

Sincerely yours,

cc: DMEA (2)
USBM (2)
Weeks

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

Enclosure

RETURNED	ACTION	NOTED	DATE

917 Eighth Avenue
Helena, Montana
July 1, 1954

JUL 6 - 1954

Mr. A. E. Weissenborn
Executive Officer
U. S. Geological Survey
U. S. Department of Interior
South 157 Howard Street
Spokane, Washington

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

Dear Mr. Weissenborn:

Reference is made to your letter dated May 14, 1954 regarding my application for a loan on the above mentioned property.

It has been my understanding that an application for a Government Loan should be based on the rate in effect at the time the application is filed and not the rate that might be in effect when the loan is approved. In other words at the time I filed my application there was no lead or zinc on the strategic list and the rate was calculated at 75 percent.

Since the Government has seen fit to set the rate at 62.5 percent rather than the 75 percent that was in effect at the time of filing, I regret to advise you that I am unable to accept the loan on the 62.5 percent basis.

In connection with the previous loan to the White Pine Lead Company, I was not aware that such a loan had been granted. I was never consulted in regard to such a loan and further I was not connected with the White Pine Lead Co. in any way except that I owned the property and leased it to this company. Therefore, I do not feel that this loan is my responsibility and I certainly do not feel that I should be penalized for anything that transpired between this company and the Government.

Very truly yours,

GEORGE M. HOFFMAN

RECEIVED
JUL 2 1954
U. S. G. S.
SPOKANE, WASH.

Surname
Docket copy

700

F L Knouse
Ellis
Selfridge
F Hanson
Northendorf

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

JUN - 7 1954

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

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

Dear Mr. Weissenborn:

This will acknowledge receipt of your letter dated May 27, 1954, with the enclosed copies of a memorandum from Mr. Ernest E. Thurlow, Chief, A.E.C. Salt Lake Exploration Branch, DRM, Salt Lake City, Utah, concerning the Field Team's recommended exploration program of the subject project.

Before we can continue with the processing of this application the information requested in our letter to you of May 6, 1954, will be required.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (245)

APPROVED:

J. H. Hedges

Member, Bureau of Mines (243)

D. M. Larrabee

Member, Geological Survey (243)

FLKnouse/gla
6/3/54
cc to: Adm. Reading File
Operating Committee
Docket
Messrs. HDKeiser, Rm. 3641
APButler, Jr. R. 3212 GSA
JOHosted, Rm. 3210 GSA
Code 700
Mr. Knouse

R.C.H.

6/2/54 gla

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

May 27, 1954

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

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

Dear Mr. Selfridge:

Reference is made to a letter from this office to Mr. Ernest Thurlow, U. S. Atomic Energy Commission, P. O. Box 2196, Salt Lake City, Utah, dated April 27, 1954. In this letter we advised Mr. Thurlow that we had been requested to obtain from him a letter stating his views on the uranium possibilities of the White Pine property. Copies of our letter are believed to be in your files.

We have recently received a copy of a letter from Mr. Thurlow to Mr. Hosted, Division of Raw Materials, Washington, D. C., which was written in response to our request. Although this letter has probably been received at your office, copies are enclosed as it is assumed the cited application will receive no further attention until Mr. Thurlow's recommendations have been received.

Sincerely yours,

Thor H. Kiilsgaard

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

Enclosures
cc: USBM (2)
Weeks

C
O
P
Y

Joseph O. Hosted, Division of Raw Materials
Washington, D. C.

May 21, 1954

Ernest E. Thurlow, Chief, Salt Lake Exploration
Branch, DRM, Salt Lake City, Utah

DMEA LOAN APPLICATION (URANIUM), WHITE PINE MINE,
JEFFERSON COUNTY, MONTANA

Symbol:SLEB:EET:af

This office has been requested to forward comments on subject proposed Defense Minerals Exploration Administration loan to the Washington office of the DMEA. We would appreciate your assistance in presenting our views in the matter.

We are in agreement that the uranium showings at the White Pine are of sufficient interest to warrant some participation by the Government in their exploration. The proposed amount and type of exploration appears to be well conceived and will allow completion of an original DMEA project for lead-zinc exploration.

The following considerations are suggested:

1. Raises should be timbered throughout their full length at a unit price of $35.00 rather than timbering at the operator's discretion.

2. A unit price should be included for raise preparation.

3. Provision should be made, if necessary, to allow for a break in exploration which would permit mining of any ore shoots found should it be considered advisable to temporarily suspend exploration for this purpose.

cc: Phillip L. Merritt
L. D. Jarrard
A. E. Weissenborn, USGS, Spokane

File with Docket File

FM

Joseph O. Hosted, Division of Raw Materials
Washington, D. C.

May 21, 1954

Ernest E. Thurlow, Chief, Salt Lake Exploration Branch, DRM, Salt Lake City, Utah

DMEA LOAN APPLICATION (URANIUM), WHITE PINE MINE, JEFFERSON COUNTY, MONTANA

Symbol: SLEB:EET:af

This office has been requested to forward comments on subject proposed Defense Minerals Exploration Administration loan to the Washington office of the DMEA. We would appreciate your assistance in presenting our views in the matter.

We are in agreement that the uranium showings at the White Pine are of sufficient interest to warrant some participation by the Government in their exploration. The proposed amount and type of exploration appears to be well conceived and will allow completion of an original DMEA project for lead-zinc exploration.

The following considerations are suggested:

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2. A unit price should be included for raise preparation.

3. Provision should be made, if necessary, to allow for a break in exploration which would permit mining of any ore shoots found should it be considered advisable to temporarily suspend exploration for this purpose.

cc: Phillip L. Merritt
L. D. Jarrard
A. E. Weissenborn, USGS, Spokane

8335

5/18/54 gla

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

May 14, 1954

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

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

Dear Mr. Hoffman:

By announcement of March 23, 1954, the commodities lead and zinc were returned to the list of minerals for which the Defense Minerals Exploration Administration was authorized to grant exploration loans on a 50 percent participation basis. Inasmuch as the White Pine mine is known to contain lead and zinc, it therefore becomes necessary to amend your application so that the commodities sought will be uranium, lead and zinc. In such contracts, where one of the commodities sought (uranium) is at a different rate of government participation (75 percent), the government's participation is apportioned between the two rates. In your application, the rate of government participation has been set at 62.5 percent, instead of the 75 percent participation for uranium alone. If this percentage participation is agreeable, will you please inform us in writing to that effect.

Also, in connection with the application, the discovery of uranium mineralization resulted directly from the exploration work performed under the DMEA contract with the White Pine Lead Co. A total of $18,643.46 was spent on this contract, the government's share (at 50 percent participation) amounting to $9,321.73. It is believed equitable that should the exploration program you have proposed result in the discovery of commercial ore, the government's portion of both contracts should be repaid by royalties from production. If this proposal is agreeable, will you please inform us in writing to that effect also.

Will you please advise us promptly of your decision on these two matters, in order that we may transmit the information to Washington so that processing of your application can be completed.

By Field Team, Region II

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

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

cc: DMEA (2); USBM (2); Weeks

[redacted]rname

Docket copy

700

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

MAY 6 - 1954

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

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

Dear Mr. Weissenborn:

This is with reference to the subject Operator's application for exploration aid and the Field Team's report on the proposed project.

In addition to the Field Team report, please furnish a supplemental report that covers the following:

1. Copies of attached memorandum from Mr. H. D. Keiser, dated April 16, 1954, and Mr. Arthur P. Butler, Jr., dated April 23, outlining various questions.

2. Seven copies of a mine claim map showing location of the mining claims concerned and the proposed work.

In this connection, please check the patent claim survey numbers submitted with Docket No. DMEA-2034 and this application.

3. If available, furnish seven copies of a map which describes the mineralization and sample data along the White Pine vein on the adit level of the proposed work and in the workings above and on the surface as justification for this work. If this information is not available, please furnish a narrative description.

4. Obtain a formal commitment from the Applicant that he will be willing to assume the obligation of repayment (by royalties from production) of the amount that was advanced by the Government for Contract No. Idm-E273, Docket No. DMEA-2034.

5. As this project is to explore for uranium and lead-zinc, if a contract is approved the Government's percentage

participation will be 68.5 percent. The Applicant should be advised accordingly and a formal statement obtained from him that the percentage participation meets his approval.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Enclosures: 4

APPROVED:

J. H. Hedges

Member, Bureau of Mines (JHB)

Philip W. Guild

Member, Geological Survey (JHB)

FLKnouse/gla
5-3-54
cc to: Adm. Reading File
Operating Committee
Docket ✓
Messrs. APButler, Jr. Rm. 3212, GSA
JOHosted, Rm. 3210, GSA
HDKeiser, Rm. 3641
Code 700
FLKnouse
DMEA Field Team, Region II

5/4/54 gle

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

So. 157 Howard Street
Spokane 4, Washington

Department of the Interior
Defense Minerals Administration
RECEIVED
MAY 3 - 1954

April 27, 1954

Mr. Ernest Thurlow
U. S. Atomic Energy Commission
P. O. Box 2196
Salt Lake City, Utah

3303

Re: DMEA loan application (uranium)
White Pine Mine
Jefferson County, Montana

Dear Ernie:

Sometime ago we received the cited application from Mr. Keffman and subsequently wrote a report on it, recommending approval. I believe that a copy of the report, written by Robert A. Weeks, was sent your office under cover of a Field Team letter dated March 31, 1954.

More recently, we received a letter from Al Weissenborn, currently in Washington on business, asking that we contact you and request that you forward a letter to DMEA, Washington, D. C., stating your views on the uranium possibilities of the White Pine property, and whether it warrants further exploration. As you no doubt remember, this property originally had a lead-zinc contract which was terminated before completion of the project. I believe it was Weak's belief that if the present application was approved, the proposed project would serve the dual purpose of finishing the original project and also testing the uranium showing at the adit face.

We would appreciate your attention to this matter as DMEA apparently will withhold their decision pending further word from you.

Looking forward to our next meeting, I remain,

Very truly yours,

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

cc: DMEA (2)
USGS (2)
Weeks
L. D. Jarrard, Butte, Montana

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

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

DATE: April 23, 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 29 1954

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

SUBJECT: Application and Field Team Report, DMEA Docket ~~3033~~ 3303 (Uranium), G. M. Hoffman, applicant, Helena, Montana; White Pine Mine, Jefferson County, Montana

The application for Government assistance to explore the White Pine Mine and the Field Team report pertaining to that application have been reviewed.

Proposed exploration

The Field Team recommends exploration of the White Pine vein, a polymetallic sulfide lode, for uranium by 675 feet of drifting and raising in two stages at a total cost of $25,275. This represents a reduction from the applicants proposal of a 1100 feet of drifting and raising combined at a total cost of $54,295.

Comment

This property was explored unsuccessfully for lead-zinc under a DMEA contract (Docket 2034). Exploration was stopped by agreement short of the contract limit because shoots of base metal minerals were too narrow and too low-grade to constitute ore. Subsequent to end of work on that contract and after the drift had become inaccessible, uranium minerals were discovered on the dump.

A selected specimen assayed 1.37 U_3O_8 , and the present owner made the drift accessible. The vein is radioactive in the innermost 100 feet of the drift. The uranium minerals occur in thin seams sporadically distributed, and locally cross cutting the base metal vein. Parts of an 8-inch channel sample analyse from 0.02 to 0.1 percent equivalent uranium. Although uranium is present in the vein, it is the reviewer's opinion that the available data on uranium do not indicate sufficient promise to warrant as ambitions a plan of exploration in Stage I as recommended by the Field Team. Moreover, the production of ore of other minerals from the White Pine vein of only 365 tons suggests that ore bodies are likely to be small. The Field Team also says (p. 3) that although the presently known amount of uranium is not commercial by itself, the uranium may add sufficient value to the vein material to enable mining otherwise low-grade base metal ore. Because lead and zinc

are no longer on the list of metals for which assistance will be granted, the merit of an application has to be judged on the probability of discovering ore that can be mined for uranium and on the contribution that other elements may add to its value as uranium ore, not the possible value that uranium may add to ores of other metals.

On page 2 of the engineering report, cost of renovating present workings is estimated at $750. It is not clear whether the agreed unit costs for Stage I include that item or not.

Recommendation

Because the evidence for the possibility of discovering a significant amount of uranium ore is not very strong, I recommend: (1) that work in Stage I be limited to not more than 200 feet of drifting, (2) that the remainder of work proposed in Stage I be made Stage 2, (3) that present stage 2 be made Stage 3.

Two hundred feet of drifting should be adequate to show whether any of the vein is rich enough in uranium to warrant more work, and at the same time keep the expenditure small enough so that it will not be out of line with the uncertain possibility of discovery.

The problem of cost of cleaning up existing workings should also be clarified.

Arthur P. Butler, Jr.

Copies to: E. Wm. Ellis (2)

4/16/54 gla

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

April 16, 1954

Memorandum

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

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

Subject: Field Team Report, DMEA Docket 3303, George M. Hoffman, 917 - 8th Avenue, Helena, Montana.

I have reviewed the subject report and discussed it with Joseph O. Hosted, representative of the Atomic Energy Commission.

It is recommended that the Field Team be requested to seek and report the opinion of Ernest E. Thurlow, representative of the Atomic Energy Commission at Salt Lake City, Utah, relative to the application included in the subject docket.*

It is further recommended that action on the subject Field Team report be withheld pending receipt of the said opinion by Mr. Thurlow.

H. D. Keiser

Attachment

P. S. * Further, that the Field Team also (1) obtain representative samples from the last 100 feet of drift wherein significant radioactivity was encountered, (2) report chemical assays of such samples, and (3) show location of sampling points on the mine plan map accompanying the report.

H. D. Keiser

April 8, 1954

Subject: DMEA-3303
Re: Exploration Assistance
White Pine Mine

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

Dear Sir:

The receipt of your application dated Nov. 30, 1953 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3303 and referred to the Rare and Miscellaneous Metals Division.

Kindly refer to DMEA-3303 in any future correspondence relating to your application.

Sincerely yours,

Robert E. Adams
Chief, Operation's Control
and Statistics Division

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

April 8, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region II

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region II.

DMEA - 3303 George M. Hoffman

Robert E. Adams
Chief, Operation's Control
and Statistics Division

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

March 31, 1954

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

Re: Application for DMEA loan (uranium)
George M. Hoffman
White Pine Mine
Jefferson County, Montana

Dear Mr. Selfridge:

Enclosed herewith are the original and two copies of a form MF-103, submitted by Mr. George M. Hoffman, 917 - 8th Avenue, Helena, Montana, and received in this office December 1, 1953. Also enclosed are the following:

a. Report and recommendation from R. A. Weeks, Geological Survey, dated March 1, 1954, together with a map.

b. Four copies of a report and recommendation by Philip Fix, Geological Survey, dated March 12, 1954.

c. Original and 3 copies of a memorandum by John D. Bardill, Bureau of Mines, dated March 26, 1954, outlining a suggested program of exploration, together with an estimate of costs.

The above is an interesting case. You will recognize the White Pine mine as a property which was previously unsuccessfully explored by the White Pine Lead Company under contract Idm-E273, Docket No. DMEA 2034 (lead-zinc). The last work under this contract was done in October 1952 when exploration ceased because of winter weather. Five hundred and forty-nine feet of exploration had disclosed only a few pods of galena ore and this, coupled with the decline in base metal prices, so discouraged the White Pine Lead Company that they were unwilling to continue the exploration, although approximately 350 feet of drifting remained to be done under the original contract. After a period of negotiation beginning in June 1953, the contract was officially terminated in September 1953.

The first 300 feet of drifting had been tested for radioactivity, following our routine practice in all cases where there is even a remote possibility of encountering radioactivity, but the last 300 feet had not

ON-SITE EXAM.

been Geiger countered at the time the property shut down. The shut down, incidentally, was due to the onset of winter weather, so there was no chance to advise the Field Team in advance. The property was visited again the following spring, but by that time bad air in the workings prevented access so that the last 300 feet of the drift was never tested for radioactivity, as the mine was too dangerous to enter because of the bad air. Later, radioactive material was found on the dump and, after provision was made to properly ventilate the workings, our field men again entered the drift and found that the last hundred feet had significant radioactivity. Later investigations by Philip Fix of the Survey showed that the mine water from this property contains far more radioactivity than the water in even the producing properties in the Boulder area and we are sure that you will find his report of considerable interest. Both Weeks and Fix are strongly of the opinion that the vein is worth further investigation for uranium and the Field Team concurs with this opinion.

A discovery of lead ore cannot be certified on this property as the few pods of galena that were found are too small and sparsely scattered to be of any importance. A discovery of uranium cannot be certified because so far as uranium is concerned the property is still nothing but a prospect. Inasmuch as the uranium showing, whatever its worth, has been found as a result of DMEA work, our recommendation is that a contract be negotiated with the present owner to do a modest amount of exploration on this vein for uranium, with the provision written in the contract that if a discovery is made the entire amount expended in this new contract, as well as in Contract Idm-E273, will be repaid to the Government as far as production will permit. We feel that this would be a fair solution to the problem and we think that Mr. George Hoffman, the owner, will accept a contract under these conditions. If he does not, we do not recommend that a contract be granted.

By Field Team, Region II

A. E. Weissenborn

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

Wing C. Agnew

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

Enclosures

cc: USBM (2)
Weeks

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

1201 N. Division St.
Spokane 2, Washington
March 26, 1954

DMEA-3303

MEMORANDUM

To: DMEA Field Team, Region II

From: John D. Bardill, Bureau of Mines, Region II

Subject: DMEA exploration contract application (uranium)
George M. Hoffman
White Pine Mine
Jefferson County, Montana

George M. Hoffman, Helena, Montana, has submitted an application for a DMEA exploration contract amounting to $34,295.00 to further prospect the White Pine vein for uranium ore with a maximum of 500 feet of drifts and 600 feet of raises and crosscuts. A recent DMEA exploration contract, Idm-8373, for lead and zinc, to prospect the White Pine vein showed such discouraging results that the contract was terminated before completion.

The contract that was terminated provided for 1000 feet of drifting eastward along the White Pine vein from the Bell adit crosscut. The start of the contract drift was at a point about 60 feet on the White Pine vein east of the crosscut. Contract drifting amounted to 549 feet. The end of the drift is about 609 feet east of the adit crosscut.

Messrs. R. A. Weeks, M. W. Sanders, and F. F. Fix, geologists, U. S. Geological Survey, examined and mapped the White Pine drift in early September 1953. Selected high-grade material assayed as high as 0.91 percent eU and 1.37 percent chemical U. Radiometric determinations of an 8-inch channel sample are reported to indicate an eU content of between 0.02 and 0.10 percent. Radiometric determinations taken at other points in the last 100 feet of the drift are said to have indicated very low-grade radioactive material.

Although I have not examined the mine, reports indicate that this radioactive material occurs in a persistent structure said to have a lateral continuity of over a mile. Known lead-zinc ore pods in the structure have been small and scattered.

Reviewed by
DMEA OPERATING COMMITTEE

_____
(date)

On March 7, 1954, I discussed the application with Mr. Hoffman to clarify several cost estimates contained in his proposal. As a result of the discussion the estimates were revised downward as follows:

6d. Scintillator, Model 111, for $495 was ruled out.

6e.

Replacement and reinforcement of 12 sets of timber	$300
Replace 150 feet of track on dump and excavate and replace transformers	150
Clean 600 feet of drift	300
	$750

Original estimate was $1,000

6h. Maintenance and depreciation of equipment for 9 months for Stage I $1512.50

According to Hoffman, this estimate was made by calculating the difference between the estimated cost of equipment and its estimated resale value.

Hoffman gave the following tentative equipment cost breakdown:

Used 210 cfm air compressor	$4,000
Trammer, new	6,000
20 mine cars @ $50	1,000
Mucking machine	3,000
Drifter, hose, oiler, steel, etc.	600
Air receiver and water tank	250
Miscellaneous tools	150
Blower	500
1200 feet ventilation pipe	1,200
Total	$16,700

Applicant's proposed drifting, raising and crosscutting footage seems excessive. The proposed intermediate levels and two of the raises are development rather than exploratory work. About 350 feet of drifting eastward on the White Pine vein is suggested instead, which would extend the present drift to approximately the point designated in the previous contract. If uranium ore of consequence is encountered in the drift, not more than 125 feet of raise or raises should be driven to further prospect the occurrence. This work should suffice to determine whether further exploration is warranted.

If the results of this work show promise, then approximately 150 feet of additional drift and about 50 feet more of raise might be justified.

If this application is favorably considered, I recommend that the previous Contract Idm-8273 also be included in the new contract for purposes of repayment by royalties from production, and that the new contract be on a unit cost basis. The following is suggested as a basis for a contract.

Description of Work

Stage I

The Operator shall drift eastward on the White Pine vein not to exceed 350 feet from the present face of the drift to explore for uranium ore. If indications for ore are favorable in the drift, a total of not to exceed 125 feet of raise or raises may be driven only at the discretion of and at a favorable location or locations designated by the Field Team.

Where warranted, not to exceed 75 samples shall be taken and assayed for uranium, lead and zinc.

Stage II

If, in the opinion of the Field Team, the results of Stage I warrant further exploration, Operator may extend the drift eastward not to exceed 150 feet and may raise not more than 50 feet at a location or locations designated by the Field Team.

Not more than 50 samples shall be taken where advisable and assayed for uranium, lead and zinc.

The drift and raises shall be timbered when necessary and shall be a minimum in cross-section of not less than 5 feet by 7 feet in the clear.

Agreed Unit Costs

Stage I

Drift and raises, 475 feet @ $30/ft. 1/	$14,250.00
Timbering, 475 feet @ $5/ft. 2/	2,375.00
Assays, 75 @ $6/ea.	450.00
Consulting-supervision services	500.00
Total	$17,575.00

Stage II

Drift and raises, 200 feet @ $30/ft. 1/	$ 6,000.00
Timbering, 200 feet @ $5/ft. 2/	1,000.00
Assays, 50 @ $6/ea.	300.00
Consulting-supervision services	400.00
	$ 7,700.00
Total agreed unit costs	$25,275.00
Government participation @ 75%	$18,956.25

1/ The unit costs shall include all costs whatsoever incidental to the work, except timbering.

2/ The unit costs shall include all costs incidental to timbering the drift and raises.

Note: Actual cost of timbered drift for Contract Ida-2373 was $32.86/ft.

Orig. & 3 cys - Wash. ✓
USGS (2)
DMRA
M/D
JDB/hc/iml
AEC, Salt Lake City

John D. Bardill

COPY

COPY

PROPERTY OF THE [illegible]
Bureau Mines Administration
RECEIVED
MAR 16 1954

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U. S. GEOLOGICAL SURVEY

DMEA-3303

MEMORANDUM

To: Field Team, Region II, DMEA March 12, 1954

From: Philip F. Fix, Geologist,
Mineral Deposits Branch, U. S. Geological Survey

Subject: Report and recommendation of new application for DMEA loan, George M. Hoffman, White Pine Mine, Jefferson County, Montana.

This report is to complement the report of March 1, 1954, by Robert A. Weeks, geologist, U. S. Geological Survey, with information resulting from the writer's investigation of uranium in water of the White Pine mine area that is part of his development of geochemical-prospecting methods for uranium by means of the uranium content of water that is being done on behalf of the Division of Research, U. S. Atomic Energy Commission.

The discovery of uranium, and of its occurrence in a significant amount in the White Pine - Bell - Carbonate Chief group of mines on the Middle Fork of Warm Springs Creek, Jefferson County, Montana, so far as is known, was made by the writer with a water sample collected below the confluence of drainage from the mines on October 21, 1952, although the fact was not established until receipt of the laboratory report in January 1953.

The writer concurs in the recommendation made by Robert A. Weeks that the exploration for uranium by George M. Hoffman be approved, and also in the recommendation by Robert A. Weeks and Jack D. Bardill in their final report of February 19, 1954, on DMEA Contract Idm-E273, that repayment, from royalties, of the U. S. Government's portion of Contract Idm-E273 be considered in any subsequent exploration contract, particularly for uranium, owing to the fact that the presence of uranium in the White Pine Mine became known as the result of DMEA work.

The writer made contact in the field early in September with Robert A. Weeks and party, whose field work had not yet reached the White Pine area, to suggest a joint investigation of the uranium anomaly there as part of the coordinated search for, and investigation of, uranium anomalies of the Boulder Batholith region already in existence between the parties directed by Robert A. Weeks and George E. Beerart, and the writer. It was found that plans for a radiometric survey of the mine and its dumps, and mapping of the final 300 feet of the new drift that became inaccessible from bad air on stopping of DMEA exploration in October 1952 already had been made by Robert A.

Weeks and Harry W. Snider with George F. Kelley, who had reported to them the discovery of anomalous radioactivity on the White Pine mine dump by an amateur mineral collector late in August in Mr. Hoffman's presence. (The writer's discovery of uranium resulted from geologic investigation, as radioactivity-detecting instruments have not proved very useful in his investigation). Accordingly, the examination and mapping were done on September 8, 1953, Mr. Hoffman having ventilated the mine in the meantime; the writer collected water samples in the White Pine and Bell workings on that date, and other samples in the vicinity on September 6 and 7. Results of the sampling of water in the mines and immediate vicinity are shown in the following table.

Table 1. Uranium in water from the White Pine mine and vicinity

Index No. of sample	U(ppb)	Source
1	11.	White Pine-Bell mine water at portal of adit
2	4.1	Perennial stream near above portal, drains area of old upper workings of both mines
3	0.9	Middle Fork of Warm Springs Creek above entry of drainage from White Pine-Bell mines
4	6.9	Same stream as sample 2, but below mines and above junction with main creek
5	4.3	Middle Fork of Warm Springs Creek half a mile below mouth of stream draining the mines
8	4.3	Middle Fork of Warm Springs Creek above mouth
9	4.6	Idem, but sample collected October 21, 1952
10	13.	Mine water from caved adit, old upper workings of White Pine mine
11	19.	Bell mine water running in adit above Y with White Pine workings, about 375 feet in from portal
12	17.	Idem, but collected from water running out of old compressed-air pipe
13	8.9	White Pine mine water running in adit, about 350 feet in from portal
14	9.2	White Pine mine water Water running from diamond-drill hole about 1,225 feet in from portal

15	7.4	White Pine mine water running in drift about 1,350 feet in from portal
16	230.	White Pine mine water in 3x10 ft. x 10 in. pool near face of drift, about 1,800 feet in from portal

---

These amounts of uranium in the mine waters are believed to justify the exploration proposed by George M. Hoffman, even though the writer's investigation has not been completed. Background for uranium in water in the Prickly Pear Creek basin of the Boulder Batholith, of which creek Warm Springs Creek is a tributary, already has been established by the writer's work as 0.5 ppb U. Thus it is seen that the White Pine-Bell waters have a uranium content ranging from 20 to 40 times background, and as high as 460 times background. It is also noted that water from the Bell mine is twice as high in uranium content as that of comparable condition in the White Pine mine, although much less than the greatest concentration in the White Pine mine.

Comparison can be made with the Free Enterprise uranium mine near Boulder, whose geology has been described in a number of reports by personnel of the U. S. Geological Survey and the U. S. Atomic Energy Commission, and which mine has produced uranium ore. Mine water collected from the pump discharge at the surface on October 17, 1952, contained 4.8 ppb U, or only about 10 times background for the area; the White Pine-Bell waters range from 2 to 46 times the concentration of uranium in that from the Free Enterprise mine. Spring water collected October 20, 1952, from a spring issuing from the Comet-Gray Eagle vein, which is known to contain uranium mineralization, contained 10.5 ppb U. Clancy and Lump Gulch creeks, draining much of the best known uranium mineralization of the Boulder Batholith, contained the following: Clancy Creek above mouth, 5.3 ppb U on October 21, 1952, and 4.1 ppb U on September 9, 1953; Lump Gulch Creek above mouth, 5.3 ppb U on October 21, 1952.

The amount of uranium present in the mine water of the White Pine and Bell mines, and that in vein samples reported by Robert A. Weeks, considered with the fact that the White Pine drift has not reached the area in which maximum possibility of base-metal ore was expected and the last hundred feet or so of the drift is the most promising part of the 1,800-foot working so far as both base metals and uranium are concerned, suggest a reasonable possibility of finding commercial uranium ore or lead-zinc ore, or both. Should the amount of uranium not suffice for commercial ore, it might be enough to supplement otherwise non-commercial base-metal ore to make the total value per

ten enough to pay for mining. It seems to the writer that the showings of uranium and base-metal mineralization justify the limited amount of exploration proposed by Mr. Hoffman; only mining exploration can ascertain whether uranium or other ore exists, there being no present method of distinguishing in advance of mining operations whether a given uranium concentration in water comes from a large volume of rock containing a small volume of uranium per unit volume, or from an equal amount of uranium concentrated in ore bodies scattered in rock containing little uranium. The writer concurs in the five reasons advanced by Robert A. Weeks in his report as the basis for the recommendation. Further, exploration should be made in the White Pine mine first; exploration in the Bell mine or other parts of the area should await results in the White Pine mine.

Should the proposed exploration program by Mr. Hoffman be approved, the writer should be notified at once in order that periodic checks on the uranium content of the water can be made ahead of and during such exploration work; much valuable information thereby might be obtained to guide the work, and possibly affect some revision of the sequence of operations under the proposed two stages planned by Mr. Hoffman.

- 0 -

cc: C. A. Anderson (S. C. Creasey)
M. R. Klepper
R. A. Weeks
D. M. Lemmon

Note: Further distribution, DMEA application report, to accompany those of Weeks (March 1, 1954) and Bardill (March 26, 1954):

DMEA (4)
USBM (2)
USGS (SRO)
AEC, Salt Lake City (2)
Weeks
Decker
Armstrong
Weir
Beerart
Smedes

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
So. 157 Howard Street
Spokane 4, Washington

DMEA-3303

March 1, 1954

Memorandum

To: Field Team, Region II

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

Subject: Report and recommendation of new application for DMEA loan (uranium), George M. Hoffman, White Pine Mine, Jefferson County, Montana

The application of George M. Hoffman to explore the White Pine mine for uranium has been considered in conjunction with the preparation of the final report on the DMEA exploration project of the same mine for lead-zinc by the White Pine Lead Co. (Docket No. DMEA-2034, Contract Idm-E273). A two-stage exploration program was discussed with the applicant, and the exploration outlined in his application is essentially that program. The program has since been revised in discussion with the applicant, who is in essential agreement with the program as recommended in Bardill's memorandum.

The original exploration program of the White Pine Lead Co. was to drift approximately 1,000 feet on the White Pine vein. The exploration contract was terminated before the total drifting was completed. Reasons for termination of the contract were that base-metal mineralization was too narrow and low-grade to be considered ore, except for very short lengths, and also because of the decline in base-metal prices. Work under the contract closed in October 1952, and the workings became inaccessible due to bad air. Results of the DMEA work are presented in the final report, together with a discussion of the geology of the area. Routine examinations of the dumps and drift had not revealed any radioactivity in the first 300 feet or so of the drifting. The last 300 feet of the drift had not been checked for radioactivity. Negotiations with the White Pine Lead Co. to terminate the contract began in June 1953, and the termination papers were signed in September 1953.

The applicant, George M. Hoffman, was doing cleanup work in the mine in preparation for the visit of a consulting mining engineer in late August and was visited by a tourist who was an amateur mineral collector. The tourist had a scintillometer and in routine checking discovered anomalous radioactivity in material on the dump that had been taken from near the face of the exploration drift.

Hoffman notified me in Helena of the discovery and stated that he was airing out the tunnel. During the first week in September, together with E. W. Smedes and P. F. Fix, U. S. Geological Survey, I mapped and examined the White Pine drift. Radioactive black, fine-grained material was collected from the dump and submitted for assay. The material was selected high-grade, and assayed 0.91 percent eU and 1.37 percent chem. U. Radiometric determinations of an 8-inch channel sample (WP14 on fig. 1) indicate an eU content of between 0.02 and 0.10 percent.

Material similar to the assayed specimen occurs in thin (1/16 to 1/2-inch) seams sporadically distributed in the final 100 feet of the White Pine drift. The seams, in part at least, crosscut the base-metal veinlets. They, in turn, are marked by slickensides, indicating some movement on the structure since their emplacement. In several places, seams of black, fine-grained mineral that is not appreciably radioactive are also present. At the face, for example, there are approximately 10 black seams in a 2-foot vein zone. Of these 10, only three have detectable amounts of radioactivity, while the other 7 appear visibly identical. One of the radioactive veinlets, representing 1 inch of the vein, has an eU content of 0.21 percent. One of the non-radioactive seams has an eU content of 0.01 percent. The black seams pinch and swell and terminate along individual fracture surfaces, and only in a few spots do they appear to reach a thickness of an inch. No bright-colored secondary uranium minerals were observed, and the mineralogical composition of the black material is not known.

The White Pine vein is a persistent structure, having a reported lateral continuity of over a mile and a known vertical continuity in excess of 500 feet. Mineralization along the vein is said to be persistent, but known ore pods have been small and scattered. According to the report by M. W. Rankin that accompanied the original application for DMEA Docket No. 2034, recorded production from the vein has come from White Pine, Eagles Nest and B & G claims and totals 365.5 tons, having an average grade of 0.693 ounce per ton Au, 20.17 ounces per ton Ag, 15.07 percent Pb, and 12.51 percent Zn. The adjacent and parallel structure known as the Bell-Carbonate Chief, has had a recorded production of over 5,300 tons and average grade of 1.136 ounces per ton Au, 5.85 ounces per ton Ag, 2.9 percent Pb, 2.0 percent Zn, and 0.3 percent Cu. The minerals present in the two veins are the same but occur in rather different proportions. The principal values in the Bell-Carbonate Chief vein are in gold and associated arsenopyrite. Galena, sphalerite, chalcopyrite, tetrahedrite and pyrite are also present in a gangue composed principally of quartz with some tourmaline and carbonate (manganiferous?). In the White Pine vein the dominant metallic minerals are pyrite, galena, sphalerite and lesser amounts of arsenopyrite, chalcopyrite, and tetrahedrite; the gangue minerals appear to be the same. Radioactivity is reported in the Bell-Carbonate Chief vein in the accompanying report by P. F. Fix, and is present in the White Pine vein both in the DMEA drift and

(providing Rankin's report is correct in stating that the Eagles Nest and B & G mines are on the same structure) in the B & G mine. Radiometric analyses by the Butte office of the AEC has reported 0.3 percent eU on sample from the dump of the B & G. Other samples collected by the AEC from the White Pine dump also contained uranium.

Recommendations

I recommend that the proposed exploration be approved for the following reasons:

(1) The White Pine structure is a persistent vein, known to contain lead, zinc, silver and gold in amounts that, although at present not commercial, are of potential value.

(2) The original DMEA exploration program outlined about 1000 feet of drifting on this structure to come beneath the known productive zone in the higher levels. The program terminated 300 feet short of this objective.

(3) The amounts of uranium present in the exploration drift, although not commercial by itself may add sufficient value to the vein material to enable mining otherwise low-grade, base-metal ore.

(4) The face of the present drift still shows radioactive material; therefore, the lateral extent of radioactive zone is unknown. Nothing is known of the vertical extent. The exploration program provides in Stage I for 350 feet of drifting to determine the lateral extent of such radioactivity and 125 feet of raising to explore the vertical extent and to determine the nature of the radioactive deposit.

(5) Not enough is known of the character of uraniferous base-metal veins in the vicinity to predict the size and grade of potential uranium deposits, that is, a surface show of radioactivity in this area may or may not overly a commercial deposit. The White Pine drift offers an excellent opportunity to determine the nature of one such body inasmuch as 100 feet of the drift is in uranium-bearing vein material, and a relatively small exploration project can outline and explore this deposit. Stage II will explore for additional deposits in the vein if the results of Stage I should justify additional work.

Enclosure 1
Distribution:

DMEA (4)	Weeks	Becraft
USBM (2)	Docket	Smedes
USGS (SRO)	Armstrong	AEC, Salt Lake City (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
March 26, 1954

MEMORANDUM

To: DMEA Field Team, Region II

From: John D. Bardill, Bureau of Mines, Region II

Subject: DMEA exploration contract application (uranium)
George M. Hoffman
White Pine Mine
Jefferson County, Montana

George M. Hoffman, Helena, Montana, has submitted an application for a DMEA exploration contract amounting to $54,295.00 to further prospect the White Pine vein for uranium ore with a maximum of 500 feet of drifts and 600 feet of raises and crosscuts. A recent DMEA exploration contract, Idm-E373, for lead and zinc, to prospect the White Pine vein showed such discouraging results that the contract was terminated before completion. 273 ?

The contract that was terminated provided for 1000 feet of drifting eastward along the White Pine vein from the Bell adit crosscut. The start of the contract drift was at a point about 60 feet on the White Pine vein east of the crosscut. Contract drifting amounted to 549 feet. The end of the drift is about 609 feet east of the adit crosscut.

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Although I have not examined the mine, reports indicate that this radioactive material occurs in a persistent structure said to have a lateral continuity of over a mile. Known lead-zinc ore pods in the structure have been small and scattered.

On March 7, 1954, I discussed the application with Mr. Hoffman to clarify several cost estimates contained in his proposal. As a result of the discussion the estimates were revised downward as follows:

6d. Scintillator, Model 111, for $495 was ruled out.

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Replacement and reinforcement of 12 sets of timber	$300
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Original estimate was $1,000

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If the results of this work show promise, then approximately 150 feet of additional drift and about 50 feet more of raise might be justified.

If this application is favorably considered, I recommend that the previous Contract Idm-E273 also be included in the new contract for purposes of repayment by royalties from production, and that the new contract be on a unit cost basis. The following is suggested as a basis for a contract.

Description of Work

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The Operator shall drift eastward on the White Pine vein not to exceed 350 feet from the present face of the drift to explore for uranium ore. If indications for ore are favorable in the drift, a total of not to exceed 125 feet of raise or raises may be driven only at the discretion of and at a favorable location or locations designated by the Field Team.

Where warranted, not to exceed 75 samples shall be taken and assayed for uranium, lead and zinc.

Stage II

If, in the opinion of the Field Team, the results of Stage I warrant further exploration, Operator may extend the drift eastward not to exceed 150 feet and may raise not more than 50 feet at a location or locations designated by the Field Team.

Not more than 50 samples shall be taken where advisable and assayed for uranium, lead and zinc.

The drift and raises shall be timbered when necessary and shall be a minimum in cross-section of not less than 5 feet by 7 feet in the clear.

Agreed Unit Costs

Stage I

Drift and raises, 475 feet @ $30/ft. 1/	$14,250.00
Timbering, 475 feet @ $5/ft. 2/	2,375.00
Assays, 75 @ $6/ea.	450.00
Consulting-supervision services	500.00
Total	$17,575.00

Stage II

Drift and raises, 200 feet @ $30/ft. 1/	$ 6,000.00
Timbering, 200 feet @ $5/ft. 2/	1,000.00
Assays, 50 @ $6/ea.	300.00
Consulting-supervision services	400.00
	$ 7,700.00
Total agreed unit costs	$25,275.00
Government participation @ 75%	$18,956.25

1/ The unit costs shall include all costs whatsoever incidental to the work, except timbering.

2/ The unit costs shall include all costs incidental to timbering the drift and raises.

Note: Actual cost of timbered drift for Contract Idm-E373 was $32.86/ft.

John D. Bardill

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
JDB/he/iml
AEC, Salt Lake City

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U. S. GEOLOGICAL SURVEY

MEMORANDUM

To: Field Team, Region II, DMEA March 12, 1954

From: Philip F. Fix, Geologist,
Mineral Deposits Branch, U. S. Geological Survey

Subject: Report and recommendation of new application for DMEA loan, George M. Hoffman, White Pine Mine, Jefferson County, Montana.

This report is to complement the report of March 1, 1954, by Robert A. Weeks, geologist, U. S. Geological Survey, with information resulting from the writer's investigation of uranium in water of the White Pine mine area that is part of his development of geochemical-prospecting methods for uranium by means of the uranium content of water that is being done on behalf of the Division of Research, U. S. Atomic Energy Commission.

The discovery of uranium, and of its occurrence in a significant amount in the White Pine - Bell - Carbonate Chief group of mines on the Middle Fork of Warm Springs Creek, Jefferson County, Montana, so far as is known, was made by the writer with a water sample collected below the confluence of drainage from the mines on October 21, 1952, although the fact was not established until receipt of the laboratory report in January 1953.

The writer concurs in the recommendation made by Robert A. Weeks that the exploration for uranium by George M. Hoffman be approved, and also in the recommendation by Robert A. Weeks and Jack D. Bardill in their final report of February 18, 1954, on DMEA Contract Idm-E273, that repayment, from royalties, of the U. S. Government's portion of Contract Idm-E273 be considered in any subsequent exploration contract, particularly for uranium, owing to the fact that the presence of uranium in the White Pine Mine became known as the result of DMEA work.

The writer made contact in the field early in September with Robert A. Weeks and party, whose field work had not yet reached the White Pine area, to suggest a joint investigation of the uranium anomaly there as part of the coordinated search for, and investigation of, uranium anomalies of the Boulder Batholith region already in existence between the parties directed by Robert A. Weeks and George E. Becraft, and the writer. It was found that plans for a radiometric survey of the mine and its dumps, and mapping of the final 300 feet of the new drift that became inaccessible from bad air on stopping of DMEA exploration in October 1952 already had been made by Robert A.

Weeks and Harry W. Smedes with George M. Hoffman, who had reported to them the discovery of anomalous radioactivity on the White Pine mine dump by an amateur mineral collector late in August in Mr. Hoffman's presence. (The writer's discovery of uranium resulted from geologic investigation, as radioactivity-detecting instruments have not proved very useful in his investigation). Accordingly, the examination and mapping were done on September 8, 1953, Mr. Hoffman having ventilated the mine in the meantime; the writer collected water samples in the White Pine and Bell workings on that date, and other samples in the vicinity on September 6 and 7. Results of the sampling of water in the mines and immediate vicinity are shown in the following table.

Table 1. Uranium in water from the White Pine mine and vicinity

Index No. of sample	U(ppb)	Source
1	11.	White Pine-Bell mine water at portal of adit
2	4.1	Perennial stream near above portal, drains area of old upper workings of both mines
3	0.9	Middle Fork of Warm Springs Creek above entry of drainage from White Pine-Bell mines
4	6.9	Same stream as sample 2, but below mines and above junction with main creek
5	4.3	Middle Fork of Warm Springs Creek half a mile below mouth of stream draining the mines
8	4.3	Middle Fork of Warm Springs Creek above mouth
9	4.6	Idem, but sample collected October 21, 1952
10	13.	Mine water from caved adit, old upper workings of White Pine mine
11	19.	Bell mine water running in adit above Y with White Pine workings, about 375 feet in from portal
12	17.	Idem, but collected from water running out of old compressed-air pipe
13	8.9	White Pine mine water running in adit, about 350 feet in from portal
14	9.2	White Pine mine water Water running from diamond-drill hole about 1,225 feet in from portal

15	7.4	White Pine mine water running in drift about 1,350 feet in from portal
16	230.	White Pine mine water in 3x10 ft. x 10 in. pool near face of drift, about 1,800 feet in from portal

---

These amounts of uranium in the mine waters are believed to justify the exploration proposed by George M. Hoffman, even though the writer's investigation has not been completed. Background for uranium in water in the Prickly Pear Creek basin of the Boulder Batholith, of which creek Warm Springs Creek is a tributary, already has been established by the writer's work as 0.5 ppb U. Thus it is seen that the White Pine-Bell waters have a uranium content ranging from 20 to 40 times background, and as high as 460 times background. It is also noted that water from the Bell mine is twice as high in uranium content as that of comparable condition in the White Pine mine, although much less than the greatest concentration in the White Pine mine.

Comparison can be made with the Free Enterprise uranium mine near Boulder, whose geology has been described in a number of reports by personnel of the U. S. Geological Survey and the U. S. Atomic Energy Commission, and which mine has produced uranium ore. Mine water collected from the pump discharge at the surface on October 17, 1952, contained 4.8 ppb U, or only about 10 times background for the area; the White Pine-Bell waters range from 2 to 46 times the concentration of uranium in that from the Free Enterprise mine. Spring water collected October 20, 1952, from a spring issuing from the Comet-Gray Eagle vein, which is known to contain uranium mineralization, contained 10.5 ppb U. Clancy and Lump Gulch creeks, draining much of the best known uranium mineralization of the Boulder Batholith, contained the following: Clancy Creek above mouth, 5.3 ppb U on October 21, 1952, and 4.1 ppb U on September 9, 1953; Lump Gulch Creek above mouth, 5.3 ppb U on October 21, 1952.

The amount of uranium present in the mine water of the White Pine and Bell mines, and that in vein samples reported by Robert A. Weeks, considered with the fact that the White Pine drift has not reached the area in which maximum possibility of base-metal ore was expected and the last hundred feet or so of the drift is the most promising part of the 1,800-foot working so far as both base metals and uranium are concerned, suggest a reasonable possibility of finding commercial uranium ore or lead-zinc ore, or both. Should the amount of uranium not suffice for commercial ore, it might be enough to supplement otherwise non-commercial base-metal ore to make the total value per

ton enough to pay for mining. It seems to the writer that the showings of uranium and base-metal mineralization justify the limited amount of exploration proposed by Mr. Hoffman; only mining exploration can ascertain whether uranium or other ore exists, there being no present method of distinguishing in advance of mining operations whether a given uranium concentration in water comes from a large volume of rock containing a small volume of uranium per unit volume, or from an equal amount of uranium concentrated in ore bodies scattered in rock containing little uranium. The writer concurs in the five reasons advanced by Robert A. Weeks in his report as the basis for the recommendation. Further, exploration should be made in the White Pine mine first; exploration in the Bell mine or other parts of the area should await results in the White Pine mine.

Should the proposed exploration program by Mr. Hoffman be approved, the writer should be notified at once in order that periodic checks on the uranium content of the water can be made ahead of and during such exploration work; much valuable information thereby might be obtained to guide the work, and possibly affect some revision of the sequence of operations under the proposed two stages planned by Mr. Hoffman.

- 0 -

cc: C. A. Anderson (S. C. Creasey)
M. R. Klepper
R. A. Weeks
D. M. Lemmon

Note: Further distribution, DMEA application report, to accompany those of Weeks (March 1, 1954) and Berdill (March 26, 1954):

DMEA (4)
USBM (2)
USGS (SRO)
AEC, Salt Lake City (2)
Weeks
Dockot
Armstrong
Weis
Becraft
Smedes

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
So. 157 Howard Street
Spokane 4, Washington

March 1, 1954

Memorandum

To: Field Team, Region II

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

Subject: Report and recommendation of new application for DMEA loan (uranium), George M. Hoffman, White Pine Mine, Jefferson County, Montana

The application of George M. Hoffman to explore the White Pine mine for uranium has been considered in conjunction with the preparation of the final report on the DMEA exploration project of the same mine for lead-zinc by the White Pine Lead Co. (Docket No. DMEA-2034, Contract Idm-5273). A two-stage exploration program was discussed with the applicant, and the exploration outlined in his application is essentially that program. The program has since been revised in discussion with the applicant, who is in essential agreement with the program as recommended in Burdill's memorandum.

The original exploration program of the White Pine Lead Co. was to drift approximately 1,000 feet on the White Pine vein. The exploration contract was terminated before the total drifting was completed. Reasons for termination of the contract were that base-metal mineralization was too narrow and low-grade to be considered ore, except for very short lengths, and also because of the decline in base-metal prices. Work under the contract closed in October 1952, and the workings became inaccessible due to bad air. Results of the DMEA work are presented in the final report, together with a discussion of the geology of the area. Routine examinations of the dump and drift had not revealed any radioactivity in the first 300 feet or so of the drifting. The last 300 feet of the drift had not been checked for radioactivity. Negotiations with the White Pine Lead Co. to terminate the contract began in June 1953, and the termination papers were signed in September 1953.

The applicant, George M. Hoffman, was doing cleanup work in the mine in preparation for the visit of a consulting mining engineer in late August and was visited by a tourist who was an amateur mineral collector. The tourist had a scintillometer and in routine checking discovered anomalous radioactivity in material on the dump that had been taken from near the face of the exploration drift.

Hoffman notified me in Helena of the discovery and stated that he was airing out the tunnel. During the first week in September, together with H. W. Smedes and P. F. Fix, U. S. Geological Survey, I mapped and examined the White Pine drift. Radioactive black, fine-grained material was collected from the dump and submitted for assay. The material was selected high-grade, and assayed 0.91 percent eU and 1.37 percent chem. U. Radiometric determinations of an 8-inch channel sample (WP14 on fig. 1) indicate an eU content of between 0.02 and 0.10 percent.

Material similar to the assayed specimen occurs in thin (1/16 to 1/2-inch) seams sporadically distributed in the final 100 feet of the White Pine drift. The seams, in part at least, crosscut the base-metal veinlets. They, in turn, are marked by slickensides, indicating some movement on the structure since their emplacement. In several places, seams of black, fine-grained mineral that is not appreciably radioactive are also present. At the face, for example, there are approximately 10 black seams in a 2-foot vein zone. Of these 10, only three have detectable amounts of radioactivity, while the other 7 appear visibly identical. One of the radioactive veinlets, representing 1 inch of the vein, has an eU content of 0.21 percent. One of the non-radioactive seams has an eU content of 0.01 percent. The black seams pinch and swell and terminate along individual fracture surfaces, and only in a few spots do they appear to reach a thickness of an inch. No bright-colored secondary uranium minerals were observed, and the mineralogical composition of the black material is not known.

The White Pine vein is a persistent structure, having a reported lateral continuity of over a mile and a known vertical continuity in excess of 500 feet. Mineralization along the vein is said to be persistent, but known ore pods have been small and scattered. According to the report by M. W. Rankin that accompanied the original application for DMEA Docket No. 2034, recorded production from the vein has come from White Pine, Eagles Nest and B & G claims and totals 365.5 tons, having an average grade of 0.693 ounce per ton Au, 20.17 ounces per ton Ag, 15.07 percent Pb, and 12.51 percent Zn. The adjacent and parallel structure known as the Bell-Carbonate Chief, has had a recorded production of over 5,300 tons and average grade of 1.136 ounces per ton Au, 5.85 ounces per ton Ag, 2.9 percent Pb, 2.0 percent Zn, and 0.3 percent Cu. The minerals present in the two veins are the same but occur in rather different proportions. The principal values in the Bell-Carbonate Chief vein are in gold and associated arsenopyrite. Galena, sphalerite, chalcopyrite, tetrahedrite and pyrite are also present in a gangue composed principally of quartz with some tourmaline and carbonate (manganiferous?). In the White Pine vein the dominant metallic minerals are pyrite, galena, sphalerite and lesser amounts of arsenopyrite, chalcopyrite, and tetrahedrite; the gangue minerals appear to be the same. Radioactivity is reported in the Bell-Carbonate Chief vein in the accompanying report by P. F. Fix, and is present in the White Pine vein both in the DMEA drift and

(providing Rankin's report is correct in stating that the Eagles Nest and B & G mines are on the same structure) in the B & G mine. Radiometric analyses by the Butte office of the AEC has reported 0.3 percent eU on sample from the dump of the B & G. Other samples collected by the AEC from the White Pine dump also contained uranium.

Recommendations

I recommend that the proposed exploration be approved for the following reasons:

(1) The White Pine structure is a persistent vein, known to contain lead, zinc, silver and gold in amounts that, although at present not commercial, are of potential value.

(2) The original DMEA exploration program outlined about 1000 feet of drifting on this structure to come beneath the known productive zone in the higher levels. The program terminated 300 feet short of this objective.

(3) The amounts of uranium present in the exploration drift, although not commercial by itself may add sufficient value to the vein material to enable mining otherwise low-grade, base-metal ore.

(4) The face of the present drift still shows radioactive material; therefore, the lateral extent of radioactive zone is unknown. Nothing is known of the vertical extent. The exploration program provides in Stage I for 350 feet of drifting to determine the lateral extent of such radioactivity and 125 feet of raising to explore the vertical extent and to determine the nature of the radioactive deposit.

(5) Not enough is known of the character of uraniferous base-metal veins in the vicinity to predict the size and grade of potential uranium deposits, that is, a surface show of radioactivity in this area may or may not overly a commercial deposit. The White Pine drift offers an excellent opportunity to determine the nature of one such body inasmuch as 100 feet of the drift is in uranium-bearing vein material, and a relatively small exploration project can outline and explore this deposit. Stage II will explore for additional deposits in the vein if the results of Stage I should justify additional work.

Enclosure 1
Distribution:

DMEA (4)	Weeks	Beeraft
USBM (2)	Docket	Smedes
USGS (SRO)	Armstrong	AEC, Salt Lake City (2)

DMEA DOCKET NO. 2034

WHITE PINE MINE

JEFFERSON COUNTY, MONT.

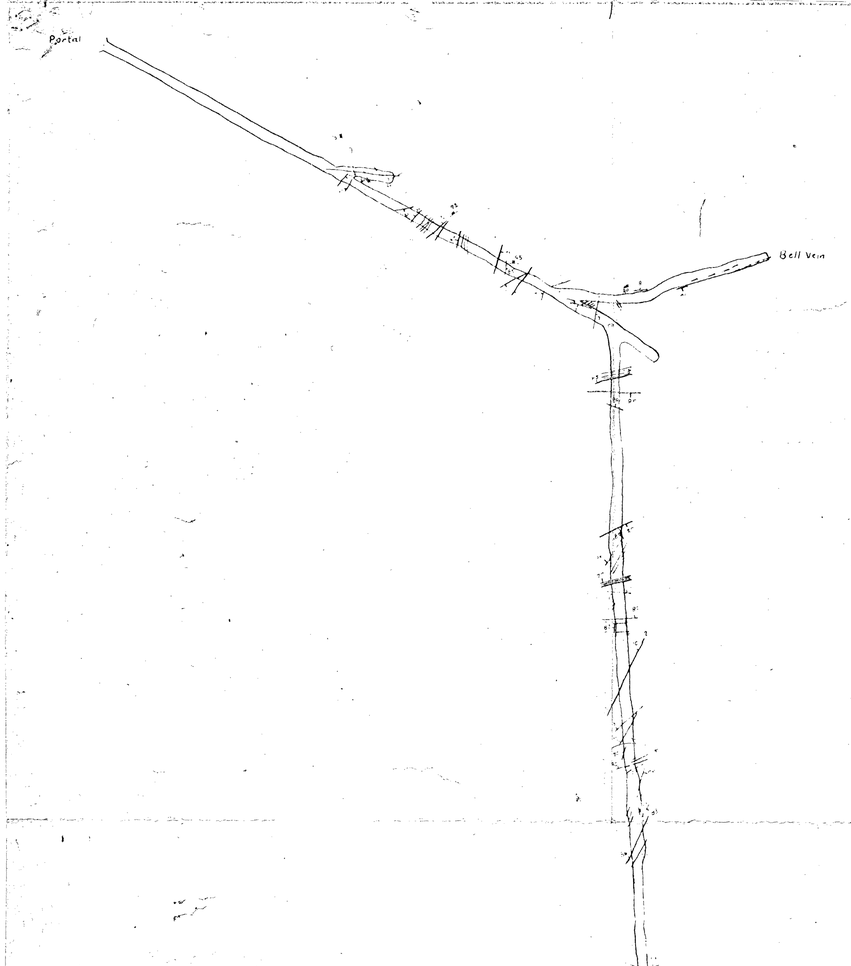
PLAN

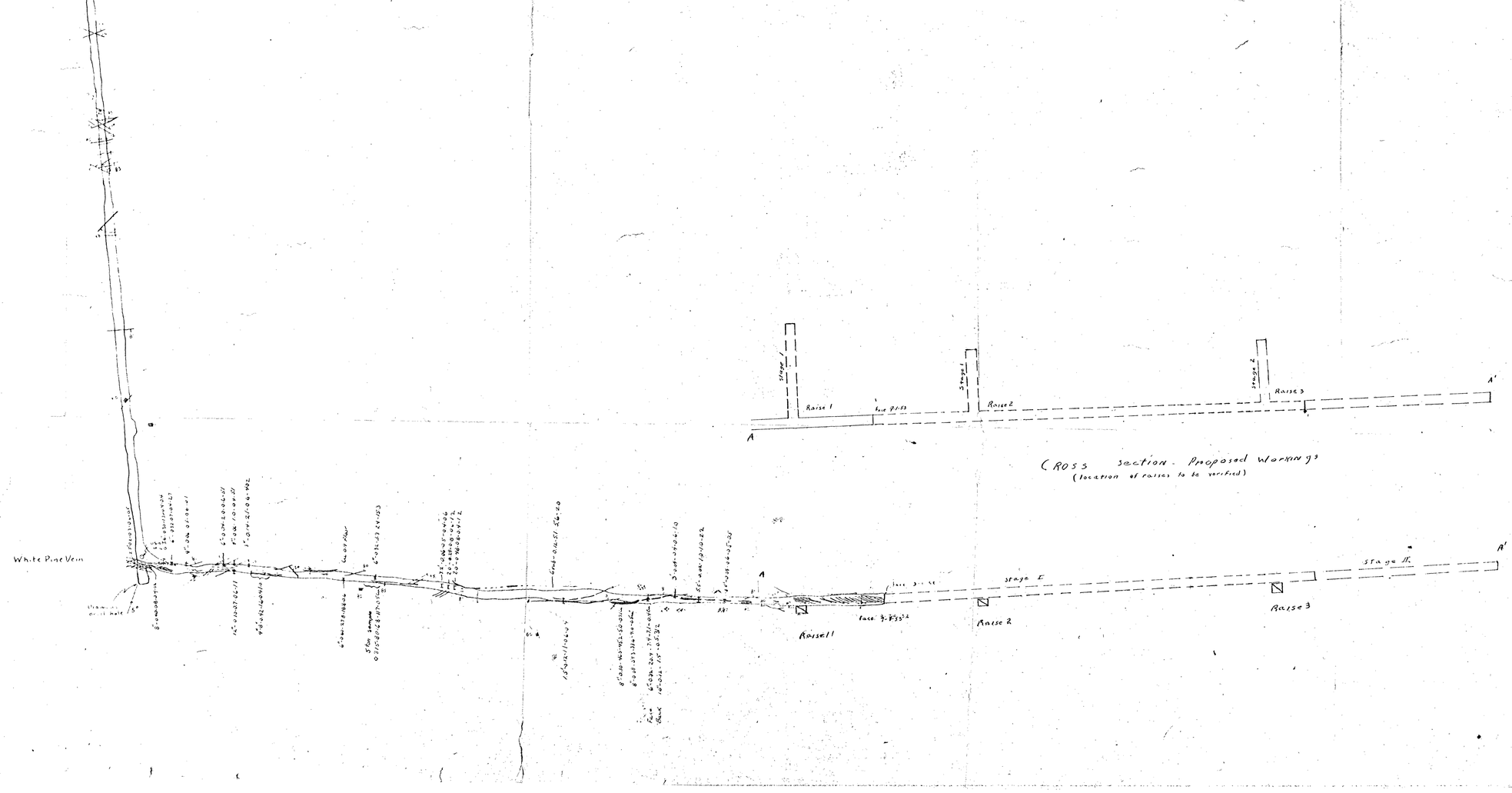
SCALE: 1" = 50'

N

Assay data
Thickness - Au - Ag - Pb - Zn

Proposed Workings
Stage I
Stage 2





CROSS section. Proposed Workings
(location of raises to be verified)

DOCKET NO. DMEA 3? ^3

WATER SAMPLE MAP

WHITE PINE MINE

JEFFERSON COUNTY, MONTANA

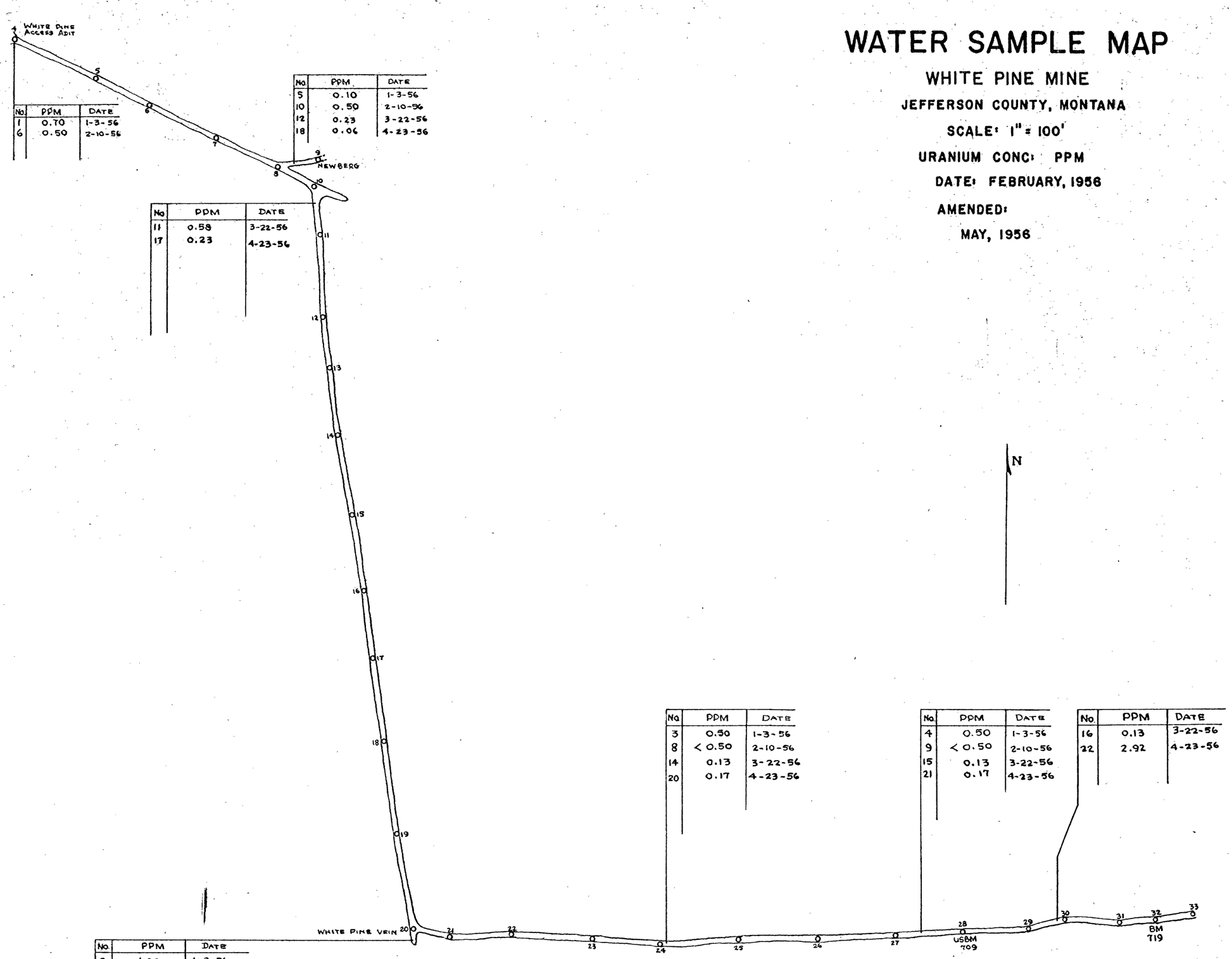
SCALE: 1" = 100'

URANIUM CONC: PPM

DATE: FEBRUARY, 1956

AMENDED:

MAY, 1956



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6	0.50	2-10-56

No.	PPM	DATE
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10	0.50	2-10-56
12	0.23	3-22-56
18	0.06	4-23-56

No	PPM	DATE
11	0.58	3-22-56
17	0.23	4-23-56

No	PPM	DATE
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8	< 0.50	2-10-56
14	0.13	3-22-56
20	0.17	4-23-56

No.	PPM	DATE
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9	< 0.50	2-10-56
15	0.13	3-22-56
21	0.17	4-23-56

No.	PPM	DATE
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22	2.92	4-23-56

No.	PPM	DATE
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7	< 0.50	2-10-56
13	0.17	3-22-56
19	0.06	4-23-56

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"

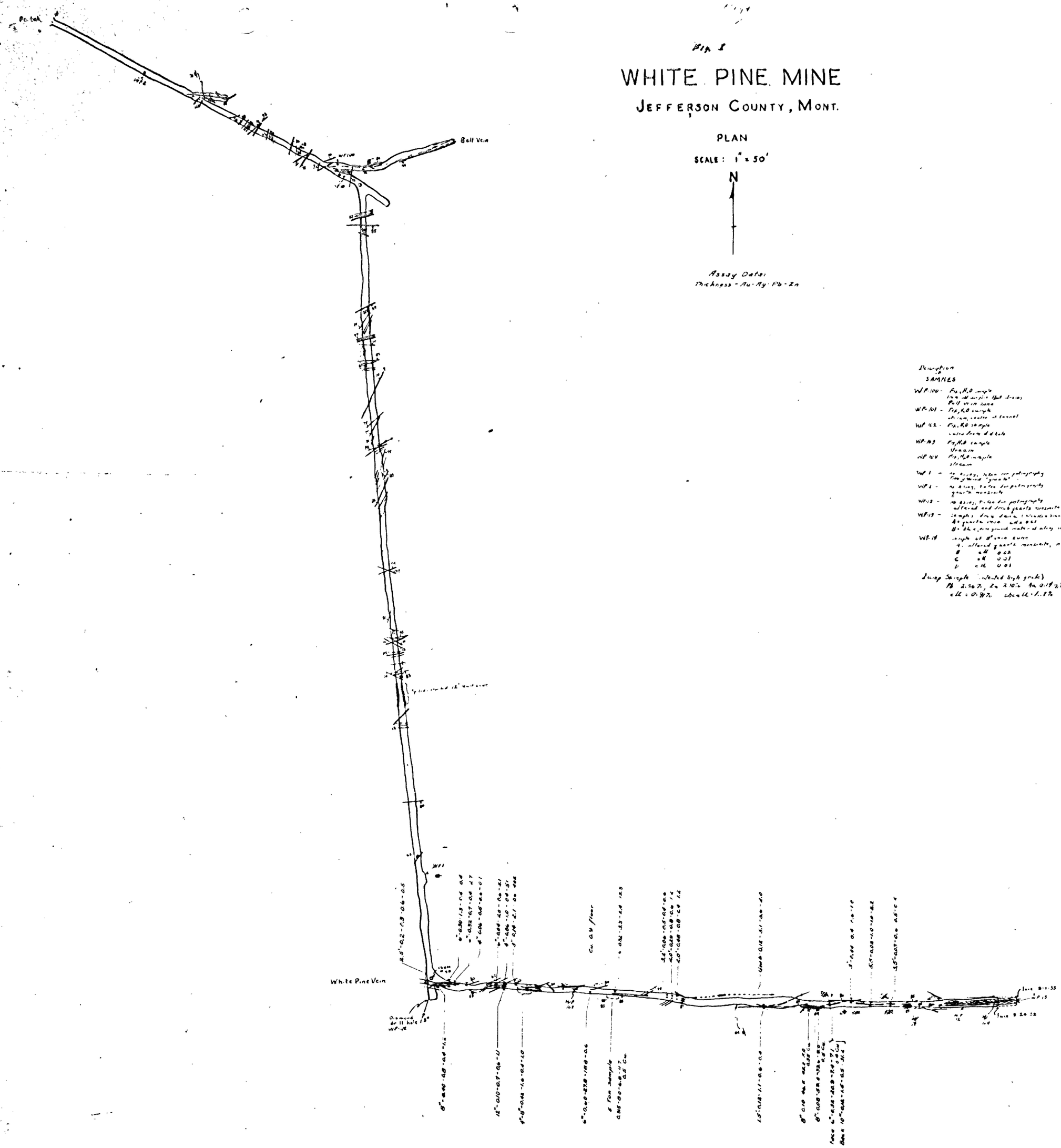
WP-2 - no assay, taken for petrography
granite monzonite

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

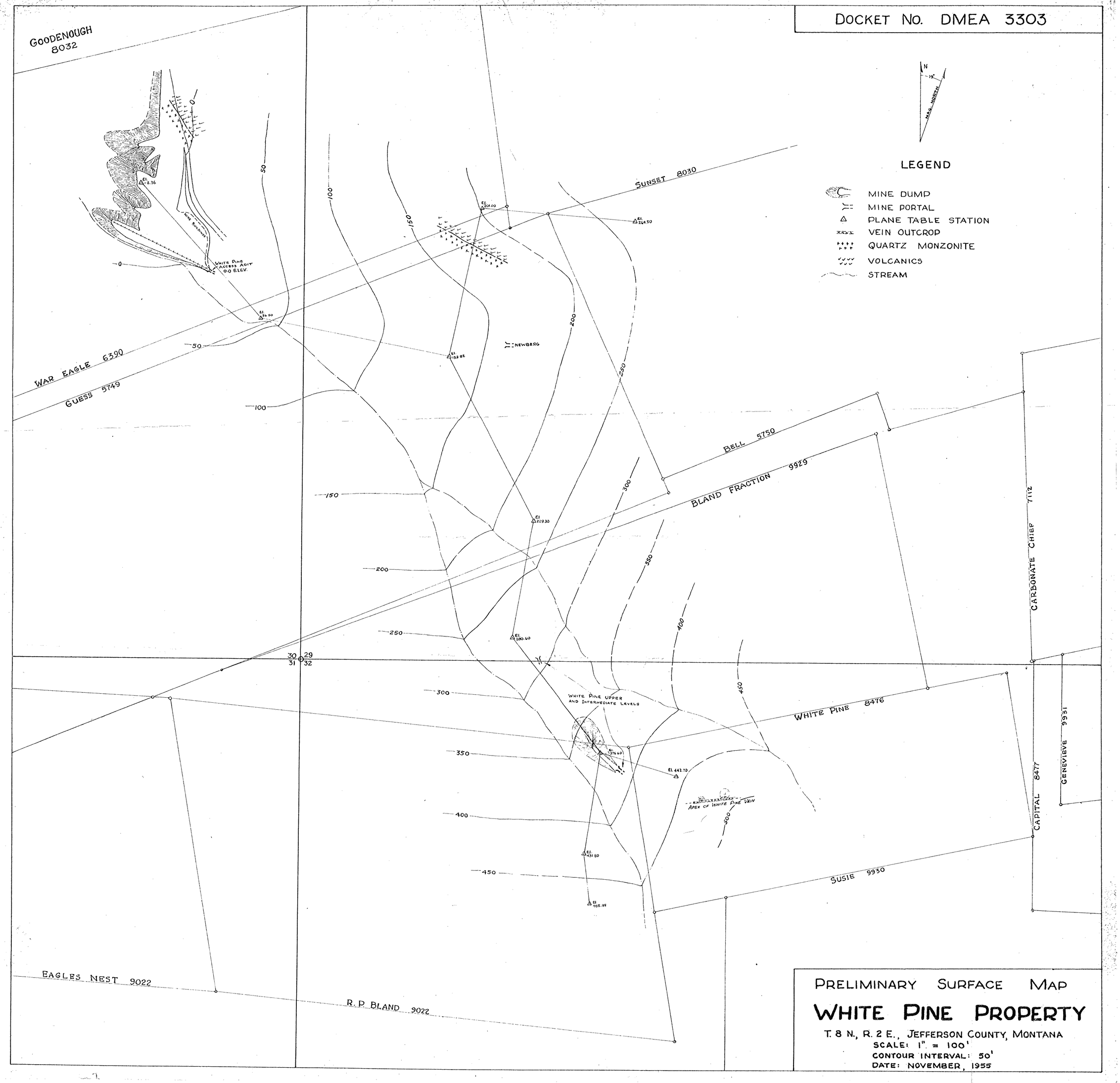
WP-13 - sample from dump (breccia zones)
A: quartz vein cut 0.02
B: 2 ft. of ground material along shears, cut 0.01

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%



DOCKET NO. DMEA 3303



PRELIMINARY SURFACE MAP

WHITE PINE PROPERTY

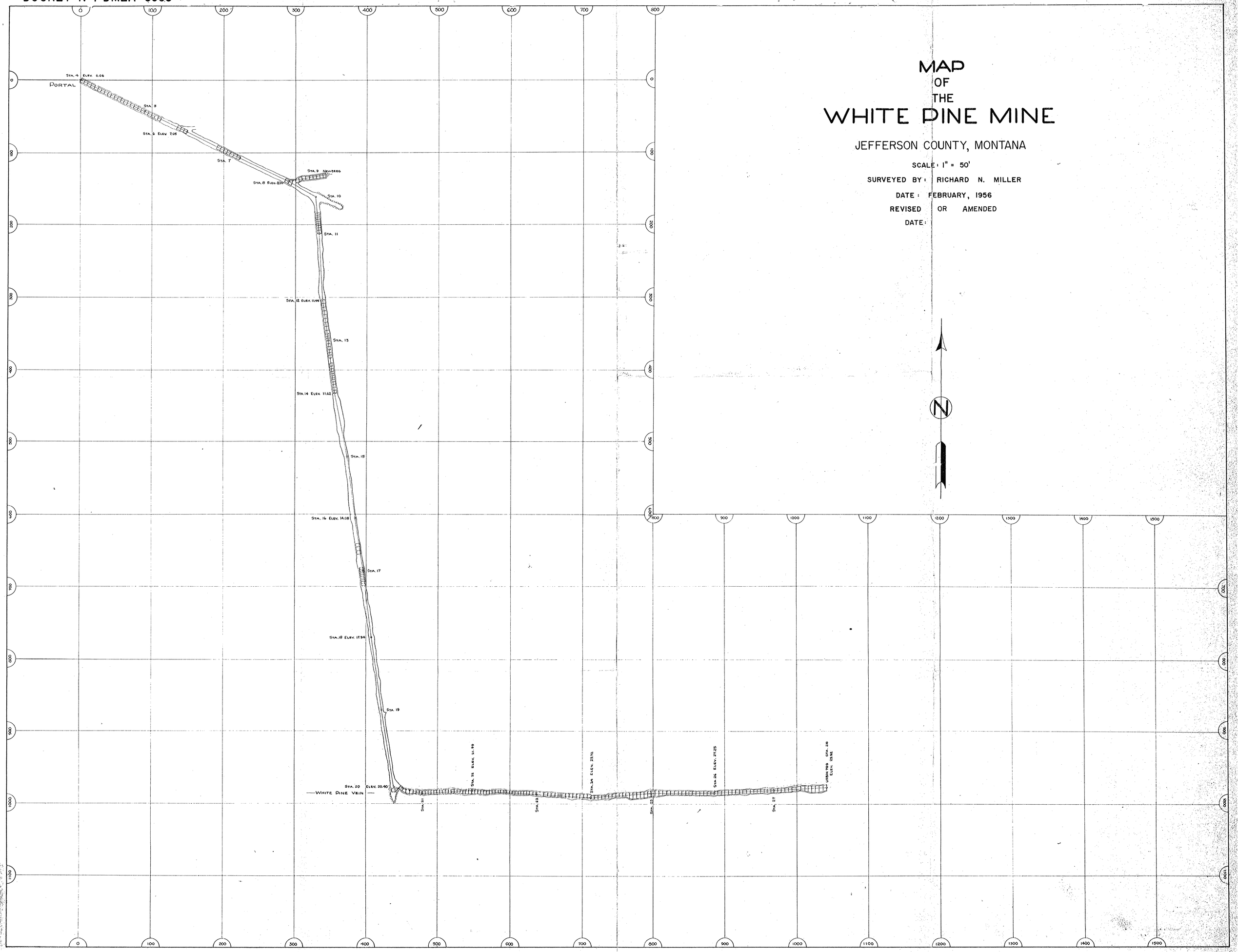
T. 8 N., R. 2 E., JEFFERSON COUNTY, MONTANA

SCALE: 1" = 100'

CONTOUR INTERVAL: 50'

DATE: NOVEMBER, 1955

DOCKET NO. DMEA 3303



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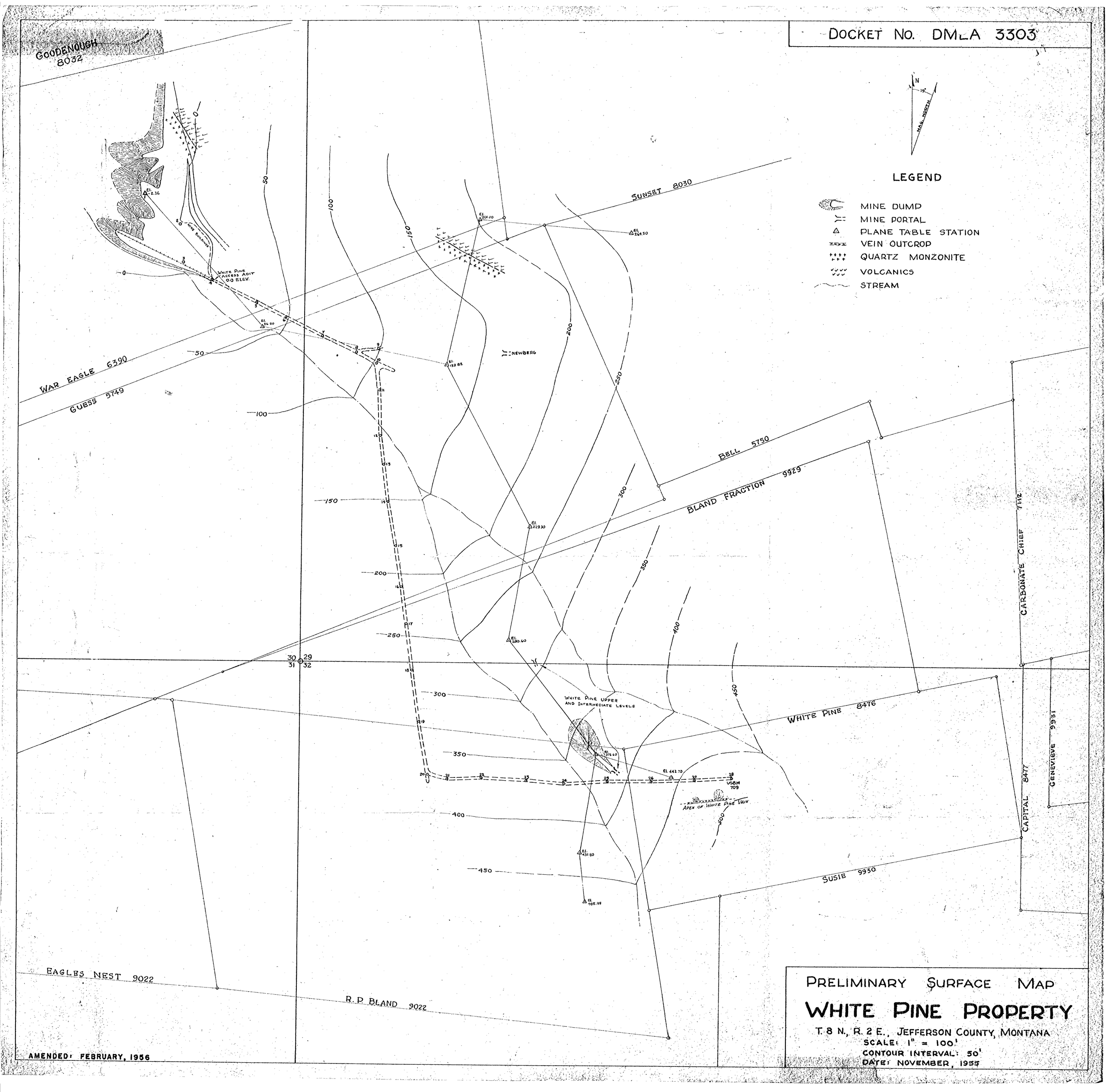


PRELIMINARY SURFACE MAP

WHITE PINE PROPERTY

T. 8 N., R. 2 E., JEFFERSON COUNTY, MONTANA

SCALE: 1" = 100'

CONTOUR INTERVAL: 50'

DATE: NOVEMBER, 1955

DOCKET NO. DMEA 3003

WATER SAMPLE MAP

WHITE PINE MINE

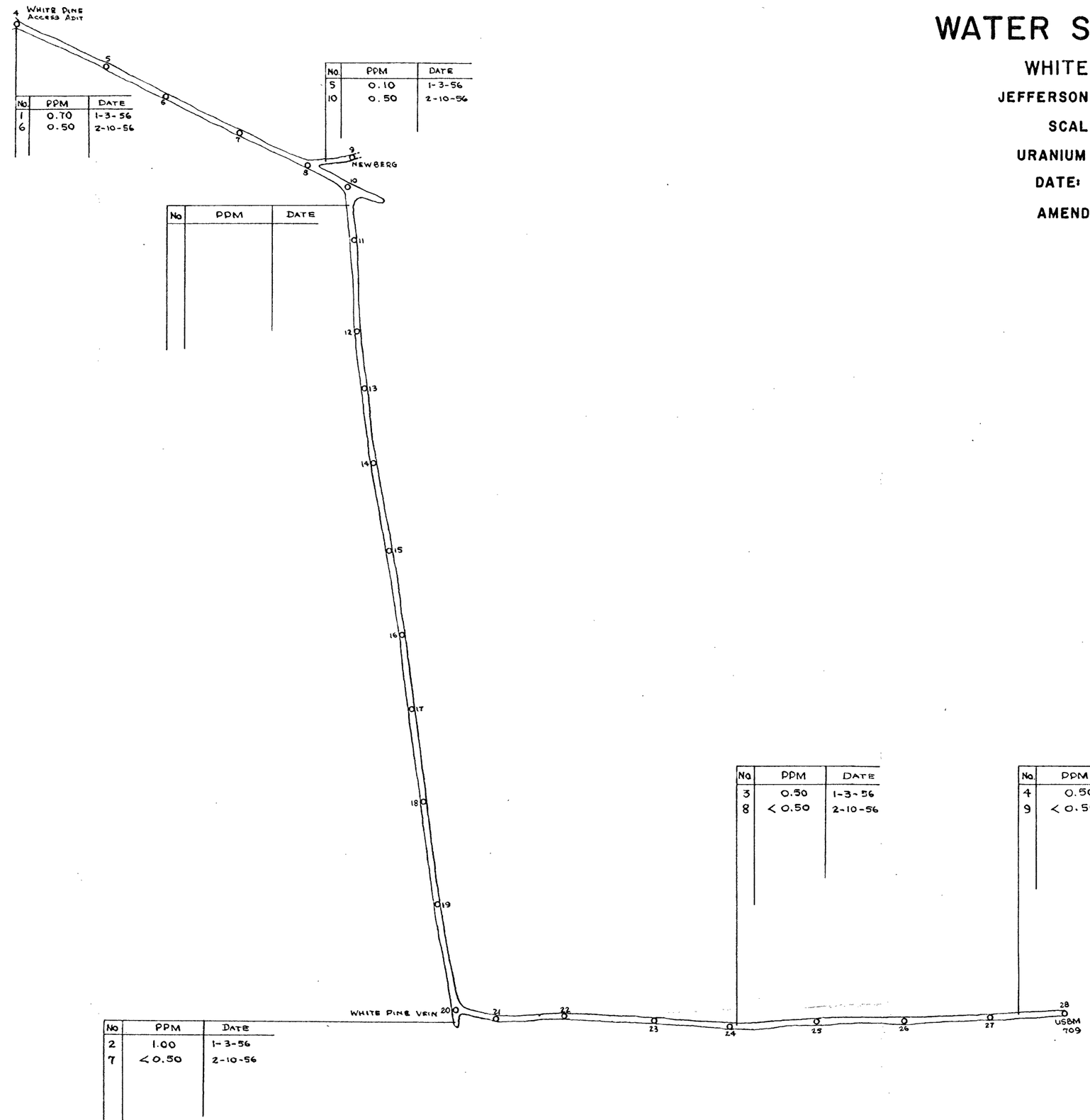
JEFFERSON COUNTY, MONTANA

SCALE: 1" = 100'

URANIUM CONC: PPM

DATE: FEBRUARY, 1956

AMENDED:



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No.	PPM	DATE
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10	0.50	2-10-56

No	PPM	DATE

No	PPM	DATE
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8	< 0.50	2-10-56

No.	PPM	DATE
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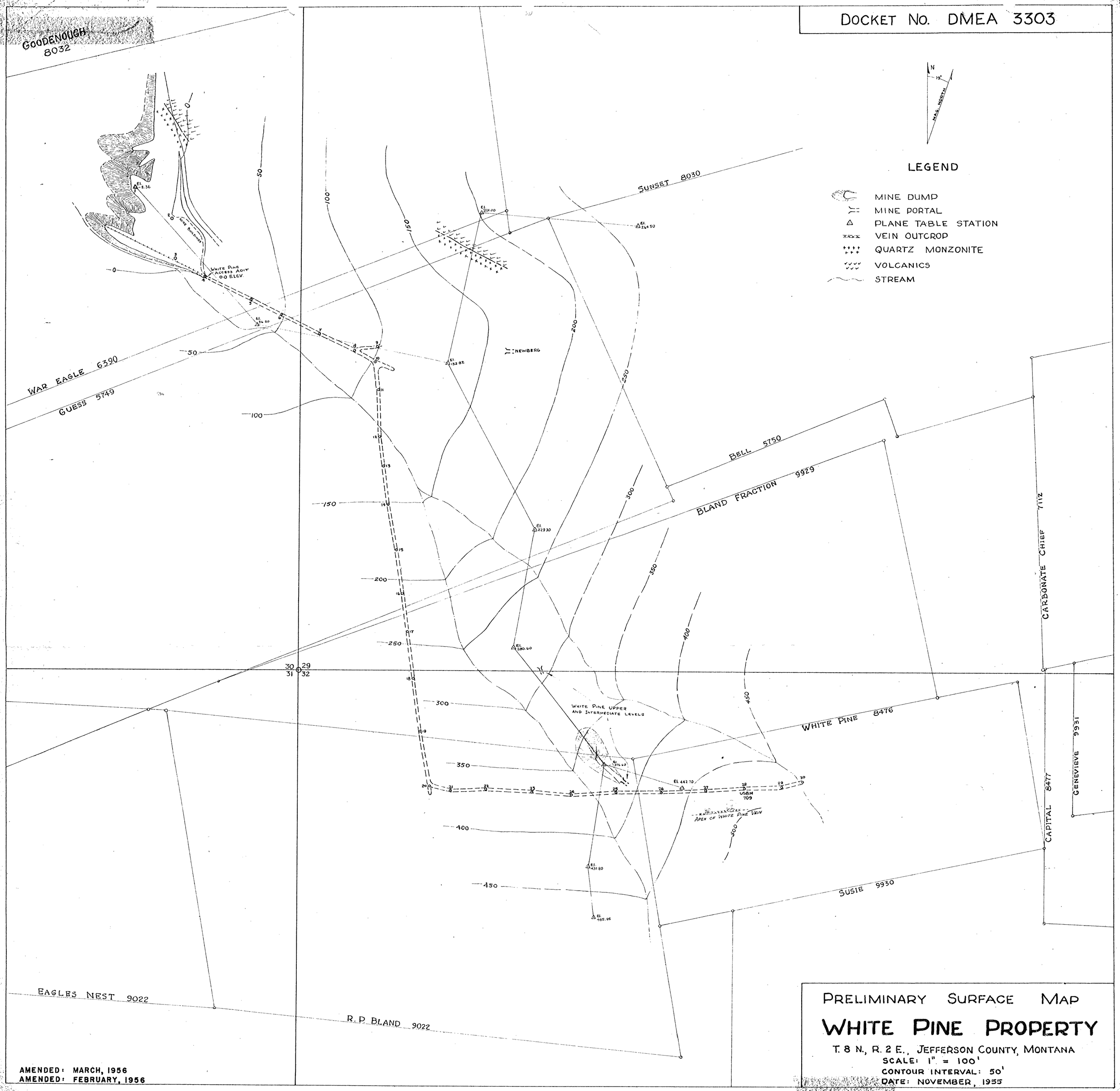
DOCKET NO. DMEA 3303



PRELIMINARY SURFACE MAP

WHITE PINE PROPERTY

T. 8 N., R. 2 E., JEFFERSON COUNTY, MONTANA

SCALE: 1" = 100'

CONTOUR INTERVAL: 50'

DATE: NOVEMBER, 1955

AMENDED: MARCH, 1956

AMENDED: FEBRUARY, 1956

DOCKET NO. DMEA 3303

MAP OF THE WHITE PINE MINE

JEFFERSON COUNTY, MONTANA

SCALE: 1" = 50'

SURVEYED BY: RICHARD N. MILLER

DATE: FEBRUARY, 1956

REVISED OR AMENDED

DATE: MARCH, 1956

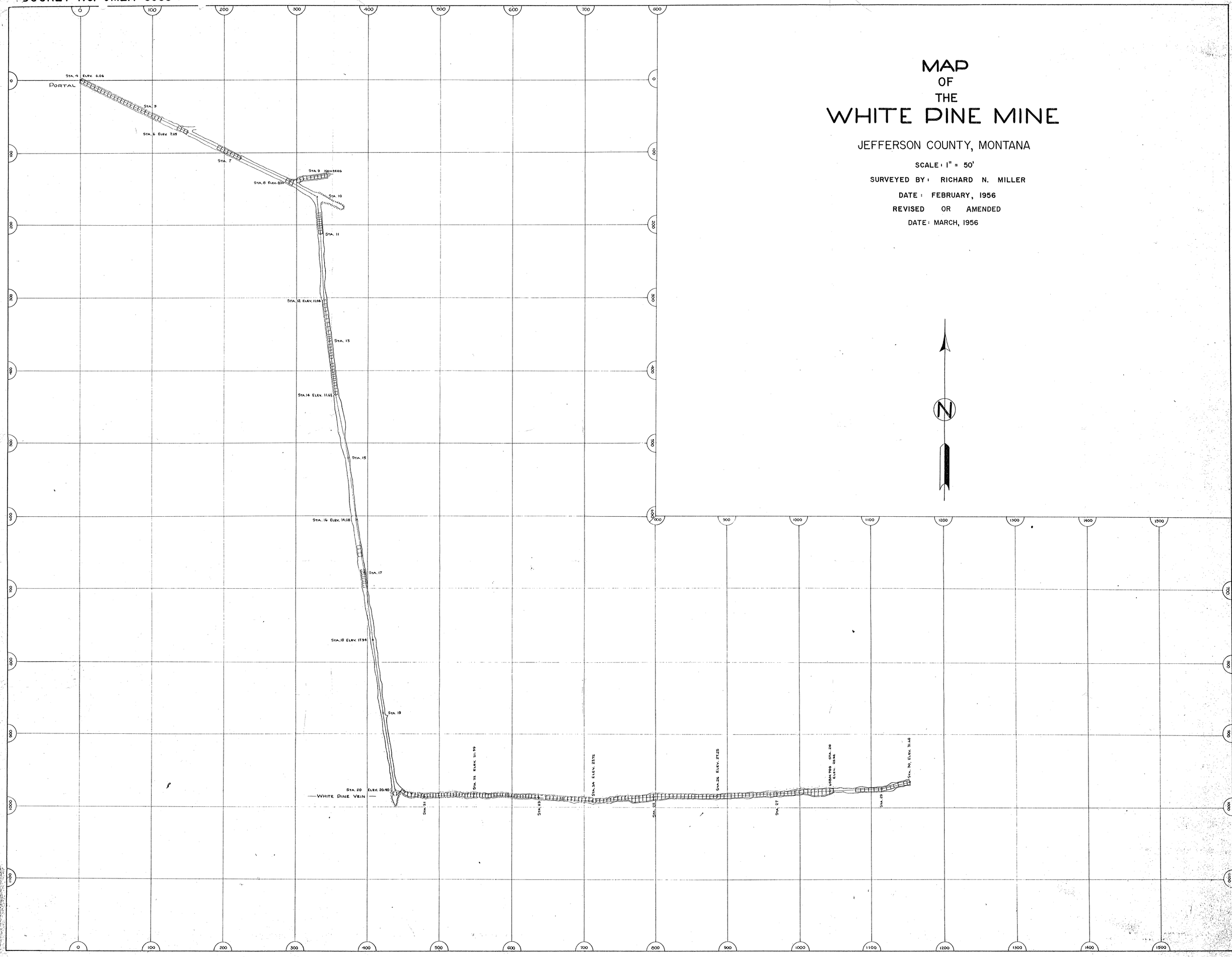


Fig. I

WHITE PINE MINE

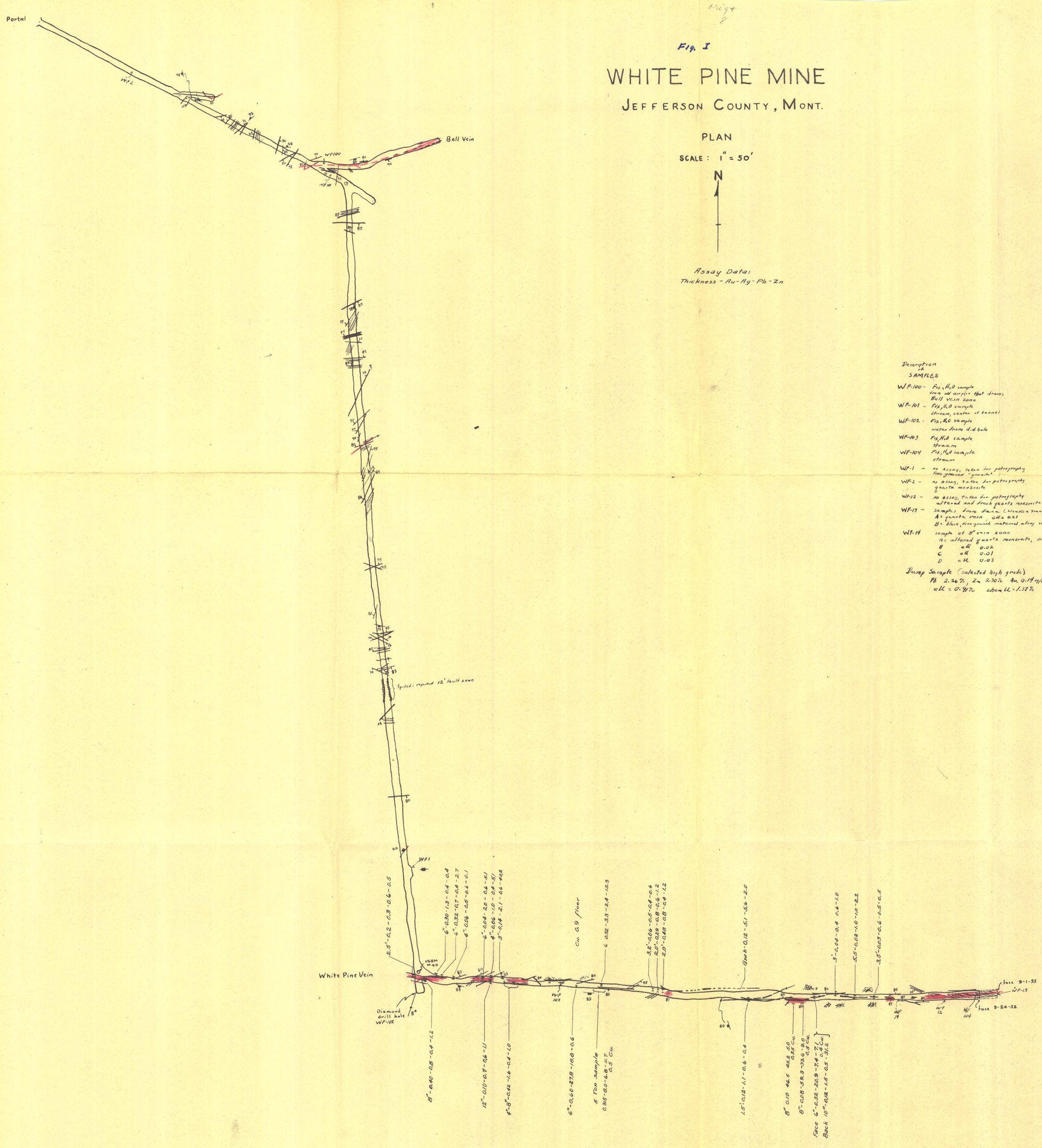
JEFFERSON COUNTY, MONT.

PLAN

SCALE : 1" = 50'

N

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



Description of SAMPLES

WP-100 - Fe, H_2O sample from old air pipe that drains Bell vein zone

WP-101 - Fe, H_2O sample stream, center of tunnel

WP-102 - Fe, H_2O sample water from diddhole

WP-103 Fe, H_2O sample stream

WP-104 Fe, H_2O sample stream

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

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

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

WP-13 - samples from face (weak & smashes)
A = quartz vein, cll = 0.21
B = black, fine-ground material along shears, cll = 0.01

WP-14 sample of 8" vein zone
A = altered quartz monzonite, no determination
B cll 0.02
C cll 0.01
D cll 0.03

Dump Sample (selected high grade)
Pb 2.26%, Zn 2.30% Au 0.14 oz/ton Ag 1.90 oz/ton
cll = 0.91% chem cll = 1.37%

DMEA DOCKET NO. 2034

WHITE PINE MINE

JEFFERSON COUNTY, MONT.

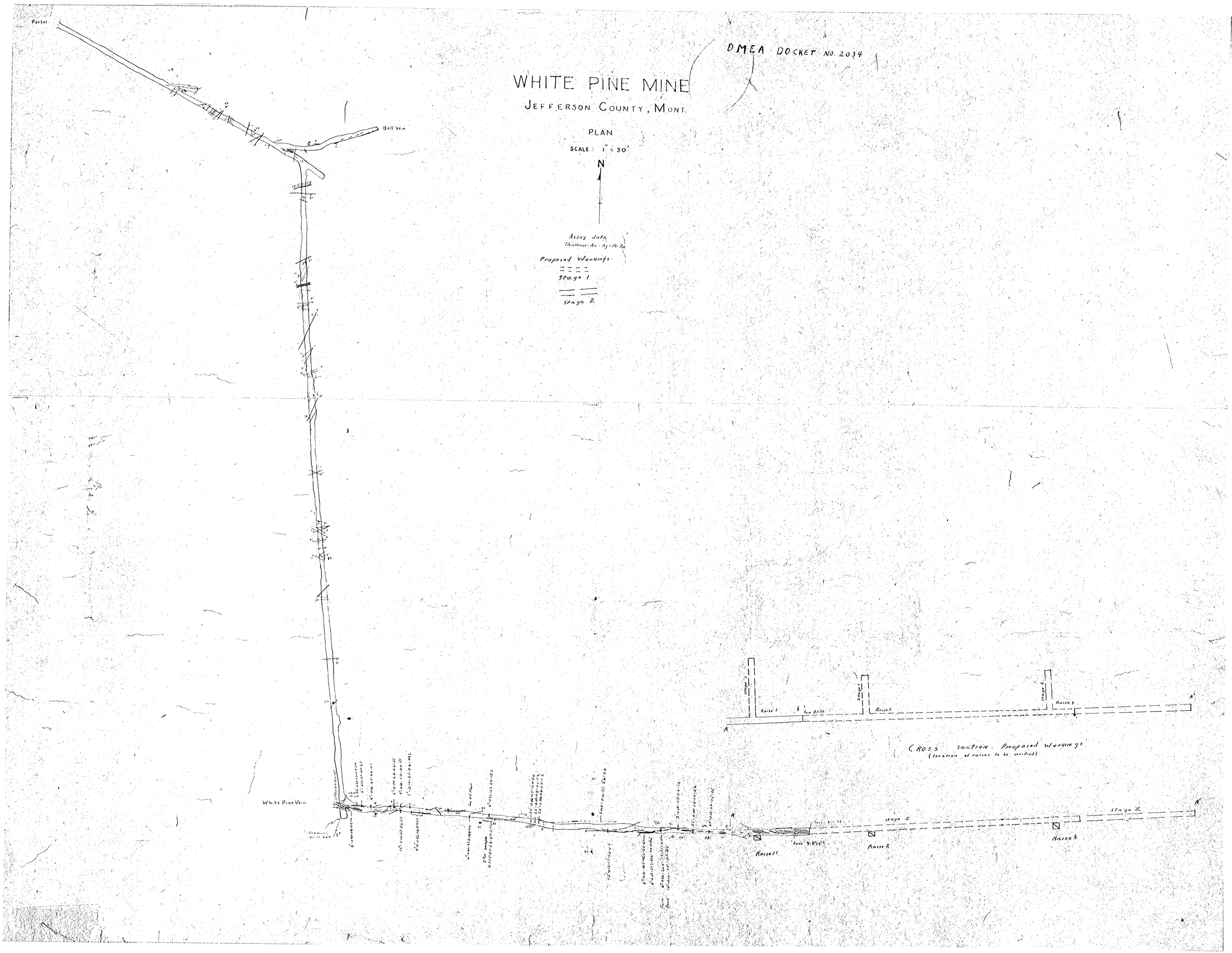
PLAN

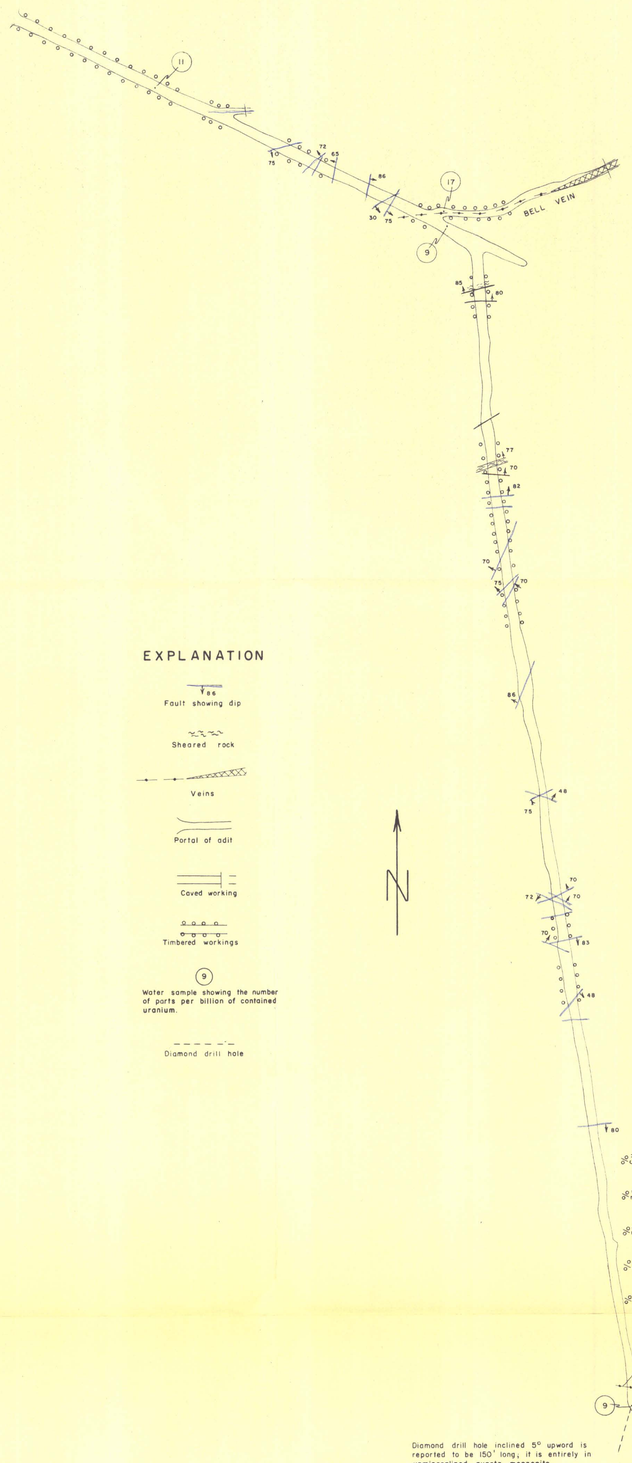
SCALE: 1" = 50'

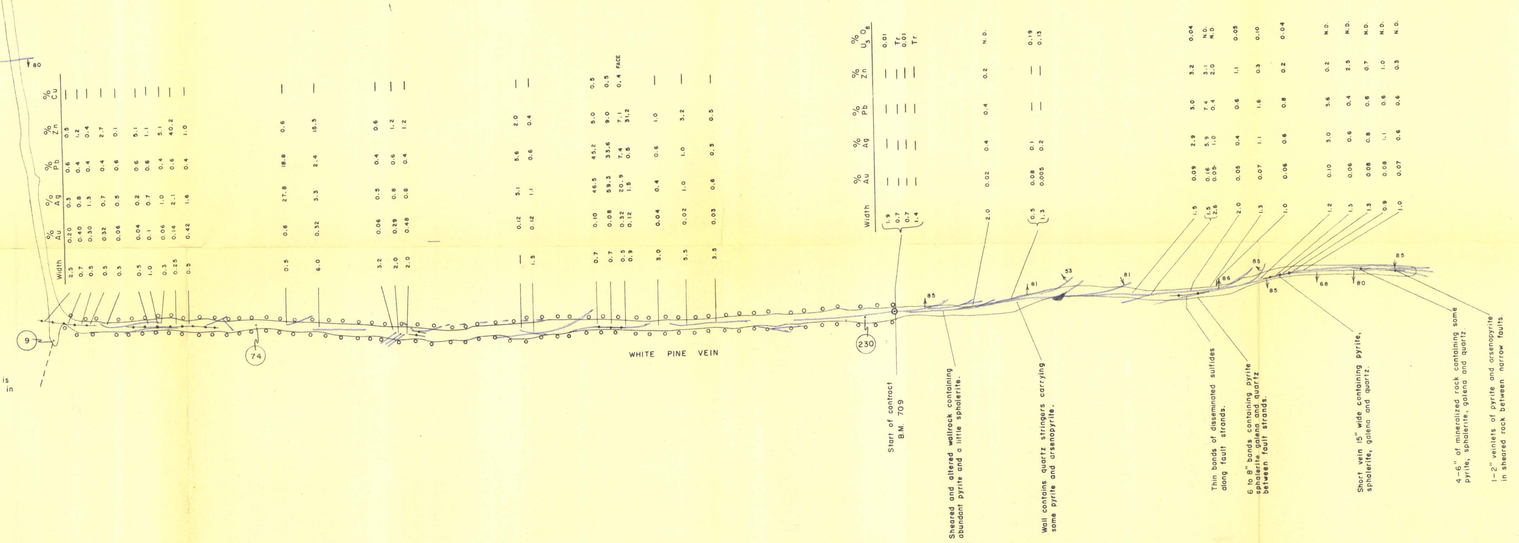
N

Assay data
Thickness - Au - Ag - Pb - Zn

Proposed Workings
Stage I
Stage 2







Mine working and geology east of B.M. 709 were taken from a transit map prepared by R.N. Miller, Western American Uranium Company. Geology of the crosscut is from a map prepared by R.A. Weeks, U.S. Geological Survey.

Compiled by D.M. Pinckney.

GEOLOGY OF THE WHITE PINE MINE
Jefferson County, Montana

0 25 50 100 150 FEET

April 1957

Plate – 1

Orig v 5

Docket No. DME# 3303

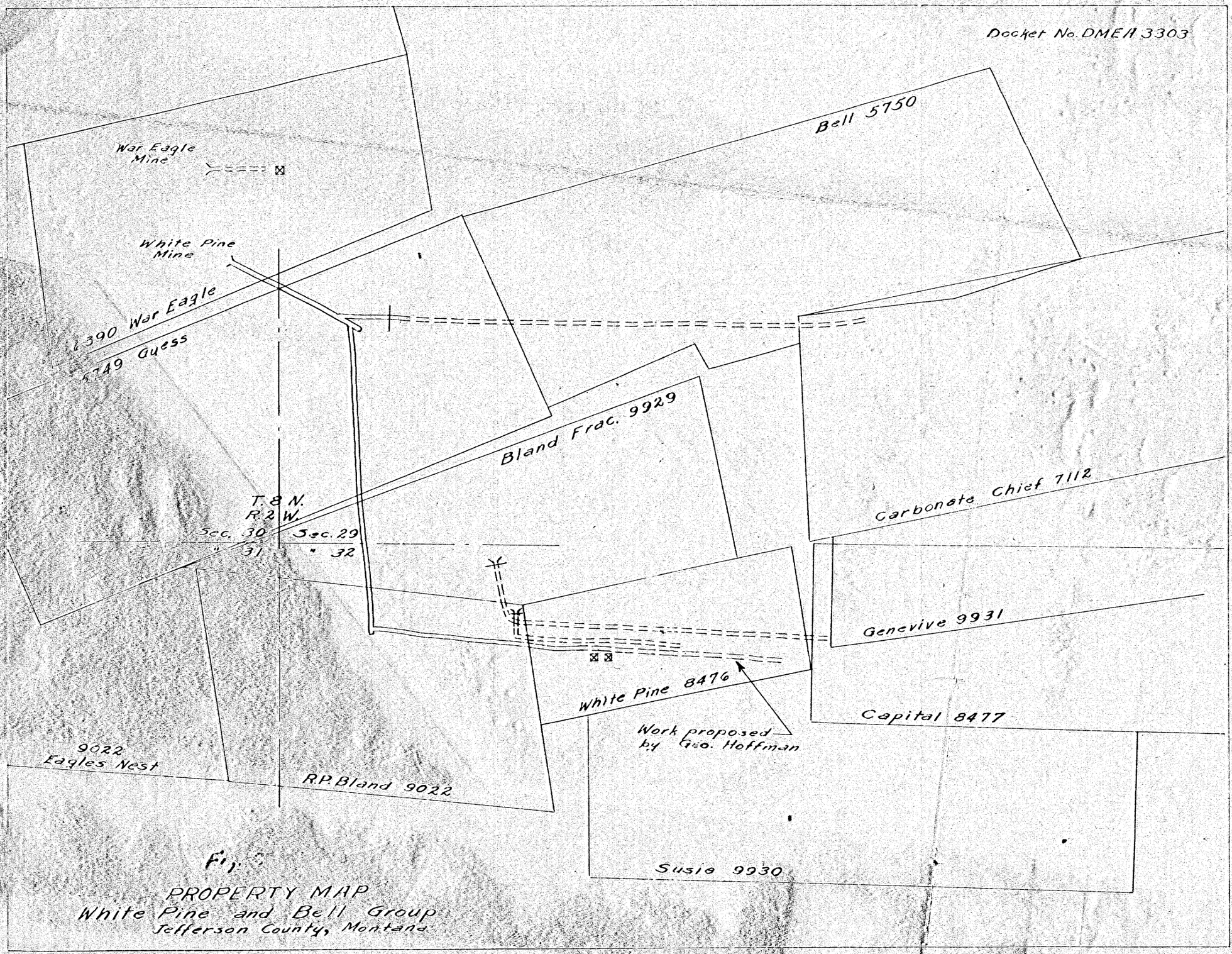


Fig. 5

PROPERTY MAP
White Pine and Bell Group
Jefferson County, Montana