DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 3536

DO NOT DETACH THIS SLIP

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This document has been recorded as

Exploration Assistance

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

Cys to USBM & USGS

Routing Slip

To:	700	Date	10/19/54
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700

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

Surname copy
Ching

JUL 15 1955

Mr. F. H. Mills
321 Symons Building
Spokane, Washington

Re: Docket No. DMEA-3536 (Uranium)
Comet-Gray Eagle Mine
Jefferson County, Montana

Dear Mr. Mills:

This will acknowledge your letter of July 5, 1955, to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, Northwest District, Spokane, Washington, which was transmitted to this office recently.

It is noted that you desire to withdraw your application, dated November 11, 1954. Accordingly, we have removed your application from our active file and closed the docket.

Sincerely yours,

C. O. Mittenderf

Administrator

(EWEllis)MChing/gla
7-15-55
cc to: Admr.'s Reading File
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Code 700, Mr. Ching
DMEA Field Team, Region I, NW (2)

R.C.S.

7/14/55 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED JUL 14 1955

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

July 11, 1955

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

Re: Docket No. DMEA-3536 (uranium)
R. H. Mills
Comet-Gray Eagle Mine
Jefferson County, Montana

Dear Mr. Selfridge:

Enclosed are two copies of a letter dated July 5, 1955, in which the above-captioned applicant states that he wishes to withdraw the application.

We are, therefore, recommending that this application be transferred to the inactive files and closed.

Sincerely yours,

A. E. Weissenborn

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
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JUL 14 1955

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Executive Officer, DMEA
Field Team, Region 1
Northwest District

Enclosures
cc: DMEA(2)
AEC, GJO
AEC, Butte

COPY COPY

R. H. MILLS
MACHINERY FINANCE
Symons Building
Spokane 4, Washington

RECEIVED
JUL 14 1955

July 5, 1955

Mr. A. E. Weissenborn
U. S. Geological Survey
South 157 Howard
Spokane, Washington

Dear Mr. Weissenborn:

To give you a record in your own files I am writing you at this time to ask you if you would temporarily withdraw our application for loan from the D.M.E.A. This application was dated November 11, 1954 and signed by myself as owner of the Basin Montana Tunnel Company property in Jefferson County, Montana.

Because of our unsettled condition at the present time I thought it better that I write you in regard to the above.

I surely want to thank you for your very helpful cooperation in the past and I do hope that within the very near future we can open this matter again with a very definite program in mind.

Yours very truly,

/s/ R. H. MILLS

R. H. Mills

RHM cg

RECEIVED
JUL 6 1955
U.S.G.S
SPOKANE, WASH.

COPY COPY

R. H. MILLS
MACHINERY FINANCE
Symons Building
Spokane 4, Washington

RECEIVED
JUL 6 1955

July 5, 1955

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U. S. Geological Survey
South 157 Howard
Spokane, Washington

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/s/ R. H. MILLS

R. H. Mills

RHM eg

RECEIVED
JUL 6 1955
U.S.G.S.
SPOKANE, WASH.

2/16/55 gla

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

February 8, 1955

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

Re: Docket No. DMEA-3536 (uranium)
R. H. Mills
Comet-Gray Eagle Mine
Jefferson County, Montana

Dear Mr. Selfridge:

Mr. Bliss Moore representing Mr. Mills was in the office yesterday to discuss the status of the application with me. The appraisal by the Field Team has been delayed pending the dewatering of the shaft by the applicant. Mr. Moore stated that the applicant is now hopeful of concluding an arrangement for financing the work by which it will be possible for them to dewater the shaft at their own expense. If the bottom levels can be studied it is probable that additional information may be obtained which may affect the plans for exploration; therefore, the docket will be held in abeyance until this has been accomplished.

Mr. Moore believes that these financial arrangements will be concluded one way or another within a matter of a few weeks.

Sincerely yours,

A. E. Weissenborn

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

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

XXXXXXXXXXXXXXXXXX
So. 157 Howard Street
Spokane 4, Washington

February 8, 1955

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

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Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region 1
Northwest District

cc: USGS (2)
AEC, ELC
AEC, Butte
Becraft

11/3/54 gla

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
NOV 1 - 1954

xxxxxxxxxxxxxxxxxxxx
No. 157 Howard Street
Spokane 4, Washington

October 28, 1954

Mr. Ernest A. Thurlow
U. S. Atomic Energy Commission
P. O. Box 2196
Salt Lake City, Utah

Dockets DMEA-3536 (U)

Dear Ernie:

Enclosed is a copy of an application by Mr. R. H. Mills of Spokane, Washington, to explore the area between the Comet and Gray Eagle mines in Jefferson County, Montana.

We would appreciate your opinion as to the merits of this property. In conversation with George, we believe the application will be regarded favorably, although we do not have a report from him yet.

We would appreciate receiving your comments on the proposal as soon as possible. Thanks a lot.

Very truly yours,

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

Enclosure

cc: L. D. Jarrard w/encl.
DMEA (2)
USBM (2)
Becraft

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 1 1954

xxxxxxxxxxxxxxxxxx
No. 157 Howard Street
Spokane 4, Washington

October 28, 1954

Mr. Ernest L. Thurlow
U. S. Atomic Energy Commission
P. O. Box 2190
Salt Lake City, Utah

Docket DMEA-3536 (2)

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Very truly yours,

W. L. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosure

cc: L. D. Jarrard w/encl.
DMEA (2)
USBM (2)
Becraft

10/28/54 gla

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1954

October 28, 1954

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4640

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

Subject: DMEA Docket No. 3536, R. H. Mills, 321 Symons Building, Spokane, Washington

I have reviewed the application included in the subject docket and have discussed it with Joseph O. Hosted, representative of the Atomic Energy Commission.

We recommend that the application be referred to the Field Team for investigation and report, and that the Field Team be requested to discuss the application with Ernest E. Thurlow, Atomic Energy Commission, Salt Lake City, Utah.

John E. Crawford

John E. Crawford

Attachment

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

Defense Minerals Administration
RECEIVED
OCT 28 1954

October 28, 1954

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Uranium Commodity Committee, Room 4640

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Attachment

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

October 28, 1954

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John E. Crawford

Attachment

MF-103
(Revised April 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
OCT 18 1954

OCT 11 1954
U. S. G. S.
SPOKANE, WASH.

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. ~~3537~~ 3536
Metal or Mineral Uranium
Date Received
Estimated Cost $179,865
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: R. H. Mills
321 Symons Building
Spokane, Washington

(*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. Approximately 70 claims and lots, approximately 1200 acres, known as the Basin Montana Tunnel Company in Jefferson County, Montana in Sections 1, 2, 3, 34, 35 and 36, Township 6 and 7, Range 5, Jefferson, Montana.

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

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

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

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

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

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

See pages 2, 3, 4, & 5.

(*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 ..... days and be completed within ..... 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)? yes

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

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

Explain in detail on acompanying paper. See page 5.

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 October 11, 1954.

R. H. Mills
(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.

INT.-DUP. SEC., WASH., D.C. 64941

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 18 1954

4. PHYSICAL DESCRIPTION

(a) See Map A North sections. The Comet mine and the Gray Eagle are on the same shear zone, or mineral belt, approximately two miles apart. These mines have been worked intermittently from 1874 to 1941.

In 1951 uranium, probably pitch blend, was discovered in the Gray Eagle dump by a government engineer. Later the same year the owner discovered some radioactive ore in the Comet dump.

The Comet Mine -- See Plate I, Geological survey, Circular 277. The workings consist of a two compartment shaft 960' deep with levels opened at 100' intervals, by drifts, raises and stopes. Ore was mined from three veins, "the North, Middle and South veins". No ore was mined below the 700' level. The mine is closed by shaft caving. Past production, $20,000,000.

The Gray Eagle -- This was opened by a 770' cross cut adit called the 400 level, an underground shaft 200' deep, which opens the 500 and 600 levels where drifts, raises and stopes were driven. The main adit was closed by caving. In 1952 and 1953 the owner spiled through and retimbered 200' of the old adit; when his funds became exhausted the AEC took up the work and opened the remainder to the shaft in 1954. The shaft is not yet unwatered. The production from this mine was something in excess of $5,000,000.

(b) Neither mine has any current production nor any proven ore reserves except dump ores containing uranium. The minerals mined were galena, silver, gold, sphalerite and some copper. The chances for increased copper and zinc values with depth is very good if the Butte pattern, 50 miles distant with like geological structure and formation, repeats itself.

Here is an assay value for the Gray Eagle mill ore, which is slightly higher than the Comet ores: gold, .156 ozs., silver, 14.5 ozs., lead, 4.50%, zinc 5.80%.

(c) See Map B--The Comet-Gray Eagle property lies within the Boulder batholith, a massive granite, quartz monzonite, which intruded into the older andesite.

There was a second intrusion of a more acid phase known as aplite (the ores are found within and along this rock). The aplite filled the fractures in the earlier granite to form vein-dykes that strike N 70° - 80° W and dip almost vertically.

The Comet-Gray Eagle fracture was probably opened to great depth and became the major channel for deep seated mineralization. Since uranium has been found (one sample contained 2.65%) scattered in both dumps of these mines by the present owner, he asks that a substantial DMEA loan be granted for the purpose of thoroughly exploring the source of these dump ores. See USGS CIRC. 277.

(d) These properties are located 54 road miles NE of Butte, Montana; 31 miles via Federal Highway 91, thence 3 miles north over a good mountain road to the old town of Comet and the mine.

The mine is 3 miles from Fuller Siding, a shipping point on the Great Northern Railroad. It is 7 miles from Basin, Montana, a town of 300 population, and 9 miles from Boulder, 1,000 population, the county seat of Jefferson County. Comet is very accessible the year round for shipping, supplies and for residence labor.

(e) Since Comet is close to Basin, Boulder, Butte and Helena, manpower, materials supplies and equipment are readily available. A good spring supplies domestic water and High Ore creek supplies milling water. Electric power is near by. A 200 ton mill building in excellent state of repair is on the Comet.

5. THE EXPLORATION PROJECT

(a) The purpose of the project is to explore the virgin 2 mile shear zone lying between Comet and Gray Eagle mines for uranium.

The water draining from the Gray Eagle adit tests high in radio-activity and high grade samples of uranium ore are found in the mine dump; however, as yet none has been found in place because the old workings have not been opened sufficiently to disclose this type of ore. Bear in mind that uranium was not recognized in this area when the mine was in good production of the other metals.

(b) See Maps A North section for Gray Eagle plan and see Plate I CIRC 277 for plan and section of Comet.

Proposed work: Unwater the 200' underground shaft at the Gray Eagle. The shaft has been pounded and found open. After examination of the 600' level some exploratory drifting a diamond drilling may be indicated at this point. Surface trenching with bulldozer will be accomplished at points along the shear between Comet and Gray Eagle. This work will aid in spotting diamond drill holes (see Map A for location of cuts and holes). We will cut the shear at 300' to 500' below the outcrop with 45° ± angle holes. There will be approximately ten holes of 500' each in length.

We propose 2 holes to cut 2 parallel veins below Gray Eagle workings and 2 holes to cut 3 parallel veins below the Comet workings. 3 holes will be located on the Lindy claim and 2 holes on the Galena claim and 1 hole on the Nemo claim.

If Stage I as set up on page 4 proves Stage II is warranted then the location of the shaft and tunnel work can be decided.

(c) The work will start within 30 days, weather permitting, and be completed within 24 months from the date of an exploration contract.

(d) Mr. R. H. Mills, Spokane, Washington, the owner is a successful businessman with considerable mining experience. He is the former owner of the Germania tungsten mine in Stevens County, Washington.

Bliss Moore, a consulting Mining Engineer of Spokane, Washington, and former general manager of Sunset Minerals, Inc. in the Coeur d'Alene mining district is consultant.

Frank Rowe, resident on the property, is the superintendent. He is a man with years of mechanical experience, having worked 20 years around the mines and mills of the Northwest.

Del Bullock, mine foreman of Basin, Montana, is the man who recently opened the Gray Eagle adit. He will have charge of the underground work. He has a lifetime of mining experience gained while working in the Basin and Butte district mines. In fact, he worked in both the Gray Eagle and Comet mines years ago.

6. ESTIMATE OF COSTS

(a) Independent contracts. It is proposed to do all work by contract using reliable companies.

	Geochemical tests by Montana State Geologist	no charge
	General Expense - overhead, office, etc. $200 per month, 24 months	$ 4,800.00
STAGE I	Surface trenching with Cat. bulldozer, labor and supplies. 50 days @ $100 per day	5,000.00
	Pumping Gray Eagle working and clearing debris	6,000.00
	Diamond drilling 5,000' @ $6.50 per foot	32,500.00
		$ 50,300.00
STAGE II	Tunneling 5' x 7' timbered - 1,000' @ $41.00 per foot	41,000.00
	Shaft 7' x 13' sinking 500' @ $160 per foot	80,000.00
		$121,000.00
	TOTAL STAGE I & II	$171,300.00
	(b) Contingencies --- 5%	8,565.00
		$179,865.00

(b) Consultant $500 per month, 1 Superintendent $500. per month, 1 Foreman $18.00 per day, mine labor at $15.00 per day.

(c) Operating materials and supplies, mine timber, explosives, wire cable, electric cable, land tools, furnished by contractor.

(d) Operating equipment,-- D8 Cat & Dozer, small electric hoist, 25 Hp. direct connected pump.

(e) Rehabilitation and Repairs ------ None

(f) New buildings, improvements, installations --- None

(g) Miscellaneous --- expense carried by contractor

(h) Contingencies --- See last item on page 4.

7. (a) Yes

(b) Use of equipment and by paying for supervision and consulting fees. Owner will bring electric power to point of use and will furnish D4 Cat and Dozer at $750. per month rental.
, also 310 cu. ft. Air Compressor @ $550.00 per mo. to be credited as owners contribution.

R. H. Mills
Applicant

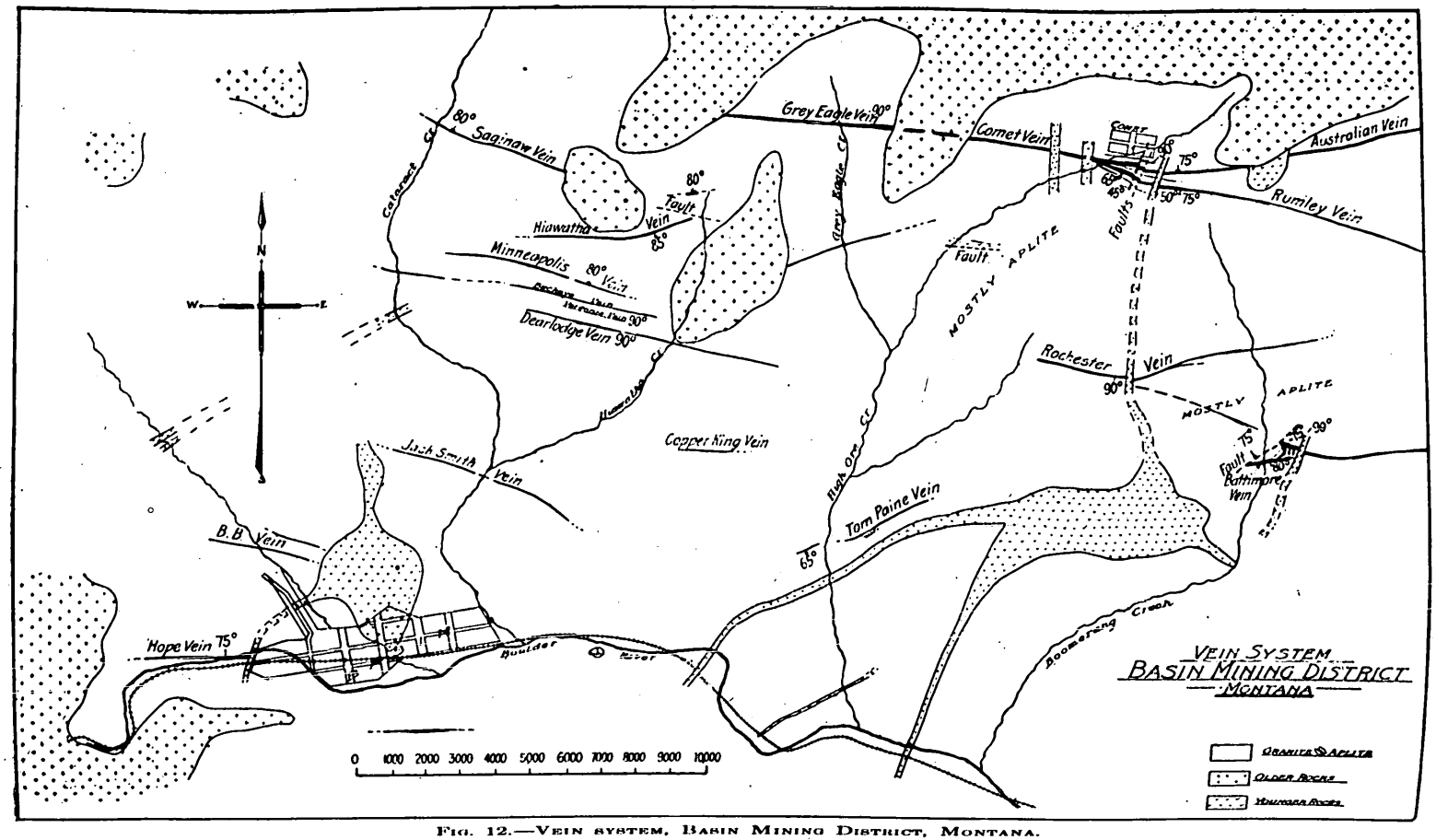

FIG. 12.—VEIN SYSTEM, BASIN MINING DISTRICT, MONTANA.

Map B

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

October 19, 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 - 3536 R. H. Mills

Robert E. Adams,
Chief, Operation's Control
and Statistics Division

October 19, 1954

Mr. R. H. Mills
321 Symons Building
Spokane, Washington

Subject: DMEA-3536
Re: Exploration Assistance
Basin Montana Tunnel Co.

Dear Sir:

The receipt of your application dated October 11, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3536 and referred to the Rare and Miscellaneous Metals Division.

Kindly refer to in any future correspondence relating to your application.

Sincerely yours,

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 18 1954

October 14, 1954

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

Re: Transmittal of application for aid in an exploration project

Dear Mr. Selfridge:

Enclosed are three copies of an application by Mr. R. H. Mills of Spokane, Washington, to explore the area between the Comet and Gray Eagle mines in Jefferson County, Montana.

The dumps of the two mines contain significant quantities of uranium. Nothing is known, however, of the underground source.

We are requesting the fieldmen to prepare a report on the property as soon as possible.

Sincerely yours,

A. E. Weissenborn

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

Enclosures
cc: USBM(2)
Becraft

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
OCT 11 1954
U. S. G. S.
SPOKANE, WASH.

Defense Minerals Administration
RECEIVED
OCT 18 1954

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. ~~3537~~ 3536
Metal or Mineral Uranium
Date Received
Estimated Cost $179,865
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: R. H. Mills
321 Symons Building
Spokane, Washington

(*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. Approximately 70 claims and lots, approximately 1200 acres, known as the Basin Montana Tunnel Company in Jefferson County, Montana in Sections 1, 2, 3, 34, 35 and 36, Township 6 and 7, Range 5, Jefferson, Montana.

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

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

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

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

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

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
See pages 2, 3, 4, & 5.

(*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 ..... days and be completed within ..... 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)? yes

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

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

Explain in detail on acompanying paper. see page 5.

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 October 11, 1954.

R. H. Mills
(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.

INT.-DUP. SEC., WASH., D.C. 64941

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Defense Minerals Administration
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OCT 18 1954

4. PHYSICAL DESCRIPTION

(a) See Map A North sections. The Comet mine and the Gray Eagle are on the same shear zone, or mineral belt, approximately two miles apart. These mines have been worked intermittently from 1874 to 1941.

In 1951 uranium, probably pitch blend, was discovered in the Gray Eagle dump by a government engineer. Later the same year the owner discovered some radioactive ore in the Comet dump.

The Comet Mine -- See Plate I, Geological survey, Circular 277. The workings consist of a two compartment shaft 960' deep with levels opened at 100' intervals, by drifts, raises and stopes. Ore was mined from three veins, "the North, Middle and South veins". No ore was mined below the 700' level. The mine is closed by shaft caving. Past production, $20,000,000.

The Gray Eagle -- This was opened by a 770' cross cut adit called the 400 level, an underground shaft 200' deep, which opens the 500 and 600 levels where drifts, raises and stopes were driven. The main adit was closed by caving. In 1952 and 1953 the owner spiled through and retimbered 200' of the old adit; when his funds became exhausted the AEC took up the work and opened the remainder to the shaft in 1954. The shaft is not yet unwatered. The production from this mine was something in excess of $5,000,000.

(b) Neither mine has any current production nor any proven ore reserves except dump ores containing uranium. The minerals mined were galena, silver, gold, sphalerite and some copper. The chances for increased copper and zinc values with depth is very good if the Butte pattern, 30 miles distant with like geological structure and formation, repeats itself.

Here is an assay value for the Gray Eagle mill ore, which is slightly higher than the Comet ores: gold, .136 ozs., silver, 14.5 ozs., lead, 4.50%, zinc 5.80%.

(c) See Map B--The Comet-Gray Eagle property lies within the Boulder batholith, a massive granite, quartz monzonite, which intruded into the older andesite.

There was a second intrusion of a more acid phase known as aplite (the ores are found within and along this rock). The aplite filled the fractures in the earlier granite to form vein-dykes that strike N 70° - 80° W and dip almost vertically.

The Comet-Gray Eagle fracture was probably opened to great depth and became the major channel for deep seated mineralization. Since uranium has been found (one sample contained 2.65%) scattered in both dumps of these mines by the present owner, he asks that a substantial DMEA loan be granted for the purpose of thoroughly exploring the source of these dump ores. See USGS CIRC. 277.

(d) These properties are located 34 road miles NE of Butte, Montana; 31 miles via Federal Highway 91, thence 3 miles north over a good mountain road to the old town of Comet and the mine.

The mine is 3 miles from Fuller Siding, a shipping point on the Great Northern Railroad. It is 7 miles from Basin, Montana, a town of 300 population, and 9 miles from Boulder, 1,000 population, the county seat of Jefferson County. Comet is very accessible the year round for shipping, supplies and for residence labor.

(e) Since Comet is close to Basin, Boulder, Butte and Helena, manpower, materials supplies and equipment are readily available. A good spring supplies domestic water and High Ore creek supplies milling water. Electric power is near by. A 200 ton mill building in excellent state of repair is on the Comet.

5. THE EXPLORATION PROJECT

(a) The purpose of the project is to explore the virgin 2 mile shear zone lying between Comet and Gray Eagle mines for uranium.

The water draining from the Gray Eagle adit tests high in radio-activity and high grade samples of uranium ore are found in the mine dump; however, as yet none has been found in place because the old workings have not been opened sufficiently to disclose this type of ore. Bear in mind that uranium was not recognized in this area when the mine was in good production of the other metals.

(b) See Maps A North section for Gray Eagle plan and see Plate I CIRC 277 for plan and section of Comet.

Proposed work: Unwater the 200' underground shaft at the Gray Eagle. The shaft has been sounded and found open. After examination of the 600' level some exploratory drifting a diamond drilling may be indicated at this point. Surface trenching with bulldozer will be accomplished at points along the shear between Comet and Gray Eagle. This work will aid in spotting diamond drill holes (see Map A for location of cuts and holes). We will cut the shear at 300' to 500' below the outcrop with 45° ± angle holes. There will be approximately ten holes of 500' each in length.

We propose 2 holes to cut 2 parallel veins below Gray Eagle workings and 2 holes to cut 3 parallel veins below the Comet workings. 3 holes will be located on the Lindy claim and 2 holes on the Galena claim and 1 hole on the Nemo claim.

If Stage I as set up on page 4 proves Stage II is warranted then the location of the shaft and tunnel work can be decided.

(c) The work will start within 30 days, weather permitting, and be completed within 24 months from the date of an exploration contract.

(d) Mr. R. H. Mills, Spokane, Washington, the owner is a successful businessman with considerable mining experience. He is the former owner of the Germania tungsten mine in Stevens County, Washington.

Bliss Moore, a consulting Mining Engineer of Spokane, Washington, and former general manager of Sunset Minerals, Inc. in the Coeur d'Alene mining district is consultant.

Frank Rowe, resident on the property, is the superintendent. He is a man with years of mechanical experience, having worked 20 years around the mines and mills of the Northwest.

Del Bullock, mine foreman of Basin, Montana, is the man who recently opened the Gray Eagle adit. He will have charge of the underground work. He has a lifetime of mining experience gained while working in the Basin and Butte district mines. In fact, he worked in both the Gray Eagle and Comet mines years ago.

6. ESTIMATE OF COSTS

(a) Independent contracts. It is proposed to do all work by contract using reliable companies.

	Geochemical tests by Montana State Geologist	no charge
	General Expense - overhead, office, etc. $200 per month, 24 months	$ 4,800.00 ?
STAGE I	Surface trenching with Cat. bulldozer, labor and supplies. 50 days @ $100 per day	5,000.00
	Pumping Gray Eagle working and clearing debris	8,000.00
	Diamond drilling 5,000' @ $6.50 per foot ?	32,500.00
		$ 50,300.00
STAGE II	Tunneling 5' x 7' timbered - 1,000' @ $41.00 per foot	41,000.00
	Shaft 7' x 13' sinking 500' @ $160 per foot	80,000.00
		$121,000.00
	TOTAL STAGE I & II	$171,300.00
	(h) Contingencies --- 5%	8,565.00
		$179,865.00

(b) Consultant $300 per month, 1 Superintendent $500. per month, 1 Foreman $18.00 per day, mine labor at $15.00 per day.

(c) Operating materials and supplies, mine timber, explosives, wire cable, electric cable, land tools, furnished by contractor.

(d) Operating equipment,-- D8 Cat & Dozer, small electric hoist, 25 Hp. direct connected pump.

(e) Rehabilitation and Repairs ----- None

(f) New buildings, improvements, installations --- None

(g) Miscellaneous --- expense carried by contractor

(h) Contingencies --- See last item on page 4.

7. (a) Yes

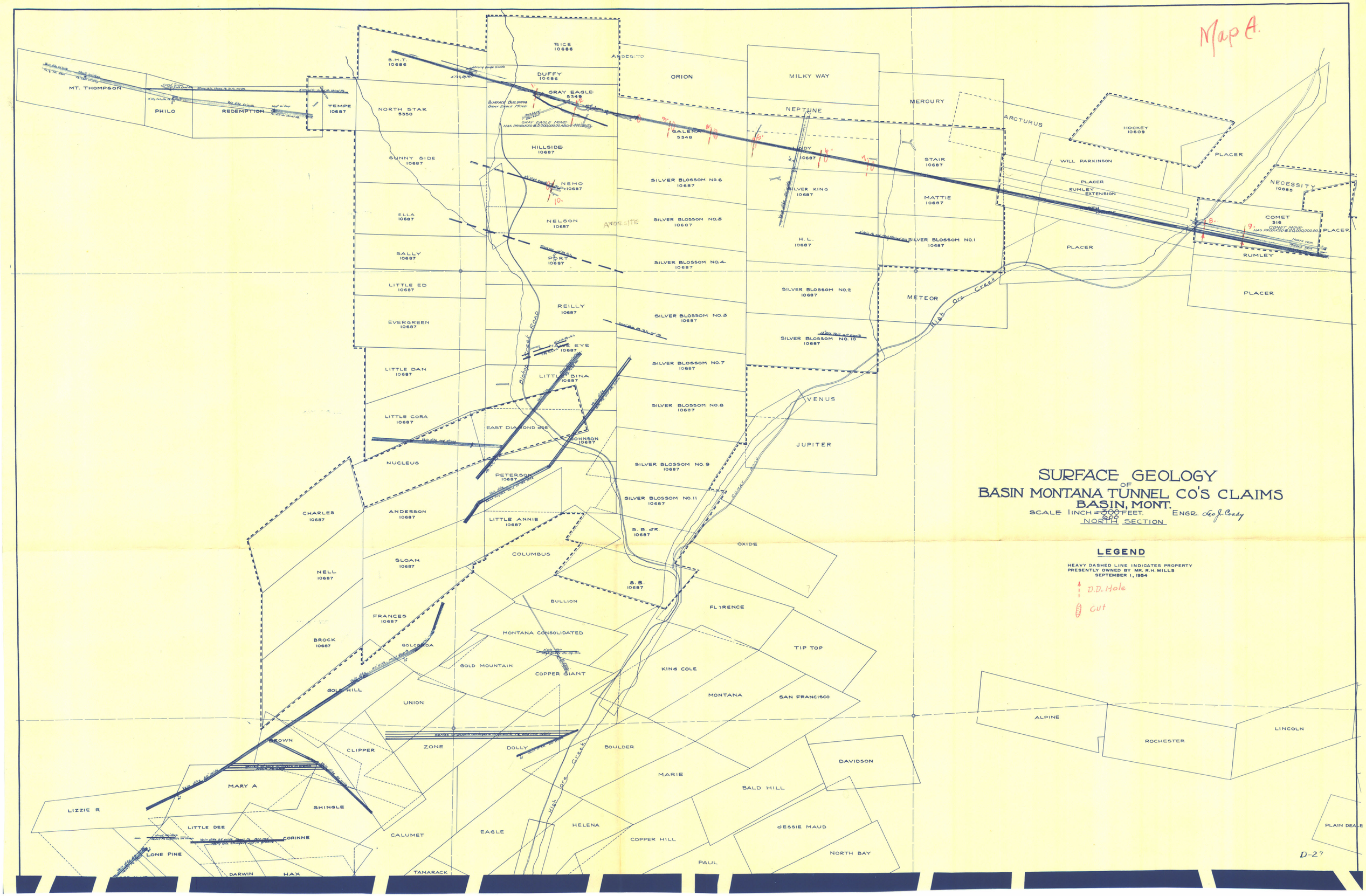
(b) Use of equipment and by paying for supervision and consulting fees. Owner will bring electric power to point of use and will furnish D4 Cat and Dozer at $750. per month rental, also 310 cu. ft. Air Compressor @ $350.00 per mo. rental to be credited as owners contribution.

R. H. Mills
Applicant

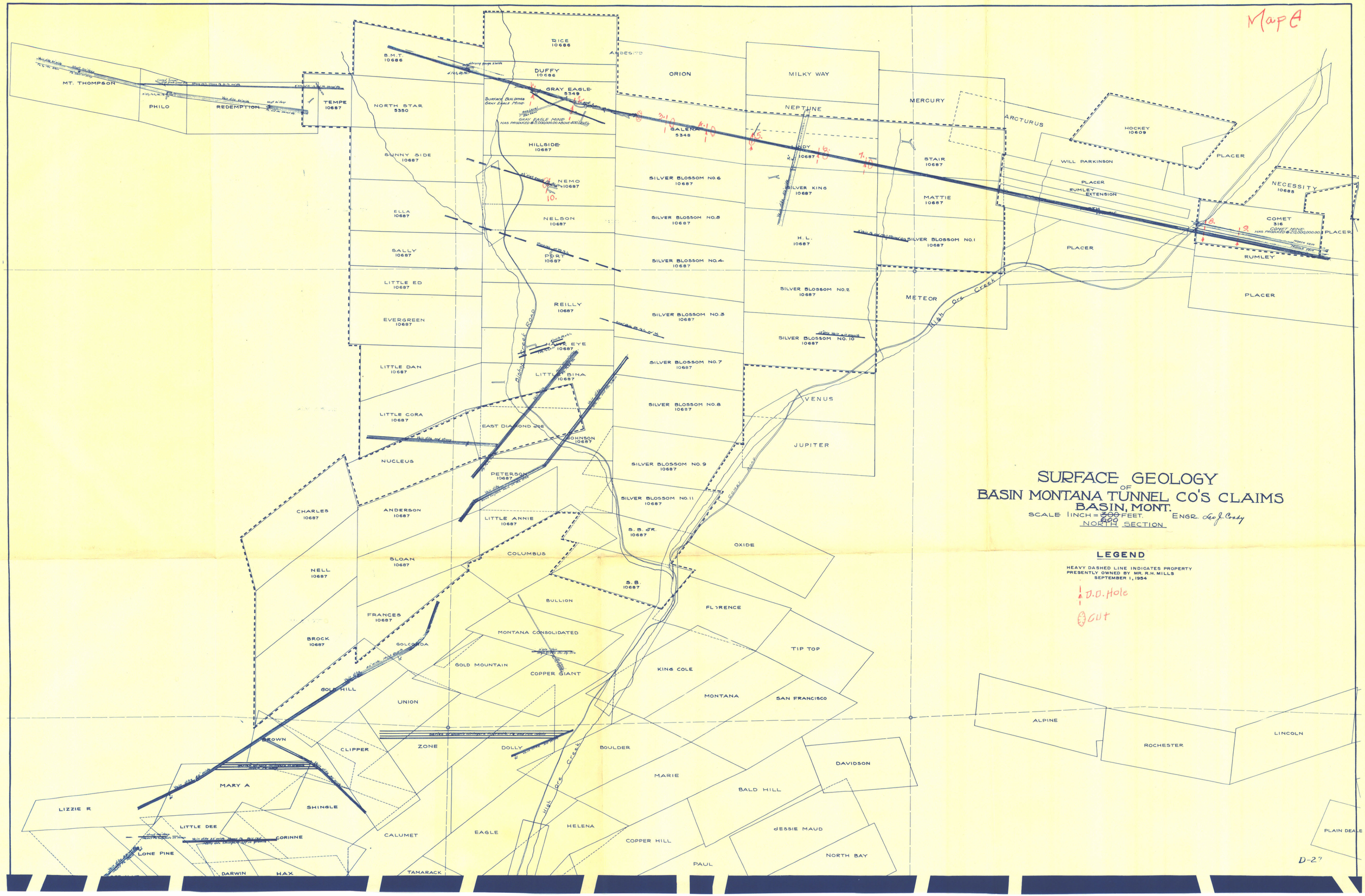
OFFICIAL BUSINESS

Contract Administration and Audit Division
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Map A.


MT. THOMPSON
PHILO
REDEMPTION
TEMPE 10687
B.M.T. 10686
NORTH STAR 5350
SUNNY SIDE 10687
ELLA 10687
SALLY 10687
LITTLE ED 10687
EVERGREEN 10687
LITTLE DAN 10687
LITTLE CORA 10687
NUCLEUS
CHARLES 10687
ANDERSON 10687
NELL 10687
SLOAN 10687
FRANCES 10687
BROCK 10687
GOLCONDA
GOLD HILL
BROWN
CLIPPER
MARY A
LIZZIE R
SHINGLE
LITTLE DEE
CORINNE
LONE PINE
DARWIN
HAX
RICE 10686
DUFFY 10686
GRAY EAGLE 5349
SURFACE BUILDINGS GRAY EAGLE MINE
GRAY EAGLE MINE HAS PRODUCED $2,000,000.00 ABOVE 400 LEVEL
HILLSIDE 10687
NEMO 10687
NELSON 10687
PORT 10687
REILLY 10687
BLACK EYE 10687
LITTLE BINA 10687
EAST DIAMOND ORE
JOHNSON 10687
PETERSON 10687
LITTLE ANNIE 10687
COLUMBUS
BULLION
MONTANA CONSOLIDATED
GOLD MOUNTAIN
COPPER GIANT
UNION
ZONE
DOLLY
CALUMET
EAGLE
TAMARACK
ANDESITE
ORION
GALENA 5348
SILVER BLOSSOM NO.6 10687
SILVER BLOSSOM NO.5 10687
SILVER BLOSSOM NO.4 10687
SILVER BLOSSOM NO.3 10687
SILVER BLOSSOM NO.7 10687
SILVER BLOSSOM NO.8 10687
SILVER BLOSSOM NO.9 10687
SILVER BLOSSOM NO.11 10687
S.B. JR. 10687
S.B. 10687
BOULDER
HELENA
MILKY WAY
NEPTUNE
LADY 10687
SILVER KING 10687
H.L. 10687
SILVER BLOSSOM NO.2 10687
SILVER BLOSSOM NO.10 10687
VENUS
JUPITER
OXIDE
FLORENCE
KING COLE
MARIE
COPPER HILL
PAUL
MERCURY
STAIR 10687
MATTIE 10687
SILVER BLOSSOM NO.1 10687
METEOR
ARCTURUS
WILL PARKINSON
PLACER
RUMLEY EXTENSION
HOCKEY 10609
PLACER
NECESSITY 10685
COMET 316
COMET MINE HAS PRODUCED $2,000,000.00
HOWE VEIN
PLACER
RUMLEY
PLACER
TIP TOP
MONTANA
SAN FRANCISCO
DAVIDSON
BALD HILL
JESSIE MAUD
NORTH BAY
ALPINE
ROCHESTER
LINCOLN
PLAIN DEALE
High Ore Creek
Basin Creek Road
SURFACE GEOLOGY
OF
BASIN MONTANA TUNNEL CO'S CLAIMS
BASIN, MONT.
SCALE 1 INCH = 200 FEET. ENGR. Geo. J. Cody
NORTH SECTION
LEGEND
HEAVY DASHED LINE INDICATES PROPERTY PRESENTLY OWNED BY MR. R.H. MILLS SEPTEMBER 1, 1954
D.D. Hole
Cut
D-27

Map A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CLIPPER
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SHINGLE
LITTLE DEE
CORINNE
LONE PINE
DARWIN
HAX
CALUMET
TAMARACK
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DUFFY 10686
GRAY EAGLE 5349
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SILVER BLOSSOM NO.11 10687
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MONTANA
SAN FRANCISCO
MARIE
BALD HILL
DAVIDSON
JESSIE MAUD
NORTH BAY
COPPER HILL
PAUL
ALPINE
ROCHESTER
LINCOLN
PLAIN DEALE

D-27