EXTRA COPY
O. M. E
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DATE
800

So. 157 Howard Street
Spokane 4, Washington
September 3, 1962

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: Interim inspection
DMRA-4588 (Lead-Zinc)
John Zupan
Doctor Kalloch Mine
Judith Basin County, Montana
Contract Ida-K1191

The Doctor Kalloch mine was visited August 28, 1962. There is no evidence that any work has been done since the contract was terminated. The same small pile of sorted ore is outside the portal tunnel. When I last visited this property the "stock pile" was covered by a foot of snow. It is now estimated to contain little more than one ton of low-grade ore, which is of doubtful market value. *

D. R. MacLaren

Distribution:
OME(3)
Docket
MacLaren

2½ tons lead, zinc & silver at Hughesville, Mont.
per MME Form 69 rept. 12/12/68

JUN 27 1962

Mr. John Zupan
Box 64
Sand Coulee, Montana

Re: DMA-4588 (Lead-Zinc)
John Zupan
Doctor Kelloch Mine
Judith Basin County, Montana
Contract Idm-81191

Dear Mr. Zupan:

Mr. MacLaren forwarded to us copies of your letter to him of June 11, 1962, and his reply, both concerning extension of the subject contract.

The information about your new discovery is most interesting, but we do not feel that it presents sufficient justification to reopen or extend this closed contract.

However, we will be interested in your reply to the inquiry in Mr. MacLaren's letter about the stockpiled ore.

Sincerely yours,

George Fumich, Jr.

Director

SFHolt/bih
6/26/62

cc to: Docket
Dir. reading file
CA & A Division
Region I (2)
Code 500

800

So. 157 Howard Street
Spokane 4, Washington
June 22, 1962

Mr. John Zupan
Box 64
Semi Coulee, Montana

Re: DMEA-4588 (Lead-Zinc)
John Zupan
Dr. Kalloch Mine
Judith Basin County, Montana
Contract I6m-R1191

Dear Mr. Zupan:

I have forwarded your letter of June 11, 1962, to our Washington, D. C., office for consideration and reply.

When I last visited the property, there was some sorted ore piled at the tunnel portal. I would be interested to know if this was shipped and if so what it was worth. Your attention is directed to Mr. Frank E. Johnson's letter of March 17, 1961, regarding the payment of royalty.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

DRMacLaren:ny
cc: OME
Reading copies to:
Nelson
Robbs
Guild

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-61191, Docket DMEA-4588 (lead-zinc), dated May 9, 1958, with

John Zupan
P. O. Box 64
Sand Coulee, Montana

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Dr. Kalloch Mine located in Judith Basin County, Montana, during the period May 9, 1958, through December 9, 1960.

In accordance with Amendment No. 4 and Article 6 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 12 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated February 10, 1961, indicated accepted costs under the exploration contract amounting to $5,195.00 with the Government's contribution on a 50 percent basis being $2,597.50.

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

This review established no sales subject to the Government's royalty for the period. Accordingly, as of December 9, 1960, the royalty account of this project was found to be:

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

E. D. Talbert, OME Auditor

June 11, 1962

Idm-61191 John Zupan DMEA-4588

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on any mineral production from below 6,100.5 feet above sea level on the Doctor Kalloch patented lode mining claim located in the Barker Mining District. At the time the contract was executed, the Operator was the owner of the claim, but had leased that portion 6,100.5 feet above sea level plus a certain drift about 6,060 feet above sea level. This drift, however, is not excluded from the royalty provisions of the contract.

Exploration work under the contract was terminated effective December 9, 1960. Examinations of the property and consultations with the Operator disclosed no shipments of ore during the exploration period. The final report of the Acting Field Officer, OME Region I, states "About 2½ tons of probable ore-grade material is stockpiled at the mine, but no shipments have been made".

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

(1) The files disclose no evidence of sales of production from the property under the contract during the period covered by this review; and

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

No. 157 Howard Street
Spokane 4, Washington
June 21, 1962

EXTRA COPY
O. M. E.
RECEIVED

Memorandum

To: Chief, Fiscal Section, Division of Administrative Services, Office of the Secretary, Washington 25, D. C.

From: Acting Field Officer, Region I

Subject: DMEA-4588 (Lead-Zinc)
John Zugan
Dr. Kalloch Nims
Judith Basin County, Montana
Contract Ida-E1191

There is enclosed a Report of Royalty Review covering the subject contract. The report is dated June 11, 1962, and covers the period May 9, 1958, through December 9, 1960.

This Report of Royalty Review is for record purposes only, and no copy has been provided for the Operator.

D. R. MacLaren

Enclosure

DRMacLaren:my
cc: CA&A Div., OME
CFF, OME
Reading copies to:
Nolan
Robbe
Guild

JUN 11 1962

Memorandum

To: Acting Field Officer, Region I

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

Subject: DMSA-4588 (Lead-Zinc)
John Zupan
Dr. Kalloch Mine
Judith Basin County, Montana
Contract Ida-81191

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

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

(b) One copy for your files.

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

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

Enclosures

EDTalbert/ama 6-11-62

cc:
Docket
Director's Reading File
CA & A Division
Mr. Rothrock

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

John Zupan
P. O. Box 64
Sand Coulee, Montana

pertaining to Exploration Project Contract Idm-81191, OMEA No. 4588, including Amendments Nos. 1 through 4, for June 1958 to October 1960, inclusive, covering a lead-zinc project at the Doctor Kalloch Mine, Judith Basin County, Montana.

My review included an examination of the Monthly Reports (Forms MF-104 and MME 60) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, confirmation of work performed by reference to Field Team reports and correspondence, and a determination of the reasonableness and propriety of the costs.

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

> All of the claimed and accepted costs were under a contract provision for contribution by the Government on the basis of fixed unit costs of work performed.

The findings of this review are stated in the following summary and the attached schedule:

Total cost billed by Operator		$5,195.00
Exceptions:		
Prior to this review	$-0-	
Herewith	-0-	-0-
Acceptable cost		$5,195.00

The contract calls for a 50 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments as follows are valid and proper:

Payable on audited claim	$2,597.50
Paid to date	2,443.00
Balance due Operator	$ 154.50

February 10, 1961

E. D. Talbert, OME Auditor

Contract Idm-E1191 John Zupan DMRA-4588

Acceptable Costs:

Rehabilitation of drift and crosscut	$1,353.00
Construction of compressor house	250.00
Drifting, 132 ft. @ $27.00	3,564.00
Assaying, 7 samples @ $4.00	28.00
Total	$5,195.00

No. 157 Howard Street
Spokane 4, Washington
February 14, 1961

Memorandum

To: Chief, Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior

From: Acting Field Officer, GMM, Region I

Subject: MMMA-4588 (Lead-Zinc)
John Bergen
Dr. Malloch Mine
Judith Basin County, Montana
Contract 14n-81191

Enclosed is the original of a Report of Review covering the costs of the subject contract.

The indicated balance due the Operator in the amount of $134.50 should be released for payment.

D. E. Maclaren

Enclosure

cc: CAA Div., GMM
GMM(2)
Director
Econ. Geol.
MFN

extra
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RECEIVED FEB 17 1961

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RECEIVED FEB 17 1961

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Sn. 157 Howard Street
Spokane 4, Washington
February 14, 1961

Mr. John Rogan
Box 6
Great Falls, Montana

Re: [illegible]-4588 (Lost-Kiss)
Porter Ballach Mine
Judith Basin County, Montana
Contract [illegible]-[illegible]

Dear Mr. Rogan:

There is enclosed for your information and files a Report of Review in lieu of a final audit of the referenced project. You should receive the indicated balance of $154.50 due the operator within a few days.

Sincerely yours,

R. R. Mathews
Acting Field Officer, OME
Region I

Enclosure

cc: Fiscal Section, Div. of Admin. Services
Office of the Secretary
CMA Div., OME
OME(2)
Director
Recon. Geol.
BLM

FEB 1 0 1961

Memorandum

To: Acting Field Officer, Region I

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

Subject: DMSA-4588 (Lead-Zinc)
John Zupan
Doctor Kelloch Mine
Judith Basin County, Montana
Contract Idm-81191

As requested by your February 6 memorandum, a Report of Review covering the costs of the subject contract has been prepared. The original and two copies are attached.

If you concur in the facts as stated in this Report of Review, please make the distribution authorized by section 4 of OME Circular 2, dated February 17, 1960. If for any reason you do not concur, please return the original and both copies to this Division with your comments.

The original of the final (October 1960) Form MP-104 and attachments is attached.

Attachments

EDTalbert/ama
February 10, 1961

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Rothrock

No. 157 Second Street
Spokane 4, Washington
February 8, 1961

EXTRA COPY
O. M. E
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Mr. John Ingram
Box 64
Great Falls, Montana

Re: [illegible]-4585 (Lead-Zinc)
Dexter Malloch Mine
Judith Basin County, Montana
Contract 14s-[illegible]

Dear Mr. Ingram:

In our letter of February 6, 1961, we referred in the third paragraph to your royalty obligation and stated: "This applies to all production during that 15-year period * * *." We should have stated: "This applies to all production below the 6,100.50 feet level during that 15-year period * * *." Annex I of the contract provides that "* * * all land which is above the 6,100.50 feet level shall be excluded from the royalty provision of this contract."

Sincerely yours,

D. R. Masterson
Acting Field Officer, OME
Region I

cc: OME(3)
CFF
Director
Econ. Geol.
BLM

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
February 6, 1961

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Air Mail

Memorandum

To: Contract Administration and Audit Division, OME

From: Acting Field Officer, Region I

Subject: DMEA-4588 (Lead-Zinc)
John Zupan
Doctor Kalloch Mine
Judith Basin County, Montana
Contract Idm-E1191

Work under the subject contract was terminated December 9, 1960, under the conditions of Item 4(a)(ii) of Amendment No. 4 to the cited contract.

The number of units of work completed by the Operator and accepted by the Acting Field Officer as conforming to contract specifications were:

Rehabilitation of drift and crosscut	1 job
Construction of compressor house	1 job
Drifting and/or crosscutting	132 feet
Assaying	7 samples

An acceptable final engineering and geological report was received from the Operator on January 19, 1961.

A Report of Review, in lieu of a final audit, is in order and requested. For this purpose the original copies of the final (October 1960) MF-104 and MME-61, together with supporting documentation, are attached.

D. R. MacLaren

D. R. MacLaren

Attachments

EXTRA COPY
O. M. E
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DATE | INITIAL | CODE
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No. 177 Summit Street
Spokane 4, Washington
February 6, 1961

Mr. John Fagan
Box 6
Neal Coulee, Montana

Re: MMA-4588 (Lead-Zinc)
Doctor Shiloh Mine
Judith Basin County, Montana
Contract 14n-11181

Dear Mr. Fagan:

I regret to inform you that another extension of the completion period for your MMA contract, which you requested in your narrative report for October, November, and December 1960, has been denied.

The above-cited narrative report has been accepted as fulfilling the requirements of Article 3(e) of the contract. We will request a Report of Review in lieu of a Final Audit of your contract, and when it has been completed, any balance of funds due you will be released.

Your attention is directed to Items 3 and 5 of Amendment No. 4 which extend the period during which royalty on production is due the Government to May 9, 1979, and provide that you, if you are the producer, shall pay any royalty due the Government on production from May 9, 1958, until May 9, 1979, and that if you are not the producer, you are responsible for the payment of such royalty. This applies to all production during that 22 year-period including the 8[illegible] tons mentioned in your narrative report for October, November, and December 1960. You should give notice to the purchaser as provided in Article 6(b) of the contract requesting that royalty checks make payable to the Office of Minerals Exploration be sent to this office accompanied by two copies of the settlement sheet or royalty statement.

If you lease the Dr. Shiloh claims during the royalty period, you should include in the lease a clause providing for the payment of royalty by the lessee and send a signed copy of the lease to this office.

We thank you for your interest in the program and regret that you were unable to complete the project.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, CMR
Region I

cc: CMR(3)
Director
Exec. Chel.
BMFM
CPF

No. 157 Howard Street
Spokane 4, Washington
December 20, 1960

EXTRA COPY
O. M. E
RECEIVED DEC 1960
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Mr. John Zugan
Box 64
Sand Coulee, Montana

Re: DMMA-4588 (Lead-Zinc)
Doctor Kalloch Mine
Judith Basin County, Montana
Contract Idm-K1191

Dear Mr. Zugan:

Your voucher for August-September 1960 claiming an advance of 32 feet for the period, and a total advance of 121 feet to the end of September was paid in November 1960. You have not vouchered any advance for October, November or December. When I visited the property November 15, 1960, the total advance was 132 feet or an advance of 11 feet since your last voucher. We are enclosing the necessary forms to prepare a voucher for the work completed since the end of September.

The referenced DMMA contract was terminated as of December 9, 1960, by the provisions of item 4(a)(ii) of Amendment No. 4. Will you please submit five copies of a final report as required by Article 3(c) of the contract. The report may be a simple narrative giving the date work started, describing what work was completed, and any unusual difficulties encountered. You should also show on a sketch where each of the four samples were taken and indicate the width of cut and grade of each sample.

When we receive your voucher and final report, we will request that a Report of Review in lieu of a Final Audit be made, after which any funds due you will be released.

Your prompt attention to these matters will be appreciated.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosures

cc: ✓ OME(3); Director
Econ. Geol.; BMM

Sch. 1153

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

RECEIVED JAN 20 1961 U. S. O. S. SPOKANE, WASH.

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of OCT. 1960 Docket No. DMEA 4588 Contract No. 1DM-E 1191

Operator's Name JOHN ZUPAN Minerals LEAD-ZINC

Address P.O. BOX 64 SAND COULEE, MONT.

Contract Amount, $ 11,768.00 Government Participation: 50% Amount, $ 5,884.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting FT 11	297.00					
" " 121		3,267.00	3,564.00			
(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		1,353.00	1,353.00			
(6) New Bldgs., Improvements, etc.		250.00	250.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis 3	12.00	16.00	28.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	309.00	4,886.00	5,195.00	309.00	4,886.00	5195.00

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

Date JAN. 19-61 Payee JOHN ZUPAN

Per John Zupan 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:

$ 154.50

Signature _____ (Authorized Certifying Officer)

Date 2/20/61 Vou. No. 3377

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

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

MME FORM 61
SEPT. 1959

RECEIVED
JAN 20 1961
U. S. G. S.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT

For Month of OCT. 1960

Docket No. DMEA-4588

Operator's Name JOHN ZUPAN

Contract No. 14-23-090-IDM-E1191

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	FT	11	132	3564.00			
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs				1353.00			
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.				250.00			
Operating Equipment Purchases							
Analytical Work 7 Samples @ $ 4.00				28.00			
TOTAL TO DATE (per MME Form 60)				5,195.00			

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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. 19. 1961 Operator JOHN ZUPAN

Per John Zupan Title OWNER

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature

Title

Government Representative

Date

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

NARRATIVE, OCT. NOV. DEC. 1960

No work has been done since Oct. 21, 1960. Due to the dropped prices on lead & zinc (my hopes) beside higher miners wages is very difficult for me to operate the mine unless I get more help. The compressor I am renting at 20% of net smelting returns, may be taken away, because no shipment of ore. About 2½ tons out on the platform.

The Amendment No. 4 dated 29th of April 1960 has expired on Dec. 9, 1960, which my request for one more year extension on to the contract and possible more assistance, please.

5(e) of the Contract: On June 26, 1958, the work on Building started, completed June 21, 1958, paid as per contract. On July 1, 1958, Rehib. work started, completed Aug. 16, 1958. The check for $676.50 withheld until 9-17-1959. On June 15, 1959, new workings, drifting started, measurable advance by July 31, 1960, 89 feet paid as per contract. Aug.-September 1960 measurable advance 32 feet, paid as per contract. Oct. 1960 measurable advance 11 feet, the measurements enclosed.

Sample	No. 1	at 30	feet	N.W.	1 inch	Sample	No. 5	at 110	feet	2-3	
"	No. 2	" 50	"	"	2 "	"	No. 6	" 125	"	4 inch	
"	No. 3	" 70	"	"	2 "	"	No. 7	"*137	"	4-5 "	
"	No. 4	" 89	"	"	2-3 "			*DRIFT FACE			

(All on hanging wall bottom.)

The drift face 137 feet, less 5 feet allowable 132 feet. Some samples may contain GERMANIUM.

Narrative, Oct. Nov. Dec. 1960

No work has been done since Oct. 21 1960.
Due to the dropped prices on lead + zinc (my shipes) beside higher miners wages is very difficult for me to operate the mine, unless I get more help. The compressor I am renting at 20% of net smelting returns, may be taken away because no shipment of ore. about 2½ tons out on the platform.

The Amendment No 1 dated 29th of April 1960 has expired on Dec. 9. 1960, which my request for one more year extension on the contract and possible more assistance, please.

5 (c) of the Contract: On June 16-1958 the work on building started, completed June 21-1958, paid as per contract
On July 1. 1958 Rehab. work started, completed Aug. 16-1958 the check for $ 676.50 with held until 9-17-1959
On June 15-1959 new workings - drifting started, measurable advance by July 31.-1960 89 feet paid as per contract
Aug. - September 1960 measurable advance 32 feet, paid as per contract
Oct. 1960 measurable advance 11 feet, the documents enclosed

Sample	No 1	at 30 feet	N.W	1 inch	Sample	No 5 -	at 110 feet	2-3	Allow
"	No 2	" 50	"	" 2 "	"	No 6	" 125	" 4 inch	hanging
"	No 3	" 70	"	" 2 "	"	No 7	" 137	" 1-5 "	wall
"	No 4	" 85	"	" 2-3 "					Bottom

The drift face 137 feet less 5 feet allowable 132 feet, Some samples may contain GERMANIUM

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JAN 20 1961
U. S. G. S.
SPOKANE, WASH.

Zupan Ore Sample	Date	Lot	Moisture	Zn	Pb	Cu	PER 2000 LBS. Oz. Ag.	Oz. Au.
Sample % Check Sample	12/28	97		21.2	23.6		[illegible]	.020

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JAN 20 1967
U. S. G. S.
SPOKANE, WASH.

COMPANY
Department
Montana

GENERAL LABORATORY

John Zupan Ore Sample	Date	Lot	Moisture	Zn	Pb	Cu	PER 2000 LB. Oz. Ag.	Oz. Au.
Ore Sample #6 (Single Rock)	12/28	98		31.0	1.05		30.6	.030

Form 36B—3M—6-60
Standard

Chief Chemist

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JAN 20 1961
U. S. G. S.
SPOKANE, WASH.

The ANACONDA COMPANY
Great Falls Reduction Department
Great Falls, Montana

GENERAL LABORATORY

1/10 19

John Zupan Ore Sample	Date	Lot	Moisture	Zn	Pb	Cu	PER 2000 LBS. Oz. Ag.	Oz. Au.	Insol	Fe	Ca
Ore Sample #7 (Bucket Sample)	12/28	99		9.5	16.11		35.9	0.020			

Chief Chemist

RECEIVED
JAN 20 1961
U. S. G. S.
SPOKANE, WASH.

...an
...ee, Montana

GREAT FALLS, MONTANA, January ..., 19..

THE ANACONDA COMPANY

GREAT FALLS REDUCTION DEPARTMENT

ANACONDA

REFERENCE S. F. 000 YOUR ORDER NO. BILL NO. 1082

To charge you with your proportion of assay charges as follows:

	Sample #5	Sample #6	Sample #7	
Gold	$ 3.00	$ 3.00	$ 3.00	$ 9.00
Silver	3.00	3.00	3.00	9.00
Zinc	1.20	1.20	1.20	3.60
Lead	1.20	1.20	1.20	3.60
				$ 25.20

August

livery
lls, Montana

THE ANACONDA COMPANY

GREAT FALLS REDUCTION DEPARTMENT

ANACONDA

YOUR ORDER NO.

BILL NO. 804

S. F. 000

Assays on Ore Sample:

Gold	3.00
Silver	3.00
Zinc	1.20
Lead	1.20
	$ 8.40

MME FORM 60
SEPT. 1959

RECEIVED
OCT 28 1960
U. S. G. S.
SPOKANE, WASH.

Sch 638

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. DMEA 4588
Contract No. 14-23-090-1DM-E 1191
Contract Amount $11768.00
Gov't. Participation %50 $5884.00
Mineral(s) LEAD - ZINC

OPERATOR'S MONTHLY VOUCHER

For Month of AUG - SEPT. 1960

Operator's Name JOHN ZUPAN
Address P.O. Box 64 SAND COULEE, MONT.

NOV 9 1960
O.M.E.

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and (1) Independent Contracts:						
Bulldozing						
Drifting FT	$864.00					
Crosscutting		2403.00	3,267.00			
Drilling						
REHAB - JAB		1353.00	1,353.00			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.		250.00	250.00			
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work	4.00	12.00	16.00			
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	868.00	4018.00	$4886.00	868.00	4,018.00	4,886.00

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

Date OCT. 8 1960 *Payee JOHN ZUPAN

Per John Zupan 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.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 434.00

Signature _____
(Authorized Certifying Officer)

Date 11/8/60 Vou. No. 1901

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. _____

Signature /S/ MacClaren Title _____ Date 11/4/60

Approved by OME Executive Officer or Alternate:

Signature /S/ MacClaren Title _____ Date 11/4/60

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
OCT 28 1960
U. S. G. S.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of AUG - SEPT 1960 Docket No. DMEA-4588

Operator's Name JOHN ZUPAN Contract No. 14-23-090-IDM-E 1191

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	FT	32	121	3,667.00			
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs				1353.00			
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.				850.00			
Operating Equipment Purchases							
Analytical Work 2 Samples @ 8.00				16.00			
TOTAL TO DATE (per MME Form 60)				4886.00			

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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 OCT. 8 1960 Operator JOHN ZUPAN

Per John Zupan Title OWNER

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature

Title

Government Representative

Date

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

INT.DUP.;D.C.59- 61577

Narrative - August - September 1960

On October 20, 1960 the vein at approximately 137 feet of the new workings is 5½ feet in width and for the last 15 ft. the vein showings, bearings, on both sides and hanging wall, with water showing in drift face, is very promising for a body of ore discovery is hope soon.

Have drilled a 4-½ feet diameter hole with no ore showings and will accept hole with present drilling output. In Sept. 1960 tunneling of 250-300 feet of road work has been done.

No work since October 21-1960, the new 2 feet of snow fall beside financial handicaps. The work will resume soon as possible.

E.

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NOV 4 1960
U. S. G. S.
SPOKANE, WASH.

No. 157 Howard Street
Spokane 4, Washington
October 28, 1960

EXTRA COPY
O. M. E
RECEIVED OCT 31 1960
DATE | INITIALS | CODE
800

Mr. John Zupan
Box 64
Sand Coulee, Montana

Re: IMMA-4588 (Lead-Zinc)
Doctor Ballach Mine
Judith Basin County, Montana
Contract Idm-X1191

Dear Mr. Zupan:

We have received your voucher forms, MMX 60 and MMX 61, for August and September 1960, but no Narrative Report on the results of the work done since July. The narrative may be a brief statement of how much drifting and/or other work was done, a description of the vein (width, length, and grade of any parts that look like ore), any unusual difficulties that were encountered, any delays and what caused them.

Until we receive four copies of your Narrative Report for August and September, we cannot continue to process your voucher for payment. Your early reply will be appreciated.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: OME(3)
DRF
Robbs
MacLaren

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

RECEIVED
AUG 16 1960

N 317

Budget Bureau No. 42-R1036.5

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

Month of August 1960 Docket No. DMEA 4588 Contract No. 1DM-E 191
Operator's Name JOHN ZUPAN Minerals LEAD-ZINC
Address P.O. BOX 69 SAND COULEE, MONT.
Contract Amount, $ 11,768.00 Government Participation: 50% Amount, $ 5,884.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling 2 of 3 of 4 of 5						
Bulldozing						
Crosscutting RENTAL		1355.00	1355.00			
Drifting	550.00	[illegible]	[illegible]			
(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.		250.00	250.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		12.00	12.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	[illegible]	3540.00	4090.00	478.00	3,540.00	4,018.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8/9 1960 *Payee JOHN ZUPAN
Per [signature] 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:

$ 237.00

Signature [signature]
(Authorized Certifying Officer)
Date 9/6/60 Vou. No. 915
(See other side)

* See suspension attached

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

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Form [illegible]-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
AUG 16 1960
U. S. G. S.
[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 195[illegible] Docket No. DMEA [illegible] Contract No. DM. E 1191
Operator's Name [illegible]
Minerals [illegible]
Address [illegible]

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	[illegible]	550.00	30	2475.00	90	3.0250	[illegible]	[illegible]
Crosscutting								
Raising [illegible]	[illegible]			1353.00		[illegible]		[illegible]
Shafts [illegible]	[illegible]						[illegible]	[illegible]
Winzes								
Drilling: Core [illegible]	[illegible]						[illegible]	[illegible]
Churn								
Auger								
Stripping [illegible]	[illegible]			12.00	3	12.00	[illegible]	[illegible]
Trenching								
Test Pits								
Roads and Trails								
[illegible]	[illegible]						[illegible]	[illegible]
Total Distributed Costs		550.00		3840.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				150.00				
		[illegible]						
Total Costs		[illegible]		4000.00				

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 8/9 1960 Operator [illegible]

Per [illegible] Title [illegible]

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.

RECEIVED
SEP 2 1960
OFFICE OF THE SECRETARY
FISCAL SECTION

GPO 872894

Narative.

On June 29. 1960 we have started relief work chipping ice cleaning Tunnel - Drift, tuning up the compressor e.t.c. Having dificulty hiring miners, because of the new wage shedule. Now the new workings in drift face is 90 feet at 85 feet taking samples to A. C. M. Co smelter in Great-falls, Mont. no returns as yet.

John Zupan

RECEIVED
AUG 16 1960
U. S. G. S.
SPOKANE, WASH.

6157
46677

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of the Secretary
Accounting Unit
Washington

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: John Zupan
P. O. Box 61
Sand Coulee, Montana

Amount Claimed:	Differences (Explained Below)	Amount Approved
To date 4,000.00	72.00	4,028.00 Cont. Part. 50% 2,039.00
Bu. Voucher No.	Payee's Invoice No. D-1191	Period July 1960

EXPLANATION

Amount claimed to date for drifting and/or crosscutting:

90 feet @27.50 2,475.00

Amount allowed:

89.0 feet @27.00 2,403.00

72.00

Per Acting Field Officer, D. H. McLaren

Per contract

Amount paid this voucher 239.00

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

Suspension made by:

(Sgd.) Opal M. Alexander
Signature

Assistant Chief, Accounting Unit
Title

6157
46677

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of the Secretary
Accounting Unit
Washington

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: John Zupan
P. O. Box 64
Sand Coulee, Montana

Amount Claimed:	Differences (Explained Below)	Amount Approved
to date 4,090.00	72.00	4,038.00 Cott. Part. 50% 2,019.00
Bu. Voucher No.	Payee's Invoice No. E-1191	Period July 1960

EXPLANATION

Amount claimed to date for drifting and/or crosscutting:

90 feet @27.50 2,475.00

Amount allowed:

89.0*feet @27.00** 2,403.00

72.00

*Per Acting Field Officer, D. R. Maclaren

**Per contract

Amount paid this voucher 239.00

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

Suspension made by:

(Sgd.) Opal M. Alexander
Signature

Assistant Chief, Accounting Unit
Title

So. 157 Howard Street
Spokane 4, Washington
August 30, 1960

EXTRA COPY
O. M. E
RECEIVED SEP 15 1960
DATE | TRANS | CODE

Memorandum

To: Chief, Fiscal Section, Office of the Secretary

From: Acting Field Officer, Region I, OME

Subject: Transmittal of Operator's Monthly Voucher, Progress Report, and Narrative for July, 1960
Docket No. DMEA-4588 (Lead-zinc)
John Zupan
Doctor Kalloch Mine
Judith Basin County, Montana
Contract No. Idm-E1191
Appropriation Symbol 14X4401

Enclosed are the original and two copies of a voucher from the subject Operator for work completed in July 1960. This contract was in recess when all the Region I fiscal records were sent to Washington as of March 1, 1960. Presumably, at that time some funds due the Operator were being withheld, but I am uncertain on this point. Also I do not know what he has been paid for on previous vouchers.

I visited the project August 23, 1960, and as of that date the total drifting completed was 89.0 feet, four samples had been assayed, and $1,353 authorized for rehabilitation had been completed. Apparently 70 feet of drifting, the rehabilitation, and three assays have been previously claimed. The fourth assay will be claimed on the next voucher.

D. R. MacLaren

Form MF-504 (Rev.)
(April 1952)

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

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

NOV 23 1959
O.M.E.

Month of SEP. OCT., 1959 Docket No. DMEA 4588 Contract No. DMI-E 1191
Operator's Name JOHN ZUPAN Minerals
Address P.O. BOX 64 SAND COULEE, MONT.
Contract Amount, $ 11,768.00 Government Participation: 50 % Amount, $ 5884.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
X Drilling						
Bulldozing						
Crosscutting REHIB	~~1353.00~~	1353.00	1,353.00		1353.00	1353.00
X Drifting	~~1100.00~~	1100.00	1,100.00	825.00	1100.00	1925.00
	825.00	~~0.3~~	825.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
X Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) X New Bldgs., Improvements, etc.	~~250.00~~	250.00	250.00		250.00	250.00
(7) Miscellaneous:						
Repairs to Equipment						
X Sampling and Analysis	12.00		12.00	12.00	—	12.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
	837.00					
TOTALS	~~3540.00~~	2703.00	3540.00	837.00	2703.00	3540.00

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

Date NOV. 9, 1959 *Payee JOHN ZUPAN

Per John Zupan 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:

$ 418.50

Signature Dorothy F. Jones
(Authorized Certifying Officer)

Date 11/13/59 Vou. No. 2333
(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. G1191 in accordance with the terms of the contract.

Signature /S/ Stephen W. Zoldok Title Mining Engr. Date 11-12-59

APPROVAL BY ~~DMEA~~ ONE EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Wesley L. Agnew Title Acting Engr. Date 11-13-59

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

NOV 23 1959 O.M.E.

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of SEP. OCT. 1959 Docket No. DMEA 4588 Contract No. IDN-E 1191
Operator's Name JOHN ZUPAN Minerals LEAD-ZINC
Address P.O. BOX 64 SAND COULEE, MONT

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	FT	825.00	30	1925.00	70		300	27.50
Crosscutting REHAB	JOB			1353.00 ✓				1353.00
Raising TIMBER	FT						100	7.50
Shafts								
Winzes LONG HOLE	FT						500	1.25
Drilling: Core								
Churn								
Auger ASSAYS	EA	12.00	3	12.00	3		60	4.00
Stripping								
Trenching								
Test Pits								
Roads and Trails CONS. ENG. GEOL.	DAY						6	75.00
Total Distributed Costs		837.00		3290.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				250.00 ✓				
New Buildings, Improvements, etc.								
Total Costs		837.00		3540.00				

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. 9. 1959 Operator JOHN ZUPAN
Per John Zupan Title OWNER

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

(Instructions on reverse)

Remarks:

(For Government use only)

11-12-59
A. W. Foltok
Mining Eng.

INSTRUCTIONS

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

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

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

GPO 83-38475

November 9, 1959
Sand Coulee, Montana

A. E. Weissenborn
Exec. Officer, U. S. Geological Survey
1201 N. Division St.
Spokane 2, Washington

Re: Docket No. DMEA-4588 (lead-zinc)
Doctor Kalloch Mine
Judith Basin County, Montana
Contract No. Idm-E1191

Dear Mr. Weissenborn:

On September 16 and 18, 1959, Mr. Dean C. Holt, OME representative, made an inspection of my new work and he advised me to get ore samples every 10 feet in the drift face. Samples as follows:

Sample No. 1 at 50 feet of new workings
Sample No. 2 at 60 feet of new workings
Sample No. 3 at 70 feet of new workings.

It appears quite evident my contract dated July 1, 1959 - December 9, 1959 cannot be finished. We are, and have been, trying to operate as much as possible and by now, the drift face should be near 80 feet, however; we have been experiencing several unexpected delays, such as a new snowfall on Sept. 27th and continuing periodically to date.

An extensive recess is not requested as we intend operating as much as possible during the winter months, however, it is requested my contract be extended to the same period in 1960.

Enclosed are 4 copies each of Sample Assay Reports 1, 2, and 3 (copy of this letter and one each of reports withheld by undersigned) and also enclosed are 5 copies each of Forms MF-104 and MF-104A.

Very truly yours,

John Zupan

John Zupan
P. O. Box 64
Sand Coulee, Montana

A. V. TRENT,
Owner-Manager

GOODALL BROTHERS

ASSAYERS AND METALLURGICAL CHEMISTS

46 South Main Street, Helena, Montana

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

Date OCT 24 1959

UMPIRE ASSAY _____ CONTROL ASSAY _____ HAND SAMPLE _____

ASSAYED FOR John Zupan Box 64 | MARKS: Sand Coulee, Montana

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		0.04	4.1	1.2		4.8				$5.09
2		0.03	16.6	7.2		13.1				$27.27

(Zinc values not figured)

Gold not deducted:
Charges $ 10% Paid

GOODALL BROS.
By A. V. Trent

A. V. TRENT,
Owner-Manager

GOODALL BROTHERS

ASSAYERS AND METALLURGICAL CHEMISTS

46 South Main Street, Helena, Montana

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

Date NOV 8 - 1956

UMPIRE ASSAY _____ CONTROL ASSAY _____ HAND SAMPLE _____

ASSAYED FOR John Zuppan Box 64 | MARKS: Hand Coulee, Montana

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
3		0.01	4.2	47.4		14.7				129.21

Gold not deducted: Paid

Charges $ 5.00

GOODALL BROS.

By A. V. Trent

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

Budget Bureau No. 42-R1036.5

SEP 21 1959
O.M.E.

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

Month of AUG 1959 Docket No. DMEA 4588 Contract No. IDM-E1191
Operator's Name JOHN ZUPAN Minerals LEAD-ZINC
Address P.O. Box 64 SAND COULEE MONT
Contract Amount, $11,768.00 Government Participation: 50% Amount, $5884.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
X Drilling LONG HOLE						
Bulldozing						
X Crosscutting REHAB	1,353.00		1,353.00		1353.00	1353.00
X Drifting	1,100.00	0.2	1100.00	1100.00	—	1100.00
(2) Labor and Supervision:						
Labor						
Supervision						
X Technical Services						
(3) Operating Mat'ls. and Supplies:						
X Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	250.00		250.00		250.00	250.00
(7) Miscellaneous:						
Repairs to Equipment						
X Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2,703.00		2,703.00	1100.00	1603.00	2703.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date SEPT. 8, 1959 Payee JOHN ZUPAN
Per John Zupan 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:

$ 550.00

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 9/17/59 Vou. No. 2324

(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 1191 in accordance with the terms of the contract.

Signature /s/ Stephen W. Goldoh Title Mining Engr. Date Sept. 16, 1959

APPROVAL BY ~~DMEA~~ DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Donald R. MacLaren Title Alternate Acting Exec. Officer Date Sept. 17, 1959

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

SEP 21 1959
O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of AUG. 1959 Docket No. DMEA 4588 Contract No. IDM-E 1191
Operator's Name JOHN ZUPAN Minerals LEAD - ZINC
Address P.O. BOX 64 SAND COULEE, MONT.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	FT	1,100.00	40	1,100.00	40	1,100.00	300	27.50
Crosscutting								
~~Raising~~ REHAB.	JOB			1353.00				1,353.00
Shafts TIMBER	FT.						100	7.50
Winzes								
Drilling: Core LONG HOLE	FT						500	1.25
Churn								
Auger								
Stripping ASSAYS	EA						60	4.00
Trenching								
Test Pits								
Roads and Trails								
CONS. ENG. GEOL	DAY						6	75.00
Total Distributed Costs		1,100.00		2,453.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				250.00				250.00
Total Costs		1,100.00	40	2,703.00				

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 ~~AUG~~ SEPT 8. 1959 Operator JOHN ZUPAN

Per John Zupan 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/ Stephen W. Zoldok
Mining Engr.
Sept. 16, 1959

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

Narrative

On June 11. 1959 we started the Rehab. work by chopping the ice at portal - tunnel 4 x 4 0 feet and cleared the drift to the face and getting some mine timbers by June 30

On July 1. the motor of compressor was to Kerd to Stanford, Mont. for repairs, but by having difficulties obtaining the parts, the motor was overhauled and delivered for work on July 27.

On Aug. 18 inspected the work by Mr. Dean C. Holt has only given me credit for 23 feet while actually there was 37 feet (now 43) from the last stall of my old workings, ~~There~~ where the new drilling begand. Referring to your letter of Aug. 25 1959 the work has been done, I hope to meets the contract specifications.

My claim for reimbersement of 40 feet, I need that badly, please consider, also the check for $676.50 of last year would be very welcome.

John Zupan

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 21 1959

DATE	INITIALS	CODE

W

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

SEP 21 1959 D.M.E.

Month of JULY 1958 Docket No. DMEA 4588 Contract No. DM-E1191
Operator's Name JOHN ZUPAN Minerals LEAD - ZINC
Address P.O. BOX 64 SAND COULEE, MONT.
Contract Amount, $11,768.00 Government Participation: 50% Amount, $5884.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
X Drilling LONG HOLE						
Bulldozing						
X ~~Crosscutting~~ REHAB.	1353.00		1353.00	1353.00	—	1353.00
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
X Technical Services						
(3) Operating Mat'ls. and Supplies:						
X Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		250.00	250.00		250.00	250.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1353.00	250.00	1603.00	1353.00	250.00	1603.00

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

Date AUG 16, 1958 *Payee JOHN ZUPAN

Per John Zupan 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:

$ 676.50

Signature Dorothy F. Ferry
(Authorized Certifying Officer)

Date 9/19/59 Vou. No. 2324

(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. 61191 in accordance with the terms of the contract.

Signature /s/ Stephen W. Zoldok Title Mining Engr. Date 9-16-59

APPROVAL BY ~~DMEA~~ ONE EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Donald R. MacLaren Title alternate acting Spec. Officer Date 9-17-59

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

SEP 21 1959

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

Month of JULY 1958 Docket No. DMEA 4588 Contract No. DM-E 1191
Operator's Name JOHN ZUPAN Minerals LEAD - ZINC
Address P.O. BOX 64, SAND COULEE, MONT.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	FT						300	27.50
Crosscutting								
Raising REHAB	JOB	1353.00	JOB	1353.00			NA	1.353.00
Shafts TIMBER	FT						100	7.50
Winzes								
Drilling: Core LONG HOLE	FT						500	1.25
Churn								
Auger								
~~Stripping~~ ASSAY	EA						60	4.00
Trenching								
Test Pits								
Roads and Trails								
CONS - ENG - GEOL							6	75.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				250.00				
TOTAL COSTS				1603.00				

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 AUG. 16-1958 Operator JOHN ZUPAN

Per John Zupan 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/ Stephen W. Foldok
Mining Engr.
Sept. 16, 1959

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

Narrative

Crosscut and drift rehabilitation had advanced to solid face by July 29-58 with track and air line in place. There was some delay in obtaining ventilation pipe. Stringing ventilation line began July 31 and by August 1st the line was to the face.

There will be some delay in getting fan and compressor to property and in place. There is expected to be done in August.

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 21 1959

DATE	INITIALS	CODE

EXTRA COPY
O. M. E.
RECEIVED AUG 31 1959

DATE	INITIALS	CODE
		800

Sa. 157 Howard Street
Spokane 4, Washington
August 25, 1959

Mr. John Kupan
P. O. Box 64
San Coulee, Montana

Re: Docket No. OMA-4586 (Lead-Zinc)
Doctor Alloch Mine
Judith Basin County, Montana
Contract No. Idm-21191

Dear Mr. Kupan:

This is in reply to your inquiry of August 21, 1959, concerning an inspection of the new work at the cited property.

On August 18, Mr. Dean C. Holt, OMA representative, measured the new drift advance at 23 feet.

Mr. Holt's inspection disclosed that while the height of the new drift was adequate, the width was too narrow and did not meet contract specifications. According to Exhibit "A" of the contract, "The drift shall be 5 feet wide by 7 feet high in the clear and timbered as necessary.

Mr. Holt informed your son, who was in Hughesville, that it would be necessary to widen the new advance to the specified 5 feet before reimbursement could be made. As soon as you have done this, you can claim reimbursement for the 23 feet of new work and any additional advance that you might make that meets contract specifications.

By Field Term Lagson I

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

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

cc: OMA(2) w/cys incoming
USBM(2)
AD
Sample w/cy incoming

BUREAU OF MINES
AUG 24 1959
SPOKANE, WASH.

Sand Coulee Mont. Aug 21. 1959.

U. S. Department of Interior
1201 N. Division Street
Spokane 2, Washington
Gentlemen:

Referring to your letter of Aug. 5 [illegible]
On Aug. 17. 1959 Mr Dean C. Holt [illegible]
inspection of my new work and while [illegible]
I don't know how much credit was [illegible]
measurable advance. Please advise.

Sincerely
John [illegible]
[illegible]
Sand [illegible]

Re: Docket No. DMCA-4500 [illegible]
[illegible]
[illegible]
[illegible]

1201 N. Division St.
Spokane 2, Washington

September 16, 1958

800

Mr. John Zupan
P. O. Box 54
Sand Coulee, Montana

Re: Docket No. DMEA-4388 (Lead-Zinc)
Doctor Kalloch Mine
Judith Basin County, Montana
Contract No. Idm-51191

Dear Mr. Zupan:

This letter is in reply to Mr. John P. Wuerthner's letter of September 5, 1958, stating that you are now familiar with the various elements that are included in the unit cost items of the contract.

We are pleased to learn that you intend to proceed with the drifting phase of the contract. As soon as we receive your next voucher claiming a measurable advance in the drift, we shall release the $676.50 being withheld from your July 1958 voucher for rehabilitation of the drift and crosscut.

By Field Team, Region I

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

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

cc: Wuerthner & Wuerthner
DMEA (2)
USBM (2)
USBM (AD)
Bowsher

EXTRA COPY
D M E A
RECEIVED AUG 1958
DATE | CODE
800

So. 157 Howard Street
Spokane 4, Washington

August 25, 1958

Mr. John P. Wuerthner
Wuerthner & Wuerthner
First National Bank Building
Great Falls, Montana

Re: Docket No. DMEA-4568 (Lead-Zinc)
John Rogan
Doctor Hillesh Mine
Judith Basin County, Montana
Contract No. IDm-[illegible]

Dear Mr. Wuerthner:

This is in reply to your air mail letter of August 20, 1958, regarding Mr. Rogan's exploration contract with the Defense Minerals Exploration Administration. You state that Mr. Rogan has been advised that the contract does not cover any contribution by the Government to the cost of a compressor, jack hammer, stope hammer, and other equipment necessary to complete the contract and that unless the contract can be modified to contribute to the cost or rental of these items, Mr. Rogan doubts whether he will be able to complete the exploration work.

The allowance for a compressor, jack hammer and other equipment is included in the authorized unit costs which are $1,353 for rehabilitation, $87 per foot for drifting, $7.50 per foot for timbering, and $1.85 per foot for long hole drilling. A stope hammer is not necessary for drifting operations.

Because Mr. Rogan stated in his application that he proposed to contribute his share of the costs by labor and by furnishing certain operating materials, we wrote to him on October 9, 1957, advising him that our experience with many DMEA contracts has indicated to us that this method of meeting the Operator's share of the cost has never been adequate. We then asked him if he would advise us whether or not he was prepared to meet his share of the cost that might not be covered by his labor, or supervisory time, and equipment.

In his reply, dated October 24, 1957, Mr. Rogan stated: "I realize that furnishing labor and operating materials only is usually insufficient to cover the Operator's share of the cost. However, I have consulted the Montana Bank of Great Falls, Montana, with reference to backing, and they would agree to loan me capital if I can advise how much it will take. That, of course, will depend upon how much Government assistance I receive." On the basis of this assurance we continued to process the application and DMEA prepared the contract.

In our letter of May 14, 1956, with which we sent the contract to Mr. Rupan, we stated: "If it does not meet with your approval, please return all copies of the contract, unsigned, with your comments." Mr. Rupan therefore knew how much the Government would allow for the cost of rehabilitation, drifting, timbering, etc. and how much he would need to meet his share of the cost of the project before signing the contract. After a contract has been signed by an Operator, it is considered a binding legal document and the unit prices cannot be changed.

The actual exploration work is the drifting and long hole drilling. Only because they were necessary before drifting could be started was provision made in the contract for rehabilitation of the old crosscut and drift and for construction of a compressor house. In view of your statement that Mr. Rupan may now be unable to do the drifting, we must withhold payment for the rehabilitation work until we receive assurance that Mr. Rupan is financially able to do the drifting. Since Mr. Rupan did not complete enough of his project to explore at least a portion of the target area he may be required to refund all monies advanced to him by the Government. He has been reimbursed $125 for the construction of a compressor house.

If Mr. Rupan is unwilling or unable to furnish his share of the costs of exploration we suggest that he request the contract be rescinded. If this is done, it will be necessary for Mr. Rupan to return the $125 the Government contributed to the cost of the compressor house.

By Field Team, Region I

Wing S. Agnew, Acting Reg. Officer
U. S. Bureau of Mines

D. H. McLaren, Acting Member
U. S. Geological Survey

cc: BMRA (3)
USGS (AD)
USBM (2)
Prins

[illegible]
[illegible] BANK BUILDING
[illegible] FALLS, MONTANA
[illegible] JOHN A. [illegible]

August 20, 1958

Mr. A. E. Weissenborn,
Executive Officer,
U. S. Department of the Interior
[illegible],
North 157th Howard St.,
Spokane 4, Washington

Re: Docket DMEA-4588 (lead-zinc)
John Zupan
Doster Kallech Mine
Judith Basin County, Montana

Dear Mr. Weissenborn:

We are writing in behalf of the contract No. Dmm-E 1191, which you have with the above person, and which contract is dated May 9th, 1958.

Mr. Zupan has completed all of the rehabilitation work on the mine and the compressor house. As we understand his contract, the Government would contribute 50% of the cost of this project, the forms for payment of which have not yet been received by your office.

At the present time, in order to further proceed with the balance of the exploratory work, it is necessary for Mr. Zupan to secure a compressor, jack hammer, stope hammer, and other equipment necessary to fulfill his bargain under the contract. He has been advised that your contract with him does not cover any contribution by the Government for these items. Unless you are able to modify your contract and contribute at least 50% toward the cost or the rental of these items Mr. Zupan doubts whether he will be able to complete the exploration work under this contract.

Specifically, w e are asking the Government to modify the contract and provide 50% contribution for the purchase or rental of a compressor, one stope hammer, one jack hammer, together with a complete outfit. Mr. Zupan has the option of renting a compressor at $160 per month, or a larger compressor for $300 per month; stope hammers for $60.00 per month; jack hammers for $45.00 per month, with the option of applying a minimum of three months rental on the purchase price. Mr. Zupan does not have the capital available at the present time to purchase these items, and will rent the same until production is commenced at his mine.

It will also be necessary for Mr. Zupan to secure a blower for his 8" bent [illegible] in order to furnish adequate air; the blower cost is $325.00 and the rental cost is [illegible] per month. They may be rented for a minimum of three months with the option of applying the rentals on the purchase price.

You are no doubt aware of the fact that Mr. Zupan [illegible] to invest a [illegible] [illegible] [illegible] [illegible] [illegible]

[illegible]

[illegible]

Re: Docket IBMA-4588
John Rogan

[illegible] in paying quantities will be discovered as a result of this work. However, [illegible] that when the work is completed, ore in paying quantities will be [illegible] and he will be in a position to purchase these items. In the event [illegible] is unsuccessful, naturally, he would have to dispose of these ex-[illegible] items of equipment were he to purchase the same.

He is unable to proceed further with his work until we are in receipt of [illegible] advices from you as to additional Government participating. Awaiting your [illegible] advices, and with best wishes, we are

Very truly yours,

WURTHNER & WURTHNER

John P. Wurthner

[illegible]
[illegible] air mail

RECEIVED
AUG 1 1958
[illegible]

FO[illegible] Rev.)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED JUL 21 1958

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of JUNE, 1958 Docket No. DMEA 4526 Contract No. DM-E 1190

Operator's Name JOHN ZUPAN Minerals LEAD-ZINC

Address P.O. BOX 64 SAND COULEE MONT

Contract Amount, $11,768.00 Government Participation: 50 % Amount, $5,884.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(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.	250.00	0.0	250.00	250.00	—	250.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	250.00	0.0	250.00	250.00	—	250.00

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

Date JUNE 30-58 Payee JOHN ZUPAN

Per [illegible] Title [illegible]

*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:

$ 125.00

Signature Dorothy F. Long (Authorized Certifying Officer)

Date 7/15/58 Vou. No. 22000

(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-1191 in accordance with the terms of the contract.

Signature /s/ John A. Brewer Title Mining Engr. Date 7-9-58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Wing G. Agnew Title Acting Engr. Date 7-15-58

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.

Budget Bureau No. 42-R1151.2

RECEIVED JUL 21 1958 DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of JUNE 1958 Docket No. DMEA 4588 Contract No. 1DM-E 1191

Operator's Name JOHN ZUPAN Minerals LEAD

Address P.O. BOX 64

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								27.50
Crosscutting								
Raising								1 353.00
Shafts								
Winzes								
Drilling: Core								1.25
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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

Date [illegible] Operator [illegible]

Per [illegible] Title [illegible]

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)

1st John A. Bowsher
Mining Engr., 7/9/58

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

NARRATIVE

In June 14 1958 the first truckload of building lumber, mine rail water and air line was delivered to the project site

On Monday June 16 bulldozing the compressor building site was started and completed

On Saturday June 21 the compressor building was completed open one end. The floor area inside is 10 ft. x 14 ft and the overhenght average 7 ft.

On Monday June 23 - track lying from dump to portal was started. By June 30 76 ft. of rail 51 ft dump to portal and 25 ft from portal in cross cut was laid. Four sets of draft timbers 20 ft were installed from portal

John Zupan

MAR 1 7 1961

Mr. John Zupan
Box 64
Sand Coulee, Montana

Re: MMEA-A388 (Lead-Zinc)
John Zupan
Dr. Kalloch Mine
Judith Basin County, Montana
Contract Lm-21191

Dear Mr. Zupan:

By the terms of the subject Exploration Project Contract, as amended, and Paragraph 5 of Amendment No. 4, all minerals mined or produced from May 9, 1958, to May 9, 1970, are subject to the Government's royalty as set forth in the contract until the sum of $2,597.50 is repaid to the Government.

Royalty payments should be made to the Field Officer, OME, Region I, South 157 Howard Street, Spokane 4, Washington, by the purchaser, with checks drawn payable to the Office of Minerals Exploration. The purchaser should be advised to deduct royalties from the amount due on each shipment and send the check directly to the Field Officer. Each check should be accompanied by suitable sales evidence - such as copies of settlement sheets - showing the name of the purchaser, the quantity and grade of the products sold, and the price and charges, certified to be correct by the purchaser.

You are requested to notify the Field Officer of any changes in ownership or production rights that may have any effect on the Government's right to its percentage royalty. Your attention is called particularly to Article 2(a) of the contract relating to the preservation of the Government's right to a percentage royalty on production. Also, when production starts, please notify the Field Officer. Thereafter, if production ceases for any extended period, please notify him accordingly at six-month intervals.

Sincerely yours,

SFHolt/gla
3-8-61

(signed) FRANK E. JOHNSON

Acting Director

cc to: Director's Reading File
Frank E. Johnson
Region I (2)
CA&A Division
Mr. Holt, Code 500
Docket
Chron

Audit's Copy

EXTRA COPY
O. M. E.
RECEIVED MAY 26 1960

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EXPLORATION PROJECT CONTRACT
JOHN ZUPAN
DOCKET NO. DMEA-4588

AMENDMENT NO. 4

It is agreed this 29th day of April, 1960, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and John Zupan, hereinafter called the "Operator," that Exploration Project Contract No. Idm-E1191 (Docket No. DMEA-4588), dated May 9, 1958, as amended, is further amended as follows:

1. (a) Work under the contract shall be suspended during the period beginning November 1, 1959, and ending not later than July 1, 1960.

(b) The Government will not contribute to any costs incurred by the Operator during the period of suspension or to any costs of rehabilitation and repair which in its opinion would not have occurred if there had been no suspension of work.

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

2. The date fixed by Amendment No. 3 to the contract for completion of the work is December 9, 1960.

3. The maximum period for royalty payments and the lien to secure payment thereof, provided for in Article 6 of the contract, as amended and as stipulated in Amendment No. 3, is extended from eleven (11) years to twelve (12) years from the date of the contract.

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

(a) the contract and all obligations of the parties thereunder, except as herein otherwise provided, shall be and are hereby terminated, as follows:

(i) effective November 1, 1959, if the work has not been resumed on or before July 1, 1960.

(ii) effective December 9, 1960, if the work is resumed on or before July 1, 1960, but is not completed on or before December 9, 1960.

(b) The Government will contribute only to the allowable costs of any work performed prior to the relevant dates as set forth under 4(a) above.

(c) The Operator shall promptly perform all winding-up and settlement actions provided for in the contract, including the rendering of the final reports and final account.

(d) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the contract, except as otherwise provided for in this Amendment No. 4.

5. The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator transfers his interest in the land), shall pay to the Government the royalty on production provided for in the contract in the same manner and amount and for the full period provided in the contract, the same as if certification of discovery or development had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the contract with respect to certification of discovery or development, percentage royalty and liens for its payment, and all rights of the Government as to records, audit, and recovery of any overpayment, are preserved.

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Director, Office of
Minerals Exploration

JOHN ZUPAN
John Zupan

EXTRA COPY
O. M. E.
RECEIVED MAR 22 1960
800

No. 157 Howard Street
Spokane 4, Washington
March 22, 1960

Mr. John Zupan
P. O. Box 64
Sand Coulee, Montana

Re: Docket No. OMEA-4388 (Lead-Zinc)
Doctor Kalloch Mine
Judith Basin County, Montana
Contract No. 16m-E1191

Dear Mr. Zupan:

In our letter of December 15, 1959, we advised you that one of our field men inspected the project on December 3 and reported that there was no activity at the mine and apparently had not been for some time. In your reply of December 17, 1959, you stated that the last date of contract work was October 24, 1959, but that since that date intermittent work has and is being accomplished. Then you stated that this office would be advised as to the exact date work was resumed.

As we have received no vouchers, progress reports, or other word from you since December 17, 1959, we can only assume that your contract has been in an unauthorized recess. In order that we can request an amendment to authorize the recess, will you please advise us promptly of the date by which work will be resumed. We suggest that the amendment should authorize a recess beginning October 24, 1959, and ending on or before July 1, 1960.

Your prompt attention to this matter will be appreciated.

Sincerely yours,

Donald R. Maclaren
Alternate Acting Executive Officer
OME Field Team, Region I

cc: OMS(2)
USBM(2)
Sample
DRF

Audit's Copy
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800

EXPLORATION PROJECT CONTRACT
JOHN ZUPAN
DOCKET NO. DMEA-4588

AMENDMENT NO. 3

It is agreed this 27th day of November, 1959, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and John Zupan, hereinafter called the "Operator," that Exploration Project Contract No. Idm-E1191 (Docket No. DMEA-4588), dated May 9, 1958, as amended, is further amended as follows:

1. The date fixed in Amendment No. 2 to the Contract for completion of the work is further extended to December 9, 1960.

2. The maximum period for royalty payments and the lien to secure payment thereof, provided for in Article 6 of the Contract, as amended, is further extended from eleven (11) to twelve (12) years from the date of the Contract.

3. It is the essence of this Contract that the work be completed on or before December 9, 1960, and if not so completed in the manner required by the Contract, the following provisions shall thereupon become effective.

(a) The Contract and all obligations of the parties thereunder, except as hereinafter provided, shall be and are hereby terminated.

(b) The Government shall contribute only to the allowable costs incurred prior to December 9, 1960, except costs which may be billed subsequently for assays of samples shipped on or prior to that date.

(c) The Operator shall perform all winding up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

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

4. The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator transfers his interest in the land), shall pay to the Government the royalty on production provided for in the Contract in the same manner and amount and for the full period provided in the Contract, the same as if certification of discovery or development had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the Contract with respect to a certification of discovery or development, percentage royalty and liens for its payment, and all rights of the Government as to records, audit, and recovery of any overpayment, are preserved.

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Director, Office of
Minerals Exploration

JOHN ZUPAN
John Zupan

EXTRA COPY O. M. E RECEIVED DEC 22 1959		
DATE	INITIALS	CODE
		800

1221 N. Division St.
Spokane 2, Washington

December 15, 1959

Mr. John Zupan
P. O. Box 64
Sand Coulee, Montana

Re: Docket No. DMEA-4588 (Lead-Zinc)
Doctor Kalloch Mine
Judith Basin County, Montana
Contract No. Idm-X1191

Dear Mr. Zupan:

In your letter of November 9, 1959, in which you requested an extension of the time allowed to complete your DMEA contract, you stated that an extensive recess was not requested as you intended to operate as much as possible during the winter months.

One of our field men inspected the project on December 3, 1959, and reports that there was no activity at the mine and apparently had not been for some time.

Will you please advise us of the last date contract work was done and the date when it will be resumed.

Sincerely yours,

Stephen W. Zoldok
For: A. E. Weissenborn
Executive Officer, OME
Field Team Region I

cc: OME (2)
USBM (2)
USBM (AD)
Sample
Director's Reading File

W. L. ZUPAN, SUPT.
SAND COULEE, MONTANA

MRS. ALEX MURRAY, CLERK
SAND COULEE, MONTANA

School District No. 5

STOCKETT-SAND COULEE SCHOOLS
OFFICE OF SUPERINTENDENT
SAND COULEE, MONTANA

1191

June 19, 1959

Docket DMEA-4588 (Pb-Zn)

Wing G. Agnew
Attn: Donald R. MacLaren
Acting Executive Officer
OME Field Team, Region I

Dear Sir:

In reply to your letter dated June 15, 1959, I have the following information.

On June 11, we started the rehabilitation work which consisted of clearing the portal in the tunnel which had 35 feet of ice. The tracks have been cleared to the face and we are now ready with the compressor and will start drilling June 22, 1959.

In further correspondence with me, will you please omit any correspondence with Wuerthner & Wuerthner as they no longer represent me. Thank you for your interest and help on this matter.

Sincerely yours,

John Zupan
Sand Coulee, Montana

re: Docket No. DMEA-4588 (Lead-Zinc)
Doctor Ballach Mine
Judith Basin County, Montana
Contract No. Idm-[illegible]

EXTRA COPY
O. M. E.
RECEIVED JUN 29 1959

DATE	INITIALS	CODE
		800

So. 157 Howard Street
Spokane 4, Washington
June 15, 1959

Mr. John Zupan
P. O. Box 64
Sand Coulee, Montana

Re: Docket No. DMSA-4588 (Lead-Zinc)
Doctor Malloch Mine
Judith Basin County, Montana
Contract No. Idm-81191

Dear Mr. Zupan:

This is to remind you that the recess of your DMSA contract, authorized in Amendment No. 2, ends not later than July 1, 1959.

Your attention is particularly directed to Item 3(a) of Amendment No. 2 which stipulates that the contract will be automatically terminated effective December 1, 1958, if the work is not resumed on or before July 1, 1959.

We would appreciate being advised of your plans.

Sincerely yours,

Donald R. Maclaren
For: Wing G. Agnew
Acting Executive Officer
OME Field Team, Region I

cc: Wuerthner & Wuerthner
First National Bank Bldg.
Great Falls, Montana

[illegible]
[illegible](?)
AD
[illegible]

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EXPLORATION PROJECT CONTRACT
JOINT [illegible]
DOCKET NO. [illegible]-4988

Amendment No. 2

It is agreed this 23 day of March, 1959, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Jens Rugh, hereinafter called the "Operator," relating to that certain Exploration Project Contract ID-[illegible] (Docket No. [illegible]-4988), dated May 9, 1958, as amended, hereinafter called the "Contract," that the Contract is further amended as follows:

1. (a) Work under the Contract shall be suspended during the period beginning December 1, 1958, and ending not later than July 1, 1959.

(b) The Government will not contribute to any costs incurred by the Operator during the period of suspension or to any costs of rehabilitation and repair which in its opinion would not have occurred if there had been no suspension of work.

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

2. The date fixed in Amendment No. 1 to the Contract for completion of the work is further extended to December 9, 1959.

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

(a) The Contract and all obligations of the parties thereunder, except as herein otherwise provided, shall be and are hereby terminated, as follows:

(i) effective December 1, 1958, if the work has not been resumed on or before July 1, 1959.

(ii) effective December 9, 1959, if the work is resumed on or before July 1, 1959, but is not completed on or before December 9, 1959.

(b) [illegible]

(c) [illegible]

(d) [illegible]

(e) [illegible]

This agreement shall not be construed [illegible]

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By [signature]

[illegible], Office of Minerals Exploration

JOHN [illegible]

[signature]

Audit's copy

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 14 1959

DATE	INITIALS	CODE
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EXPLORATION PROJECT CONTRACT
JOHN ZUPAN
DOCKET NO. IDMA-4386

AMENDMENT NO. 1

It is agreed this 19th day of December, 1958, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, and John Zupan, that Exploration Project Contract No. IDm-4183 (Docket No. IDMA-4386), dated May 9, 1956, is amended as follows:

1. In Article 1, the completion date is extended from November 9, 1958, to October 9, 1959.

2. In Article 6, the royalty payment period is increased from 10 years to 11 years.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Director, Office of Minerals Exploration

JOHN ZUPAN

John Zupan

EXTRA COPY
O. M. E.
RECEIVED DEC 1 1958

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xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

No. 157 Howard Street
Spokane 4, Washington

November 28, 1958

Mr. John Zupan
P. O. Box 64
Sand Coulee, Montana

Re: Docket No. DMEA-583 (Lead-Zinc)
Doctor Mallach Mine
Judith Basin County, Montana
Contract No. Idm-31191

Dear Mr. Zupan:

We have received your letter of November 16, 1958 in which you request an extension of the completion date of your contract and we have forwarded it to Washington for consideration. As soon as we learn of the decision we will advise you.

Any work done after November 9, 1958 will be at your own risk as payment therefor cannot be made until the completion date has been extended by amendment to the contract.

Sincerely yours,

A. H. Weissenborn
Executive Officer, OME
Field Team Region I

cc: Wuerthner & Wuerthner
1st Nat'l Bank Bldg.
Great Falls, Montana

OME (2)
USBM(2)
USBM(AD)
Prinz

MME Form 14
Sept. 1958

No. 67

Contract No. Idm-E) 1391
14-23)

Docket No. DMEA) 4593
MME)

Date of Action February 13, 1961
Terminated Contract

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OBLIGATION DOCUMENT

To: Chief, Accounts Section, Finance Branch, Bureau of Mines

From: Director, Division of Operations Control and Statistics

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor:

John Zugan
P. O. Box 64
San Coulee, Montana

Date of Contract	Region	State	Commodity
May 9, 1958	I	Montana	Lead-Zinc

	Reserve	Obligation
Prior Amount	0	5,864.00
Increase	0	0
Decrease	0	3,266.50
Revised Amount	0	2,597.50

Remarks:

cc: 800
210

43244

DMEA Form 14

Contract No. Idm-E 1191

Docket No. 4588

Executed contract

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

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

Date of Contract	Region	State	Commodity
May 9, 1958	I	Montana	Lead-Zinc

Name and Address of Operator: John Zupan
P. O. Box 64
Sand Coulee, Montana

	Reserve	Obligation
Prior Amount	5,884.00	0
Increase	0	5,884.00
Decrease	5,884.00	0
Revised Amount	0	5,884.00

Remarks:

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

Date delivered to Bureau of Mines, Washington 6/3/58

22845

Audit copy

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 2 1958

DATE	INITIALS	CODE

MF-200A
(Rev. April 1956)

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT
(Short Form)

DMEA No.	*Commodity*	*Contract No. Idm–E*	*County*	*State*
4588	lead-zinc	1191	Judith Basin	Montana

It is agreed 9 MAY 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and John Zupan, an individual

whose mailing address is P. O. Box 64
Sand Coulee, Montana
hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF–200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before June 15, 1958, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 6 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $ 11,768.00. The Government will contribute 50 percent of the fixed unit cost of the work performed, not exceeding $ 5,884.00, in accordance with the provisions of Articles 4 and 5.

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

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

None

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

None

(c) 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. 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. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(b) *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 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 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of 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. 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 all pertinent books, documents, papers, and records of the Operator.

(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 a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit 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 the unit costs thereof.

(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 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), 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 (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

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

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent) after the lapse of six months from the date the ore was extracted from the ground remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time 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 7. *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 the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further 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 the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and 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 Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *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 the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *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 10. *Changes and added provisions.*—

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Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

JOHN ZUPAN
(Operator)

By John Zupan
John Zupan

By C Mittendorf
Administrator, Defense Minerals
Exploration Administration

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

EXPLORATION PROJECT CONTRACT
JOHN ZUPAN
DOCKET NO. DMRA-4588

ANNEX I

The land referred to in Article 2 of the contract consists of the Doctor Kalloch patented lode mining claim, Patent No. 3559, situated in Judith Basin County, Montana.

The Operator is in possession of the property by virtue of a warranty deed executed by Mabel D. Raymond on March 17, 1956, and recorded in Volume 131, page 224 of the official records of Judith Basin County, Montana. The claim is shown on the map entitled "Map and Cross Section - Dr. Kalloch Claim Barker District, Judith Basin County, Montana, Plate 1," attached and made a part hereof.

By a Lease and Agreement, dated October 1, 1957, the Operator granted to Edward Taskila the right to prospect for and mine metalliferous ores in and above the "upper tunnel."

In a Supplemental Agreement, dated January 23, 1958, between the Operator and Edward Taskila, the "upper tunnel" is defined as being that tunnel ". . . which is 6,100.50 feet above sea level." However, the provisions of the Supplementary Agreement also grant to Edward Taskila the right to mine in "a certain drift running generally northeasterly and parallel to the upper tunnel, and which shall extend in said direction to the end of the said Doctor Kalloch mine." The elevation of this said drift is approximately 6060 feet above sea level.

EXCLUDED LAND

For the purpose of this contract, all land which is located 6,100.50 feet above sea level shall be excluded from the royalty provisions of this contract. All land below the 6,100.50 feet level shall be subject to the royalty provisions of the contract, the Supplementary Agreement, between John Zupan and Edward Taskila, notwithstanding.

EXPLORATION PROJECT CONTRACT
JOHN ZUPAN
DOCKET NO. DMRA-4588

EXHIBIT A

The purpose of the project is to explore an altered and mineralized zone for lead-zinc ores, by means of drifting and long-hole drilling.

The actual locations, directions, and extent of all workings are subject to prior Government approval. The exploration work is indicated on the attached map entitled "Map and Cross Section Dr. Kalisch Claim, Barker District, Judith Basin County, Montana, Plate 1."

Rehabilitate the crosscut and drift on the 6016 level from the portal to the present face. The rehabilitation shall consist of cleaning up the drift, laying track and pipe, timbering where necessary, and installation of ventilation pipe.

On the 6016 level, extend the drift northeast along the vein for a maximum distance of 300 feet. The drift shall be 5 feet wide by 7 feet high in the clear and timbered as necessary.

A maximum of 100 feet of timbering shall be allowed in the drift. Timber sets shall consist of not less than 8-inch by 8-inch timber or the equivalent in round timber.

At intervals of approximately 60 feet, drill 14 longholes, each not to exceed 40 feet in depth to probe both the north and south walls of the drift. The holes shall be drilled horizontally and in the aggregate shall not exceed 500 feet of drilling.

Construct a compressor house having minimum dimensions of 8 feet by 10 feet.

All samples taken in the drift, or any sludge samples taken in the drill holes shall be assayed for lead, zinc and silver. Not more than 60 samples shall be allowed for assaying.

ESTIMATED COSTS OF THE PROJECT

Fixed Unit Costs

Rehabilitation of drift and crosscut	$1,353.00 ✓
Construct a compressor house	$50.00 ✓

Drifting and/or crosscutting 300 feet @ $27.00/ft.	$8,100.00
Drift and/or crosscut timbering 100 feet @ $7.50/ft.	750.00
Long-hole drilling 500 feet @ $1.25/ft.	625.00
Assaying - 60 samples assayed for lead-zinc-silver @ $4.00/each sample	240.00
Consulting engineer-geologist 6 days @ $75.00/day	450.00
Estimated Total Cost of the Project	$11,768.00
Government Participation @ 50%	$5,884.00

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DMEA
RECEIVED JUN 6 1958

DATE	INITIALS	CODE
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So. 157 Howard Street
Spokane 4, Washington

May 28, 1958

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

Re: Docket No. DMEA-4588 (Lead-Zinc)
John Zupan
Doctor Kalloch Mine
Judith Basin County, Montana
Contract No. Idm-E1191

Dear Mr. Selfridge:

Enclosed are the Government and Audit copies of the above referenced contract. Other copies of the contract have already been distributed. Also enclosed are two copies of a letter dated May 20, 1958, from John Zupan.

Sincerely yours,

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

Enclosures

cc: USBM (2)
USBM (AD)
Prinz

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DMEA Form 14

Contract No. Idm-E 1191

Docket No. 4588

DEPARTMENT OF THE INTERIOR

Approved contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

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

Date of Contract	Region	State	Commodity
May 9, 1958	I	Montana	Lead-Zinc

Name and Address of Operator: John Zupan
P. O. Box 64
Sand Coulee, Montana

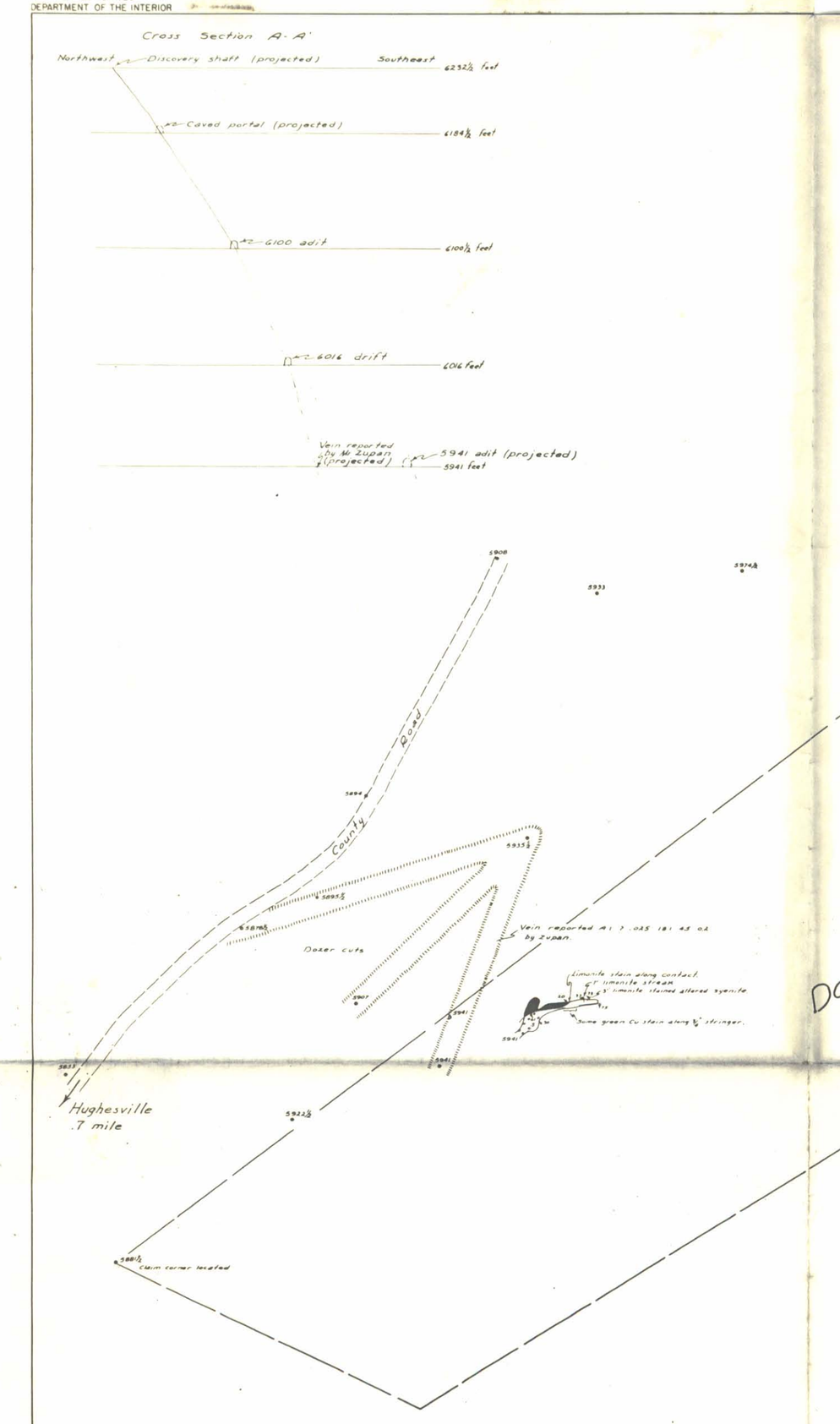
	Reserve	Obligation
Prior Amount	0	0
Increase	5,884.00	0
Decrease	0	0
Revised Amount	5,884.00	0

Remarks:

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

Date delivered to Bureau of Mines, Washington 5/9/58

22845

UNITED STATES
DEPARTMENT OF THE INTERIOR

DMEA-4588