OFFICIAL FILE COPY O. M. E. RECEIVED MAR 22 1960		
DATE	INITIALS	CODE
3/22	RCW	225
		800

No. 157 Howard Street
Spokane 4, Washington
March 18, 1960

Mr. C. M. Hauptman, President
Midland Mining Company
207 Hedden Building
Billings, Montana

Re: Docket No. DMEA-4619 (Uranium)
Sandra Group
Carbon County, Montana
Contract No. Idm-E1097

Dear Mr. Hauptman:

Thank you for your letter of March 10 enclosing your check for royalty due the Government together with the related papers, which are being returned to you as requested.

We will request the Fiscal Section, Office of the Secretary, Washington, D. C., to release the balance of the $199.99 due Midland Mining Company in accordance with the Report of Review dated March 9, a copy of which was sent to you on March 15.

Sincerely yours,

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

Enclosures

cc: Fiscal Section
Office of the Secretary

Contract Adm. & Audit Div., OME

OME(2)
USBM(2)
Sample
Director's Reading File

E-1097

For royalty payment of $41.81, dated March 17, 1960, see transmittal letter file.

Extra

~~OFFICIAL~~ FILE COPY
O. M. E.
RECEIVED MAR 18 1960

DATE	INITIALS	CODE
		800

No. 157 Howard Street
Spokane 4, Washington
March 15, 1960

Mr. C. M. Hauptman, President
Midland Mining Company
207 Hedden Building
Billings, Montana

Re: Docket No. DMEA-4619 (Uranium)
Sandra Group
Carbon County, Montana
Contract No. Idu-E1097

Dear Mr. Hauptman:

Enclosed is a copy of a Report of Review in lieu of a final audit on the referenced contract.

You will note that there is a balance of $199.99 due the Operator. However, payment of this balance will be withheld pending settlement of the royalty due on the second ore shipment mentioned in your final report. Your royalty payment should be accompanied by a reproducible copy of the settlement sheet furnished by the buyer.

Regarding any future shipments we call your attention to Article 8(b) of the contract which provides that any production from the land from the date of the contract until 6 months after an acceptable final report and final account is received is subject to royalty even though the production were sold after the 6-month period. We received an acceptable final report from you March 8, 1960. Article 8(d) provides for the liquidation of any production that has not been sold after a lapse of 6 months from the date it was extracted from the ground.

Sincerely yours,

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

Enclosure

cc: Fiscal Section without encl.
Div. of Administrative Services
Office of the Secretary
Department of the Interior
Washington 25, D. C.

Contract Adm. & Audit Div., OME
OME(2)
USBM(2)
Director's Reading File

Fiscal Section: We are holding the original of the Report of Review until we receive settlement of royalty mentioned in this letter.

700

MAR 11 1960

Memorandum

To: Executive Officer, OGE Field Team, Region I

From: Chairman, Operating Committee, OGE

Subject: Docket No. MEEA-4619 (Uranium)
Midland Mining Company
Random Group of Claims
Carbon County, Montana
Contract No. IAm-21897

This is with reference to the Field Team's letters, dated January 29 and February 17, 1960, to the subject operator.

In the letter of January 29 it is stated that the Government will withhold payment, otherwise due for work performed under the contract, in the amount of $200.00, pursuant to the provisions of Article 7(a) of the contract, permitting such withholding. We believe that in the light of our letter of January 22, 1960, to you, the statement could be interpreted ambiguously. If the intent were that the Region was going to retain $100.00 of the $200.00 withheld, then the writing of the Operator's Final Report would have been determined to cost $133.33, which sum would have appeared as a disallowance from the otherwise acceptable costs of the project. If it were meant that the cost of writing the Operator's Final Report was $100.00 and that such an amount would have been deducted as a disallowance from the otherwise acceptable costs of the project, the Region would have retained $75.00 from the $200.00 being withheld.

The letter of February 17 states:

> "We would appreciate knowing what disposition has been made of this stockpiled ore as royalty on any production would be due for a period of six months after an acceptable final report and final account has been reviewed..."

We believe that it would have been clearer to point out to Mr. Hampton that in keeping with Article 8(b), any production from the land from the date of the contract until six months after an acceptable Final

report and final account had been received would be subject to royalty payments to the Government even though the production were sold after the six months' period. Article 8(d) provides for the liquidation of any production that has not been sold after a lapse of six months from the date it was extracted from the ground.

George C. Selfridge

APPROVED:

P. F. Yopes

Member, Bureau of Mines

Harold Kirkemo

Member, Geological Survey

FMMurphy/GCSelfridge/hh (3/10/60)

Copy to: Director's Reading File
Operating Committee
Harold Kirkemo, USGS
K. Dallas Talbert
G. C. Selfridge
Code 300
Chron

EXTRA COPY O. M. E RECEIVED FEB 23 1960		
DATE	INITIALS	CODE
		800

1201 N. Division St.
Spokane 2, Washington

February 17, 1960

Mr. C. M. Hauptman, President
Midland Mining Company
207 Hedden Building
Billings, Montana

Re: Docket No. 4619 (uranium)
Sandra Group
Carbon County, Montana
Contract No. E-1097

Dear Mr. Hauptman:

Our periodic inspections show that some ore has been mined and stockpiled at the Sandra claim since Lot. No. 33-S, consisting of 28.35 dry tons, was shipped in April 1958.

We would appreciate hearing what disposition has been made of this stockpiled ore as royalty on any production would be due for a period of six months after an acceptable final report and final account has been rendered, even though no formal certification has been issued.

By Field Team, Region I

D. R. MacLaren, Alternate Acting
Executive Officer
U. S. Geological Survey

S. W. Koldok, Acting Member
U. S. Bureau of Mines

cc: OME (2)
USGS (2)
USBM (AD)

E-1097

For Certificate of Deposit No. 455, dated May 1, 1958, giving royalty payment of $27.38, see E-9.

800

S. 157 Howard Street
Spokane 4, Washington

March 31, 1958

Pre-cast Minerals, Inc.
507 Farmers Union Building
Denver 1, Colorado

Attention: Mr. J. D. Vogenthaler

Re: Contract No. DME-401 (Original)
Midland Mining Company
Sandra Group of Claims
Carbon County, Montana
Contract No. DME-1077

Gentlemen:

Mr. C. M. Hampton, president of Midland Mining Company, has asked us to send you "the necessary papers for issuing a division order to their disbursing department authorizing payment of the 5 percent royalty to the Government."

This is to advise you that the Defense Minerals Exploration Administration has a contract with Midland Mining Company whereby funds paid by the Government are to be repaid from royalties on the sale of any ore mined on the property defined in the contract. A thermofax copy of the pertinent part of the DMEA contract (Form MI-200) with Midland Mining Company is enclosed. The percentage of royalty due ranges from 1½ to 5 percent depending on the value per ton of the ore sold and the method of calculating it is explained in detail in Article 6 of the contract form.

Royalty checks should be payable to Defense Minerals Exploration Administration and mailed to A. L. Weissenborn, Executive Officer, DMEA, Field Team, Region 1, South 157 Howard Street, Spokane 4, Washington. Three copies of each settlement sheet covered by any one check should accompany the royalty payment.

Please advise us if you require any further information.

Sincerely yours,

A. L. Weissenborn
Executive Officer, DMEA
Field Team, Region 1

Enclosure

cc: Mr. C. M. Hampton
Midland Mining Co.
207 Hedden Bldg.
Billings, Montana

DMEA (3)
USBM (2)
USBM (AD)
Prine

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Midland Mining Company
207 Hedden Building
Billings, Montana

pertaining to Exploration Project Contract Idm-E1097, DMEA No. 4619, including Amendments Nos. 1 through 7, for July 1957 to August 1959, inclusive, covering a uranium project on the Sandra Group of Claims, Carbon County, Montana.

My review included an examination of the Monthly Reports (Forms MF-104) 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 acceptable 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		$22,559.80
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total acceptable cost		$22,559.80

The contract calls for a 75 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	$16,919.85
Paid to date	16,719.86
Balance due Operator	$ 199.99

E. D. Talbert, CMK Auditor

March 9, 1960

Acceptable costs:

Stage I

Bulldozing		80 hrs.	@	$15.00	$ 1,200.00	
Rotary drilling:	0' - 100'	1,900'	@	3.40	6,460.00	
	100' - 200'	410'	@	4.85	1,988.50	
Standby time		33 hrs.	@	10.40	343.20	
Chemical analyses		25 ea.	@	5.00	125.00	$10,116.70

Stage II

Rotary drilling	0' - 100'	104'	@	$ 3.40	$ 353.60	
Crosscutting, drifting, winzing & raising		383'	@	31.50	12,064.50	
Chemical analyses		5 ea.	@	5.00	25.00	12,443.10
		Total				$22,559.80

EXTRA COPY, O. M. E. RECEIVED MAR 21 1960		
DATE	INITIALS	CODE
		800

No. 157 Howard Street
Spokane 4, Washington
March 18, 1960

Memorandum

To: Chief, Fiscal Section, Office of the Secretary
Department of the Interior, Washington, D. C.

From: Executive Officer, OME Field Team, Region I

Subject: Docket No. DMEA-4610 (Uranium)
Midland Mining Company
Sandra Group of Claims
Carbon County, Montana
Contract No. Idm-E1097

Enclosed is the original of a Report of Review in lieu of a final audit of the subject contract. The Operator's copy of this Report of Review was sent to him on March 15, 1960, at the same time notifying him of the balance of $199.99 due him but which could not be paid until the payment of royalty due the Government on a second shipment of ore mentioned in the Operator's final report.

We received a check covering this royalty on March 17 which was transmitted to you on the same day.

We request that you release the $199.99 balance due the Operator as shown by this Report of Review.

A. E. Weissenborn

Enclosure

cc: Contract Adm. & Audit Div., OME, w/cy incoming letr. 3/10/60
OME(2) w/cy incoming letr. 3/10/60
USBM(2)
Sample
Director's Reading File
CPF

[illegible]

[illegible]

Office of Minerals Exploration
[illegible]

Re: [illegible]

[illegible]

In answer to your letter of February 17, Midland Mining has shipped only two lots of ore from the Sandra claim since the beginning of the subject contract. The first, Lot 33-S, was shipped to Riverton April 9, 1958. The second, Lot 1102-S, was shipped December 8, 1959.

Five percent royalty was paid to the government on Lot 33-S directly by the buyer under the terms of a division order then in effect. Royalty payments to the government are due from the bonus received on Lot 33-S and from both the initial payment from the buyer and the bonus on Lot 1102-S.

The amount due is as follows;

Bonus, Lot 33-S	$316.39	5%	$15.82
Buyer, Lot 1102-S	411.82	"	20.59
Bonus, " "	108.05	"	5.40
Total royalty due Govt.			$41.81

The bonus payments on this property have been depleted because the Sandra claim is a part of the Pryor Mining property that was originally placed under one bonus certification. We were unable to have this situation changed to put the Sandra property under a separate certification.

I am enclosing the substantiating papers concerning [illegible] payments made on the two above mentioned lots. [illegible] for your files and return [illegible]

[illegible]

EXTRA COPY O. M. E. RECEIVED MAR 21 1960		
DATE	INITIALS	CODE

No. 157 Howard Street
Spokane 4, Washington
March 18, 1960

Mr. C. H. Hauptman, President
Midland Mining Company
207 Medden Building
Billings, Montana

Re: Docket No. IMEA-4619 (Uranium)
Tandra Group
Carbon County, Montana
Contract No. Idm-F1097

Dear Mr. Hauptman:

Thank you for your letter of March 10 enclosing your check for royalty due the Government together with the related papers, which are being returned to you as requested.

We will request the Fiscal Section, Office of the Secretary, Washington, D. C., to release the balance of the $199.99 due Midland Mining Company in accordance with the Report of Review dated March 9, a copy of which was sent to you on March 15.

Sincerely yours,

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

Enclosures

cc: Fiscal Section
Office of the Secretary

Contract Adm. & Audit Div., OME

OME(2)
USBM(2)
Sample
Director's Reading File

MAR 9 1960

Memorandum

To: Executive Officer, OGE Field Team, Region I

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

Subject: Docket No. [illegible]-4619 (Uranium)
Midland Mining Company
Sandra Group of Claims
Carbon County, Montana
Contract No. 14-[illegible]

In accordance with your March 1 memorandum to this Division, as amended by your March 8 teletype to the Operating Committee, a Report of Review on the subject project has been prepared. The original and two copies are attached.

If you concur with the facts as stated in the Report of Review, distribution may be made as authorized by section 4 of OGE Circular 2 dated February 17, 1960. It is suggested, however, that submission to the Department's Fiscal Section of the original of the report, together with your request for payment of the $199.99 balance due the Operator, be withheld pending settlement for royalty on the stockpiled ore, which is the subject of your February 17 letter to the Operator.

If the Operator fails to pay royalty either upon disposition of the ore or after exercise of the Government's option under Article 8(d) of the contract, the balance due the Operator for the Government's contribution to costs will be available for offset. This may be accomplished by requesting the issuance of two checks in payment of the $199.99 due the Operator, i.e., one payable to OGE in the amount of the royalty due and one payable to the Operator for any remaining balance.

As requested by your March 2 memorandum the certifying officer's files on this contract are being delivered to the Department's Fiscal Section.

Attachments

EDTalbert/amm
March 9, 1960

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Bailey, Rm. 2520, Interior
Mr. Rethrock, Rm. 7534, Interior
(with Certifying Officer's files)
Mrs. Dorothy F. Long
Mr. Talbert

[illegible] 11456

[illegible], CHAIRMAN OPERATING COMMITTEE

[illegible] WASHINGTON 25 D. C.

[illegible] 5, 1960 DOCKET NO. NMEA 4619 MIDLAND MINERALS,

[illegible] COUNTY MONTANA. CONTRACT FIDM-E-1097,

[illegible] FINAL REPORT RECEIVED MARCH 5, 1960.

[illegible] EXECUTIVE OFFICER

[illegible] 1

[illegible] 5 1960

EXTRA COPY O. M. E		
RECEIVED	7	60
DATE		CODE
		800

So. 157 Howard Street
Spokane 4, Washington
March 4, 1960

Air Mail

Memorandum

To: Chairman, Operating Committee, OME

From: OME Field Team, Region I

Subject: Docket No. DMEA-4619 (Uranium)
Midland Mining Company
Sandra Group
Carbon County, Montana
Contract No. Idm-E1097

In accordance with your memorandum of January 22, 1960, we advised the referenced Operator on January 29, 1960, that if we did not receive his final report within 30 days, we would withhold $100 in accordance with the provisions of Article 7(c) of the contract.

On March 1, 1960, we requested the Contract Administration and Audit Division, OME, to make a Report of Review advising them that $100 should be withheld. After mailing this memorandum, we received from the Operator a letter dated February 28, 1960, in which he stated that as soon as the maps were reproduced he would mail us the report, saying that this would be "in the next 2 days."

We suggest that, if possible, the Report of Review be postponed until March 14, 1960. We will advise you by teletype on that date whether or not the report has been received.

A. E. Weissenborn

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

MIDLAND MINING COMPANY

207 Robbins Bldg. Telephone 2-7220
BILLINGS, MONTANA

February 28, 1960

Office of Minerals Exploration
U.S. Dept. of Interior
157 Howard Street
Spokane 4, Washington

Re: Docket # DMEA-4619
Sandra Claim Group

Gentlemen,

The final report you have requested will be in your hands in the next two days. The maps are now being reproduced. As quickly as this is done, I will send the report to you.

Very truly yours,

MIDLAND MINING COMPANY

C. M. Hamptman
President

Airmail

EXTRA COPY
O. M. E
RECEIVED MAR 7 1960

DATE	INITIALS	CODE

RECEIVED
MAR 1 · 1960
U. S. G. S.
SPOKANE, WASH

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

March 2, 1960

OFFICIAL FILE COPY
O M E
RECEIVED MAR 7 1960

DATE	INITIALS	CODE
3-7	gad	VVO
		800

CERTIFIED MAIL

Memorandum

To: Contract Administration and Audit Division, OME

From: Executive Officer, OME Field Team, Region I

Subject: Docket No. DMEA-4619 (Uranium)
Midland Mining Company
Sandra Group
Carbon County, Montana
Contract No. Idm-E1097

Enclosed herewith is a memorandum requesting a Report of Review, in lieu of final audit, of the subject contract. In addition, we are transmitting the following material:

1. Contract and Correspondence File

2. Voucher File

All accounting copies are being forwarded as, no doubt, you will send your review to Chief, Fiscal Section, Office of the Secretary, for final payment and, at the same time, can deliver the accounting files to them.

A. E. Weissenborn

A. E. Weissenborn

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

March 1, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 7 1960

DATE	INITIALS	CODE
3-7	gad	vvo
		800

Memorandum

To: Contract Administration & Audit Division, OME

From: Executive Officer, OME Field Team, Region I

Subject: Docket No. DMEA-4619 (Uranium)
Midland Mining Company
Sandra Group
Carbon County, Montana
Contract No. Idm-E1097

The subject contract expired on September 1, 1959.

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

Stage I -	Bulldozing	80 hours
	Rotary drilling	
	0' to 100'	1,900 feet
	100' to 200'	410 feet
	Standby time	33 hours
	Chemical analyses	25 "
Stage II -	Rotary drilling	
	0' to 100'	104 feet
	Crosscutting, drifting, winzing and raising	383 "
	Chemical analyses	5

The Operator has not submitted a final engineering and geological report and $100 should be withheld from monies otherwise due for work performed, in accordance with Article 7(e) of the contract.

A Report of Review, in lieu of a final audit, is in order and requested.

A. E. Weissenborn

A. E. Weissenborn

Distribution:
OME (2)
USGS (2)
USBM (AD)
Docket

EXTRA COPY O. M. E RECEIVED FEB 1 1960		
DATE	INITIALS	CODE
		800

So. 157 Howard Street
Spokane 4, Washington
January 29, 1960

Mr. C. M. Hauptman, President
Midland Mining Company
207 Hedden Building
Billings, Montana

Re: Docket No. DMEA-4619 (Uranium)
Sandra Group
Carbon County, Montana
Contract No. Idm-E1097

Dear Mr. Hauptman:

In our letters of October 28, 1959, November 3, 1959, December 1, 1959, and January 14, 1960, we called your attention to the requirement of submitting a final engineering and geologic report on the completed DMEA project in accordance with Article 7(c) of the referenced contract.

Unless an acceptable final engineering and geologic report is received within 30 days from the date of this letter, the Government will withhold payment, otherwise due for work performed under the contract, in the amount of $100, pursuant to the provisions of Article 7(e), of the contract, permitting such withholding.

$100.00 = 75%

By Field Team Region I

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

O. K. Bishop, Member
U. S. Bureau of Mines

cc: OME (3)
USBM (2)
USBM (AD)
Sample
Director's Reading File

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

JAN 22 1960

Memorandum

To: Executive Officer, OME Field Team, Region I

From: Chairman, Operating Committee, OME

Subject: Docket No. DMEA-4619 (Uranium)
Midland Mining Company
Sandra Group of Claims
Carbon County, Montana
Contract No. Ida-X1097

This is with reference to the Field Team's three letters during the year 1959 and the last one on January 14, 1960, to the subject Operator requesting its final report.

If the report has not been received to date, the Field Team should advise the Operator that, if the report is not received within 30 days from the date of its letter, a specified amount will be deducted as a disallowance from the otherwise acceptable costs of the project. The amount should be determined by the Field Team on the basis of the estimated cost of the Operator's final report with due consideration of the amount of work performed and the data contained in the Operator's monthly narratives.

When this matter has been concluded, the Field Team should request an audit and, thereafter, submit its final report and recommendations regarding certification as soon as possible.

George C. Selfridge

APPROVED:

P. F. Yopes
Member, Bureau of Mines

Harold Kirkemo
Member, Geological Survey

FMMurphy/gla (1-22-60)
Rewritten by EDallas Talbert/hb (1/22/60)
Copy to: Director's Reading File
Operating Committee
Harold Kirkemo, USGS
E. Dallas Talbert
Code 500
Chron

EXTRA COPY O. M. E RECEIVED JAN 18 1960		
DATE	INITIALS	CODE
		800

So. 157 Howard Street
Spokane 4, Washington

January 14, 1960

Mr. C. M. Hauptman, President
Midland Mining Company
207 Hedden Building
Billings, Montana

Re: Docket No. DMEA-4619 (Uranium)
Sandra Group
Carbon County, Montana
Contract No. Idm-K1097

Dear Mr. Hauptman:

The above referenced contract terminated September 1, 1959. In our letters of October 28 and November 3, 1959, we advised you that we are withholding the sum of $200.00 pending receipt of a final report as required in Article 7(e) of the contract. We wrote you again December 1, 1959, but as yet we have not received a reply.

We would appreciate your early attention to this matter so that we can have an audit made and close our books on this contract.

Sincerely yours,

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

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

EXTRA COPY
O. M. E.
RECEIVED DEC 4 1959

DATE	INITIALS	Copy
		800

So. 157 Mount Street
Spokane 8, Washington
December 2, 1959

Mr. C. H. Hampton, President
Milford Mining Company
207 Shelton Building
Billings, Montana

Re: Docket No. [illegible]-1619 (Montana)
Rankin Group
Sanders County, Montana
Contract No. [illegible]-[illegible]97

Dear Mr. Hampton:

In our letter of October 26, 1959, we advised you that before we can make a final audit and release the funds being withheld on your July-August 1959 vouchers, it will be necessary for you to submit an acceptable final report as required under Article 7(e) of the referenced contract.

We would appreciate receiving your final report as soon as possible so that we can proceed with the final audit and close our books on this contract.

Sincerely yours,

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

cc: OME(2)
[illegible](2)
[illegible](All)
Sample
Director's Reading File

August 19, 1960

For final payment of $199.99, dated July 8, 1960, Voucher No. 103, see Report of Disbursements and Repayments for July 1960.

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

Budget Bureau No. 42-R1036.5

NOV 6 1959
D.M.E.

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

Month of July & August, 1959 Docket No. DMEA 4619 Contract No. Idm-E 1097

Operator's Name Midland Mining Company Minerals Uranium

Address 207 Hedden Bldg., Billings, Montana

Contract Amount, $ 27,008.00 Government Participation: 75 % Amount, $ 20,256.00

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 Stage 1 0-100		6,460.00	6,460.00		6460.00	6460.00
~~Bulldozing~~ Stage I 100-200		1,988.50	1,988.50		1988.50	1988.50
~~Crosscutting~~ Stage II 0-100		353.60	353.60		353.60	353.60
Drifting etc. Stage II	2,488.50	9,576.00	12,064.50	2488.50	9576.00	12064.50
Bulldozing Stage I		1,200.00	1,200.00		1200.00	1200.00
Moving & Standby		343.20	343.20		343.20	343.20
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis Stage I		125.00	125.00		125.00	125.00
~~Payroll Taxes~~ Stage II		25.00	25.00		25.00	25.00
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2,488.50	20,071.30	22,559.80	2488.50	20071.30	22559.80

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

Date September 8, 1959 Payee Midland Mining Company

Per George E. Hoag Title Secretary

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

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

(Instructions on reverse)

Withheld 1866.37
200.00
Pay $1666.37

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

$ 1666.37

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 11/2/59 Vou. No. 2331
(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. E61097 in accordance with the terms of the contract.

Signature /s/ Stephen W. Zolock Title Mining Engr. Date 10-28-59

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

Signature /s/ Wing G. Agnew Title Acting Dir. Date 11-2-59

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of ~~August~~ July & 195 9 Docket No. DMEA 4619 Contract No. Idm-E 1097

Operator's Name Midland Mining Company Minerals Uranium

Address 207 Hedden Bldg., Billings, Montana

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting etc. Stage II	Ft.	2488.50	79	12,064.50	383		400	31.50 ft.
~~Prospecting: State I~~	Hr.			1,200.00	80		80	15.00 hr.
~~Sample~~ Anal. Stage I	Ea.			125.00	25		25	5.00 ea.
~~Sample~~ Anal. Stage I	Ea.			25.00	5		23	5.00 ea.
~~Moving & Standby Stage I~~	Hr.			343.20	33		33	10.40 hr.
Drilling: ~~Core~~ Pneumatic								
~~Stage~~ I 0-100	Ft.			6,460.00	1900		2000	3.40 ft.
~~Stage~~ II 0-100	Ft.			353.60	104		1000	3.40 ft.
~~Stage~~ I 100-200				1,988.50	410		500	4.85 ft.
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2488.50		22,559.80				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2488.50		22,559.80				

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

REMARKS:

Date Sept. 8, 1959 Operator Midland Mining Company

Per George E. Guay Title Secretary

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. Zoldak
Mining Engr.

NOV 6 1959
O.M.E.

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

MIDLAND MINING COMPANY
207 Hedden Bldg. Telephone 2-7220
BILLINGS, MONTANA

RECEIVED
BUREAU OF MINES
SEP 17 1959
SPOKANE, WASH.

July 1 - August 1 - Sandra Advance of 5 feet for a total of 62 feet since the recess ended prior to June.

1.

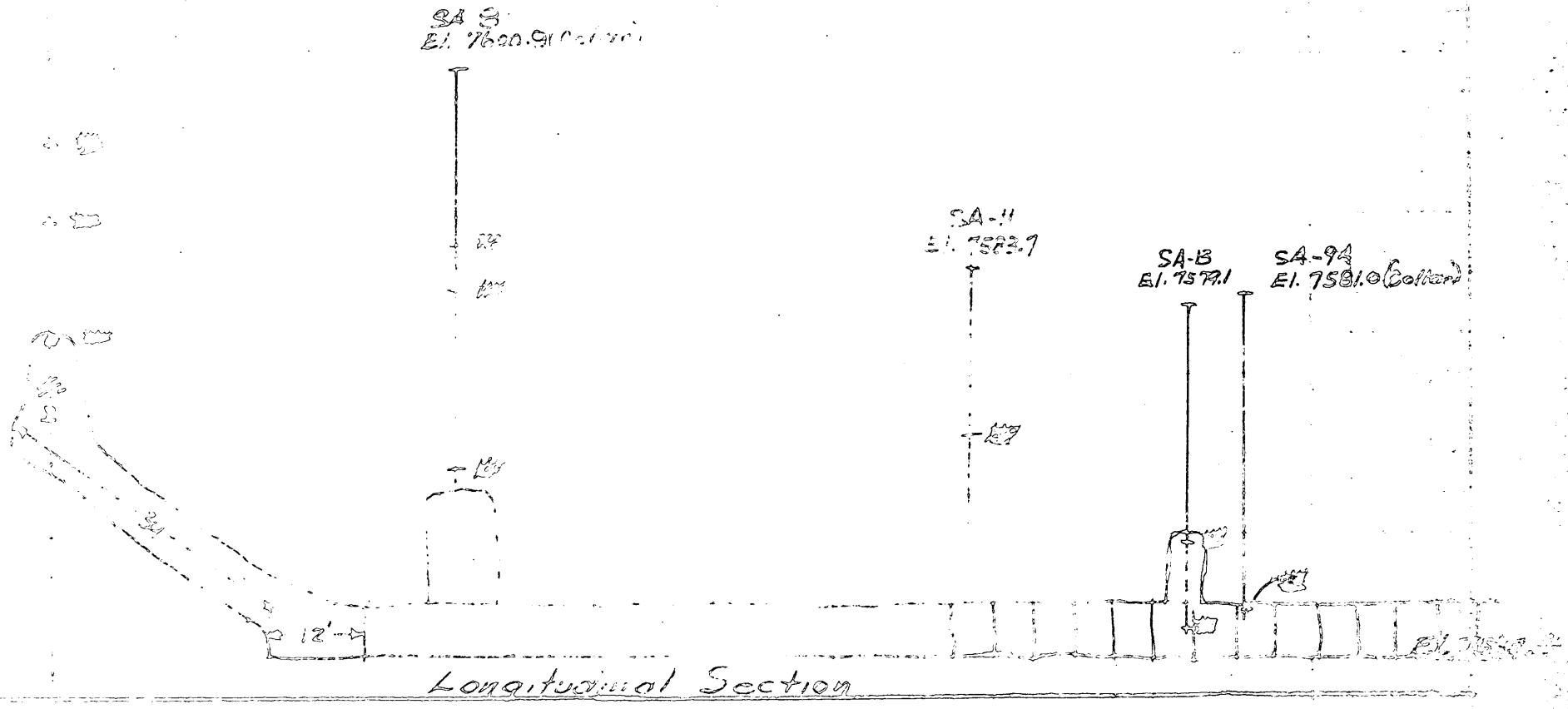
The intersection of the inclined drift to SA-7A, at a depth of about 55 feet below the collar, was in a water course, bearing NW-SE. Driving a certical raise 11 feet confirmed the radioactive anomaly at a depth of about 45 feet below the collar, as reported in the log of the drill hole. The raise was stopped in white limestone after passing through the oxidation zone of the drill hole in the water course. Scattered yellow tuyumanite mineralization was detected on the east wall of the raise. Radiometric count (MR/hr.) a t the top of the raise was off the first scale (0.20) and almost midway on the second scale (0.10x10) of the Geiger counter. The full extent of the mineralization beyond the walls of the raise has not been determined, however, it is scattered and meager in the vicinity of the drill hole.

August 1 - September 1 - Sandra Advance of 74 feet; 60 feet of drifting and 14 feet of raising.

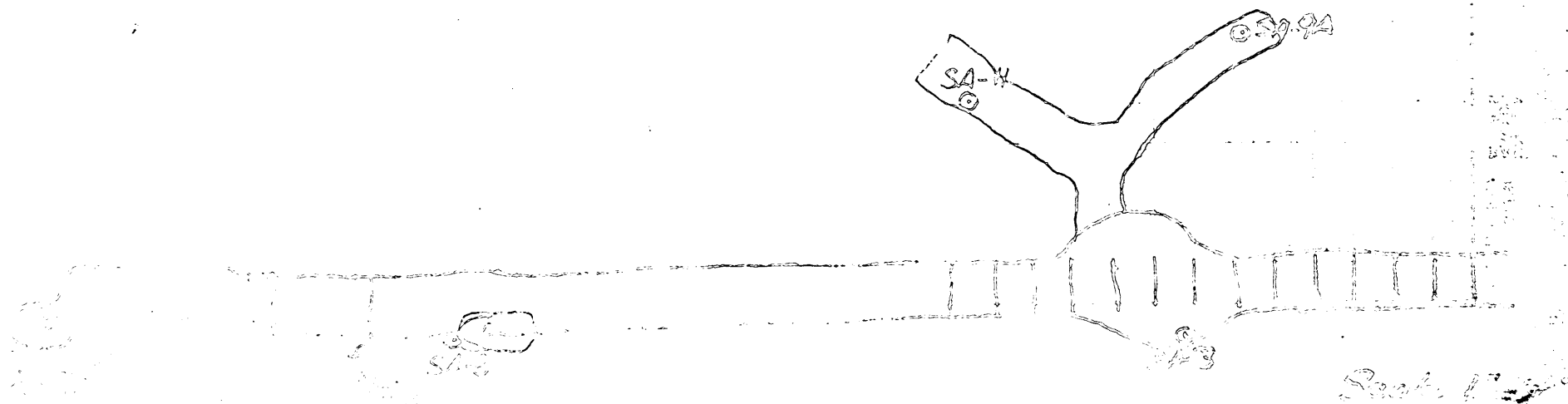
A raise along rotary drill hole SA-8 was advanced a total distance of 14 feet above the back of the main north adit. The objective was a radioactive anomaly approximately 18-20 feet above the adit back. The last raise round broke into brownish stained fractured limestone. Minor indications of yellowish tuyumanite mineralization was noted in the walls and back of the last round blasted.

At 168 feet from the portal a crosscut was advanced in the east wall a distance of 12 feet, thence two crosscuts northeasterly and southeasterly were driven to intersect rotary drill holes SA-11 and SA-9A respectively. The northeasterly crosscut was advanced 23 feet without intersecting SA-11 as projected to the drift elevation; the crosscut was advanced about 7 feet beyond the projected location of the hole thence slab rounds in both walls were proposed to locate the hole. When the hole is found raising 20-25 feet should reach the radioactive anomaly reported in the drill log. Consistent tuyumanite mineralization was found in a 8-12 inch contact zone along the west-wall of the cross cut.

The southeasterly crosscut was advanced 25 feet to the intersection of SA-9A thur confirming the radioactive anomaly reported in the drill log. Persistent and extensive tuyumanite mineralization of minable ore grade was opened in the vicinity of the hole. The mineralization is found in a dark reddish to black brecciated zone whose strike and dip has not been opened sufficiently for determination to date.



Longitudinal Section



EXTRA COPY
O. M. E.
RECEIVED NOV 6 1959

DATE	INITIALS	CODE
		800

1201 N. Division St.
Spokane 2, Washington

November 3, 1959

Mr. C. M. Hauptman, President
Midland Mining Company
207 Hedden Building
Billings, Montana

Re: Docket No. DMEA-4619 (Uranium)
Sandra Group
Carbon County, Montana
Contract No. Idm-X1097
Operating report for
July and August 1959

Dear Mr. Hauptman:

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

We are withholding the sum of $200.00, pending receipt of a final report and a final audit by a representative of the Contract Administration and Audit Division of the Office of Minerals Exploration. This is the customary procedure and is applicable to all contracts.

By Field Team, Region I

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

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

cc: OME (2)
USGS (2)
USBM (AD)

EXTRA COPY O. M. E. RECEIVED NOV 2 1959		
DATE	INITIALS	CODE
		800

1201 N. Division St.
Spokane 2, Washington

October 28, 1959

Mr. C. M. Hauptman, President
Midland Mining Company
207 Hedden Building
Billings, Montana

Re: Docket No. DMEA-4619 (Uranium)
Sandra Group
Carbon County, Montana
Contract No. Idm-81097

Dear Mr. Hauptman:

The Washington Office of Office of Minerals Exploration has turned down your request to transfer unused drilling funds to additional drifting.

Since all approved work has essentially been completed, we can proceed with winding up the contract.

Some of the funds due you on your July-August 1959 voucher will be withheld pending receipt of an acceptable final report and a final audit.

Before we can make a final audit and release the funds being withheld it will be necessary for you to submit an acceptable final report as required under Article 7 (c) of the contract.

We would appreciate receiving your final report as soon as possible so that we can proceed with the final audit.

By Field Team, Region I

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

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

cc: OME (2)
USGS (2)
USBM (AD)
Docket
Df

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

JUL 20 1959
DMEA

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1959 Docket No. DMEA 4619 Contract No. Idm-E 1097
Operator's Name Midland Mining Company Minerals Uranium
Address 207 Hedden Bldg., Billings, Montana
Contract Amount, $ 27,008.00 Government Participation: 75% Amount, $ 20,256.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Stage 1 0-100		6460.00	6460.00		6460.00	6460.00
" Stage I 100-200		1988.50	1988.50		1988.50	1988.50
Stage II 0-100		353.60	353.60		353.60	353.60
Drifting etc. Stage II	1417.50	8158.50	9576.00	1417.50	8158.50	9576.00
Bulldozing Stage I		1200.00	1200.00		1200.00	1200.00
Moving & Standby		343.20	343.20		343.20	343.20
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis Stage I		125.00	125.00		125.00	125.00
Stage II		25.00	25.00		25.00	25.00
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1417.50	18653.80	20071.30	1417.50	18653.80	20071.30

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

Date July 6, 1959 *Payee Midland Mining Company

Per C. M. Hauptman Title President

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

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

(Instructions on reverse)

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

1063.12

$ 1063.12

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 7/15/59 Vou. No. 2208

(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. 6 1097 in accordance with the terms of the contract.

Signature /s/ Stephen W. Yoldok Title Mining Engr. Date July 9, 1959

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

Signature /s/ A. E. Weissenborn Title Exec. Officer Date July 14, 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 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

JUL 20 1959
O.M.E.

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1959 Docket No. DMEA 4619 Contract No. Idm-E 1097
Operator's Name Midland Mining Company Minerals Uranium
Address 207 Hedden Bldg., Billings, Montana

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting etc. Stage II	ft.	1417.50	45	9576.00	304		400	31.50 ft.
~~Bulldozing~~ Stage I	hr.			1200.00 ✓	80		80	15.00 hr.
~~Sample Anal. Stage I~~	ea.			125.00 ✓	25		25	5.00 ea.
~~Sample Anal. Stage II~~	ea.			25.00	5		23	5.00 ea.
~~Moving & Standby~~ Stage I	hr.			343.20 ✓	33		33	10.40 hr.
Drilling: Pneumatic								
Stage 10-100	ft.			6460.00 ✓	1900		2000	3.40 ft.
Stage 110-100	ft.			353.60	104		1000	3.40 ft.
Stage I 100-200	ft.			1988.50 ✓	410		500	4.85 ft.
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1417.50		20071.30				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1417.50		20071.30				

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

Date July 6, 1959 Operator Midland Mining Company
Per C. M. Hauptman Title President

Remarks: Stage II 96' drifting site preparation
Stage I 96' drilling

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.
7-9-59

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

MIDLAND MINING COMPANY

207 Hedden Bldg. Telephone 2-7220

BILLINGS, MONTANA

July 6, 1959

Office of Minerals Exploration
U.S. Dept. of Interior
South 157 Howard Street
Spokane 4, Washington

Re: Docket # DMEA-4619
Progress Report
Period June, 1959

Gentlemen,

During the month of June, the drift at the Sandra claim was advanced forty five feet in the effort to intersect drill hole SA-7a. The work since the last reporting period has been carried as an incline, using a slusher for mucking back to the haulage level. Our intent is to intersect hole SA-7a some what below the anomalous area indicated on the probe record of the hole. As yet we have not found the hole, although we know we have advanced far enough to reach it. We are slabbing to find the hole, a situation we have met before since the hole drift due to the erratic condition of the rocks drilled.

Mineralization has increased somewhat during the last part of this latest advance, although not in sufficient quanity to be commercial. Minor pods and streaks of ore have been found which give further encouragement to the belief that larger ore bodies are in the vicinity.

Very truly yours,

MIDLAND MINING COMPANY

C. M. Hauptman

C. M. Hauptman
President

CMH/am
Encls.

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 20 1959

DATE	INITIALS	CODE

No. 157 Howard Street
Spokane 4, Washington

July 13, 1959

EXTRA COPY O. M. E. RECEIVED JUL 17 1959		
DATE	INITIALS	CODE
7-17	gad	2x0
		800

Memorandum

To: Chairman, Operating Committee, OME

From: OME Field Team, Region I

Subject: Docket No. DMEA-4619 (Uranium)
Midland Mining Company
Sandra Group
Carbon County, Montana
Contract No. Km-E1097

Enclosed are three copies each of a letter dated July 6, 1959, from the operator, and our reply.

The operator reports that the mineralization is improving but in view of your letter of April 7 we will not make any recommendation until after we make an inspection of the new work later this month.

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

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

Enclosures

cc: USGS (2)
USBM (AD)
Sample

No. 157 Howard Street
Spokane 4, Washington

July 10, 1959

EXTRA COPY O. M. E. RECEIVED JUL 17 1959		
DATE	INITIALS	CODE

Mr. C. M. Hauptman, President
Midland Mining Company
207 Bedden Building
Billings, Montana

Re: Docket No. DMEA-4619 (Uranium)
Sandra Group
Carbon County, Montana
Contract No. Idm-21057

Dear Mr. Hauptman:

We have forwarded your letter of July 6, 1959, to our Washington office for their further consideration.

In reply to your similar request of March 23, we were advised that the value of the small ore deposit exposed by the incomplete work around hole SA-13 is hardly commensurate with the cost of exploratory work to find it, but that if, when the presently authorized work was resumed, it should disclose evidence that the additional footage requested might result in a significant discovery along a fracture or cave system the request would receive consideration.

Your July 6 progress report merely states that mineralization has increased in the last part of the advance toward the anomaly in hole SA-7a, although not in sufficient quantity to be commercial and that minor pods and streaks of ore have been found. As no mention is made of hole SA-8, we presume no ore was been found there since Sample's inspection the latter part of June.

On the basis of the information at hand, we cannot make any better case for your request than we did in March. We will make another inspection as soon as possible after the middle of July. If at that time you can show the examiner some encouraging indications of a mineralized structure or cave that could justify further work we will ask that your request be reconsidered.

By Field Team Region I

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

Wing C. Agney, Member
U. S. Bureau of Mines

cc: OME (2)
USBM (2)
USBM(AD)
Sample

MIDLAND MINING COMPANY

207 Holden Bldg. Telephone 2-7220

BILLINGS, MONTANA

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 17 1959

DATE	INITIALS	CODE

July 6, 1959

Mr. A. E. Weissenborn
Office of Minerals Exploration
U.S. Dept. of Interior
South 157 Howard Street
Spokane 4, Washington

Re: Docket # DMEA-4619
Sandra Group of claims
Carbon Co., Mont.

Dear Mr. Weissenborn,

Progress is being made steadily on the contract on the Sandra claims and I have no doubt that we will fullfill our present contract in good time before the September deadline.

I would like to again request that some action be taken on my past correspondence concerning the conversion of remaining drill funds to drifting. Since it does take time for such amendments, it seems to me that preparation should be made for the use of such funds if the occasion arises. I would suggest that you can get the approval of Washington for the conversion from drilling to drifting but that the decision for the use of these additional funds would rest with the field team after an appraisal of the work presently authorized is completed. I do not see how this suggestion would in any way jeopardize the Government's position but I can see that such preparation would prevent a long delay should we all agree that such further drifting would be advantageous to both parties.

As I mentioned in the last progress report, we are encountering more mineralization and the possibility continues to be good that we will find a substantial mineralized cave containing sizable reserves. For such a possibility, I think we should be prepared.

Very truly yours,

MIDLAND MINING COMPANY

C. M. Hauptman
President

RECEIVED
JUL 9 1959
U.S.
SPOKANE WASH

CMH/am

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

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

Bu. Vou. No. 2302

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

Voucher prepared at Spokane, Washington 6/11/59
(Give place and date)

JUN 15 1959
O.M.E.

PAID BY

(For use of Paying Office)

THE UNITED STATES, Dr., Payee's Account No. Idm-21097

To Midland Mining Company
(Payee)

207 Hedden Building Billings, Montana
(Address) (City) (State)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	Sept. & Oct. 1958	Funds withheld under Voucher No. 2256 dated December 3, 1958				200	00
	May 1959	As per attached certified form MF-104 dated June 2, 1959				358	50
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 558 50

(Payee must NOT use this space)

Differences .....

Account verified; correct for 558 50

(Signature or initials) .....

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

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

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

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

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

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

☆ U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22000a-2

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

JUN 25 1959

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1959 Docket No. DMEA 4519 Contract No. Idm-E1097
Operator's Name Midland Mining Company Minerals Uranium
Address 207 Hedden Bldg., Billings, Montana
Contract Amount, $27,005.00 Government Participation: 75 % Amount, $20,255.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Stage I 0-100		6460.00	6460.00		6460.00	6460.00
" Stage I 100-200		1988.50	1988.50		1988.50	1988.50
" Stage II 0-100		353.60	353.60		353.60	353.60
Drifting etc. Stage II	378.00	7780.50	8158.50	478.00	7680.50	7680.50
Bulldozing Stage I		1200.00	1200.00		1200.00	1200.00
Loving & Standby Stage I		343.20	343.20		343.20	343.20
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis Stage I		125.00	125.00		125.00	125.00
" " " Stage II		25.00	25.00		25.00	25.00
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	378.00	18,275.00	18,653.80	478.00	18175.80	18,653.80

I certify that the above bill is correct and just and that payment therefor has not been received.
Date June 2, 1959 *Payee Midland Mining Company
Per O. M. Hauptman Title President

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

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

(Instructions on reverse)

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

$ 358.50

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 6/11/59 Vou. No. 2202

(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. 61097 in accordance with the terms of the contract.

Signature /s/ Stephen W. Zoldok Title Mining Engr. Date 6-5-59

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

Signature /s/ Wing G. Agnew Title Acting Exec Date 6-11-59

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 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

JUN 15 1959
O.M.E.

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

Month of May 1959 Docket No. DMEA 4619 Contract No. Idm-51097
Operator's Name Midland Mining Company Minerals Uranium
Address 207 Holden Bldg., Billings, Montana

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting etc. Stage II	ft.	378.00	12	8158.50	259		400	31.50/ft.
~~Crosscutting~~ Bulldozing Stage I	hr.			1200.00	80		80	15.00/hr.
~~Raising~~ Sample anal. Stage I	ea.			125.00	25		25	5.00/ea.
~~Shafts~~ Sample anal. Stage II	ea.			25.00	5		25	5.00/ea.
~~Winzes~~ Moving & standby St. I	hr.			343.20	33		33	10.40/hr.
Drilling: ~~Core~~ Pneumatic								
~~Percussion~~ Stage I 0-100	ft.			6460.00	1900		2000	3.40/ft.
~~Auger~~ Stage II 0-100	ft.			353.60	104		1000	3.40/ft.
~~Stripping~~ Stage I 100-200	ft.			1988.50	410		500	4.85/ft.
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		378.00		18,653.80				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		378.00		18,653.80				

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 June 2, 1959 Operator Midland Mining Company

Per C. M. Hauptman Title President

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

Remarks:

(Instructions on reverse)

(For Government use only)

6-5-59
/s/ Stephen W. Zoldok
Mining Engr.

INSTRUCTIONS

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

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

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

GPO 872894

MIDLAND MINING COMPANY

207 Hedden Bldg. Telephone 2-7220
BILLINGS, MONTANA

June 2, 1959

Office of Minerals Exploration
U. S. Dept. of Interior
South 157 Howard Street
Spokane 4, Washington

Re: Docket # MTA-4619
Progress Report
Period May, 1959

Gentlemen,

Work was resumed at the Sandra Mine on April 5, 1959. The work, carried on intermittently due to inclement weather, consisted primarily of rehabilitation of the timber and track within the drift, cleaning up fallen rock at the portal, and rebuilding the track from the portal to the dump. Actual work in the drift to crosscut to S4-7 was begun on May 25. As of June 1st, the drift had been advanced twelve feet in this latest work. No appreciable mineralization was encountered in this last twelve feet. Work is being continued with every effort being made to finish the contract before the September expiration date.

Kindly remind Mrs. Long that, through a clerical error, we made an underclaim of $100.00 in the voucher dated November 3, 1958. The footage claimed was correct so the only correction necessary is in the cost figures. The error was picked up in the enclosed voucher and unit cost reports. Also, kindly forward the $200 withheld from our previous voucher pending resumption of the work at the Sandra Mine.

Very truly yours,

MIDLAND MINING COMPANY

C. M. Houghton

C. M. Houghton
President

CMH/ea
Encls.

EXTRA COPY
O. M. E.
RECEIVED JUN 15 1959

DATE	INITIALS	CODE

NOV 20 REC'D W

Form MF-204 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED DEC 1958 O.M.E.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Sept. & Oct., 1958 Docket No. DMEA 4619 Contract No. Idm-E1097

Operator's Name Midland Mining Company Minerals Uranium

Address 207 Hedden Bldg., Billings, Montana

Contract Amount, $27,008.00 Government Participation: 75 % Amount, $20,256.00

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 Stage I 0-100		6460.00	6460.00		6460.00	6460.00
" Stage I 100-200		1988.50	1988.50		1988.50	1988.50
~~Bulldozing~~						
~~Crosscutting~~ " Stage II 0-100		353.60	353.60		353.60	353.60
Drifting etc. Stage II	2357.00	5323.50	7680.50	2357.00	5323.50	7680.50
Bulldozing Stage I		1200.00	1200.00		1200.00	1200.00
Moving & Standby Stage I		343.20	343.20		343.20	343.20
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis Stage I		125.00	125.00		125.00	125.00
" Stage II		25.00	25.00		25.00	25.00
~~Payroll Taxes~~						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2357.00	15,818.80	18,175.80	2357.00	15,818.80	18,175.80

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

Date Nov. 3, 1958 *Payee Midland Mining Company

Per O. W. Hampton Title President

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

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

(Instructions on reverse)

Withhold Pay 1767.75 200.00 $1567.75

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

1767.75 $1567.75

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 12/3/58 Vou. No. 2256

(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-1097 in accordance with the terms of the contract.

Signature /s/ John A. Bowsher Title Mining Engr. Date 11/20/58

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

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Dec. 3, 1958

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)

NOV 20 REC'D

Budget Bureau No. 42-R1151.2

RECEIVED DEC 9 1958 O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Sept. & Oct. 1958 Docket No. DMEA 4619 Contract No. Ida-4-1097

Operator's Name Midland Mining Company Minerals Uranium

Address 207 Eddon Bldg., Billings, Montana

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting etc. Stage II	ft.	2357.00	78	7680.50	247		400	31.50/ft.
~~Bulldozing~~ Stage I	hr.			1200.00	80		80	15.00/hr.
~~Sample analysis~~ Stage I	ea.			125.00	25		25	5.00/ea.
~~Sample analysis~~ Stage II	ea.			25.00	5		23	5.00/ea.
~~Moving & Standby~~ Stage I	hr.			343.20	33		33	10.40/hr.
Drilling: ~~Core~~ Pneumatic								
~~Churn~~ Stage I 0-100	ft.			6460.00	1900		2000	3.40/ft.
~~Auger~~ Stage II 0-100	ft.			353.60	104		1000	3.40/ft.
~~Stripping~~ Stage I 100-200	ft.			1988.50	410		500	4.85/ft.
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		2357.00	18,175.80					Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2357.00	18,175.80					

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 November 3, 1958 Operator Midland Mining Company

Per O. W. Haughton Title President

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

(Instructions on reverse)

Remarks:

(For Government use only)

/s/ John A. Lowder
Mining Eng., 11/20/58

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

NOV 20 REC'D

MIDLAND MINING COMPANY

207 Hedden Bldg. Telephone 2-7220
BILLINGS, MONTANA

November 15, 1958

Defense Minerals Exploration Admin.
U. S. Dept. of Interior
South 157 Howard Street
Spokane 4, Washington

Re: Docket # DMEA-4619
Progress Report
Period Sept.-Oct., 1958

Gentlemen,

Work continued in the drift at the Sandra mine during the period Sept. 1 - Oct.18. In that time, the heading was advanced 78 feet to intersect drill hole SA-8. Thus the drift totals 261 feet in length. On October 19, a severe snowstorm held up operations and we decided to close down for the winter. No work has been done on the property since that date except to clean up and lock up for the next few months.

During the driving of the 78 feet of drift covered by this report, no significant mineralization was encountered. In fact the background count in the drift decreased steadily until there was almost no appreciable count at the breast. We pulled back to the seam crossed at about 180 feet and pulled one round before the weather got so bad. This lead seems quite strong and we would like to explore it when next we reopen.

At the time we resume work after this recess, we will submit a detailed map of the drift and the attitude of the mineralization encountered. Then we shall request permission to do work subject to approval of the field examiners and the field team.

Very truly yours,

MIDLAND MINING COMPANY

C. M. Hauptman

C. M. Hauptman
President

Office of Minerals Exploration
1201 E. Division St.
Spokane 2, Washington

November 2, 1958

Mr. G. M. Haughton, President
Midland Mining Company
307 Holden Building
Billings, Montana

Re: Project No. MMA-4619 (uranium)
Midland Mining Company
Contract No. Ion-41097
Monthly operating Report for
September and October 1958

Dear Mr. Haughton:

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

It has been noted there is an error in the costs claimed for 78 feet of drifting @ $31.50 per foot. You have claimed $2,457 rather than the correct amount of $2,457, resulting in an underclaim of $300. This amount may be claimed on a subsequent voucher, as a separate item, with reference to the voucher on which the original claim was made.

We are withholding an amount of $800, pending resumption of work in the spring and upon receipt of your next voucher after work has been resumed.

By Field Team, Region I

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

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

cc: OME (2)
USGS (2)
Contract Admin. & Audit Div. (2)
USGS (AD)

BUREAU OF MINES
NOV 24 1958

MIDLAND MINING COMPANY
[illegible] Bldg. Telephone [illegible]
HELENA, MONTANA

EXTRA COPY
Mr. E.
RECEIVED DEC 2 1958
DATE | INITIALS | CODE
800

November 18, 1958

Defense Minerals Exploration Admin.
U. S. Dept. of Interior
South 157 Howard Street
Spokane 4, Washington

Re: Pocket [illegible]
Progress Report
Period Sept.-Oct., 1958

E-1097

Gentlemen,

Work continued in the drift at the Sandra mine during the period Sept. 1 - Oct. 18. In that time, the heading was advanced 78 feet to intersect drill hole SA-8. Thus the drift totals 261 feet in length. On October 19, a severe snowstorm held up operations and we decided to close down for the winter. No work has been done on the property since that date except to clean up and look up for the next few months.

During the driving of the 76 feet of drift covered by this report, no significant mineralization was encountered. In fact the background count in the drift decreased steadily until there was almost no appreciable count at the breast. We pulled back to the seam crossed at about 190 feet and pulled one round before the weather got too bad. This lead seems quite strong and we would like to explore it when next we resume.

At the time we resume work after this recess, we will submit a detailed map of the drift and the attitude of the mineralization encountered to date. Then we shall request permission to do work subject to approval of the field examiners and the field team.

Very truly yours,

MIDLAND MINING COMPANY

C. M. Hauptman
President

REFER TO | ACTION | NOTED | DATE
omC

RECEIVED
NOV 24 1958

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED OCT 6 1958 D.M.E.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Period ~~Month~~ of May thru Aug., 1958 Docket No. DMEA 4612 Contract No. Idm-21097
Operator's Name Midland Mining Company Minerals Uranium
Address 207 Hedden Bldg., Billings, Montana
Contract Amount, $27,008.00 Government Participation: 75 % Amount, $20,256.00

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 Stage I 0-100		6460.00	6460.00		6460.00	6460.00
" Stage I 100-200		1988.50	1988.50		1988.50	1988.50
Bulldozing " Stage II 0-100		353.60	353.60		353.60	353.60
Crosscutting						
Drifting etc. Stage II	614.25	4709.25	5323.50	614.25	4709.25	5323.50
Bulldozing Stage I		1200.00	1200.00		1200.00	1200.00
Moving & Standby Stage I		343.20	343.20		343.20	343.20
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis Stage I		125.00	125.00		125.00	125.00
Payroll Taxes " Stage II		25.00	25.00		25.00	25.00
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	614.25	15,204.55	15,818.80	614.25	15204.55	15818.80

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

Date Sept. 10, '58 Payee Midland Mining Company

Per C. M. Hamilton Title President

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

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

(Instructions on reverse)

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

$ 460.69

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 10/1/58 Vou. No. 2227

(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. 6-1097 in accordance with the terms of the contract.

Signature /s/ John A. Bowsher Title Mining Engr. Date 9/22/58

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

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Sept. 30, 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED OCT 6 1958 D.M.E.

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

~~Month of~~ Period May thru Aug. 1958 195

Docket No. DMEA 4619

Contract No. Tdm-11097

Operator's Name Midland Mining Company

Minerals Uranium

Address 207 Medden Bldg., Billings, Montana

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drilling etc. Stage II	ft.	614.25	104	5323.50	169		400	31.50/ft.
~~Bulldozing~~ Stage I	hr.			1200.00	80		80	15.00/hr.
~~Crosscutting~~ Stage I	ea.			125.00	25		25	5.00/ea.
~~Timbering~~ Sample analysis Stage II	ea.			25.00	5		25	5.00/ea.
~~Shafts~~ Moving & steady Stage I	hr.			363.20	33		33	10.40/hr.
~~Winzes~~ Drilling Pneumatic Stage I 0-100	ft.			6460.00	1900		2000	3.40/ft.
~~Churn~~ Stage II 0-100	ft.			353.60	104		1000	3.40/ft.
~~Auger~~ Stage I 100-200	ft.			1988.50	410		500	4.85/ft.
~~Stripping~~								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		614.25		15,818.80				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		614.25		15,818.80				

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

REMARKS:

Date Sept. 10, 1958 Operator Midland Mining Company

Per C. M. Hamptman Title President

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

(Instructions on reverse)

(For Government use only)

/s/ John A. Bowsher
Mining Engr., 9/22/58

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

REC'D

MIDLAND MINING COMPANY
207 Medden Bldg.
Billings, Montana

September 10, 1958

Defense Minerals Exploration Admin.
U. S. Dept. of Interior
South 157 Howard Street
Spokane 4, Washington

Re: Pocket # DMEA-4619
Progress Report
Period August, 1958

Gentlemen,

Work was resumed at the Sandre mine during the last week in August. The main drift is being carried forward from the vicinity of drill hole SA-13 on the same line as before, i.e., toward SA-7A. We have progressed 19½ feet past SA-13, which is 163½ from the portal, for a total drift length of 183 feet.

Almost from the beginning of this latest advance, we have been on a narrow mineralized clay seam. In the last fifteen feet of the drift the seam has been carried first on the right rib, then across the face, and now at the breast, on the left rib. The seam appears to be almost vertical. We considered carrying the drift to the left to follow this seam but in the drill holes being drilled for the next round, more mineralized clay was encountered. We therefore decided we might as well continue to drive straight ahead. Our present plans are to carry the drift straight ahead to the vicinity of SA-7A and then long hole from the drift at a later date. The long holing may be preceded by lateraling from the drift on the good mineral shows passed or to reach the drill holes drilled under Stage I which had mineral shows.

Very truly yours,

MIDLAND MINING COMPANY

C. M. Hauptman

C. M. Hauptman
President

MIDLAND MINING COMPANY

207 Hedden Bldg. Telephone 2-7220

BILLINGS, MONTANA

EXTRA COPY
D M E A
RECEIVED 7 1958

DATE	INITIALS	CODE
8/11	Com	100
		800

July 28, 1958

Defense Minerals Exploration Administration
U.S. Dept. of Interior
South 157 Howard Street
Spokane 4, Washington

E-1097

Re: Docket No. DMEA-4619
Progress Report
Period May, June and
July, 1958

Gentlemen,

During May, after the late spring snows had melted, we attempted to continue work on the lower level through the winze. The mechanical set-up was not effective, however, and efforts were begun to obtain a mucking machine to facilitate handling of the rock.

During this time, a combination of factors, such as poor returns on the ore shipped, high cost of the drilling program (much over our original estimate), costs of continuous timbering, etc., strained the company's finances to the limit. We therefore closed down all operations pending the solution of this problem. Consequently we have done no work under the contract for the subject reporting period.

We are now negociating a proposition to continue the work and it appears that we will be able to resume work sometime during August.

Very truly yours,

MIDLAND MINING COMPANY

C. M. Hauptman

C. M. Hauptman
President

CMH/em

5-27-58
S.L.

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

Budget Bureau No. 42-R1036.5

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

Month of April, 1958 Docket No. DMEA 4619 Contract No. Idm-E1097
Operator's Name Midland Mining Company Minerals Uranium
Address 207 Hedden Bldg. Billings, Montana
Contract Amount, $ 27,008.00 Government Participation: 75 % Amount, $ 20,256.00

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 Stage I 0-100		6460.00	6460.00		6460.00	6460.00
" Stage I 100-200		1988.50	1988.50		1988.50	1988.50
" Stage II 0-100		353.60	353.60		353.60	353.60
Drifting etc. Stage II	519.75	4189.50	4709.25	519.75	4189.50	4709.25
Bulldozing Stage I		1200.00	1200.00		1200.00	1200.00
Moving & standby Stage I		343.20	343.20		343.20	343.20
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis Stage I		125.00	125.00		125.00	125.00
" " Stage II		25.00	25.00		25.00	25.00
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	519.75	14,684.80	15,204.55	519.75	14,684.80	15,204.55

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

Date May 20, 1958 *Payee Midland Mining Company

Per P. M. Hampton Title President

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

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

(Instructions on reverse)

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

$ 389.81

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 6/2/58 Vou. No. 2171

(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. E1097 in accordance with the terms of the contract.

Signature /s/ John A. Bowsher Title Mining Engr. Date 5/24/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date May 29, 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1958 Docket No. DMEA 4619 Contract No. Idm-E1097

Operator's Name Midland Mining Company Minerals Uranium

Address 207 Hedden Bldg., Billings, Montana

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting etc. Stage II	ft.	519.75	16½	4,709.25	149½		400	31.50/ft.
Bulldozing Stage I	hr.			1,200.00	80		80	15.00/hr.
Sample analysis Stage I	ea.			125.00	25		25	5.00/ea.
Sample analysis Stage II	ea.			25.00	5		23	5.00/ea.
Moving & standby Stage I	hr.			343.20	33		33	10.40/hr.
Drilling: Pneumatic								
Stage I 0-100	ft.			6,460.00	1900		2000	3.40/ft.
Stage II 0-100	ft.			353.60	104		1000	3.40/ft.
Stage I 100-200	ft.			1,958.50	410		500	4.85/ft.
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		519.75		15,204.55				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		519.75		15,204.55				

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 May 20, 1958 Operator Midland Mining Company

Per C. M. Hauptman Title President

Remarks:

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

(Instructions on reverse)

(For Government use only)

/s/ John A. Bowsher
Mining Engr. 5/24/58

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

MAY 22 REC'D

MIDLAND MINING COMPANY

207 Hedden Bldg. Telephone 2-7220
BILLINGS, MONTANA

May 20, 1958

Defense Minerals Exploration Administration
U. S. Department of Interior
South 157 Howard Street
Spokane 4, Washington

Re: Docket # DMEA-4619
Progress Report,
Period April, 1958

Gentlemen,

During the first week in April, the shaft near drill hole SA-13 was timbered and work was begun on a hoist to raise loaded cars from this sublevel to the level of the portal drift. Only one shift was employed for this work and the spring thaw slowed all activity considerably.

On about the 10th of April, work was begun on further drifting southeast and northwest from this sublevel to prospect along the mineralized structure exposed on both sides of the winze. This structure consisted of a meandering solution channel in the silicified limestone secondarily filled with a heterogeneous jumble of Amsden type sediments, i.e., indurated red clay and multicolored, fine-grained sandstone. The best mineralization was found near the walls of the channel in a soft, soapy, white to pink clay. During this work, the drift was extended ten and a half feet to the southeast and six feet to the northwest.

On April 21, a late spring snow storm blocked access to the property for the first and only time of the winter. All work therefore ceased for the remainder of the month.

During this month payment was received for a thirty ton ore shipment sent to Riverton in March. The grade was much lower than we had expected, .18% U_3O_8, which barely covered the cost of handling and shipping. In the future more careful attention will be paid to separating the ore from the waste as long as the ore zones remain thin.

Very truly yours,

MIDLAND MINING COMPANY

C. M. Hauptman

C. M. Hauptman
President

CMH/am

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED MAY 12 1958 D.M.E.A.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February & March, 1958 Docket No. DMEA 4619 Contract No. Idm-E1097
Operator's Name Midland Mining Company Minerals Uranium
Address 207 Hedden Bldg., Billings, Montana
Contract Amount, $27,008.00 Government Participation: 75 % Amount, $20,256.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling 0-100 Stage I		6,800.00	6,800.00		6460.00	6460.00
" 100-200 Stage I		1988.50	1,988.50		1988.50	1988.50
" 0-100 Stage II		353.60	353.60		353.60	353.60
Drifting, etc. Stage II	409.50	3,780.00	4,189.50	409.50	3780.00	4189.50
Bulldozing Stage I		1,200.00	1,200.00		1200.00	1200.00
Moving & Standby Stage I		343.20	343.20		343.20	343.20
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis Stage I		125.00	125.00		125.00	125.00
" " Taxes Stage II	10.00	15.00	25.00	10.00	15.00	25.00
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	419.50	14,605.30	15,024.80	419.50	14265.30	14684.80

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

Date April 9, 1958 *Payee Midland Mining Company

Per O. M. Hampton Title President

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

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

(Instructions on reverse)

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

$ 314.62

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 5/8/58 Vou. No. 2158

(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. 6 1097 in accordance with the terms of the contract.

Signature /s/ John A. Lowder Title Mining Engr. Date 5/8/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date May 7, 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

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

RECEIVED MAY 13 1958 DMEA

Month of Feb. & March 1958 Docket No. DMEA 4619 Contract No. Idm-E1097
Operator's Name Midland Mining Company Minerals Uranium
Address 207 Hedden Bldg., Billings, Montana

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drilling, etc. Stage II	ft.	409.50	13	4,189.50	133		400	31.50/ft.
Bulldozing Stage I	hr.			1,200.00	80		80	15.00/hr.
Sample analysis Stage I	ea.			125.00	25		25	5.00/ea.
Sample analysis Stage II	ea.	10.00	2	25.00	5		23	5.00/ea.
Moving & standby Stage I	hr.			343.20	33		33	10.40/hr.
Drilling: Pneumatic								
Stage I 0-100	ft.			6,460.00	1900		2000	3.40/ft.
" II 0-100	ft.			353.60	104		1000	3.40/ft.
Stage I 100-200	ft.			1,988.50	410		500	4.85/ft.
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		419.50		14,684.80				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		419.50		14,684.80				

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

Remarks: Winze authorized in letter DMEA, Spokane dated February 18, 1958.

Date April 9, 1958 Operator Midland Mining Company

Per C. W. Hampton Title President

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

(Instructions on reverse)

(For Government use only)

/s/ John A. Bowsher
Mining Engr., 5/5/58

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

MIDLAND MINING COMPANY

207 Hedden Bldg. Telephone 2-7220

BILLINGS, MONTANA

April 15, 1958

Defense Minerals Exploration Admin.
U. S. Department of Interior
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMA-4619
Progress Report,
Period Feb.-Mar., 1958

Gentlemen:

During the period Feb. 1-12, the drift at the Sandia mine was advanced from 125 ft. to 169 ft., a point just east of drill hole No. SA-13. At 133 feet, a fair mineralized show was encountered at the breast and right lower rib in the drift. This show persisted somewhat erratically to 159 feet. At 164 feet, an inch wide seam of high grade tyuyamunite was discovered in the floor of the drift. This streak was traced left and up the ~~left~~ rib and right across the floor in a southeasterly direction. This streak was followed to the left during the work of breaking into the drill hole SA-13. When the drill hole was found, a short raise was driven to within 20 feet of the surface in order to investigate the zone of high count found during the drilling of this hole. The afore-mentioned radiometric count was found to have been caused by a pocket of high grade ore along the rich streak previously mentioned. This pocket amounted to only a few hundred pounds.

The last half of February was spent installing track in the drift and in building a storage bin near the portal. In none of the work done in February was the government committed to participate.

The first week in March was spent in exploring to the right or east side of the end of the drift. Some of the material appeared good enough to save and after selection, was placed in a storage bin. The decision was then made to sink on the show in the floor of the drift. By the 24th of March, this shaft had been sunk to a depth of 12 feet and the mineralized fissure continued to persist. This fissure was actually a solution channel in the silicified cave-fill, which in turn was filled with collapse debris and gelatinous siliceous mud. This fissure varied from a few inches to four feet in width. The best mineralization was a narrow streak on each wall of the fissure. Two five foot channel samples were taken horizontally across the north and south walls of the shaft at a depth of eight feet. Assay results of these samples are shown on the enclosed assay reports. The shaft progressed slowly because an effort was made to save the mineralized rock by hand sorting each carload mucked out. The last few days of the month were spent in deepening the shaft to 13 feet and widening some for timber.

Very truly yours,

MIDLAND MINING COMPANY

C. M. Hauptman

C. M. Hauptman
Pres.

CMH/cm

YAPUNCICH, SANDERSON & BROWN
LABORATORIES

P. O. Box 593
PHONE 2-6325

13 N. 32ND ST.
BILLINGS, MONTANA

To: MIDLAND MINING COMPANY
207 HEDDEN BUILDING
BILLINGS, MONTANA

Date 4-1-58

Lab. No. 536-U

Invoice No.

Total Charges $ 10.00

CERTIFIED URANIUM ASSAY REPORT

SAMPLE	RADIOMETRIC ASSAY Equivalent U_3O_8, % by weight	CHEMICAL ASSAY U_3O_8, % by weight
NO. 1 SO. WALL - 8' IN SHAFT	0.15	0.27
NO. 2 NO. WALL - 8' IN SHAFT	0.01	0.04

Signed by R. L. Brown
Chemist

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

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

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

MAR 10 1958

Month of January, 1958 Docket No. DMEA 4619 Contract No. Idm - E1097
Operator's Name Midland Mining Co. Minerals Uranium
Address 207 Hedden Bldg., Billings, Montana
Contract Amount, $ 27,008.00 Government Participation: 75 % Amount, $ 20,256.00

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 0-100 Stage I		6800.00	6800.00		6460.00	6460.00
Bulldozing 100-200 Stage I		1988.50	1988.50		1988.50	1988.50
Crosscutting 0-100 Stage II		353.60	353.60		353.60	353.60
Drifting State II	1984.50	1795.50	3780.00	1984.50	1795.50	3780.00
Bulldozing-Stage I		1200.00	1200.00		1200.00	1200.00
(2) Moving & Standby State I		343.20	343.20		343.20	343.20
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis Stage I		125.00	125.00		125.00	125.00
Payroll Taxes Stage II	15.00	None	15.00	15.00	—	15.00
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1999.50	12605.80	14605.30	1999.50	12265.80	14,265.30

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

Date Feb. 21, 1958 *Payee Midland Mining Co.

Per C. M. Hampton Title President

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

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

(Instructions on reverse)

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

$ 1499.62

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 3/5/58 Vou. No. 2128

(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 1097 in accordance with the terms of the contract.

Signature /s/ John A. Bowden Title Mining Engr. Date 7/28/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date March 4, 1958

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-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 195 8 Docket No. DMEA 4619 Contract No. Idm-E1097

Operator's Name Midland Mining Company Minerals Uranium

Address 207 Hedden Bldg., Billings, Montana

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting Stage II	ft.	1984.50	63	3780.00	120		400	31.50/ft.
~~Bulldozing~~ Stage I	hr.			1200.00	80		60	15.00/hr.
~~Sample~~ analysis I	ea.			125.00	25		25	5.00/ea.
~~Sample~~ analysis Stage II	ea.	15.00	3	15.00	3		23	5.00/ea.
Moving & ~~Wait~~ standby Stage I	hr.			343.20	33		33	10.40/hr.
Drilling: ~~corr~~ Pneumatic Stage 10-100	ft.			6460.00 ~~6800.00~~	1900 ~~2000~~		2000	3.40/ft.
~~Diam~~ Stage I ~~mgr~~ 0-100	ft.			353.60	104		1000	3.40/ft.
~~Diamond~~ Stage I 100-200	ft.			1988.50	410		500	4.85/ft.
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1999.50		14,265.30 ~~14,605.30~~				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1999.50		14,265.30 ~~14,605.30~~				

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 February 21, 1958 Operator Midland Mining Company

Per O. M. Hamplin Title President

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

(Instructions on reverse)

Remarks: Only 120 feet of drifting authorized in entry to drill hole SA-13 per DMEA letter, Spokane, dated November 19, 1957.

(For Government use only)

/s/ John A. Bowden
Mining Engr.
2/28/58

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

MIDLAND MINING COMPANY
207 Hedden Bldg. Telephone 2-7220
BILLINGS, MONTANA

DMEA
RECEIVED MAR 10 1958
CODE

February 21, 1958

Defense Minerals Exploration Admin.
U. S. Department of Interior
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-4619
Progress Report, period
Jan. 1 - 31, 1958

Gentlemen:

As of Friday night, January 31, the drift on the Sandra claim had been advanced 125 feet from the portal to the vicinity of SA-13. The rock encountered in the drift continued to consist of highly silicified cave debris; that is, silicious lime boulders, banded onyx (highly silicified silt), soft unconsolidated red silt and some gray to white plastic clay. The predominant color in all the debris is brick red to ochre brown.

Because of the broken character of the ground, we encountered considerable difficulty, not only in drilling, but in getting the rounds to pull properly. We could only drill four foot holes due to the fact that deeper holes resulted in much lost time from stuck steels. We also found that the so-called Swedish steel, with the integral bit and shank and one carbide insert, was more effective than the regular rose bits which were constantly stuck by key pebbles falling in behind them.

The count, which was first picked up at 57 feet, continued to improve as the drift advanced. Spots of yellow tyuyamunite mineralization were picked up in the waste with increasing frequency. At 113 feet, a narrow streak of fair mineralization in about the center of the breast. To aid in defining the mineralized zones, we attempted a technique used elsewhere in the district; that is, a short-wave ultra-violet lamp with the filter removed. Such a light ordinarily intensifies the yellow of carnotite-type minerals, which is ordinarily indistinguishable underground. We found that the iron-stained rock in this drift gave a pale greenish-yellow fluorescence was not, however, quite as intense as the yellow produced by visibly mineralized rock. On the chance that this might indicate uranium mineralization that was not detectable with a geiger counter, we selected three samples for assay. One sample was of the muck pile at the breast; one sample, for control, was of some brown rock in the bulldozer cut near the portal, which also gave the peculiar green fluorescence, and the third was a channel sample of the obviously mineralized rock in the breast. The assays of these samples, in the order listed above, are as shown on the enclosed certified uranium assay report. As is obvious from the assay results, we concluded that the geiger counter is still the best and most reliable method of ore grading.

Very truly yours,

MIDLAND MINING COMPANY
C. M. Hauptman
C. M. Hauptman
Pres.

CMH/am

YAPONCICH, SANDERSON & BROWN
LABORATORIES

P. O. Box 593
PHONE 9-8979

20 NORTH 31ST STREET
BILLINGS, MONTANA

To: Mr. Chuck Hauptman
Hedden Building
Billings, Montana

Date 1-30-58

Lab. No. 513-U

Invoice No.

Total Charges $

CERTIFIED URANIUM ASSAY REPORT

SAMPLE	RADIOMETRIC ASSAY Equivalent U_3O_8, % by weight	CHEMICAL ASSAY U_3O_8, % by weight
		DIRECT FLUORIMETRIC
1. Box of Muck at 113' in Sandra drift		0.004
		CHEMICAL ASSAY
2. Rock (near portal)	<0.01	0.002
3. Yellow Rock at 113' in Sandra drift	0.11	0.20

Signed by R. J. Brown
Chemist

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

Budget Bureau No. 42-R1036.5

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

Month of 11-1-57 to 12-31-57, 195..... Docket No. DMEA 4619 Contract No. Idm-E1097

Operator's Name Midland Mining Company Minerals Uranium

Address 207 Holden Bldg., Billings, Montana

Contract Amount, $ 27,008.00 Government Participation: 75 % Amount, $ 20,256.00

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: ~~Stage II~~						
Drilling 0-100 Stage I		6800.00	6800.00		6460.00	6460.00
~~Bulldozing~~ 100-200 " "		1988.50	1988.50		1988.50	1988.50
~~Crosscutting~~ 0-100 Stage II		353.60	353.60		353.60	353.60
Drifting 57 ft. " "	1795.50	None	1795.50	1795.50	—	1795.50
Bulldozing -Stage I		1200.00	1200.00		1200.00	1200.00
Stage I Moving & Standby time		343.20	343.20		343.20	343.20
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Stage I Sampling and Analysis		125.00	125.00		125.00	125.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
		10,810.30	12605.80			
TOTALS	1795.50	None	1795.50	1795.50	10470.30	12265.80

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

Date 1-15-58 *Payee Midland Mining Company

Per C. M. Hauptman Title President

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

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

(Instructions on reverse)

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

$ 1346.62

Signature Dorothy F. Lowe (Authorized Certifying Officer)

Date 2/4/58 Vou. No. 2191

(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. G 1097 in accordance with the terms of the contract.

Signature /s/ John A. Bowden Title Mining Engr. Date 1/24/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Jan. 31, 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of 11-1-57 to 12-31-57 195 Docket No. DMEA 4619 Contract No. Idm-E1097

Operator's Name Midland Mining Company Minerals Uranium

Address 207 Hedden Bldg., Billings, Montana

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting Stage II	Ft. ~~34.50~~	1795.50	57 ft.	1795.50	57 ft.		400	31.50/ft.
~~Crosscutting~~								
~~Raising~~ Stage I Bulldozing	hr.			1200.00	80		80	15.00/hr.
~~Shafts~~ ~~Sampling&Analysis~~	Ea.			125.00	25		25	5.00/ea.
~~Winzes~~ ~~Moving &Standby~~	Hr.			343.20	33		33	10.40/hr.
Stage I Drilling: ~~Core~~ ~~Pneumatic~~								
~~Churn~~ ~~0-100~~	Ft.			6800.00	2000		2000	3.40/ft.
~~Auger~~ ~~100-200~~	Ft.			1988.50	410		500	4.85/ft.
~~Stripping~~ Stage II-								
~~Trenching~~ ~~Drilling~~								
~~Test Pits~~ 0-100	Ft.			353.60	104		1000	3.40/ft.
Roads and Trails								
Total Distributed Costs		1795.50	57 ft.	12,605.80 ~~1795.50~~				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1795.50		12,605.80 ~~1795.50~~				

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

Date 1-15-58 Operator Midland Mining Company

Per C. M. Hampton Title President

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

MIDLAND MINING COMPANY
207 Hedden Bldg.
Billings, Montana

JAN 24 REC'D

January 18, 1958

Defense Minerals Exploration Admin.
U. S. Department of Interior
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-4619
Progress Report, period
Oct. 1 - Dec. 31, 1957

Gentlemen,

During the months of October and November, there was no work done on the Sandra Group claims in which DMEA participated. There was, however, considerable work done toward continuing under the terms of the contract.

Most of October was spent examining drill samples and compiling drill logs for a better evaluation. As a result of this evaluation, a well mineralized trend was delineated on the Sandra claim. The long axis of this trend appears to run about north-south, from drill hole SA-4 to drill hole SA-15. Generally, the depths to this trend are fairly shallow, from 35 to 65 feet. SA-15, however, had a good mineral show at about ninety feet. We decided that our next step should be the underground exploration of this trend, thereby saving for future use the balance of 900 feet of drilling remaining under Stage II.

The entire month of November was spent in preparing the surface site for our underground work on the Sandra claim. The Necessary equipment also had to be procured and arrangements made for miners. Soon after the middle of November, final agreement had been reached with the DMEA field team as to location of the portal. We were authorized to begin the drift slightly south of SA-15 and proceed toward drill hole SA-13, a distance of about 150 feet. Of this distance, DMEA would participate in 120 feet.

The first entry underground was made December 1st. By December 5, fifteen feet had been made from the portal in very bad ground. The rock consisted of badly broken, multi-colored siliceous cave fill material necessitating continuous timbering. The back was hard to hold and considerable bridging was used for the first forty feet. After the usual holiday shutdowns, work was resumed in somewhat better ground on the 26th of December. By New Year's Day, the drift had been advanced 57 feet, and a small amount of mineralization had been encountered at the face.

Only the progress map showing the portal site, direction of advance and footage advanced is submitted with this report. A detailed map of the drift will be submitted with the next report when more significant advancement has been made.

Very truly yours,
MIDLAND MINING COMPANY
C. M. Hauptman
C. M. Hauptman

CMH/am

Form RPF-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

SUPPLEMENTAL

Month of 7-23 to 10-31-57, 195__ Docket No. DMEA 4619 Contract No. Idm-E1097

Operator's Name Midland Mining Company Minerals Uranium

Address 207 Headen Building, Billings, Montana

Contract Amount, $27,008.00 Government Participation: 75 % Amount, $20,256.00

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 0--100 Stage 1			6800.00		6460.00	6460.00
100-200 "			1988.50		1988.50	1988.50
0-100 Stage 2			353.60		353.60	353.60
Stage 1 Bulldozing	1200.00	--	1200.00	1200.00		1200.00
" 1 Moving & Standby time			343.20		343.20	343.20
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Stage 1 Sampling and Analysis			125.00		125.00	125.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1200.00	--	10810.30	1200.00	9270.30	10470.30

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

Date Jan. 16, 1958 *Payee Midland Mining Company

Per C. M. Hauptman Title President

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

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

(Instructions on reverse)

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

$ 900.00

Signature Dorothy F. Long (Authorized Certifying Officer)

Date 1/21/58 Vou. No. 2108

(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. G1097 in accordance with the terms of the contract.

Signature /s/ Stephen W. Hollock Title Mining Engr. Date 1-20-58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Jan. 20, 1958

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.

m MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED JAN 27 1958 D.M.E.A.

SUPPLEMENTAL
7-23 to 10-31-57

Month of 195 Docket No. DMEA 4619 Contract No. Idm-41097

Operator's Name Midland Mining Company Minerals Uranium

Address 207 Hedden Building, Billings, Montana

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Stage I								
0-100 Drilling								
~~xxxxx~~ Pneumatic	ft.			6,800.00	2000		2000	3.40
~~Drifting~~ 100-200 "	ft.			1,988.50	410		500	4.85
~~Crosscutting~~ ~~xxxxx~~ Bulldozing	hr.	1200.00	80	1,200.00	80		80	15.00
~~Raising~~ ~~xxxxx~~ Sampling&Analysis	ea.			125.00	25		25	5.00
~~Shafts~~ ~~xxxx~~ Moving &Standby	hr.			343.20	33		33	10.40
~~Winzes~~ Drilling: Core								
Stage II ~~xxxx~~ Pneumatic 0-100	ft.			353.60	104		1000	3.40
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1200.00		10,810.30				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1200.00		10,810.30				

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. 16, 1958 Operator Midland Mining Company

Per C. M. Hauptman Title President

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

(Instructions on reverse)

Remarks:

(For Government use only)

/s/ Stephen W. Zoldok
Mining Engr., 1-20-58

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

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

Budget Bureau No. 42-R1036.5

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

RECEIVED DEC 9 1957 DAMEA

7-23-57 to 10-31-57

~~Month of~~ XXXXXX, 195..... Docket No. DMEA 4619 Contract No. Idm-E1097

Operator's Name Midland Mining Company Minerals Uranium

Address 207 Hedden Building; Billings, Montana

Contract Amount, $ 27,008.00 Government Participation: 75 % Amount, $ 20,256.00

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 0--100 Stage 1	6800.00	-0-	6800.00	6460.00	—	6460.00
~~Bulldozing~~ XXXXXXX 100-200 "	1988.50	-0-	1988.50	1988.50	—	1988.50
~~Grading~~ XXXXXXX 0-100 Stage-2	353.60	-0-	353.60	353.60	—	353.60
Stage 1 XXXXXX Bulldozing	1200.00	-0-	1200.00	—		—
Stage 1 Moving & Standby time	343.20	-0-	343.20	343.20		343.20
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Stage 1 Sampling and Analysis	125.00	-0-	125.00	125.00	—	125.00
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	10810.30	-0-	10810.30	9270.30	—	9270.30

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

Date ..... *Payee Midland Mining Company

Per O. M. Hampton Title President

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

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

(Instructions on reverse)

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

$ 6952.73

Signature Dorothy F. Long (Authorized Certifying Officer)

Date 12/5/57 Vou. No. 2081

(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. E1097 in accordance with the terms of the contract.

Signature /s/ John A. Lowsher Title Mining Eng. Date 11/25/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Dec. 2, 1957

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

RECEIVED DEC 9 1957 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

7-23-57 to 10-31-57

~~Month of~~ _____ 195____ Docket No. DMEA 4619 Contract No. Idm-E1097

Operator's Name Midland Mining Company

Address 207 Hedden Building; Billings, Montana

Minerals Uranium

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
0-100 Drilling								
~~Shaft~~ Pneumatic	3.40	6,800.00	2000ft	6,800.00	2000ft		2000ft	3.40
~~Crosscutting~~ @ "	4.85	1,988.50	410ft	1,988.50	410ft		500ft	4.85
~~Raising~~ Bulldozing	15.00	1,200.00	80hrs	1,200.00	80hrs		80hrs	15.00
~~Shaft~~ Moving&Standby	10.40	343.20	33hrs	343.20	33hrs		33hrs	10.40
~~Winzes~~ Sampling&Anaylsis	5.00	125.00	25	125.00	25		25	5.00
Drilling: Core								
10-100 ~~Shaft~~ Pneumatic	3.40	353.60	104 ft	353.60	104ft		1000 ft	3.40
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		10,810.30		10,810.30				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		~~10,810.30~~		~~10,810.30~~				

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 11-20-57 Operator Midland Mining Company

Per C. M. Hauptman Title President

Remarks:

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

(Instructions on reverse)

(For Government use only)

/s/ John A. Bowsher
Mining Engr., 11/25/57

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

DMEA Field Team, Region I

December 5, 1957

DMEA Certifying Officer, Region I

Contract No. 14[illegible]-21097
Monthly operating report for July-October 1957

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

We have deleted $340.00 for 100 feet of drilling at $3.40/ft. claimed for Hole No. 17. According to the Operator's narrative dated September 25, 1957 for the period July 1-31, 1957, Hole No. 17 was scheduled for a 200-ft. hole but was not completed. The contract states, in Exhibit A, "The Government will not participate in the cost of an incomplete hole".

We have also deleted the $1200 claimed for bulldozing. The invoice received from the dozer operator did not specify the type dozer used. Upon receipt of this information from the dozer operator this item will be reinstated.

Dorothy F. Long

cc: DMEA (2)
USGS (2)
Contract Admin. & Audit Division ✓
JAB
AD

EXTRA COPY
DMEA
RECEIVED DEC 9 1957
DATE | INITIALS | CODE

MIDLAND MINING COMPANY
207 Hedden Bldg.
Billings, Montana

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 18 1957

DATE	INITIALS	CODE
11/18	C	220
11/18	Con	100
		800

Defense Minerals Exploration Administration
U.W. Department of Interior
South 157 Howard Street
Spokane 4, Washington

E-1097

Re: Docket No. DMEA-4619
Monthly progress report, period
Sept. 1-30, 1957

Gentlemen:

Drilling resumed on September 3rd, after Labor Day. Drilling was continued in SA-3 from 102 ft. At 156 ft. in this hole, the bit hit a cavity, circulation was lost, and the bit broken from the tappet. A fishing tool was brought up to the site on the 4th but the tool was too large and wouldn't go down the hole. The drillers returned to Lovell to get another fishing tool. On the 5th, they made two trips with a new fishing tool to attempt to find the bit, but it had apparently fallen into the cavity and could not be found. A rock bit was then run but it was promptly worn smooth in the very abrasive chert and so the drillers decided to wait until the new bit for the Mole drill arrived. On September 6th, with a new Mole drill bit, SA-3 was worked down to a depth of 184 ft. As the drilling had been very difficult at this point, it was decided to bottom the hole at this depth.

The rig was then moved to SA-2 and by the end of the day on September 6th, this hole had been drilled to 94 ft. On September 7th, SA-2 was bottomed at a total depth of 102 ft and the rig moved to the site of SA-1. At the end of this day, SA-1 had been drilled to 148 ft., at which depth the Mole drill would not cut. Operations were resumed on this hole on September 9th using a rock bit. The rock bit drilled to 176 ft., at which depth the rock became too hard for a rock bit. Therefore, the Mole drill was used to drill the hole on down to a total depth of 206 ft. The rig was then moved to the site of SA-8. On September 10, SA-8 was drilled to a total depth of 104 ft. and the rig moved to the site of SA-7A. On September 10th, drilling was started on SA-7A, at which point the Mole drill broke down and the rest of the day was spent waiting on new parts.

On September 11th, the drillers found that the new Mole drill would not follow the hole made the previous day. Therefore, they moved the rig a couple of feet and started a new hole which was bottomed at a total depth of 106 ft. The rig was then moved to the site of SA-9A and 45 ft. of hole was drilled at this location. On September 12th, SA-9A was drilled to a total depth of 104 ft. The rig was then moved to the site of SA-21, but almost immediately as the drilling started on this hole, the Mole drill again broke down. Drilling was not resumed until Monday, the 16th of September, when new Mole drill parts were obtained. On this day, SA-21 was completed at a total depth of 124 ft., and the rig moved to the site of SA-17. Because such difficulty had been encountered in the drilling of SA-17 earlier, the rig was set up about 5 ft. north of the old hole. However, the same difficulties were encountered in this new hole and in three hours on this date, September 16th, only 42 ft. of hole had been made. On the 17th, 16 ft. had been made in SA-17 in approximately 2 hrs. when again

the badly shattered rock caused the bit to break from the Mole drill. Since more than 25 hrs. had been spent to get this hole drilled and the rough drilling had produced two fishing jobs and had caused two breakdowns in the Mole drill, we decided to make no further attempt to drill deeper on this site.

This completed the drilling under Stage I of our contract. As we intend now not to continue with drilling under Stage II, we are standing by until we receive approval on the portal location from which to begin underground exploration of this prospect.

Very truly yours,

MIDLAND MINING COMPANY

C. M. Hauptman

C. M. Hauptman
Pres.

CMH/am
Enc. 10

MIDLAND MINING COMPANY
207 Hedden Bldg.
Billings, Montana

Narrative Only

W

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 14 1957

DATE	INITIALS	CODE
10/15	C	220
15	COM	100
		800

Defense Minerals Exploration Administration
U.S. Department of Interior
South 157 Howard Street
Spokane 4, Washington

E-1097

Re: Docket No. DMEA-4619
Monthly progress report, period August 1-31, 1957

Gentlemen:

Hole SA-13 was drilled to a total depth of 112 ft. without any particular difficulty on August 1st. On August 2nd, the drill was moved to SA-11, one of the proposed 200 ft. holes. Drilling progressed on this hole without difficulty to about 80 ft., where a moderate flow of water was encountered. Drilling was rough with practically no returns below this depth and a rock bit was interchanged a number of times for a Mole drill in a very cavernous zone from 100-138 ft. On the 3rd of August, still on SA-13, the drill collar twisted off at 174 ft. On August 6th, the repaired drill collar was brought up to the mountain and after cleaning the hole and recovering fish, operations were again shut down due to damage to the drill. Repair parts for the Mole drill were not received until August 9th, but still no further drilling could be done because some parts had been damaged in shipment. The necessary parts for the drill were finally brought up on the 10th of August and drilling was resumed. Due to a badly caving hole, it was necessary to interchange rock bit and Mole drill to finally work the hole down to 180 ft., at which depth SA-11 was completed on the 10th. On this date, the rig was moved to SA-10 and this hole was drilled and completed on this date without any difficulty to a total depth of 105 ft. SA-14 was drilled to a depth of 72 ft. on the 12th. This, after many mechanical and natural rock difficulties. Circulation was lost in this hole at 55 ft. and again a rock bit had to be interchanged with the Mole drill. On August 13th, SA-14 was drilled to a depth of 100 ft. at which depth the Mole drill broke in half, leaving an unrecoverable fish in the bottom of the hole. Again more parts had to be ordered from Mayhew for the Mole drill. On August 16th, the rig was moved and new parts for the new Mole drill, assembled. Drilling was begun on SA-15 and again circulation was lost at 55 ft. SA-15 was completed on this date, however, at a total depth of 105 ft. and the rig moved to SA-16. On August 17, while drilling at 61 ft. on the hole No. SA-16, the tappet in the Mole drill again broke and operations ceased for that day. Drilling resumed on August 19 on SA-16. The bit and broken tappet could not be fished from the hole. Therefore, the rig was moved a few feet and the new hole drilled to a total depth of 104 ft.

On August 20th, the rig was moved from SA-16 to SA-19. SA-19 was bottomed at a total depth of 104 ft. this date and the rig was moved to the site of SA-20. On August 21st, drilling was begun on SA-20. Circulation in this hole was lost at 60 ft. and some rough drilling was encountered to 110 ft., at which depth, the drill pipe was twisted off, leaving the Mole drill, the drill collar, and one stand of pipe in the hole. The fish was recovered, however, and drilling continued to 184 ft., at which time the entire Mole drill was lost in the bottom of the hole. Two hours was spent fishing for the tool, but the fish could never be felt. Drilling conditions indicated that the Mole drill simply fell over in

a cavern and probably rolled an unknown distance from the drill hole. When this hole was probed, the probe went 250 ft., the full length of the probe cable, indicating a cavern or perhaps fissure to at least this depth.

A new Mole drill arrived on August 26th and the rig was moved to SA-12, which was drilled with no particular difficulty, to a depth of 102 ft. total. The rig was then moved to the site of SA-4. On Saturday, August 27, SA-4 was drilled and completed at a total depth of 102 ft. by noon. On Monday, August 29th, the rig was moved to SA-6. Difficulty in keeping the hole clean necessitated a number of trips to clean the Mole drill to keep it in working order, so only 86 ft. of hole was made this date. On August 30th, SA-6 was completed at a depth of 102 ft. by noon and the rig moved to the site of SA-5. SA-5 was drilled and completed at a total depth of 102 ft. on this date. On August 31st, the rig was moved to the site of SA-3 and 102 ft. were drilled in this hole slated to go 200 ft.

In spite of the difficulties with the Mole drill, it was found that this tool is the only thing capable of penetrating the dense chert encountered on this prospect. Mayhew still considers this an experimental tool and we have been assured by this company that Midland Mining Co.will not have to assume the cost of more than the original tool.

Each of the holes was probed immediately after the drilling thereof. The results of this radioactive survey and all of the other pertinent information on each hole, may be found on the enclosed drill record of each hole. Significant radioactivity was found in SA-4, SA--11, SA-13, and SA-15. The best hole was SA-13, with 10 ft. of indicated ore-grade material. Assays of the samples of these intervals was only fair; however, the samples may not be absolutely representative, as no method was available for trapping the extremely fine cuttings. Also, since the radioactive intervals in the various holes do not appear to correlate, final evaluation of the apparent ore zones will have to wait until completion of this first stage of the drilling program.

Copies of the drill record for each hole completed during this period are enclosed along with a progress map covering the proposed drill program under our contract.

Again no voucher is submitted for expenses under our drilling program inasmuch as no bill was received from Moab Drilling Co. to this date. Also a change in our contract relating to vouchering is being requested.

Very truly yours,

Midland Mining Co.

C. M. Hauptman

C. M. Hauptman
Pres.

CMH/am
Enc. 13

MIDLAND MINING COMPANY
207 Hedden Bldg.
Billings, Montana

RECEIVED OCT 21 1957 D.M.E.A.

September 25, 1957

Defense Minerals Exploration Administration
U.S. Department of Interior
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-4619
Monthly progress report, period July 1-31, 1957

Gentlemen:

During the first week in July, bulldozer work to level the sites for drilling was conducted. We also negotiated a contract with Navajo Drilling Co. to perform the drilling called for under our DMEA contract. Navajo agreed to do this drilling at the rate listed in our contract, but because of the hazardous nature of the drilling, insisted on a "mercy" clause which would release them from the contract should the work be too damaging to their equipment or be unprofitable for them.

On Monday, July 8th, Navajo moved their Portadrill rig onto the Sandra claim and set up on hole No. SA-19. They began drilling about four o'clock in the afternoon and planned to work around the clock in twelve hour shifts. By 10 a.m. on July 9th, Navajo had made only 26 ft. on SA-19 and in the process, had used three new bits at $50.00 each. Their last bit had only cut about 6 inches of hole. Navajo had moved their rig to SA-18 and after about 8 hrs., had only 11 ft. of hole. Again they used three new bits and encountered great difficulty in keeping the hole clean. The last bit made less than 1 inch of hole and was pulled worn absolutely smooth. Navajo drillers then shut the rig down and said that they would have to wait for further orders from their supervisor. On Wednesday, July 10, I discussed the drilling situation with Mr. Wayne Cox, the supervisor for Navajo Drilling Co., and he informed me that his present equipment simply would not handle our drilling job. He and I felt that the only solution to the drilling of this chert on the Sandra claim would be a Mole drill manufactured by Gardner-Denver Co. for Mayhew Mfg. Co. This tool had been used with success by Lisbon Uranium Co. on their property about a mile south of the Sandra claim. Mr. Cox was uncertain whether or not his company would be interested in purchasing this expensive tool, but informed me that he would discuss it with his supervisors. On Monday, July 15, Mr. Cox notified me that his company was not interested in investing in a Mole drill and that he would therefore be forced to cancel his contract with us.

Meanwhile I had been contacted by Mr. William Lewis of Moab Drilling Co. in regard to our drilling on Pryor Mountain. Mr. Lewis informed me that he could have a rig available if we could use his services. Since Moab Drilling Co. had the greatest experience in Pryor Mountain drilling, I felt that they certainly would be the most logical to do our drilling on the Sandra. Mr. Lewis arrived in Billings to discuss our drilling problems on the 18th of July and at that time we contracted to use Moab Drilling equipment. Moab would not, however, take the job on a footage basis, but rather would do it only at the rate of $18.00 per hour for the use of their rig and we would have to furnish all bits and other necessities, such as compressors, cement, air lines, a helper, etc.

Midland Mining Co. also contracted at this time to purchase a Mole drill and accessories from Mayhew Mfg. Co.

On Tuesday, July 23, Moab Drilling moved their Mayhew rig to the Sandra and rigged up on SA-18. They began to drill with a Mole drill, but after making 6 ft. of hole, found that our 210 compressor was inadequate for operating the Mole drill and keeping the hole clean. We brought in a rented 125 compressor and compounded it with our own compressor to boost the air supply. The first breakdown of many in the experimental Mole drill occurred on Wednesday, July 24, when a tapit broke in the bit. The part was replaced by Mayhew Mfg. Co., however, and SA-18 was completed on July 25 at a total depth of 102 ft.

On Friday, July 26, the rig was moved to SA-17 and drilling began about 9:30. This hole was drilled to 22 ft. when a sheared thread in the Mole drill stopped operations. New parts had to be ordered for the Mole drill and we decided while waiting for these parts to bring in a rented 600 cu. ft. compressor as our air supply to this point had been barely adequate and the drillers were having considerable difficulty keeping the hole clean. The large compressor was moved up to the Sandra on July 27. On Monday, July 29, Moab made up the Mole drill with new parts and continued drilling on SA-17. Since this hole was close to the edge of the cliff, they encountered badly shattered and crevassed rock and the drilling was extremely rough and slow. In 6 hrs., they made 62 ft. in this hole scheduled for 200 ft. At a depth of 82 ft., the bit hung up solidly and the drill pipe twisted off, leaving the Mole drill, one drill collar, and one stand of drill pipe in the hole. Fishing tools were brought up on Tuesday, July 30, and the fish was recovered after about 2 hrs. The drilling was continued about noon, but after 5½ hrs., the drill had only made 8 ft. in badly broken and shattered rock, which made it almost impossible to keep the hole clean. We mixed four sacks of quick-set cement and dumped it in the hole, hoping that this would cement off the caving zones. On Wednesday, July 31, we drilled out this cement plug and found that it had very little effect in stopping the caving. The drilling continued to be as rough as before and at a depth of 98 ft., the pipe again twisted off just above the drill collar. The fish was recovered about noon. Since we had already put more than 21 hrs. of rig time on this hole, we decided to temporarily abandon it and move the drill to SA-13.

Both holes SA-17 and SA-18 were probed to their total depth, but no significant radioactivity was detected. The drill record for SA-18 is included with this report along with a progress map indicating the drill hole sites and the contract work completed.

Very truly yours,

Midland Mining Company

C. M. Hauptman

C. M. Hauptman
President

CMH/am
Enc.

RECEIVED

OCT 4 1957

U. S. G. S.
SPOKANE, WASH

MIDLAND MINING COMPANY
207 Hedden Bldg.
Billings, Montana

August 16, 1957

RECEIVED
AUG 21 1957

Defense Minerals Exploration Administration
U.S. Department of Interior
South 157 Howard Street
Spokane 4, Washington

Re: Document No. DMEA-4619
Monthly progress report, period June 19 through June 30, 1957

Gentlemen:

During the period of June 19 through June 30, initial drill-site survey work was performed on the Sandra Claim. The twenty holes authorized under Stage 1 of our DMEA contract were located on the ground by plane table survey. The locations were determined by scaling the distances off of Plate 2 of the contract, the geologic and topographic map of the Sandra Claim. Each drill-site location was prominently marked with a lath and stake and a number assigned to same.

After the drill-sites had been located, the west boundary of the Sandra Claim was located and prominently marked by a series of stakes. To further insure that none of the holes was closer to this west boundary line than allowed per contract, all holes within the critical distances of 50 or 100 feet, as the case may be, were checked by level chaining from the west boundary line and a safety tolerance of approximately 1 foot was assured at each site. Thus, the holes No. SA-18, SA-19, and SA-20 were located 51 feet easterly and at right angles to the western boundary of the Sandra Claim and holes No. SA-1, SA-2, SA-6, SA-10, SA-14, SA-15, SA-16, and SA-17 were located 101 feet easterly and at right angles to the western boundary of the Sandra Claim.

During this period, negotiations were under way to attempt to get a drilling contractor to perform the work on the Sandra Claim. Only two drilling companies were available in the area, namely Navajo Drilling Co. of Norfolk, Nebraska and Moab Drilling Co. of Moab, Utah. Since Moab Drilling would not have a rig available for a week or two, the greatest effort was being made toward negotiating a contract with Navajo Drilling Co.

Very truly yours,

Midland Mining Co.

C. M. Hauptman

C. M. Hauptman
President

CMH/am

CA&A Division

SEP 8 1960

Mr. C. M. Hauptman
President
Midland Mining Company
207 Madden Building
Billings, Montana

Re: DMEA-4619 (Uranium)
Midland Mining Company
Sandra Group of Claims
Carbon County, Montana
Contract Ida-K1097

Dear Mr. Hauptman:

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

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the period indicated.

We appreciate your interest and participation in the DMEA exploration program.

Sincerely yours,

George C. Selfridge

Acting Director

FMMurphy/gla/kb - 8/4/60
cc to: Director's Reading File
CA&A Division
OME Field Team, Region I (2)
Docket
Chron.

DOE Form 7
(12-55)

OCT 23 1959

Memorandum

To: Executive Officer, ORE Field Team, Region I

From: Chairman, Operating Committee, ORE

Subject: Docket No. DMEA-4619 (Uranium)
Midland Mining Company
Sandra Group of Claims
Carbon County, Montana
Contract No. Ide-21097

Your memorandum dated October 12, 1959, with the attached letters and interim report relating to the subject project have been reviewed.

In view of the past results, it is unlikely that the additional drifting suggested would result in the discovery of significant deposits of uranium ore; hence, the Operator's request that the contract be amended to allow such drifting is denied.

For all practical purposes, all approved work under the contract has been completed. Therefore, will you kindly proceed with the winding-up actions mentioned in our letter of October 6, 1959.

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

FMMurphy/glad 10/23/59
cc: Director's Read File
Operating Committee
Harold Kirkham, USGS
Docket
Chron.

EXTRA COPY O. M. E. RECEIVED JUL 31 1959		
DATE	INITIALS	CODE
		800

So. 157 Howard Street
Spokane 4, Washington

July 27, 1959

Mr. George Gray
532 Howard Avenue
Billings, Montana

Dear Mr. Gray:

On July 9, 1959 we received a letter from Mr. C. M. Hauptman under the letterhead of Midland Mining Company, 207 Holden Building, Billings, Montana. Our reply to that address was returned stamped "Moved and left no address."

Can you please advise us as to Mr. Hauptman's or Midland Mining Company's present address?

Sincerely yours,

Donald R. Maclaren
For: A. E. Weissenbara
Executive Officer, OME
Field Team Region I

Re: Docket No. DMEA-4619 (Uranium)
Midland Mining Company
Sandra Group, Carbon Co., Montana
Contract No. Idm-21097

cc: OME (2)
USBM (2)
USBM(AD)
Sample

Note to Operating Committee: Re our letter to you of July 13, 1959, Operator's letter of July 6, and our reply of July 10. Letter of July 10 was not delivered.

Audit Copy

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DATE INITIAL

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EXPLORATION PROJECT CONTRACT
MIDLAND MINING COMPANY
DOCKET NO. DMEA-4619

AMENDMENT NO. 7

It is agreed this 27th day of March, 1959, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, and Midland Mining Company, that Exploration Project Contract No. Idm-E1097 (Docket No. DMEA-4619), dated June 3, 1957, as amended by Amendment No. 4, is further amended, effective March 27, 1959, as follows:

1. In Exhibit "A", under Description of the Work, General Provisions, after the word "winzing," add the word "raising," and after the word "winzes," add the word "raises."

2. In Exhibit "A", under Description of the Work, Stage II, first paragraph, after the word "drifting," add the word "raising."

3. In Amendment No. 2, item 3, Estimated Costs of the Project, Stage II, under Fixed Unit Costs, as Amended by Amendment No. 4, after the word "drifting," add the word "raising."

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 agreed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

A. E. Weissenborn

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

MIDLAND MINING COMPANY

O. M. Hauptman

Title President

MIDLAND MINING COMPANY
DOCKET NO. DMEA-4619

JUSTIFICATION OF AMENDMENT NO. 7

Drill holes SA-7A, -8, -9A, and -13 showed radioactivity anomalies at different altitudes. Uranium ore bodies occur in debris-filling old caves along solution channels in limestone. It is impractical to drive crosscuts and drifts on grades changing from as much as plus 20° to minus 20° between drill holes, and, in some cases, it is impossible to tell whether or not the next ore body will be above or below the existing crosscut.

Donald R. MacLaren

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EXPLORATION PROJECT CONTRACT
MIDLAND MINING COMPANY
DOCKET NO. DMSA-4619

AMENDMENT NO. 6

It is agreed this 12th day of December, 1958, between the United States of America, acting through the Department of the Interior, Bureau of Mines, hereinafter called the "Government," and Midland Mining Company, hereinafter called the "Operator," that Exploration Project Contract No. [illegible] (Docket No. DMSA-4619), dated June 1, 1957, as amended, hereinafter called the "Contract," is further amended, as follows:

1. (a) Work under the Contract shall be suspended during the period beginning October 19, 1958, and ending not later than June 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 or repair which in its opinion would not have occurred if there had been no suspension of work.

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

2. The date fixed in Amendment No. 5 to the Contract for completion of work is further extended from February 1, 1959 to September 1, 1959.

3. It is the purpose of this Contract that the work be resumed on or before June 1, 1959 and be completed on or before September 1, 1959, in the manner required by the Contract, and if it is not so resumed and completed, the following provisions shall thereupon become effective:

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

(i) effective October 19, 1958, if the work has not been resumed on or before June 1, 1959.

(ii) effective September 1, 1959, if the work is resumed on or before June 1, 1959, but is not completed on or before September 1, 1959.

all approved work was completed by Sept. 1.

(b) The Government will contribute only to the allowable costs incurred prior to the relevant effective date set forth in 3 (a) above.

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

(d) 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 the royalty on production provided for in the Contract, in the same manner and amount and for the full period of time provided for in the Contract (as amended herein), 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 to secure payment thereof, reports (including preservation of the Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

(e) The Operator hereby relinquishes and agrees to save the Government harmless from all claims or demands under or arising out of the Contract, except as otherwise provided in this amendment.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, the amount of any item designated as "minimum," 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

MIDLAND MINING COMPANY

By C M Hauptman

Title President

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Audit's copy

EXPLORATION PROJECT CONTRACT
MIDLAND MINING COMPANY
DOCKET NO. DMEA-4619

AMENDMENT NO. 5

It is agreed this 15th day of August, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Midland Mining Company, that Exploration Project Contract No. Idm-E1097 (Docket No. DMEA-4619), dated June 3, 1957, as amended, is further amended, as follows:

1. Work under the Contract shall be suspended during the period beginning April 21, 1958, and ending not later than October 1, 1958.

2. The date fixed in Article 3 of the Contract for completion of the work is further extended from August 1, 1958, (Amendment No. 3), to February 1, 1959.

3. The maximum period for royalty payments and the liens to secure the payment thereof, provided for in Article 8 of the Contract, is increased from eleven (11) to twelve (12) years from the date of the Contract.

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 C. Mitteudorf
Administrator, Defense Minerals
Exploration Administration

MIDLAND MINING COMPANY

By C. M. Hauptman

Title President

xxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

August 1, 1958

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

Re: Docket No. DMEA-4619 (Demand)
Midland Mining Company
Sandra group of claims
Carbon County, Montana
Contract Idm-E1097

Dear Mr. Selfridge:

Enclosed are two self-explanatory letters dated July 28, 1958, from the Midland Mining Company, one of which is a request for an extension of the termination date of the contract, from August 1, 1958 to February 1, 1959, and the other a progress report for May, June, and July 1958, giving their reasons for the request for extension.

The Field Team recommends that an appropriate amendment be prepared extending the termination date as requested by the Operator, and to provide for a recess from May 1, 1958 to September 1, 1958.

By Field Team Region I

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

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

Enclosures as above

cc: USGS (2)
USBM (AD)
Prins

Mac
al
Bill

MIDLAND MINING COMPANY

207 Holden Bldg. Telephone 2-7220
BILLINGS, MONTANA

July 28, 1958

Defense Minerals Exploration Administration
U.S. Dept. of Interior
South 157 Howard Street
Spokane 4, Washington

(Second original)

Re: Docket No. DMEA-463
Progress Report
Period May, June and July, 1958

Gentlemen,

During May, after the late spring snows had melted, we attempted to continue work on the lower level through the winze. The mechanical set-up was not effective, however, and efforts were begun to obtain a mucking machine to facilitate handling of the rock.

During this time, a combination of factors, such as poor returns on the ore shipped, high cost of the drilling program (much over our original estimate), costs of continuous timbering, etc., strained the company's finances to the limit. We therefore closed down all operations pending the solution of this problem. Consequently we have done no work under the contract for the subject reporting period.

We are now negociating a proposition to continue the work and it appears that we will be able to resume work sometime during August.

Very truly yours,

MIDLAND MINING COMPANY

C. M. Hauptman
President.

CMH/am

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JUL 30 1958
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SPOKANE, WASH.

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EXPLORATION PROJECT CONTRACT
MIDLAND MINING COMPANY
DOCKET NO. DMEA-4619

AMENDMENT NO. 4

It is agreed this 17th day of February, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Midland Mining Company, that Exploration Project Contract No. Idm-21077 (Docket No. DMEA-4619), dated June 3, 1957, as amended, is further amended, effective February 17, 1958, as follows:

1. In Exhibit "A", under Description of the Work, General Provisions, after the word "crosscutting," add the word "winning," and after the word "crosscuts," add the word "winzes."

2. In Exhibit "A", under Description of the Work, Stage II, first paragraph, after the word "crosscutting," add the words "drifting and/or winzing."

3. In Amendment No. 2, item 3, Estimated Costs of the Project, Stage II, under Fixed Unit Costs, delete

"Crosscutting 400 feet at
$31.50/ft. or, $12,600.00"

and add

"Crosscutting, drifting, and/or
winzing 400 feet at
$31.50/ft., or $12,600.00"

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 agreed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

MIDLAND MINING COMPANY

J. M. Hauptman

Title President

Exploration Project Contract No. Ida-X1097
Midland Mining Company
Carbon County, Montana

Justification of Amendment No. A

The end of the drift at hole 24-13 is in cave material and a northwest-striking and northeast-dipping structure, possibly a solution channel, cuts across the end of the drift near this drill hole. This structure contains a few small lenses of high-grade material and it possibly served as a channel-way for downward moving uranium-bearing solutions. Since most of the ore deposits in the district are found in the bottoms of the caves, it is advisable to follow the mineralized structure downward to the bottom of the cave. The Operator hopes to avoid using a true winze but instead plans to go down with an inclined "slusher drift," probably at too steep an angle to be defined as a normal "drift."

William C. Prinz

USGS
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RECEIVED JAN 30 1958
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EXPLORATION PROJECT CONTRACT
MIDLAND MINING COMPANY
DOCKET NO. DMEA-4619

AMENDMENT NO. 3

It is agreed this 21st day of January, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Midland Mining Company that Exploration Project Contract No. Idm-K1097 (Docket No. DMEA-4619), dated June 3, 1957, as amended, is further amended, effective February 1, 1958, as follows:

1. In Article 3, the period for completion of the work is extended to August 1, 1958.

2. In Article 8(b) of the contract the period for payment of royalty to the Government is changed from ten (10) years from the date of the contract to eleven (11) years from the date of the contract.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, 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 A. E. Weissenborn
A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I

MIDLAND MINING COMPANY

By C. W. Hampton

Title President

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Audit's Copy

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EXPLORATION PROJECT CONTRACT
MIDLAND MINING COMPANY
DOCKET NO. DMEA-4619

AMENDMENT NO. 2

It is agreed this 1st day of November, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Midland Mining Company, hereinafter called the "Operator", that Exploration Project Contract No. Idm-E1097 (Docket No. DMEA-4619), dated June 3, 1957, hereinafter called the "Contract", is further amended, effective July 22, 1957, as follows:

1. Item 2 of Amendment No. 1 is deleted in its entirety.

2. In article 13 of the contract, paragraph (c) is revised to delete all actual costs, and to read:

   "Categories (1) through (7) of article 6(a) are deleted."

3. In Exhibit "A" of the Contract, the Estimated Costs of the Project, are revised to read as follows:

Stage I

Fixed Unit Costs[1/]

Bulldozer work on access roads and drill sites, 80 hours @ $15.00/hr.	$1,200.00
Rotary drilling:	
Holes from 0-100 feet in depth, 2,000 feet @ $3.40/ft.	6,800.00
Holes from 100-200 feet or more in depth, 500 feet @ $4.85/ft.	2,425.00
Moving drill and stand-by time, 33 hours @ $10.40/hr.	343.20

Chemical analyses for U_3O_8 content of 25 samples @ $5.00/sample	$ 125.00	
Estimated Total Cost Stage I		$10,893.20

Stage II

Fixed Unit Costs[1/]

Rotary drilling holes 0-100 feet in depth, 1,000 feet @ $3.40/ft.	$3,400.00	
Crosscutting 400 feet @ $31.50/ft. or,	12,600.00	
Sinking 150 feet of prospect shafts at following costs:		
Headframe and accessories	$ 540.50	
Advance shaft:		
0 to 50 feet @ $47.50/ft.	2,375.00	
50 to 100 " @ $55.00/ft.	2,750.00	
100 to 150" @ $65.00/ft.	3,250.00	
150 to 199" @ $75.00/ft.	3,675.00	
Total cost headframe and shaft	$12,590.50	
Chemical analyses for U_3O_8 content of 23 samples @ $5.00/sample	$ 115.00	
Estimated Total Cost Stage II		$16,115.00

S U M M A R Y

Estimated Total Cost Stage I	$10,893.20
Estimated Total Cost Stage II	$16,115.00

Estimated Total Cost of Project (rounded) $27,008.00

Government Participation @ 75% $20,256.00

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator, Defense Minerals Exploration Administration

MIDLAND MINING COMPANY

By O. M. Langham
Title President

1/ Categories (1) through (7) of the contract are deleted. The Fixed Unit Costs include all costs which would otherwise be allowable costs under these categories.

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EXPLORATION PROJECT CONTRACT
MIDLAND MINING COMPANY
DOCKET NO. DMEA-4619

AMENDMENT NO. 1

It is agreed this 11th day of October, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Midland Mining Company, hereinafter called the "Operator," that Exploration Project Contract No. Idm-E1097 (Docket No. DMEA-4619), dated June 3, 1957, hereinafter called the "Contract," is amended, effective July 22, 1957, as follows:

1. In Exhibit "A" of the Contract, all references to the type of drilling to be performed are changed from "rotary drilling" to "pneumatic drilling."

2. Under Estimated Costs of the Project, Stage I and Stage II, Actual Costs, the following footnote is added to Category (1) Independent Contracts:

> "2/ The Operator, if it so elects, is authorized to perform the drilling with its own equipment and personnel. If the work is performed by the Operator suitable records and accounts of the actual drilling costs shall be maintained. However, the unit costs per foot of drilling shown under the Estimated Costs of the Project will remain maximums under the Contract."

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, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. M. Mittendorf
Administrator, Defense Minerals
Exploration Administration

MIDLAND MINING COMPANY

By C. M. Haughton

Title President

MME Form 14
Sept. 1958

Contract No. Idm-E) 1097
14-23)

Docket No. DMEA) 4619
MME)

Date of Action March 11, 1960
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:
Midland Mining Company
714 Midland National Bank Bldg.,
Billings, Montana

Date of Contract	Region	State	Commodity
June 3, 1957	I	Montana	Uranium
	Reserve		Obligation
Prior Amount	0		$20,256.00
Increase	0		0
Decrease	0		3,336.15
Revised Amount	0		$16,919.85

Remarks:

cc: 800
210

43244

DMEA Form 14

Contract No. Idm-E 1097

Docket No. 4619

DEPARTMENT OF THE INTERIOR

Executed 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
June 3, 1957	I NW	Montana	Uranium

Name and Address of Operator: Midland Mining Company
714 Midland National Bank Bldg.
Billings, Montana

	Reserve	Obligation
Prior Amount	$20,256.00	0
Increase	0	$20,256.00
Decrease	20,256.00	0
Revised Amount	0	$20,256.00

Remarks:

ALLEN S. DAKAN

Allen S. Dakan, Chief
Operations Control and
Statistics Division

(Name)

(Title)

Date Delivered to Bureau of Mines, Washington 7/12/57

16416

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 11 1957

DATE	INITIALS	CODE
		800

Audit Copy

MF-200
(Revised June 1954)

Docket No. DMEA [illegible]

Commodity [illegible]

Contract No. Idm-E 1097

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 8 JUN 1957 day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] [illegible] Mining Company, Incorporated in the State of Montana,

whose mailing address is [illegible] Building, Butte, Montana,

hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of [5] see Annex I in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] recorded in Book ....., page ....., official records of said County; and

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

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

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

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

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of [illegible] The work to be performed is described in Exhibit "A." The Operator on or before June 25, 1957 shall commence the work, and on or before [illegible] (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable costs set forth in Exhibit "A."

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

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

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $[illegible] The Government shall contribute [illegible] percent of the allowable costs as they are incurred in a total sum not in excess of $[illegible]: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than the agreed percentage of the estimated total allowable cost of the work. See Article 13.

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

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

CATEGORY (2)—PERSONAL SERVICES.

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

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

Subcategory (c)—Labor.

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

CATEGORY (4)—OPERATING EQUIPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article ~~X~~ 8.

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

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

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

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

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

ARTICLE 8. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 7) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

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

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

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

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

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

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. *Changes and added provisions.*—

(a) That part of the last sentence of Article 3 beginning with the word "either" is deleted and replaced by the words "have completed the work, except as otherwise provided in Exhibit 'A' with respect to stage of work."

(b) That part of the last sentence in the first paragraph of Article 6(a) commencing after the semicolon is deleted.

(c) Categories (2) through (7) of Article 6(a) are deleted.

16—70617-1

(d) In addition to the costs of work estimated in Exhibit "A" by categories of actual costs, the costs of work requirements specified in Exhibit "A" as "Fixed Unit Costs" are allowable costs of the project. The Government will contribute to the fixed unit costs as work units are performed. A "Fixed Unit Cost" is an agreed price for each unit of work to be performed regardless of costs incurred by the Operator. Costs set forth in Exhibit "A" include all allowable costs of the work to be performed under the Contract.

(e) In the last sentence of Article 6(c), the words "Article 8" are substituted for the words "Article 9."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. O. Mitteudorf

Administrator, Defense Minerals Exploration Administration

MIDLAND MINING COMPANY
(Operator)

By C. M. Hauptman

Title President

I, Donald F. Todd, certify that I am the Secretary-Treasurer ~~secretary~~ of the corporation named as Operator herein; that C. M. Hauptman who signed this contract on behalf of the Operator, was then President 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.

Donald F. Todd

[CORPORATE SEAL]

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

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DMEA
RECEIVED JUL 11 1957
DATE | INITIALS | CODE

EXPLORATION PROJECT CONTRACT
MIDLAND MINING COMPANY
DOCKET NO. MMA-4519

ANNEX I

The land referred to in Article 2 of the Contract consists of Five (5) contiguous unpatented lode mining claims. Notices of location of the claims are recorded in the Carbon County Recorder's Office at Red Lodge, Montana, as follows:

Claim	Date recorded	Book	Page
Sandra	9-22-55	7	488
" (relocation)	12-22-55	8	195
Myrna	"	8	206
Wanda	"	8	210
Vi	"	8	207
Bierde Mina	"	8	198

The Operator is in possession of the land by virtue of "Lease and Agreement," executed October 19, 1956, with Pryor Mining Company, recorded December 18, 1956, on page 322 of Book 15 of Lease records, Carbon County, Montana.

A Consent to Lien and Subordination Agreement executed by Pryor Mining Company is attached and made a part hereof.

The claims are situated in unsurveyed sec. 33, T. 8 S., R. 27 E., M.P.M., Carbon County, Montana, as shown on the map entitled "Lode Claims of Pryor Mining Co. on Big Pryor Mountain...etc.," attached hereto and made part hereof.

MF-205
(Combines and supercedes MF-[illegible] and MF-203)
June 1956

[illegible]r Government's Use Only
EXPLO[illegible]ATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of _____, State of _____, described as follows: 2/

_____

_____

_____

_____,

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

_____

_____

_____

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

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

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this 25th day of March, 1957.

Petroleum Company	[Seal]	532 Howard Avenue, Billings	[Address]
George P. Gray, President	[Seal]	532 Howard Avenue, Billings, Montana	[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

I, Thomas Gray certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that George P. Gray who signed this agreement was then President (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

Thomas Gray
Secretary [Corporate Seal]
Petroleum Company

EXPLORATION PROJECT CONTRACT
MIDLAND MINING COMPANY
DOCKET NO. DMEA-4619

EXHIBIT "A"

Description of the Work

General Provisions

The object of this project is to explore for possible uranium ore deposits in the Madison Limestone of Mississippian Age by means of rotary drilling, crosscutting, drifting, and/or shafting.

The rotary drill holes shall be approximately 3½ inches in diameter. The Government will not participate in the cost of an incomplete hole.

Cuttings from drill holes shall be collected for each two-foot interval and tested for radioactivity. Samples showing significant radioactivity shall be split into halves, and one-half shall be chemically analyzed for its U_3O_8 content and one-half stored in a suitable container properly identified as to hole number and depth interval the sample represents.

Mineralized sections of crosscuts, drifts, and/or shafts shall be channel sampled at 5-foot intervals. Samples shall be split into halves, one-half being chemically analyzed for its U_3O_8 content and the other half stored in a suitable container properly identified as to the location where the sample was procured.

The stored portions of the cuttings and other samples shall be for Government inspection and use. With Government approval the Operator may dispose of the stored samples.

Crosscuts and drifts shall be timbered as necessary and shall be not less than 5' x 7' in cross-section in the clear of timber. In the event a shaft is sunk in lieu of crosscutting or drifting, the shaft shall consist of a timbered hoisting compartment and a manway and shall be not less than 4' x 7' in cross section clear of the timber. The manway shall contain ladders and be protected from the hoisting compartment by lagging.

Construction of access roads and drill sites shall be performed with a D-7 Caterpillar dozer, or an equivalent unit of any other make.

The rotary drill holes shall be probed radiometrically and the drifts, crosscuts, and/or shaft shall be mapped geologically by the Operator. The Operator's monthly progress report shall include maps or sketches showing the location and extent of the work completed during the reporting period; also the assay values of the samples, and the rock structures encountered. The report shall also include the hole-probing data, together with the assay certificates of the cuttings samples, and the samples from the crosscuts, drifts, and/or shaft.

The location, direction, extent, and method of performing the work are subject to Government approval. The Operator shall employ a supervisor full time who shall direct the work and provide the technical services necessary to complete this contract in a satisfactory manner.

The work shall be performed in two stages. The Operator shall perform all the Stage I work and as much of Stage II work as is approved in advance in writing by the Government. With previous written Government approval, unexpended funds and units of work remaining in Stages I and II may be interchanged to complete authorized work.

Stage I

Construct access road and drill sites, and drill not in excess of 20 holes at the approximate locations shown on the map, "Plate 2--Geologic Map of the Sandra Lode Claim...etc.," attached hereto and made part hereof. The three holes shown in the southwest corner of the Sandra claim shall not be closer than 50 feet to the outer boundary of the claim and the remaining seventeen holes shall not be closer than 100 feet to the outer boundary of the project area. It is estimated that 15 holes drilled to depths of approximately 100 feet and 5 holes drilled to depths of approximately 200 feet will be required to explore the anomalous radioactive areas and their possible extensions on the Sandra claim.

It is estimated that 80 hours of bulldozer time, 2,500 feet of rotary drilling, 33 hours of standby and drill moving time, and chemical analyses of [illegible] samples will be required to complete this stage.

Stage II

Drill not in excess of 1,000 feet of holes to follow mineralization trends disclosed by Stage I drilling; and 400 feet of crosscutting or 150 feet of shaft work; or part crosscutting and part shaft sinking, with total cost not to exceed $12,600.

Not more than 23 samples shall be chemically analyzed for their U_3O_8 content under this Stage.

Estimated Costs of the Project

Stage I

Actual Costs

Category (1) Independent Contracts

80 hrs. bulldozer work on access roads and drill sites @ $15.00/hr.	$1,200.00	
Rotary drilling:		
2,000 ft. holes from 0-100 feet in depth @ $2.90 ft.	5,800.00	
500 ft. holes from 100 to 200 feet or more in depth @ $4.35/ft.	2,175.00	
Moving drill and standby time, 33 hrs. @ $10.40/hr.	343.20	$9,518.20

Fixed Unit Costs

Incidental allowance 1/ for each foot of drill hole completed, 2,500 ft. @ $0.50/ft.	$1,250.00	
Chemical analyses for U_3O_8 content of 25 samples @ $5.00 sample	125.00	$1,375.00
Total estimated Cost Stage I		$10,893.20

Stage II

Actual Costs

Category (1) Independent Contracts

Rotary drilling:

1,000 feet, holes from 0 to 100 feet in depth @ $2.00 ft.	2,000.00	$2,900.00

Fixed Unit Costs

Incidental allowance 1% for each foot of drill hole completed, 1,000 ft. @ $0.50/ft.	500.00	
Crosscutting, 400 ft. @ $31.50 ft., or	12,600.00	$13,100.00

Sinking 150 feet of prospect shafts at following unit costs:

headframe and accessories	$945.00	
Advance shaft 0 to 50 ft. $47.50/ft.	2,375.00	
Advance shaft 50 to 100 ft. @ $55.00 ft.	2,750.00	
Advance shaft 100 to 150 ft. @ $65.00/ft.	3,250.00	
Advance shaft 150 to 100 ft. @ $75.00/ft.	2,625.00	
Total cost headframe and shaft	$12,950.00	

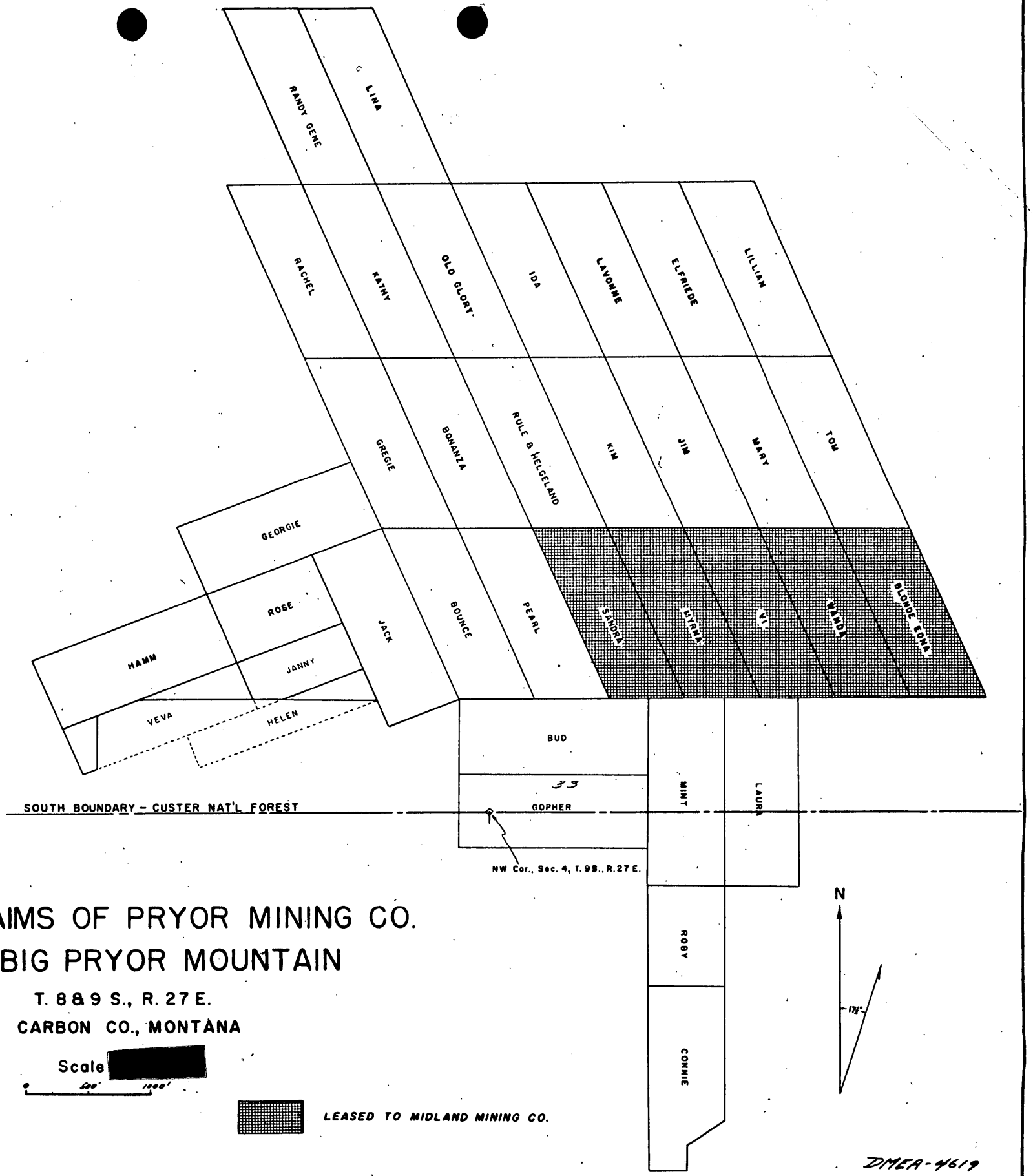
Chemical analyses for U_3O_8 content of 25 samples @ $5.00/sample	125.00	125.00
Total Estimated Cost Stage II		$16,115.00

S U M M A R Y

Total Estimated Cost Stage I	$10,893.20	
Total Estimated Cost Stage II	$16,115.00	
Total Estimated Cost of Project (rounded)		$27,008.00
Government Participation @ 75%		$20,256.00

1/ Includes all costs of supervision, technical services, materials and supplies, depreciation, rental of surveying equipment, payroll taxes, and all other items of cost that might otherwise have been allowable costs under categories (2) through (7) of Article 6 (a) which have been deleted from this contract.

MIDLAND MINING CO.
DMEA application, Jan 19, 1957
Attachment No. 1a.



LODE CLAIMS OF PRYOR MINING CO. ON BIG PRYOR MOUNTAIN

T. 8 & 9 S., R. 27 E.

CARBON CO., MONTANA

DMEA-4619

H-T Jan. 1957

DMEA Form 14

Contract No. Idm-E 1097

Docket No. 4619

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
June 3, 1957	I NW	Montana	Uranium

Name and Address of Operator: Midland Mining Company
714 Midland National Bank Bldg.
Billings, Montana

	Reserve	Obligation
Prior Amount	0	0
Increase	$20,256.00	0
Decrease	0	0
Revised Amount	$20,256.00	0

Remarks:

ALLEN S. DAKAN
(Name)

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

Date Delivered to Bureau of Mines, Washington 6/3/57

16416

UNITED STATES DEPARTMENT OF THE INTERIOR

PREPARED FOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXAMINATION REPORT

DOCKET NO. D.M.E.A. 4619
(Unknown)

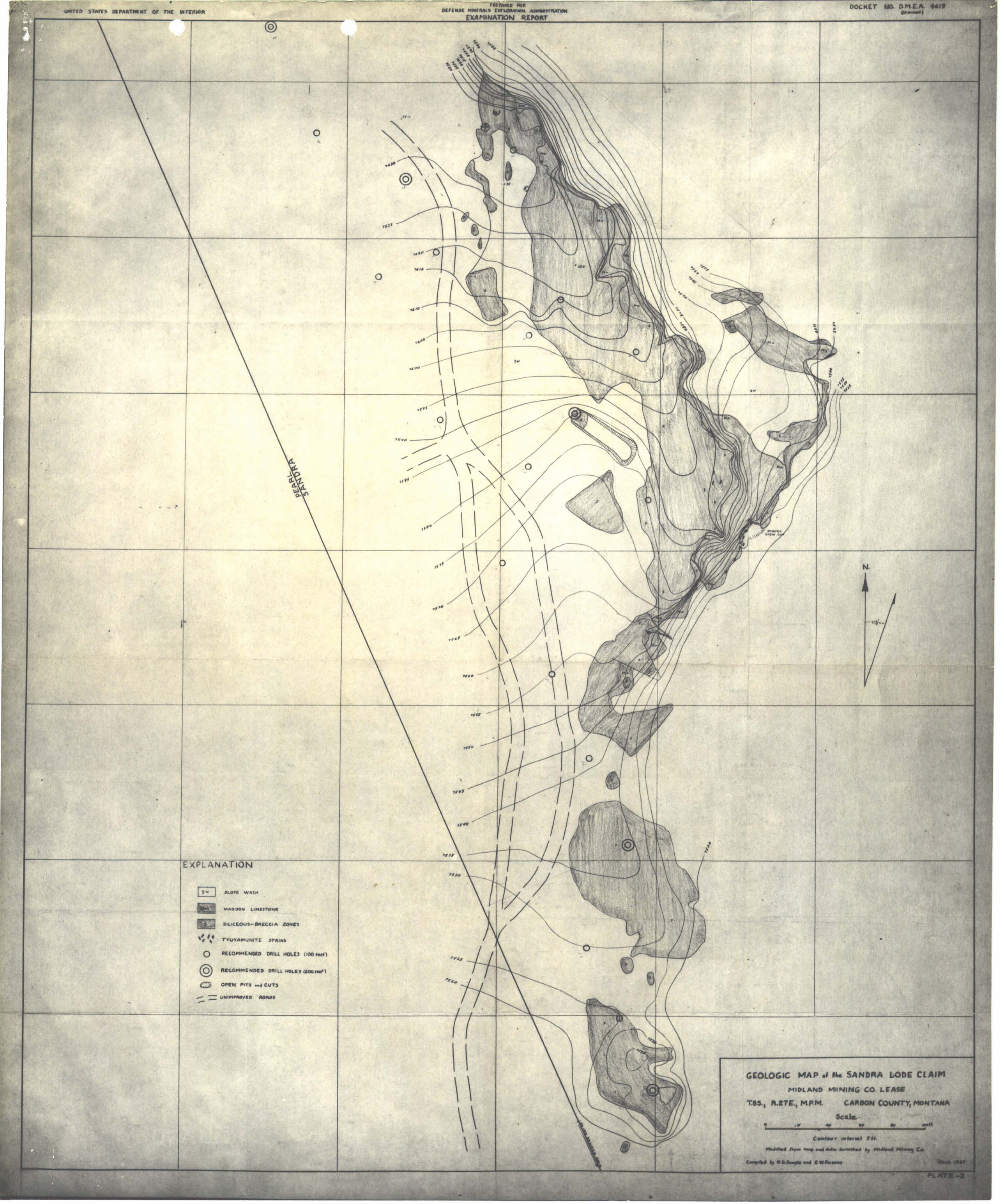


PLATE-2