DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. 1209

DMEA NO. 4763

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [x] Cancelled
- [ ] Royalty Agreement

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

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [x] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [x] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [ ] Project summary (final)
- [ ] Work Comoleted analysis (final)

All other material filed in chronological order including the following reports if checked:

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

Additional Folders:

Left Side

Folders No._____: Reports

- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

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

Folders No._____: Maps (Use pocket folder or envelope)

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty material

17963

Government's copy

Long
Kuelzer
App'd Sol. Off.
Murphy
Kuonen
Talbert
Martin
Johnson

RESCISSION OF EXPLORATION PROJECT CONTRACT
BY AGREEMENT BEFORE WORK IS BEGUN

It is agreed this 26th day of September, 1958, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, and Western Fluorite Mining Company, Incorporated, parties to that certain Exploration Project Contract No. Idm-E1209 (Docket No. DMEA-4763), dated June 16, 1958, hereinafter called the "Contract," that the Contract shall be and is hereby rescinded, revoked, and cancelled as of June 16, 1958, before any work has been performed or costs incurred thereunder, without any obligation whatever, one party to the other, the same as if said Contract had never been entered into.

Witness the following signatures as of the day and year first above written.

THE UNITED STATES OF AMERICA

By O Mitterdorf
ACTING Director, Office of Minerals Exploration

WESTERN FLUORITE MINING COMPANY, INCORPORATED

By [signature]

Title President

10/23
10/23 220
~~10/24~~ 215
~~700~~

Docket No. DMEA-4763
(Thorium, uranium, rare earths, columbium, tantalum, yttrium)
Contract No. Idm-E1209
Western Fluorite Mining Company, Inc.
Sand Basin Placer
Granite County, Montana

JUSTIFICATION FOR CONTRACT RESCISSION

In accordance with the contract, work should have started by August 15, 1958.

In a telegram, dated August 11, to the Field Team, the Operator requested a 30-day extension of the starting date. This request was referred to Washington. In a teletype, dated August 18, to the Field Team, the Operating Committee agreed to the extension provided the delay in starting work could be justified on a sound basis.

A letter, dated September 19, from the Field Team to the Operating Committee, advises that its letters, dated August 19 and September 15, to the Operator, requesting justification for postponing the work, have not been answered.

The Field Team also enclosed a letter from Claude A. Johnson, attorney for the owners of the Sand Basin claims, that indicates the Operator under the contract has reassigned the claims to the original owners.

In view of the above, the Field Team recommends that the subject contract be rescinded.

Mr. Abbey, one of the 12 owners of the property, advised the field examiner that he and his associates might like to have the contract assigned to them; However, that the matter must be discussed between them.

Under the present conditions, I agree with the Field Team that the contract be rescinded. If the owners desire to explore the land, then they should submit a new application under the rules established for OME.

F M Murphy

F. M. Murphy

Government's copy

MF-200
(Revised June 1954)

Docket No. DMEA 4763

Commodity Thorium, uranium, rare earths, columbium, tantalum, yttrium
Contract No. Idm-E

1209

RECEIVED JUL 17 1958 D.M.E.A.

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 16 JUN 1958 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] Western Fluorite Mining Company, Inc., a corporation organized in the State of Arkansas, whose mailing address is 630 North Avenue East Missoula, Montana Box 4955 Hailey, Idaho, 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 map Plate 2

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 Granite, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of [5] mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] 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: Interests of lessors

(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: Consent to Lien and Subordination Agreement of Lessors.

(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 thorium, uranium, rare earths, columbium, tantalum, yttrium. The work to be performed is described in Exhibit "A." The Operator on or before AUG 15 1958 shall commence the work, and on or before January 1, 1959 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall ~~either~~ have completed the work ~~or shall have incurred [illegible] total allowable cost set forth in Exhibit "A"~~, except as otherwise provided in Exhibit "A" with respect to stages of work. See Article 13.

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 $ 20,290.00. The Government shall contribute 50 percent of the allowable costs as they are incurred in a total sum not in excess of $ 10,145.00: *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 excess in excesses in categories, subcategories, or items the Operator is not obligated to incur more than his pro rata 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 ~~9~~ 8. **See Article 13.**

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 stages of work."

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

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

(d) Notwithstanding any other provision of the Contract, the allowable unit cost per foot of a drilling item is the average unit cost per foot computed on the basis of all the actual unit costs of said drilling item incurred by the Operator: Provided, That the Government will not contribute to any portion of an average unit cost of a drilling item that exceeds the estimated unit cost of said item set forth in the contract.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C O Mittendorf
Administrator, Defense Minerals
Exploration Administration

WESTERN FLUORITE MINING COMPANY, INC.
(Operator)

By Henry S Cobb

Title President

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

.....

[CORPORATE SEAL]

Long
Sheiger
App'd. Sol. Off.
Murphy
Chambers
Selfridge
Johnson

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

35485

EXPLORATION PROJECT CONTRACT
WESTERN FLUORITE MINING COMPANY, INC.
DOCKET NO. DMEA-4763

ANNEX I

The land referred to in Article 2 of the Contract consists of fourteen (14) unpatented placer mining claims situate in a portion of sections 8, 9, 10, 11, 13, 14, 15, 17, 23, 24, 25 and 26, T. 5 N., R. 17 W., Granite County, Montana. The Notices of Location of the said claims, to which reference is hereby made for a more complete description, are recorded in the office of the Granite County Clerk and Recorder, Philipsburg, Montana, as follows:

Claim	Book	Page
Little Jim	22	460
Elk Horn	22	463
The Coffee Pot	22	480
The Ranger	22	475
Little Bill	22	470
Little Mike	22	468
Cub	22	472
Moose	22	462
Lucky	22	473
Peanuts	22	467
Moose Horn	22	458
Wanda	22	477
Judith	22	465
Fred	22	457

The locations of the claims are shown on the map entitled "Plate 2 - Sand Basin Placer Area, Western Fluorite Mining Co.----," attached hereto and made part hereof.

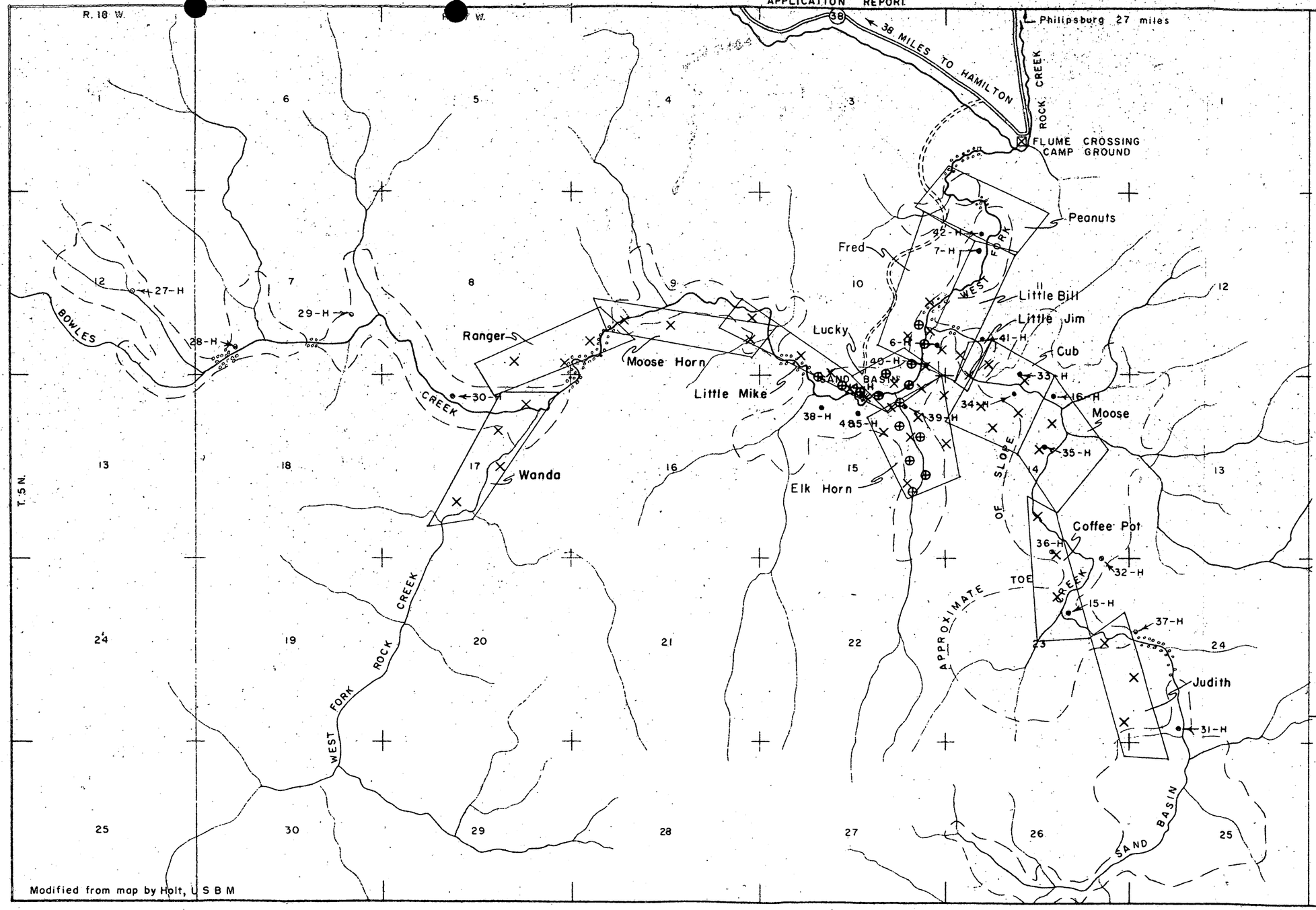
The Operator is in possession of the claims pursuant to the terms of an "Assignment of Agreement" executed May 30, 1957, by Ora P. Thompson, of an "Agreement" dated April 13, 1957, by and between Joseph T. Abbey, Ivy L. Abbey, Thomas D. Waldo, Edythe Waldo, Pat Morris, Helen Morris, Emil Skroch, Lenora Skroch, J. V. Newell, Nellie Newell, Milo E. Wilson and Juanita B. Wilson, lessors, and Ora P. Thompson, lessee.

A Consent to Lien and Subordination Agreement executed by the above-named lessors is attached and made a part hereof.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION
APPLICATION REPORT

DOCKET NO DMEA 4763



Modified from map by Holt, U S B M

EXPLANATION

- ● U.S.B.M. GRAB SAMPLES
- GLACIAL MORAINE
- × HOLES PROPOSED BY APPLICANT
- ⊕ RECOMMENDED STAGE I HOLES

N

SAND BASIN PLACER AREA

WESTERN FLUORITE MINING CO.

Granite County, Montana

0 1/4 1/2 1 MILE

MAY 1958

PLATE 2

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E
Contract Date 16 JUN 1958

RECEIVED JUN 13 1958 D.M.E.A.

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

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

(SEE ATTACHED SCHEDULE)

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.)

None

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 _____ day of _____, 195__.

Emil Skroch	[Seal]	Joseph T Abbey	[Address]
Genoa M. Skroch	[Seal]	Ivy L. Abbey	[Address]
Tom Waldo	[Seal]	J Newell	[Address]
Edythe Waldo	[Seal]	Nellie Newell	[Address]
Milo E. Wilson	[Seal]	Pat Morris	[Address]
Jeanette B. Wilson	[Seal]	Helen Morris	[Address]

I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (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.

_____

[Corporate Seal]

ANNEX NO. 1

RECEIVED JUN 13 1957 D.M.E.A.

Little Jim	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 460;
Elk Horn	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 463;
The Coffee Pot	Certificate of Relocation, Filed August 25, 1955; Recorded in Book 22 of Placer Locations at Page 480;
The Ranger	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 475;
Little Bill	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 470;
Little Mike	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 468;
Cub	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 472;
Moose	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 462;
Lucky	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 473;
Peanuts	Certificate of Location, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 467;
Moose Horn	Certificate of Location, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 458;
Wanda	Certificate of Location, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 477;

Judith	Certificate of Location, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 465;
Fred	Certificate of Location, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 457.

EXPLORATION PROJECT CONTRACT
WESTERN FLUORITE MINING COMPANY, INC.
DOCKET NO. DMEA-4763

EXHIBIT "A"

Description of the Work

General Provisions

The object of this project is to explore the Sand Basin placer area by churn drilling. The elements being searched for include thorium, uranium, rare earths, columbium, tantalum, and yttrium. It is estimated that the holes will average about 40 feet in depth.

In drilling the holes a heavy-duty casing of 6-inch inside diameter with a standard 7½ inch drive shoe shall be used. After each 2½ feet of drive cuttings shall be recovered with a sand pump or bailer. Except in instances where drilling penetrates bedrock, enough material shall remain in the drive shoe to insure that there will be no run in from the sides of the hole. The material recovered from two drives, each 2½ feet in depth, shall be combined to form one sample.

The sample from each 5 feet of hole shall be weighed, then washed and screened to about 10-mesh size in the field. The product, properly identified as to drill hole number and depth represented shall be transported to a suitable laboratory where it shall be concentrated and an estimate of the weight of the concentrate in relation to the placer gravel shall be made. Then all the concentrate from each hole shall be combined to form a composite sample representing the hole. The Operator shall have one-half of each composite sample analyzed chemically for its thorium, uranium, rare earths, columbium, tantalum, and yttrium content; the remainder shall be stored for Government use in a suitable container, properly identified as to the drill hole number it represents. A representative sample of all the concentrate recovered in Stage I shall be analyzed to determine the classification of the minerals it contains.

A log of each hole with respect to the type of material penetrated, such as clay, sand, coarse or fine gravel, bedrock, etc., shall be made. Records of such logging, together with the estimates of the ratio of concentrates per cubic yard of material in place and the assay certificates of the concentrate samples, shall be submitted with the Operator's monthly report. The monthly report shall also include a map or sketch showing the location of all holes drilled during the reporting period.

A competent supervisor and one helper shall be employed full time to assist in the performance of the work.

Bulldozer work shall be performed with a D-6 Caterpillar tractor or an equivalent size unit of any other make.

No hole shall be drilled closer than 200 feet to any area not controlled by the Operator, nor closer than 600 feet to any other hole drilled under this Contract.

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

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 written Government approval, units of work and costs pertaining thereto may be exchanged between stages.

Stage I

Bulldoze access roads and drill sites, and drill not in excess of 18 holes. The approximate locations of 15 of these holes are shown on the map Plate 2. The locations of the remaining 3 holes, will be selected by the Government after possible map corrections are made in the field.

It is estimated that 40 hours of bulldozer work and 750 feet of churn drilling will be required to complete Stage I.

Stage II

Bulldoze access roads and drill sites, and drill not in excess of 18 holes to explore extensions of the placer area drilled under Stage I.

Not in excess of 40 hours of bulldozer work, 750 feet of churn drilling, the concentration and determination of the weight of 150 samples, nor the chemical analyses of 18 composite samples for their thorium, uranium, rare earths, columbium, tantalum and yttrium content shall be performed under this Stage II of the Contract.

Estimated Costs of the Project

Actual Costs

* Indicates additional maximums

Stage I

Category (1) Independent Contracts		
Bulldozing, 40 hours @ $14/hr.	$ 560.00	
Moving drill in and out of project area	200.00	
750 ft. churn drilling @ $5.50/ft.	4,125.00	$4,885.00
Category (2) Personal Services		
Supervisor, 2½ mos. @ $600/mo.	$1,500.00	
One helper, 2½ mos. @ $400/mo.	1,000.00	2,500.00
Category (3) Operating Materials and Supplies		
None except:		

2 tents with wood floors and frames[1]	$ 134.00*	
2 gas lanterns[1]	14.00*	
1 gas stove[1]	8.00*	
Tools, etc., for field concentration of samples[1]	134.60*	
400 gals. gasoline for pickup, @ $0.37/gal.	148.00	
Oil, grease and repairs for pickup	30.00	
200 large sample sacks, tags, twine	200.00	
Office supplies	36.00	$ 704.60*
Category (4) Operating Equipment		
None except:		
Rental of 1 ton truck, 2½ mos. @ $70/mo.	175.00	
Surveying equipment, 1 mo. @ $75/mo.	75.00	250.00
Categories (5) and (6)		
None		
Category (7) Miscellaneous		
None except:		
Payroll taxes and insurance on $2,500.00 @ 14.9%	372.50	

Hauling samples, 9 tons - 480 miles @ $0.11/ton mile	$475.20	
Concentration, and determination of weight of samples and black sands, 150 samples @ $7/sample	$1,050.00	
Chemical analyses for thorium, uranium, rare earths, columbium, tantalum, and yttrium content of 18 samples @ $50/sample	900.00	
Mineralogical analyses of 1 sample	25.00	$2,822.70
Estimated Total Cost Stage I		$11,162.30

Stage II

Category (1) Independent Contracts		
Bulldozing, 40 hrs. @ $14/hr.	$ 560.00	
750 ft. churn drilling @ $5/ft.	3,750.00	$ 4,310.00
Category (2) Personal Services		
Supervisor, 1½ mos. @ $600/mo.	900.00	
One helper, 1½ mos. @ $400/mo.	600.00	1,500.00
Category (3) Operating Materials and Supplies		
None except:		
200 large sample bags, tags, twine	200.00	
400 gals. gasoline for pickup @ $0.37/gal.	148.00	
Oil, grease and repairs for pickup	30.00	

Office supplies	$ 36.00	
Tools, etc., for field concentration of samples	75.00	$ 489.00
Category (4) Operating Equipment		
None except:		
Rental of 1 ton truck, 1½ mos. @ $70/mo.	105.00	
Surveying equipment, 1 mo. @ $75/mo.	75.00	180.00
Categories (5) and (6)		
None		
Category (7) Miscellaneous		
None except:		
Payroll taxes and insurance on $1,500.00 @ 14.9%	223.50	
Hauling samples, 9 tons - 480 miles @ $0.11/ton mile	475.20	
Concentration and determination of weight of samples and black sands, 150 samples @ $7/sample	$1,050.00	
Chemical analyses for thorium, uranium, rare earths, columbium, tantalum, and yttrium content of 18 samples @ $50/sample	900.00	2,648.70
Estimated Total Cost Stage II		$9,127.70

S U M M A R Y

Estimated Total Cost Stage I	$11,162.30
Estimated Total Cost Stage II	9,127.70
Estimated Total Cost of Project	$20,290.00
Government Participation @ 50%	$10,145.00

1/ The Government hereby waives its right to any possible salvage value, because such values are considered in the estimated cost.

STATE OF MONTANA)
: ss. AFFIDAVIT
County of Ravalli)

CLAUDE A. JOHNSON, being first duly sworn on oath deposes and says:

That he is the attorney for the owners of unpatented mining claims in Granite County, Montana, described as follows, to-wit:

> Little Jim, Elk Horn, The Coffee Pot, The Ranger, Little Bill, Little Mike, Cub, Moose, Lucky, Peanuts, Moose Horn, Wanda, Judith, and Fred, all recorded in Book 22 of Placer Locations at pages 460, 463, 480, 475, 470, 468, 472, 462, 473, 467, 458, 477, 465, and 457 respectively.

That said mining claims were leased to Ora P. Thompson on the 3rd day of April, 1957, and by him assigned to Western Fluorite Mining Company.

That said lease has been extended and the present extension in force and effect runs to the first day of August, 1958, so that said lease is presently in effect so far as is known to affiant.

Claude A. Johnson

Subscribed and sworn to before me this 20th day of June, 1958.

G. W. Plummel

NOTARY PUBLIC for the State of Montana
Residing at Hamilton, Montana
My commission expires Sept. 17, 1960

STATE PUBLISHING CO. HELENA, MONT. 3

EXTENSION OF TIME FOR PAYMENT

WHEREAS, Joseph T. Abbey and Ivy L. Abbey, his wife, Tom Waldo and Edythe Waldo, his wife, Pat Morris and Helen Morris, his wife, Emil Skroch and Lenora Skroch, his wife, J. V. Newell and Nellie Newell, his wife, and Milo E. Wilson and Juanita B. Wilson, his wife, all of Ravalli County, Montana; and Ora P. Thompson of Missoula, Montana, did on the 3rd day of April, 1957, enter into an Option to Lease certain mining claims located in Township 5 North and Ranges 16, 17 and 18 West, M. P. M., all in Granite County, Montana, which Option to Lease was thereafter assigned by the said Ora P. Thompson to the Western Fluorite Mining Company, Inc., an Arkansas Corporation, and

WHEREAS, said Option to Lease required a payment of $5,000.00 on or before the first day of October, 1957, and by an extension of time for payment, said payment date was heretofore extended until November 1, 1957, and thereafter the time was extended until April 1, 1958; and

WHEREAS, by extension of time for payment, said payment date was heretofore extended until August 1, 1959; and

WHEREAS, the parties hereto are desirous to, and it is their intention and desire that the said Option to Lease to remain in full force and effect, until August 1, and the parties are desirous of extending the time for payment until August 1, 1959;

NOW THEREFORE, in consideration of One Dollar and other valuable consideration, and in consideration of the premises and contracts heretofore mentioned, it is mutually agreed as follows, to-wit:

The Western Fluorite Mining Company, Inc., shall have until August 1, 1959, to make the payment due in the amount of $4,000.00 on said Option to Lease. PROVIDED HOWEVER, that drilling of said premises is commenced within sixty days from the date hereof, and that copies of assay reports in connection with said drilling be forwarded to owners within ten days after they have been received.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 24th day of June, 1958.

Joseph T. Abbey
Joseph T. Abbey

Ivy L. Abbey
Ivy L. Abbey, his wife

Tom Waldo
Tom Waldo

Edythe Waldo
Edythe Waldo, his wife

Pat Morris
Pat Morris

Helen Morris
Helen Morris, his wife

Emil J. Skroch
Emil Skroch

Lenora Skroch
Lenora Skroch, his wife

J. V. Newell

J. V. Newell

Nellie Newell

Nellie Newell, his wife

Milo E. Wilson

Milo E. Wilson

Juanita B. Wilson

Juanita B. Wilson, his wife

~~Ora P. Thompson~~

STATE OF MONTANA)
: ss.
County of Ravalli)

On this 24th day of June, 1958, before me, Claude A. Johnson, a Notary Public in and for said State, personally appeared:

Joseph T. Abbey and Ivy L. Abbey, his wife;
Tom Waldo and Edythe Waldo, his wife;
Emil Skroch and Lenora Skroch, his wife;
J. V. Newell and Nellie Newell, his wife;
Milo E. Wilson and Juanita B. Wilson, his wife;

known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate above written.

Claude A. Johnson

Notary Public for Montana
Residing at Hamilton, Montana
My commission expires 9/20/58.

STATE OF MONTANA)
: ss.
County of Ravalli)

On this 24th day of June, 1958, before me, the undersigned, a Notary Public in and for said State, personally appeared Pat Morris and Helen Morris, his wife, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Marjorie Smith
Notary Public for Montana
Residing at Darby, Montana
My commission expires April 4, 1960

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

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 20 1958

DATE	INITIALS	CODE
3/20	C	220
3/21	FMM	700

March 14, 1958

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

Re: Docket No. DMEA-4763 (Samarskite-Columbite-Monazite, etc.)
Western Fluorite Mining Co., Inc.
Sand Basin Placer
Granite County, Montana

Dear Mr. Selfridge:

Enclosed are the original and two copies of a revised application with map received from the Western Fluorite Mining Company, P. O. Box 455, Hailey, Idaho. The original application was for 2,200 feet of churn drilling at an estimated total cost of $40,002; the revised program calls for 1,760 feet of drilling at an estimated cost of $31,231.

The property was examined by Field Team representatives on July 2, 1957, but an evaluation of the proposed exploration program could not be made because the applicant was unable to furnish a claim map. The necessity of having a claim map was discussed with the applicant's representatives during the examination July 2, 1957, by telephone and letter, July 23, 1957, and by letter September 17, 1957. The applicant submitted a claim map on September 30, 1957 but it did not show either his proposed drill sites or the outline of the placerable areas. By fitting the claim map and the map of the proposed exploration program, submitted with the original application, together the best we could considering that the two maps were from different sources and didn't fit together very well, we estimated that about 36 of the applicant's proposed 55 holes were outside of ground he controlled.

At an office conference in Missoula, Montana on October 10, 1957, the applicant stated that he would submit a revised exploration program in two or three weeks. Since this revised program was not forthcoming the Field Team corresponded with the applicant on December 5, 1957, and again on January 13, 1958. The revised program, which is enclosed, was finally received March 10, 1958.

The map submitted with this revised program is the same map submitted on September 30 with only the addition of x's denoting the proposed drill sites. It still does not show the outlines of the placerable areas and we are still unable to fit it to the map submitted with the application which does show these areas. We have air photos of the area but they cannot be fitted to either of the maps.

Under the circumstances, we cannot make an evaluation of the program until after we make another field examination and get the map discrepancies resolved. We will schedule this re-examination as soon as weather permits.

By Field Team, Region I

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

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

Enclosures

cc: USBM (2)
Prinz

Note to Operating Committee:

Original and 1 copy attached. The other copy retained to be attached to the copy of application sent to the field with your letter of June 26, 1957.

EMRaymond
Spokane

OFFICIAL FILE COPY
D M E A
RECEIVED MAR 20 1958
DATE | INITIALS | CODE

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

Wayne G. Agnew,
Member U.S.Bureau Mines,
U.S.Department Interior
Defense Mineral Exploration,
South 157 Howard Street,
Spokane 4, Washington

Re: Docket No. 4763
Sand Basin Placer
Area, Granite County,
Montana

Gentlemen:

Attached hereto is a revised D. M. E. A. application and revised Map showing the location of the proposed drill sites.

We will be prepared to commence this drilling program sometime in the month of June or July, if it can be approved by that time. Out Company is very sorry for not submitting this program earlier, but due to other Company activities and the snow conditions, this was not possible.

Yours truly,

Western Fluorite Mining Co., Inc.,

by

H.S.Childs, President.

RECEIVED
MAR 10 1958
U. S. G. S.
SPOKANE, WASH

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 20 1958
DATE | INITIALS | CODE

I (a) The mining claims are located in Township 5 North, Range 16 West, Range 17 West, Range 18 West, all in Granite County, Montana. The property consists of fourteen unpatented mining claims, described as follows:

Little Jim	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 460;
Elk Horn	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 463;
The Coffee Pot	Certificate of Relocation, Filed August 25, 1955; Recorded in Book 22 of Placer Locations at Page 480;
The Ranger	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 475;
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Wanda	Certificate of Location, Filed August 17, 1955; Recorded in Book 22 of Placer Locations, at Page 477;
Judith	Certificate of Location, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 465;
Fred	Certificate of Location, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 457.

These are recorded with the Granite County Clerk & Recorder at Phillipsburg, Montana.

I (b) This property is also known as the Sand Basin Placer area.

(c) Western Fluorite Mining Company is the Lessee of said property from Joseph T. Abbey and Ivy L. Abbey, husband and wife, Tom Waldo and Edythe Waldo, husband and wife, Pat Morris and Helen Morris, husband and wife, Emil Skroch and Lenora Skroch, husband and wife, J. V. Newell and Nellie Newell, husband and wife, and Milo E. Wilson and Juanita B. Wilson, husband and wife, all of Ravalli County, Montana. The Lease was originally entered into by Ora P. Thompson of Missoula, Montana, and has been assigned by Ora P. Thompson to Western Fluorite Mining Company. ? subordination agreement

(d) There are no liens, mortgages or other encumbrances against the property.

2 (a) Attached, please find a photostatic copy U.S.Bureau of Mines (Spokane Division) map of the Sand Basin Placer areas, showing the locations of test pits dug from a preliminary U.S.B.M. investigation in 1954. In the spring of 1957, Western Fluorite Mining Company did additional test pit sampling from seven new bulldozer pits in Section 15, Township 5 North, Range 17 West. We know of no other exploration work done on this property and there are no existing production facilities on or nearby.

(b) Our Company had no interest in the property at the time of the U.S.B.M. investigation. The additional sampling and test pit work mentioned in 2 (a) was done entirely by Western Fluorite Mining Company.

(c) There is no evidence of past or current production in the Sand Basin area, with the exception of remains of a very old gold sluicing facilities now decayed. No production records of this are available.

(d) There are no known proven ore reserves on this property but preliminary surface sampling by the Bureau of Mines and our Company have indicated a potential ore reserve of 60 million yards of placer~~able~~ material, with an average yield of 130 pounds of black sand concentrate per yard by projection of results of preliminary surface sampling of portions of the ground. (See attached sample map). The sampling method used was to excavate 8' to 10' pits to obtain representative samples of raw material, which were then washed and screened to 10 mesh size. This product was then put over a #12 concentrating table to obtain the black sand concentrate. Simple mathematical calculations at this point, determined the amount of black sand concentrate per cubic yard. This concentrate was then sent to the Baumhoff-Marshall Corporation of Boise, Idaho for magnetic and high voltage separation. The separate fractions obtained were then petrographically examined and chemically analyzed. (See attached analysis).

(e) The sand basin placer deposits have not as yet been tested below a depth of 10 feet. A detailed geologic examination to determine the exact source material, and the structural and depositional conditions affecting the deposit has not as yet been undertaken. It is believed that the deposit is composed of materials derived from a granitic-type body separated from the Idaho batholith by metamorphesed belt seriest sediments but probably related to the main batholith. The heavy minerals present in the black sands of Sand Basin are; Magnetite, Ilmenite, Garnet, Monazite, Sphene, Xenotime, Zircon, Columbite, Samarskite, Allamite, Rutile

Hornblende, Epidote, Gold and others. The basin fill (upper 10 feet) is composed mainly of fine grained granitic sand, with occasional rounded boulders of granitic material. A few scattered remnants of morainal material on the surface indicates recent local glacial activity.

2. (f) Preliminary sampling results show the presente of strategic minerals in the black sand concentrate as described in 2 (e). For locations of sampling see 2 (a) and attached sample map. For sampling method and results obtained see paragraph 2 (d) and attached analysis.

2 (g) All attachments hereto need not be returned.

3 (a) The mining properties are located approximately thirty-three miles southwest of Phillipsburg, Montana. The mining properties can be reached by proceeding from Phillipsburg twenty-nine miles southwest on the Skalkaho Highway; thence you turn off on a newly constructed access road in a southerly direction at the flume crossing on the Skalkaho road; you proceed along this road about three miles and it takes you into the heart of Sand Basin. The person who will meet the D. M. E. A. representative will be the chief geologist or Chief Engineer of the Western Fluorite Mining Company.

(b) The shipping point and supply point for the mining operation would be Phillipsburg, Montana, which is approximately thirty-two miles from the mine. There is a Northern Pacific Railway spur into the town of Phillipsburg. The mining employees could either live in the town of Phillipsburg or could live on the mining property. The headquarters for the mining operation, will be Hailey, Idaho, Henry S. Childs, the President of the Corporation, maintains Field Office at this location at the present time.

4 (a) Western Fluorite Mining Company, Inc., proposes to churn drill the Sand Basin placer ground to determine the amounts of the above mentioned minerals per cubic yard and the exact yardage mineable. We propose to drill a total of approximately 1760 feet to tenatively prove approximately 1,400 acres of placer ground. It is anticipated that 44 holes of an average depth of 40 feet each will be necessary to accomplish this. (see attached Revised project map).

The drill holes will be put down using test casing of 6 inches inside diameter with a drive shoe of 7½ inches diameter. Samples will be taken by bailer or sand pump at 2½ feet intervals and then combined into 5 foot sections of the core for analysis. The samples will be washed and screened to - 10 mesh size and this product will be tabled on a #12 Wilfley table to obtain a clean concentrate. A company Geologist will be assigned to the drill to construct a drill log of all footage drilled, and records of weights and volumes of all samples and concentrates will be kept.

After a tabled concentrate is obtained and calculation made, the mineral will be separated by the use of a Carpco Magnetic separator and High Voltage separation. Petrographic and radiometric analysis will be obtained on all samples and composite chemical analysis will be made of each drill hole.

Geologic cross sections showing vertical distribution of ore will be compiled from drill logs. Also, horizon maps where possible will be constructed, and a complete summary of results will be made upon completion of the project.

4 (b) An access road of approximately 2 miles was constructed in the fall of 1956 by the original property locators. The only additional road building anticipated will be for the moving of the drill truck from location to location where a small amount of grading and dfilling is necessary.

4 (c) The project could be started in the month of June, depending upon snow conditions, and the contract will require approximately 117 days for the drilling phase. It is anticipated that the drill will make 15 to 25 feet per day, and that washing, tabling and separation of the samples should keep pace with the drill. An additional 45 days thereafter may be necessary to compile the final results.

5 (a) Western Fluorite Mining Company has successfully drilled and evaluated black sand bearing placer properties in Idaho containing Uranothorite, Columbite, Euxenite, Allanite, etc. The Company has spent considerable time in the past 2 years on research of black sand minerals and deposits and is qualified to evaluate this type of deposit. It is anticipated that our Uranothorite property will be in production by June of this year.

The project will essentially be divided into two phases, one of drilling, which will be supervised by Company Geologist, and the other phase of processing and analysis of the samples, which will be supervised by Company Engineer, who have worked on similar projects for this Company in Idaho.

6 (a) Churn Drilling will be performed by a contractor at an approximate cost of $12.50 per hour. (Past experience has shown us that better samples and more accurate evaluations can be made when drilling is contracted on an hourly basis rather than a per-foot basis). With an anticipated drilling progress of 15 feet per day average (considering moving time from hole to hole) and a proposed 1,760 feet of drilling, this would require 936 hours of drill time at $12.50 per hour resulting in $11,700.00 needed for contract drilling. (See attached bids). $6.65/ft

Contract bulldozing will be required to make drill site locations to assist the drill to move to inaccessable locations. It is estimated that approximately 100 hours of such contract dozing will be required at $10.00 per hour. This will total $1,000, (no bid attached, since we have determined that there is only one bulldozer at this price available on a standby basis, owned by a rancher nearby).

Contract magnetic and high voltage separation of tabled concentrate to remove magnetite, ilmenite and waste to prepare samples for chemical and petrographic analysis. This to be performed by the Baumhoff-Marshall Corporation of Boise, Idaho, who has the only available equipment and trained technician for for outside use.
Approximately 200 hours at $5.00 per hour (equipment and technician) ---------- $1,000.00

Contract chemical analysis of finished samples (composite of each hole-assayed for Cb_2O_5, U_3O_8, TiO_2, Y_2O_3, THO_2), 44 samples at approximately $40.00 per sample ---------- $1,760.00
(To be performed by Rare Metals Corporation of America, Salt Lake City, Utah)

Contract petrographic analysis (mineral grain count) of each 10 feet composite sample (approximately 176 samples) at $5.00 each, ---------- 880.00

Contract radiometric analysis of each 10 foot composite sample (approximately 176 samples) at $2.00 each ---------- 356.00
(To be performed by Rare Metals Corporation of America, Salt Lake City, Utah)

Original 5 foot samples will be estimated for mineral content at the drill and also at the field lab.

6 (b) As stated in section 5 (a) there will be two company technicians supervising and performing the work required on this project:

The Project Engineer, will spend approximately 5 months on the project at a salary of $700.00 per month - Total ---------- $3,500.00

The Geologist, will also spend 5 months on the project at a salary of $700.00 per month, Total- 3,500.00

Two day laborers will be employed to assist in the handling of samples, tabling, and washing. There will be employed on a 6 day per week basis for the approximate 15 weeks of the drilling phase. This amounts to 920 hours per man or a total of 1840 hours employed at an hourly rate of $2.10. This amounts to $3,824.00 for day labor. 3824.00

6 (c) Material required:

10 Washtubs (to transport samples from drill to washer) @ $2.50 each---------- $25.00
20 Pails (To transport washed samples to tables) @ $1.00 each ---------- $20.00
500 Shipping Tags with wire attached @ $6.00/1000 ---------- 3.00
1,029 Gallons gasoline for transporting washed concentrate to tabling site 2 trips per day- Total 120 miles, @ $0.37 gal. ---------- 380.00
300 gallons gasoline to run washing plant 5 months @ $0.37 gal.---------- 111.00

Other necessary miscellaneous items of equipment are owned by the Company and will be furnished by the Company for this project.

6 (d) 1. #12 Wilfley table, motor and accessories (Rental) 5 months @ $150.00 ---------- 750.00
2. Building situated at Phillipsburg, Mont. to house Wilfley table, storage and to be used as field office (Rental) 6 months @ $60.00- 360.00
3. Universal placer testing washing plant with gasoline engine (Rental) 5 months @ $50.00 ---------- 250.00
4. I Ton Pickup Truck for transporting samples and equipment (Rental) 5 months @ $70.00 ---------- 350.00

5. I Microscope (Used) Provided by Company ---------- $200.00

6. Miscellaneous field lab.equipment (Radiometric assay device, mechanical splitter, sand drier, processing equipment, etc.), Provided by Company---------- 392.00

6 (e) Nothing

6 (f) Installation of Wilfley table in rented building (foundation, wiring,etc.) -- 150.00 ?
Installation of work bench, shelves, etc. in rented building ---------- 50.00
Transport Universal Washing plant - Boise to Philipsburg, Montana and return ---------- 70.00

6 (g) Map construction materials and reproduction approximately ---------- 150.00

All direct accounting costs for this project (Workman's Comp.etc.) will be performed by the firm of Stegner & Byington at a cost of $75.00 per month (6 mo.)- 450.00

TOTAL $31,231.00

Tot $17,75/tt

7 (a) Western Fluorite Mining Company, Inc. is prepared to pay its proportioned cost of this project.

(b) Items 5 and 6 of Section 6 (d) amounting to $592.00 will be furnished by the Company. The Company will provide in cash its proportionate share of the remaining costs.

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

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 1957

DATE		CODE

June 10, 1957

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

Re: New Application (Columbite-Monazite-Samarskite)
Western Fluorite Mining Company, Inc.
Sand Basin Placer Area
Granite County, Montana

Dear Mr. Selfridge:

Enclosed are the original and two copies of an application received from Western Fluorite Mining Company, Inc., 630 North Avenue East, Missoula, Montana. There are only the original and three copies of Consent to Lien and Subordination Agreement enclosed. The applicant is obtaining two more signed copies.

The company proposes to explore a placer deposit in the Sand Basin area of Granite County, Montana, by 2,200 feet of churn drilling at a total cost of $40,002.

Sincerely yours,

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

Enclosures

cc: USBM (2)
Geologist

Original

Form MF-103
Revised Feb. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1035.3
Approval expires June 30, 1958

APPLICATION FOR AID IN AN EXPLORATION PROJECT

PURSUANT TO DMEA ORDER I, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

NAME OF APPLICANT (Full legal name and mailing address as it should appear on contract if one is executed)

WESTERN FLUORITE MINING COMPANY, INC.
630 North Avenue East
Missoula, Montana

Central Office:
P. O. Box 25
Warren, Arkansas

RECEIVED
JUN 7 1957
U. S. G. S.
SPOKANE, WASH.

APPLICANT NOT TO USE THIS BLOCK

Docket Number: 4763
Date Received: 6-13-57
Government Participation %:
Region: I-NW
Division Code: 700

BUSINESS ORGANIZATION (Check one)

- Individual [ ]
- Corporation [X]
- Partnership [ ]
- Other (Specify) [ ]

State in which firm is organized: Arkansas

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
Henry S. Childs	Missoula 630 North Ave. East/Montana	President
Wilson Hankins	Warren, Arkansas	Vice President
Tom Haley	Warren, Arkansas	Secretary-Treasurer

Mineral(s) for which you wish to explore: Samarskite, Allanite, Columbite, Ilmenite, Monazite, Zircon, Xenotime, Rutile

Estimated Cost of Project: $ 40,002.00

LOCATION OF PROPERTY

Name	County	State
Sand Basin Placer Area	Granite	Montana

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order-I, Amended, "Government Aid in Defense Exploration Projects." To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 2(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA Field Office.*

CERTIFICATION

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

WESTERN FLUORITE MINING COMPANY, INC.

June 6, 1957
Dated

Henry S. Childs
BY (Signature)

President
Title

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. *Applicant's Property Rights:*

(a) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations, and the place where recorded (courthouse, recorder's office, county, and state).

(b) State all the names by which you know the property.

(c) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise. If you are not the owner, submit with this application one exact copy of the lease, contract, or other document (with address of owner) under which you control the property.

(d) Describe all liens, mortgages, or other encumbrances on the property.

2. *Physical Description:*

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the lands, including existing mine workings. Describe all production facilities.

(b) State your interest, if any, in operations stated in 2*(a)*.

(c) State, as far as you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves on the property giving quantities and grades and sampling methods used, supporting your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you may have, indicating on each whether you require its return to you.

3. *Accessibility of Project:*

(a) To aid DMEA representatives who may be required to examine the property, state the name and address of the person who will meet the DMEA representative; give directions for reaching the property; and describe accessibility of the property including the mine workings.

(b) Name the shipping and supply points and places where employees reside and state the distances between them and the property.

4. *The Exploration Project:*

(a) Describe fully the proposed exploration project giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and longitudinal and cross sections as necessary. Show the location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *property boundaries* or to the closest identifiable corner.

(b) If an access road to the project must be built, show the location on the property map and state the length, type, and construction methods proposed.

(c) In the event that an exploration contract with DMEA is executed, how soon will the work start and how many months will be required to complete it? State your anticipated average daily or monthly rate of progress for each type of work.

5. *Experience:*

State your operating experience and background with relation to your ability to carry out this exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of Costs:*

Furnish detailed estimates of the costs *for each item of the work proposed in 4(a)* under the headings listed below with a total for each heading and the estimated total cost of the project. Costs for any work to be performed by an independent contractor should be shown separately under category *(a)* below. Costs for any work that is not to be performed by an independent contractor should be given in detail under categories *(b)* through *(g)*.

(a) Independent contracts. State the cost of any proposed independent contract for the performance of all or any part of the work, expressed in units of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. *(Note* – If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

(c) Operating materials and supplies. List items of material and supplies with their cost. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of operating equipment to be used giving specifications and indicating how each item is to be acquired – i.e., rented, purchased, or provided by the applicant. If it is rented or purchased, state the estimated rental or purchase price. If it is to be furnished by the applicant, give its present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of necessary *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant, which will be used on the exploration project.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration project stating specifications and cost including labor, materials and supervision.

(g) Miscellaneous. For the operating equipment listed in 6*(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in 6*(e)*. Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories.

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

7. *(a)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Amended.

(b) Explain to what extent you propose to furnish your share of the costs by providing money, by use of equipment owned by you, or otherwise.

* * * * *

INT.–DUP. SEC., WASH., D.C. 15539

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1 (a) The mining claims are located in Township 5 North, Range 16 West, Range 17 West, Range 18 West, all in Granite County, Montana. The property consists of fourteen unpatented mining claims, described as follows:

Little Jim	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 460;
Elk Horn	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 463;
The Coffee Pot	Certificate of Relocation, Filed August 25, 1955; Recorded in Book 22 of Placer Locations at Page 480;
The Ranger	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 475;
Little Bill	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 470;
Little Mike	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations, at Page 468;
Cub	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 472;
Moose	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations, at Page 462;
Lucky	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 473;
Peanuts	Certificate of Location, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 467;
Moose Horn	Certificate of Location, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 458;

Wanda	Certificate of Location, Filed August 17, 1955; Recorded in Book 22 of Placer Locations, at Page 477;
Judith	Certificate of Location, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 465;
Fred	Certificate of Location, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 457.

These are recorded with the Granite County Clerk & Recorder at Phillipsburg, Montana.

1. (b) This property is also known as the Sand Basin Placer area.

(c) Western Fluorite Mining Company is the Lessee of said property From Joseph T. Abbey and Ivy L. Abbey, husband and wife, Tom Waldo and Edythe Waldo, husband and wife, Pat Morris and Helen Morris, Husband and wife, Emil Skroch and Lenora Skroch, husband and wife, J. V. Newell and Nellie Newell, husband and wife, and Milo E. Wilson and Juanita B. Wilson, husband and wife, all of Ravalli County, Montana. The Lease was originally entered into by Ora P. Thompson of Missoula, Montana, and has been assigned by Ora P. Thompson to Western Fluorite Mining Company.

(d) There are no liens, mortgages or other encumbrances against the property.

2 (a) Attached, please find a photostatic copy U. S. Bureau of Mines (Spokane Division) map of the Sand Basin Placer areas, showing the locations of test pits dug for a preliminary U.S.B.M. investigation in 1954. In the spring of 1957, Western Fluorite Mining Company did additional test pit sampling from seven new bulldozer pits in Section 15, Township 5 North, Range 17 West. We know of no other exploration work done on this property and there are no existing production facilities on or nearby.

(b) Our Company had no interest in the property at the time of the U.S.B.M. investigation. The additional sampling and test pit work mentioned in 2 (a) was done entirely by Western Fluorite Mining Company.

(c) There is no evidence of past or current production in the Sand Basin area, with the exception of remains of very old gold sluicing facilities now decayed. No production records of this are available.

(d) There are no known proven ore reserves on this property but preliminary surface sampling by the Bureau of Mines and our Company have indicated a potential ore reserve of 60 million yards of placerable material, with an average yield of 130 pounds of black sand concentrate per yard by projection of results of preliminary surface sampling of portions of the ground. (See attached sample map). The sampling method used was to excavate 8' to 10' pits to obtain representative samples of raw material, which were then washed and screened to 10 mesh size. This product was then put over a #12 concentrating table to obtain the black sand concentrate. Simple mathematical calculations at this point, determined the amount of black sand concentrate per cubic yard. This concentrate was then sent to the Baumhoff-Marshall Corporation of Boise, Idaho for magnetic and high voltage separation. The separate fractions obtained were then petrographically examined and chemically analyzed. (See attached analysis).

(e) The sand basin placer deposits have not as yet been tested below a depth of 10 feet. A detailed geologic examination to determine the exact source material, and the structural and depositional conditions affecting the deposit has not as yet been undertaken. It is believed that the deposit is composed of materials derived from a granitic-type body separated from the Idaho batholith by metamorphosed belt series sediments, but probably related to the main batholith. The heavy minerals present in the black sands of Sand Basin are: Magnetite, Ilmenite, Garnet, Monazite, Sphene, Xenotine, Zircon, Columbite, Samarskite, Allanite, Rutile,

Hornblende, Epidote, Gold and others. The basin fill (upper 10 feet) is composed mainly of fine grained granitic sand, with occasional rounded boulders of granitic material. A few scattered remnants of morainal material on the surface indicates recent local glacial activity.

2 (f) Preliminary sampling results show the presence of strategic minerals in the black sand concentrate as described in 2 (e). For locations of sampling see 2 (a) and attached sample map. For sampling method and results obtained see paragraph 2 (d) and attached analysis.

2 (g) All attachments hereto need not be returned.

3 (a) The mining properties are located approximately thirty-three miles southwest of Phillipsburg, Montana. The mining properties can be reached by proceeding from Phillipsburg twenty-nine miles southwest on the Skalkaho Highway; then you turn off on a newly constructed access road in a southerly direction at the flume crossing on the Skalkaho road; you proceed along this road about three miles and it takes you into the heart of Sand Basin. The person who will meet the D.M.E.A. representative is the chief geologist of Western Fluorite Mining Company, Ray B. Olson of Missoula, Montana.

(b) The shipping point and supply point for the mining operation would be Phillipsburg, Montana, which is approximately thirty-two miles from the mine. There is a Northern Pacific Railway spur into the town of Phillipsburg. The mining employees could either live in the town of Phillipsburg or could live on the mining property. The headquarters for the mining operation will be in Missoula, Montana. Henry S. Childs, the President of the Corporation, resides at 630 North Avenue East in Missoula, and Ray B. Olson, the chief Geologist, resides at 640 Livingston in Missoula. The city of Missoula is approximately 112 miles from the proposed mining operations.

4 (a) Western Fluorite Mining Company, Inc. proposes to churn drill the Sand Basin placer ground to determine the amounts of the above mentioned minerals per cubic yard and the exact yardage mineable. We propose to drill a total of approximately 2,200 feet to prove approximately 1,600 acres of placer ground. It is anticipated that 55 holes of an average depth of 40 feet each will be necessary to accomplish this. (see attached project map).

The drill holes will be put down using test casing of 6inches inside diameter with a drive shoe of 7½ inches diameter. Samples will be taken by bailer or sand pump at 2½ foot intervals and then combined into 5 foot sections of the core for analysis. The samples will be washed and screened to - 10 mesh size and this product will be tabled on a #12 Wilfley table to obtain a clean concentrate. A company Geologist will be assigned to the drill to construct a drill log of all footage drilled, and records of weights and volumes of all samples and concentrates will be kept.

After a tabled concentrate is obtained and calculation made, the mineral will be separated by the use of a Carpco Magnetic separator and High Voltage separator into fractions effecting a rough mineralogical separation. Petrographic and radiometric analysis will be obtained on all samples and composite chemical analysis will be made of each drill hole.

Geologic cross sections showing vertical distribution of ore will be compiled from drill logs. Also, horizon maps where possible will be constructed, and a complete summary of results will be made upon completion of the project.

4 (b) An access road of approximately 2 miles was constructed in the fall of 1956 by the original property locators. The only additional road building anticipated will be for the moving of the drill truck from location to location where a small amount of grading and filling is necessary.

4 (c) The project could be started within 30 days of approval of the contract and will require approximately 145 days for the drilling phase. It is anticipated that the drill will make from 15 to 25 feet per day, and that washing, tabling and separation of the samples should keep pace with the drill. An additional 45 days thereafter may be necessary to compile the final results.

5 (a) Western Fluorite Mining Company has successfully drilled and evaluated black sand bearing placer properties in Idaho containing Uranothorite, Columbite, Euxenite, Allanite, etc. The Company has spent considerable time in the past 2 years on research of black sand minerals and deposits and is qualified to evaluate this type of deposit.

The project will essentially be divided into two phases, one of drilling, which will be supervised by Ray B. Olson, Geologist, and the other phase of processing and analysis of the samples, which will be supervised by H. S. Childs, Engineer, who have both worked on similar projects for this Company in Idaho. Also in a supervisory capacity, Mr. Donald R. Matthews will be employed for this project as an engineer to assist in both phases as relief Geologist and relief Engineer. Mr. Matthews will also prepare vouchers and keep records of disbursements. Mr. Matthews also assisted on the Idaho projects.

6 (a) Churn Drilling will be performed by a contractor at an approximate cost of $12.50 per hour. (Past experience has shown us that better samples and more accurate evaluations can be made when drilling is contracted on an hourly basis rather than a per-foot basis). With an anticipated drilling progress of 15 feet per day average (considering moving time from hole to hole) and a proposed 2,200 feet of drilling, this would require 1,168 hours of drill time at $12.50 per hour resulting in $14,600.00 needed for contract drilling. (See attached bids).

Pay on footage basis ? $6.64/ft
C.B.M. $4.50 $6.00

Contract bulldozing will be required to make drill site locations to assist the drill to move to inaccessable locations. It is estimated that approximately 100 hours of such contract dozing will be required at $10.00 per hour. This will total $1,000.00 (no bid attached, since we have determined that there is only one bulldozer at this price available on a standby basis, owned by a rancher nearby).

Contract magnetic and high voltage separation of tabled concentrate to remove magnetite, ilmenite and waste to prepare samples for chemical and petrographic analysis. This to be performed by the Baumhoff-Marshall Corporation of Boise, Idaho, who has the only available equipment and trained technician for outside use.
Approximately 200 hours @ $5.00 per hour (Equipment and technician) = - $1,000.00

Contract chemical analysis of finished samples (composite of each hole - assayed for Cb_2O_5, U_3O_8, TiO_2, YT_2O_3, ThO_2)
55 samples at approximately $40.00 per sample = - - - $2,200.00
(To be performed by Rare Metals Corporation of America, Salt Lake City, Utah)

Contract petrographic analysis (mineral grain count) of each 10 feet composite sample (approximately 192 samples) at $5.00 each = - $ 960.00
(To be performed by Rare Metals Corporation of America, Salt Lake City, Utah)

Contract radiometric analysis of each 10 foot composite sample (approximately 192 samples) at $2.00 each = - - - - - -$ 384.00
(To be performed by Rare Metals Corporation of America, Salt Lake City, Utah)

Original 5 foot samples will be estimated for mineral content at the drill and also at the field lab.

6 (b) As stated in section 5 (a) there will be three company technicians supervising and performing the work required on this project:

Mr. H. S. Childs, Project Engineer, will spend approximately 6 months on the project at a salary of $750.00 per month - Total = $4,500.00.

Mr. R. B. Olson, Chief Geologist, will also spend 6 months on the project at a salary of $750.00 per month - Total = $4,500.00.

Mr. D. R. Matthews, Assistant Project Engineer, will spend 5 months on the project at a salary of $650.00 per month - Total = $3,250.00.

Two day laborers will be employed to assist in the handling of samples, tabling, and washing. They will be employed on a 6 day per week basis for the total 20 weeks of the drilling phase. This amounts to 960 hours per man or a total of 1920 hours employed at an hourly rate of $2.10. This amounts to $4,032.00 for day labor.

6 (c) Material required:

10	Washtubs (to transport samples from drill to washer) @ $2.50 each	$ 25.00
20	Pails (To transport washed samples to tables) @ $1.00 each	20.00
500	Shipping Tags with wire attached @ $6.00/1000	3.00
1,029	Gallons gasoline for transporting washed concentrate to tabling site 2 trips per day - Total 120 miles @ $0.37 gal.	380.00
300	Gallons gasoline to run washing plant 5 months @ $0.37 gal.	111.00

Other necessary miscellaneous items of equipment are owned by the Company and will be furnished by the Company for this project.

6 (d)

1. #12 Wilfley table, motor and accessories (Rental) 5 months @ $150.00 - $ 750.00 ?
2. Building situated at Philipsburg, Montana to house Wilfley table, storage and to be used as field office (Rental) 6 months @ $60.00 - 360.00 ?
3. Universal placer testing washing plant with gasoline engine (Rental) 5 months @ $50.00 - 250.00 ?
4. 1 Ton Pickup Truck for transporting samples and equipment (Rental) 5 months @ $70.00 - 350.00 ?

5. 1 Microscope (Used) Provided by Company - - - - - $ 200.00

6. Miscellaneous field lab. equipment (Radiometric assay device, mechanical splitter, sand drier, processing equipment, etc.) Provided by Company - - - - - - - - - - - - - - - - - 392.00

out

6 (e) Nothing

6 (f) Installation of Wilfley table in rented building (foundation, wiring, etc.) - $ 150.00
Installation of work bench, shelves, etc. in rented building - 50.00
Transport Universal Washing plant - Boise, Idaho to Philipsburg, Montana - 35.00

6 (g) Map construction materials and reproduction approximately - $ 150.00 ✓
All direct accounting costs for this project (Workman's Comp. etc.) will be performed by the firm of Stegner & Byington at a cost of $75.00 per month (6 months) - - - - - - - - - - 450.00 ?

TOTAL $40,002.00

7 (a) Western Fluorite Mining Company, Inc. is prepared to pay its proportioned costs of this project.

(b) Items 5 and 6 of Section 6 (d) amounting to $592.00 will be furnished by the Company. The Company will provide in cash its proportionate share of the remaining costs.

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AGREEMENT

THIS AGREEMENT, Made and entered into this 13 day of April 1957 by and between Joseph T. Abbey and Ivy L. Abbey, his wife, Tom Waldo and Edythe Waldo, his wife, Pat Morris and Helen Morris, his wife, Emil Skroch and Lenora Skroch, his wife, J. V. Newell and Nellie Newell, his wife, and Milo E. Wilson and Juanita B. Wilson, his wife, all of Ravalli County, Mont. Party (Parties) of the first part, hereinafter referred to as owner, and Ora P. Thompson, of Missoula, Montana Party of the second part, hereinafter referred to as LESSEE,

W I T N E S S E T H :

-I-

EXPLORATION and DRILLING

That for and in consideration of the sum of One Dollar ($1.00), lawful money of the United States, the receipt of which is hereby acknowledged by said first party, said first party does hereby give and grant to second party, its successors and assigns the right to enter upon the following described premises, to-wit:
The following described mining claims located in Township 5 North, Range 18 West, Range 17 West and Range 16 West, all in Granite County, Montana, and as described in exhibit A hereto attached.

for the purpose of conducting exploratory work on said premises by way of sinking test drill holes on said premises at such places and in such manner as second party shall desire, all for the purpose of determining whether said premises are suitable for, and contain min--erals of valuable nature that could be operated by placer mining operations, that the right to conduct said exploratory work and dri--lling on said premises shall extend from this date forward and until the 1st day of October, 1957, upon the following terms and conditions to-wit:

That the said Lessee shall at all times do such drilling and expl--oratory work at its own cost and expense and shall at all times keep said premises free and clear from any claims whatsoever, That said Lessee shall in placing of equipment on said premises do as little damage to surface of said premises and to any crops raised thereon as is commensurate with the full drilling and testing of said premises as Lessee shall determine. That the said Lessee agrees that it will pay to the said Owner for all damages occassioned to growing crops, or to surface of said premises by reason of the conducting of such drilling operations and exploratory work on said premises.

The said Lessee shall have full right to enter upon said premises with such necessary equipment as it shall determine fit and proper for such purposes, subject to the payment of whatever damages that may accrue.

The Lessee agrees to submit to the said Owner true copies, upon demand by them of all results from said drilling, by way of drill logs, copies of assay sheets, and copies of all tests of all mater--ials removed therefrom, such information to be kept confidential by owner, however.

Lease (1-C)

LEASE

And in further consideration of the premises, and if the said Lessee shall do such exploratory work, and in consideration of the payment hereinafter provided, and royalties hereinafter to be paid, said Owner does hereby give the said Lessee the right to conduct placer mining operations on said premises upon the following terms and conditions, to-wit;

FIRST PAYMENT

1. That if before October 1, 1957 said Lessee shall pay to Owners the sum of Five Thousand ($5,000.) Dollars, for and as advance royalties, then the following provisions, terms and conditions shall become effective for and as a mining lease between the parties, but unless said payment of Five thousand ($5,000.) Dollars shall be made on or before said date, then all rights of the said Lessee to enter upon said premises to conduct placer mining operations shall immediately terminate without any further notice, demand or otherwise.

TERM

2. If said payment shall be made on or before that date, then Owners do lease, and demise to Lessee said premises for the purpose of conducting placer mining operation thereon for a term of ten (10) years, commencing October 1, 1957.

ANNUAL PAYMENTS

3. Said Lessee shall pay to Owner the sum of Five thousand ($5,000) Dollars annually or on before the 1st day October of each succeeding year, i.e., on or before October 1, for a total of ten (10) years, It is specifically agreed between the parties that all such annual payments shall be credited to royalties hereinafter provided to be paid by Lessee to Owner.

ROYALTIES

4. Lessee shall pay to Owners royalties at rate of ten (10%) per cent with respect to all ores, metals, minerals, chemicals, elements or other products mined, produced and marketed by Lessee from said premises as follows; Royalties shall be paid monthly on or before the 20th day of each month for all shipments and sales of such metals, ores, minerals, or chemicals or elements for the preceeding month, and said royalty shall be based on the gross sales for such month or products from said premises, less all haulage costs, either by truck or railroad or both, and less all costs of operation for such month of a so-called sand plant (i.e., a plant designed and operated to concentrate and up-grade valuable minerals from waste, and to segregate one type of valuable mineral from another) should Lessee construct and operate such a plant, and also less all deductions of the ore buyer for concentrating, upgrading or segregating said minerals, metals, ores or elements, and less any further deductions by ore buyer for sampling, testing or processing by the said ore buyer. That is to say, that from gross price there shall be deducted the foregoing items, and royalty shall be based on the net after such deductions. It being understood and agreed that the said Owner will be charged with pro-rata costs of operation of such sand plant only for the time such plant is used to process materials from this ground. Such royalty shall also apply to any bonus payments, premiums or allowances paid to Lessee by or on behalf of any governmental agency insofar as the rules of law applecable to such payments do not prohibit payment of royalties thereon.
Provided however, that mining expense or expense of operating dredge shall not be part of sand plant operation and no part of mining expense or dredge operation espense shall be paid by owners, and provided further, that the cost of said plant operation as herein provided for shall not in any event be greater than six cents per cubic yard, or 1/10 of the price received per cubic yard, which ever is greater; any overage above these maximum figures being borne by lessee.

By the term "all costs of operation" as used in the preceeding paragraph shall mean all direct costs of the operation of such a sand plant, including, but not limited to all wages, supplies, materials, fuels, power, water rentals and normal depreciation on such plant, but shall not include any overhead expense for managers salaries, or overhead expenses or any part thereof of the said Lessees.

EXTENSION OF TERM

5. Should the said Lessee be in continued operation on the above described premises upon the end of the term hereof the term of the lease shall be extended as long as minerals are being extracted therefrom and are being marketed, and operations are continued without cessation of more than ninety (90) days.

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CREDIT FOR ANNUAL PAYMENTS

6. All payments provided above by way of first payment on October 1, 1957, and annually thereafter on October 1, of each succeeding year for a total of ten annual payments, shall be applied as against all royalty payments provided in paragraph "4" above, but at least $5,000.00 minimum annual payments shall be paid in every year.

QUIET TITLE MATTER

7. Should the lessee desire to institute any quiet title proceedings to quiet title in said lands in the names of Owners, Owner does hereby specifically authorize and empower said Lessee on their behalf to institute any proceedings to quiet title, all of the sole expense and cost of said Lessees however, and said Lessee specifically agrees to hold owners free and harmless by reason of any costs involved in any such quiet title proceedings.

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PLACE OF PAYMENT

8. After initial payment (if made) on or before October 1 1957, all payments by way of annual payments or royalty payments shall be made to the account of Owner, at the following named bank:
Forwarded to Citizens State Bank of Hamilton, Montana for deposit to Moose Horn Mining Company(or other name designated by owners) or at such other bank as Owner may from time to time later designate in/account. writing.

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REPORTS TO OWNERS

9. Lessee shall submit to Owner upon request full and complete reports as to all operations conducted hereunder, and Lessee further agrees Owner shall have the right to inspect books of said Lessee and to copy all pertinent information as pertains to the operations of Lessee under the terms of this agreement for the purpose of seeing Lessee is in full compliance with the terms hereof. Further Owner, individually, or by their agent, or attorney, shall have the right to at all times be present, at any sampling, or to enter upon said premises for the purpose of checking operations of Lessee. Owner further shall have full and complete access to all records of testing of said premises and all products therefrom. Provided, however, that all information so received by Owner shall be treated as confidential as between Lessee and Owner and is for the only purpose of affording Owner data as to show full compliance with all terms and conditions hereof.

CONDUCT OF LESSEE

10. Lessee shall conduct all mining operations hereunder and all work hereunder in such a manner as to remove all valuable deposits of placer nature so far as it is economically possible, and all operations hereunder shall be conducted in a good and workmanlike manner and without unnecessary injury to the property of owner.

COMPLIANCE WITH LAW

11. Lessee shall conduct all mining operations hereunder in full accordance with all rules and regulations of State Mine Inspector of the State of Montana, and all laws of the State of Montana, and particularly with reference to the Dredge Mining Law of the State of Montana, and in full accordance with all such laws, rules and regulations,which may pertain to this property, of the United States Government or any division or department thereof.

Posting Notices

12. Before commencing any actual mining operations on said premises, said Lesse shall at all times keep posted in a conspicuous place on said premises and at their office in the State of Montana, and also record proper copy of Notice to Mechanics and Meterialmen pursuant to the provisions of Montana Law.

No Liens

13. Lessee shall not allow or suffer any liens or encumbrances on said premises.

Withholding on Employees

14. Lessee shall withhold from all Workmen's salaries and properly account therefor, all necessary unemployment, social security, and income tax withholdings, and all other deductions required by the laws of the State of Montana, or United States. Lessee shall have all workmen fully covered as required by the workmen's compensations laws of the State of Montana.

Taxes

15. All taxes of whatever nature assessed or charged against the leased premises, or ore or products taken therefrom, including, but not limited to, all mines taxation, general property, and net proceeds tax, under Montana Statutes, and whether assessed or charged against Lessee or Owners, will be borne by Lesse during the continuance of this lease, and paid by Lessee before they become delinquent, but nothing in this agreement contained shall obligate either party to pay federal or state income taxes of the other party. Lessee shall furnish copies of all tax reports and data showing payment of taxes, to the Owners. Lessee may contest in the courts or other wise the validity or amount of any such taxes required to be paid by Lessee, without being considered in default hereunder, but in such case shall pay the same before the leased property, or any part thereof, shall be sold for such taxes, or shall pay said taxes under protest, and shall indemnify Owners by bond or otherwise acceptable to Owners, against any loss of property, or payment of the tax by Owners in such case. In the event of patenting of any of the claims, the taxes by reason thereof thereafter accruing shall be paid by Owners.

Mortgage

16. Should said premises be subject to mortgage or other lien requiring approval of execution of this agreement by said mortgage holder or lien holder. Owner agrees to secure such approval.

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Owners Interest

17. If Owners own less than the entire and undivided fee simple estate to the mineral contents thereof, royalties provided herein shall be paid to Owners only in the proportion which Owners interest bears to the entire undivided fee. But the leased property being unpatented mining claims, no payment shall be withheld from owners by reason of the paramount right of the U.S., this paragraph not being applicable thereto

Assignment

18. Lesse may assign this agreement in whole or in part, or sublease said premises, but no such assignment or sublease agreement shall be binding or valid

until such time as executed copy has been served on owners. Any sublease or assignment holder shall be required to fully comply with all terms and conditions hereof, and such sublease or assignment shall not relieve Lessee from its obligations hereunder, anything in such sublease or assignment notwithstanding.

Default

19. Default on the part of Lessee in full reasonable compliance of all provisions hereof shall not thereby render this lease null and void, but in case of such default, Owners shall give to Lessee written notice specifying in what particular it is in default and if such default be not corrected within (30) days after such notice, then this lease and Agreement shall terminate. Provided, however, that if such default be corrected within said thirty (30) day period, this lease shall remain in full force and effect. Upon such termination, or upon termination by lapse of time or otherwise, Leasee agrees to peaceably surrender possession of said premises to Owners without any further notice whatsoever.

Termination

20. Lessee may upon giving to Owner sixty (60) days notice in writing specifying that it desires to terminate this agreement and be relieved of obligations thereof. This agreement shall be terminated upon such notice being given, but such termination shall not relieve the said Lessee from its obligation to account to the said Owners for all royalties still due, or for the obligation of restoring condition of premises to its former status as provided in paragraph Eleven (11); if such Notice is given Lessee shall submit, compile, release and quit claim deed to premises, and to all ore or consentrates from this property not sold and royalty paid.

Notices

21. All notices provided hereunder may be served by registered mail or personally, upon Owners in triplicate as follows: One copy to Joseph T. Abbey at Hamilton, Montana, one copy to Milo E. Wilson at Conner, Montana, and one copy to Claude A. Johnson at P. O. Box 306, Hamilton, Montana, and upon Lessee by registered mail or personally at the address, Ora P. Thompson 660 Beverly, Missoula, Montana, or at such other address as Lessee shall specify. All notices, if served by mail, shall be deemed served when deposited, postage prepaid, registered, addressed to the respective parties, in any United States Post office in the United States.

22. In designation of parties and throughout this agreement, the use of the word "Owner" shall mean the singular or plural as the case may be.

23. That this agreement shall be binding on the heirs, executors, administrators, successors and assigns of the respective parties hereto.

24. Either the Owners and Lessee hereto may file proofs of labor demanded by the mining statutes of the United States and/or the State of Montana, and the burden to see that the same is done shall rest with both parties. Owners shall be entitled to use to the extent permitted by the statute of the United States of American any exploration work performed by Lessee under this agreement as annual assessment work and assessment

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work for the purpose of obtaining United States Patents for the mining claims but the annual assessment work in each year shall be done by the Lessee prior to July 1 of each year and if this lease be surrendered in any calendar year, the assessment work to July 1 for that year shall be completed by Lessee. Annual labor for 1956-57 shall be done by lessee on this property before July 1, 1957

25. It is further agreed and understood that upon the termination of this lease, whether by the acts of the Owners or the Lessee or either of them, or for any other cause, the Lessee may, within a reasonable time not to exceed eighteen months, remove from the above described premises, all dredges, tools, machinery, structures, and any other property real or personal, erected or placed by the Lessee upon or in said premises. Such removal shall be done without damage to the mining property.

26. The owners covenant, represent and warrant and agree that they are the sole and exclusive owners of the foregoing mining claims and said mining rights, but the warranty herein is limited to such rights as the owner of such unpatented mining claims may have and subject to the Paramount right of the United States of America, no representations having been made as to the mineral content of the claims, Lessee is relying on his own examination and proposed exploratory work. Provided however, that in no event is the liability of the owners, by virtue of breech of or violation of any of the provisions of this paragraph, entitle Lessee to damages in excess of the actual amount paid out by Lessee by virtue of this agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the day and year first above written.

Ora P. Thompson
Lessee

Joseph T. Abbey

Ivy L. Abbey

Thomas D. Waldo

Edythe Waldo

Pat Morris

Helen Morris

Emil Skroch

Lenora Skroch

J. V. Newell

Nellie Newell ✓

Milo E. Wilson ✓

Juanita B. Wilson ✓

Owners

STATE OF MONTANA)
:
County of Ravalli)

On this 13th day of April, 1957, before me, the undersigned, a Notary Public in and for the State aforesaid, personally appeared Joseph T. Abbey and Ivy L. Abbey, his wife, Tom Waldo and Edythe Waldo, his wife, Pat Morris and Helen Morris, his wife, Emil Skroch and Lenore Skroch, his wife, J. V. Newell and Nellie Newell, his wife, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(SEAL)

Claude A. Johnson
Notary Public for the State of Montana
Residing at Hamilton, Montana
My commission expires Sept. 20, 1958

STATE OF MONTANA)
: ss.
County of Ravalli)

On this 13th day of April, 1957, before me the undersigned, a Notary Public, in and for said State, personally appeared Milo E. Wilson and Juanita B. Wilson, his wife, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year in this certificate first above written.

(SEAL)

Claude A. Johnson
Notary Public for the State of Montana
Residing at Hamilton, Montana
My commission expires Sept. 20, 1958

****

STATE OF MONTANA)
: ss.
County of Ravalli)

On this 13th day of April, 1957, before me the undersigned, a Notary Public, in and for said State, personally appeared Ora P. Thompson known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year in this certificate first above written.

(SEAL)

Claude A. Johnson
Notary Public for the State of Montana
Residing at Hamilton, Montana
My commission expires Sept. 20, 1958

EXHIBIT "A"

LITTLE JIM,	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 460;
ELK HORN	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations, at Page 463
THE COFFEE POT,	Certificate of Relocation, Filed August 25, 1955; Recorded in Book 22 of Placer Locations, at Page 480;
THE RANGER,	Certificate of Relocation, Eiled August 17, 1955; Recorded in Book 22 of Placer Locations, at Page 475;
LITTLE BILL,	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations, at Page 470;
LITTLE MIKE,	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 468;
CUB	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 472;
MOOSE,	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 462;
LUCKY,	Certificate of Relocation, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 473
PEANUTS,	Certfficate of Location, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 467;
MOOSE HORN,	Certificate of Location, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 458

WANDA,	Certificate of Location, Filed August 17, 1955; Recorded in Book 22 of Placer Locations, at Page 477;
JUDITH;	Certificate of Location, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 465;
FRED,	Certificate of Location, Filed August 17, 1955; Recorded in Book 22 of Placer Locations at Page 457;

WESTERN FLUORITE MINING COMPANY, INC.
WARREN, ARKANSAS -- MISSOULA, MONTANA

OPERATIONS OFFICE
630 NORTH AVENUE EAST
MISSOULA, MONTANA

PHONES: 9-8010
9-3755

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ASSIGNMENT OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS that I, ORA P. THOMPSON, of Missoula, Montana, Assignor, for and in consideration of the sum of One Dollar ($1.00) and other good and valuable considerations to me in hand paid by WESTERN FLUORITE MINING COMPANY, INC., an Arkansas Corporation, Assignee, the receipt of which is hereby acknowledged, do by these presents sell, set over, transfer and assign unto the said Assignee all my right, title and interest in and to that certain Agreement made and entered into on the 3rd day of April, 1957, by and between Joseph T. Abbey and Ivy L. Abbey, his wife, Tom Waldo and Edythe Waldo, his wife, Pat Morris and Helen Morris, his wife, Emil Skroch and Lenora Skroch, his wife, J. V. Newell and Nellie Newell, his wife, and Milo E. Wilson and Juanita B. Wilson, his wife, all of Ravalli County, Montana, and me, said Agreement being an option to lease the following described mining claims located in Township 5 North, Range 18 West, Range 17 West, and Range 16 West, M.P.M., all in Granite County, Montana, and named as follows, to-wit:

GRANITE COUNTY PLACER LOCATIONS

Name	Book	Page
Little Jim	22	460
Elk Horn	22	463
The Coffee Pot	22	480
The Ranger	22	475
Little Bill	22	470
Little Mike	22	468
Cub	22	472
Moose	22	462
Lucky	22	473
Peanuts	22	467
Moose Horn	22	458
Wanda	22	477
Judith	22	465
Fred	22	457

TO HAVE AND TO HOLD the same unto Western Fluorite Mining Company,

Assignment - (1-c)

Inc., its heirs, administrators, executors and assigns for and during all the rest, residue and remainder of the term of the said Agreement.

The Assignee, by accepting this Assignment, agrees to hold the Assignor free and harmless from any further liability or obligation under said Agreement and it specifically agrees to make all further rental payments and to perform all other terms and conditions of the Agreement required to be performed by the Lessee, including the assessment work for the year 1956-57.

This Assignment is upon the express condition that the said Western Fluorite Mining Company, Inc. shall notify the Assignor, not less than fifteen days prior to the date of any rental payment required under the terms of said Agreement, whether or not the Assignee will make said rental payment, and that said rental payment be, in fact, paid to the Lessors not less than ten days prior to said due date, as provided in said Agreement, or within thirty days thereafter; and upon the further express condition that the said Western Fluorite Mining Company, Inc. shall perform all assessment work on said claims as required by law and otherwise comply with and fulfill all other terms and provisions of said Agreement. In the event the Western Fluorite Mining Company, Inc. should breach any of the above conditions, then and in such event, the said Agreement and all right, title and interest in and to all of the above described mining claims shall forthwith revert to the Assignor, Ora P. Thompson, without such reversion freeing the Assignee from its obligations to hold and save the Assignor free and harmless from any further liability or obligation under said Agreement.

Time is of the essence of this assignment.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 30 day of May, 1957.

Ora P. Thompson
Assignor

Western Fluorite Mining Company, Inc. hereby accepts the foregoing Assignment and hereby assumes and agrees to perform all of the terms, covenants and conditions of the above Agreement on the part of the Lessee therein, named to be performed.

WESTERN FLUORITE MINING COMPANY, INC.

By Henry S. Childs
Assignee President

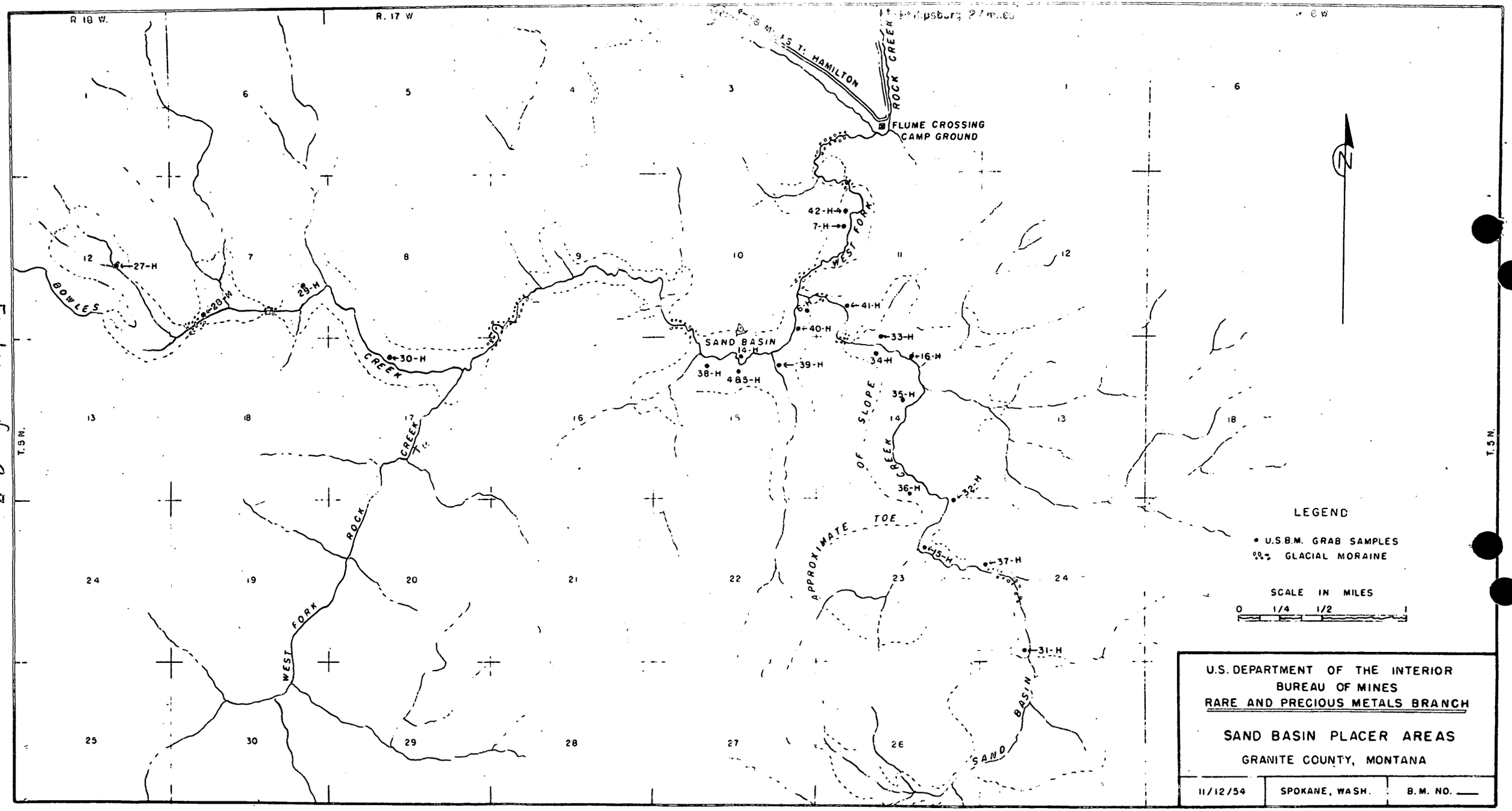
ATTEST:

Signed - Tom Haley
Secretary

We, the undersigned, Lessors under the terms of said Agreement, do hereby consent to the above Assignment, and we do hereby release and discharge the Assignor from any further obligation or liability under said Agreement and we do covenant and agree that we will look solely to the Western Fluorite Mining Company, Inc. for performance of said Agreement.

Lessors

Enclosure for 2-A



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RARE METALS CORPORATION OF AMERICA

TEXAS STREET AT STANTON • POST OFFICE BOX 1492 • EL PASO, TEXAS

ADDRESS: TENTH FLOOR, FIRST SECURITY BLDG. SALT LAKE CITY, UTAH

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May 28, 1957

Henry S. Childs
630 Avenue North
Missoula, Montana

Sample	Cb2O5	Ta2O5	TiO2	U3O8	Total Rare Earths	Yt
Pan Concentrate						
Mag 2.5 Amps -	<0.02	<0.02	18.4			
Mag 4.0 A -	1.26	0.07	6.4		3.8	
Mag 6.0 A -				.103	10.8	1.2
Mag 1.3 A -					1.4	
Non Mag -						
Test Pit 5-H	0.02	<0.01	1.2			
Test Pit 6-H						
Test Pit 30-H						
Test Pit 38-H	0.02	<0.01	1.0			
Mag 2.5 Amps				0.031		
Mag 4.0 A -	0.48	0.04	3.0	0.067	2.9	0.4
Mag 6.0 -	0.03	<0.02	7.9	0.039	4.0	
Mag 1.5 -				0.133		
Non Mag -				0.075		
Combine fractions without magnetite	0.16	0.02	6.8	0.035		

TS-3025 Pan Concentrate

Mineral	Relative Volume %	Relative Weight
Magnetite	4.0	5.4
Ilmenite	42.0 ✓	50.4
Garnet	14.0 ✓	13.3
Monazite	1.0 ✓	1.9
Sphene	2.0	1.9
Xenotime	0.5	0.5
Quartz	27.8	20.4
Zircon	0.2	0.3
Allanite	2.0	1.6
Columbite	0.5	0.8
Samarskite	0.3	0.5
Hornblende	1.0	0.8
epidote	3.0	0.3
others - rutile, biotite	1.7	1.9
	100.0	

Pan Concentrate Products (Made on Frantz Separator)

Magnetic at 2.5 Amps

Minerals	Relative Volume
Ilmenite	80
Garnet	20

Analysis - (2-D)

RARE METALS CORPORATION OF AMERICA

TEXAS STREET AT STANTON • POST OFFICE BOX 1492 • EL PASO, TEXAS

ADDRESS REPLY TO
TENTH FLOOR, FIRST SECURITY BLDG.
SALT LAKE CITY 11, UTAH

May 28, 1957

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Magnetic at 4.0 Amp

Mineral	Relative Volume
Garnet	40.0
Hornblende	25.0
Ilmenite	15.0
Epidote	12.0
Allanite	5.0
Columbite	5.0
Samarskite	2.0

Magnetic at 6.0 Amps

Mineral	Relative Volume
Epidote	50.0
Allanite	44.0
Hornblende	5.0
Columbite	1.0
Samarskite	1.0

Magnetic at 1.5 Amps

Mineral	Relative Volume
Sphene	74.0
Monazite	5.0
Quartz	10.0
epidote	9.0
xenotime	1.0
Samarskite	1.0

Non Magnetic

Mineral	Relative Volume
Quartz	95.0
Sphene	2.5
Monazite	2.0
Xenotime	
Others	0.5
Zircon	
Magnetite	

PS - 3026 - Test Pit 5-H

Minerals:	Relative Volume
Magnetite	76.0
Ilmenite	8.0
Garnet	3.0
Monazite	1.0
Xenotime	0.2
Rutile	0.2
epidote	2.0
Sphene	1.0
Hornblende	2.0
Quartz	5.0
Allanite	1.1
Columbite	0.1
Others	0.4

RARE METALS CORPORATION OF AMERICA

TEXAS STREET AT STANTON • POST OFFICE BOX 1492 • EL PASO, TEXAS

ADDRESS REPLY TO
TENTH FLOOR, FIRST SECURITY BLDG.
SALT LAKE CITY 11, UTAH

May 28, 1957

MATERIAL FILE COPY
RMCA
INCOMPLETE 1957
DATE | COPIES | CODE

PS - 3027 - Test Pit 6-H

Minerals:	Relative Volume
Magnetite	74.0
Ilmenite	13.0
Allanite	2.3 ← (cerium minerals? Nos yttrium ✓
Monazite	1.0
Xenotime	0.2
Garnet	2.0
Quartz	5.0
Hornblende	1.0
Columbite-Samarskite	0.2 ✓
Sphene	1.0
epidote	0.2
Others	0.1

Test Pit 30 - H

Minerals:	Relative Volume
Magnetite	56.0
Ilmenite	11.0
Allanite	3.2
Monazite	1.5 ✓
Xenotime	0.2
Garnet	1.0
Quartz	22.0
Hornblende	2.0
Columbite	0.1 ✓
Sphene	2.5
epidote	0.3
Others	0.2

Test Pit 38 - H

Minerals:	Relative Volume	Relative Weight
Magnetite	80.0	84.2
Ilmenite	7.0	6.6
Garnet	4.0	2.9
Allanite	0.5	0.3
Hornblende	2.0	1.3
epidote	2.0	1.4
Monazite	0.5	0.5
Xenotime	0.2	0.2
Quartz	2.0	1.1
Sphene	1.0	0.8
Columbite	0.3	0.3
Hematite	0.1	0.1
Samarskite & Others	0.4	0.3

RARE METALS CORPORATION OF AMERICA

TEXAS STREET AT STANTON • POST OFFICE BOX 1492 • EL PASO, TEXAS

ADDRESS REPLY TO
TENTH FLOOR, FIRST SECURITY BLDG.
SALT LAKE CITY 11, UTAH

May 28, 1957

Test Pit 38 - H Products:

Magnetic at 2.5 Amps

Minerals	Relative Volume
Ilmenite	55.0
Garnet	30.0
Allanite	8.0
Quartz	4.0
epidote	3.0

Magnetic at 4.0 Amps

Minerals	Relative Volume
Hornblende	37.0
Ilmenite	5.0
Garnet	20.0
Sphene	3.0
epidote	2.0
Allanite	29.0
Columbite	3.0

Magnetic at 6.0 Amps

Minerals	Relative Volume
epidote	44.0
Hornblende	35.0
Allanite	12.0
Sphene	8.0
Hematite	1.0
Columbite	1.0
Monazite & Xenotime	(Minor)

Magnetic at 1.5 Amps

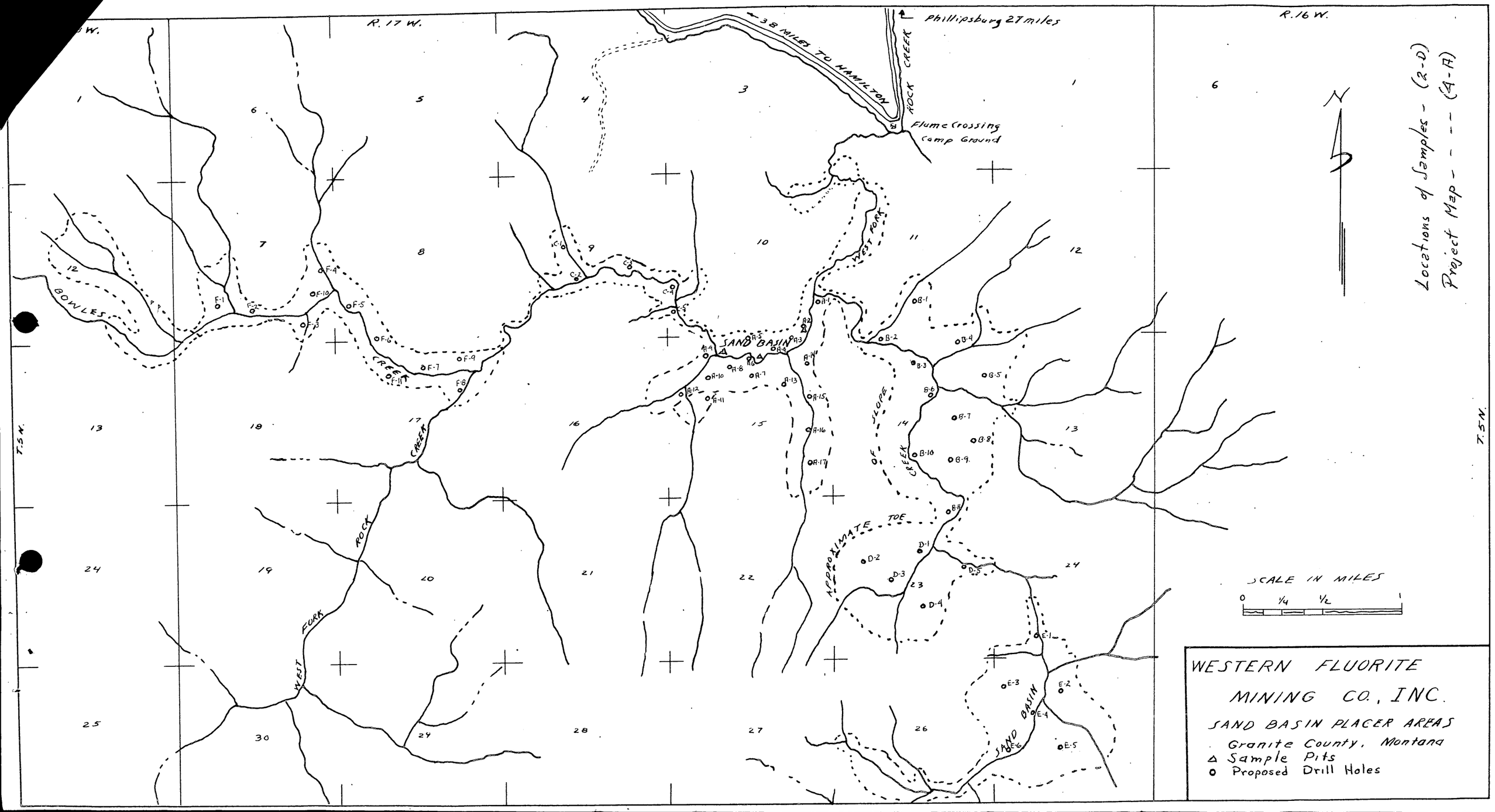
Minerals	Relative Volume
Sphene	93.0
Monazite	5.0
Xenotime	1.0
Samarskite	1.0

Non Magnetic

Minerals	Relative Volume
Quartz	90.0
Monazite	5.0
Sphene	3.0
Others	1.0
Xenotime	1.0
Magnetite	83.0

Most of the Yt present can be accounted for in the Allanite

E. Glen Irwin
for R. Kronstadt


R. 17 W.
R. 16 W.
T. 5 N.
38 MILES TO HAMILTON
Phillipsburg 27 miles
ROCK CREEK
Flume Crossing
Camp Ground
WEST FORK
SAND BASIN
BOWLES
CREEK
ROCK
WEST FORK
APPROXIMATE TOE OF SLOPE
CREEK
SAND BASIN
Locations of Samples - (2-D)
Project Map - - - - (A-H)
N
SCALE IN MILES
0 1/4 1/2 1
WESTERN FLUORITE
MINING CO., INC.
SAND BASIN PLACER AREAS
Granite County, Montana
△ Sample Pits
○ Proposed Drill Holes

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 1957

DATE	INITIALS	COD...

Osborne Drilling Co.

P.O. BOX 830
MISSOULA, MONTANA

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 13 1957

DATE	INITIALS	CODE

May 28, 1957

Western Fluorite Mining Co., Inc.
630 North Avenue East
Missoula, Montana

Subject: Placer testing Sand Basin, ~~Granite Co.,~~ Montana

Attention: H. S. Childs, President

Dear Sirs:

We herewith submit our bid to test drill your Sand Basin placer prospect.

We have available one 6x6 truck mounted placer testing rig, complete with experienced driller and drillers helper. We have 6 inch test casing, 7½ inch drive shoe, all tools, placer bits, sand pumps, sample trough and etc. We will also furnish water tanks, truck and pickup as required for an efficient drilling operation.

We propose to furnish the above at a contract price of $12.50 per hour, to include initial moving time of equipment from Missoula, Montana to job site. The above price per hour is for a minimum of eight hours per day. No time will be charged during any mech--anical breakdowns of our equipment, causing a delay of drilling progress.

We are experienced in formation testing, and understand the import--ance of good samples. We agree to exercise due care in regard to obtaining accurate samples and recording of exact depths.

We are familiar with the location and terrain of the property. Therefore it would not be necessary for us to re-examine the area before executing a contract.

Sincerely,

Wm. F. Osborne

Wm. F. Osborne

Osborne Drilling Co.

Enclosure for (6-A)

BAUMHOFF—MARSHALL, Inc.

PRODUCERS OF MONAZITE, ILMENITE, & ZIRCON SANDS

5303 IRVING STREET -:- BOISE, IDAHO

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 13 1957

DATE	INITIALS	CODE

May 30, 1957.

Western Fluorite Mining Co., Inc.
630 North Avenue East
Missoula, Montana

Attention Mr. Henry S. Childs, President

Gentlemen:

With reference to your plan for the drilling and prospecting of placer ground areas as outlined in our telephone conversation, we hereby propose the following:

To furnish One C. Kirk Hillman Standard Prospecting Drill with a six inch casing and 7½ inch drive shoe, complete with gas engine and mounted on a Ford Truck, together with one driller and one driller's helper in the operation of same, for a contract price of Fourteen Dollars ($14.00) per hour.

It is understood that the above price per hour will prevail for a minimum of eight hours per day, except during a period of breakdown when repairs are necessary, for each and every day that the drill is in operation or traveling to or from the work.

Also, we will supply the use of one Universal Placer Testing Machine complete with gas engine for a rental price of Fifty Dollars ($50.00) per month.

Yours very truly,

Baumhoff-Marshall, Inc.

By A. F. Baumhoff
A. F. Baumhoff

Enclosure for - (6-A)

RUSSEL COWE DRILLING CO.

CHURN and CORE DRILLING

1514 Longmont Avenue
~~1511 MEADVILLE STREET~~ PHONE 3-1201 BOISE, IDAHO

~~August 23, 1956~~

S

Western Florite Mining Co.
Missoula
Montana

Gentlemen:

At the request of Mr. Childs regarding some placer testing with churn drill in the Hailey district I wish to give the following information:

The equipment I have for placer work consists of cable tool drill mounted on a 6 X 6 truck including 6-inch extra heavy flush joint drive pipe in 5 to 7 feet lengths and placer bits. This allows sampling of every foot of ground. Also have suction bailer and trough in which to dump all drillings. It is also necessary to have water truck furnished by me. This work requires two men for drilling crew.

When I drilled for the Bureau of Mines they sacked the samples in canvas sacks and tagged each hole. Information regarding this could probably be secured in their office in Spokane, Washington.

I have done a considerable amount of this work for the Bureau of Mines on a footage basis which averaged about $5.50 per foot. I will have to see the ground before I can quote a price on the footage basis. An estimate would be from ~~$4.50~~ $4.50 to $6.00 per foot. I also do this work by the hour. I can furnish the above equipment for $13.50 per hour, and the average day's drilling run from 20 to 50 feet per day.

If you are interested I will be glad to meet with you and go over the ground.

Sincerely,

Russel Cowe

Enclosure For - (6-A)

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE

ADDRESS REPLY TO
CHIEF, FOREST SERVICE
AND REFER TO

WASHINGTON 25, D. C.

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

DATE	INITIALS	CODE
5/21	G	220
~~5/21~~	~~Murphy~~	~~700~~
		225

U-ADJUSTMENTS, R-1, Deerlodge
Mining Claims
Joseph T. Abbey - Western Fluorite
Mining Co., Inc.

May 20, 1959

For Docket
DMEA
4763

Mr. Frank E. Johnson, Acting Director
Office of Minerals Exploration
Department of the Interior
Washington 25, D. C.

Dear Mr. Johnson:

Reference is made to your letter of April 15, 1959, and enclosures.

We wish to thank you for your cooperation in furnishing the reports on the Abbey mining claims. Our Regional Office at Missoula, Montana, informs us that the reports have been very helpful and have saved them considerable field time.

As you requested, we are returning the reports. Enclosed is one copy each of the following:

1. A letter, dated May 20, 1958, by Field Team, Region I,

2. Copy of the field examination report, dated May 15, 1958, to DMEA Field Team, Region I,

3. Appendix I (Investigation report, dated November 18, 1954, covering Sand Basin Placer Areas, by Dean C. Holt),

4. Appendix II (Chemical Analyses), and

5. Two maps, Plates 1 and 2, showing location of the claims, grab samples, and the proposed drill holes.

Very truly yours,

RICHARD E. McARDLE, Chief

By John Sieker

Enclosures

RM 6
-59

REFERENCE SLIP
OFFICE OF MINERALS EXPI TTION

		DATE	INITIALS
1.	~~Code 120~~	4/15	absent
2.	" 110		
3.	" 220		
4.			
5.			
FROM:	FMMurphy		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____
____ Approval ____ Investigate ____ Surname
____ Comment ____ Recommendations ____ Signature
____ Conference ____ Rewrite ____ File
____ Instructions X Your information

REMARKS:

Note: Telephoned to Al Miller, U.S.Forest Service. He said that only one copy of data was needed and that it would be returned since it was not needed for their files, only for appraisal of the land.

Material being forwarded was borrowed from USGS

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

M50943

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/13/59	Murphy	700
4/15	Kadahe	700
4/15	Ltcs atcent	120
		~~110~~
		~~100~~
		220
		225

APR 15 1959

Mr. Richard E. McArdle
Chief, Forest Service
United States Department of Agriculture
Washington 25, D. C.

Re: U
ADJUSTMENTS, R-1, Deerlodge
Mining Claims
(Joseph T. Abbey - Western
Fluorite Mining Co., Inc.)

Dear Mr. McArdle:

With reference to our letter of April 1, 1959, we have received permission from the U. S. Bureau of Mines and U. S. Geological Survey to release the reports you requested.

Enclosed are one copy each of the following:

1. A letter, dated May 20, 1958, by Field Team, Region I,

2. Copy of the field examination report, dated May 15, 1958, to DMEA Field Team, Region I,

3. Appendix I (Investigation report, dated November 18, 1954, covering Sand Basin Placer Areas, by Dean C. Holt),

4. Appendix II (Chemical Analyses), and

5. Two maps, Plates 1 and 2, showing location of the claims, grab samples, and the proposed drill holes.

When this information has served its purpose, kindly return it to this office. We have no objection to your duplicating these data for the internal use of the Forest Service; however, they are not to be used for general distribution or publication.

FMMurphy/gla
4-13-59

Sincerely yours,

(signed) FRANK E. JOHNSON
Acting Director

cc to: Director's Reading File
FMMurphy
OME Field Team, Region I (2)

43683

Enclosures

OFFICE OF THE DIRECTOR

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

April 7, 1959

Memorandum

To: Frank E. Johnson, Acting Director, Office of Minerals Exploration

From: Director, Bureau of Mines

Subject: Docket No. DMEA-4763 (Thorium, uranium, rare earths, columbium, tantalum, yttrium)
Western Fluorite Mining Company, Inc.
SandBasin Placer
Granite County, Montana

The Bureau of Mines has no objection to the release by the Office of Minerals Exploration of information and data contained in Docket No. DMEA-4763, to the Forest Service, Department of Agriculture.

It should be indicated in your letter of transmittal that the data and information are for the internal use of the Forest Service and are not intended for general distribution or publication.

Marling J. Ankeny
Director

OFFICIAL FILE COPY
RECEIVED 9 1959

DATE		
4-9	C	220
4-10	Murphy	700

IN REPLY REFER TO:

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

APR 7 1959

Memorandum

To: Frank E. Johnson, Office of Minerals Exploration

From: Director, U. S. Geological Survey

Subject: Release of on-site examination report on Sand Basin Placer Area, Granite County, Montana, DMEA Docket 4763

Geological Survey approval is hereby granted for your office to release to the U. S. Forest Service the above-mentioned DMEA on-site examination report.

Arthur A. Baker

Acting Director

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 9 1959

DATE	INITIALS	CODE
4-9	C	220
4-13	Murphy	700
		225

OFFICIAL FILE COPY

Date	Surname	Code
4/1/59	Murphy	700
4/1	Kubinke	700
4/1	Selfridge	120
		110
		100
4/3	C	220
		700

APR 1 1959

Mr. Richard E. McArdle
Chief, Forest Service
United States Department of Agriculture
Washington 25, D. C.

Re: U
ADJUSTMENTS, R-1, Deerlodge
Mining Claims
(Joseph T. Abbey - Western
Fluorite Mining Co., Inc.)

Dear Mr. McArdle:

This is to acknowledge your letter, dated March 27, 1959, and the attached copy of Claude A. Johnson's letter, relating to the release of certain data available to this Agency concerning the subject claims.

Since the information desired by you involves reports from our Docket No. DMEA-4763, Western Fluorite Mining Company, Inc., prepared by the U. S. Geological Survey and the U. S. Bureau of Mines, we have requested those Agencies to approve the release of these data. If approval is granted, we will then forward the information you requested.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

FMMurphy/gla
4-1-59
cc to: Director's Reading File
FMMurphy
OME Field Team, Region I (2) w/2cc incoming letters

43683

OFFICIAL FILE COPY

Date	Surname	Code
3/31/59	FMurphy	700
3/31	Kubasse	700
3/31	Selfridge	130
		110
		~~100~~
4/1	C	220
		700

MAR 31 1959

Memorandum

To: Thomas B. Nolan, Director
U. S. Geological Survey

From: Frank E. Johnson, Acting Director

Subject: Docket No. DMEA-4763 (Thorium, uranium, rare earths, columbium, tantalum, yttrium)
Western Fluorite Mining Company, Inc.
Sand Basin Placer
Granite County, Montana

Enclosed is one copy of a letter, dated March 27, 1959, to this Agency from the Forest Service, U. S. Department of Agriculture, and attachment, which are self-explanatory.

With your approval, we will release the on-site examination report which includes a "Report of Preliminary Investigation by the U. S. Department of the Interior, Bureau of Mines, for the Atomic Energy Commission, Sand Basin Placer Areas, Granite County, Montana, November 18, 1954, by Dean C. Holt." This report includes as an annex assay data relating to tests made on the subject property.

(signed) FRANK E. JOHNSON

Enclosures

FMMurphy/gla
3-31-59
cc to: Director's Reading File
Operating Committee
THKiilsgaard, 5224
FMMurphy

43683

OFFICIAL FILE COPY

Date	Surname	Code
3/31/59	Murphy	700
3/31	Kaebel	700
3/31	Selfridge	120
		110
		~~100~~
4/1	C	220
		700

MAR 31 1959

Memorandum

To: Marling J. Ankeny, Director
U. S. Bureau of Mines

From: Frank E. Johnson, Acting Director

Subject: Docket No. DMEA-4763 (Thorium, uranium, rare earths, columbium, tantalum, yttrium)
Western Fluorite Mining Company, Inc.
Sand Basin Placer
Granite County, Montana

Enclosed is one copy of a letter, dated March 27, 1959, to this Agency from the Forest Service, U. S. Department of Agriculture, and attachment, which are self-explanatory.

With your approval, we will release the on-site examination report which includes a "Report of Preliminary Investigation by the U. S. Department of the Interior, Bureau of Mines, for the Atomic Energy Commission, Sand Basin Placer Areas, Granite County, Montana, November 18, 1954, by Dean C. Holt." This report includes as an annex assay data relating to tests made on the subject property.

(signed) FRANK E. JOHNSON

Enclosures

FMMurphy/gla
3-31-59
cc to: Director's Reading File
Operating Committee
THKiilsgaard, 5224
FMMurphy

43683

UNITED STATES DEPARTMENT OF AGRICULTURE

FOREST SERVICE

ADDRESS REPLY TO
CHIEF, FOREST SERVICE
AND REFER TO

WASHINGTON 25, D. C.

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 30 1959

DATE	INITIALS	CODE
3/30	C	220
"	FE	110
3/31	Murphy	700
		225

U
ADJUSTMENTS, R-1, Deerlodge
Mining Claims
(Joseph T. Abbey - Western
Fluorite Mining Co., Inc.)

March 27, 1959

Mr. Frank E. Johnson
Acting Director, Office of
Mineral Exploration
Department of the Interior
Washington 25, D. C.

Dear Mr. Johnson:

The Forest Service, under Public Law 167, is making a determination of surface rights on the national-forest lands in the Rock Creek Area of the Deerlodge National Forest, Montana.

Mr. Joseph T. Abbey, et al., of Hamilton, Montana, who owns certain placer claims in Sand Basin Placer Area, has filed a verified statement on his claims. The filing of the verified statement in connection with the action under Public Law 167 makes it necessary for Forest Service mining engineers to examine and evaluate these claims as to their validity. Our engineers in the process of the examination were told by Mr. Abbey that the Office of Mineral Exploration and the Bureau of Mines had made a rather intensive field survey of the claims in the Sand Basin Placer Area in 1954. We understand that the report is filed as DMEA, Docket No. 4763, Western Fluorite Mining Company, Inc.

The Spokane office of the United States Bureau of Mines advised the Forest Service at Missoula, Montana, that it could release assays and maps only if they secured consent of the mining claimant, but it could not furnish the report. Our Missoula office obtained the consent and the Bureau furnished the maps and assays. A copy of consent letter is enclosed. This information was helpful but they lack other factual information which is in the report.

The question of whether or not the Forest Service should request that a hearing under Public Law 167 be held on these claims, before a Bureau of Land Management Hearing Examiner, depends on the evaluation made by our mining engineers. It is therefore our desire to obtain all of the information available on these claims so that our engineers will be able

to make a full report and be in a position to make the proper recommendation. The information secured from your report will only be used to evaluate the claims.

We would appreciate receiving a copy of DMEA, Docket No. 4763, Western Fluorite Mining Company, Inc.

Very truly yours,

RICHARD E. McARDLE, Chief

By Clare Hendee

Enclosure

C O P Y

United States Bureau of Mines
Spokane Office
Spokane, Washington

Gentlemen:

We have a letter dated December 18th, designated as "U; ADJUSTMENTS - Deerlodge Surface Rights; Rock Creek Area, 1-SR-24-1" from Charles L. Tebbe, Regional Forester at Missoula, Montana, signed by E. F. Barry, Acting, stating as follows:

> "It would be helpful to have a copy of the United States Bureau of Mines report, so that a complete evaluation can be made of your Sand Basin placer claims.
>
> The Spokane office of the United States Bureau of Mines needs a letter of authorization from you in order to release a copy of the report to us."

We trust that this letter will be sufficient authority for you to release a copy of your report to Charles L. Tebbe, Regional Forester or E. F. Barry, Acting for him, in connection with the Sand Basin placer claims located by Joseph T. Abbey and others. Should this not be sufficient for any reason as such an authorization, please advise us as to what further you would require.

We have no inclination to withhold information from the Forest Service, and we believe the more information they have, the better off we will be, and would appreciate your co-operating with them in the matter as set forth in their letter.

Yours truly,

Claude A. Johnson

CAJ/bb

C O P Y

code 413

Docket 4763 · William Flowers Mng Co. Inc.

Mr Miller, US Forest Service,
code 111 ext 6574

needs information on this property to evaluate the claims under P.L. 167.
Would like any information on drill logs or assays which indicate extent & value of mineralization.

Note - OME.
Telephoned Mr. Miller on Dec. 10, 1968, and advised him that the data he required could be found in the report of the USBM (Spokane Division) made for the ACE. The report, dated Nov. 18, 1954 is entitled:
Preliminary Investigation of Sand Basin Placer Areas - July - Sept. 1954. by Dean C. Holt, Special Minerals Section, Mining Division, Region II.

FM Murphy

OFFICIAL FILE COPY
O. M. C.
RECEIVED OCT 10 1958

DATE	INITIALS	CODE
10/10	C	220
10/10	CEF	800
~~10/13~~	~~[illegible]~~	~~[illegible]~~

So. 157 Howard Street
Spokane 4, Washington

October 8, 1958

Mr. H. S. Childs, President
Western Fluorite Mining Co.
P. O. Box 455
Hailey, Idaho

Re: Docket No. DMEA-4763 (Thorium, uranium, rare earths, columbium, tantalum, yttrium)
Sand Basin Placer
Granite County, Montana
Contract No. Idm-K1289

Dear Mr. Childs:

This will acknowledge receipt of your letter of September 30, 1958, in which you state that you have relinquished the Sand Basin claims.

Enclosed are the original and four copies of a proposed recission agreement to the referenced contract, signed by the Acting Director for the Government. The Office of Minerals Exploration mentioned in the agreement is the successor agency to DMEA. If the terms and conditions are satisfactory, please sign all copies, keep the one marked for the Operator, and return the other four copies to this office.

If the agreement is not satisfactory, please return all copies, unsigned, with a statement of your objections.

Your prompt attention to this matter will be appreciated.

Sincerely yours,

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

Enclosure

cc: OME (2) w/incoming
USBM (2)
USBM(AD)
Prinz

WESTERN FLUORITE MINING COMPANY, INC.

[illegible] -- HAILEY, [illegible]

CORPORATION OFFICE
P. O. BOX 455
HAILEY, IDAHO

September 30, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 10 1958

DATE	INITIALS	CODE

United States Department
of Interior,
Defense Minerals Exploration
Administration,
So. 157 Howard Street,
Spokane 4, Washington

Attn: Wing G. Agnew,
Acting Exec.Officer,
Re: Docket No. DMEA-4763,
Sand Basin Placer,
Contract No. Idm-X1209

Dear Mr. Agnew:

This is to acknowledge receipt of your letter of September 15th, and I am sorry that we have not replied earlier to this, but I have been out of town until today, and was just able to get this answered.

This is to confirm the fact that the Western Fluorite Mining Company, has had to relinquish the lease on these claims, this being primarily by reason of the fact that no market was presently available for the earths which were present in this. The Company would not authorize an expenditure required after the determination of the lack of market for these minerals was made, and this property had been previously returned to the owners.

I wish to sincerely thank you for your courtesies in this matter.

Yours truly,

Western Fluorite Mining Co.

by

H. S. Childs,
President and Manager.

RECEIVED
OCT 3 1958
U.S.G.S.
SPOKANE WASH

HSC lc.

OFFICIAL FILE COPY

Date	Surname	Code
9/25/58	Murphy	700
9/25	Kubusse	700
9/25	Talbot	800
9/26	Martin	130
9/26	Jensen	110
"	Wiedendorf	100
9/29	C	220
		700

SEP 29 1958

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

Re: Docket No. DMEA-4763 (Thorium, uranium, rare earths, columbium, tantalum, yttrium)
Contract No. Idm-E1209
Western Fluorite Mining Company, Inc.
Sand Basin Placer
Granite County, Montana

Dear Mr. Weissenborn:

Enclosed are the original and four copies of a proposed rescission agreement to the subject contract, signed by the Acting Director for the Government. Also enclosed are two extra copies for Field Team use.

If you and the Operator find the proposed agreement in order, please have an authorized representative of the corporation sign the original and four copies. Thereafter, kindly distribute the copies in the usual manner.

This agreement has been prepared in accordance with the Field Team's recommendations submitted September 19, 1958.

Sincerely yours,

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

Enclosures

FMMurphy/gla 9-25-58
cc to: Director's Reading File
Operating Committee
THKiilsgaard, 5224
Mr. Murphy

APPROVED:

Frank J. Cservenyak (JLB)
Member, Bureau of Mines

N. E. Nelson (JLB)
Member, Geological Survey

P. S. Please advise the Operator that the Office of Minerals Exploration is the successor agency to DMEA.

8623

MEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/23/58	Murphy	700
9/23	Knouse	700
		140

INTERIOR DEPT.
SEP 23 1958
SOLICITOR

September 23, 1958

Memorandum

To: Associate Solicitor
Division of Mineral Resources

From F. L. Knouse
Division of Rare and Miscellaneous Metals

Subject: Docket No. DMEA-4763 (Thorium, uranium, rare earths, columbium, tantalum, yttrium)
Contract No. Idm-E1209
Western Fluorite Mining Company, Inc.
Sand Basin Placer
Granite County, Montana

Will you kindly prepare a rescission of the subject contract by mutual agreement. Please note the justification for rescission in the file.

/s/ F. L. Knouse

F. L. Knouse

FMMurphy/gla
cc: Mr. Murphy

8623

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

ORIGINAL FILE		
DMEA		
RECEIVED SEP 22 1958		
DATE	INITIALS	CODE
9/22	C	220
		700

September 19, 1958

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

Re: Docket No. DMEA-4763 (Thorium, uranium, rare earths, columbium, tantalum, yttrium)
Western Fluorite Mining Co., Inc.
Sand Basin Placer
Granite County, Montana
Contract No. Idm-E1209

Dear Mr. Selfridge:

Enclosed are three copies each of a self-explanatory letter dated September 16, 1958 from Claude A. Johnson, attorney for the owners of the Sand Basin claims, and our reply to Mr. Johnson. Also enclosed are four copies of an initial inspection report, dated September 10, by William C. Prinz and D. R. MacLaren on the same subject.

Our field men were told by Mr. Abbey that he would have Mr. Johnson write us the exact status of the claims. He also said that he and his associates might like to have the contract assigned to them but that he would first have to discuss the matter with them. He said that if they wanted the contract assigned he would so advise us.

We wrote to Mr. Childs August 19, requesting him to tell us why he was unable to start the contract work by August 15 so we could prepare a justification for an amendment to postpone the starting date as requested in his telegram of August 11. We wrote him again September 15 advising him that we had not received a reply to our letter of August 19 and asking him to advise us if he had relinquished the property but as yet have received no reply. Copies of our two letters to Mr. Childs were sent you.

In view of the statements in the enclosed letter from Mr. Johnson and his omission if any reference to Abbey et al. wishing to have the contract assigned to them, we recommend that the contract be rescinded.

Enclosures
cc: USBM (2)
USBM(AD)
Prinz

By Field Team Region I

for Stephen W. Zoleton
Wing G. Agnew, Acting Exec. Officer
U. S. Bureau of Mines

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

DMEA
RECEIVED SEP 22 1958
DATE ... CODE

No. 157 Howard Street
Spokane 4, Washington

September 19, 1958

Mr. Claude A. Johnson
Ford Building
Hamilton, Montana

Re: Docket No. DMEA-4763 (thorium, uranium, rare earths, columbium, tantalum, yttrium)
Northern Fluorite Mining Co., Inc.
Sand Basin Placer
Granite County, Montana
Contract No. [illegible]

Dear Mr. Johnson:

Thank you for your letter of September 16, 1958, advising us of the status of the Sand Basin Placer claims.

When our field man talked with Mr. Abney September 9, he told us that he and his associates might like to have the contract assigned to them but that he would have to discuss the matter with them before making any commitment. As your letter does not mention this matter, we assume they do not wish to request the assignment at this time and therefore we are recommending to our Washington office that the contract be rescinded.

Mr. Abney requested us to send him the information regarding the new program; we will do so as soon as it is available. If by that time he and his associates wish to apply for aid we will be glad to consider their proposal.

By Field Team Region I

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

Donald E. Hulsizer, Acting Member
U. S. Geological Survey

cc: DMEA (3)
WRRM (2)
WRRM(AD)
Prime

CLAUDE A. JOHNSON
LAWYER
FORD BUILDING
HAMILTON, MONTANA

September 16, 1958

ORIGINAL FILE COPY
DREA
SEP 22 1958

DATE	INITIALS	CODE

A. E. Weissenborn
Defense Minerals Exploration Administration
S. 157 Howard Street
Spokane 4, Washington

Dear Mr. Weissenborn:

This letter is written you at the insistence of Joseph T. Abbey, who said you wanted to know what was going on in the Sand Basin Mining Claims.

We received a letter from Western Fluorite Mining Company, Inc. addressed to Joseph T. Abbey, Emil Skroch, Tom Waldo, Milo E. Wilson, J. R. Newell, Mr. Pat Morris, Claude A. Johnson, reading in part as follows:

> This letter is formal notice to you of reassignment by the Western Fluorite Mining Company of all of the mining claims formerly leased by Mr. Ora P. Thompson and by Mr. Thompson assigned to the Western Fluorite Mining Company, under articles of assignment dated [illegible], 1957.

[illegible] enclosing copy of reassignment of agreement which had been assigned [illegible] P. Thompson to Western Fluorite Company.

[illegible] September 2, 1958, Ora P. Thompson wrote to Joseph T. Abbey, [illegible] Wilson, and Claude A. Johnson as follows:

> This letter is written with reference to that certain agreement of April 12, 1957, [illegible] Joseph T. Abbey, et al, as the parties of the first [illegible] and referred to therein as the "Lessors", [illegible] undersigned Ora P. Thompson, as the party of the second part, and referred to as "Lessee", relative to certain mining claims des-

cribed in Exhibit "A" thereunto attached.

In accordance with Paragraph 20 of that agreement, the undersigned Lessee now desires to terminate the said agreement and be relieved of the obligations thereof, and this letter shall be construed as a notice of election to terminate said agreement.

A Quit Claim deed from the undersigned and his wife to the owners to the mining claims involved accompanies the copy of this letter being forwarded to Mr. Claude A. Johnson.

There is no ore or concentrates from this property not sold and royalties paid.

Enclosed therewith was a Quit Claim deed from Mr. Thompson and his wife to the parties who signed the original agreement or lease.

Mr. Abbey and his associates appreciate your interest in this property, and if you have any suggestions or any concerns you think it worthwhile to write about, we would like to hear from you.

Yours truly,

Claude A. Johnson

CAJ/bh

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 22 1958

DATE	INITIALS	CODE
9-22	C	320
9-22	[illegible]	800
"	Murphy	700

So. 157 Howard Street
Spokane 4, Washington

September 15, 1958

Mr. Henry S. Childs, President
Western Fluorite Mining Company, Inc.
P. O. Box 455
Hailey, Idaho

Re: Docket No. DMEA-4763 (Thorium, uranium, rare earths, columbium, tantalum, yttrium
Sand Basin Placer
Granite County, Montana
Contract No. Idm-E1209

Dear Mr. Childs:

We wrote you August 19, 1958, asking you to give us the reason why work at Sand Basin could not be started by August 15 so that we could prepare a justification for the amendment requested in your telegram of August 11.

We have heard nothing further from you, but during a recent inspection trip we visited Sand Basin and met Mr. Abbey, who told our field men that he understood that you had relinquished your lease on the claims. Will you please advise us if this report is factual.

If this report is not correct, will you please advise us whether or not you still wish the starting date postponed. If you do wish a postponement, please advise us of a firm date on or before which work will start and give us the reason why work could not be started by August 15, 1958.

A prompt reply will be appreciated.

By Field Team Region I

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

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

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

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

September 10, 1958

		CODE
9-22	C	220
22	Corr	100
"	JJ	110
9/22	[illegible]	800
	~~Monthly~~	~~700~~

MEMORANDUM

To: DMEA Field Team, Region I

From: William C. Prinz and Donald R. MacLaren, Geologists, U. S. Geological Survey

Subject: Initial Report, Docket No. DMEA-4763 (Thorium-uranium-rare earths-columbium-tantalum-yttrium), Western Fluorite Mining Co., Inc., Sand Basin Placer, Granite County, Montana, Contract No. Idm-E1209

In a telegram dated August 11, 1958, Mr. Henry S. Childs, President, stated that Western Fluorite Mining Company would be unable to start DMEA work at Sand Basin by the contract starting date, August 15, 1958, and requested a 30-day extension. The Field Team was authorized by teletype on August 18 to prepare this amendment provided the delay was justified. Inasmuch as the Field Team had no information on which to justify the delay, they wrote the Operator on August 19 asking him to give his reasons why contract work could not be started on time. This letter has not been answered.

We visited the property on September 9 and found Joseph T. Abbey, one of the property owners, who was showing the claim corners to representatives of the United States Forest Service. Mr. Abbey stated that Western Fluorite Mining Company had turned its lease back to Ora P. Thompson, original lessor, about three weeks ago and that Thompson would in turn probably turn his lease back to the owners, Abbey, et al.

It is recommended that any action on the contract be withheld until this information can be verified and until we learn whether or not a request will be made to have the contract assigned to the original owners.

Distribution:
DMEA (4)
USBM (2)
USBM(AD)
Docket
Prinz

So. 157 Howard Street
Spokane 4, Washington
August 19, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 22 1958

DATE	INITIALS	CODE
8/22	H.G.	225
8/25	[illegible]	800
	[illegible]	700

Mr. Henry S. Childs, President
Western Fluorite Mining Company, Inc.
P. O. Box 455
Hailey, Idaho

Re: Docket No. DMEA-4763 (Thorium, uranium, rare earths, columbium, tantalum, yttrium
Sand Basin Placer
Granite County, Montana
Contract No. Idm-E1209

Dear Mr. Childs:

This is in reference to your telegram of August 11, 1958, in which you requested an amendment postponing the starting date of your DMEA contract from August 15, 1958, to September 15, 1958.

We have been advised by DMEA that such an amendment may be prepared "providing that the Operator's delay is justified on a sound basis." Will you please give us the reason why work could not be started by August 15, 1958, so we can prepare a justification for the amendment.

By Field Team, Region I

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

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

cc: DMEA(2)
BM(2)
Grim

A Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/18	Murphy	700
8/18	Roberts	700
8/18	Selfridge	130
8/18	Johnson	110
18	Wattenday	109
8/19	[illegible]	220
		700

AUG 18 1958

DEPT. OF THE INTERIOR

DMEA

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

T E L E T Y P E

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

REURTET 8-11-58 CONTRACT IDM-E 1209, WESTERN FLUORITE MINING CO., INC., YOU ARE AUTHORIZED TO AMEND CONTRACT TO EXTEND STARTING DATE TO SEPTEMBER 15, PROVIDED THAT THE OPERATOR'S DELAY IS JUSTIFIED ON A SOUND BASIS.

George C. Selfridge
CHAIRMAN, OPERATING COMMITTEE (HB)

FMMurphy/izm 8-18-58
cc: Mr. Murphy
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
Confirmation Copy

8623

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 13 1958

DATE	INITIALS	CODE
8/15/58	N.G.	225
		130
8/18	FMM	200

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington
August 11, 1958

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

Re: Docket No. DMEA-4763 (Monazite, Columbite, Rutile)
Western Fluorite Mining Co., Inc.
Sand Basin Placer Area
Granite County, Montana
Contract No. Idm-E1209

Dear Mr. Selfridge:

Enclosed are two copies of a telegram from Mr. Henry S. Childs, President, Western Fluorite Mining Co., Inc., requesting a 30-day extension of the starting date of their contract. We recommend that the contract be amended to extend the starting date from August 15 to September 15, 1958. We interpret Article (3) of DMEA Memorandum No. 38, dated June 25, 1958, to mean that we are no longer authorized to prepare this amendment in the field.

By Field Team, Region I

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

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

Enclosures
cc: USBM(2)
USBM(AD)
Prinz

WESTERN UNION TELEGRAM

PR PKA134 PD=BAILEY IDA 11 115PMM= 1958 AUG 11 PM 12 57

A E WEISSENBORN
EXE OFFICER US GEOLOGICAL US DEPT INTERIOR
DEFENSE MINERAL EXPLORATION ADM SOUTH 157
HOWARD ST SPOKANE WASH=

RE DOCKET NO 4763 THE WESTERN FLORITE MINING CO IS UNABLE TO COMMENSE ON THE DMEA DRILLING PROGRAM ON THE SAND BASIN PROPERTY CONTRACT 1209 BY THE REQUIRED DATE OF AUG 15 WE WOULD LIKE TO HAVE 30 DAY EXTENSION SO WE CAN PREPARE AND START OUR PROGRAM WE WOULD APPRECIATE YOUR COOPERATION IN THIS MATTER=

WESTERN FLORITE MINING CO HENRY S CHILDS

Distribution:
USBM(2)
USBM(AD)
DMEA(2)
Prinz
Incoming TT file

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 1958

DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington
July 3, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 7 1958

DATE	INITIALS	CODE
7/7	C	220
7/7	B	215
11	FMM	700

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

Re: Docket No. DMEA-4763 (Monazite, Columbite, Rutile)
Western Fluorite Mining Co., Inc.
Sand Basin Placer Area
Granite County, Montana
Contract No. Idm-E1209

Dear Mr. Selfridge:

Enclosed are the Government and Audit copies of a long-form contract for this project and two copies of a letter, dated June 30, 1958, from Henry S. Childs, president of the company, returning this contract to us. You will note in the postscript that Mr. Childs states that the address appearing on page 1 of the contract should be changed from 630 North Avenue East, Missoula, Montana, to Box 455, Hailey, Idaho.

Also enclosed are two copies of a letter from Claude A. Johnson, dated June 20, 1958, enclosing an affidavit and two copies of a letter from the same gentleman, dated June 25, 1958, enclosing "Extension of Time for Payment" signed by the claim owners.

Our fieldmen checked the map, plate 2, attached to the contract in the field and found it to be acceptable.

By copy of this letter, other copies of this contract are being distributed.

Sincerely yours,

Donald R. MacLaren

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

Enclosures
cc: USBM(2) w/cys letrs. from Claude A. Johnson
USBM(AD) w/cy contract
Prinz w/cy contract and cy incoming

WESTERN FLUORITE MINING COMPANY INC.

WARREN, ARKANSAS -- HAILEY, IDAHO

June 30, 1958

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

Re: Docket No DMEA 4763,
Sand Basin Placer
Granite County, Montana
Attn: Acting Executive Officer
Field Team Region 1.

Dear Sir:

This is to acknowledge receipt of your letter of June 27, 1958 enclosing original and four copies of proposed contract. This was received only in the mail this date, and have been executed by the undersigned, the President of Western Fluorite Mining Company, Inc.

Please note that the corporate seal is not affixed, nor is the Secretary's signature affixed. The reason for this is that the Secretary resides in Warren, Arkansas, and has the corporate seal in his possession. Should you desire verification of my authority to execute this instrument on behalf of the company, please advise, and I will see that proper verification as you should request is immediately forwarded. Unfortunately, I have had to be out of town all day, and only received this letter after office hours and have been unable to reach you by phone, but rather than delay the execution of the agreement, have executed the original and all copies, and am returning all of the copies, except the one marked "Operator' Copy"

Your careful attention to this matter and consideration is appreciated.

Yours truly,

Western Fluorite Mining Company, Inc

By [signature]
President

P.S. Apparently Air Mail doesn't save much time, but this is being forwarded via Air Mail

Please note: The address appearing on page 1 should be changed from "630 North Avenue East
Missoula, Montana,
to "Box 455

CLAUDE A. JOHNSON
LAWYER
FIRST BUILDING
HAMILTON, MONTANA

PHONE 108

June 28, 1966

Mr. A. E. Weissenborn
Executive Officer BMAE
U. S. Department of Interior
South 157 Howard Street
Spokane 4, Washington

Re: Docket Number BMIA 4768
Sand Basin Placer
Granite County, Montana

Dear Mr. Weissenborn:

Western Fluorite Mining Company has asked me to forward you the enclosed affidavit concerning the Sand Basin claims.

Yours truly,

Claude A. Johnson

CAJ/jk
Encl/1
cc/Joe McFadden
Attorney at Law
Bailey, Idaho

RECEIVED
JUN 29 1966
BUREAU OF MINES

DMEA(2)

CLAUDE A. JOHNSON
LAWYER
FORD BUILDING
HAMILTON, MONTANA

PHONE 144

June 26, 1958

DMEAR

Mr. A. E. Weissenborn
Executive Officer BMMA
U. S. Department of Interior
South 157 Howard Street
Spokane 4, Washington

Re: Docket Number BMMA 4753
Sand Basin Placer
Granite County, Montana

Dear Mr. Weissenborn:

Western Fluorite Mining Company has asked me to forward you the enclosed extension of lease covering the Sand Basin claims.

Yours truly,

Claude A. Johnson

CAJ/ef
Enc/1
cc/Joseph McFadden
Attorney at Law
Butte, Montana

RECEIVED
air mail - Special
JUN 27 1958

U. S. G. S.
SPOKANE WASH.

DMEA
RECEIVED JUN 30 1958
DATE | INITIALS | CODE
6/30 | C | 226

So. 157 Howard Street
Spokane 4, Washington

June 27, 1958

SPECIAL DELIVERY
AIR MAIL

Western Fluorite Mining Company, Inc.
c/o Joe MacFadden
Attorney at Law
Hailey, Idaho

Re: Docket No. DMEA-4763 (Thorium, uranium, rare earths, columbium, tantalum, yttrium
Sand Basin Placer
Granite County, Montana

Gentlemen:

Since you have met the conditions mentioned in our letter of June 18, 1958, for the signing of a proposed contract, we are enclosing the original and four copies of a proposed long-form contract for an exploration program at the above-referenced project, signed by the Administrator for the Government. It consists of form MF-200; Annex I; an MF-205 form with Annex No. 1, signed by the owners; Exhibit "A" (7 pages); and a map (plate 2). If the conditions and terms of the proposed contract are satisfactory to you, sign all five copies, retain the one marked "Operator's Copy", and return the other four to this office. The return envelope must be postmarked prior to midnight June 30, 1958, for the contract to be valid.

If any part of the proposed contract is not acceptable, return all five copies to this office, unsigned.

Your attention is called to Article 8(b) of the contract which deals with repayment by the operator from royalty on production. Any production from the land described in the contract is subject to the royalty provisions of the contract whether or not it is discovered or developed by the work under the contract. This applies to all production during the period in which the Government may certify or, if the project is certified, to all production during the repayment period specified in the contract.

Sincerely yours,
Donald R. MacLaren
for Wing G. Agnew
Acting Executive Officer
Field Team Region I

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

P. S. As discussed in a telephone conversation this morning, we have inserted August 15, 1958 as the starting date under Article 3.

DMEA
RECEIVED JUN 20 1958

DATE	INITIALS	CODE
6/20	C	220
"		

So. 157 Howard Street
Spokane 4, Washington

June 18, 1958

Western Fluorite Mining Co., Inc.
P. O. Box 792
Missoula, Montana

Re: Docket No. DMEA-4763 (Samarskite-Columbite-Monazite)
Sand Basin Placer
Granite County, Montana

Gentlemen:

We have received from our Washington office a proposed contract for DMEA aid to explore the Sand Basin Placer area, Granite County, Montana. However, we have been advised that, before we can present the contract to you, two conditions must be satisfied:

1. Your company holds the land to be explored under an agreement dated April 13, 1957, which expired October 1, 1957, unless you paid the owners $5,000 by that date. You must, therefore, submit written proof that your company still has right of possession of the land for the purposes of the contract.

2. We must have an acceptable map showing the exact locations of the claims which we can attach to the contract. As we explained in our letter of March 14, 1958, to Mr. Childs, we have tried to relate your proposed drill holes and claim boundaries to the outlines of the placerable areas by fitting together the map submitted with your revised proposal, the map submitted with your original application, and the air photos. Discrepancies exist between the two maps and the air photos which we cannot resolve.

Because of the short time remaining in which contracts can be signed under the present authorization, unless a new law is passed by July 1, 1958, the best we can suggest is that you have a representative meet our engineers at the property so a check can be made on the ground. Your representative must be sufficiently familiar with your property to be able to show our men several suitably identifiable claim corner markers which they can tie in to stream junctions or other natural features, or to a surveyed section corner.

DATE

Time is of the essence as we have also been advised that the contract is to be held by the Field Team until the above two conditions have been fulfilled. In the event that the contract is not executed by June 30, 1958, we must return all copies to our Washington office.

We have tried to get in touch with Mr. Childs and the company office by telephone both at the addresses we have in Missoula, Montana and Hailey, Idaho. On the advice of Mr. McFadden, we left a message at Shaw's Motel in Stanley, Idaho yesterday for Mr. Childs to call us this morning, but apparently the message was not delivered. We called the motel today and were told he had left for the day. We will wire him to call us to arrange a meeting in Philipsburg, Montana.

We hope we will be able to clear the contract by the dead line of June 30, 1958.

Sincerely yours,

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

cc: Western Fluorite Mining Co.
P. O. Box 25, Warren, Arkansas
Mr. H. S. Childs
P. O. Box 455, Hailey, Idaho
Mr. H. S. Childs
Shaw's Motel, Stanley, Idaho
DMEA (2)
USBM (2)
Prinz

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/27	[illegible]	120
"	[illegible]	110
"	[illegible]	100
6/27	C [illegible]	220
6/30	Murphy	700

June 26, 1958

MEMORANDUM

To: Administrator, DMEA

From: George C. Selfridge, Special Assistant

Subject: Docket No. DMEA-4763 (Monazite, Columbite, Rutile)
Western Fluorite Mining Co., Inc.
Sand Basin Placer Area
Granite County, Montana

Mr. MacLaren telphoned the writer on June 23, 1958, to ask about the Operating Committee's June 16 letter which transmitted a proposed contract under the subject docket.

First, he stated that by using aero photographs and other information that the map was O.K. He then stated that the Field Team had an affidavit which showed that the lease runs out on the 1st day of August, 1958. He then wished to know if the Field Team should release the proposed contract. The writer asked how much time the contract allowed for doing the work and when so informed suggested that the Field Team hold the contract until it had received proof that the lease had been extended for at least another year. Mr. MacLaren said that he would call the applicant to get such an extension. He felt sure that the owners would grant it.

G. C. Selfridge

GCS/esf - 6/26/58
cc to: Docket
Admr. Read. File
Code 700
Mr. Selfridge

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Init

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/11/58	Murphy	700
6/12	Ellis	700
6-13	Chambers	800
6/16	G.S.	130
"	Johnson	110
"	Gustenda	100
6/16	C	220
		700

JUN 16 1958

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

Re: Docket No. DMEA-4763 (Monazite, columbite, rutile)
Western Fluorite Mining Co., Inc.
Sand Basin Placer Area
Granite County, Montana

Dear Mr. Weissenborn:

Enclosed are the original and four copies of a proposed long-form contract, signed by the Administrator, subject to the following conditions:

1. The Applicant holds the land under an "Agreement," dated April 13, 1957, which expired October 1, 1957, unless the Applicant has paid the owners $5,000 by October 1, 1957. The Applicant must submit written proof that it has right of possession of the land for the purpose of the contract; and

2. An acceptable map showing the exact locations of the claims must be submitted by the Applicant. The Field Team shall attach copies of such a map to the contract. The same title as given in the contract (Plate-2 submitted with the Field Team's report) should be used.

The proposed contract will be held by the Field Team until the above conditions are fulfilled. In the event the proposed contract is not executed by June 30, 1958, then the original and all copies are to be returned to this office.

The proposed contract consists of form MF-200; Annex I; an MF-205 form, with Annex No. 1, signed by the owners; and Exhibit "A" (7 pages). Also enclosed, for Field Team use, are two extra copies of Annex I and Exhibit "A."

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

FMMurphy/gla 6-11-58
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
Mr. Murphy

APPROVED:

Frank D. Lamb
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

8623

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 5 1958

DATE	INITIALS	CODE
6/5	C	220
"	Murphy	700

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

Date June 3, 1958

DMEA Docket No. 4763
DMEA Contract No.
Commodity Samarskite-Columbite-Monazite et al
Name of applicant Western Fluorite Mining Co., Inc.
Name of property Sand Basin Placer
Location of property Granite County, Montana
Estimated cost of project $31,231

Memorandum

To: Ernest William Ellis, DMEA Member

From: William R. Barton, Commodity Specialist, Branch of Rare & Precious Metals

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

1. Date of subject document: 5/15/58. 2. Date received by reviewer: 6/2/58.

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

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

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

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

7. Explain items marked yes above:

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

9. Action advised:
   a. Obtain information from applicant ☐
   b. Refer to Field Team ☐
   c. Denial ☐
   d. Agree with Field Team ☒
   e. Disagree with Field Team ☐
   f. Suggest alternate plan ☐
   g. Request another examination ☐
   h. Approval ☐
   i. Consult with Mr. _____ at _____ AEC office.

10. Remarks: (Use back of page if necessary)

Fully agree with field team, particularly that re-examination should clarify extent of claims prior to beginning drill program.

W R Barton

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" | Murphy | 700

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

IN REPLY REFER TO:

June 2, 1958

Memorandum

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

From: T. H. Kiilsgaard, U. S. Geological Survey

Subject: Review of Field Team Report, DMEA Docket 4763, Western FLuorite Mining Company, Granite County, Montana

The Field Team has recommended a 2-stage exploration project to explore the applicant's placer property for monazite and other rare earth minerals. It is pointed out however, that the project should not be started until the Field Team is satisfied that work is being done on the applicant's property.

The applicant has shown a non-cooperative attitude ever since submitting its application in June, 1957. The Field Team has gone to considerable trouble to obtain adequate maps from the applicant, but with little success. It also has tried to get a revised program from the applicant; this finally was obtained but only after a long delay.

In view of happenings to date, I believe that before giving this application further consideration, the applicant should be requested to provide an adequate map of his holdings, on which should be marked plainly the holes he proposes to drill. I do not believe it is the Field Team's job to re-examine the property in order to correlate the various maps submitted by the applicant, nor would it seem prudent to "rush" a contract to completion before July 1 without such a map, as suggested by the Field Team. If the applicant does not care to supply DMEA with this necessary information, the application should be denied.

I recommend DMEA draw the two-stage contract proposed by the Field Team, but only after having obtained the above-discussed map from the applicant.

T. H. Kiilsgaard

T. H. Kiilsgaard

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

Memorandum

JUN 8 1958

To: Administrator, DMEA
Attention: Director, Division of Rare and Miscellaneous Metals

From: Associate Solicitor, Division of Mineral Resources

Subject: Western Fluorite Mining Company
Docket No. DMEA-4763

Pursuant to Mr. Murphy's request, we have prepared the attached contract. However, the "Agreement" dated April 13, 1957, between the land owners and Ora P. Thompson, which Thompson assigned to the applicant, pursuant to the provisions of which applicant claims to be in possession of the property, expired October 1, 1957, unless, applicant has paid the owners $5,000 by October 1, 1957. The docket contains no evidence of such payment. Accordingly, before the contract is granted to applicant it should be ascertained whether or not the lease is in good standing.

Robert P. Dwyer

Attachments

DRAFT 6/2/58

Docket Copy

MF-200
(Revised June 1954)

Docket No. DMEA 4763

Commodity Thorium, uranium, rare earths, columbium, tantalum, yttrium
Contract No. Idm-E

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this ..... day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Western Fluorite Mining Company, Inc., organized in the State of Arkansas, whose mailing address is 630 North Avenue East, Missoula, 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 map Plate 2

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 Granite, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of [5] mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] 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: Interests of lessors

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

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

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

.....

.....

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of thorium, uranium, rare earths, columbium, tantalum, yttrium The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before January 1, 1959 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A."

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

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

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $20,290.00 .....
The Government shall contribute 50 percent of the allowable costs as they are incurred in a total sum not in excess of $10,145.00 .....: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

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

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

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

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

CATEGORY (2)—PERSONAL SERVICES.

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

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

Subcategory (c)—Labor.

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

CATEGORY (4)—OPERATING EQUIPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. *Changes and added provisions.*—

(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.~~

(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."

(f) Notwithstanding any other provision of the Contract, the allowable unit cost per foot of a drilling item is the average unit cost per foot computed on the basis of all the actual unit costs of said drilling item incurred by the Operator: Provided, That the Government will not contribute to any portion of an average unit cost of a drilling item that exceeds the estimated unit cost of said item set forth in the contract.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By .....

.....
(Operator)

By .....

.....

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70017-1

EXPLORATION PROJECT CONTRACT
WESTERN FLUORITE MINING COMPANY, INC.
DOCKET NO. DMEA-4763

ANNEX I

The land referred to in Article 2 of the Contract consists of fourteen (14) unpatented placer mining claims the notice of location of which are recorded in the office of the Granite County Clerk and Recorder, Philipsburg, Montana, as follows:

Claim	Book	Page
Little Jim	22	460
Elk Horn	22	463
The Coffee Pot	22	480
The Ranger	22	475
Little Bill	22	470
Little Mike	22	468
Cub	22	472
Moose	22	462
Lucky	22	473
Peanuts	22	467
Moose Horn	22	458
Wanda	22	477
Judith	22	465
Fred	22	457

The approximate locations of the claims with reference to township and range lines are shown on the map entitled "Plate 2 - Sand Basin Placer Area, Western Fluorite Mining Co.-------.," attached hereto and made part hereof.

The Operator has possession of the claims in accordance with terms of an Agreement, dated April 13, 1957, by lessors Joseph T. Abbey, Ivy L. Abbey, Thomas D. Waldo, Edythe Waldo, Pat Morris, Helen Morris, Emil Skroch, Lenora Skroch, J. V. Newell, Nellie Newell, Milo E. Wilson and Juanita B. Wilson to Ora P. Thompson, lessee.

Under an Assignment of Agreement, dated May 30, 1957, Ora P. Thompson transferred all his rights to the land to Western Fluorite Mining Company, Inc.

Consents to Lien and Subordination Agreements signed by the above-named lessors and sub-lessor are attached hereto and made part hereof.

EXPLORATION PROJECT CONTRACT
WESTERN FLUORITE MINING COMPANY, INC.
DOCKET NO. DMEA-4763

EXHIBIT "A"

Description of the Work

General Provisions:

The object of this project is to explore the Sand Basin placer area by churn drilling. The elements being searched for include thorium, uranium, rare earths, columbium, tantalum, and yttrium. It is estimated that the holes will average about 40 feet in depth.

The holes shall be drilled using heavy-duty casing of 6-inch inside diameter with a standard 7½ inch drive shoe. Cuttings shall be recovered by a sand pump or bailer after each 2½ feet of drive. Enough material shall remain in the drive shoe to insure that there will be no run in from the sides of the hole, except when the hole penetrates bedrock. The material recovered from two drives, each 2½ feet in depth, shall be combined to form one sample.

The material from each 5 feet of hole shall be weighed, then washed and screened to about 10-mesh size in the field. The product, properly identified as to drill hole number and depth represented shall be transported to a suitable laboratory where it shall be concentrated and an estimate of the weight of the concentrate in relation to the placer gravel shall be made. Then all the concentrate from each hole shall be combined to form a composite sample representing the hole. The Operator shall have one-half of each composite sample analyzed chemically for its thorium, uranium, rare earths, columbium, tantalum, and yttrium content; the remainder shall be stored for Government use in a suitable container, properly identified as to the drill hole number it represents. A representative sample of all the concentrate

recovered in Stage I shall be analyzed to determine the classification of the minerals it contains.

INSERT -

INSERT, Page 2, draft of Exhibit "A"

A log of each hole with respect to the type of material penetrated, such as clay, sand, coarse or fine gravel, bedrock, etc., shall be made. Records of such logging, together with the estimates of the ratio of concentrates per cubic yard of material in place and the assay certificates of the concentrate samples, shall be submitted with the Operator's monthly report. The monthly report shall also include a map or sketch showing the location of all holes drilled during the reporting period.

approval, units of work and costs pertaining thereto may be exchanged between stages.

Stage I

The work shall consist of bulldozing access roads and drill sites, and drilling not in excess of 18 holes. The approximate locations of 15 of these holes are shown on map Plate 2, referred to in Annex I. The locations of the remaining 3 holes, will be selected by the Government after possible map corrections are made in the field.

It is estimated that 40 hours of bulldozer work and 750 feet of churn drilling will be required to complete Stage I.

Stage II

The work shall consist of bulldozing access roads and drill sites, and drilling net in excess of 18 holes to explore extensions of the placer area drilled under Stage I.

Not in excess of 40 hours of bulldozer work, 750 feet of churn drilling, and the concentration and determination of the weight of 150 samples shall be made, nor more than 18 composite samples shall be chemically analyzed for their thorium, uranium, rare earths, columbium, tantalum, and yttrium content under this Stage II of the Contract.

Estimated Costs

Actual Costs

Stage I

Category (1) Independent Contracts		
Bulldozing, 40 hours @ $14/hr.	$560.00	
Moving drill in and out of project area	200.00	
750 ft. churn drilling @ $5.50/ft.	4,125.00	$4,885.00
Category (2) Personal Services		
Supervisor, 2½ mths. @ $600/mth.	1,500.00	
One helper, 2½ mths. @ $400/mth.	1,000.00	2,500.00
Category (3) Operating Materials and Supplies		
None except:		
2 tents, with wood floors & frames 1/	134.00	
2 gas lanterns 1/	14.00	
1 gas stove 1/	8.00	
Tools, etc., for field concentration of samples 1/	134.60	
400 gals. gasoline for pickup, @ $0.37/gal.	148.00	
Oil, grease, & repairs for pickup	30.00	
200 large sample sacks, tags, twine	200.00	
Office supplies	36.00	704.60

Category (4) Operating Equipment

None except rental of

1 ton truck, 2½ mths. @ $70/mth.	$175.00	
Surveying equipment, 1 mth. @ $75/mth.	75.00	250.00

Categories (5) and (6) None

Category (7) Miscellaneous

None except

Payroll taxes and insurance on $2,500.00 @ 14.9%	372.50	
Hauling samples, 9 tons - 480 miles @ $0.11/ton mile	475.20	
Concentration, and determination of weight of samples and black sands, 150 samples @ $7/sample	1,050.00	
Chemical analyses for thorium, uranium, rare earths, columbium, tantalum, and yttrium content of 18 samples @ $50/sample	900.00	
Mineralogical analyses of 1 sample	25.00	2,822.70

Estimated Total Cost Stage I $11,162.30

Stage II

Category (1) Independent Contracts

Bulldozing, 40 hrs. @ $14/hr.	$560.00	
750 ft. churn drilling @ $5/ft.	3,750.00	4,310.00

Category (2) Personal Services

Supervisor, 1½ mths. @ $600/mth.	900.00	
One helper, 1½ mths. @ $400/mth.	600.00	1,500.00

Category (3) Operating Materials and Supplies

None except:

200 large sample bags, tags, twine	$200.00	
400 gals. gasoline for pickup @ $0.37/gal.	148.00	
Oil, grease, & repairs for pickup	30.00	
Office supplies	36.00	
Tools, etc., for field concentration of samples	75.00	489.00
Category (4) Operating Equipment		
None except rental of 1 ton truck, 1½ mths. @ $70./mth.	105.00	
Surveying equipment, 1 mth. @ $75/mth.	75.00	180.00
Categories (5) and (6)	None	
Category (7) Miscellaneous		
None except:		
Payroll taxes & insurance on $1,500 @ 14.9%	223.50	
Hauling samples, 9 tons-480 miles @ $0.11/ton mile	475.20	
Concentration, and determination of weight of samples and black sands, 150 samples @ $7/sample	1,050.00	
Chemical analyses for thorium, uranium, rare earths, columbium, tantalum, and yttrium content of 18 samples @ $50/sample	900.00	2,648.70
Estimated Total Cost Stage II		$9,127.70

S U M M A R Y

Estimated Total Cost Stage I	$11,162.30
Estimated Total Cost Stage II	9,127.70
Estimated Total Cost of Project	$20,290.00
Government Participation @ 50%	$10,145.00

1/ The Government hereby waives its right to any possible salvage value, because such values are considered in the estimated cost.

Appendix I

REPORT OF PRELIMINARY INVESTIGATION

IN THE

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF MINES

for the

ATOMIC ENERGY COMMISSION

Sand Basin Placer Areas, Granite County, Montana

November 19, 1954

by

Roger C. Holt 1/

1/ Mining Engineer, Special [illegible] Mining Division, Region V.

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INTRODUCTION

Late in July 1954, a Bureau of Mines engineer 1/ made a preliminary examination of the Sand Basin Placers in western Granite County, Montana. The size of the deposits and encouraging results from the first few samples made it necessary for the engineer and an assistant to return to the area in early September to complete the preliminary examination. This examination, made by the U. S. Bureau of Mines, with funds furnished by the Atomic Energy Commission, was a part of a general reconnaissance of potential placer deposits in the Northwest containing radioactive minerals.

SUMMARY AND RECOMMENDATIONS

The Sand Basin Placer deposits when combined are estimated to contain about 92,000,000 cubic yards of stream gravels containing monazite and radioactive opaques. This yardage figure does not include additional areas in the region not investigated which may contain radioactive minerals in economic quantity. The grade of the deposits investigated ranged from 1.12 to 3.03 21 pounds of monazite equivalent per cubic yard. Chemical analyses made on one sample by the U. S. Bureau of Mines laboratory at Albany, Oregon indicated 0.03 pounds of Th_2O_3 per cubic yard. With the exception of inclement winter conditions, all other factors appear favorable for the development of a successful dredging operation.

It is recommended that the Special Minerals Section of the Bureau of Mines further investigate the area by initiating a [illegible] program.

1/ Felt, Dean C., Special Minerals Section, [illegible] U. S. Bureau of Mines.

21 - 1955 prices - 55% Monazite (rare earth oxides) - June 18th/12 - [illegible]

DESCRIPTION OF DEPOSIT

Location

The placer deposits in the Sand Basin area that are known to contain radioactive minerals are along the West Fork of Rock Creek and tributary streams. Rock Creek flows in a northernly direction draining the Sapphire Mountains before emptying into the Clark Fork River. The deposits examined are in Sections 7, 8, 9, 10, 11, 14, 15, 23, 24 and 25; T.5N., R. 17W. and Section 12; T.5N., R.18W., Granite County, Montana. The placers are all within the Deer Lodge National Forest.

Sand Basin Placers are accessible by Montana State Highway No. 38 from either Hamilton or Philipsburg, Montana. The deposits described are about 38 miles from Hamilton and 27 miles from Philipsburg. State Highway No. 38 leaves U. S. 10 Alternate at Porters Corners 7 miles south of Philipsburg and continues in a westerly direction to Flume Crossing Camp. From this point it is necessary to walk or pack about 1½ miles up the West Fork of Rock Creek before entering the large valley known as Sand Basin.

There is abundant water available for dredging purposes and electrical power can be obtained from the Montana Light and Power Company transmission line at Porters Corners 14 air miles from Sand Basin.

The claim owners plan on building an access road into the Sand Basin area in the Spring of 1955. Construction of the road is estimated to cost about $500 for the hire of a bulldozer.

Climate and Physical Features

The altitude of the upper limit of the Sand Basin area is about 6,[illegible] foot and of the lower limit near Flume Crossing Camp is about 6,[illegible] feet. The gradient of the minable areas averages less than one percent.

Heavy snowfall and low temperatures can be expected during the winter months at this altitude. It is believed, however, that dredging operations could be conducted for 9 months of the year. Sparsely timbered mountain valleys surrounded by low rounded hills are characteristic of the Sand Basin district. None of the deposits will require extensive clearing. There are, however, dense stands of lodgepole pine on the outer fringes of the basins and on the higher benches and surrounding hills.

Nature and Type of Material

The Sand Basin Placer district is underlain by a granite stock probably related to the Idaho Batholith. The region has been subjected to recent glaciation and the individual placer areas appear to be basin deposits formed by a number of glacial moraines that have intermittently transversed the stream drainages.

The gravels in the several deposits appear to have been derived principally from coarse grained granitic rock. The material observed in the deposits considered minable ranges in size from fine sand to cobbles up to 8 inches in diameter.

It is unlikely the narrow valleys in between the individual deposits can be worked by conventional dredging methods because of the abundance of large granite boulders.

A sample of panned concentrates from Sand Basin (pit No. 4-F), submitted to the U. S. Bureau of Mines at Albany, Oregon for mineral identification, was reported to contain the following minerals: magnetite, ilmenite, garnet, feldspar, garnet, some ferromagnesium minerals, monazite, sphene, and gold.

amounts of hematite, epidote, allanite, samarskite, biotite, and muscovite. Also present are very small amounts of gold, monazite, rutile, zircon, columbite, spinel, and limonite. 2/

A chemical laboratory report on concentrates from sample No. 5-N indicated 0.17 percent Cb_2O_5 or 0.08 pounds of Cb_2O_5 per cubic yard of gravel. 2/ This was a channel sample taken from a 7 foot pit on a low bench 400 feet from the stream. To date, chemical determinations have not been received from the Raleigh laboratory on the remainder of the samples taken from Sand Basin Placer area.

Estimate of Yardage

Preliminary investigations in the Sand Basin Placer district have revealed 6 large deposits of virgin gravel containing radioactive minerals. Two of these deposits are on Sand Basin Creek, 3 are on the West Fork of Rock Creek, and one on Beulah Creek. Additional reconnaissance is almost certain to disclose other deposits. Limited time and the size of the deposits did not permit a thorough examination of the entire district.

Two separate deposits were investigated on Sand Basin Creek the largest of which contains about 1,000 acres and the smaller containing about 410 acres of potential placer gravels. Assuming an average depth of 20 feet, there are about 60,000,000 cubic yards of alluvial gravels on Sand Basin Creek.

The 3 deposits investigated on the West Fork of Rock Creek include the area locally known as Sand Basin. Sand Basin Area" is about 400

Ross, Harold B., Head, Petrographic Section, Geologic [illegible], Region II.

acres in extent while the lower and upper West Fork areas contain 120 and 180 acres, respectively. Assuming a depth of 18 feet, these deposits contain about 20,000,000 cubic yards. The West Fork of Rock Creek was not explored beyond its junction with the mouth of Bowles Creek.

The Bowles Creek area is considered to be a separate deposit. It is about 3 miles long and averages 1,500 feet in width, contains about 450 acres of gravels. Assuming a depth of 18 feet this deposit contains about 12,000,000 cubic yards of gravel.

OWNERSHIP

Joseph T. Abbey and associates of Hamilton, Montana hold a number of mining claims in the area. The remainder of the region is public domain. The Johnson cattle ranch, with headquarters near Hall, Montana, holds grazing rights from the Forest Service on the entire district.

SAMPLING

General

Sand Basin was prospected for gold during the [illegible] Mr. Newell of Hamilton, Montana who ran sluices about [illegible] The amount of gold recovered was not reported.

Mr. Joseph T. Abbey also of Hamilton [illegible] Basin deposit for gold in the fall of 1934. [illegible] sand concentrates to the Bureau of Mines [illegible] mineral identification [illegible] diamonds were present [illegible]

Bureau of Mines

In addition to extensive reconnaissance panning of the Sand Basin placers, a total of 23 grab and pan samples were taken.

Fourteen samples were channel cut from test pits ranging in depth from 5 to 7 feet. Nine samples represent panned concentrates from stream bars and shallow test pits dug in the several areas tested. The sample locations are shown on the accompanying print enlarged from the U. S. Forest Service map of the Deer Lodge National Forest.

All samples were submitted to the Bureau of Mines field laboratory in Spokane, Washington for black sand concentration and estimation of mineral contents before being sent to the Bureau of Mines laboratory in Raleigh, North Carolina for final analyses. Sample results from Raleigh have not been received to date.

The field laboratory results are tabulated on the following pages.

SUMMARY OF [illegible]

Sand Basin Deposit

Sample No.	Wt. of Sample, lbs.	Wt. of B. S. Conc. lbs.	lbs. B. S. per cu. yd.	Est. Percent Monazite in B. S. Conc.	Est. Percent Monazite Equiv. in B. S. Conc.	Wt. Monazite per cu. yd.	[illegible]
4-I	58	2.218	103.25	Tr.	2.8	[illegible]	[illegible]
5-I	99	6.693	206.85	Tr.	2.0	[illegible]	[illegible]
6-I	99	5.403	147.39	Tr.	2.0	[illegible]	[illegible]
14-I	69	1.511	59.13	Tr.	2.0	[illegible]	[illegible]
20-I	62	4.415	192.27	Tr.	3.5	[illegible]	[illegible]
39-I	15	0.100	18.00	Tr.	2.8	[illegible]	[illegible]
40-I	55	1.571	77.12	9.0	12.5	[illegible]	[illegible]
				Tr.	2.0	[illegible]	[illegible]
Arithmetic average						[illegible]	[illegible]

Sand Basin Creek Deposit

15-I	62	0.117	5.10	Tr.	52.0	Tr.	[illegible]
16-I	32	0.272	22.95	Tr.	5.2	Tr.	[illegible]
21-I	70	0.671	25.88	5.0	2.8	[illegible]	[illegible]
22-I	53	0.742	23.57	2.0	5.6	[illegible]	[illegible]
30-I	77	0.963	33.76	1.0	2.8	[illegible]	[illegible]
34-I	93	1.551	45.03	4.0	6.2	[illegible]	[illegible]
35-I	70	0.261	10.07	3.0	6.2	[illegible]	[illegible]
36-I	85	0.341	10.32	6.0	12.2	[illegible]	[illegible]
Arithmetic average.....						[illegible]	[illegible]

[illegible] ANALYSES (Continued)

Pewlos Creek Deposit

[illegible]	No. of Samples. [illegible]	No. of Lb. S. Cons. [illegible]	Lbs. B. S. per cu. yd.	Est. Percent Mercury in B. S. Cons.	Est. Percent Mercury Equiv. in B. S. Cons.	Lbs. Mercury per cu. yd.	Lbs. Mercury Equiv. per cu. yd.
[illegible]	4	1.197	49.21	Tr.	1.4	Tr.	0.69
[illegible]	2	0.226	26.20	1.0	2.8	0.16	0.45
[illegible]	4	2.396	249.53	1.0	3.5	1.10	[illegible]
		Arithmetic average.....				0.63	1.66

Lower West Fork Deposit

[illegible]	[illegible]	[illegible]	67.19	Tr.	2.0	Tr.	1.34
[illegible]	[illegible]	[illegible]	44.94	Tr.	2.0	Tr.	0.90
		Arithmetic average.....				Tr.	1.12

Miscellaneous Samples

[illegible]	[illegible]	[illegible]	9.20	Tr.	2.0	Tr.	0.19
[illegible]	[illegible]	[illegible]	1.52	4.0	7.5	0.06	0.12
[illegible]	[illegible]	[illegible]	8.42	7.0	11.5	0.59	1.06

[illegible]

APPENDIX II

CHEMICAL ANALYSES

Sample No.	% U_3O_8	% $(CbTa)_2O_5$	% ThO_2	% Cb	% Ta
5-H	--	--	--	0.12	N.D.
6-H	0.12	0.68	0.06	--	--
7-H	0.20	0.42	0.09	--	--
30-H	0.06	0.38	0.04	--	--
32-H	0.04	0.47	0.08	--	--
34-H	<0.02	0.92	0.05	--	--

Sample No.	% Y_2O_3	% La_2O_3	% CeO_2	% Pr_2O_3
6-H	0.08	0.02	0.30	0.02
34-H	0.16	0.12	0.34	0.02

Sample No.	% Nd_2O_3	% Sm_2O_3	% Gd_2O_3	% Tb_2O_3
6-H	0.08	0.01	0.02	<0.005
34-H	0.11	0.01	0.02	<0.005

Sample No.	% Dy_2O_3	% Er_2O_3	% Tm_2O_3
6-H	<0.005	<0.005	<0.002
34-H	0.02	0.02	0.003

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

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DMEA
RECEIVED MAY 22 1958

DATE	INITIALS	CODE
5/22	H.g.	225
	Ds	130
5/26	CJ	220
5/27	Murphy	700

Air Mail

May 20, 1958

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

Re: Docket No. DMEA-4763 (Samarskite-Columbite-Monazite, et al.)
Western Fluorite Mining Co., Inc.
Sand Basin Placer
Granite County, Montana

Dear Mr. Selfridge:

Enclosed are three copies of a memorandum examination report by W. C. Prinz, Geologist, U. S. Geological Survey, and Dean C. Holt, Mining Engineer, U. S. Bureau of Mines, on the referenced application.

Although the exact location of the boundaries of the applicant's claims could not be determined, there is a large amount of placerable material in the area, much of it within the applicant's claims. Prinz and Holt conclude that the chance of making a significant discovery is good and they recommend that a two-stage program of shallow drilling be approved.

We concur with these conclusions and recommendations. However, if a contract is offered, it should clearly state that work cannot be started until the Field Team is satisfied that the drilling is within the applicant's claims.

By Field Team, Region I

A. E. Weissenborn

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

S. W. Zoldok

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

Enclosures

cc: USBM (2)
USGS (SRO)
Prinz

Reviewed by
DMEA OPERATING COMMITTEE
5/26/58
(date)

ON-SITE EXAM. REPORT

DMEA

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RECEIVED MAY 22 1958

DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
So. 157 Howard Street
Spokane 4, Washington

May 15, 1958

MEMORANDUM

To: DMEA Field Team, Region I

From: W. C. Prinz, Geologist, U. S. Geological Survey, and
Dean C. Holt, Mining Engineer, U. S. Bureau of Mines

Subject: Application Examination Report, Docket No. DMEA-4763 (Samarskite-Columbite-Monazite, et al.), Western Fluorite Mining Co., Inc., Sand Basin Placer, Granite County, Montana

INTRODUCTION

An application to explore rare-earth-bearing black sand placer deposits in Granite County, Montana, was received June 7, 1957, from the Western Fluorite Mining Company, Inc.

The applicant first proposed to explore the property by churn drilling 55 holes to depths of 40 feet, followed by concentration and analysis of samples taken from the holes. The company estimated that the program would cost $40,002, with Government participation at 75 percent or $30,001.50. A revised application was received March 10, 1958, in which the applicant proposes 44 drill holes rather than 55, thereby reducing the total cost of the proposed exploration program to $31,231; Government participation, at 75 percent, would be $23,423.25.

The property was examined July 2, 1957, by W. C. Prinz and R. D. Sample, Geologists, U. S. Geological Survey, and John A. Bowsher, Mining Engineer, U. S. Bureau of Mines, accompanied by Ray E. Olson, Company Geologist, and Joseph T. Abbey and Milo E. Wilson, property owners. The property had been examined in July and September 1954 by Dean C. Holt, Mining Engineer, U. S. Bureau of Mines. Holt's report, "Sand Basin Placer Areas, Granite County, Montana," dated November 18, 1954, is included herein as Appendix I. This report was prepared by the Bureau of Mines as a Report of Preliminary Investigations for the Atomic Energy Commission. Additional analytical data which were incomplete at the time of the writing of Holt's report, were made available to the writers by the U. S. Bureau of Mines, Mining Division, Region I, Spokane, Washington, and are included as Appendix II. Since a claim map

Reviewed by
DMEA OPERATING COMMITTEE
5/26/58
(date)

was not included with the original application, the field examiners told the applicant's representative at the time of the field examination that a claim map would be necessary before the processing of the application could be completed. The Executive Officer restated this request in a telephone conversation with the applicant's geologist on July 23, 1957, and in a follow-up letter of the same date. When the map was not forthcoming, the Executive Officer again wrote the applicant on September 17, 1957. The claim map was received on October 3, 1957, but it did not contain the locations of the proposed drill holes and it could not be matched to the map submitted with the application which did show the location of these holes. Matching the two maps the best we could, we found that 36 of the applicant's proposed 55 holes were not on claims he controlled.

At an office conference in Missoula, Montana, on October 10, 1957, E. S. Childs, president of the company, stated that he would prefer to submit a revised exploration program and that he would do so within 2 or 3 weeks. When this new exploration program was not forthcoming, the Field Team wrote the applicant on December 5, 1957, and January 13, 1958. The revised program was finally received on March 10, 1958. Unfortunately, the map submitted with the revised program is the same map that was submitted as a claim map on October 3, 1957, and the map did not show the relationship between the proposed drill holes and the outlines of the placerable areas. In order to resolve the discrepancies existing between the maps, another field examination of the property was deemed necessary and the applicant was so informed by letter on March 14, 1958. Because the future of DMEA program is uncertain and because the applicant's property lies in an area that may not be accessible until late in May, this report is being prepared without benefit of the re-examination.

SUMMARY AND RECOMMENDATION

The area considered in this application lies within a granitic batholith believed to be related to the Late Cretaceous or Early Tertiary Idaho batholith. During glacial times, the stream valleys were dammed in several places by moraines and were filled with sand and gravel from the surrounding granitic hills. Broad, flat meadows underlain by black-sand-bearing sand and gravel were thus formed in portions of the valleys. Holt estimated the amount of placerable material in the area to be about 80,000,000 cubic yards and his report and data (Appendixes I and II) show that the amount of black sand and rare-earth elements is large enough to make the chances of a significant discovery good.

A two-stage program consisting of drilling 36 churn drill holes with subsequent concentration and analysis of the samples is recommended for approval. The tentative locations of 15 of the 18 proposed Stage I holes are shown on plate 2; the final locations of these holes and of 3 additional Stage I holes in the Sand Basin area should require Field Team approval after map discrepancies have been resolved, and before drilling may be started. The locations of 18 Stage II holes would be decided after the results of Stage I drilling have been evaluated.

LOCATION AND ACCESSIBILITY

The area included in this application is about 30 miles by road southwest of Philipsburg, Montana, and about 40 miles east of Hamilton, Montana, in an area commonly referred to as the Sand Basin Placer area (pl. 1). It is in parts of secs. 8, 9, 10, 11, 13, 14, 15, 17, 23, 24, 25, and 26, T. 5 N., R. 17 W., Granite County, Montana. The areas of proposed exploration lie along Sand Basin Creek and West Fork of Rock Creek at altitudes of about 6,300-6,600 feet. Sand Basin on the West Fork of Rock Creek is easily accessible by passenger car. From Montana Highway 38 (the Skalkaho road), turn south on the road 0.3 mile west of Flume Crossing camp grounds. This is about 24 miles west of the junction of Montana 38 and U. S. Highway 10A. Follow the road south for 2.2 miles to the West Fork of Rock Creek at Sand Basin. The remainder of the area is accessible only on foot or horseback. Snow will make the area inaccessible during most of the winter, but Holt (Appendix I) believes that dredging operations could be conducted for 9 months of the year.

THE APPLICANT

The applicant, Western Fluorite Mining Company, Inc., is an Arkansas corporation. The address of the president of the corporation, Henry S. Childs, is Post Office Box 455, Hailey, Idaho. The company claims to have had 2 years' experience in black sand minerals exploration and to have successfully drilled and evaluated deposits of this type in Idaho. Recently, however, its primary interest has been a uranium deposit in Custer County, Idaho. The company's application is intelligently and well-written. Western Fluorite Mining Company proposes to furnish its share of the cost of the program by providing the use of a small amount of equipment, the rest in cash.

PROPERTY RIGHTS

The applicant has a lease on 14 unpatented mining claims, as listed below and as shown on plate 1.

Name	Book	Page
Little Jim	22	460
Elk Horn	22	463
The Coffee Pot	22	480
The Ranger	22	475
Little Bill	22	470
Little Mike	22	468
Cub	22	472
Moose	22	462
Lucky	22	473
Peanuts	22	467
Moose Horn	22	458
Wanda	22	477
Judith	22	465
Fred	22	457

These claims are recorded in the office of the Granite County Clerk and Recorder, Philipsburg, Montana, and they have been verified by the examining team. The property was leased to Ora P. Thompson on April 13, 1957, who assigned his lease to the applicant on May 30, 1957.

The position of the claims as shown on plate 2 are taken from the map submitted by the applicant and they have not been verified by the examining team. Should a contract be awarded, the relationships between the proposed drill holes and claim boundaries should be checked in the field by DMEA engineers before contract work is begun.

DESCRIPTION OF DEPOSIT

The Sand Basin area has been described by Dean C. Holt, Mining Engineer, U. S. Bureau of Mines, and the reader is referred to his report (Appendix I) for a description of the area and for the results of his laboratory studies. The reader is further referred to Appendix II for the results of chemical and spectrographic analyses, which were incomplete at the time of preparation of Holt's report.

The bedrock in the Sand Basin Placer area is predominantly the Late Cretaceous or Early Tertiary Idaho batholith. During the Pleistocene, moraines evidently blocked the stream

valleys in many places and local lakes were formed. Black-sand-bearing debris was eroded from the surrounding granitic highlands and was dumped into these lakes. Gradually, the lakes became filled with sand and gravel, much of which apparently contains significant quantities of black sands. Holt (personal communication) states that the extreme eastern part of the area is underlain by an older metamorphic complex so that areas with streams heading in this area would be expected to contain fewer black sands.

The area which the applicant proposes to explore can be divided into five separate areas or basins, the most promising one being Sand Basin on Rock Creek. Sand Basin contains an estimated 11½ million cubic yards of placer material having a high black-sand content (Appendix I). Another promising area is lower Sand Basin Creek, which contains an estimated 43 million yards of placer material. It has a moderately large black-sand content with a high monazite content. Less promising basins include upper Sand Basin Creek with an estimated 17 million cubic yards of placer material; upper West Fork of Rock Creek with an estimated 5 million cubic yards; and lower West Fork of Rock Creek with an estimated 3½ million cubic yards. The last three named areas have been sampled in only three places so very little is known of their black-sand content. The Bowles Creek area has also been studied by Holt, but apparently the applicant does not hold claims in this area.

HISTORY

According to Holt, Mr. Nevell of Hamilton, Montana, prospected the property for gold during the summer of 1939, but there are no records of the amount of gold recovered. Joseph T. Abbey, also of Hamilton, prospected the area in the summer of 1953 and sent a sample of black sand to the U. S. Bureau of Mines' laboratory at Albany, Oregon. During the summer of 1954, Dean C. Holt examined the area for the Bureau of Mines; he collected and examined 23 grab and pan samples. In his report (Appendix I) he recommended that the Special Minerals Section of the Bureau of Mines do more work in the area. However, this additional exploration was never done. The applicant, Western Fluorite Mining Company, drilled two churn drill holes in the area in late June 1957. One hole at the site of Holt's pit 38-H went 90 feet without encountering bedrock. The second hole, located a short distance north of Holt's sample 14-H, encountered bedrock at 6 feet. Laboratory analyses of samples of these holes have not yet been made available by the applicant. These 2 drill holes are the only knowledge we have of the area below the depth of Holt's test pits, which averaged 5-7 feet deep.

APPLICANT'S PROPOSAL

The applicant originally proposed to explore the area by churn drilling 55 holes to an average depth of 40 feet, or a total of about 2,200 feet of drilling. In his revised application, he reduced the number of holes to 44, or a total of 1,760 feet of drilling. The proposed holes are shown on a claim map which does not show the outline of the placerable areas and this map cannot be matched to Holt's map which does show the outline of the placerable area. The applicant further proposes that samples be collected at 2½-foot intervals in the holes with the 2½-foot samples being combined into 5-foot sections for analysis.

A summary of the applicant's proposed exploration and estimated costs is as follows:

1. Independent contracts

1,760 feet churn drilling (contract)		
936 hours at $12.50/hr.	$11,700.00	
100 hours bulldozing at $10/hr.	1,000.00	
200 hours of sample preparation at $5/hr.	1,000.00	
44 samples chemical analyses at $40 each	1,760.00	
176 samples (mineral grain count) at $5 ea.	880.00	
176 samples radiometric analyses at $2 ea.	356.00	
		$16,696.00

2. Labor and supervision

2 Supervisors - 5 mos. at $700/mo.	$ 7,000.00	
2 Day laborers - 1,840 hrs. at $2.10/hr.	3,824.00	
		10,824.00

(No allowance made for payroll taxes and insurance)

3. Operating materials and supplies

Gasoline and other misc. items	539.00

4. Operating equipment (rental)

1 #12 Wilfley Table - 5 mos. at $150/mo.	$ 750.00	
1 Building to house table and office - 6 mos. at $60	360.00	
1 Placer machine - 5 mos. at $50/mo.	250.00	
1 Ton pickup - 5 months at $70/mo.	350.00	
1 Microscope (used) provided by applicant	200.00	
Miscellaneous field lab. equipment to be provided by applicant.	392.00	
		$ 2,302.00

5. Initial rehabilitation and repairs (none)

6. New buildings, fixtures and installations

Installation of Wilfley table and shelves in rented building	$ 200.00	
Transport of Universal washing plant from Boise, Idaho, to Philipsburg, Montana, and return	70.00	
		270.00

7. Miscellaneous

Map construction - material and reproduction	$ 150.00	
Accounting costs - 5 mos. at $75/mo.	450.00	
		600.00
Total		$31,231.00

ANALYSIS OF APPLICANT'S PROPOSED EXPLORATION AND COSTS

The applicant's proposal to rent a locally owned bulldozer at $10 per hour does not specify the size of the dozer. A bulldozer equivalent to a D-6 in size and power will be necessary to build access trails to the drill sites and to build creek crossings. Some dozer work and surveying will be necessary before churn drilling can be started.

The applicant's proposal to contract the churn drilling at $12.50 per hour is not a standard procedure and does not allow enough control over costs per foot of drilling. The applicant's estimate of drilling costs average $6.64 per foot. Contract prices for a minimum of 500 feet of drilling should not exceed $5.80 per foot. This figure is based on a price quoted by a local contractor who in 1954 completed 5,000 feet of similar testing under contract with the Government. These contracts specified that the samples from the drill holes were to be delivered into a sample trough; subsequent handling of the samples was done by Government employees who dried, screened, sacked, weighed, and transported them to the laboratory for concentration and analyses.

The applicant proposes to set up a concentrating plant near the project where the samples will be screened and concentrated thus eliminating the drying of the original samples. This method of handling samples is reasonable on large projects. The proposed supervision costs are excessive and the initial cost of setting up the concentrating plant in the field cannot be justified on a small project such as this. The suggested method of handling the samples is to dry them and screen out the oversize in the field and then transport them to Boise, Idaho, where they can be concentrated by trained tecnicians at the Baumhoff-Marshall Corporation plant.

Work at the Baumhoff-Marshall plant can be done on a contract basis of about $10 per hour. This cost is not excessive and the size and number of samples will determine the time necessary to concentrate them.

Analysis of samples should be limited to chemical assays of the composited concentrates from the individual drill holes.

RECOMMENDED PROGRAM

The recommended program is to explore the Sand Basin Placer area, by means of churn drilling, for uranium, thorium, rare earths, columbium, and yttrium. To facilitate the exploration work it will be necessary to construct trails to the drill sites.

A competent supervisor should be employed full time to assist in the work. His duties should also include the surveying, mapping, and preparation of reports required under the contract.

The program should be divided into two stages. Stage I should consist of testing the more favorable Sand Basin area by churn drilling 18 holes. Fifteen of these holes are shown on the accompanying map (pl. 2) and the locations of the remaining three holes will be selected when map corrections are made in the field.

These holes are to be drilled at intervals of 600-1,000 feet and to depths averaging about 40 feet, total aggregate depth of the holes to be limited to a maximum of 750 feet.

The drill holes are to be put down using heavy-duty test casing of 6 inches inside diameter with a standard 7½ diameter drive shoe. Samples will be recovered by bailer or sand pump after each 2½ feet of drive. Enough material shall remain above the bottom of the drive shoe to insure that there will be no run in from the sides of the hole. Samples shall be recovered for each 5-foot section of drill hole. All samples are to be dried, screened to minus 10-mesh size and the weights of the oversize and undersize products determined in the field.

The samples shall be properly identified as to drill hole number and depth represented and a log kept on the type and size of materials found in each drill hole section. The minus 10-mesh material will be transported to a suitable laboratory where the samples shall be concentrated. After each sample has been concentrated, a determination of weight of the concentrate in relation to the placer gravel shall be made. Half of the concentrates from each sample shall be retained separately for Government use. A composite sample of the remaining concentrates representing each drill hole shall be chemically analyzed for uranium, thorium, columbium, rare earths, and yttrium.

A representative sample of the concentrates shall be analyzed to determine the classification of minerals it contains.

Should Stage I work show satisfactory results, Stage II consisting of testing the less favorable Sand Basin Creek and Upper and Lower West Fork of Rock Creek areas could then be authorized. It is estimated that 18 drill holes would be necessary to complete Stage II work.

ESTIMATED COSTS OF PROJECT

Stage I

750 feet of churn drilling - 1½ months

1. Independent contracts

750 feet churn drilling at $5.50/ft. (This figure was based on a quotation made to the Bureau of Mines by Leroy Ray, a local driller. His price is quoted as follows:	$4,125.00	
$200 to move the drill rig to the Project location in Montana and return	200.00	
$5.75/ft. for the first 500 feet and $5/ft. for any footage exceeding 500 feet)		
40 hours bulldozing at $14/hr. (D-6 cat or equivalent equipped with dozer)	560.00	
		$ 4,885.00

2. Labor and supervision

1 general supervisor - 2½ mos. at $600 (One-half mo. to survey drill-hole locations and build camp; 1½ mos. for drill supervision and ½ month for miscl. supervision such as sample concentration and completion of final report after final assays have been reported.)	$1,500.00	
2 samplers and panner - 40 days at $54/day x $1.083 O.T.	2,345.28	
1 helper - 12 days at $18/day x $1.083 O.T.	233.93	
Payroll taxes and insurance at 14.9 percent	732.80	
		4,812.01

3. Operating materials and supplies

6 sample pans (15 gauge sheet iron) 18" x 36" x 8" at $22 each	$132.00
1 screening pan (sheet iron) 32" x 42" x 10" at $25	25.00
1 - 1/8" screen (30" x 30" on wood frame)	20.00
2 rd. pt. No. 2 shovels at $4.19	8.38
2 sq. pt. No. 2 shovels at $3.79	7.58
2 galv. iron tubs (11 gal.) at $3	6.00
2 galv. iron pails at $1.30	2.60
2 garden hoes at $2.49	4.98
1 spring scale (200# capacity)	8.00
1 hooked scraper	0.85
2 wire brushes at $0.60	1.20
2 large gold pans at $2.50	5.00
2 axes at $4.95	9.80
1 R.R. pick (With handle)	3.35
1 8-lb. mall	4.75
4 - 24" x 40" No. 22 gauge pan covers at $1.25 each	5.00
1 stable broom at $1.50	1.50
2 pr. asbestos mittens at $5	10.00
1 platform scale (250# cap.) at $37.50 (less 50 percent salvage)	18.75
2 - 12" x 14" x 4" wall tents at $55 (less 50 percent salvage)	55.00
2 - 8' x 10' tarpaulins at $14 each	28.00

3. Operating materials and supplies (continued)

800 bd. ft. of rough lumber at $60/M. (for tent floor and frame)	$ 48.00	
100 feet 3/8" manila rope at $0.03/ft.	3.00	
200 large sample bags, tags, twine at $1.00	200.00	
2 gas lanterns at $12.88 (less 50 percent salvage)	12.88	
1 gas stove at $16 (less 50 percent salvage)	8.0	
400 gal. gasoline to be used in rented pickup at $0.37/gal.	148.00	
Oil and grease for pickup at 20 percent of gas	29.60	
		$ 807.22

4. Operating equipment - to be rented

1 - 1-ton pickup truck for transporting samples and supplies at $70/mo. - 2 mos.	$140.00	
Surveying equipment - 1 mo. at $75	75.00	
		215.00

5. Initial rehabilitation and repairs	none	
6. New buildings, fixtures and installations	none	

7. Miscellaneous

Hauling samples - 9 tons - 480 miles at $0.11 per ton per mile	475.20	
Chemical analyses for thorium, uranium, rare earths, columbium, tantalum and yttrium - 18 samples at $50 each	900.00	✓
Table concentration and determination of sample weights 105 hours at $10/hr. (Baumhoff-Marshall Corp. of Boise, Idaho, bid this cost on Meadows project), or 150 samples at $7/sample	1,050.00	✓

7. Miscellaneous (continued)

Mineralogical analysis - 1 sample	$ 25.00	
Engineering and accounting office expenses, 2 mos. at $75/mo.	150.00	
		$ 2,600.20
Total - Stage I		$13,319.43

Stage II

750 feet of drilling (contingent on Stage I) - 1½ months

1. Independent contracts

750 feet churn drilling at $5/ft.	$3,750.00	
40 hours bulldozing at $14/hr.	560.00	
		$ 4,310.00

2. Labor and supervision

1 general supervisor - 1½ mos. at $600	$ 900.00	
2 samplers and panner - 40 days at $54 per day x $1.083 O.T.	2,345.28	
1 helper - 12 days at $18/day x $1.083 O.T.	233.93	
Payroll taxes and insurance at 14.9 percent	643.40	
		4,122.61

3. Operating materials and supplies

200 large sample bags at $1	$200.00	
400 gal. gasoline at $0.37/gal.	148.00	
Oil and grease at 20 percent of gas	29.60	
Hand tool replacement	75.00	
		452.60

4. Operating equipment to be rented

1 - 1-ton pickup truck for transporting samples and supplies at $70/mo. - 2 mos.	$140.00	
Surveying equipment - 1 mo. at $75	75.00	
		$ 215.00

5. Initial rehabilitation and repairs	none	
6. New buildings, fixtures and installations	none	
7. Miscellaneous		
Hauling samples - 9 tons - 480 miles at $0.11 per ton per mile	$ 475.20	
105 hours sample concentration and determination of weights at $10/hr. or 150 samples at $7/sample	1,050.00	
18 composite samples - chemical analyses for columbium, tantalum, uranium, rare earths, thorium and yttrium at $50 each	900.00	
1 sample mineralogical analysis	25.00	
Engineering and accounting office expenses, 2 mos. at $75/mo.	150.00	
		2,600.20
Total - Stage II		$11,700.41
Total - Stages I and II		$25,019.84

SUMMARY OF ESTIMATED COSTS OF PROJECT

STAGE I

1.	Independent contracts	
	750 ft. of churn drilling at $5.50/ft.	$ 4,125.00
	Transportation of drill	200.00
	40 hours dozing (D-6) at $14/hr.	560.00
2.	Labor and supervision	
	Supervisor	$ 1,500.00
	Labor, taxes, insurance	3,312.01
3.	Operating materials and supplies	$ 807.22
4.	Operating equipment	
	Rental:	
	1 pickup - 2 mos. at $70/mo.	$ 140.00
	Surveying equipment - 1 mo. at $75/mo.	75.00
5.	Initial rehabilitation and repairs	none
6.	New buildings, fixtures and installations	none
7.	Miscellaneous	
	Table concentration of samples - 150 at $7 each	$ 1,050.00
	Hauling samples - 9 tons - 480 miles at $0.11 per ton per mile	475.20
	Chemical analyses for thorium, uranium, rare earths, columbium, tantalum and yttrium - 18 samples at $50 each	900.00
	Mineralogical analysis - 1 sample	25.00
	Engineering and accounting office expenses, 2 mos. at $75/mo.	150.00
	Total - Stage I	$13,319.43

STAGE II

1. Independent contracts

750 feet of churn drilling at $5/ft.	$ 3,750.00
40 hours dozing (D-6) at $14/hr.	560.00

2. Labor and supervision

Supervisor	$ 900.00
Labor, taxes, insurance	3,222.61

3. Operating materials and supplies	$ 452.60

4. Operating equipment

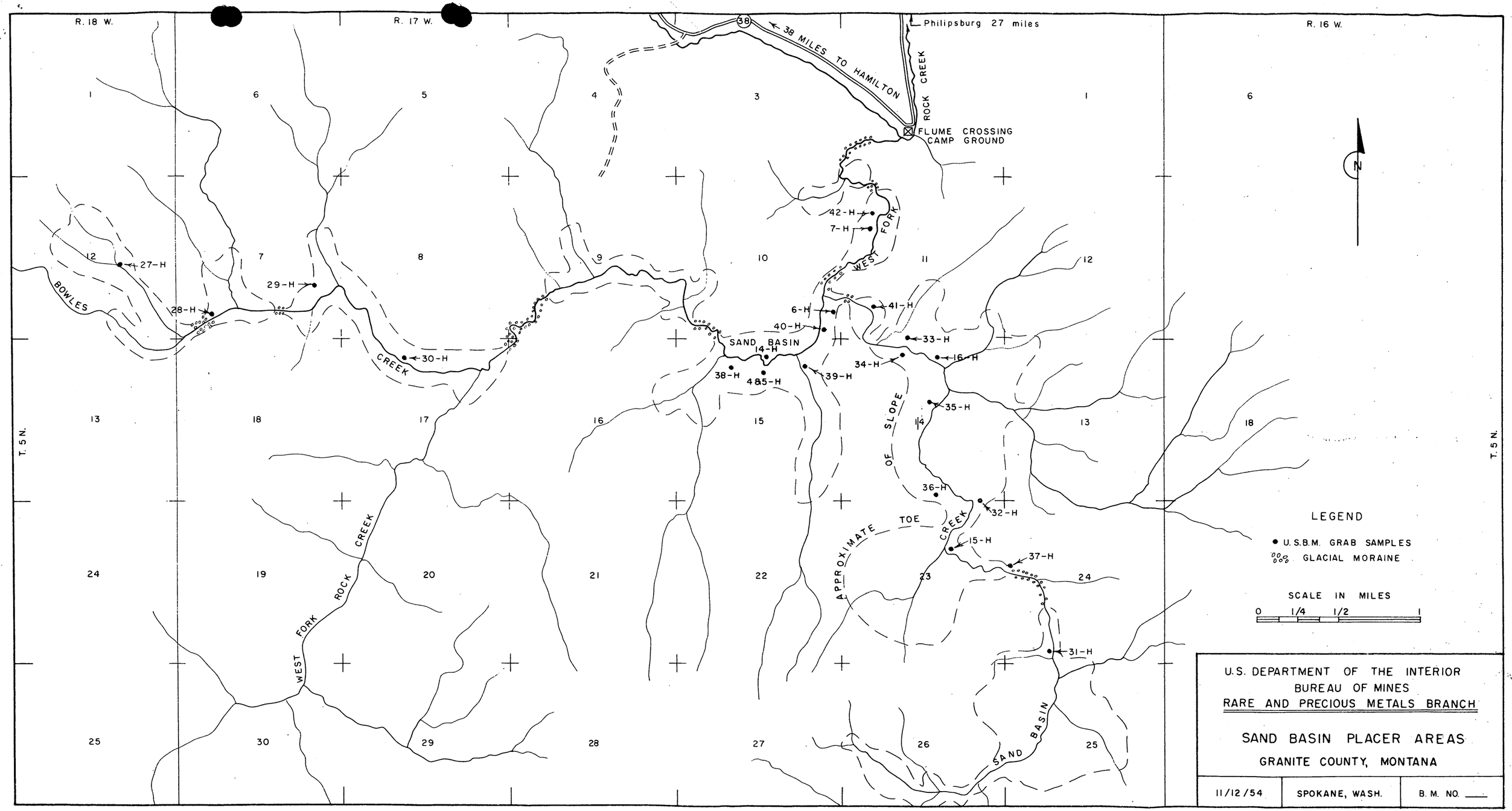
Rental:	
1 pickup - 2 mos. at $70/mo.	$ 140.00
Surveying equipment - 1 mo. at $75/mo.	75.00

5. Initial rehabilitation and repairs	none
6. New buildings, fixtures and installations	none

7. Miscellaneous

Table concentration of samples - 150 at $7 each	$ 1,050.00
Hauling samples - 9 tons - 480 miles at $0.11 per ton per mile	475.20
Chemical analyses for thorium, uranium, rare earths, columbium, tantalum and yttrium - 18 samples at $50 each	900.00
Mineralogical analysis - 1 sample	25.00
Engineering and accounting office expenses, 2 mos. at $75/mo.	150.00
Total - Stage II	$11,700.41
Total contract	$25,019.84
Government participation at 50 percent	$12,509.92

Enclosures
Distribution:
DMEA(3)
USEM(5)
USGS(SRO)
Docket
Prinz


R. 18 W.
R. 17 W.
R. 16 W.
T. 5 N.
38 MILES TO HAMILTON
38
Philipsburg 27 miles
ROCK CREEK
FLUME CROSSING
CAMP GROUND
WEST FORK
BOWLES CREEK
SAND BASIN
APPROXIMATE TOE OF SLOPE
WEST FORK ROCK CREEK
SAND BASIN CREEK
42-H
7-H
27-H
29-H
28-H
30-H
6-H
40-H
41-H
33-H
16-H
14-H
34-H
38-H
485-H
39-H
35-H
36-H
32-H
15-H
37-H
31-H
LEGEND
U.S.B.M. GRAB SAMPLES
GLACIAL MORAINE
SCALE IN MILES
0 1/4 1/2 1
U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
RARE AND PRECIOUS METALS BRANCH
SAND BASIN PLACER AREAS
GRANITE COUNTY, MONTANA
11/12/54
SPOKANE, WASH.
B. M. NO.

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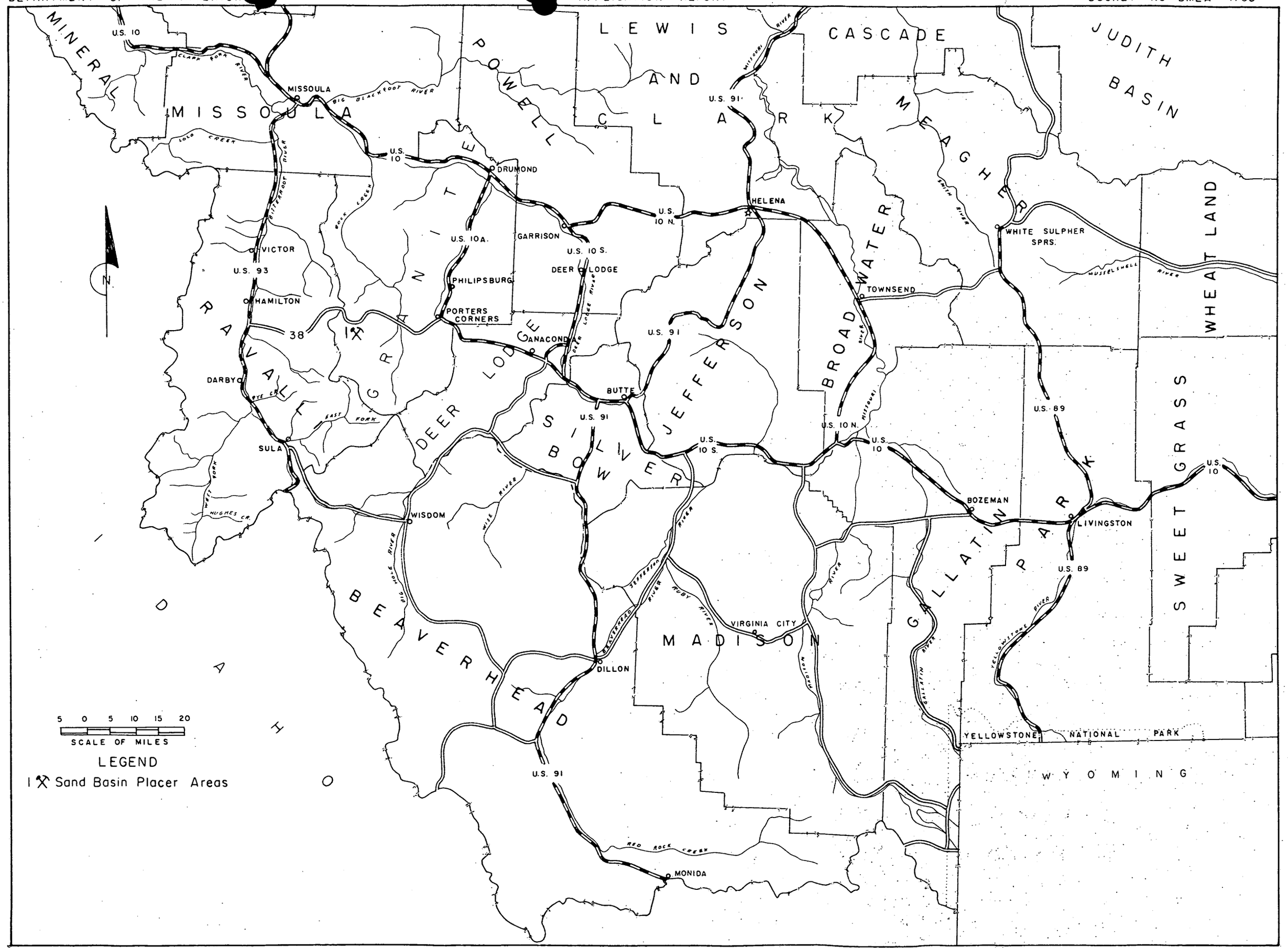
DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR

PREPARED FOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
APPLICATION REPORT

DOCKET NO DMEA 4763



Index map of Southwestern Montana

PLATE I

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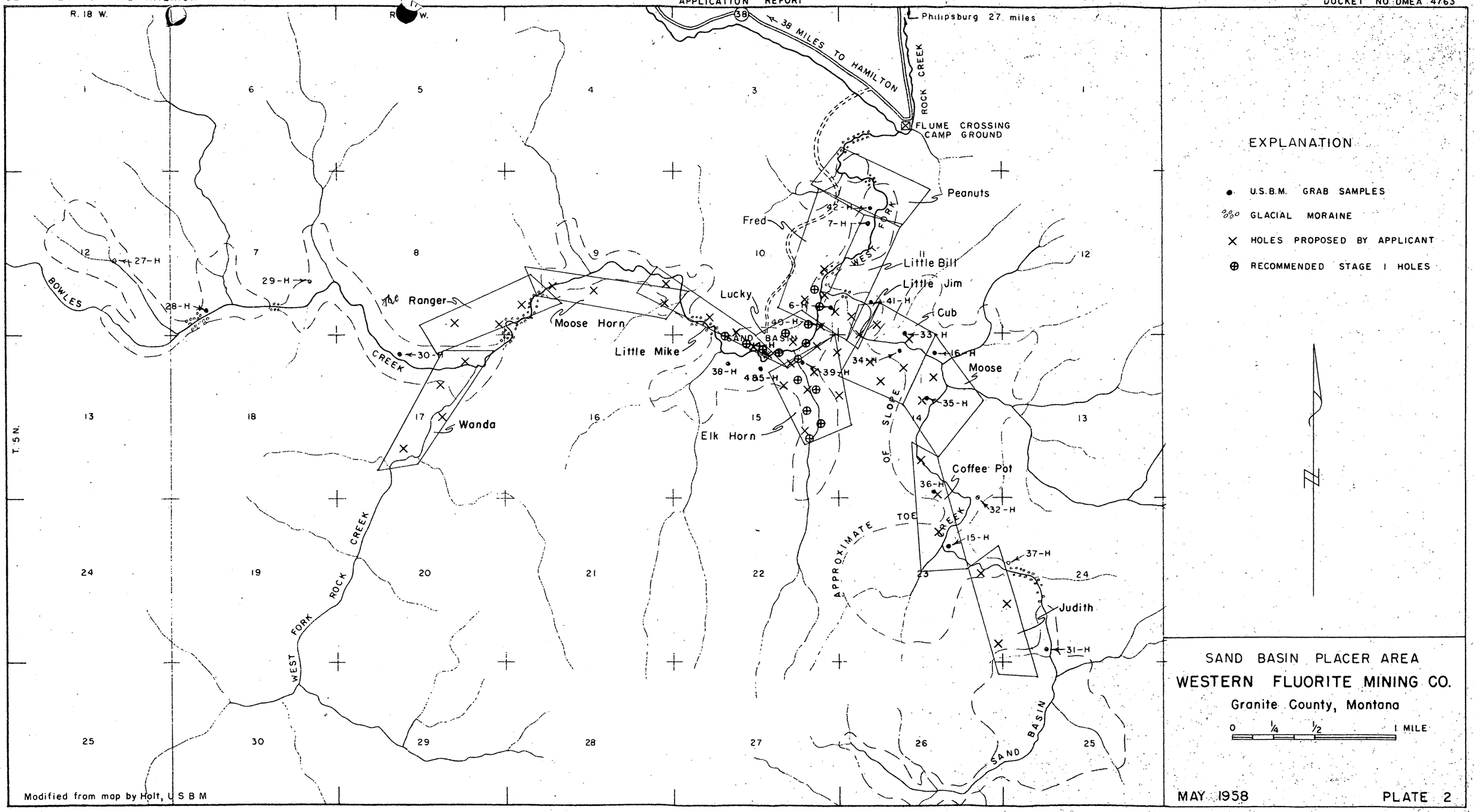
UNITED STATES
DEPARTMENT OF THE INTERIOR

PREPARED FOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
APPLICATION REPORT

DOCKET NO DMEA 4763



MAY 1958

PLATE 2

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DATE | WHO

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
No. 157 [illegible]
Spokane 4, Washington

[illegible] April 11, 19[illegible]

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

Dear Mr. Selfridge:

This is to advise you of an [illegible] in regard to any applications [illegible] monthly progress report [illegible] the week of March 31 and [illegible] only [illegible] Porcupine [illegible] acceptable.

We sent you copies of a [illegible] by [illegible] describing [illegible] property, Docket No. DMEA-[illegible] acceptable. On April 7, Alvord [illegible] the following [illegible]

[illegible] only [illegible] inaccessible. The final [illegible] 3 feet of new [illegible] property [illegible]

[illegible] any of these properties will [illegible] of them will [illegible] The applicants have all [illegible] and have [illegible] this [illegible]

In addition to the above, four new applications from Idaho and one from Montana have been received this month. An attempt will be made to examine one of these, Alonza Linderman near Hailey, April 11 (to D. C. 4/11/58). We do not yet know what the snow conditions may be in that area. Walter Campbell's uranium property (Lucky Win in Idaho County) near Grangeville, Idaho, will be scheduled the week of April 21. Alberta K. Romerio, Montana, and Erwin McPheters, Idaho, will probably not be examined for reasons stated in our letters transmitting their applications. Day Mines, Inc. (to D. C. 4/10/58) can probably be evaluated without an examination but in any case weather will not present any problem.

While our field men were in Idaho, they learned that the Capital-Seaboard property (DMEA-4906) near Calera is under 3 feet of snow. However, we have some data on the property in the Survey files. Also, Mr. K. E. Hamblen, the company's engineer, will be in Spokane the week of April 14 and we hope to get sufficient information at that time to complete an evaluation without a field examination.

We are preparing a report on Western Fluorite (DMEA-4763) without a re-examination. The purpose of the re-examination was to tie in the proposed and recommended drill holes with the claim boundaries. We believe we can avoid this necessity by stipulating that the locations of all drill sites have prior Government approval.

The Daybreak Uranium, Inc. (DMEA-4958) examination will be made the week of April 14.

Sincerely yours,

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

cc: USBM (2)

WEST[illegible]N FLUORITE MINING COMPANY, [illegible]C.

W[illegible]REN, ARKANSAS -- MISSOULA, MONTANA

OPERATING OFFICE
420 NORTH AVENUE EAST
MISSOULA, MONTANA

PHONES [illegible]
[illegible]

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DMEA

[illegible]

[illegible]

[illegible] 13th [illegible] that [illegible] in the process of [illegible] Sand Basin Placer area, and as soon as the report has been completed we will forward it to you for your further [illegible]

You [illegible] appreciate, and we will try to complete the [illegible] within the next few weeks.

Yours truly,

Western Fluorite Mining Co., Inc.

by

H. S. Childs, Pres.
P.O.Box 455,
Hailey, Idaho

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HSC [illegible]

JAN [illegible] 1958

SPOKA[illegible]

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RECEIVED JAN 16 1958
DATE 1/16
CODE 220
700

No. 157 Howard Street
Spokane 4, Washington

January 13, 1958

Mr. Henry S. Childs
Western Fluorite Mining Company, Inc.
230 North Avenue East
Missoula, Montana

Re: Docket No. 4763 (Monazite-Columbite-Rutile)
Sand Basin Placer Area
Granite County, Montana

Dear Mr. Childs:

This is in reference to our letter of December 5, 1957, in which we asked you to let us know when we may expect to receive either your amended program, as you suggested to Mr. William Prinz, DMEA Geologist, on October 10, 1957, or a map relating to the existing pits and your originally proposed drill holes.

Unless we receive a reply by February 13, 1958, we will have to recommend that your application be withdrawn.

By Field Team, Region I

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

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

cc: DMEA (2)
USBM (2)
Prinz

Blacks)

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"	Murphy	700

So. 157 Howard Street
Spokane 4, Washington

December 5, 1957

Mr. Henry S. Childs
Western Fluorite Mining Company, Inc.
230 North Avenue East
Missoula, Montana

Re: Docket No. 4763 (Monazite-Columbite-Rutile)
Sand Basin Placer Area
Granite County, Montana

Dear Mr. Childs:

We have been informed by Mr. William Prinz, DMEA geologist, that you told him at a conference in Missoula, Montana, on October 10, 1957, that you would like to submit an amended exploration program and that you expected to submit this program in 2 or 3 weeks. Nearly 2 months have elapsed since this conference and we have received no word from you.

Please let us know when we may expect to receive your amended program, or a map relating to the existing pits and your originally proposed drill holes to claim boundaries, so that we may continue to process your application. If you are not prepared to submit this information in the near future, perhaps you would like to withdraw your DMEA application for the present and resubmit it at a later date.

By Field Team, Region I

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

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

cc: DMEA(2)
DMM(2)
Prinz

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

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DATE	INITIALS	CODE
11/1	C	220
11	FMM	300

October 23, 1957

MEMORANDUM

To: DMEA Field Team, Region I

From: William C. Prinz, Geologist, U. S. Geological Survey

Subject: Office conference with Henry S. Childs, President, Western Fluorite Mining Company, Inc., Docket No. DMEA-4763 (monazite-columbite-rutile), Sand Basin Placer area, Granite County, Montana.

In reply to Field Team letters of July 23 and September 17, 1957, Mr. Childs submitted a claim map of the Sand Basin Placer area with his letter of September 30, 1957. This claim map was at a different scale than the map of the proposed exploration program submitted with the original application. The claim map was reduced to the scale of the map of the proposed exploration program and it was found that the two did not fit together well and that 36 of the applicant's proposed 55 drill holes lay outside of claims he controlled.

Mr. Childs was contacted in Missoula, Montana on October 10, 1957 and the application was discussed with him. After it was pointed out to Mr. Childs that DMEA would not participate in any exploration work outside of claims controlled by the applicant, he decided that he would submit an amended exploration program in two or three weeks.

Mr. Childs further stated that Mr. Ray B. Olson, geologist, was no longer associated with the company. Also all correspondence relating to the application should now be addressed to Mr. Childs at:

Box 792
Missoula, Montana

or:

c/o Joseph McFadden
Attorney at Law
Hailey, Idaho

Distribution:
DMEA (Orig. & 3)
USBM (2)
Docket
Prinz

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DMEA
RECEIVED OCT 9 1957

DATE	INITIALS	CODE
10/9	B	220
"	[illegible]	900

So. 157 Howard Street
Spokane 4, Washington

October 7, 1957

Mr. Henry S. Childs
Western Fluorite Mining Company, Inc.
630 North Avenue East
Missoula, Montana

Re: Docket No. 4763 (Monazite-Columbite-Rutile)
Sand Basin Placer Area
Granite County, Montana

Dear Mr. Childs:

This will acknowledge receipt of your letter of September 30, 1957, accompanied by a claim map of the Sand Basin Placer area.

We have reduced the claim map to the scale of the map of the proposed drill holes submitted with your application and have found that the two maps do not fit together very well. Matching the two maps the best we can, we find that 36 of your proposed 55 holes are not on claims you control. In view of this, perhaps you will want to alter your proposed exploration program.

Mr. William Prinz, DMEA geologist for Montana, will be in the area in the latter part of the week of October 14, and, if you will be available, would like to discuss your application with you there. Mr. Prinz will contact you after he has completed his schedule to arrange a possible meeting time.

Sincerely yours,

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

cc: DMEA (2) w/2 copies of incoming
USBM (2) " " " "
Prinz

OFFICIAL FILE COPY
D M E A
RECEIVED JUL 3 1991
DATE | NOTE

WESTERN FLUORITE MINING COMPANY, INC.

WARREN, ARKANSAS - MISSOULA, MONTANA

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OFFICIAL FILE COPY
DMEA
RECEIVED OCT 9 1957

DATE	INITIALS	CODE

P.O. Box 205
Hailey, Idaho } address on envelope

2

OFFICIAL FILE COPY DMEA RECEIVED SEP 20 1957		
DATE	INITIALS	CODE
9/20	C	220
		700

So. 157 Howard Street
Spokane 4, Washington

September 17, 1957

Mr. Ray B. Olson
Western Fluorite Mining Co., Inc.
640 Livingston
Missoula, Montana

Re: Docket No. DMEA-4763 (Monazite-Columbite-Rutile)
Sand Basin Placer Area
Granite County, Montana

Dear Mr. Olson:

This is in further reference to our letter of July 23, 1957, requesting claim maps of the Sand Basin Placer area, to which we have received no reply. We are withholding action on your company's application because we cannot evaluate the exploration program until we have a map relating the existing pits and your proposed drill holes to the claim boundaries. We would appreciate your letting us know when we may expect to receive this map so that we can plan our work to complete the processing of this application.

Also, any data that you can furnish us regarding the two holes drilled late in June will help us in evaluating the proposed program.

An early reply will be appreciated.

Sincerely yours,

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

cc: DMEA (2)
USBM (2)
Prinz

ORIGINAL FILE COPY
DMEA

So. 157 Howard Street
Spokane 4, Washington

July 23, 1957

DMEA
7/29 P.L. 220

Mr. Ray B. Olson
Western Fluorite Mining Co., Inc.
640 Livingston
Missoula, Montana

Re: Docket No. DMEA-4763 (RE)
Sand Basin Placer Area
Granite County, Montana

Dear Mr. Olson:

This is to confirm our telephone conversation of this afternoon requesting that you submit four copies of a map showing the location of your company's claim boundaries. This map is required to enable us to continue the processing of your application.

Sincerely yours,

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

cc: DMEA (2)
USBM (2)
Prins

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/26	Murphy	200
6/26	Ellis	700
6/26	GCS	130
6/26	Johnson	110
26	Wednesday	109
6/27	C	220
		700

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

JUN 26 1957

Re: Docket No. DMEA-1763 (Monazite, columbite, rutile)
Western Fluorite Mining Co., Inc.
Sand Basin Placer Area
Granite County, Montana

Dear Mr. Weissenborn:

The captioned application is referred to Region I, DMEA District, Field Team for investigation, a field examination if deemed advisable, and recommendations.

Enclosed are copies of memoranda, dated June 17 and 21, 1957, by N. E. Nelson, USGS, and G. T. Faroch, USBM, respectively, relating to the application. Also enclosed for Field Team use is one copy of the application.

In the event the Field Team believes a contract to explore the subject property is warranted a careful review of the Applicant's estimated costs should be made.

We note that the drill hole cuttings will be concentrated in the field and that further testing of the concentrate will be performed by independent contractors. In our opinion the supervision and technical service personnel estimated under 6(b) of the application is excessive for a one drill - one shift project of this type. The other estimates under items 6(c), 6(d), 6(f), and 6(g), also appear to be unrealistic.

The Applicant states that better samples can be obtained if the proposed churn drilling is done on an hourly basis, however, for administrative purposes we prefer to use a per-foot unit cost in drilling. With adequate supervision there is no reason why one method of payment would be better than the other as far as sampling is concerned. Poor churn-drill sample data are usually the result of not closely checking the over or underpumping of the hole at the end of a drive.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

Enclosures
APPROVED:

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

N. E. Nelson (GCS)
Member, Geological Survey

FMMurphy/lzm 6-25-57
cc to: Mr. Murphy
Admr.'s Reading File
Operating Committee
THKillsgaard, 5224

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/26	Murphy	200
6/26	Ellis	200
6/26	Selbredge	130
6/26	Hopes	130
6/26	Wilson	138
"	Johnson	110
"	Mittendorf	100
		220
		200

JUN 26 1957

Mr. Henry S. Childs, President
Western Fluorite Mining Co., Inc.
630 North Avenue East,
Missoula, Montana

Re: Docket No. DMEA-4763 (Monazite, columbite, rutile)
Sand Basin Placer Area
Granite County, Montana

Dear Mr. Childs:

The application for assistance in exploring your property, under the captioned docket number, has been reviewed by the Division of Rare and Miscellaneous Metals of the Defense Minerals Exploration Administration. It has been referred to:

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

The Regional Office will contact you in regard to your project if additional information is required.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

FMMurphy/izm 6-25-57
cc to: Mr. Murphy
Admr.'s Reading File
DMEA FT Reg. I NW Dist. (2)

8623

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 24 1957

DATE	INITIALS	CODE
6/25	C	220
"	~~KHH~~	700
"	~~EWE~~	
"	EMM	
Comments	Complete	

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

Date June 21, 1957

DMEA Docket No. 4763
DMEA Contract No.
Commodity Monazite, samarskite, allanite, xenotime
Name of applicant Western Fluorite Mining Co., Inc.
Name of property Sand Basin Placer Area
Location of property Granite County, Montana
Estimated cost of project $40,002

Memorandum

To: E. W. Ellis, DMEA Member, Rare Earth Commodity Group Committee

From: C. T. Baroch, Rare-earth metals specialist CTB.

Subject: Review of Application for Aid in an Exploration Project
(Application, Field Team Report, etc)

1. Date of subject document: 6/13/57. 2. Date received by reviewer: 6/20/57.

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

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

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

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

7. Explain items marked yes above:

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

9. Action advised:
   a. Obtain information from applicant ☐
   b. Refer to Field Team ☒
   c. Denial ☐
   d. Agree with Field Team ☐
      i. Consult with Mr. _____ at _____ AEC office.
   e. Disagree with Field Team ☐
   f. Suggest alternate plan ☐
   g. Request another examination ☐
   h. Approval ☐

10. Remarks: (Use back of page if necessary)

It is recommended that the field team be asked to examine this property.

IN REPLY REFER TO:

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

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 18 1957

DATE	INITIALS	CODE
6/18	JWL	220
6/18	FMM	700

June 17, 1957

Re: DMEA 4763
Western Fluorite Mining Company
Sand Basin Placer
Granite Co., Mont.
$40,002.00 Columbium, etc.

Memorandum

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

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

Subject: Review of application.

The applicant requests assistance in exploring by churn drilling a placer deposit containing magnetite, ilmenite, columbite, monazite, rare earth minerals, etc. etc.

The property has been tested in a preliminary way and was test pitted by the U. S. Bureau of Mines in 1954. The tests suggest the 'black sand' yield for near surface material is 130 pounds per cubic yard. The depth of the gravel seems not to have been determined but the churn drill holes are expected to average 40 feet deep. The yardage in the deposit is estimated to be 60,000,000.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

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

June 13, 1957

Mr. Henry S. Childs, President,
Western Fluorite Mining Co., Inc.
630 North Avenue East,
Missoula, Montana.

Subject: DMEA 4763

Dear Mr. Childs:

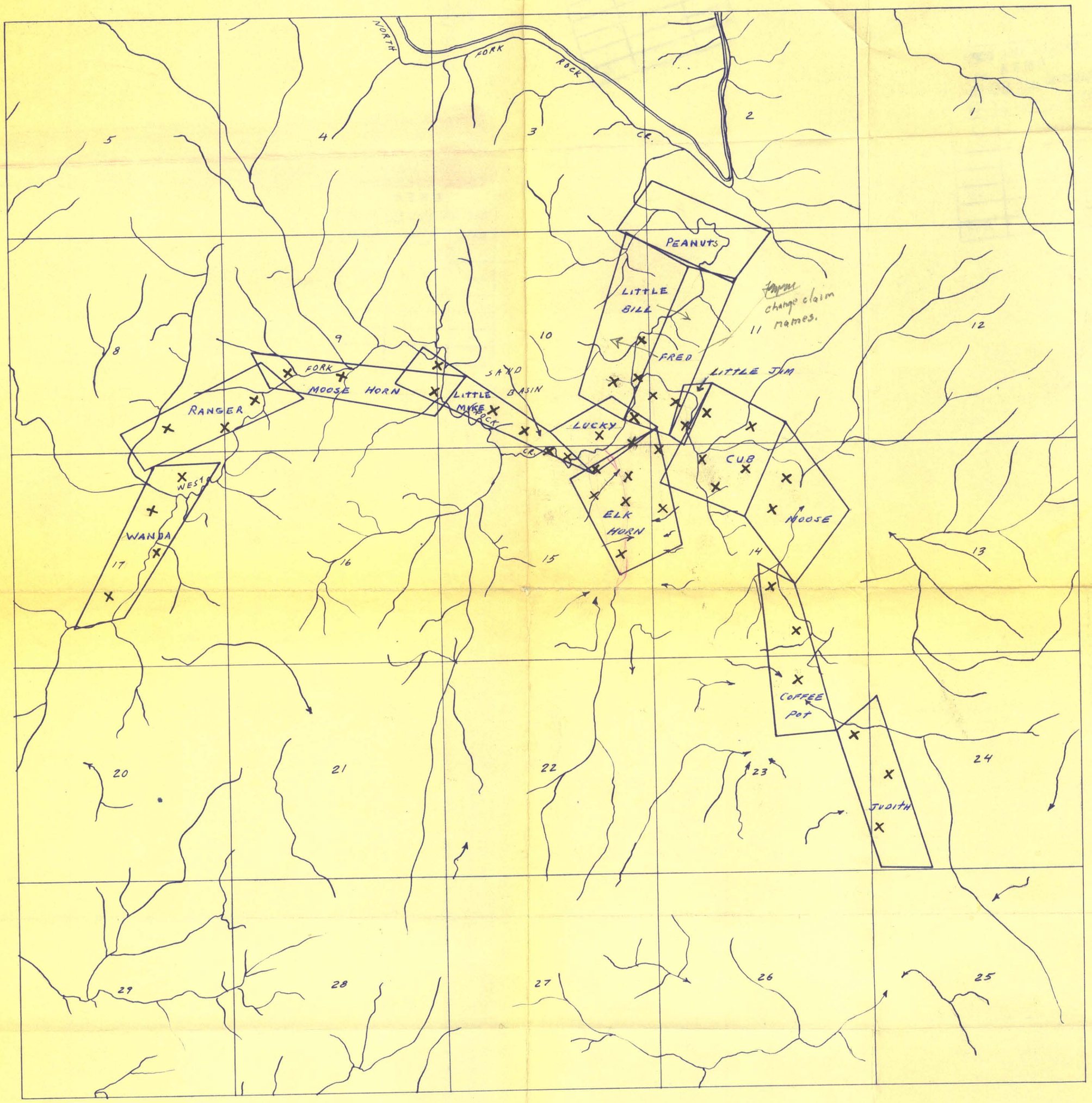
Your application for exploration assistance, dated June 6, 1957, submitted to our office at Spokane, Washington, has been assigned Docket Number DMEA 4763 and referred to the Rare and Miscellaneous Metals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to: Region I-NW

S-943
Appl.
Cop just as is



X DRILL SITE LOCATIONS

WESTERN FLUORITE MINING CO., INC.
SAND BASIN PLACER AREA
GRANITE COUNTY, MONTANA