DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~Defense Minerals Exploration Administration~~
OFFICE OF MINERALS EXPLORATION

OFFICIAL DOCKET FILE

Idm-E NO. 2126

OME
~~DMEA NO.~~ 6114

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] 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
- [x] Closing Letter 4-27-62
- [x] Cost Audits December 6, 1961
- [x] Termination ~~Notice or~~ Agreement 11-21-61, eff. 11/1/61
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [x] Contract with all exhibits and annexes 6-5-61
- [ ] Owner's Consent to Lien and Subordination Agreement
- [X] Application and attachments

Right Side

- [x] Project summary (final)
- [x] Work Completed analysis (final) 9-20-62
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab) May 1962
- [x] Operator's Final Report (Tab) 11-30-61
- [x] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab) 5-2-61
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. ~~2~~: Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Field Team Interim Reports
- [x] 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

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/26	Holt	500
	Duane	500
4/26	Talbut	800
4/26	Selfridge	120
"	Johnson	110
4/26	Fumich	100
4/27	cc	220
		500

APR 27 1962

Mr. C. L. Hewitt
President
Swansea Mines, Inc.
P. O. Box 904
Helena, Montana

Re: OME-6114 (Lead-Zinc)
Swansea Mines, Inc.
Carbonate Mine
Lewis and Clark County, Montana
Contract 2126

Dear Mr. Hewitt:

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

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

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

Sincerely yours,

George Fumich, Jr.

Director

SPHolt/gla
4-26-62
cc to: Director's Reading File
Contract Division
Region I (2)
Docket

43683

Re: OMB-6114

There is no excuse for not "promptly" notifying Opr. that project will not be certified as required by regulations.

Opr. Final Rpt. recd 12/4/61

Why later?

Talbert
4/24/62

~~My [illegible]

In view of the negative results of the drilling and the foregoing recommendation against certification, we should notify operator of our intent without waiting for a formal field report.~~ JEH

UNITED

DEPARTMENT O

DEFENSE MINERALS EXPL

WASHINGT

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/24	Holt	500
	Ingwell	500
4/24	Talbot	800
4/25	Selfridge	130
"	Johnson	110
4/25	Tunick	100
	Coe	220
		500

APR 2 1962

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6114 (Lead-Zinc)
Swansea Mines, Inc.
Carbonate Mine
Lewis and Clark County, Montana
Contract 2126

Please advise when we may expect to receive your final report on the subject project.

As we have the Operator's final report, dated November 30, 1961, the Report of Review, dated December 6, 1961, and the statement in your memorandum of November 1, 1961, that no certification would be recommended, we need only your final report to be able to close our records on this contract, which we would like to do as soon as possible.

George C. Selfridge

SPHolt/gla
4-24-62
cc to: Director's Reading File
Review Committee
Docket

43683

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Mr. Fumich		
2. Mr. Johnson		
3. ~~Mr.~~ Selfridge		
4. ~~Mr. Griswold~~ Mr. Hoet		
5.		
FROM: E. D. Talbert	12/7	

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Report of:

Swansea Mines, Inc.
P. O. Box 904
Helena, Montana

pertaining to Exploration Contract 14-23-090-2126, OME No. 6114, for August through October 1961, covering a lead-zinc project at the Carbonate Mine, Lewis and Clark County, Montana.

My review included an examination of the Monthly Report (MME Form 60) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, confirmation of work performed by reference to field office reports and correspondence, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the reasons given in the attached schedule.

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

Total cost billed by Operator		$8,802.12
Exceptions:		
Prior to this review	$ -0-	
Herewith	15.40	15.40
Total acceptable cost		$8,786.72

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

Payable on audited claim	$4,393.36
Paid to date	-0-
Balance due Operator	$4,393.36 pd. to Oper 12/20/61

December 6, 1961

E. D. Talbert, OME Auditor

Reasons for Report of Review in lieu of a final audit:

(a) a major portion ($7,111.00) of the acceptable costs covered work performed at unit rates under independent contract;
(b) a large portion ($1,463.72) of the balance of the acceptable costs was under a contract provision for contribution by the Government on the basis of fixed unit costs for work performed;
(c) the Monthly Report was supported by documentary evidence of the acceptable actual costs under the contract; and
(d) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible further exceptions.

Exceptions herewith:

Cat. (1) Diamond core drilling -

Difference between Operator's claimed costs ($6,602.60) and allowable costs ($6,597.20) ..... $ 5.40

Cat. (7) Assay determinations -

Operator's claimed costs for assaying two samples from insignificantly mineralized sections, one representing a 7 ft. interval and the other a 10 ft. interval, whereas contract restricts assays to significantly mineralized sections representing intervals of not more than 5 ft. $10.00

Total $15.40

Acceptable costs:

Cat. (1) Diamond core drilling -

400 ft. @ $4.90	$1,960.00		
400 ft. @ 5.20	2,080.00		
400 ft. @ 5.60	2,240.00		
52 ft. @ 6.10	317.20	$6,597.20	
Mobilization & demobilization		450.00	
Reaming, 22 ft. @ $2.90		63.80	$7,111.00*

Cat. (7) Core boxes, wooden, 53 ea. @ $4.00		$ 212.00
Fixed Unit Costs -		
Cleaning adit level, etc.	$300.00	
Diamond drill station	400.00	
Incidental allowance, 1,252 ft. @ $.61	763.72	1,463.72
Total		$8,786.72

* Actual costs, as invoiced by Boyles Bros. Drilling Company, were:

20 ft. BX @ $5.20	$ 104.00	
380 ft. AX @ 4.90	1,862.00	
400 ft. AX @ 5.20	2,080.00	
400 ft. AX @ 5.60	2,240.00	
52 ft. AX @ 6.10	317.20	$6,603.20
Mobilization & demobilization		450.00
Reaming BX, 22 ft. @ $2.90		63.80
Total		$7,117.00

Government's Copy

EXPLORATION CONTRACT
SWANSEA MINES, INC.
OME-6114

TERMINATION AGREEMENT

It is agreed this 21st day of November 1961, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Swansea Mines, Inc., hereinafter called the "Operator," parties to that certain Exploration Contract No. 2126, Docket No. OME-6114, dated June 5, 1961, hereinafter called the "Contract," that:

1. Effective November 1, 1961, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including --

(a) furnishing to the Government five copies of a final report (in addition to the final monthly report) which shall include a geological and engineering evaluation of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the related costs thereof.

3. All rights of the Government respecting certification of possible production, percentage royalty and liens to secure the payment thereof, reports (including preservation of the Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

4. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Director, Office of Minerals Exploration

App'd. Sol. Off.
Holt
Talbut
Brown
Selfridge
Johnson

SWANSEA MINES, INC.

By _____

Title _____

November 13, 1961

Exploration Contract
Swansea Mines, Inc.
OME-6114

JUSTIFICATION FOR TERMINATION

Because only traces of almost valueless mineralization were penetrated in the two diamond drill holes, Nos. 1 and 4, drilled under the contract, the Operator feels that it would be a waste of money and time to drill the other two holes, Nos. 2 and 3, authorized by the contract and, accordingly, requests that the contract be terminated.

The Acting Field Officer, Region I, OME, by memorandum of November 1, 1961, recommends that the contract be terminated.

Considering that termination of this contract prior to completion of the work is in the interest of the Government, a mutual termination agreement, effective November 1, 1961, has been prepared.

Stephen P. Holt

Stephen P. Holt

Government's Copy

MME Form 50
Feb. 1959

RECEIVED
JUN 9 1961
U.S.S.
SPOKANE, WASH.

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME -6114	Lead-Zinc	14-23-090-2126	Lewis and Clark	Montana

It is agreed JUN 5 1961 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Swansea Mines, Inc., a Montana corporation,

whose mailing address is P. O. Box 904, Helena, Montana, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before July 11th 1961 (Date) and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 6 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $ 18,260.00. The Government will contribute 50 percent of the allowable costs as they are incurred, in a total sum not in excess of $9,130.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

(c) Interest computation.--Simple interest computed annually at the rate of 5 - ¾ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

None

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the lien agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

None

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) 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 (see Article 6(a), Category (1)). 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, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration 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 production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--(a) The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator. 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) Monthly reports.--The Operator shall provide the Government with five copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; 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 monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the related costs.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's 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 the Government determines that 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 preparation or completion of the same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

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

CATEGORY (4)--OPERATING EQUIPMENT.

Subcategory (a)--Rental.--The number of each rented item [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 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.--Costs of items listed under this category include all requirements, 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 total of this category is a maximum.

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

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

CATEGORY (6)--NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).--Costs of items listed under this category include all requirements, 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 total of this category is a maximum.

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--The Government will not contribute to the following costs:

(1) Costs of the land, such as rental, depreciation, depletion, or other costs 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 total cost. This provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract, or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, 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 (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable 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. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) 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.

(d) Unsold production.--If any production (ore, concentrate, 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, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination or the market value, whichever is greater.

(e) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse or time or is fully paid.

(f) 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 Government, and this estimate shall be final and binding upon the Operator.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 8. 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, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

(c) Disposal of property.--Upon the completion of the work, 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, sale to others, purchase by the Operator, or sale or transfer to 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 that cost more than $500, and shall not sell at less than 25 percent of the purchase price any item of property that 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 offers. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, explosives, pipe, or rail), 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 exploration.

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, 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:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be 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; and

(3) 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 9. Termination of the Government's obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is 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 final accounting and reporting; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is 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 final accounting and reporting; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 9 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 13.

ARTICLE 10. Notices to be given by the Government may be delivered to the Operator, or may be sent by certified 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 11. 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.

See Article 16

ARTICLE 12. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.

The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 14. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 15. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 16. Changes and added provisions.--

The provisions of Section 301 of Executive Order No. 10925 of March 6, 1961, required to be included in every government contract are by reference hereby and herein incorporated and made a part of this contract. A copy of said Executive Order is attached to this contract as Exhibit B.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

SWANSEA MINES, INC.
(Operator)

By C.L. Hewitt

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

Title President

App'd. Sol. Off.
Holt
Fulbright
Selfridge

I, W.R. Armstrong, certify that I am the secretary of the corporation named as Operator herein; that C.L.Hewitt, who signed this contract on behalf of the Operator, was then president of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.
(Name) (Name) (Title)

[CORPORATE SEAL]

INT.-DUP. SEC., WASH., D.C. 52370

EXPLORATION CONTRACT
SWANSEA MINES, INC.
OME-6114

ANNEX I

The land and all rights pertaining thereto, including extralateral rights, referred to in Article 2 of the contract and shown in green color on map, Figure 1, attached hereto and made a part hereof, consists of 4 patented and 8 unpatented lode mining claims in secs. 19 and 20, T. 15 N., R. 6 W., Montana Principal Meridian, Heddleston Mining District, Lewis and Clark County, Montana, as follows:

Patented Claims

Claim Name	U. S. Survey No.
Carbonate No. 1	10557
" " 2	10557
" " 3	10556
" " 4	10556

Unpatented Claims

Claim Name	Recorded Book	Recorded Page
Roundup	21	474
Winston	22	467
Roundup Extension	21	474
Winston Extension	24	345
Carbonate No. 4	24	432
Carbonate Fraction No. 1	18	361
Carbonate Fraction No. 2	18	361
N. M. & R.	24	306

The unpatented claims are recorded in the Recorder's Office in the Courthouse of Lewis and Clark County at Helena, Montana.

The Operator owns all the above claims.

EXPLORATION CONTRACT
SWANSEA MINES, INC.
OME-6114

EXHIBIT A

The maps attached hereto and made a part hereof are as follows:

Figure 1. Carbonate Group of Claims, Heddleston Mining District, Lewis & Clark County, Montana.

Figure 2. Composite Plan Showing Surface Trench, Adit Level and Recommended Diamond Drill Station and Holes, Carbonate Mine, Swansea Mining Company, Inc., Lewis and Clark County, Montana.

The purpose of the project is to explore for ores of lead and zinc by means of diamond core drilling on the adit level of the Carbonate mine.

General Conditions

Diamond drilling shall be done with AX or larger sizes of coring bits. All cores shall be properly boxed and made available to the Government for examination. All core sections showing significant mineralization shall be properly sampled and the samples shall be assayed for lead and zinc, and for gold, silver, and copper as may appear desirable.

Sludge samples shall be taken during the diamond drilling and, in significantly mineralized sections, where the core recovery is less than 60 percent, the sludges shall be assayed as above, in addition to the core segments which have been recovered. No sample, either of core or sludge, shall represent a hole interval of more than 5 feet.

All samples to be assayed shall first be split and one-half made available to the Government. The Government will contribute to the cost of not to exceed 160 determinations for gold, silver, lead, copper, or zinc.

All drill holes shall be logged geologically and copies of the logs of completed holes, together with maps showing drill holes and sections, shall be furnished monthly to the Government.

No drilling shall be done at locations closer than 100 feet to property boundaries. The Government will not participate in the cost of incomplete holes. Casing left in drill holes at Operator's request will be for its sole account.

The location, direction, inclination and extent of all diamond drill holes will be subject to prior approval of the Government.

Description of the Work

1. Clean out adit level of the Carbonate mine and re-thread and install air and water pipe lines from the portal to the first south crosscut, located about 100 feet west of the shaft, see Figure 2.

2. Construct a drill station at the approximate location shown on Figure 2, station to be triangular in section and rectangular in plan, as shown in section A on said Figure 2, requiring the excavation of about 700 cubic feet of material, to provide tail room for drilling downwardly inclined holes.

3. Diamond core drill not to exceed 2,500 feet in four drill holes, as shown in red color on Figure 2, with bearings, inclinations and depths approximately as follows:

Drill Hole No.	Bearing	Inclination	Length or Depth, feet
1	N. 13° E.	Horizontal	600
2	N. 13° E.	-30°	700
3	N. 32° E.	Horizontal	550
4	N. 32° E.	-30°	650
		Total	2,500

Estimated Costs

Actual Costs

Category (1) - Independent Contracts

None except:

Diamond core drilling -			
From 0 to 200' depths, 800 feet @ $4.90/ft.	$3,920.00		
From 200' to 400' depths, 800 feet @ $5.20/ft.	4,160.00		
From 400' to 600' depths, 750 feet @ $5.60/ft.	4,200.00		
From over 600' depth, 150 feet @ $6.10/ft.	915.00	$13,195.00	
Mobilization and demobilization of drill and equipment		450.00	
Cementing and redrilling, 10 hours @ $10.60/hr.		106.00	
Reaming and casing, 600feet @ $2.90/ft.		1,740.00	$15,491.00

Category (7) - Miscellaneous

None except:

Core boxes, wooden, 76 @ $4.00/each	304.00	
Assay determinations for gold, silver, lead, zinc, and copper, 160 @ $1.50/determination	240.00	544.00
Total actual costs		$16,035.00

Fixed Unit Costs

Clean adit level, re-thread and install compressed air and water pipe lines, 1 job	$ 300.00	
Construct diamond drill station, 1 job	400.00	
Incidental allowance in lieu of all costs whatsoever except those listed above, $0.61/ft. for 2,500 feet of drilling	1,525.00	
Total Fixed Unit Costs		$ 2,225.00
Total Estimated Cost of the Project		$18,260.00
Government Participation @ 50%		$ 9,130.00

Presidential Documents

Title 3—THE PRESIDENT

Executive Order 10925

ESTABLISHING THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

WHEREAS discrimination because of race, creed, color, or national origin is contrary to the Constitutional principles and policies of the United States; and

WHEREAS it is the plain and positive obligation of the United States Government to promote and ensure equal opportunity for all qualified persons, without regard to race, creed, color, or national origin, employed or seeking employment with the Federal Government and on government contracts; and

WHEREAS it is the policy of the executive branch of the Government to encourage by positive measures equal opportunity for all qualified persons within the Government; and

WHEREAS it is in the general interest and welfare of the United States to promote its economy, security, and national defense through the most efficient and effective utilization of all available manpower; and

WHEREAS a review and analysis of existing Executive orders, practices, and government agency procedures relating to government employment and compliance with existing non-discrimination contract provisions reveal an urgent need for expansion and strengthening of efforts to promote full equality of employment opportunity; and

WHEREAS a single governmental committee should be charged with responsibility for accomplishing these objectives:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States by the Constitution and statutes of the United States, it is ordered as follows:

PART I—ESTABLISHMENT OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

SECTION 101. There is hereby established the President's Committee on Equal Employment Opportunity.

SEC. 102. The Committee shall be composed as follows:

(a) The Vice President of the United States, who is hereby designated Chairman of the Committee and who shall preside at meetings of the Committee.

(b) The Secretary of Labor, who is hereby designated Vice Chairman of the Committee and who shall act as Chairman in the absence of the Chairman. The Vice Chairman shall have general supervision and direction of the work of the Committee and of the execution and implementation of the policies and purposes of this order.

(c) The Chairman of the Atomic Energy Commission, the Secretary of Commerce, the Attorney General, the Secretary of Defense, the Secretaries of the Army, Navy and Air Force, the Administrator of General Services, the Chairman of the Civil Service Commission, and the Administrator of the National Aeronautics and Space Administration. Each such member may designate an alternate to represent him in his absence.

(d) Such other members as the President may from time to time appoint.

(e) An Executive Vice Chairman, designated by the President, who shall be *ex officio* a member of the Committee. The Executive Vice Chairman shall assist the Chairman, the Vice Chairman and the Committee. Between meetings of the Committee he shall be primarily responsible for carrying out the functions of the Committee and may act for the Committee pursuant to its rules, delegations, and other directives. Final action in individual cases or classes of cases may be taken and final orders may be entered on behalf of the Committee by the Executive Vice Chairman when the Committee so authorizes.

SEC. 103. The Committee shall meet upon the call of the Chairman and at such other times as may be provided by its rules and regulations. It shall (a) consider and adopt rules and regulations to govern its proceedings; (b) provide generally for the procedures and policies to implement this order; (c) consider reports as to progress under this order; (d) consider and act, where necessary or appropriate, upon matters which may be presented to it by any of its members; and (e) make such reports to the President as he may require or the Committee shall deem appropriate. Such reports shall be made at least once annually and shall include specific references to the actions taken and results achieved by each department and agency. The Chairman may appoint sub-committees to make special studies on a continuing basis.

PART II—NONDISCRIMINATION IN GOVERNMENT EMPLOYMENT

SECTION 201. The President's Committee on Equal Employment Opportunity established by this order is directed immediately to scrutinize and study employment practices of the Government of the United States, and to consider and recommend additional affirmative steps which should be taken by executive departments and agencies to realize more fully the national policy of nondiscrimination within the executive branch of the Government.

SEC. 202. All executive departments and agencies are directed to initiate forthwith studies of current government employment practices within their responsibility. The studies shall be in such form as the Committee may prescribe and shall include statistics on current employment patterns, a review of current procedures, and the recommendation of positive measures for the elimination of any discrimination, direct or indirect, which now exists. Reports and recommendations shall be submitted to the Executive Vice Chairman of the Committee no later than sixty days from the effective date of this order, and the Committee, after considering such reports and recommendations, shall report to the President on the current situation and recommend positive measures to accomplish the objectives of this order.

SEC. 203. The policy expressed in Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), with respect to the exclusion and prohibition of discrimination against any employee or applicant for employment in the Federal Government because of race, color, religion, or national origin is hereby reaffirmed.

SEC. 204. The President's Committee on Government Employment Policy, established by Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), as amended by Executive Order No. 10722 of August 5, 1957 (22 F.R. 6287), is hereby abolished, and the powers, functions, and duties of that Committee are hereby transferred to, and henceforth shall be vested in, and exercised by, the President's Committee on Equal Employment Opportunity in addition to the powers conferred by this order.

PART III—OBLIGATIONS OF GOVERNMENT CONTRACTORS AND SUBCONTRACTORS

SUBPART A—CONTRACTORS' AGREEMENTS

SECTION 301. Except in contracts exempted in accordance with section 303 of this order, all government contracting agencies shall include in every government contract hereafter entered into the following provisions:

"In connection with the performance of work under this contract, the contractor agrees as follows:

"(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

"(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor,

state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

"(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

"(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

"(5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

"(6) In the event of the contractor's non-compliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled in whole or in part and the contractor may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, and such other sanctions may be imposed and remedies invoked as provided in the said Executive order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

"(7) The contractor will include the provisions of the foregoing paragraphs (1) through (6) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for non-compliance: *Provided, however,* that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."

SEC. 302. (a) Each contractor having a contract containing the provisions prescribed in section 301 shall file, and shall cause each of its subcontractors to file, Compliance Reports with the contracting agency, which will be subject to review by the Committee upon its request. Compliance Reports shall be filed within such times and shall contain such information as to the practices, policies, programs, and employment statistics of the contractor and each subcontractor, and shall be in such form, as the Committee may prescribe.

(b) Bidders or prospective contractors or subcontractors may be required to state whether they have participated in any previous contract subject to the provisions of this order, and in that event to submit, on behalf of themselves and their proposed subcontractors, Compliance Reports prior to or as an initial part of their bid or negotiation of a contract.

(c) Whenever the contractor or subcontractor has a collective bargaining agreement or other contract or understanding with a labor union or other representative of workers, the Compliance Report shall include such information as to the labor union's or other representative's practices and policies affecting compliance as the Committee may prescribe: *Provided,* that to the extent such information is within the exclusive possession of a labor union or other workers' representative and the labor union or representative shall refuse to furnish such information to the contractor, the contractor shall so certify to the contracting agency as part of its Compliance Report and shall set forth what efforts he has made to obtain such information.

(d) The Committee may direct that any bidder or prospective contractor or subcontractor shall submit, as part of his Compliance Report, a statement in writing, signed by an authorized officer or agent of any labor union or other workers' representative with which the bidder or prospective contractor deals, together with supporting information, to the effect that the said labor union's or representative's practices and policies do not discriminate on the grounds of race, color, creed, or national origin, and that the labor union or representative either will affirmatively cooperate, within the limits of his legal and contractual authority, in the implementation of the policy and provisions of this order or that it consents and agrees that recruitment, employment, and the terms and conditions of employment under the proposed contract shall be in accordance with the purposes and provisions of the order. In the event that the union or representative shall refuse to execute such a statement, the Compliance Report shall so certify and set forth what efforts have been made to secure such a statement.

SEC. 303. The Committee may, when it deems that special circumstances in the national interest so require, exempt a contracting agency from the requirement of including the provisions of section 301 of this order in any specific contract, subcontract, or purchase order. The Committee may, by rule or regulation, also exempt certain classes of contracts, subcontracts, or purchase orders (a) where work is to be or has been performed outside the United States and no recruitment of workers within the limits of the United States is involved; (b) for standard commercial supplies or raw materials; or (c) involving less than specified amounts of money or specified numbers of workers.

SUBPART B—LABOR UNIONS AND REPRESENTATIVES OF WORKERS

SEC. 304. The Committee shall use its best efforts, directly and through contracting agencies, contractors, state and local officials and public and private agencies, and all other available instrumentalities, to cause any labor union, recruiting agency or other representative of workers who is or may be engaged in work under government contracts to cooperate with, and to comply in the implementation of, the purposes of this order.

SEC. 305. The Committee may, to effectuate the purposes of section 304 of this order, hold hearings, public or private, with respect to the practices and policies of any such labor organization. It shall from time to time submit special reports to the President concerning discriminatory practices and policies of any such labor organization, and may recommend remedial action if, in its judgment, such action is necessary or appropriate. It may also notify any Federal, state, or local agency of its conclusions and recommendations with respect to any such labor organization which in its judgment has failed to cooperate with the Committee, contracting agencies, contractors, or subcontractors in carrying out the purposes of this order.

SUBPART C—POWERS AND DUTIES OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY AND OF CONTRACTING AGENCIES

SEC. 306. The Committee shall adopt such rules and regulations and issue such orders as it deems necessary and appropriate to achieve the purposes of this order, including the purposes of Part II hereof relating to discrimination in government employment.

SEC. 307. Each contracting agency shall be primarily responsible for obtaining compliance with the rules, regulations, and orders of the Committee with respect to contracts entered into by such agency or its contractors, or affecting its own employment practices. All contracting agencies shall comply with the Committee's rules in discharging their primary responsibility for securing compliance with the provisions of contracts and otherwise with the terms of this Executive order and of the rules, regulations, and orders of the Committee pursuant hereto. They are directed to cooperate with the Committee, and to furnish the Committee such information and assistance as it may require in the performance of its functions under this order. They are further directed to appoint or designate, from among the agency's personnel, compliance officers. It shall be the duty of such officers to seek compliance with the objectives of this order by conference, conciliation, mediation, or persuasion.

SEC. 308. The Committee is authorized to delegate to any officer, agency, or employee in the executive branch of the

Government any function of the Committee under this order, except the authority to promulgate rules and regulations of a general nature.

SEC. 309. (a) The Committee may itself investigate the employment practices of any government contractor or subcontractor, or initiate such investigation by the appropriate contracting agency or through the Secretary of Labor, to determine whether or not the contractual provisions specified in section 301 of this order have been violated. Such investigation shall be conducted in accordance with the procedures established by the Commitee, and the investigating agency shall report to the Committee any action taken or recommended.

(b) The Committee may receive and cause to be investigated complaints by employees or prospective employees of a government contractor or subcontractor which allege discrimination contrary to the contractual provisions specified in section 301 of this Order. The appropriate contracting agency or the Secretary of Labor, as the case may be, shall report to the Committee what action has been taken or is recommended with regard to such complaints.

SEC. 310. (a) The Committee, or any agency or officer of the United States designated by rule, regulation, or order of the Committee, may hold such hearings, public or private, as the Committee may deem advisable for compliance, enforcement, or educational purposes.

(b) The Committee may hold, or cause to be held, hearings in accordance with subsection (a) of this section prior to imposing, ordering, or recommending the imposition of penalties and sanctions under this order, except that no order for debarment of any contractor from further government contracts shall be made without a hearing.

SEC. 311. The Committee shall encourage the furtherance of an educational program by employer, labor, civic, educational, religious, and other nongovernmental groups in order to eliminate or reduce the basic causes of discrimination in employment on the ground of race, creed, color, or national origin.

SUBPART D—SANCTIONS AND PENALTIES

SEC. 312. In accordance with such rules, regulations or orders as the Committee may issue or adopt, the Committee or the appropriate contracting agency may:

(a) Publish, or cause to be published, the names of contractors or unions which it has concluded have complied or have failed to comply with the provisions of this order or of the rules, regulations, and orders of the Committee.

(b) Recommend to the Department of Justice that, in cases where there is substantial or material violation or the threat of substantial or material violation of the contractual provisions set forth in section 301 of this order, appropriate proceedings be brought to enforce those provisions, including the enjoining, within the limitations of applicable law, of organizations, individuals or groups who prevent directly or indirectly, or seek to prevent directly or indirectly, compliance with the aforesaid provisions.

(c) Recommend to the Department of Justice that criminal proceedings be brought for the furnishing of false information to any contracting agency or to the Committee as the case may be.

(d) Terminate, or cause to be terminated, any contract, or any portion or portions thereof, for failure of the contractor or subcontractor to comply with the nondiscrimination provisions of the contract. Contracts may be terminated absolutely or continuance of contracts may be conditioned upon a program for future compliance approved by the contracting agency.

(e) Provide that any contracting agency shall refrain from entering into further contracts, or extensions or other modifications of existing contracts, with any non-complying contractor, until such contractor has satisfied the Committee that he has established and will carry out personnel and employment policies in compliance with the provisions of this order.

(f) Under rules and regulations prescribed by the committee, each contracting agency shall make reasonable efforts within a reasonable time limitation to secure compliance with the contract provisions of this order by methods of conference, conciliation, mediation, and persuasion before proceedings shall be instituted under paragraph (b) of this section, or before a contract shall be terminated in whole or in part under paragraph (d) of this section for failure of a contractor or subcontractor to comply with the contract provisions of this order.

SEC. 313. Any contracting agency taking any action authorized by this section, whether on its own motion, or as directed by the Committee, or under the Committee's rules and regulations, shall promptly notify the Committee of such action or reasons for not acting. Where the Committee itself makes a determination under this section, it shall promptly notify the appropriate contracting agency of the action recommended. The agency shall take such action and shall report the results thereof to the Committee within such time as the Committee shall provide.

SEC. 314. If the Committee shall so direct, contracting agencies shall not enter into contracts with any bidder or prospective contractor unless the bidder or prospective contractor has satisfactorily complied with the provisions of this order or submits a program for compliance acceptable to the Committee or, if the Committee so authorizes, to the contracting agency.

SEC. 315. Whenever a contracting agency terminates a contract, or whenever a contractor has been debarred from further government contracts, because of noncompliance with the contractor provisions with regard to nondiscrimination, the Committee, or the contracting agency involved, shall promptly notify the Comptroller General of the United States.

SUBPART E—CERTIFICATES OF MERIT

SEC. 316. The Committee may provide for issuance of a United States Government Certificate of Merit to employers or employee organizations which are or may hereafter be engaged in work under government contracts, if the Committee is satisfied that the personnel and employment practices of the employer, or that the personnel, training, apprenticeship, membership, grievance and representation, upgrading and other practices and policies of the employee organization, conform to the purposes and provisions of this order.

SEC. 317. Any Certificate of Merit may at any time be suspended or revoked by the Committee if the holder thereof, in the judgment of the Committee, has failed to comply with the provisions of this order.

SEC. 318. The Committee may provide for the exemption of any employer or employee organization from any requirement for furnishing information as to compliance if such employer or employee organization has been awarded a Certificate of Merit which has not been suspended or revoked.

PART IV—MISCELLANEOUS

SECTION 401. Each contracting agency (except the Department of Justice) shall defray such necessary expenses of the Committee as may be authorized by law, including section 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691): *Provided*, that no agency shall supply more than fifty per cent of the funds necessary to carry out the purposes of this order. The Department of Labor shall provide necessary space and facilities for the Committee. In the case of the Department of Justice, the contribution shall be limited to furnishing legal services.

SEC. 402. This order shall become effective thirty days after its execution. The General Services Administration shall take appropriate action to revise the standard Government contract forms to accord with the provisions of this order and of the rules and regulations of the Committee.

SEC. 403. Executive Order No. 10479 of August 13, 1953 (18 F.R. 4899), together with Executive Orders Nos. 10482 of August 15, 1953 (18 F.R. 4944), and 10733 of October 10, 1957 (22 F.R. 8135), amending that order, and Executive Order No. 10557 of September 3, 1954 (19 F.R. 5655), are hereby revoked, and the Government Contract Committee established by Executive Order No. 10479 is abolished. All records and property of or in the custody of the said Committee are hereby transferred to the President's Committee on Equal Employment Opportunity, which shall wind up the outstanding affairs of the Government Contract Committee.

JOHN F. KENNEDY

THE WHITE HOUSE,
March 6, 1961.

[F.R. Doc. 61-2093; Filed, Mar. 7, 1961; 10:06 a.m.] 90048

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 10 1961

DATE	INITIALS	CODE

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: Transmittal of OME application
Swansea Mines, Inc. (Silver-Copper-Lead-Zinc)
Carbonate Property
Lewis & Clark County, Montana

Enclosed is a copy of an application from Swansea Mines, Inc., P. O. Box 904, Helena, Montana, for OME aid to explore for silver, copper, lead, and zinc ore at the Carbonate mine in Lewis and Clark County, Montana.

The applicant proposes to explore at a depth of 120-155 feet 8 veins exposed in a bulldozer cut by rehabilitating an old tunnel, crosscutting 650 feet, and drifting 100 feet on the best showing exposed in the crosscut. The estimated total cost of the project is $32,000.00, of which the Government's share would be 50 percent or $16,000.00.

While the project may have merit, probably allowance for 200 feet of drifting would be more in line if 650 feet of crosscutting is to be done.

D R MacLaren
D. R. MacLaren

Enclosure

MME Form 40
Dec. 1958

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Budget Bureau No. 42-R1368
Approval expires Dec. 31, 1963

O.M.E. MAR 10 1961

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85-701 (72 Stat. 700; 30 U.S.C. 641)

RECEIVED MAR 2 1961 U.S.G.S. SPOKANE, WASH.

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

Swansea Mines, Inc.
P. O. Box 904
Helena, Montana

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6114

DATE RECEIVED: 3/10/61

REGION: I

DIVISION CODE: 500

BUSINESS ORGANIZATION *(Check one)*

INDIVIDUAL	
CORPORATION	X
PARTNERSHIP	
OTHER *(Specify)*	

STATE IN WHICH FIRM IS ORGANIZED

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
C. L. Hewitt	Helena, Montana	Director Pres.
M. D. Armstrong	Pateros, Wash. Sec.	Director Vice Pre
George D. Zahn	Methow, Wash.	Director
Walter McLean	Mansfield, Wash.	Director
James H. Smith	Wenatchee, Wash.	Director

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Silver, copper, lead and zinc

ESTIMATED COST OF PROJECT: $ 32,000

PROPERTY NAME	LOCATION COUNTY	STATE
Carbonate	Lewis & Clark	Montana

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). 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 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. 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 3(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 Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME 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, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

February 27, 1961
DATED

C. L. Hewitt
BY *(Signature)*

Pres., Swansea Mines, Inc.
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. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) 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 adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. 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 land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if 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, giving quantities and grades and sampling methods used. Support 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 have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show 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 *land boundaries* or to the closest identifiable corner.

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

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or 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. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. 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 equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *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 in the exploration work.

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

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(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*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

INT.-DUP. SEC., WASH., D.C. 50399

1. Financial Eligibility
   (a) Including copy of two letters to banks, and their replies.
   (b) No affiliated or parent companies.
   (c) Money to be advanced by stockholders for this purpose, part of which is already deposited in bank and balance pledged.

2. Applicant's rights in land
   (a) Swansea Mine, Inc. owns outright all claims and appurtenances no encumbrances.
   (b) Sections 19 and 20, T15N R6W Lewis and Clark County, Montana; Heddleston Mining District.
   Carbonate No. 1, Survey #10557
   Carbonate No. 2, Survey #10557
   Carbonate No. 3, Survey #10556
   Carbonate No. 5, Survey #10556
   Contiguous unpatented lode claims recorded in Lewis & Clark County, Book of Lode Locations.

Roundup	Book	#21,	Page	474
Winston	"	22	"	467
Roundup Ext.	"	21	"	474
Winston Ext.	"	24	"	345
Carbonate #4	"	24	"	432
Carbonate Fraction No. 1	"	18	"	361
Carbonate Fraction No. 2	"	18	"	361
N.M.P.R		24	"	306

3. Physicial Description
   (a) The former owner, John A. Rowand, sons and partners, owned and operated the Carbonate property from approximately 1895 up to 1942 when it was purchased from Rowand's widow by the applicant, Swansea Mines, Inc.
   Rowand sunk a shaft, on what he called the Carbonate vein, to a depth of 120 feet. Later an adit tunnel was driven. This adit tunnel, started as a crosscut and intersected the vein at a point 95 feet from the portal, then followed the vein to the shaft an additional distance of 250 feet, on the vein. The drifting was extended beyond the shaft approximately 500 feet but this section beyond the shaft is caved and inaccessable.
   The shaft was later sunk to a depth of 420 feet which is 300 feet below the adit level. Drifting was carried out on the Carbonate vein on the 200, 300, and 400 foot levels.

   (b) This work was all done prior to applicant's lease and option on the property which was obtained in 1942.

   (c) Several lessees operated the property on a 50-50 basis and made several shipments of crude ore of which we have no record. Rowand stated that his shipments and those made by lessees totaled a little over $50,000 but as I could only verify a part of this, will disregard this period.
   In 1941, Rowand's sons associated with R. C. Franke were operating a mill on the "Big Blackfoot" gold property about six miles west of Lincoln. They obtained a lease on the Carbonate property

and hauled about 6500 tons of ore from the Carbonate Mine to their "Big Blackfoot" mill. Mr. Franke, the President of their company told me that their mill heads averaged 4.6 oz AG and 7% PB. and 4.3% ZN. and .12 CU. Mr. Franke stated that they made a recovery of 92% on the Pb. and Ag., 70% on Zn., and 60% on the Cu. The ore was all a good milling, clean sulphide ore. A copy of his statement as to the daily mill heads is attached and marked. (3 c)
In 1942 the applicant secured a lease and option on the property, installed a flotation plant of 50 tons daily capacity. Milling operations started in August, 1944, and were finished in November, 1945. About 5,500 tons of ore were treated in that period and about 430 tons of lead concentrates produced. The ore averaged between $7.00 and $9.00 per ton based on the prices at that time. No attempt was made to recover the Zn. This production came from the mine after it had been gutted by leasing over the years before this operation. In March 1957, the property was purchased outright by applicant from Rowand's widow.

(d) No appreciable tonnage of commercial ore now blocked out.

(e) Mayer's report - two copies.

(f) In 1959 a dozer cut was run at right angles to the Carbonate vein to a depth of about 12 feet, to solid formation and 800 feet in length. This work was done to check on the float that was found abundantly over the surface in that area. This cut exposed the outcrop of 8 veins including the outcrop of the Carbonate vein, about 50 feet northwest from the shaft on strike of vein. Four of the newly exposed veins indicate a width of 4 to 10 feet while the Carbonate vein outcrop is only 19 inches in width. Cross fracturing between the veins also carry vein material. The outcrop assays show only small values, as could be expected. Several assays show Ag. .3 to .5 oz., and Pb .1% to .3%. The Carbonate vein assays on the surface shows about the same values but at a depth of 45 feet the sulphides came in and rapid change in values occurred at that point, showing good commercial ore. We expect to see these newly exposed veins to do the same.
Our proposed project is for the exploration of these veins. The assays are very low on the surface but having raised on the Carbonate vein from the 120 foot level, we know that the sulphides and commercial ore do no go to within 45 feet of the surface.

(g) Enclosing two copies of an old report by Herbert H. Mayer which was made for the owners, more on the economic aspects but does give geology and vein data. (3G)

4. Accessibility of property
(a) C. L. Hewitt, 545 N. Rodney Street, Telephone #442-1145, Helena, Montana, will meet O M E representative in Helena and take him to the property. If representative is coming from Spokane by car he could meet me in Lincoln, Montana, Lewis and Clark County. He could go east on Highway #10 from Missoula to Milltown, then go north on Highway #20 to Lincoln. The Carbonate property is situated 20 miles north from Lincoln on Highway #20 within 300 feet and in sight of this highway. Representative should contact me by telephone from Spokane so that I could arrange to meet him either in Helena or Lincoln. The Lincoln route via Highway #20 would save him approximately 100 miles of travel.

(b) Shipping point would be Wolf Creek, Montana, all highway which is paved, a distance of 33 miles, or Silver City, a distance of 30 miles over Flesher Pass, good road, maintained by State and County, 18 miles of which is gravel and the remainder paved. Both points on GN Railroad branch, running from Havre through Great Falls and Helena to Butte, Montana.

5. Exploration Work
(a) We propose to rehabilitate the Carbonate adit tunnel to the shaft which is the 120 foot level, designated as Station A, turn at right angle from vein to the northwest and clean out the old crosscut which extends 45 feet in northwest direction from Station A. Start crosscutting by driving a tunnel 5 feet by 7 feet from that point to intersect the veins exposed in the dozer cut. Crosscut to be 650 feet and 100 feet of drifting on the best showings exposed in this crosscut. Start of crosscut will be at a depth of 120 feet and backs will be gained, reaching a depth of about 155 feet.
Formation is Diorite and no timbering is anticipated other than where veins are crossed.

(b) No new roads to be built.

(c) Work would start within 30 days after execution of O M E contract. Completion of work estimated at 7 months.

6. Experience
C. L. Hewitt will supervise the work, having had 40 years experience in mine development and operations.

7. Estimate of Costs
(a) Propose to contract all crosscutting and drifting at $32.00 per foot, including labor, material and supplies.

Applicant to furnish compressed air and tools.	$24,000.
Rehabilitation costs on present adit tunnel	$ 2,350

(b) Supervision and engineering at no salary other than a monthly expense allowance of $250

	$ 1,750
Clerical work per month $60.00	$ 420
Geologist, consultant $200 per month	$ 1,400

(c) Operating materials and supplies all included in proposed contract.

(d) All equipment other than pipe, some rail and ties to be furnished by applicant. Rail and ties included in rehabilitation listed under 7(a)

(e) Repair camp building for employee occupancy	$ 300.00
Repair shop for compressor installation and shop	320.00
(f) No new buildings.	
(g) Cost of repairing rock drills and ore cars	350.00
Analytical work - sample assays	350.00
Cost of rail and pipe in addition to what is now owned by applicant	760.00
Total	$32000.00

Ch Heroff

(3(6)

REPORT OF CARBONATE MINE

Lewis and Clark County, Montana.

OWNERSHIP. The property, which will hereinafter be called the Carbonate Group, consists of eight unpatented claims and four patented, owned and controlled by J. A. Rowand and wife, both of Helena, Montana.

Title is held under the Montana law providing for annual assessment work and these requirements have been fulfilled so that the title to the property is in good standing.

The writer is informed that applications have been filed for issuance of patent on four of these claims and that these applications are now under advisement in the United States Land Office.

The names and relative positions of these claims are shown on Plat 1, which is included as a part of this report.

LOCATION. Situated at the headwaters of the Big Blackfoot River in the Heddleston Unorganized Mining District, Lewis and Clark County, State of Montana. These holdings lie on the west slope of the main continental divide, approximately forty-eight miles north of west of the city of Helena, which city would be the logical center for supplies and labor.

TRANSPORTATION. The nearest railroad point is Silver on the branch line of the Great Northern Railway, operating between Great Falls and Butte, Montana. Hauling from the mine to the railroad, a distance of thirty miles, is over good mountain road maintained by the county which has agreed to keep them open at all seasons of the year to facilitate continuous operation at the camp.

A tentative agreement has been made with local hauling contractors to handle concentrates from the mine to the railroad at a rate of five dollars per ton and return loads to the mine at three dollars and fifty cents per ton.

The lead product would be reloaded into railroad cars at Silver and consigned to the American Smelting and Refining Company at East Helena. The freight to this plant should not exceed one dollar to one dollar and twenty five cents per ton, varying with the grade of the product.

Zinc concentrates would be sent direct to the Anaconda Copper Mining Company plants either at Great Falls or Anaconda and the freight to these points should be approximately two dollars and fifty cents per ton.

The mill products can also be taken from the camp via the Wolf Creek road, a distance of nineteen miles from mine to railroad. This would necessitate considerable repair work which the county has agreed to do provided the mining company decides to use this route.

NATURAL RESOURCES. At and in the immediate vicinity of the property is an abundant growth of scrub pine and fir, sufficient for limited mining operations. Cut timbers and planks can be purchased from local mills at rates appreciably below the open market prices.

Sufficient water is on the property for all milling and

domestic uses and this can be flumed to the plants at a very nominal cost.

TOPOGRAPHY. The country is semi-rugged and while it does not lend itself to deep tunnel sites it affords suitable dumping ground for both mine and mill.

GENERAL GEOLOGY. In the immediate vicinity of the Carbonate Group the predominating country rock is an intrusive of diorite structure. The present stage of development in the district tends to prove that this formation contains the principal mineral carrying veins. The thickness of this dioritic formation is as yet only problematical but surface and limited development exposures indicate that it will attain a considerable depth.

Particular attention is called to the presence of a large porphyry dike traversing the district in a general northwest and southeast direction. It was in the immediate vicinity of this dike that the principal ore bodies of the "Mike Horse Mine" were developed. The dike is continuous and passes through the Carbonate property at a point about a hundred and sixty feet north of the main shaft. A more detailed study of the geological conditions will most likely prove that this intrusion originally carried the metal values that was subsequently distributed through the fractures and openings in the surrounding dioritic country rock.

VEIN STRUCTURE. Numerous vein exposures are found at various points on the property but only three of these were examined by the writer and my remarks will be confined to this portion of the ground. For future convenience these veins will be called Nos. 1, 2, and 3.

No. 1., the North Vein, lies approximately a hundred and sixty feet north of the main shaft. It appears that this vein is at or near the contact of the north side of the diorite and the south side of the porphyry dike and has a general strike of northwest and southeast. If this is the actual field condition then in all probability this vein is a continuation of the productive formation worked in the "Mike Horse Mine." The only development is a small forty foot shaft in which the vein shows a width of eight inches carrying good values in silver and oxidized lead.

No. 2. Is the main vein of the property and has a general strike of northwest and southeast with approximately a vertical depth. This vein is a true fissure type and its consistent increase in width from above the hundred foot level to the three hundred foot level would tend to substantiate the writer's opinion that it will attain a considerable depth. dip ?

The vein filling is altered diorite with practically no quartz in evidence. The mineralized portion of the vein consists mainly of sulphides of iron, lead, zinc, and copper, which are not intimately associated so that in the course of metallurgical treatment they should respond readily to the process of selective flotation and a good recovery of the various metals obtained.

The width of the mineralized vein filling increases from twelve inches on the one hundred foot level to an average width in excess of four feet on the three hundred foot level.

The west face of this latter drift shows the vein filled with an excellent grade of milling ore (Sample No. 10) width better than five feet.

The commercial values of the ore are in the following order of importance: Lead, Silver, Zinc, Copper and Gold.

No. 3, or the South Vein is situated six hundred feet south of the main shaft. Its strike is approximately the same as that of the No. 2 vein, altho they appear to slightly converge to the west, making it probable that there will be a point of intersection at an advanced western point. This intersection will probably produce a concentrated orebody of greater magnitude than anything developed on either of the individual veins.

Your attention is called to the fact that No. 3 is materially different from the other veins herein described.
First, it is considerably wider, showing a width of from fifteen to twenty-five feet on the tunnel level. Second, the vein filling is made up of altered diorite with prominent quartz seams and bandings. Third, the diorite filling is impregnated with iron sulphide and lessor amount of copper sulphide (Chalcopyrite) and throughout the quartz seams are small bunches of lead sulphide (Galena).

The four hundred foot tunnel driven westward on this vein has developed no commercial ore but the physical character of the deposit gives evidence that pay-ore can be expected with depth.

DEVELOPMENT. Practically all efforts have been confined to the No. 2 vein with an endeavor to prove its permanency, both laterally and vertically, This work has been carried on in a minerlike fashion and altho no ore is blocked out in the true sense of the word, nevertheless, the development is sufficient to allow the examining engineer to form definite ideas as to the merits of the property.

On the hundred foot level the main vein is practically continuous from a point just west of the shaft to the present face, a distance of about four hundred feet. The average width of the ore is from twelve to fourteen inches.

The vein exposed to the east of the shaft is not the main vein as is shown by its offset position, physical structure and metal content.

The two hundred foot level is run westward two hundred and twenty eight feet and eastward eighty-five feet. This entire drift is in the vein and the average width exceeds twenty-four inches.

The three hundred foot level has been driven forty feet to both east and west exposing the vein at all points with an average of better than four feet in width.

The additional depth has shown increased metal values with an elimination of practically all of the oxidized minerals.

EQUIPMENT. The surface buildings are all in habitable condition. These consist of an office, shops, bunkhouse, and messhouse, which are capable of housing a force of thirty men.

The present mechanical equipment is wholly inadequate to economically operate the property. Its use in conjunction with the milling plant would mean an unsteady amount of mill feed, pumping and drilling difficulties, all operating under a continuous overhead expense. This condition would naturally result in a depletion of the ore reserves at a loss to the operator. This matter will be dealt with further in the conclusions of this report.

SAMPLING. The time limit set for my examination did not permit of systematic sampling. It was my object to sample such points as were representative of the orebody so as to obtain a fair average.

All samples were either taken by me or under my personal supervision and were treated and assayed in our office (Goodall Brothers), Helena, Montana.

TONNAGE. Reference is made to Plat 2. of this report.

Assured Ore:	Block	A - 5,670	Tons.
	"	B - 3,780	" .
	"	C - 720	" .
	"	D - 1,080	" .
		11,550	" Total
Probable Ore:	Block	E - 2,200	" .
	"	F - 2,000	" .
	"	G -13,000	" .
	Dump	2,000	
Ore remaining above 100		5,000	" .
	Total	24,200	" .

Note: In forming these estimates the ore reserves were not projected below the three hundred foot level.

In figuring the gross value of the average ore the following market prices were used: Silver 58¢, Lead $6.50, Copper $16.50 and Zinc $6.35.

Assay No.	Width.	Gold Ozs.	Silver Ozs.	Lead %.	Copper %.	Zinc %.
4.	14"	0.02	2.0	6.3	0.43	3.0
5.	18"	0.02	2.0	5.7	0.34	3.6
6.	39"	0.015	1.9	7.5	0.60	5.4
7.	14"	0.015	2.0	7.9	0.43	3.1
8.	32"	0.015	4.0	8.6	0.69	4.0
9.	16"	0.02	5.8	18.4	0.78	11.8
10.	60"	0.025	9.5	2.0	1.64	0.9
11.	28"	0.02	4.0	10.2	0.52	5.4

Assay No.	Width.	Gold Ozs.	Silver Ozs.	Lead %.	Copper %.	Zinc %.
12.	18"	0.03	3.2	12.6	0.43	2.9
13.	24"	0.02	7.4	12.2	0.56	1.5
14.	34"	0.025	10.2	2.9	2.40	0.8
15.	33"	0.01	2.6	3.7	0.60	1.7
16.	33"	0.025	12.0	9.4	0.69	2.5
17.	28"	0.03	13.5	1.2	1.30	2.5

ASSAY DESCRIPTIONS:

No. 4. 80' east of center of crosscut - 385' east of west face - vein showing good galena - sample taken on south side of vein across 14" No. 5. 50' east of No. 4 - west end of stope - 3 cuts 3' apart in back of stope - 18" wide of good galena ore - dip vertical - strike No.35 W. No. 6. 39" on north side of split - low grade ore with diorite thru center-dip slightly to north strike N. 60 W.
No. 7. 3 cuts on face of south split - oxidized and showing some good Galena-dip 85 N. strike N. 40 W - width 14". Note. Same vein in crosscut to south 6" wide, dip 70 N.
No. 8. Vein thru shaft - sample taken 10' west of shaft - 32" wide dip vert.- strike N 70 W.- at junction with north iron spur shows heavy mineralization.
No. 9. 3 cuts 15' apart in west end of north vein on 100 level opposite shaft-width 16" dip 70 N. strike N 70 W.- high in galena - no vein filling - partly oxidized and frozen to walls.
No. 10. West face of 300 foot level - 60" wide solid ore from wall to wall - dip vertical - strike N. 75 W. - 2 cuts across face - heavy mineralization.
No. 11. East face of 300 foot level - sample taken 3' back from face - vein in face narrowing due to "horse" which will most likely disappear within a few feet - width 28" on south side of vein - dip vertical - strike N. 50 W.
No. 12. West face of 200 foot level - 2 cuts each 18" wide - dip 85 S. - strike N. 51 W. - high grade mill feed.
No. 13. East face of 200' level - 2 cuts each 24" wide - good grade of ore-dip vertical - strike S 45 E.
No. 14. 5' east of 200 station - sample taken in back of drift - dip vertical. 34" wide - good milling ore.
No. 16. 22' up shaft from 100 foot level - vein extends full width of shaft but sample was cut across 33" on south side - shows some oxidation - same position relative to shaft - width 28". Note: 6' to the south is a vein showing ore - this is probably the north vein showing in north drift off of 100' level - dip 70 N. p Strike N. 68 W.

CONCLUSIONS.

The geologic and economic conditions described above appear to justify the further expenditures of time and money in the development and operation of the Carbonate Group. Conservative management will soon put this property on a self-supporting basis after which a sufficient surplus should be accumulated in the treasury in order to carry on extensive development. This policy would insure tonnage for increased mill capacity which in turn would result in increased profits.

Respectfully submitted,
(Signed) Herbert H. Mayer
Mining Engineer

March 25, 1929

3(c)

Helena, Montana
June 26, 1941

The following is a list of the mill head samples taken by our assayer when we milled the ore from the Carbonate Mine in our mill on the Big Blackfoot Mine, from April 11, 1941, thru June 16, 1941.

Date	Heads	%Zn	%PB	%CU.	OZS. AU.	OZS. AG.
4-11-41		6.4	6.9	.15	---	7.92
4-12-41		6.5	6.9	1.5	---	7.64
4-14-41		3.6	4.9	1.1	---	3.36
4-15-41		2.5	4.4	tr	---	6.68
4-16-41		4.3	4.5	.8	---	6.68
4-17-41		3.6	4.5	.84	---	----
4-18-41		2.5	4.1	.7	---	8.30
4-19-41		2.4	4.7	.3	---	1.80
4-20-41		3.0	4.0	.4	---	1.84
4-22-41		6.5	5.5	.9	---	5.88
4-23-41		4.0	10.0	1.2	---	6.80
4-24-41		3.5	11.5	.6	---	8.00
4-25-41		3.2	8.0	Tr	---	6.68
4-26-41		4.0	15.6	1.2	---	8.38
4-27-41		2.9	4.0	.9	---	4.62
4-28-41		3.6	7.0	1.1	---	4.11
4-29-41		3.5	7.0	1.0	---	2.62
4-30-41		3.5	4.2	0.5	---	3.38
5- 1-41		3.7	5.1	0.3	6	2.12
5- 2-41		3.7	4.3	0.5	---	2.84
5- 3-41		4.7	4.9	0.9	---	3.92
5- 4-41		3.5	4.7	0.61	---	3.0
5- 5-41		4.9	4.2	1.0	6 6	2.38
5- 6-41		3.1	4.0	0.6	---	3.02
5- 8-41		3.8	4.2	0.5	---	1.82
5- 9-41		3.0	4.9	1.2	---	.78
5-10-41	No. 1	3.8	5.4	1.2	---	5.82
5-11-41	No. 2	3.5	7.5	1.5	---	3.84
5-12-41		3.5	6.4	0.4	---	3.12
5-13-41		2.6	5.4	.75	B	0.24
5-14-41		3.3	4.5	1.0	---	4.62
5-15-41		3.4	5.1	.61	---	2.28
5-16-41		4.0	5.3	0.6	---	4.14
5-17-41		4.2	4.2	6.25	---	1.32
5-19-41		3.9	5.1	0.5	---	3.60
5-20-41		2.8	4.1	0.4	---	2.86
5-21-41		2.7	4.0	0.6	---	8.02
5-22-41		3.5	4.2	0.85	---	3.92
5-23-41		2.4	6.9	0.5	---	5.62
5-24-41		3.9	5.7	0.6	---	5.06
5-25-41		2.1	3.7	0.5	---	2.36
5-26-41	No. 1	4.4	2.9	0.4	---	7.00
5-26-41	No. 2	3.8	3.7	1.0	---	4.58
5-27-41		4.9	5.3	0.7	---	3.14
5-28-41	No. 1	2.6	2.2	0.7	---	1.90

Date	Heads	%Zn	%PB	%CU	OZS. AU.	OZS. AG.
5-28-41	No. 2	5.2	3.7	0.90	---	2.24
5-29-41		3.4	4.3	0.40	---	2.54
5-30-41		3.2	2.6	0.20	---	2.58
5-31-41		3.9	1.5	0.40	---	2.44
6- 1-41		2.8	1.3	0.35	---	3.06
6- 2-41		2.3	1.4	0.40	---	1.54
6- 3-41		3.6	1.2	0.30	---	2.70
6- 4-41	No. 1	2.0	1.8	0.20	---	2.86
6- 4-41	No. 2	1.9	1.7	0.25	---	3.02
6- 5-41	No. 1	2.9	3.2	0.30	---	4.04
6- 5-41	No. 2	3.7	7.1	0.25	---	3.96
6- 6-41	No. 1	1.8	3.2	Tr.	---	2.54
6- 6-41	No. 2	4.3	3.8	0.40	---	4.18
6- 7-41	No. 1	4.0	3.0	0.20	---	3.22
6- 7-41	No. 2	4.7	2.5	0.10	---	2.86
6- 9-41	No. 1	4.1	2.8	0.30	---	3.04
6- 9-41	No. 2	2.9	3.6	0.25	---	3.32
6-10-41	No. 1	4.0	5.6	0.30	---	3.42
6-10-41	No. 2	4.6	4.1	0.30	---	2.42
6-11-41	No. 1	5.1	3.7	0.50	---	2.92
6-11-41	No. 2	5.2	3.4	0.40	---	3.24
6-12-41	No. 1	5.7	4.6	0.30	---	3.04
6-12-41	No. 2	4.8	3.2	0.35	---	3.44
6-13-41		4.5	4.0	0.20	---	1.90
6-14-41		4.4	3.8	0.35	---	1.96
6-15-41		6.1	4.1	0.40	---	1.08
6-16-41		5.1	4.0	0.30	---	----

The above is a true and correct copy of our daily mill feed and the ore was mined and milled as taken from wall to wall with no sorting whatsoever.

Very truly yours,

S

Big Blackfoot Inc.
By: R. C. Frankie

UNION
BANK AND TRUST COMPANY
HELENA, MONTANA

February 28, 1961

Mr. C. L. Hewitt, President
Swansea Mines, Inc.
P. O. Box 904
Helena, Montana

Dear Mr. Hewitt:

We have presented your application to our Discount Committee for a loan of $16,000 for exploratory work at your Carbonate Mine in the Lincoln vicinity.

Your application was given careful consideration by our Committee and I have been requested to advise you that because of the time required for repayment that we could not at this time take care of your requirements.

We do appreciate your submitting the application to us.

Very truly yours,

John Carlson

John Carlson
President

JC:ekr

Copy

Feb 18th, 1961.

Union Bank & Trust Co.
Helena, Montana.

Gentlemen;-

After completing a large amount of work on our Carbonate mine over in the Lincoln district, we have decided to prove up the surface bull-dozing work at depth.

The surface work has exposed several new veins indicating that we may have a large tonnage of commercial ore when developed.

For exploratory work, we have decided to run a cross cut that will cut all of these newly exposed veins at a depth of over 100 ft.

Our stockholders have agreed to put up $16,000 for this work and part of this amount is allready paid in. This is about all the money we can raise among our stockholders at this time.

The total cost of the project will be aproximately $32,000.

We would like to borrow $16,000 and hereby make application to you for a loan of that amount for a period of five years, payable as follows;
$4,000 at end of first year
$3,000 each year thereafter for four years. Interest payable annually.

If you would be interested, I would like to come in, at your convenience and discuss the details with you.

Yours very truly,

Swansea Mines Inc.

C.L.Hewitt, Pres.

1st
NATIONAL BANK & TRUST COMPANY
HELENA, MONTANA

HAROLD M. ORMSETH
VICE PRESIDENT

February 29, 1961

Mr. C. L. Hewitt, President
Swansea Mines, Inc.
Box 904
Helena, Montana

Dear Mr. Hewitt:

Thank you for your letter of February 20, regarding an application for a loan of $16,000 for a five year term with annual payments of $4,000 the first year and $3,000 annually thereafter. We understand the purpose of the loan would be to finance further development of the Carbonate mining property near Lincoln at a total cost of $32,000 of which the stockholders would furnish $16,000.

Our Loan Committee has given this application careful consideration, however because of the term requested and the present tight situation as far as capital loans are concerned, we reluctantly must report that we cannot give favorable consideration to a loan of this type at this time.

We hope that you will not hesitate to call on us at some future date, however, if you feel we can be of assistance to you.

Kindest regards.

Sincerely yours,

Harold M. Ormseth

Vice President

HMO:cek

"Think 1st ... when money matters"

Copy

Feb.20,1961.

First National Bank & Trust Co.
Helena, Montana.

Gentlemen;-

We have been doing a large amount of work on our Carbonate Mining property in the Lincoln district and near the Mikehorse property.
The indications are most favorable for the development of a large mine.
We have exposed the outcrop of several large veins,by bull-dozer work and after careful examination by our selves and independent engineers,we have decided to go further and expose the veins at depth.
The property has a fair production record over the past 50 years and we feel confident that we can make a real producer there.

The stockholders have pledged a sum of 16000$ for this project the total cost of which will be 32000$.

We wouldlike to apply for a loan and do hereby apply to you for a loan of $16,000, for a period of five years. Payments to be made as follows; $4000 at end of first year,then$3000 per year for the following four years. Interest payable annually.

If you would care to discuss the details,please give me a call and I will come in to the bank at any time convenient to you.

Yours very truly,

Swansea Mines Inc.
C.L.Hewitt,Pres.

Complete

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., August 25, 1944 19

Bought of Swansea Mines, Inc. Mine Carbonate Our Lot No. 1629

Class Cts. Shipping Point Lincoln, Montana Mine Lot No. 1

Quotations of Weeks Average Silver .70 5/8 Lead 6.50 Cathode Copper 11.65

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	CaO
A. S. & R. Co.	0.080	19.6	35.2	2.85	3.6	16.3	0.1		11.2	0.10	0.01	0.068	0.1
Goodalls	0.095	20.1	35.4	3.00					11.4				
Umpire													
Settlement	0.0875	19.85	35.3	2.925	3.6	16.3	0.1		11.8	0.10	0.01	0.069	0.1

Car Number	Weight
Truck	77100

VALUES PER TON

Gold	91.1371%	@ 35.00-1/4%	2.78
Silver	Less 1 oz.	@ .70 5/8	13.31
Lead Less	1.5 90%	@ 6.50-1.50	30.42
Copper, Less	1.0	@ 11.65-6.00	2.18
			48.69
Less Total Deduction			6.10

DEDUCTIONS PER TON

Base for 20 % Dry Lead		6.50	
Over " "		1.38	
Truck shipment		.25	
			5.37
Insoluble	% @		
Zinc	1.3 % @	.30	.39
Arsenic	% @		
Antimony	% @		
Bismuth	0.674 Lbs. @	.50	.34
Debit			
Iron	% @		
Total Deductions			6.10

Weight of Lot
Weight of Sacks
Wet Weight
Less Moisture 6.8 % 5243

Dry Weight 71857 Pounds @ 42.59 Per Ton $ 1,530.19

Freight Per Wet Ton @		
Hauling Per Wet Ton @ 4.25 John Thompson & 3% tax	(4.92)	$ 168.76
Royalty 10% Janet A. Rowand, Helena, Montana		$ 134.64
3% Fed. Bullion Trnsp. Tax		$ 4.51
Advances 8/22/44		$ 1,000.00
Umpire		
Goodalls		$ 10.50
TOTAL		$ 1,318.41
NET PROCEEDS		$ 211.78

Date of B/L
Date of Arrival 8-21-44
Checked
Correct J. Mace

Rates except on contract, subject to change without notice.
A charge of $5.00 made on all lots under 10 dry tons.

25,000—8-43.

OZ Au. OZ Ag LB Pb LB Zn Cu.
3.06 17.52 706 $112.96 31.64 15.00

P.T.
180.18 X 21.2 - 3817.81

AMERICAN SMELTING AND REFINING CO.

CORRECTION EAST HELENA PLANT

East Helena, Mont., September 25, 1944 19

Bought of Swansea Mines, Inc. Mine Carbonate Our Lot No. 1735

Class Cts. Shipping Point Lincoln, Montana Mine Lot No. 2

Quotations of Weeks Average Silver .70 5/8 Lead 6.50 Cathode Copper 11.65

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	
A. S. & R. Co.	0.060	21.5		3.27									
Goodalls	0.120	22.3		3.50									
W.B.Barlingame Umpire	0.080	22.0		3.51									
Settlement	0.080	22.0		3.50									

Car Number	Weight

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture %

VALUES PER TON

Gold	91.1371%	@ 33.60-1/4%	2.55
Silver 95%		@ .70 5/8	14.76
Lead Less	90%	@	36.18
Copper, Less	1.0	@ 11.65-6.00	2.33
			56.32
Less Total Deduction			6.09

DEDUCTIONS PER TON

Base for 20 % Dry Lead	6.50	
Over " "	2.02-	
Truck Shipment	.25	
		4.73
Insoluble % @		
Zinc % @		1.28
Arsenic % @		
Antimony % @		
Bismuth Lbs. @		.08
Debit		
Iron % @		
Total Deductions		6.09

Dry Weight 42374 Pounds @ 50.25 Per Ton $1,064.22

Freight Per Wet Ton @	$	
Hauling Per Wet Ton @	$	
Royalty 10% Janet A. Rowand-Helena, Montana	$ 3.21	
	$	
Advances Prev. Paid	$1,038.16	
Umpire Charge Withheld on Original Settlement (9.00)	$ 6.00	
Sampling When Less Than 10 Tons	$	
TOTAL	$1,055.37	$1,055.37
NET PROCEEDS		$ 28.85

Date of B/L

Date of Arrival 9-6-44

Checked Refund part of

Correct J. Mac

Rates except on contract, subject to change without notice.

A charge of $5.00 made on all lots under 10 dry tons.

25,000—8-43.

1064.22

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., September 13, 1944 19

Bought of Swansea Mines, Inc. Mine Carbonate Our Lot No. 1736

Class Cts. Shipping Point Lincoln, Montana Mine Lot No. 2

Quotations of Weeks Average Silver .70 5/8 Lead 6.50 Cathode Copper 11.65

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent
A. S. & R. Co.	0.060	21.5	41.5	3.27					14.4			0.05
Goodalls	0.120	22.3	41.9	3.50					14.1			
			Sent for Gold, Silver & Copper Umpires to W. E. Burlingame									
Umpire												
Settlement	0.060	21.5	41.7	3.27					14.25			0.05

Car Number	Weight
Truck	45320

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture 6.5 % 2946

Dry Weight 42374

VALUES PER TON

Gold	91.1371%	@ 35.00-1/4%	1.91
Silver 95%		@ .70 5/8	14.43
Lead Less	1.5 90%	@ 6.50-1.50	36.18
Copper Less	1.0	@ 11.65-6.00	2.57
			55.09
Less Total Deduction			6.09

Pounds @ 49.00 Per Ton $1,038.16

DEDUCTIONS PER TON

Base for 20 % Dry Lead		6.50	
Over " "		2.02-	
Truck Shipment		.25	
			4.73
Insoluble % @			
Zinc % @	4.25	.30	1.28
Arsenic % @			
Antimony % @			
Bismuth Lbs. @	0.166	.50	.08
Debit			
Iron % @			
Total Deductions			6.09

Freight Per Wet Ton @		$
Hauling Per Wet Ton @ 4.25 John Thompson & 3% Tax	(2.89)	$ 99.20
Royalty 10% Janet A. Howard-Helena, Montana		$ 91.63
3% Fed. Bullion Trnsp. Tax		$ 3.16
Advances 9/7/44		$ 600.00
Umpire Charge Withheld		$ 9.00
Goodalls		$ 10.50
TOTAL		$ 813.49 $ 813.49
NET PROCEEDS		$ 224.67

Date of B/L

Date of Arrival 9-6-44

Checked

Correct J. Mac

Rates except on contract, subject to change without notice.

A charge of $5.00 made on all lots under 10 dry tons.

25,000—8-43.

1

1016

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., October 11, 1944 19

Bought of Swansea Mines, Inc. Mine Carbonate Our Lot No. 1929

Class Cts. Shipping Point Lincoln, Montana Mine Lot No. 5

Quotations of Weeks Average Silver .70 $/# Lead 6.90 Cathode Copper 11.65

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	
A. S. & R. Co.	0.090	20.3	40.6	2.30					13.4			0.044	
Goodalls	0.100	20.3	40.9	2.40					13.9				
Umpire													
Settlement	0.095	20.3	40.75	2.35					13.65			0.044	

Car Number	Weight
Truck	32240

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture 5.7 % 2978

VALUES PER TON

Gold	91.1571%	@ 35.09-1/4%	3.02
Silver 95%		@ .70 $/#	13.62
Lead Less 1.5 90%		@ 6.50-1.50	15.35
Copper, Less 1.0		@ 11.65-6.00	1.55
			33.50
Less Total Deduction			6.45

DEDUCTIONS PER TON

Base for 20 %Dry Lead		7.00	
Over " "		1.95-	
Truck Shipment		.25	
			5.32
Insoluble	% @		
Zinc	3.65 % @	.30	1.10
Arsenic	% @		
Antimony	% @		
Bismuth	0.065 Lbs. @	.50	.03
Debit			
Iron	% @		
Total Deductions			6.45

Dry Weight 49262 Pounds @ 47.05 Per Ton $1,158.59

Freight Per Wet Ton @ 4.25 John Thompson & 5% Tax	(3.33)	$ 114.34
Hauling Per Wet Ton @		
Royalty 10% Janet A. Rommel-Helena, Montana		$ 103.05
3% Fed. Bullion Transp. Tax		$ 3.59
Advances 10-6-44		$ 900.00
Umpire		
Sampling Mining Territory Goodalls		$ 10.50
TOTAL		$ 1,131.48 $ 1,131.48
NET PROCEEDS		$ 27.41

Date of B/L

Date of Arrival 10-5-44

Checked J. Moore

Correct

Rates except on contract, subject to change without notice.

A charge of $5.00 made on all lots under 10 dry tons.

25,000—8-43.

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., November 1, 1944 19

Bought of Swanson Mines, Inc. Mine Carbonate Our Lot No. 2105

Class Ore Shipping Point Lincoln, Montana Mine Lot No. 4

Quotations of Weekly Average Silver .70 5/8 Lead 6.30 Cathode Copper 11.65

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	
A. S. & R. Co.	0.085	17.5	35.5	1.95					15.5			0.06	
Goodalls	0.100	17.5	35.8	2.16					15.8				
Umpire													
Settlement	0.0925	17.7	33.5	2.055					15.55			0.06	

Car Number	Weight
Truck	71300

VALUES PER TON			
Gold	91.1371½	@ 35.00-1/25	2.94
Silver 95% less 1oz.		@ .70 5/8	11.73
Lead Less 1.5	90%	@ 6.30-1.50	28.80
Copper, Less 1.0		@ 11.65-6.00	1.16
			44.69
Less Total Deduction			7.99

DEDUCTIONS PER TON			
Base for 2%	% Dry	Lead 7.80	
Over "	"	1.20-	
Truck Shipment		.25	
			6.05
Insoluble	% @		
Zinc 5.55	% @	.30	1.67
Arsenic	% @		
Antimony	% @		
Bismuth 0.53	Lbs. @	.50	.27
Debit			
Iron	% @		
Total Deductions			7.99

Weight of Lot
Weight of Sacks
Wet Weight
Less Moisture 7.5 % 5525

Dry Weight 68095 Pounds @ 36.78 Per Ton $1,212.54

Freight Per Wet Ton @		$
Hauling Per Wet Ton @ 4.25 John A. Thompson & 3% Tax	(4.37)	$ 156.06
Royalty 10% Johnny A. Howard-Helena, Montana		$ 184.24
3% Fed. Bullion Transp. Tax		$ 5.53
Advances		$
Umpire		$
~~Sampling When Less Than 10 Tons~~ Goodalls		$ 10.50
TOTAL		$ 374.73
NET PROCEEDS		$ 838.11

Date of B/L
Date of Arrival 10-30-44
Checked
Correct J. Mac

Rates except on contract, subject to change without notice.

A charge of $5.00 made on all lots under 10 dry tons.

25,000—8-43.

AMERICAN SMELTING AND REFINING CO.

CORRECTION

EAST HELENA PLANT

East Helena, Mont., November 24, 1944 19

Bought of Swansea Mines, Inc. Mine Carbonate Our Lot No. 2208

Class Crude Shipping Point Lincoln, Montana Mine Lot No. CR. - 1

Quotations of Weeks Average Silver .70 5/8 Lead 6.50 Cathode Copper 11.65

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent
A. S. & R. Co.		14.5		0.95								
Goodalls		15.2		1.30								
Umpire C.&Nichols		14.705		1.57								
Settlement		14.706	26.5	1.50								

Car Number	Weight

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture %

VALUES PER TON			
Gold	@		1.43
Silver 90% Less 1oz.	@	.70 5/8	9.68
Lead Less 90%	@		22.50
Copper, Less 1.0	@	11.65-6.00	.34
			33.95
Less Total Deduction			7.07

DEDUCTIONS PER TON		
Base for % Lead		
Insoluble %	@	
Zinc %	@	
Arsenic %	@	
Antimony %	@	
Bismuth Lbs.	@	
Debit		
Iron %	@	
Total Deductions		

Dry Weight 13272 Pounds @ 26.88 Per Ton $ 178.38

	Freight Per Wet Ton @	$	
	Hauling Per Wet Ton @	$	
	Royalty 10% Janet L. Rewand-Helena, Montana	$ .72	
Date of B/L		$	
Date of Arrival 11-14-44	Prev. Paid	$ 174.20	
Checked	Refund part of Charge Withheld on Original Settlement	(6.00) $ 3.00	
Correct	Umpire		
	Sampling When Less Than 10 Tons	$	
		TOTAL $ 171.92	$ 171.92
		NET PROCEEDS $	6.46

Rates except on contract, subject to change without notice.

A charge of $5.00 made on all lots under 10 dry tons.

25,000—8-43

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., November 18, 1944 19

Bought of Swansea Mines, Inc. Mine Carbonate Our Lot No. 2208

Class Crude Shipping Point Lincoln, Montana Mine Lot No. 1 CP

Quotations of Weeks Average Silver .70 5/8 Lead 6.50 Cathode Copper 11.65

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent
A. S. & R. Co.	0.040	14.3	26.4	0.95					6.2			0.058
Goodalls	0.050	15.2	26.6	1.30					6.1			
			Sent for Silver & Copper Umpire to Crismon & Nichols									
Umpire Settlement	0.045	14.3	26.5	0.95					6.15			0.058

Car Number	Weight
Truck	13640

Weight of Lot

Weight of ..... Sacks

Wet Weight

Less Moisture 2.7 % 368

Dry Weight 13272 Pounds

VALUES PER TON

Gold	91.1371%	@ 35.00-1/4%	1.43
Silver ~~XXXX~~	Less loz.	@ .70 5/8	9.39
Lead Less	1.5 90%	@ 6.50-1.50	22.50
Copper, Less		@	
			33.32
Less Total Deduction			7.07

DEDUCTIONS PER TON

Base for 20 % Dry Lead	7.00	
Over " "	.50-	
Truck Shipment	.25	
		6.75
Insoluble % @		
Zinc % @		
Arsenic % @		
Antimony % @		
Bismuth 0.63 Lbs. @	.50	.32
Debit		
Iron % @		
Total Deductions		7.07

Dry Weight 13272 Pounds @ 26.25 Per Ton $ 174.20

Freight Per Wet Ton @	$	
Hauling Per Wet Ton @ 4.25 John Thompson & 3% Tax (.87)	$ 29.86	
Royalty 10% Janet A. Rowand-Helena, Montana	$ 12.22	
3% Fed. Bullion Trnptn. Tax	$ .62	
~~Approxim~~ Goodalls	$ 10.50	
Umpire Charge Withheld	$ 6.00	
Sampling When Less Than 10 Tons	$ 5.00	
TOTAL	$ 64.20	$ 64.20
NET PROCEEDS		$ 110.00

Date of B/L

Date of Arrival 11-14-44

Checked

Correct J Mac

Rates except on contract, subject to change without notice.

A charge of $5.00 made on all lots under 10 dry tons.

25,000—8-43.

1

AMERICAN SMELTING AND REFINING CO.

CORRECTION EAST HELENA PLANT

East Helena, Mont., December 4, 1944 19

Bought of Quintana Mines, Inc. Mine Carbonate Our Lot No. 2251

Class Cts. Shipping Point Lincoln, Montana Mine Lot No. 5

Quotations of Week Average: Silver .70 5/8 Lead 6.50 Cathode Copper 11.65

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent
A. S. & R. Co.	0.055											
Consulting	0.060											
Umpire D. Nichols	0.052											
Settlement	0.055											

Car Number	Weight

VALUES PER TON		
Gold 91.1571%	@ 35.00-1/4%	1.75
Silver 95%	@	9.82
Lead Less 90%	@	37.40
Copper, Less	@	1.24
		50.21
Less Total Deduction		7.11

DEDUCTIONS PER TON		
Base for % Lead		
Insoluble	% @	
Zinc	% @	
Arsenic	% @	
Antimony	% @	
Bismuth	Lbs. @	
Debit		
Iron	% @	
Total Deductions		

Weight of Lot
Weight of Sacks
Wet Weight
Less Moisture %

Dry Weight 42587 Pounds @ 43.10 Per Ton $ 913.44

Freight Per Wet Ton @	$	
Hauling Per Wet Ton @	$	
Royalty 10% Janet A. Rowand, Helena	$ None	
	$	
Smelter Prev. Paid	$ 913.44	
Umpire Charge Withheld on Original Settlement (5.00)	$ - - -	
Sampling When Less Than 10 Tons	$	
TOTAL	$ 913.44	$ 913.44
NET PROCEEDS		$ None

Date of B/L
Date of Arrival 11-29-44
Checked J. Mac
Correct

Rates except on contract, subject to change without notice.

A charge of $5.00 made on all lots under 10 dry tons.

25,000—8-43.

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., November 27, 1944 19

Bought of Swansea Mines, Inc. Mine Carbonate Our Lot No. 2251

Class Cts. Shipping Point Lincoln, Montana Mine Lot No. 5

Quotations of Weeks Average Silver .70 5/8 Lead 6.50 Cathode Copper 11.65

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent
A. S. & R. Co.	0.055	14.9	43.0	2.00					16.2			0.054
Goodalls	0.080	14.9	43.1	2.20					16.5			
			Sent for Gold Umpire to Deason & Nichols									
Umpire												
Settlement	0.055	14.9	43.05	2.10					16.35			0.054

Car Number	Weight
Truck	45480

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture 6.8 % 3093

Dry Weight 42387

VALUES PER TON

Gold	91.1371%	@	35.00-1/4%	1.75
Silver ~~75%~~	Less 1oz.	@	.70 5/8	9.82
Lead Less	1.5 90%	@	6.50-1.50	37.40
Copper, Less	1.0	@	11.65-6.00	1.24
				50.21
Less Total Deduction				7.11

DEDUCTIONS PER TON

Base for 20 % Dry Lead			7.00	
Over " "			2.16-	
Truck Shipment			.25	
				5.09
Insoluble	%	@		
Zinc	6.35 %	@	.30	1.91
Arsenic	%	@		
Antimony	%	@		
Bismuth	0.221 Lbs.	@	.50	.11
Debit				
Iron	%	@		
Total Deductions				7.11

Dry Weight 42387 Pounds @ 43.10 Per Ton $ 913.44

Freight Per Wet Ton @	$	
Hauling Per Wet Ton @ 4.25 John Thompson & 3%Tax (2.90)	$ 99.55	
Royalty 10% Janet A. Howard, Helena, Montana	$ 79.71	
3% Fed. Bullion Trnptn. Tax	$ 3.27	
Advances	$	
Umpire Charge Withheld	$ 3.00	
~~Sampling When Less Than 10 Tons~~ Goodalls	$ 10.50	
TOTAL	$ 196.03	$ 196.03
NET PROCEEDS		$ 717.41

Date of B/L

Date of Arrival 11-20-44

Checked

Correct J. Mac

Rates except on contract, subject to change without notice.

A charge of $5.00 made on all lots under 10 dry tons.

25,000—8-43.

AMERICAN SMELTING AND REFINING CO.

CORRECTION

EAST HELENA PLANT

East Helena, Mont., December 16, 1944 19

Bought of Swanson Mines, Inc. Mine Carbonate Our Lot No. 2327

Class Cts. Shipping Point Lincoln, Montana Mine Lot No. 4

Quotations of Week's Average Silver .70 5/8 Lead 6.50 Cathode Copper 11.65

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent
A. S. & R. Co.	0.050											
Goodalls	0.080											
Umpire R.&Simpson	0.057											
Settlement	0.057											

Car Number	Weight

VALUES PER TON		
Gold 91.1571% @ 55.00-1/4%		1.81
Silver 95% @		10.42
Lead Less 90% @		39.87
Copper, Less @		1.75
		53.85
Less Total Deduction		6.20

DEDUCTIONS PER TON		
Base for % Lead		
Insoluble % @		
Zinc % @		
Arsenic % @		
Antimony % @		
Bismuth Lbs. @		
Debit		
Iron % @		
Total Deductions		

Weight of Lot
Weight of Sacks
Wet Weight
Less Moisture %

Dry Weight 50964 Pounds @ 47.65 Per Ton $1,214.22

Freight Per Wet Ton @	$	
Hauling Per Wet Ton @	$	
Royalty 10% Janet M. Rowland, Helena, Montana	$ .36	
	$	
~~Advance~~ Prev. Paid	$ 1,208.61	
Umpire Charge Withheld on Original Settlement (4.00)	$ - - - -	
Sampling When Less Than 10 Tons	$	
TOTAL	$ 1,209.17	$ 1,209.17
NET PROCEEDS		$ 5.05

Date of B/L
Date of Arrival 12-2-44
Checked J Mac
Correct

Rates except on contract, subject to change without notice.
A charge of $5.00 made on all lots under 10 dry tons.

25,000—8-43

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., December 7, 1944 19

Bought of Swansea Mines, Inc. Mine Carbonate Our Lot No. 2327

Class Cts. Shipping Point Lincoln, Montana Mine Lot No. 6

Quotations of Weeks Average Silver .70 5/8 Lead 6.50 Cathode Copper 11.65

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent
A. S. & R. Co.	0.050	15.6	45.6	2.50					14.2			0.058
Goodalls	0.080	15.9	46.0	2.60					14.2			- - -
Sent for Gold Umpire to Root & Simpson												
Umpire												
Settlement	0.050	15.75	45.8	2.55					14.2			0.058

Car Number	Weight
Truck	54500

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture 7.0 % 3836

Dry Weight 50964

VALUES PER TON

Gold	91.1371%	@ 35.00-1/4%	1.59
Silver ~~xxx~~	Less 1oz.	@ .70 5/8	10.42
Lead Less	1.5 90%	@ 6.50-1.50	32.87
Copper, Less	1.0	@ 11.65-6.00	1.75
			53.65
Less Total Deduction			6.20

DEDUCTIONS PER TON

Base for 20 % Dry Lead		7.00	
Over " "		2.43-	
Truck Shipment		.25	
			4.82
Insoluble % @			
Zinc 4.2 % @		.30	1.26
Arsenic % @			
Antimony % @			
Bismuth 0.244 Lbs. @		.30	.12
Debit			
Iron % @			
Total Deductions			6.20

Pounds @ 47.43 Per Ton $1,208.61

Freight Per Wet Ton @	$	
Hauling Per Wet Ton @ 4.25 John A. Thompson & 3% Tax (3.49)	$ 112.94	
Royalty 10% Janet A. Howard-Helena, Montana	$ 107.00	
3% Fed. Bullion Transp. Tax	$ 4.19	
Advances	$	
Umpire Charge Withheld	$ 4.00	
~~Sampling When Less Than 10 Tons~~ Goodalls	$ 10.50	
TOTAL	$ 245.63	$ 245.63
NET PROCEEDS		$ 963.98

Date of B/L

Date of Arrival 12-2-44

Checked

Correct

Rates except on contract, subject to change without notice.

A charge of $5.00 made on all lots under 10 dry tons.

25,000—8-43.

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., January 15, 1945 19

Bought of Swanson Mines, Inc. Mine Carbonate Our Lot No. 55

Class Cts. Shipping Point Lincoln, Montana Mine Lot No. 7

Quotations of Weeks Average Silver .70 5/8 Lead 6.50 Cathode Copper 11.65

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent
A. S. & R. Co.	0.060	16.4	43.8	3.80					11.6			0.062
Goodalls	0.070	15.8	44.2	3.50					12.0			
Umpire												
Settlement	0.065	16.15	44.0	3.65					11.8			0.062

Car Number	Weight
Truck	77150

VALUES PER TON			
Gold	$1.1571%	@ 35.00-1/4%	2.07
Silver 95% Less Less.		@ .70 5/8	10.70
Lead Less 1.5 90%		@ 6.50-1.50	38.25
Copper, Less 1.0		@ 11.65-5.00	~~2.88~~
			~~53.90~~
Less Total Deduction			5.72

DEDUCTIONS PER TON			
Base for 20 % Dry Lead			7.00
Over " "			2.25-
Truck Shipment			.25
			5.00
Insoluble	%	@	
Zinc 1.8	%	@ .30	.54
Arsenic	%	@	
Antimony	%	@	
Bismuth 0.36	Lbs.	@ .50	.18
Debit			
Iron	%	@	
Total Deductions			5.72

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture 7.8 % 5633

Dry Weight 71527 Pounds @ 48.18 Per Ton $1,723.09

Freight Per Wet Ton @		$
Hauling Per Wet Ton @ 4.25 John A. Thompson & 3% Tax	(4.92)	$ 168.88
Royalty 10% Yount A. Howard-Helena, Montana		$ 153.81
3% Fed. Bullion Transp. Tax		$ 5.64
Advances		$
Umpire		$
~~Smelter When Less Than 10 Tons~~ Goodalls		$ 10.50
TOTAL		$ 338.84 $ 338.84
NET PROCEEDS		$1,384.25

Date of B/L

Date of Arrival 1-11-45

Checked

Correct J. Mac

Rates except on contract, subject to change without notice.

A charge of $5.00 made on all lots under 10 dry tons.

25,000—8-43.

INCLUDE

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., June 19, 1945 19

Bought of Swansea Mines, Inc. Mine Carbonate Our Lot No. 953

Class Cts. Shipping Point Lincoln, Montana Mine Lot No. 8

Quotations of Weeks Average Silver .70 5/8 Lead 6.50 Cathode Copper 11.65

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent
A. S. & R. Co.	0.045	18.3	35.0	3.45					10.2			0.067
Goodalls	0.060	18.5	35.0	3.65					9.8			
Umpire												
Settlement	0.0525	18.4	35.0	3.55					10.0			0.067

Car Number	Weight
Truck	95800

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture 9.1 % 8718

Dry Weight 87082 Pounds @ 41.02 Per Ton $1,786.05

VALUES PER TON

Gold	91.1371%	@ 35.00-1/4%	1.67
Silver	Less 1oz.	@ .70 5/8	12.29
Lead Less	1.5 90%	@ 6.50-1.50	30.15
Copper, Less	1.0	@ 11.65-6.00	2.88
			46.99
Less Total Deduction			5.97

DEDUCTIONS PER TON

Base for 20 % Dry Lead 7.00		
Over " " 1.55-		
		5.65
Insoluble % @		
Zinc % @		
Arsenic % @		
Antimony % @		
Bismuth 0.64 Lbs. @ .50		.32
Debit		
Iron % @		
Total Deductions		5.97

Freight Per Wet Ton @		
Hauling Per Wet Ton @ 4.25-John A.Thompson,Canyon Creek &3%Tax(5.11)	$ 209.69	
Royalty 10% Janet A. Rowand-Helena, Montana	$ 156.04	
3% Fed. Bullion Trnptn. Tax	$ 5.42	
Advances	$	
Umpire	$	
Goodalls	$ 10.50	
TOTAL	$ 381.65	$ 381.65
NET PROCEEDS		$ 1,404.40

Date of B/L

Date of Arrival 6-15-45

Checked

Correct J. Mac

Rates except on contract, subject to change without notice.

A charge of $5.00 made on all lots under 10 dry tons.

25,000—8-43.

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., July 31, 1945 19

Bought of Swansea Mines, Inc. Mine Carbonate Our Lot No. 1185

Class Cts. Shipping Point Lincoln, Montana Mine Lot No. 9

Quotations of Weeks Average Silver .70 5/8 Lead 6.50 Cathode Copper 11.65

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent
A. S. & R. Co.	0.105	14.5	40.6	2.35					13.2			0.060
Goodalls	0.105	14.8	40.6	2.55					13.0			
Umpire												
Settlement	0.105	14.65	40.6	2.45					13.1			0.060

Car Number	Weight
Truck	83800

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture 6.9 % 5782

VALUES PER TON

Gold	91.1371%	@ 35.00-1/4%	3.34
Silver	Less 1oz.	@ .70 5/8	9.64
Lead Less	1.5 90%	@ 6.50-1.50	35.19
Copper, Less	1.0	@ 11.65-6.00	1.64
			49.81
Less Total Deduction			6.21

DEDUCTIONS PER TON

Base for 20 % Dry Lead		7.00	
Over " "		1.91-	
			5.09
Insoluble % @			
Zinc 3.1 % @		.30	.93
Arsenic % @			
Antimony % @			
Bismuth 0.388 Lbs. @		.50	.19
Debit			
Iron % @			
Total Deductions			6.21

Dry Weight 78018 Pounds @ 43.60 Per Ton $1,700.79

Freight Per Wet Ton @		$
Hauling Per Wet Ton @ 4.25 John A. Thompson & 3% Tax	(5.34)	$ 183.42
Royalty 10% Janet A. Rowand-Helena, Montana		$ 150.12
3% Fed. Bullion Trnsp. Tax		$ 5.66
Net Proceeds to Union Bn.&Tr.Co.-as per assign.-rec. 7-24-45		$ 1,351.09
Umpire		$
Goodalls		$ 10.50
TOTAL		$ 1,700.79 $ 1,700.79
NET PROCEEDS		$ None

Date of B/L

Date of Arrival 7-25-45

Checked

Correct J. Mac

Rates except on contract, subject to change without notice.

A charge of $5.00 made on all lots under 10 dry tons.

25,000—8-43.

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., August 28, 1945 19

Bought of Swansea Mines, Inc. Mine Carbonate Our Lot No. 1326

Class Cts. Shipping Point Lincoln, Montana Mine Lot No. 10

Quotations of Weeks Average Silver .70 5/8 Lead 6.50 Cathode Copper 11.65

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	
A. S. & R. Co.	0.055	20.2	35.7	4.10					10.3			0.063	
Goodalls	0.040	20.4	35.9	4.20					10.3				
Umpire													
Settlement	0.0375	20.3	35.8	4.15					10.3			0.063	

Car Number	Weight
Truck	70800

VALUES PER TON			
Gold	91.1371%	@ 35.00-1/4%	1.19
Silver 95%		@ .70 5/8	13.62
Lead Less	1.5 90%	@ 6.50-1.50	30.87
Copper, Less	1.0	@ 11.65-6.00	5.56
			49.84
Less Total Deduction			5.93

DEDUCTIONS PER TON			
Base for 20 % Dry Lead		7.00	
Over " "		1.43	
			5.57
Insoluble % @			
Zinc 0.3 % @		.30	.09
Arsenic % @			
Antimony % @			
Bismuth 0.544 Lbs. @		.50	.27
Debit			
Iron % @			
Total Deductions			5.93

Weight of Lot
Weight of Sacks
Wet Weight
Less Moisture 8.2 % 5806

Dry Weight 64994 Pounds @ 43.31 Per Ton $1,407.45

Freight Per Wet Ton @	$	
Hauling Per Wet Ton @ 4.25 John A. Thompson & 3% Tax (4.51)	$ 154.96	
Royalty 10% Janet A. Rowand - Helena, Montana	$ 123.79	
3% Fed. Bullion Trnsp. Tax	$ 4.14	
Advances	$	
Umpire	$	
~~Sampling Work Less 10 x 10 Tons~~ Goodalls	$ 10.50	
TOTAL	$ 293.39	$ 293.39
NET PROCEEDS		$ 1,114.06

Date of B/L
Date of Arrival 8-23-45
Checked
Correct H. O. S.

Rates except on contract, subject to change without notice.
A charge of $5.00 made on all lots under 10 dry tons.

25,000—8-43.

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., October 10, 1945 19

Bought of Swansea Mines, Inc. Mine Carbonate Our Lot No. 1580

Class Cts. Shipping Point Lincoln, Montana Mine Lot No. 11

Quotations of Weeks Average Silver .70 5/8 Lead 6.50 Cathode Copper 11.65

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent
A. S. & R. Co.	0.080	14.3	39.2	2.50					12.0			0.084
Goodalls	0.090	14.7	39.2	2.55					11.6			
Umpire												
Settlement	0.085	14.5	39.2	2.525					11.8			0.084

Car Number	Weight
Truck	46400

Weight of Lot

Weight of Sacks

Wet Weight

Less Moisture 9.4 % 4362

Dry Weight 42038 Pounds @ 41.66 Per Ton $ 875.65

VALUES PER TON

Gold	91.1371%	@ 35.00-1/4%	2.70
Silver ~~Dry~~	Less loz.	@ .70 5/8	9.53
Lead Less	1.5 90%	@ 6.50-1.50	33.93
Copper, Less	1.0	@ 11.65-6.00	1.72
			47.88
Less Total Deduction			6.22

DEDUCTIONS PER TON

Base for 20 % Dry Lead		7.00	
Over " "		1.77-	
			5.23
Insoluble	% @		
Zinc	1.8 % @	.30	.54
Arsenic	% @		
Antimony	% @		
Bismuth	0.896 Lbs. @	.50	.45
Debit			
Iron	% @		
Total Deductions			6.22

Freight Per Wet Ton @		$
Hauling Per Wet Ton @	4.25 John A. Thompson & 3% Tax (2.96)	$ 101.56
Royalty	10% Janet A. Rowand - Helena, Montana	$ 76.07
	3% Fed. Bullion Trnsp. Tax	$ 2.94
Advances	10-6-45	$ 600.00
Umpire		$
~~Sampling Wet Lots Less than 10 Tons~~	Goodalls	$ 10.50
TOTAL		$ 791.07 $ 791.07
NET PROCEEDS		$ 84.58

Date of B/L

Date of Arrival 10-6-45

Checked

Correct

Rates except on contract, subject to change without notice.

A charge of $5.00 made on all lots under 10 dry tons.

25,000—8-43.

PRETT. 1014.41

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., October 22, 1945 19

Bought of Southern Mines, Inc. Mine Carbonate Our Lot No. 1674

Class Ore. Shipping Point Lincoln, Montana Mine Lot No. 12

Quotations of Twelve Average Silver .70 3/4 Lead 6.50 Cathode Copper 11.65

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	
A. S. & R. Co.	0.060	17.3	40.6	3.35					11.1			0.037	
Goodalls	0.070	17.7	40.5	3.50					11.2				
Umpire													
Settlement	0.065	17.5	40.55	3.475					11.15			0.037	

Car Number	Weight
Truck	120900

VALUES PER TON			
Gold	91.13714	@ 55.00-1/46	2.47
Silver less 1oz.		@ .70 3/4	11.67
Lead, Less 1.5	90%	@ 6.50-1.50	44.79
Copper, Less 1.0		@ 11.65-6.00	2.57
			61.10
Less Total Deduction			5.65

DEDUCTIONS PER TON			
Base for 20 % Dry Lead			7.00
Over " "			1.87-
			5.13
Insoluble	%	@	
Zinc 1.13	%	@ .50	.56
Arsenic	%	@	
Antimony	%	@	
Bismuth 0.037	Lbs.	@ .50	.17
Debit			
Iron	%	@	
Total Deductions			5.66

Weight of Lot
Weight of Sacks
Wet Weight
Less Moisture 10.1 % 13221

Dry Weight 117679 Pounds @ 45.45 Per Ton $ 2,674.26

Freight Per Wet Ton @		$
Hauling Per Wet Ton @ 4.25 John A. Thompson & Sons	(3.34)	$ 295.50
Royalty 10% Janet A. Donald, Helena, Montana		$ 267.45
4% Mont. Bullion Prod. Tax		$ 8.44
Advances 10-22-45		$ 1,000.00
Umpire		$
Smelter Mountain Truck Line Goodalls		$ 10.50
TOTAL		$ 1,581.89
NET PROCEEDS		$ 1,131.94

Date of B/L
Date of Arrival 10-22-45
Checked
Correct W. O. S.

Rates except on contract, subject to change without notice.
A charge of $5.00 made on all lots under 10 dry tons.

25,000—8-43.

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., November 24, 1945 19

Bought of Swansea Mines, Inc. Mine Carbonate Our Lot No. 1828

Class Cts. Shipping Point Lincoln, Montana Mine Lot No. 13

Quotations of Weeks Average Silver .70 3/4 Lead 6.50 Cathode Copper 11.65

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	
A. S. & R. Co.	0.045	16.3	36.2	3.40					10.3			0.062	
Goodalls	0.045	16.8	36.5	3.50					10.3				
Umpire													
Settlement	0.045	16.55	36.35	3.45					10.3			0.062	

Car Number	Weight
Truck	83200

VALUES PER TON				
Gold	91.1371%	@	35.00-1/4%	1.43
Silver ~~95%~~	Less 1oz.	@	.70 3/4	11.00
Lead Less	1.5 90%	@	6.50-1.50	31.37
Copper, Less	1.0	@	11.65-6.00	2.77
				46.57
Less Total Deduction				5.86

DEDUCTIONS PER TON				
Base for 80 % Dry Lead			7.00	
Over " "			1.49	
				5.51
Insoluble	%	@		
Zinc	0.30 %	@	.30	.09
Arsenic	%	@		
Antimony	%	@		
Bismuth	0.513 Lbs.	@	.50	.26
Debit				
Iron	%	@		
Total Deductions				5.86

Weight of Lot
Weight of Sacks
Wet Weight
Less Moisture 13.1 % 10899

Dry Weight 72301 Pounds @ 40.71 Per Ton $1,471.69

Freight Per Wet Ton @	$	
Hauling Per Wet Ton @ 4.25 John A. Thompson & 3% Tax (5.30)	$ 182.10	
Royalty 10% Janet A. Rowand - Helena, Montana	$ 127.44	
3% Fed. Bullion Trnsp. Tax	$ 4.68	
Advances	$	
Umpire	$	
~~xxxxxxxxxxxxxxxxxxxxxxxx~~ Goodalls	$ 10.50	
TOTAL	$ 324.72	$ 324.72
NET PROCEEDS		$ 1,146.97

Date of B/L
Date of Arrival 11-19-45
Checked J. Mac
Correct

Rates except on contract, subject to change without notice.
A charge of $5.00 made on all lots under 10 dry tons.

25,000—8-43.

Copy copy

PROJECT SUMMARY REPORT

By: Stephen P. Holt September 20, 1962

1. OME-6114 (Lead-Zinc)
   Contract 2126

   Operator - Swansea Mines, Inc.
   P. O. Box 904
   Helena, Montana

   Property - Carbonate Mine
   Lewis and Clark County, Montana

   Operator's Property Rights -

   The Operator owns four patented lode mining claims, Carbonate Nos. 1 to 4, inclusive, and eight unpatented lode mining claims, Roundup, Winston, Roundup Extension, Winston Extension, Carbonate No. 4, Carbonate Fraction Nos. 1 and 2, and N. M. & R., all situed in secs. 18 and 19, T. 15 N., R. 6 W., Montana Principal Meridian, Heddleston Mining District, Lewis and Clark County, Montana

2. Contract - dated June 5, 1951, on MME Form 50 (Long Form) Feb. 1959

   Work Authorized -

   Actual Costs

Diamond core drilling	$13,195.00	
Mobilization and demobilization of drill and equipment	450.00	
Cementing and redrilling, 10 hours @ $10.60/hr.	106.00	
Reaming and casing, 600 feet @ $2.90/ft.	1,740.00	
Core boxes, 76 @ $4.00/each	304.00	
Assays for gold, silver, lead, zinc, and copper, 160 @ $1.50/determination	240.00	$16,035.00

   Fixed Unit Costs

Clean adit level, repaid and install water and air lines, job	$ 300.00	
Excavate diamond drill station, job	400.00	
Incidental allowance, @ $0.61/ft. for 2,500 feet of drilling	1,525.00	2,225.00

Estimated total cost of the project	$18,260.00
Government participation @ 50%	$9,130.00

Amendments - None

Work Completed -

Actual Costs

Diamond core drilling, 1,252 feet	$6,597.20	
Mobilization and demobilization	450.00	
Reaming, 22 feet @ $2.90	63.80	
Core boxes, 53 # $4.00	212.00	$7,323.00

Fixed Unit Costs

Cleaning adit level, etc.	$ 300.00	
Excavating diamond drill station	400.00	
Incidental allowance, 1,252 feet @ $0.61	763.72	1,463.72

Total acceptable cost of the contract	$8,786.72
Government contribution @ 50%	$4,393.36

Work under the contract started July 10, 1961, and was stopped, prior to completion, during October, 1961. The contract was terminated by a mutual Termination Agreement, dated November 21, 1961, effective November 1, 1961.

2-A Reports -

The Operator's Final Report, dated November 30, 1961, was received December 6, 1961. The Final Report of the Field Officer, dated May 1962, was received May 25, 1952.

3. Audits -

A Report of Review, in lieu of final audit, dated December 6, 1961, showed total acceptable cost of the contract as $8,786.72, Government contribution @ 50% as $4,393.36.

4. Certification -

No certification of discovery or development was issued.

5. Comments -

The purpose of the project was to explore by means of diamond core drilling from an underground station in the Carbonate mine adit for possible deposits of lead and zinc occurring in argillites, quartzite and sandstone of the Precambrian Belt Series intruded by a sill of diorite.

Although one horizontal and one downwardly inclined hole intersected the downward projected positions of the eight slightly mineralized zones of yellow iron-stained rock exposed in a long surface trench crosscutting the area north of the Carbonate vein shear zone, no significant mineralization was encountered.

Because of the discouraging results of drilling the two holes, the Operator concluded that drilling the other two holes authorized by the contract was not justified, and requested termination of the contract. In accordance with the Operator's request, and with the recommendation of the Acting Field Officer, Region II, a mutual Termination Agreement was executed.

Stephen P. Holt

Stephen P. Holt, Mining Engineer
Division of Minerals

cc: Director's Reading File

MME Form 17
Mar. 59

OFFICE OF MINERALS EXPLORATION

WORK COMPLETED ANALYSIS

Not Certified — After final audit or review report is received, prepare in duplicate. File original in official docket. Send copy to Code 210.

Operator: Swansea Mines, Inc.		Actual Cost: X
State: Montana		Agreed Unit Cost: X
Final Report of Audit	Commodity: Lead-Zinc	Docket No.: OME-6014 6114
Final Report of Review: 12.6.61		Contract No.: 2126

Type of Work (Use these categories only)	Authorized by Contract and Amendments		Completed and Paid for		Net cost after sale of Gov't. Property
	Units	Cost 1/	Units	Cost 1/	
	Feet	$	Feet	$	$
Drifting & Crosscutting					
Raising					
~~Shafts~~ Mobil & demobil. of drill and equipment		450.00		450.00	450.00
~~Mixxx~~ Reaming and casing	600	1,740.00	22	63.80	63.80
Cement and redrill		106.00		-	-
Drilling (Specify) Diamond core	2,500	13,195.00	1,252	6,597.20	6,597.20
Surface Excavation					
Underground Excavation - drill station		400.00		400.00	400.00
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation		300.00		300.00	300.00
New Building, Improvements, etc. Core boxes		304.00		212.00	212.00
Other (Specify) Assays		240.00			
Incidental allowance for drilling		1,525.00		763.72	2/ 763.72
Totals		18,260.00		8,786.72	8786.72

1/ Round off to dollars.
2/ Net cost total must agree with final report of audit or review.

Prepared by Stephen P. Holt Date 9.20.62
Stephen P. Holt

52616

OME

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 24 1964

DATE	INITIALS	CODE
		120
	Received	500
		220

So. 157 Howard Street
Spokane, Washington 99204
June 22, 1964

Mr. C. L. Hewitt, President
Swansea Mines, Inc.
P. O. Box 904
Helena, Montana

Re: OME-6114 (Lead-Zinc)
Swansea Mines, Inc.
Carbonate Mine
Lewis and Clark County, Montana
Contract 2126

Dear Mr. Hewitt:

Your letter of June 13, 1964, addressed to our Washington, D. C. office has been referred to this office for reply.

You are herewith authorized to dispose of the drill cores resulting from this contract.

Sincerely yours,

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

cc: OME

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, Divn. of Field Operations	5/23/62	
2.		
3.		
4.		
5. D R MacLaren		

FROM: D. R. MacLaren, Act.Fld.Offr.
Region 1

OFFICIAL FILE COPY

FOR: Check items for action desired

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

RECEIVED MAY 25 1962

DATE	INITIALS

REMARKS: Final report, OME-6114 (Lead-Zinc)
Swansea Mines, Inc.
Carbonate Mine
Lewis & Clark Co., Mont.
Contract 2126

~~130~~ ✓
~~300~~ 287
500
110 last

INT.-DUP. SEC., WASH., D.C. M50943

UNITED STATES

DEPARTMENT OF THE INTERIOR

OFFICE OF MINERALS EXPLORATION

REGION I

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 25 1962

DATE	INITIALS	CODE
		130

FINAL REPORT

Contract 2126

by

Donald R. MacLaren
Geologist
U. S. Geological Survey

SWANSEA MINES, INC.
P. O. Box 904
Helena, Montana

Docket No.: OME-6114
Commodity: Lead-Zinc
Contract date: June 5, 1961
Termination date: November 1, 1961

FINAL FIELD REPORT

CARBONATE MINE
Heddleston Mining District
Lewis and Clark County, Montana

Spokane, Washington

May 1962

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PROPERTY, LOCATION, AND ACCESSIBILITY	2
GEOLOGY	3
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ILLUSTRATIONS

Plate I. Composite plan showing surface trench, adit level, and completed diamond drill station and holes — In pocket

FINAL REPORT

SWANSEA MINES, INC.
Carbonate Mine
Heddleston Mining District
Lewis and Clark County, Montana

Contract 2126

* * * * *

INTRODUCTION

This report describes an exploration project at the Carbonate Mine in the Heddleston Mining District, Lewis and Clark County, Montana, which was conducted jointly by Swansea Mines, Inc., and the Office of Minerals Exploration. The project was conducted under the terms of Contract 2126, which became effective June 5, 1961, and was terminated by mutual agreement effective November 1, 1961.

Summary

The purpose of the project was to explore for ores of lead and zinc by diamond drilling from the adit level of the Carbonate mine. The exploration target was one or more of eight iron-stained zones exposed in a surface trench north of the Carbonate vein. Each zone was similar in appearance and mineral content to the surface exposure of the Carbonate vein, which contained minable ore below the 50-foot level. Two diamond drill holes, one horizontal hole bearing N. 13° E. and one hole inclined at -30° bearing N. 32° E., were completed to a combined total depth of 1,252 feet. Each hole passed below all eight of the iron-stained zones.

Project work started July 10, 1961, and was terminated after completion of the second diamond drill hole. A Termination Agreement dated November 21, 1961, was effective November 1, 1961. During the contract period, the adit level was cleaned out and pipe was installed to the site of the drill station, a drill station was constructed, drilling equipment was mobilized, and 1,252 feet of diamond drilling was completed; in addition, 22 feet of reaming and casing was completed and 53 core boxes were provided. The total approved cost of the project was $8,786.72, of which the Government's share was 50 percent, or $4,393.36.

Conclusions and Recommendations

It is concluded that none of the iron-stained zones exposed north of the Carbonate vein represents a vein gossan and that no further exploration of these zones is warranted.

It is recommended that no certification of discovery be made.

PROPERTY, LOCATION, AND ACCESSIBILITY

The property comprises 4 patented and 8 unpatented claims located in secs. 19 and 20, T. 15 N., R. 6 W., P.M., in the Heddleston Mining District, Lewis and Clark County, Montana. The portal of the adit level is within 300 feet of State Highway 20, about 20 miles east of Lincoln, Montana.

The claims are:

Patented

Claim	Survey No.
Carbonate No. 1	10557
" 2	10557
" 3	10556
" 5	10556

Unpatented*

Claim	Book	Page
Roundup	21	474
Winston	22	467
Roundup Extension	21	474
Winston Extension	24	345
Carbonate No. 4	24	432
Carbonate Fraction No. 1	18	361
" " 2	18	361
N. M. & R.	24	306

*Recorded in the Recorder's Office, Lewis and Clark County Courthouse, Helena, Montana.

GEOLOGY

Regional and local geology is described by J. T. Pardee and F. S. Schrader (1933) in "Metalliferous Deposits of the Greater Helena Mining Region, Montana" (U. S. Geol. Survey Bull. 842), and in a Memorandum Application Examination Report in OME docket 6114 (Lead-Zinc). Only a very brief summary will be given here.

Rocks in the area are argillite, quartzite, and sandstone of the Belt Series (Precambrian). They are distinctly bedded, dipping gently northward, and have been intruded by a sheet or sill of diorite containing crystals of dark hornblende and other ferro-magnesian minerals in a feldspathic groundmass. At the Carbonate mine, the diorite is coarser textured and more basic in composition than it is elsewhere in the district, and a small dike, probably rhyolite, cuts both the sedimentary series and the diorite.

The Carbonate vein is a sheared zone of closely-spaced fractures ranging in width from about a foot to several feet between walls of diorite. It strikes N. 40° W. and dips at angles ranging from 80° NE. to 80° SW. At the surface, it is a yellow iron-stained zone about 3 feet wide and reportedly contains sparse amounts of sulfides to a depth of about 45 feet. Below 45 feet, the sulfide content increases notably with depth. On the adit level, a mineralized part of the zone, about 100 feet below its outcrop, is about 40 feet long and as much as 5 feet wide and contains in addition to galena and sphalerite considerable pyrite, which is also found in the wall rock for several feet on either side of the vein. On the 200 and 300 levels ore bodies are reported by Pardee and Schrader (1933) to be as much as 6 feet wide and to contain increasing amounts of lead and zinc sulfides.

THE PROJECT

Eight zones of yellow iron-stained rock were uncovered by a trench north of the Carbonate vein. Assays of samples taken by the Operator showed the presence of small amounts of silver, lead, and zinc. Because of the similarity of these zones with the surface portion of the Carbonate vein, it was concluded that a modest exploration program was warranted.

A single stage program involving a small amount of cleaning up and installing pipe in the Carbonate adit, construction of a diamond drill station, and the drilling of four diamond drill holes to a combined total depth of 2,500 feet was provided in an exploration contract on a unit cost-actual cost basis. The total estimated cost of the project was $18,260.00, of which the Government's share was 50 percent, or $9,130.00.

Under the terms of the contract, work was to start on or before July 11, 1961. Assembling of materials and tunnel clearing started July 10, 1961, and by August 15 all preparatory work and construction

of a drill station had been completed. Drilling started with hole No. 1, which was drilled horizontally at a bearing of N. 13° E. to a depth of 601 feet. The hole was entirely in diorite and cut the downward extension of most of the yellow iron-stained zones exposed in the surface trench. The zones were slightly more porphyritic and more altered than the rest of the diorite and contained some pyrite. Neither galena nor sphalerite was recognized in the core. Although none of the zones was significantly mineralized, the Operator sampled the two most altered zones, one from 367 to 374 feet, the other from 588 to 598 feet; the samples assayed, respectively, trace gold and 0.2 ounce silver per ton, nil lead and nil zinc, and trace gold and trace silver per ton, 0.2 percent lead and nil zinc.

Because of the poor showing at this horizon, the Operator was authorized to drill hole No. 4 next. This hole was drilled to a depth of 651 feet at a bearing of N. 32° E. and an inclination of -30°. Hole No. 4 cut the same altered porphyritic pyrite-bearing zones as those encountered in hole No. 1. Mineralization was no more encouraging in hole No. 4, and no samples were taken. The hole was in diorite for the first 490 to 500 feet; then it was in quartzite to the toe of the hole. (See plate I.)

The discouraging results of the two holes that were drilled indicated that drilling the other two holes was not warranted, and therefore the contract was terminated by mutual consent.

A reduction in the normal water flow from the company's well necessitated hauling water from the Blackfoot River, a distance of about six miles. No other difficulties were encountered. Core recovery was about 90 percent.

Summary of Factual Data

Work completed was:

Item	Units Authorized	Units Completed	Unit Cost	Total Cost
Cleaning adit level, etc.	1 job	1 job		$ 300.00
Construct drill station	1 job	1 job		400.00
Mobilization	1 job	1 job		450.00
Diamond drilling	800 ft.	400 ft.	$4.90/ft.	
	800 ft.	400 ft.	$5.20/ft.	
	750 ft.	400 ft.	$5.60/ft.	
	150 ft.	52 ft.	$6.10/ft.	6,597.20
Reaming	60 ft.	22 ft.	$2.90/ft.	63.80
Core boxes	76 ea.	53 ea.	$4.00 ea.	212.00
Incidental allowance	2,500 ft.	1,252 ft.	$0.61/ft.	763.72
				$ 8,786.72

Total amount of contract	$18,260.00
Government participation at 50 percent	9,130.00
Total amount spent	8,786.72
Government participation	4,393.36
Total amount unexpended	9,473.28
Government share unexpended	$ 4,736.64

The Government has no equity in equipment used on the project. No ore was produced during the period the contract was in effect, and no royalty is due the Government.

Future Exploration Possibilities

The only presently known possibility for further exploration on this property is to continue exploration of the Carbonate vein at greater depth. The shaft is full of water, so that the workings below the adit level could not be inspected, and therefore it is impossible to say at this time whether such exploration is warranted.

Distribution:
OME(3)
USGS(SRO)
Docket
MacLaren

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Griswold	500
6/17	Talbot	800
	GCL	130
"	Kolmar	110
"	on leave	100
		520

JUN 1 7 1964

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6114 (Lead-Zinc)
Swansea Mines, Inc.
Carbonate Mine
Lewis and Clark County, Montana
Contract 2126

With reference to the attached copy of the June 13 letter of Mr. Hewitt, we feel that you could properly advise him that the drill cores in question may be discarded.

Enclosure

WRGriswold/mm

6/17/64
cc: Director's Reading File
Review Committee
Docket
Code 500

43683

SWANSEA MINES, INC.
P. O. BOX 904
HELENA, MONTANA

OFFICE OF—
C. L. HEWITT, PRES.

PHONE HI. 2-1145

June 13,1964.

Office of Minerals Exploration
U S Dept of the Interior
Washington 25 D C.

Gentlemen;-

Re OME 6114 (Lead-Zinc)
Swansea Mines Inc.
Carbonate Mine
Lewis & Clark County,Montana.
Contract 2126.

I am writing for the purpose of finding out about the disposal of the cores which are still being stored,from the above exploration effort.

It is quite inconvenient to provide space for these cores and boxes as we have moved everything out from the Carbonate property and as no values were found in the drilling program, we would like to discard them.

I will appreciate your advise on this matter.

Yours very truly,

CL Hewitt Pres.
Swansea Mines Inc.
P O Box 904
Helena, Montana.

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 16 1964

DATE	INITIALS	CODE
6/16		800
		500

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
May 3, 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 7 1962

DATE		
5/7		8.00
5/8		5.00
5/9	5/14	5.00

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6114 (Lead-Zinc)
Swansea Mines, Inc.
Carbonate Mine
Lewis and Clark County, Montana
Contract 2126

The final report on the subject project will not take long to write after I can once get started on it. Pending examination and interim inspection reports were started during the trip just completed and should be out of the way in a week or so.

Depending upon how application referrals stack up, I hope to have the Swansea Mines final in the mail by the end of the month.

D. R. MacLaren

D. R. MacLaren

Dme

EXTRA COPY
O. M. E
RECEIVED DEC 18 1961

DATE	INITIALS	CODE
12/18	[illegible]	800
12/20	[illegible]	500
12/20	[illegible]	~~500~~

So. 157 Howard Street
Spokane 4, Washington
December 15, 1961

Mr. C. L. Hewitt, President
Swansea Mines, Inc.
P. O. Box 904
Helena, Montana

Re: OME-6114 (Lead-Zinc)
Carbonate Mine
Lewis and Clark County, Montana
Contract 2126

Dear Mr. Hewitt:

Enclosed for your information and files is a Report of Review, in lieu of a final audit, dated December 6, 1961, for the period August through October 1961, covering a lead-zinc project at the Carbonate Mine, Lewis and Clark County, Montana.

The audit discloses that $4,393.36 is the balance due the Operator and will be scheduled for payment in the near future.

Sincerely yours,

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

Enclosure

cc: Fiscal Section w/orig. of Report of Review, orig. & 2 copies of final (for months August, September and October 1961) ~~MF-104 and MF-104A~~ 6000-6b, and Operator's Narrative Report, together with supporting documentation. MME forms

Contract Admin. & Audit Div., OME
OME; MF-104 File
Reading copies to:
Nelan, Hobbs, Guild

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220
12/7	Hall	500

DEC 7 1961

Memorandum

To: Acting Field Officer, Region I

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

Subject: OME-6114 (Lead-Zinc)
Swansea Mines, Inc.
Carbonate Mine
Lewis and Clark County, Montana
Contract 2126

As requested by your December 4 memorandum, a Report of Review in lieu of a final audit has been prepared for the subject contract. The original and two copies are enclosed.

If you concur in the facts stated in this Report of Review, please make the distribution authorized by section 4 of OME Circular 2 dated February 17, 1960. As evidence of your concurrence, a copy of your letter transmitting the Operator's copy should be furnished this Division. If for any reason you do not concur, the original and both copies should be returned to this Division with your comments.

Also enclosed are the originals of the MME Forms 60 and 61, together with supporting documentation.

Enclosures

EDTalbert/ama 12-7-61

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

43683

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

OFFICIAL FILE O. M. E RECEIVED DEC 6 1961		
DATE	INITIALS	CODE
12/6	[illegible]	800
12/7	~~Forwarded~~	~~500~~
12/8	Hart	500

Air Mail

Memorandum

To: E. D. Talbert, Acting Chief
Contract Administration and Audit Division

From: Acting Field Officer, Region I

Subject: OME-6114 (Lead-Zinc)
Swansea Mines, Inc.
Carbonate Mine
Lewis and Clark County, Montana
Contract 2126

Work under the subject contract was terminated effective November 1, 1961, by an agreement dated November 21, 1961.

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

Cleaning out adit level, retreading and installing pipe, etc.	1 job
Construct diamond drill station	1 job
Mobilization of diamond drill	1 job
Diamond drilling	1,252 feet
Reaming and casing	22 feet
Core boxes	53 each
Incidental allowance	1,252 feet

An acceptable final engineering and geological report was received from the Operator on December 4, 1961.

A Report of Review, in lieu of a final on-site audit, is in order and requested. For this purpose the original copies of the final (August, September, and October 1961) Forms MME-60 and MME-61, together with supporting documentation, are attached. No prior voucher was submitted by the Operator.

Attachments
~~Enclosures~~

D. R. MacLaren
D. R. MacLaren
MLS

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

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 6 1961

DATE	INITIALS	CODE
12-6	gad	1V0
		~~1V0~~
12/7	[illegible]	~~800~~
12/7	Griswold	500
12/8	~~Hall~~ S.T.H.	500

Air Mail

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6114 (Lead-Zinc)
Swansea Mines, Inc.
Carbonate Mine
Lewis and Clark County, Montana
Contract 2126

Enclosed are the Government, Audit, and Fiscal Section's copies of a Termination Agreement to the subject contract. Also enclosed are two copies of an acceptable Operator's final report on the project (which has been checked with Mr. MacLaren before forwarding to you).

We are requesting from the Contract Administration and Audit Division, OME, a Report of Review in lieu of a final on-site audit.

Mary L. Smelser
Mary L. Smelser
For: D. R. MacLaren

Enclosures

OPERATOR'S FINAL REPORT

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 6 1961

DATE	INITIALS	CODE
12-6	gad	1120
		1120
		800
		500
		500

Swansea Mines Inc. Helena, Montana, P O Box 904.

Nov. 30th, 1961.

Mr. D. R. MacLaren
Acting Field Officer, OME
Region 1
So. 157 Howard Street
Spokane 4, Wash.

Re: OME-6114 (Lead Zinc)
Carbonate ~~Mine~~
Lewis & ~~Clark County, Montana.~~
Contract 2126.

Dear Mr. MacLaren;-

I am enclosing the four executed copies of the Termination Agreement, and keeping one copy for our files.

Report; Upon completion of hole # 4 and careful examination of the entire core as well as the daily examinations made, I am fully convinced that there are no veins of commercial ore in the area explored by drilling.
Hole #1 extends 601 Ft from the D D station on adit tunnel level. This hole was run horizontally, 601 ft. N.13 E. Several small veins were cut as well as 2 larger veins, as shown on map, with description. None of the veins showed any mineralization other than small amounts of iron pyrite, the vein filling being altered diorite and poryphry with some small specs of silica. All of the ground explored is diorite with the exception of the last 150 ft of hole #4 which is in quartzite the same as was encountered at the same depth in the shaft between the 300 and 400 levels.
Hole #4 runs N 32 E and -30 for a distance of 651 ft. The quartzits shows in the core from about 490 to the end of the hole. No mineral is showing in the core in quartzite which is quite soft and light colored.

There is no ore indicated by the drilling and in my opinion, no further work warranted in that area.

The total costs run higher than anticipated, due to length of time required to complete the drilling, water shortage and having to haul water by tank. The DD station cost was high as the ground was broken and blocky which made it necessary to remove more ground than expected. The track being in bad shape made it necessary to handle the muck twice for inside storage. Of course we understand that the OME only participates to the extent of figures stipulated in the contract.
The total costs were:

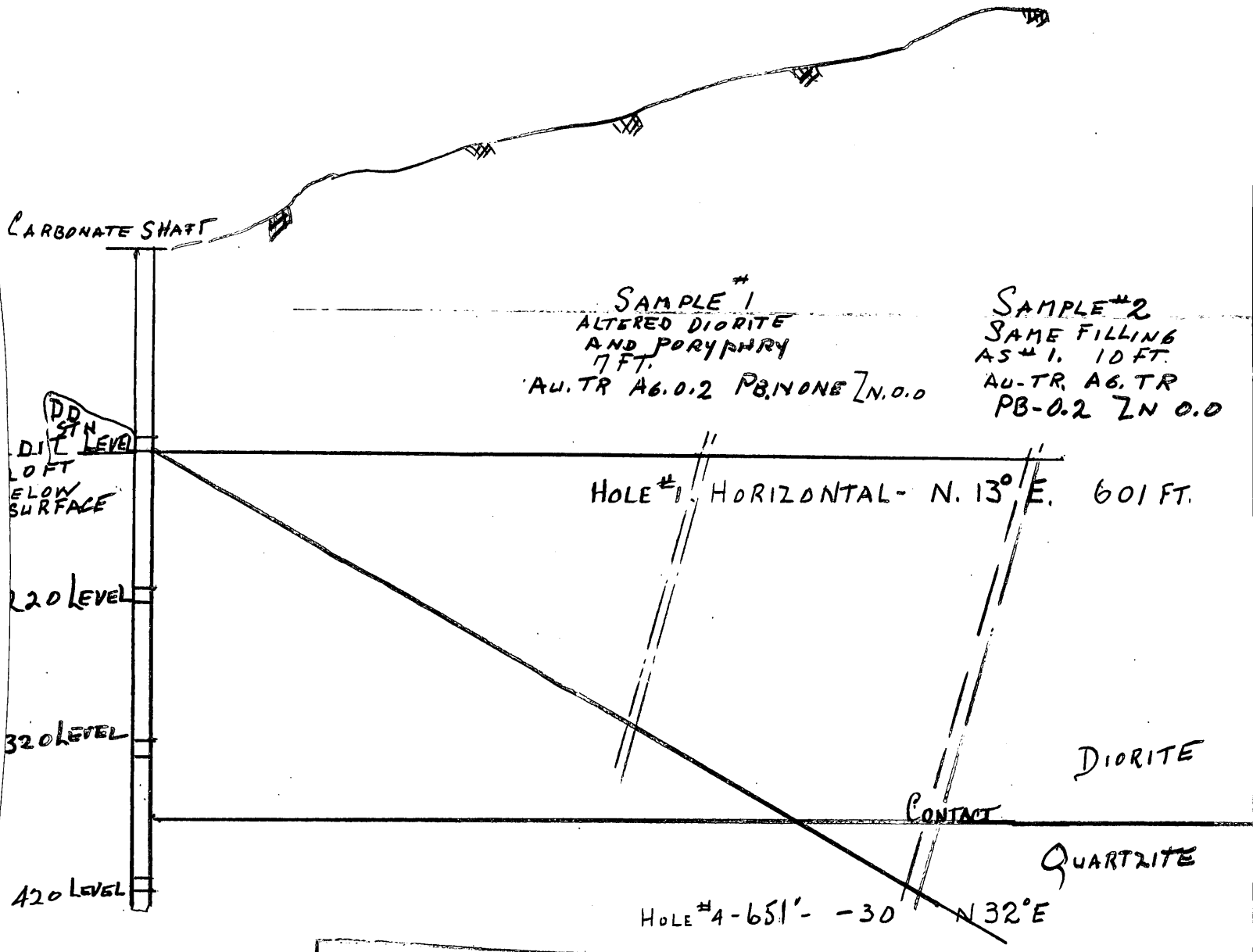
Tunnel rehab		746.60
DD station		2049.63
Core drilling costs other than contract including fuel oil, labor, rentals trucking and supplies,		2581.11
Boyles Bros drilling	6602.60	
Reaming	63.80	
Core boxes	212.00	
Mobilization	450.00	7328.40
assaying		10.00
	Total	12715.74.

No charges for supervision.

Yours very truly,
Swansea Mines Inc. P O Box 904 Helena Mont.
C.L.Hewitt, Pres.

C.L. Hewitt

SWANSEA MINES INC CARBONATE MINE OME- 2126



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O. M. E
RECEIVED DEC 6 1961

DATE	INITIALS	CODE

RECEIVED
DEC 4 1961
U S G S
SPOKANE, WASH.

A. V. TRENT,
Owner-Manager

(1)

GOODALL BROTHERS

ASSAYERS AND METALLURGICAL CHEMISTS

46 South Main Street, Helena, Montana

TEL. 442-3770
P. O. BOX 537

m

OME 2126

Date Oct. 4 - 1961

UMPIRE ASSAY _____ CONTROL ASSAY _____ HAND SAMPLE _____

ASSAYED FOR Anaconda Mines Inc. | Box 904 MARKS:

Sample No.	DESCRIPTION	GOLD Ozs. Per Ton	SILVER Ozs. Per Ton	WET LEAD Per Cent	COPPER Per Cent	ZINC Per Cent	IRON Per Cent	INSOL. Per Cent	Per Cent	Total Value Per Ton
	Carbonate Mine	Trace	0.2	None		None				
1	- 7 FT VEIN AT									
	367 FT. HOLE #1.									
	ALTERED DIORITE									
	AND PORYPHRY									

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 6 1961
DATE
INITIALS

Gold not deducted: _____

Charges $ 5.00

GOODALL BROS.

By A. V. Trent

A. V. TRENT,
Owner-Manager

GOODALL BROTHERS

OME 2126

ASSAYERS AND METALLURGICAL CHEMISTS

46 South Main Street, Helena, Montana

TEL. 442-3770
P. O. BOX 537

Date Sept 21-1961

UMPIRE ASSAY _____ CONTROL ASSAY _____ HAND SAMPLE _____

ASSAYED FOR: Swansea Mines Inc.

MARKS: Box 904

Sample No.	DESCRIPTION	GOLD Ozs. Per Ton	SILVER Ozs. Per Ton	WET LEAD Per Cent	COPPER Per Cent	ZINC Per Cent	IRON Per Cent	INSOL. Per Cent	Per Cent	Total Value Per Ton
	Cartonate Mine	Trace	Trace	0.2		None				
	10 FT VEIN AT 588 FT									
	ALTERED DIORITE									
	AND PORYPHRY									
	HOLE # 4									

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 6 19
DATE
INITIALS

Gold not deducted: _____

Charges $ 5.00

GOODALL BROS.

By A. V. Trent

361
CDE

EXTRA COPY O. M. E. RECEIVED DEC 6 1961		
DATE	INITIALS	CODE

Swansea Mines Inc. Helena, Montana, P ~~O Box 904.~~

Nov. 30th, 1961.

Mr. D. R. MacLaren
Acting Field Officer, OME
Region 1
So. 157 Howard Street
Spokane 4, Wash.

Re: OME-6114 (Lead Zinc)
Carbonate Mine
Lewis & Clark County, Montana.
Contract 2126.

Dear Mr. MacLaren;-

I am enclosing the four executed copies of the Termination Agreement, and keeping one copy for our files.

Report; Upon completion of hole # 4 and careful examination of the entire core as well as the daily examinations made, I am fully convinced that there are no veins of commercial ore in the area explored by drilling. Hole #1 extends 601 Ft from the D D station on adit tunnel level. This hole was run horizontally, 601 ft. N.13 E. Several small veins were cut as well as 2 larger veins, as shown on map, with description. None of the veins showed any mineralization other than small amounts of iron pyrite. the vein filling being altered diorite and poryphry with some small specs of silica. All of the ground explored is diorite with the exception of the last 150 ft of hole #4 which is in quartzite the same as was encountered at the same depth in the shaft between the 300 and 400 levels. Hole #4 runs N 32 E and -30 for a distance of 651 ft. The quartzits shows in the core from about 490 to the end of the hole. No mineral is showing in the core in quartzite which is quite soft and light colored.

There is no ore indicated by the drilling and in my opinion, no further work warranted in that area.

The total costs run higher than anticipated, due to length of time required to complete the drilling, water shortage and having to haul water by tank. The DD station cost was high as the ground was broken and blocky which made it necessary to remove more ground than expected. The track being in bad shape made it necessary to handle the muck twice for inside storage. Of course we understand that the OME only participates to the extent of figures stipulated in the contract.
The total costs were:

Tunnel rehab		746.60
DD station		2049.63
Core drilling costs other than contract including fuel oil, labor, rentals trucking and supplies,		2581.11
Boyles Bros drilling	6602.60	
Reaming	63.80	
Core boxes	212.00	
Mobilization	450.00	7328.40
assaying		10.00
	Total	12715.74.

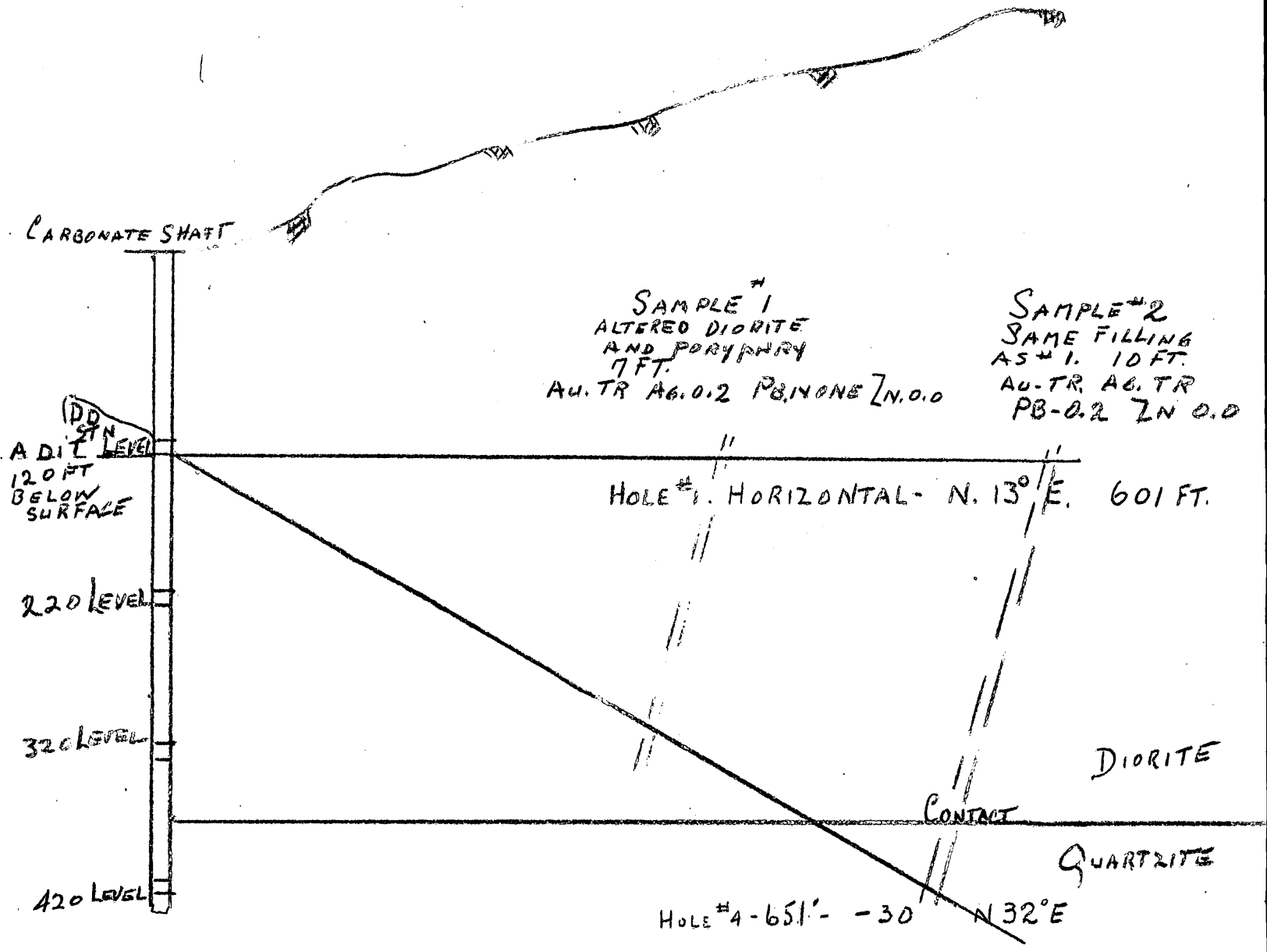
No charges for supervision.

Yours very truly,
Swansea Mines Inc. P O Box 904 Helena Mont.
C.L.Hewitt, Pres.

C L Hewitt

RECEIVED
DEC 4 1961
U. S. G. S.
SPOKANE, WASH.

SWANSEA MINES INC CARBONATE MINE OME- 2126



EXTRA COPY
O. M. E
RECEIVED DEC 6 1961

DATE	INITIALS	CODE

RECEIVED
DEC 4 1961
U S G. S.
SPOKANE WASH.

A. . TRENT,
Owner-Manager

GOODALL BROTHERS

ASSAYERS AND METALLURGICAL CHEMISTS

46 South Main Street, Helena, Montana

TEL. 442-3770
P. O. BOX 537

OME
2126

Date Sept 21 - 1961

UMPIRE ASSAY _____ CONTROL ASSAY _____ HAND SAMPLE _____

ASSAYED FOR: Swansea Mines Inc.

MARKS: Box 904

Sample No.	DESCRIPTION	GOLD Ozs. Per Ton	SILVER Ozs. Per Ton	WET LEAD Per Cent	COPPER Per Cent	ZINC Per Cent	IRON Per Cent	INSOL. Per Cent	Per Cent	Total Value Per Ton
	Carbonate Mine 10 FT VEIN AT 588 FT	Trace	Trace	0.2		None				
	ALTERED DIORITE AND PORYPHRY HOLE # 4									

RECEIVED DEC 6 1961
DATE
INITIALS
O. M. E.

EXTRA COPY

Gold not deducted: _____

Charges $ 5.00

GOODALL BROS.

By A. Trent

TRENT,
Owner-Manager

GOODALL BROTHERS

ASSAYERS AND METALLURGICAL CHEMISTS

46 South Main Street, Helena, Montana

TEL. 442-3770
P. O. BOX 537

ONE 2126

Date Oct. 4 - 1961

UMPIRE ASSAY _____ CONTROL ASSAY _____ HAND SAMPLE _____

ASSAYED FOR Bronnesa Mines Inc. | Box 904 MARKS:

Sample No.	DESCRIPTION	GOLD Ozs. Per Ton	SILVER Ozs. Per Ton	WET LEAD Per Cent	COPPER Per Cent	ZINC Per Cent	IRON Per Cent	INSOL. Per Cent	Per Cent	Total Value Per Ton
1	Outcrop Mine 1 FT VEIN AT 367 FT. HOLE #1. ALTERED DIORITE AND FOOT WALL	Trace	0.2	None		None				

RECEIVED DEC 6 1961
DATE
INITIALS
EXTRA COPY O M. E

Gold not deducted: _____

Charges $ 5.00

GOODALL BROS.

By C. Trent

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 4 1961

DATE	INITIALS	CODE
12/4	[illegible]	800
"	[illegible]	700
"	[illegible]	700

So. 137 Summit Street
Spokane 4, Washington
November 28, 1961

Mr. C. L. Hewitt, President
Swanson Mines, Inc.
P. O. Box 904
Helena, Montana

Re: OMS-6114 (Lead-Zinc)
Carbonate Mine
Lewis and Clark County, Montana
Contract 2126

Dear Mr. Hewitt:

Enclosed are the original and four copies of a proposed Termination Agreement as requested in your letter of October 28, 1961.

If the terms and conditions of this proposed Termination Agreement are satisfactory, please sign all copies, retain the Operator's Copy, and return the others to this office. If any part of the agreement does not meet with your approval, please return all copies unsigned.

As soon as we receive your final report as required in Article 3(c) of the contract and Item 2(a) of the Termination Agreement, we will request a Report of Review in lieu of a final audit, after which funds due you will be released.

Sincerely yours,

B. R. Maclaren
Acting Field Officer, OMS
Region I

Enclosures

BRMaclaren:mls
cc: OMS(2); Maclaren
Reading copies to: Holm, Kobbe, Quill

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/20	Holt	500
	Greenwood	500
11/21	Talbert	800
11/21	[illegible]	130
"	Johnson	110
11/21	[illegible]	100
11-21	gad	220
		500

Memorandum

NOV 2 1 1961

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6114 (Lead-Zinc)
Swansea Mines, Inc.
Carbonate Mine
Lewis and Clark County, Montana
Contract 2126

In accordance with your memorandum of November 1, 1961, we are enclosing the original and four copies of a proposed Termination Agreement (two pages) to the subject contract, signed by the Director for the Government.

If the proposed termination agreement is satisfactory to you and the Operator, all five copies should be signed by the Operator. The Operator should retain its copy, you should retain the Field Office's copy, and the Government's, Audit's, and Fiscal Section's copies should be returned to this office.

If any part of the proposed termination agreement does not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies are to be returned to this office together with the proposed changes for consideration.

/s/ George C. Selfridge

Enclosures

SPHolt/gla
11-20-61
cc to: Director's Reading File
Review Committee
Docket

43683

Government's Copy

EXPLORATION CONTRACT
SWANSEA MINES, INC.
OME-6114

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1961, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Swansea Mines, Inc., hereinafter called the "Operator," parties to that certain Exploration Contract No. 2126, Docket No. OME-6114, dated June 5, 1961, hereinafter called the "Contract," that:

1. Effective November 1, 1961, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

Out

2. The Government shall contribute to allowable costs incurred prior to said effective date and, thereafter, shall contribute to allowable costs incurred in performing winding-up and settlement actions provided for in the Contract, including the making and rendering of reports and accounts.

2

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including --

(a) the furnishing to the Government of five copies of a final report (in addition to the final monthly report) which shall include a geological and engineering evaluation of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the related costs thereof.

3

4. All rights of the Government respecting certification of possible production, percentage royalty and liens to secure the payment thereof, reports (including preservation of the Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

4

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract except as otherwise provided in this termination agreement.

DRAFT
11/13/61
SPHolt/gla

Docket copy of draft

EXPLORATION CONTRACT
SWANSEA MINES, INC.
OME-6114

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1961, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Swansea Mines, Inc., hereinafter called the "Operator," parties to that certain Exploration Contract No. 2126, Docket No. OME-6114, dated June 5, 1961, hereinafter called the "Contract," that:

1. Effective November 1, 1961, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute to allowable costs incurred prior to said effective date and, thereafter, shall contribute to allowable costs incurred in performing winding-up and settlement actions provided for in the Contract, including the making and rendering of reports and accounts.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including --

(a) the furnishing to the Government of five copies of a final report (in addition to the final monthly report) which shall include a geological and engineering evaluation of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the related costs thereof.

4. All rights of the Government respecting certification of possible production, percentage royalty and liens to secure the payment thereof, reports (including preservation of the Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Director, Office of Minerals Exploration

SWANSEA MINES, INC.

By_____

Title_____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
November 1, 1961

OFFICIAL FILE COPY O. M. E RECEIVED NOV 3 1961		
DATE	INITIALS	CODE
		130
11/6	[illegible]	800
"	[illegible]	500
"	[illegible] 5.8.94	500

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6114 (Lead-Zinc)
Swansea Mines, Inc.
Carbonate Mine
Lewis and Clark County, Montana
Contract 2126

Enclosed are two Thermofax copies of a letter dated October 28, 1961, from the subject Operator outlining the results of the two diamond drill holes completed to date and suggesting that the contract be terminated.

Hole 1 was drilled horizontally on a bearing of N. 13° E. and hole 4 was drilled at -30° on a bearing of N. 32° E. Both holes were drilled through the zone of oxidized material indicated in the trench, but neither indicated the presence of any promising structure.

It is recommended that the contract be terminated by mutual agreement. No Certification of Discovery or Development will be recommended.

Note

D R MacLaren

D. R. MacLaren

Enclosures

SWANSEA MINES, INC.

P. O. BOX 904

HELENA, MONTANA

OFFICE OF—
C. L. HEWITT, PRES.

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 3 1961

DATE	INITIALS	CODE

Oct 28th, 1961.

Mr. D. R. MacLaren
Acting Field Officer, OME
Region 1
So 157 Howard Street
Spokane 4 Washington.

Re OME 6114 (lead-zinc)
Carbonate Mine
Lewis & Clark County Mont.
Contract 2156.

Dear Mr. MacLaren;-

We have now finished hole #4, 651 ft. It took more time than anticipated as the drillers had several break-downs in their outfit, also sickness of 2 drillers along with tough dtilling.

The drill entered shale, at aprox 490 ft on the incline, which checks closely with the depth we encountered the quartzite, or shale, in sinking the shaft. This shale broke short and made short pulls necessary.

There was no mineralization at any point other than an occasional showing of iron pyrite. The sludge was caught and passed all the way through. There was nothing to warrant an assay as you will agree when you examine the core. The diorite near the contact was soft and altered to a much lighter color than normal.

It is now quite evident that there is no mineral worth considering in that section drilled and that the values are confined to the "Carbonate vein, which will be worth sinking on if lead and zinc reach a more favorable price.

In the #1 hole, the best showing was at 367 ft but that only assayed Gold -trace, Silver 0.2 Lead-none Zinc none. We watched this section carefully, in #4 hole but it was even leaner than in hole #1.
In hole #1, there were small particles of quartz showing at 588 Ft.
We sampled that section from 588 to 598 and got the following returns;
Gold-trace, Silver 0.2 Lead-none Zinc-None.
I will include these assay certificates with my report which will be sent in early next week, as soon as final statement is received from Boyle Brothers.

I have watched this drilling carefully and examined every foot of core under a good glass, as well as extensive panning and not one trace of galena nor no favorable indications. That is why I think it would be a waste of money and time to do any more drilling, namely the #2 and 3 holes as originally outlined. Yours truly, C.L.Hewitt /S/C.L.Hewitt
Swansea Mines Inc.

MME FORM 60
SEPT. 1959

RECEIVED
NOV 3 1961
U.S.
SPOKANE, WASH.

OFFICIAL FILE COPY
RECEIVED OCT 1961

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Sch 950

OME 6114

Docket No.
Contract No. 14-23-090-
Contract Amount $ 18260.00
Gov't. Participation % 50 $ 9130.00
Mineral(s) Lead-Zinc

OPERATOR'S MONTHLY VOUCHER

For Month of Aug, Sept. Oct 1961

Operator's Name Swansea Mines, Inc.
Address P.O.Box 904, Helena, Montana

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting	$					
Core boxes	212.00	none	$ 212.00			
Drilling D.D. core	6602.60	none	6602.60			
Reaming	63.80	none	63.80			
D.D.Mobilization	450.00	none	450.00			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
Incidental allowance	763.72	none	763.72			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
Tunnel rehab	300.00	0.0	300.00			
Const.drill station	400.00	0.0	400.00			
Assaying	10.00	0.0	10.00			
TOTALS	8802.12	0.0	8802.12			

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

Date 11-1-61 *Payee Swansea Mines, Inc.

Per C. H. Merritt Title President

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

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

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: Per Report of Review dated 12/6/61

$ 4393.36

Signature DAS
(Authorized Certifying Officer)

Date 12/20/61 Vou. No. 2922

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 6114

Signature D R Macharen Title Acting Field Officer, Region I Date DEC 4 1961

Approved by OME Executive Officer or Alternate:

Signature D R Macharen Title Acting Field Officer, Region I Date DEC 4 1961

OPERATOR'S MONTHLY REPORT

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

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

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

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

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

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

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

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

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

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

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

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

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

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

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

MME FORM 61
SEPT. 1959

RECEIVED
NOV 3 1961
U.S.G.S.
SPOKANE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of Aug, Sept, Oct 1961 Docket No. OME 6114

Operator's Name Swansea Mines, Inc. Contract No. 14-23-090- 2125

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting							
Raising							
Shafts							
Winzes							
Other Underground D.D.Stn	1	1	1	$ 400.00	1 Job	1 Job	400.00
Drilling, Core-Diamond	2500	1252	1252	6602.60	1252	1252	6,597.20 ll
Reaming ~~xxxx~~	600	22	22	63.80	22	22	63.80
Drilling, Non-core-Diamond							
Rotary							
Churn							
Core boxes ~~xxxxx~~	212	212	212	212.00	53	53	212.00
Miscellaneous Mobilizn	450	450	450	450.00	1 Job	1 Job	450.00
Roads and Trails							
~~xxxxx~~ Incidental							
~~xxxxx~~ allowance							
~~xxxxx~~ @ 61¢ per							
~~xxxxx~~ foot	2500	1252	1252	763.72	1252	1252	763.72
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings tunnel rehab				300.00			300.00
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work assaying				10.00			none ll
TOTAL TO DATE (per MME Form 60)				8802.12			8,786.72

REMARKS Only 2 assays taken as there were no indications to warrant assaying. Barren diorites and quartzite with occasional spots of iron pyrite, no galena, chalcopyrite or sphalerite. Every foot carefully examined under glass. All sludge panned as well as all settlings from drill hole. It would have been difficult to make monthly reports because of overlapping footage by drillers.

(Continue on back)

REMARKS ll
400 ft @ $4.90 = $ 1960.00
400 ft @ 5.20 = 2080.00
400 ft @ 5.60 = 2240.00
52 ft @ 6.10 = 317.20
1252 ft $ 6597.20

ll Contract Exhibit A specifies that no sample shall represent more than 5 ft. Of 2 samples claimed one represents 7 ft, the other 10 ft.

(Continue on back)

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

Date 11-1-61 Operator Swansea Mines, Inc.

Per [signature] Title President

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

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

Signature [signature]

Title Acting Field Officer, Region I
Government Representative

Date DEC 4 1961

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

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

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

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

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

RECEIVED
961
ARCHIVAL

November 1, 1961

Mr. D. R. MacLaren
Acting Field Officer, OME
Region 1
S. 157 Howard Street
Spokane 4, Washington

Re: OME-61149 Lead-Zinc
Carbonate Mine
Lewis & Clark County, Montana
Contract 2126

Dear Mr. MacLaren:

The work on our contract was started July 10th, getting materials together, repairing track and tunnel timbers. Tunnel rehab and D.D. station was completed August 15th and the drillers arrived August 21st. We have now completed two diamond core drill holes, designated in contract as hole #1 and hole #4. Hole #1, horizontal from D. D. station, running N. 13-E a distance of 601 ft. The reason for the extra foot was because of broken ground conditions so we went until solid ground was entered.

The entire hole was in diorite with the exception of what appeared to be a yellowish poryphry rock in fissures which are in position below the surface indications of veins as shown in the dozer cut. However, there is much less iron pyrite in the core than is shown on the surface. These fissures are from 2 ft. to 12 ft. thick but no mineral or quartz showing. The sludge was carefully panned as well as settlings from drill hole return water. The most promising showing was in the yellow poryphry and altered diorite at 367 ft. to 374 ft. This section of core was sampled and assayed but returns show practically no value, Au. tr., Ag. tr., Pb. 0.2 %, Zn. none.

Near the end of the #1 hole, at 588 ft. we entered approximately the same material as at 367 - 374 ft., but a few particles of quartz showing. No mineral showing under careful glass examination. An assay was made of this section 588 to 598 ft. The last 3 ft. being badly broken so we went ahead to 599 ft. where we entered solid diorite again and continued the hole to 601 ft. The hole developed very little water, not over 2 G.P.M.

Upon completion of hole #1, we turned to N. 32 E, which is designated as drill hole #4, and the inclination is -30°
By running this drill hole we explored the country at depth as well as what we could expect horizontally. The same fissures of poryphry and altered diorite were in evidence but no value for the entire length of the hole. Careful observations and core examinations were made but nothing to warrant sampling or assays.

With the knowledge gained from this exploratory work, we are convinced that there is no mineralization in the section of country explored.

We found the drillers employed by Boyles Brothers Drilling Co., to be well qualified and most cooperative. The core recovery was very good, approximately 93%. They recovered all sludge so nothing was missed. I am enclosing assay certificates and drill company statements.

We wish to thank Mr. D. R. MacLaren for his cooperation and suggestions, as well as the others on the staff of the O.M.E.

Yours very truly,

C. L. Hewitt

Swansea Mines, Inc.
By, C. L. Hewitt, Pres.

RECEIVED
NOV 3 1961
U.S.G.S.
SPOKANE, WASH.

A. V. TRENT
Assayer and Chemist

Statement of Your Account With

GOODALL BROS.

ASSAYERS AND CHEMISTS

P. O. BOX 537 — 46 S. MAIN STREET

Helena, Montana, NOV 1 - 1961

M. Anaconda Mines Inc
Box 904
City

Bills payable first of every month; interest at 10% charged on over-due accounts.

Date		Debit		Credit		Balance	
Oct 4	assays	5	00				

THURBER'S HELENA

A. V. TRENT
Assayer and Chemist

Statement of Your Account With

GOODALL BROS.

ASSAYERS AND CHEMISTS

P. O. BOX 537 — 46 S. MAIN STREET

Helena, Montana, NOV 1 - 1961

M Swansea Mines Inc.
Box 904
City

Bills payable first of every month; interest at 10% charged on over-due accounts.

Date		Debit		Credit		Balance	
Sept 21	Assays	5	00				

THURBER'S LITHOGRAPHING HELENA

A. V. TRENT,
Owner-Manager

GOODALL BROTHERS

ASSAYERS AND METALLURGICAL CHEMISTS

46 South Main Street, Helena, Montana

TEL. 442-3770
P. O. BOX 537

Date SEP 21 1961

UMPIRE ASSAY _____ CONTROL ASSAY _____ HAND SAMPLE _____

ASSAYED FOR Anaconda Minerals BN904

MARKS:

Sample No.	DESCRIPTION	GOLD Ozs. Per Ton	SILVER Ozs. Per Ton	WET LEAD Per Cent	COPPER Per Cent	ZINC Per Cent	IRON Per Cent	INSOL. Per Cent	Per Cent	Total Value Per Ton
	CORE HOLE #1 AT 367	Trace	Trace	0.2		None				
	TO 374 FT. VEIN 7 FT									
	WIDE FILLING OF SLIGHTLY									
	ALTERED DIORITE AND LIGHT									
	COLORED PORPHYRY WITH									
	SMALL AMT IRON PYRITES									
	NO OTHER MINERAL									
	SHOWING.									
	CH.									

Gold not deducted: _____

Charges $ 5.00

GOODALL BROS.

By C. H. [illegible]

RECEIVED
NOV 3
SPOKANE, WASH.

A. V. TRENT,
Owner-Manager

GOODALL BROTHERS

ASSAYERS AND METALLURGICAL CHEMISTS

46 South Main Street, Helena, Montana

TEL. 442-3770
P. O. BOX 537

Date OCT 4 - 1961

UMPIRE ASSAY _____ CONTROL ASSAY _____ HAND SAMPLE _____

ASSAYED FOR American Mines Inc. | MARKS: Box 904

Sample No.	DESCRIPTION	GOLD Ozs. Per Ton	SILVER Ozs. Per Ton	WET LEAD Per Cent	COPPER Per Cent	ZINC Per Cent	IRON Per Cent	INSOL. Per Cent	Per Cent	Total Value Per Ton
	Core	Trace	0.2	None		None				0.18
	~~HOLE #1 AT 367 TO 374 FT. VEIN FILLING OF SLIGHTLY ALTERED DIORITE AND PORPHYRY WITH SOME IRON PYRITES NO OTHER MINERAL SHOWING.~~									
	~~CLH~~									

CORE HOLE #1 AT 588 FT TO 598 ALTERED DIORITE AND PORPHYRY WITH SMALL AMOUNTS IRON PYRITES AND QUARTZ. HOLE WENT OUT OF VEIN AND INTO DARK COLORED DIORITE.

CLH.

Gold not deducted: _____

Charges $ 5.00

GOODALL BROS.

By A. V. Trent

RECEIVED
NOV 3 1961
U. S. G. S.
SPOKANE, WASH.

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

General Offices and Plant

1624 Pioneer Road P. O. Box 58 HUnter 7-7595

SALT LAKE CITY 10, UTAH

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

INVOICE DATE: 8/31/61
ORDER NUMBER:
INVOICE NUMBER:
CONTRACT: 9-16
TERMS: Net 10 prox
LOCATION: Lincoln, Montana

Swansea Mines, Inc.
Box 904
Helena, Montana

HOLE NO.		FROM	TO	FOOTAGE	RATE	TOTAL
Mobilization						450.00
#1	BX	0	3	3	5.20	15.60
	AX	3	163	160	4.90	784.00
Reamed	BX	3	25	22	2.90	63.80
Blasting and Mucking drill station				10 hrs.	5.50	55.00
Wooden Core boxes -- USED			53	106	4.00	424.00
						$1,792.40

RECEIVED
NOV 3 1961
U. S. G. S.
SPOKANE, WASH.

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

General Offices and Plant

1624 Pioneer Road P. O. Box 58 HUnter 7-7595

SALT LAKE CITY 10, UTAH

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

INVOICE DATE: September 30, 1961
ORDER NUMBER: ~~TM~~ 9-16
INVOICE NUMBER: Two
CONTRACT: Swansea-Lincoln
TERMS: Net 10th, of Month
LOCATION: Lincoln, Montana

Swansea Mines Inc.
P. O. Box 904
Helena, Montana

HOLE NO.		FROM	TO	FOOTAGE	RATE	TOTAL
1	AX	163	200	37	4.90	181.30
	AX	200	400	200	5.20	1040.00
	AX	400	600	200	5.60	1120.00
	AX	600	601	1	6.10	6.10
2	BX	0	17	17	5.20	88.40
	AX	17	52	35	4.90	171.50
					Total	2607.30

Approved for payment by: _____

RECEIVED
NOV 3 1961
U. S. G. S.
SPOKANE, WASH.

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

General Offices and Plant

1624 Pioneer Road P. O. Box 58 HUnter 7-7595

SALT LAKE CITY 10, UTAH

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

INVOICE DATE: October 31, 1961
ORDER NUMBER: 9 - 16
INVOICE NUMBER: 3
CONTRACT: Swansea - Lincoln
TERMS: Net 10th. of Month
LOCATION: Lincoln, Montana

Swansea Mines Inc.
P.O. Box 904
Helena, Montana.

HOLE NO.		FROM	TO	FOOTAGE	RATE	TOTAL
2	AX	52 Ft.	200 Ft.	148 Ft.	$ ~~4.00~~ 4.90	$ 725.20
2	AX	200 Ft.	400 Ft.	200 Ft.	5.20	1040.00
2	AX	400 Ft.	600 Ft.	200 Ft.	5.60	1120.00
2	AX	600 Ft.	651 Ft.	51 Ft.	6.10	311.10
					Total	$ 3196.30
		Less Credit For Core Boxes		53	4.00	212.00
					Total	$ 2984.30

RECEIVED
NOV 3 1981
U. S. G. S.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
October 18, 1961

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 20 1961

DATE	INITIALS	CODE
10/20	gad	120
		130
10/23	[illegible]	800
"	[illegible]	500
"	[illegible] 5.10.11	500

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6114 (Lead-Zinc)
Swansea Mines, Inc.
Carbonate Mine
Lewis and Clark County, Montana
Contract 2126

Enclosed are two copies each of a letter dated October 16, 1961, from the Operator of the subject contract and our reply.

When we have received all the requested information on holes 1 and 4, we will make our recommendations regarding the requested termination.

D. R. MacLaren

D. R. MacLaren

Enclosures

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 20 1961

DATE	INITIALS	CODE

No. 157 Howard Street
Spokane 4, Washington
October 18, 1961

Mr. C. L. Hewitt, President
Summer Mines, Inc.
P. O. Box 904
Helena, Montana

Re: OME-6114 (Lead-Zinc)
Carbonate Mine
Lewis and Clark County, Montana
Contract 2126

Dear Mr. Hewitt:

I will forward your letter requesting a termination of the subject contract, but I doubt that any action will be taken until hole 4 has been completed and we have received logs of the two holes and assays of samples taken from near the end of hole 1 and possibly the same structure if it is encountered in hole 4.

Please send us this information as soon as possible after the completion of hole 4.

Sincerely yours,

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

DRMacLaren:mls
cc: OME(2); MacLaren
Reading copies to:
Nolan
Hobbs
Guild

SWANSEA MINES, INC.

P. O. BOX [illegible]4

HELENA, MONTANA

PHONE H[illegible]

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 20 1961

DATE	INITIALS	CODE

Mac ✓ 10/7

[illegible] 10/18

[illegible] forwarding [illegible]

[illegible] proved conclusively that [illegible]

[illegible] no advantage in drilling [illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
October 11, 1961

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 16 1961

DATE	INITIALS	CODE
10-16	[illegible]	100
"	[illegible]	110
10/17	[illegible]	800
"	[illegible]	500
"	[illegible] S.V.H.	500

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: Interim inspection report, OME-6114 ~~(Lead-Zinc)~~, Swansea Mines, Inc., Carbonate Mine, Lewis and Clark County, Montana, Contract 2126

The Carbonate mine was visited September 13, 1961. The contract work and drill core were inspected in the company of C. L. Hewitt, President.

The adit level was cleaned out, air and water lines were installed, the drill station was completed and Hole No. 1 was drilled to a depth of 368 feet; drilling of this hole was continuing. Core stored in 18 wooden core boxes was examined. The entire core was composed of fresh, unaltered diorite. The only sulfide mineralization was in a zone from 184 to 186 feet and comprised more or less disseminated pyrite and a few small stringers of pyrite.

Due to an unusually dry summer the intended source of water, a small creek near the tunnel portal, dried up and the Operator was hauling water from a larger stream about 2 miles distant.

D. R. MacLaren

D. R. MacLaren

Distribution:
OME(Orig.&2)
Docket
MacLaren

One [illegible]

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 9 1961

DATE	INITIALS	CO.
10/9	[illegible]	210
"	~~Approved~~	150
10/10	~~Hoet~~	500
	S.T.H.	500

No. 157 Howard Street
Spokane 4, Washington
October 5, 1961

Mr. C. L. Hewitt, President
Sunnyside Mines, Inc.
P. O. Box 904
Helena, Montana

Re: Work Authorization
OME-6114 (Lead-Zinc)
Carbonate Mine
Lewis and Clark County, Montana
Contract 2126

Dear Mr. Hewitt:

I will be glad to see the assays of the vein cut near the end of Diamond Drill Hole No. 1 and learn its width and mineral content.

The reasons you give for wishing to drill next the No. 4 down hole seem reasonable and you are authorized to do so. However, it would appear that Hole No. 3 need not be drilled, but Hole No. 2 should be drilled regardless of the results obtained in No. 4.

Sincerely yours,

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

DRMaclaren:mls
cc: Maclaren ; OME(2) w/cys incoming
Reading copies to:
Nolan
Hobbs
Guild

SWANSEA MINES, INC.
P. O. BOX 904
HELENA, MONTANA

OFFICE OF—
C. L. HEWITT, PRES.

PHONE HI. 2-1145

Sept 30,1961.

Mr. D. R. MacLaren
Acting Field Officer, OME
Region 1
So.157 Howard Street
Spokane 4, Washington.

Re; OME 6114 (Lead zinc)
Carbonate Mine
Lewis & Clark County, Montana
Contract 2125.

Dear Mr. MacLaren;-

We are just finishing up the #1 hole and went thru a vein structure about 20 ft near the end of the hole, so went on a few feet into the country rock. Will have an assay on the vein as it is the first quartz that has shown up in the core.

We would like to switch over to hole #4, down 30° if agreeable with you. The reason for making this change is the fact that all the veins seem to enlarge and be better with depth. For instance that little "North vein" which you looked at, just off from the shaft about 15 feet, running into the main drift a few feet beyond the DD station, was only an inch or two in width at that level. This same vein was cut with a short cross-cut from the 200 level and was over 2 feet in width with good ore. On the 400 level, the same vein was over two feet in width showing good values.
This same condition is true with the Carbonate vein which shows consistent increase in width on each level.
This # 4 hole will only be 50 feet longer than the #3 and I am sure will give us much more information than the #3.

We are getting ample water now from our well, supplemented by the water from the #1 hole which is flowing a nice stream.

I will send in the vouther and report just as soon as I get the invoices from Boyle Brothers which should arrive within the next day or two.

Yours very truly,

RECEIVED
OCT 4 1961

Swansea Mines Inc.

C.L.Hewitt, Pres.

[redacted]

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 5 1961

DATE	INITIALS	CODE
9/5	[illegible]	800
9/6	[illegible]	500
"	[illegible]	500

One

Co. 137 Howard Street
Spokane 4, Washington
August 31, 1961

Mr. C. L. Hewitt, President
Dunnegan Mines, Inc.
P. O. Box 904
Helena, Montana

Re: OME-6114 (Lead-Zinc)
Carbonate Mine
Lewis and Clark County, Montana
Contract 2126

Dear Mr. Hewitt:

I expect to arrive at the Carbonate mine early in the afternoon of Wednesday, September 13, 1961, to make an interim inspection. I hope it will be convenient for you to meet me at that time as I will not be able to stop in Helena that evening.

Sincerely yours,

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

DRMacLaren:mls
cc: OME
Reading copies to:
Nelson, Hobbs, Guild

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 14 1961

DATE	INITIALS	CODE
8/14	[illegible]	800
	[illegible]	500
8/14	[illegible]	500

So. 137 Howard Street
Spokane 4, Washington
August 10, 1961

Mr. C. L. Hewitt, President
Swansea Mines, Inc.
P. O. Box 964
Helena, Montana

Re: OME-6114 (Lead-Zinc)
Carbonate Mine
Lewis and Clark County, Montana
Contract 2125

Dear Mr. Hewitt:

In the OME contract, cleaning the adit level, re-threading and installing compressed air and water pipe lines are all grouped into a single unit and their completion constitute a unit job. Construction of a diamond drill station is also a unit job. I gather from your letter of August 3, 1961, that neither job was completed in July and therefore would not be vouchers at the end of the month. If either or both jobs are essentially completed during August, you may so voucher at the end of this month. ?

You should voucher the level cleaning and the threading and installing of pipe on the MME Form 60 under (7) Miscellaneous by entering on one of the lines below "Employee's Liability Ins." "Tunnel rehab."; in the next three columns to the right, enter $300.00, 0, and $300.00, respectively. If the drill station is essentially completed by that time, show "Constr. drill stn." underneath "Tunnel rehab." and in the three columns to the right, enter $400.00, 0, and $400.00, respectively. On the MME Form 61, enter in the column headed "Costs to date" $300.00 opposite "Rehabilitation of Mine Workings" and opposite "Other Underground" enter the figure "1" in each of the first three columns and the sum $400.00 in the column headed "Costs to date." As these two items are on a fixed unit cost basis, no further breakdown is necessary.

I hope to see you before the end of September and will review with you at that time the vouchering for drilling and the other items.

Sincerely yours,

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

DRMacLaren:mls
cc: OME w/cy incoming
MacLaren

Mailing copies to: Kelm, Kobbe, Guild

Mine

SWANSEA MINES, INC.

P. O. BOX 904
HELENA, MONTANA

OFFICE OF—
C. L. HEWITT, PRES.

PHONE HI. 2-1145

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 14 1961

DATE	INITIALS

..ust 5th, 1961.

Swansea Mines Inc.
Re: OME 6114 (Lead-~~Zinc~~)
Carbonate Mine

..r. D. R. McLaren
OME Region 1
..o 157 Howard St.
Spokane 4, Wash.

..ear Mr. McLaren:-

I would like to get off to a right start in making out the operators monthly report on the blanks which you sent to me. Before making the report, thought I would send you the data and have your suggestions as to how to report it. I regret having to bother you, but think it better than to make an error in reporting.

..started work on the 10th of July, personally, testing track and tunnel ..tion and getting material together for work so did not have any help in way of labor until later on in the month.

Labor, (net to employee)	178.43	
Payroll taxes	13.57	
Liability Ins.	5.30	
Supervision, CL Hewitt	100.00	(Estimated on 200 per mo.)
100 gal diesel fuel oil	181.00	
..l diesel lube oil	43.45	
..gal compressor lube oil	35.20	
5 " drill lube oil	4.10	
Tax on lube oil(Fed)	6.90	
Track spikes	34.07	
Carbide	5.10	
Air hose and stem & bands	28.58	
Blasting caps	6.70	
" Fuse	3.50	
Haul compressor Helena to mine	35.00	
Comp rental $400 per mo.	106.64	
Jack leg and stoper $60.00 per mo	32.00	

..el oil, lube oil, track spikes will be partly in reserve. Shall I estimate ..t used in July only and charge out to tunnel repairs, rehab work, as to track repair, dismantling pipe lines and installing, and station cutting? Or should I charge it all to July operations?

I will appreciate your suggestions and then will be able to make out the following reports correctly.

We are cutting drill station now and due to an extremely dry condition in the hills, will have to pump water from our well, thru 700 ft plastic pipe for drinking.

Yours very truly, CL Hewitt, Swansea Mines Inc.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
July 18, 1961

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 20 1961

DATE	INITIALS	CODE
7-20	gad	VVO
7/20	[illegible]	800
"	[illegible]	500
7/21	[illegible] S.P.H.	500

Air Mail

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6114 (Lead-Zinc)
Swansea Mines, Inc.
Carbonate Mine
Lewis and Clark County, Montana
Contract 2125

Upon arrival at Helena, Montana, on July 16, 1961, I telephoned C. L. Hewitt, president of the subject operating company. He advised me that since July 11 contract work at the mine comprised cleaning out the drift, repairing track and a few sets of timber, and installing air and water line.

A miner is due at the property July 17 to start constructing the diamond drill station. Boyles Brothers, Inc., has promised to be ready to move in when the drill station is completed.

I had planned to visit the property on this trip but in view of Mr. Hewitt's limited progress and the last minute receipt of your referral of Docket OME-6140, Conrad J. Eichner and Marrieanne Miller, it was considered more advisable to substitute the Eichner and Miller inspection for the one planned for this property.

D. R. MacLaren
D. R. MacLaren
MLS

OFFICIAL FILE COPY O. M. E RECEIVED JUN 20 1961		
DATE	INITIALS	CODE
6/21	gad	VVO
6/21	[illegible]	800
"	[illegible]	500
"	[illegible]	500

No. 157 Howard Street
Spokane 4, Washington
June 19, 1961

Mr. C. L. Hewitt, President
Sunnyside Mines, Inc.
P. O. Box 904
Helena, Montana

Re: OME-611A (Lead-Zinc)
Carbonate Mine
Lewis and Clark County, Montana
E-2126

Dear Mr. Hewitt:

We are forwarding a 3-month supply of Operator's Monthly Voucher and Progress Report, MME Forms 60 and 61.

The completed report forms MME 60 and 61, as well as the narrative, maps, assays and all technical data, should be submitted in quadruplicate for each month in which costs have been incurred under the contract.

Delay in processing can be avoided if reports are submitted promptly to this office.

Sincerely yours,

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

Enclosures
MLSmelser:mls
cc: OME; Maclaren
Reading copies to:
Nolan
Hobbs
Guild

Dave

OR

SWANSEA MINES, INC.

P. O. BOX 904

HELENA, MONTANA

OFFICE OF—
C. L. HEWITT, PRES.

PHONE HI. 2-1145

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 20 1961

DATE	INITIALS	

June 16th, 1961.

Mr. D. R. MacLaren
Acting Field Officer, OME
Region 1
South 157 Howard St.
Spokane 4, Wash.

Dear Mr. MacLaren:-

Enclosed please find the 4 copies of our contract OME- 6114, signed by presidend and secretary of Swansea Mines Inc.

I will be going to Spokane about the 22nd of this month and then on to Wenatchee for two days to attend a meeting of our Co. When I get to Spokane, I will call your office to see if you will be in.

I will confer with the representative of Boyles Brothers Drilling Co as to the station and water provisions, then get back here and get to work.
We should be started before July 11th which is the date I inserted but wished to play safe on it, with the 4th holiday coming up.

I have arranged for a 315 Cu Ft diesel compressor on rental basis, as these are hard to get around here. However rental will not start until we are ready to use it.

We wish to thank you for getting this contract completed and ready for action.

Yours very truly,

CL Hewitt Pres.
Swansea Mines Inc.
PO Box 904
Helena, Montana.

RECEIVED
JUN 19 1961

One (2)

OFFICIAL FILE COPY O. M. E. RECEIVED JUN 15 1961		
DATE	INITIALS	CODE
6/15	gad	NVO
"	~~Hact~~ S.P.H.	500

So. 157 Howard Street
Spokane 4, Washington
June 12, 1961

Mr. C. L. Hewitt, President
Swansea Mines, Inc.
P. O. Box 904
Helena, Montana

Re: OME-6114 (Lead-Zinc)
Carbonate Mine
Lewis and Clark County, Montana

Dear Mr. Hewitt:

Enclosed are the original and four copies of a proposed OME contract consisting of the contract form, Annex I (two pages), Exhibit A (four pages), Exhibit B, and two maps. All copies have been signed by the Acting Director for the Government.

If the terms and conditions of the contract are acceptable, please fill in the date under Article 1(a) and sign all copies. Keep the Operator's Copy and return the other three to this office.

If any part of the contract does not meet with your approval, please return all copies unsigned, with a statement of your proposed changes.

The 5-3/4 percent interest accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

Sincerely yours,

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

Enclosures

DRMacLaren:mls
cc: OME(2)
Reading copies to:
Nolan
Hobbs
Guild

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/1	Holt	500
	Harold	500
6/1	Talbot	800
6/5	GCL	130
		100
6/5	gad	220
		500
6/5	Johnson	110

JUN 5 1961

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6114 (Lead-Zinc)
Swansea Mines, Incorporated
Carbonate Mine
Lewis and Clark County, Montana

With reference to the recommendation in your memorandum of May 2, 1961, we are enclosing the original and four copies of a proposed contract for the subject property at the Carbonate mine. The complete contract consists of the form, Annex I (two pages), Exhibit A (four pages), Exhibit B, and two maps. All copies have been signed by the*Director for the Government.

Certain revisions have been necessary in dealing with the project work and estimated costs as set forth in your memorandum. We have thought it best to increase the number of assays for 2,500 feet of drilling to explore eight possible mineralized zones, and are allowing 160 determinations at $1.50 each. The diamond drill station should not be an expensive job if cut by drilling and blasting slabbing rounds breaking to an open face. We estimate the job can be done for $400.00. All cost categories from (2) to (7), including labor and supervision, consultants, operating materials and supplies, et cetera, except where otherwise listed, have been grouped together and shown in the cost estimate as a fixed unit cost incidental allowance per foot of drilling.

In other respects the contract has been written about as you recommended.

Please advise the Applicant that the 5-3/4 percent interest accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

If the contract is suitable to you and the Operator, all five copies should be signed by the Operator. The Operator should retain its copy, you should retain the Field Office's copy, and the Government's, Audit's, and Fiscal Section's copies should be returned to this office.

*Acting

43683

If any part of the proposed contract does not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies should be returned to this office together with the proposed changes for consideration.

It is our procedure to allow $50.00/day for a consultant, plus $15.00/day travel allowance.

Enclosures

/S/ **George C. Selfridge**

SPHolt/gla
6-1-61
cc to: Director's Reading File
Review Committee
Docket

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

IN REPLY REFER TO:

May 29, 1961

Memorandum

To: Mr. W. R. Griswold, Office of Minerals Exploration

From: Assistant Solicitor, Branch of Mineral Defense Activities

Subject: Re: Swansea Mines, Inc.
OME-6114

I have surnamed, but before this leaves the office, please correct Figure 2 to show that proposed D.D.H. 3 and 4 are on bearing N. ~~13°~~ 32° E., not, as Figure 2 shows, D.D.H. 2 and 3.

? Corrections made. S.P.H.

Also, unless you attach complete copies of Executive Order 10925, Article 16 will need to be modified.

Charles M. Soller
Assistant Solicitor, Branch
of Mineral Defense Activities

Attachment

DRAFT
5/19/61
SPHolt/gla

MME Form 50
Feb. 1959

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket Copy

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME 6114	Lead-Zinc	14-23-090-	Lewis and Clark	Montana

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Swansea Mines, Inc., a Montana corporation

_____,

whose mailing address is P. O. Box 904, Helena, Montana, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 6 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $ 18,260.00. The Government will contribute 50 percent of the allowable costs as they are incurred, in a total sum not in excess of $ 9,130.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

(c) Interest computation.--Simple interest computed annually at the rate of _____ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

None

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the lien agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

None

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) 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 (see Article 6(a), Category (1)). 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, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration 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 production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--(a) The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator. 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) Monthly reports.--The Operator shall provide the Government with five copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; 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 monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the related costs.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's 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 the Government determines that 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 preparation or completion of the same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

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

CATEGORY (4)--OPERATING EQUIPMENT.

Subcategory (a)--Rental.--The number of each rented item [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 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.--Costs of items listed under this category include all requirements, 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 total of this category is a maximum.

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

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

CATEGORY (6)--NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).--Costs of items listed under this category include all requirements, 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 total of this category is a maximum.

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--The Government will not contribute to the following costs:

(1) Costs of the land, such as rental, depreciation, depletion, or other costs 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 total cost. This provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract, or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the [redacted] gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, 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 (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable 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. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) 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.

(d) Unsold production.--If any production (ore, concentrate, 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, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination or the market value, whichever is greater.

(e) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) 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 Government, and this estimate shall be final and binding upon the Operator.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 8. 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, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

(c) Disposal of property.--Upon the completion of the work, 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, sale to others, purchase by the Operator, or sale or transfer to 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 that cost more than $500, and shall not sell at less than 25 percent of the purchase price any item of property that 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 offers. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, explosives, pipe, or rail), 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 exploration.

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, 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:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be 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; and

(3) 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 9. Termination of the Government's obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is 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 final accounting and reporting; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is 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 final accounting and reporting; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 9 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 13.

ARTICLE 10. Notices to be given by the Government may be delivered to the Operator, or may be sent by certified 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 11. 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.

See Article 16

~~ARTICLE 12. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.~~

~~The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.~~

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 14. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 15. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 16. Changes and added provisions.--

The provisions of Section 301 of Executive Order No. 10925 of March 6, 1961, required to be included in every government contract are by reference hereby ~~and herein incorporated and made a part of this contract. A copy of said~~ Executive Order is attached to this contract as Exhibit B.

Executed in quintuplicate the day and year first above written.

SWANSEA MINES, INC.

(Operator)

By _____

Title _____

THE UNITED STATES OF AMERICA

By _____
Acting Director, Office of Minerals Exploration

I, _____ (Name), certify that I am the _____ secretary of the corporation named as Operator herein; that _____ (Name), who signed this contract on behalf of the Operator, was then _____ (Title) 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]

INT.-DUP. SEC., WASH., D.C. 52378

DRAFT
5/19/61
SPHolt/gla

EXPLORATION CONTRACT
SWANSEA MINES, INC.
OME-6114

ANNEX I

The land and all rights pertaining thereto, including extralateral rights, referred to in Article 2 of the contract and shown in green color on map, Figure 1, attached hereto and made a part hereof, consists of 4 patented and 8 unpatented lode mining claims in secs. 19 and 20, T. 15 N., R. 6 W., Montana Principal Meridian, Heddleston Mining District, Lewis and Clark County, Montana, as follows:

Patented Claims

Claim Name	U. S. Survey No.
Carbonate No. 1	10557
" " 2	10557
" " 3	10556
" " 4	10556

Unpatented Claims

Claim Name	Recorded Book	Recorded Page
Roundup	21	474
Winston	22	467
Roundup Extension	21	474
Winston Extension	24	345
Carbonate No. 4	24	432
Carbonate Fraction No. 1	18	361
Carbonate Fraction No. 2	18	361
N. M. & R.	24	306

The unpatented claims are recorded in the Recorder's Office in the Courthouse of Lewis and Clark County at Helena, MOntana.

The Operator owns all the above claims.

DRAFT
SPHolt/gla
5-19-61

EXPLORATION CONTRACT
SWANSEA MINES, INC.
OMK-6114

EXHIBIT A

The maps attached hereto and made a part hereof are as follows:

Figure 1. Carbonate Group of Claims, Heddleston Mining District, Lewis & Clark County, Montana.

Figure 2. Composite Plan Showing Surface Trench, Adit Level and Recommended Diamond Drill Station and Holes, Carbonate Mine, Swansea Mining Company, Inc., Lewis and Clark County, Montana

The purpose of the project is to explore for ores of lead and zinc by means of diamond core drilling on the adit level of the Carbonate mine.

General Conditions

Diamond drilling shall be done with AX or larger sizes of coring bits. All cores shall be properly boxed and made available to the Government for examination. All core sections showing significant mineralization shall be properly sampled and the samples shall be assayed for lead and zinc, and for gold, silver, and copper as may appear desirable.

Sludge samples shall be taken during the diamond drilling and, in significantly mineralized sections, where the core recovery is less than 60 percent, the sludges shall be assayed as above, in addition to the core segments which have been recovered. No sample,

either of core or sludge, shall represent a hole interval of more than 5 feet.

All samples to be assayed shall first be split and one-half made available to the Government. The Government will contribute to the cost of not to exceed 160 determinations for gold, silver, lead, copper, or zinc.

All drill holes shall be logged geologically and copies of the logs of completed holes, together with maps showing drill holes and sections, shall be furnished monthly to the Government.

No drilling shall be done at locations closer than 100 feet to property boundaries. The Government will not participate in the cost of incomplete holes. Casing left in drill holes at Operator's request will be for its sole account.

The location, direction, inclination and extent of all diamond drill holes will be subject to prior approval of the Government.

Description of the Work

1. Clean out adit level of the Carbonate mine and rethread and install air and water pipe lines from the portal to the first south crosscut, located about 100 feet west of the shaft, see Figure 2.

2. Construct a drill station at the approximate location shown on Figure 2, station to be triangular in section and rectangular in plan, as shown in section A on said Figure 2, requiring the excavation of about 700 cubic feet of material, to provide tail room for

drilling downwardly inclined holes.

3. Diamond core drill not to exceed 2,500 feet in four drill holes, as shown in red color on Figure 2, with bearings, inclinations and depths approximately as follows:

Drill Hole No.	Bearing	Inclination	Length or Depth, feet
1	N. 13° E.	Horizontal	600
2	N. 13° E.	-30°	700
3	N. 32° E.	Horizontal	550
4	N. 32° E.	-30°	650
		Total	2,500

Estimated Costs

Actual Costs

Category (1) - Independent Contracts

None except:

Diamond core drilling -

From 0 to 200' depths,

800 feet @ $4.90/ft. $3,920.00

From 200' to 400' depths,

800 feet @ $5.20/ft. 4,160.00

From 400' to 600' depths,

750 feet @ $5.60/ft. 4,200.00

From over 600' depth,

150 feet @ $6.10/ft. 915.00 $13,195.00

Mobilization and demobilization of

drill and equipment 450.00

Cementing and redilling,			
10 hours @ $10.60/hr.		$ 106.00	
Reaming and casing,			
60 feet @ $2.90/ft.		1,740.00	$15,491.00
Category (7) - Miscellaneous			
None except:			
Core boxes, wooden,			
76 @ $4.00/each	$304.00		
Assay determinations for gold, silver, lead, zinc, and copper, 160 @ $1.50 determination	240.00		544.00
Total actual costs			$16,035.00

Fixed Unit Costs

Clean adit level, rethread and install compressed air and water pipe lines, 1 job	$300.00	
Construct diamond drill station, 1 job	400.00	
Incidental allowance in lieu of all costs whatsoever except those listed above, $0.61/ft. for 2,500 feet of drilling	1,525.00	
Total fixed unit costs		2,225.00
Total Estimated Cost of the Project		$18,260.00
Government Participation @ 50%		$ 9,130.00

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION 5/ 5/61

TO:	DATE	INITIALS
1. Chief, Div. of Field Operations		
Re: OME-6114 (Lead-Zinc) 2. Swansea Mines, Inc.	5/10/61	S.P.H.
Carbonate Mine 3. Lewis & Clark County, Montana		
4.		
5. Donald R. MacLaren		
FROM: Acting Field Officer, Region I		

FOR: Check items for action desired

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

REMARKS: We are transmitting only 2 copies of this report in accordance with verbal instructions from C. E. Fisher who informs us that you now only require 2 copies instead of 3 of our memorandum reports (exam., final, and interim), and memoranda and copies of letters re. fiscal transactions.

OME (2)

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 8 1961

DATE	INITIALS	
5/8	gad	NNO
		130
5/10	Hael	500

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
May 2, 1961

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: Application examination, OME-6114 (Lead-Zinc), Swansea Mines, Inc., Carbonate Mine, Lewis and Clark County, Montana

INTRODUCTION

Swansea Mines, Inc., P. O. Box 904, Helena, Montana, applied for OME assistance to explore for lead-zinc at the Carbonate mine, Lewis and Clark County, Montana.

The applicant proposed to rehabilitate the Carbonate adit tunnel to an existing shaft which is caved above the adit level, to drive 650 feet of crosscut northerly to cut 8 veins exposed in an 800-foot trench north of the shaft and to drift 100 feet on the most promising showings exposed in the crosscut. The applicant estimates that the cost of this program will be $32,000, of which the Government would pay 50 percent or $16,000.

The property was examined April 4 in the company of C. L. Hewitt, President. In the course of the examination Mr. Hewitt outlined the future plans of the company. Should exploration to the north of the Carbonate vein disclose one or more veins containing sulfides of a grade comparable to those found in the Carbonate vein at the adit level, the company would feel justified in opening and rehabilitating the present shaft and crosscutting to and drifting on those veins from the bottom of the shaft at its own expense. It was suggested to Mr. Hewitt that 3 horizontal diamond drill holes and 3 holes inclined at about -30°, totaling 3,300 feet and drilled from 2 underground drill stations, might explore the area under consideration more satisfactorily and at less cost. Mr. Hewitt stated that he favored the suggestion but believed that 2 horizontal holes and 2 inclined holes totaling 2,490 feet and drilled from 1 underground drill station would, if successful, be sufficient to justify the company to carry on alone with their program.

ON-SITE EXAM. REPORT

CONCLUSIONS

Eight iron-stained zones exposed in a surface trench are similar in appearance and mineral content to the surface exposure of the Carbonate vein which contains minable ore below the 50-foot level. Based on this similarity, it is concluded that one or more of these surface showings may well overlie silver, lead, and zinc ore bodies at least equal in size to that found in the Carbonate vein, if not larger. It is also concluded that a modest drilling program of 4 holes totaling 2,490 feet as proposed by the applicant during the examination would have a good chance of discovering ore in significant amounts.

PROPERTY

The property consists of 4 patented and 8 unpatented claims as follows:

Patented

Claim	Survey No.
Carbonate No. 1	10557
2	10557
3	10556
5	10556

Unpatented

Claim	Book	Page
Roundup	21	474
Winston	22	467
Roundup Extension	21	474
Winston Extension	24	345
Carbonate No. 4	24	432
Carbonate Fraction No. 1	18	361
2	18	361
N Mad R (N M and R)	24	306

The unpatented claims are recorded in the Recorder's Office, Lewis and Clark County Courthouse, Helena, Montana.

LOCATION AND ACCESSIBILITY

The property is situated in secs. 19 and 20, T. 15 N., R. 6 W., Montana P.M., in the Heddleston Mining District, Lewis and Clark County, Montana. The portal of the adit level of the Carbonate vein is within 300 feet of State Highway 20, about 20 miles east of Lincoln, Montana. The nearest shipping points are Silver City, about 30 miles distant and Wolf Creek about 33 miles distant. Roads to Lincoln and Wolf Creek are paved and the road to Silver City is paved except for one stretch of 18 miles. All roads are maintained by the county and are passable throughout the year except for short periods during heavy snowfall.

= Principal Meridian

GEOLOGY

Regional and local geology is described by J. T. Pardee and F. S. Schrader (1933) in "Metalliferous Deposits of the Greater Helena Mining Region, Montana" (U. S. Geol. Survey Bull. 842). Much of the following has been summarized from this paper.

Rocks of the district are argillite, quartzite, and sandstone of the Belt Series, Precambrian in age. The sedimentary rocks, gray, green, and purple in color, are distinctly bedded. They dip greatly northward and have been intruded by a sheet or sill of diorite containing crystals of dark hornblende and other ferromagnesian minerals in a feldspathic groundmass. At the Carbonate mine the crystalline rock is courser textured and more basic in composition than elsewhere in the district. On the Carbonate property there is a small dike, probably rhyolite, that cuts both the sedimentary series and the diorite.

The Carbonate vein is a sheared zone of closely spaced fractures ranging in width from about a foot to several feet between walls of diorite. It strikes about N. 40° W. and dips at angles ranging from 80° NE. to 80° SW. At the surface it was seen in the wall of a caved portion of the shaft where it appeared as a yellow iron-stained zone about 3 feet wide. It could not be examined closely because of the badly caved condition of the shaft, but it is reported to contain only sparse sulfides to a depth of about 45 feet. Below that depth the sulfide content notably increases with depth. On the adit level a mineralized part of the zone about 40 feet long and as much as 5 feet wide contains in addition to galena and sphalerite considerable pyrite which also is found in the wall rock for several feet on either side of the vein. Smaller

parallel and near parallel veins are disclosed in some of the crosscuts. On the 200 and 300 levels ore bodies are reported by Pardee and Schrader (1933) to be as much as 6 feet wide and to contain increasing amounts of lead and zinc sulfides.

A surface trench about 580 feet long and up to 10 or 12 feet deep has been bulldozed in a northerly direction from a point about 100 feet N. 8° W. of the shaft (pl. 1). There are eight shear zones exposed in the west wall of the trench, in all of which the rock is highly altered and well stained by yellow iron oxide. The narrowest zone is 2 feet wide and the widest is 12 feet; others are 6, 7, and 8 feet wide. Because of debris in the trench floor it is impossible to determine the strike of most of the zones. However, in the case of two, the strike appears to be about N. 62°-65° W. ~~and in a third it is N. 41° 55° W.~~ This is nearly parallel to a branch vein exposed in the adit workings. A third zone appears to strike N. 41°-55° W., nearly parallel to the Carbonate vein. It can only be surmised that the zones in general have a strike somewhere between that of the Carbonate vein and that of the branch vein just mentioned.

In appearance the zones are similar to the Carbonate vein where it is exposed in the shaft collar. Samples taken by the applicant indicate the presence of small amounts of silver, lead, and zinc in some of the iron-stained zones exposed in the trench.

RECOMMENDED PROGRAM

It is recommended that the adit level be cleaned out and air and water line be installed to the first crosscut south located about 100 feet west of the shaft, that a diamond drill station be constructed by taking out a portion of the back of this crosscut, and that 4 diamond drill holes totaling 2,490, say 2,500 feet, be drilled as follows (pl. 1):

Drill Hole No.	Bearing	Inclination	Depth of hole (feet)
1	N. 13° E.	Horizontal	600
2	N. 13° E.	-30°	700
3	N. 32° E.	Horizontal	550
4	N. 32° E.	-30°	640
Total			2,490 (say, 2,500 ft)

COSTS

Cleaning adit--rethreading and installing air and water lines

The applicant has on hand 550 feet of 3-inch air line and 350 feet of $1\frac{1}{2}$-inch water line that will have to be rethreaded.

This work should be completed in about 7 days requiring 2 men at $2.20 per hour. Including supervision, it is estimated that the job will cost about $300.

incl. 600/mo Sup. under 07 ½ time Total = 336.85 ∴ 300 est. OK.

Construct drill station

In order to provide tail room for the 2 down holes it is estimated that a drill station, triangular in section and rectangular in plan, will require the removal of about 700 cubic feet of rock. In order to avoid installing some 380 feet of track, the applicant proposes to dispose of the waste muck from the drill station by back filling the crosscut south of the station and the drift to the west. The cost of rail and ties alone would considerably exceed the 2 or 3 days labor cost that this proposal would require. This work should be completed in about 8 days, requiring 2 men at $2.20 per hour. Including supervision, explosives, air and water hose, it is estimated that this work will cost about $700 or $1 per cubic foot. Similar work at the Salmon River Scheelite property (Docket No. DMEA-3667) was estimated in 1959 to cost $0.90 per cubic foot.

70. small mine car using his figures for labor & 676.5 or 0.95 × 400.00

shortcut?

Diamond drilling

Boyles Brothers has submitted the only formal bid for drilling. Their bid prices vary with the hole depth, but average $5.28 per foot for the recommended footage. Two other drillers visited the property and one made an oral bid of $7 per foot for the entire work; he promised the applicant to submit a formal bid but as yet has not done so. The third driller said that he could not drill to the desired depths and therefore would not offer a bid. I doubt that the bid by Boyles Brothers can be bettered by a reputable contractor. The following prices are recommended for size AX hole:

Mobilization & Demobilization			$ 450.00
0-200 ft	800 ft at $4.90/ft	$3,920.00	
200-400 ft	800 ft at $5.20/ft	4,160.00	
400-600 ft	750 ft at $5.60/ft	4,200.00	
600-800 ft	150 ft at $6.10/ft	915.00	13,193.00
Cementing and redrilling, 10 hrs at $10.60/hr			106.00
600 ft reaming and casing at $2.90/ft			1,740.00
Total cost of drilling			$15,491.00

2500

over all average $6.195/ft

The applicant must furnish air and water for drilling. For this he proposes to rent a 315-cubic foot compressor for $400 per month. The compressor will also be used for constructing the drill station. The time that will be required to complete the drilling is estimated to be about 2 months. Therefore, the compressor will be needed for $2\frac{1}{2}$ months.

Compressor rental, $2\frac{1}{2}$ mos X $400	$1,000.00	
2,000 gal diesel oil at $0.16/gal	320.00	
50 gal gasoline at $0.30/gal	15.00	
Lubricating oil and grease	80.00	$ 1,415.00
~~75~~ 6 core boxes at $4 each (wood)		~~300~~ 4.00
~~80~~ 160 assay determinations for gold, silver, lead, zinc at ~~$1.75~~ 1.50/determination		240.00 ~~140.00~~
Consulting geologist-engineer, 2 days at ~~$100~~ 50/day (includes allowance for travel)		130.00 ~~200.00~~
		$18,280.00

RECAPITULATION

Cleaning drift--rethreading and installing air and water lines	$ 300.00
Construct diamond drill station	~~700.00~~ 400.00
Diamond drilling	15,491.00
Rental of compressor	1,000.00
Diesel oil	320.00
Gasoline	15.00
Lubricating oil and grease	80.00
Core boxes	~~300.00~~ 4
Assaying	~~140.00~~ 240.00
Consultant	~~200.00~~ 130
Total estimated cost of recommended program	$18,546.00 18,280.00
Government's participation at 50 percent	$ ~~9,273.00~~ 9,140.00

Enclosure
Distribution:
- OMS(2)
- USGS(SRO)
- Docket
- MacLaren

SWANSEA MINES, INC.

P. O. BOX 904
HELENA, MONTANA

OFFICE OF—
C. L. HEWITT, PRES.

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 1 1961

DATE	INITIALS	CODE
5-1	gad	rvo
"	Hoff	500

April 25,1961.

Mr.D.R.MacLaren
Office of Minerals Exploration
South 157 Howard Street
Spokane 4, Washington.

Dear Mr. MacLaren;-

Re OME- 6114 (lead-...

I have received a bid from Boyles Brothers Drilling Co. after their district manager came over and looked the set-up over.

I have had two local drillers up there and one of them is unable to drill a hole the length and size specified. The other one made a bid of $7.00 per ft straight through for an AX hole 800 ft deep. He was to confirm his bid and give the other charges for reaming,cementing,re-drilling etc. but so far has not submitted it. He is out of the city at this time.

I do not think we could best the bid made by Boyles Brothers, however, will try to get another bid from a reliable drilling Co. One thing we know we can depend on Boyles Brothers Co.

I am enclosing a copy of our 1960 financial statement.

The driller said that he would require 28 ft of "tail room on the same incline as the hole would be.I told them the down angle would be 50°

This much of a station would cost more than we estimated, so we thought for the four holes,we could get by with 2 stations,one in the xcut to the shaft and the other back by that crosscut to the east,so that we could avoid tramming muck outside,which would require more track renewal and repair.
I will appreciate and comments or suggestions you may offer and if there is more information desired,will be happy to get it out.

Yours very truly,
/s/ C. L. Hewitt
Swansea Mines Inc.
CL Hewitt, Pres.

Enclosing Boyles Brothers letter
with drilling bid.

APR 27 1961

DIAMOND CORE DRILLING
MINING
QUARRIES
SHAFT SINKING
TUNNEL DRIVING
GROUTING
FOUNDATION TESTING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros.
DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS
General Offices
1321 South Main Street Phone HUnter 7-7595
SALT LAKE CITY 15, UTAH

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO

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O. M. E.
RECEIVED MAY 1 1961

DATE	INITIALS	CODE

East 3408 Main Avenue
Spokane 24, Washington

~~Reply to:~~ Spokane, Washington

April 19, 1961

Mr. C. L. Hewitt, President
Swansea Mines Inc.
P. O. Box 904
Helena, Montana

Dear Mr. Hewitt:

After examining the sites to be drilled at your Carbonate mine, we submit the following rates for your consideration.

1. Mobilization: $450.00

2. Drilling Rates:

	AX	BX
0 to 200ft.	$4.90 per ft.	$5.20 per ft.
200 to 400 ft.	$5.20 per ft.	$5.60 per ft.
400 to 600 ft.	$5.60 per ft.	$6.10 per ft.
600 to 800 ft.	$6.10 per ft.	$7.70 per ft.

3. Reaming AX to BX size: $2.90 per ft.

4. Cementing, including redrill $10.60 per hour plus cost of cement or cement substitutes including drilling mud.

5. Surveying and other delays ordered by your company will be at the rate of $9.60 per hour.

6. Air, water and timbers for setups to be furnished to drill stations at no cost to Boyles Bros. Drilling Co.

Thank you for calling on us.

Very truly yours,

Boyles Bros. Drilling Co.

O C Bouquot

O. C. Bouquot
District Manager

RECEIVED
APR 27 1961
U. S. G. S.
SPOKANE, WASH.

EXHIBIT A

SWANSEA MINES, INC.
COMPARATIVE BALANCE SHEET
DECEMBER 31, 1960 AND 1959

ASSETS	DECEMBER 31, 1960		DECEMBER 31, 1959	
CURRENT ASSETS:				
Cash on deposit		1,116.15		161.00
Non-deductible expense		36.88		28.13
		1,153.03		189.13
FIXED ASSETS: (At Cost)				
Mining property and leases		57,365.99		57,365.99
Depreciable assets-Schedule A-1	79,580.97		80,070.45	
Less depreciation allowance	58,147.70	21,433.27	54,777.15	25,293.30
		78,799.26		82,659.29
OTHER ASSETS:				
Industrial Accident Board deposit		250.00		
DEVELOPMENT EXPENSES ACCUMULATED:				
Organization and promotion		30,826.70		30,826.70
Development - Exhibit B		569,966.25		563,450.68
		600,792.95		594,277.38
		680,995.24		677,125.80
LIABILITIES AND CAPITAL				
CURRENT LIABILITIES:				
Accounts payable:				
C. L. Hewitt	1,742.00		1,745.00	
Others	1,200.00	2,942.00	1,200.00	2,945.00
Payroll taxes		60.47		
Accrued taxes - Lewis and Clark County		286.48		556.28
		3,288.95		3,501.28
OTHER LIABILITIES:				
Notes payable-Schedule A-2	15,724.55		11,842.78	
Advances - Schedule A-3	12,370.69	28,095.24	12,170.69	24,013.47
Total liabilities		31,384.19		27,514.75
CAPITAL:				
Capital stock - 7,500,000 shares authorized @ $.05 par issued and outstanding at 12/31/60 - 6,636,111 shares	331,805.55		331,805.55	
Excess paid for stock	317,805.50		317,805.50	
		649,611.05		649,611.05
		680,995.24		677,125.80

RECEIVED
APR 27 1961
U.S.G.S.
SPOKANE, WASH.

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O. M. E
RECEIVED MAY 1 1961

DATE	INITIALS	CODE

EXHIBIT B

SWANSEA MINES, INC.

DECEMBER 31, 1960

DEVELOPMENT EXPENSE:

Balance, December 31, 1959		563,450.68
1960 additions:		
Assay	5.50	
Trucks	830.17	
Labor	418.09	
Taxes - includes property	546.81	
Depreciation - Schedule A-1	3,860.03	
Insurance	188.69	
Travel and promotion	260.00	
Gain on sale of 6 fully depreciated ore cars	(900.00)	
Interest	451.29	
Road work	164.00	
Sundry	34.00	
Office	656.99	
Net expense		6,515.57
Balance, December 31, 1960		569,966.25

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O. M. E.
RECEIVED MAY 1 1961

DATE	INITIALS	CODE

SWANSEA MINES, INC.

DECEMBER 31, 1960

DEPRECIABLE ASSETS: SCHEDULE A-1

ASSETS

	Balance 12/31/59	Change	Balance 12/31/60
Buildings	40,500.00		40,500.00
Mine equipment	19,972.12	(489.48)	19,482.64
Mill equipment	6,753.00		6,753.00
Tools	1,630.00		1,630.00
Office equipment	515.33		515.33
Power line	10,100.00		10,100.00
Other equipment	600.00		600.00
	80,070.45	(489.48)	79,580.97

ALLOWANCE FOR DEPRECIATION

	Balance 12/31/59	Additions	Reduction	Balance 12/31/60
Buildings	28,154.08	2,014.02		30,168.10
Mine equipment	13,362.85	886.50	489.48	13,759.87
Mill equipment	5,136.52	332.99		5,469.51
Tools	1,138.25	81.50		1,219.75
Office equipment	515.33			515.33
Power line	5,950.00	505.00		6,455.00
Other equipment	520.12	40.02		560.14
	54,777.15	3,860.03	489.48	58,147.70

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O. M. E.
RECEIVED MAR 1 1961
DATE | INIT. | CODE

SWANSEA MINES, INC.
DECEMBER 31, 1960

NOTES PAYABLE:

SCHEDULE A-2

INTEREST BEARING NOTES:	BALANCE 12/31/59	PRINCIPAL BORROWED 1960	1960 INTEREST @5%	BALANCE 12/31/60
M. D. Armstrong	1,369.16		68.46	1,437.62
George Zohn	1,369.16		68.46	1,437.62
Walter McLean	1,365.72		68.27	1,433.99
James H. Smith	279.93		14.00	293.93
C. L. Hewitt	1,358.81		67.94	1,426.75
	5,742.78		287.13	6,029.91

INTEREST BEARING NOTES - CARBONATE DEVELOPMENT:

		NOTE #			INTEREST @7%	
Walter Isackson	5/3/60	1		500.00	23.34	523.34
Harry Lathrum	3/13/60	2		300.00	17.50	317.50
Rita Pearson	3/13/60	3		200.00	11.67	211.67
Roy McMahon	3/13/60	4		100.00	5.83	105.83
George Sisler	3/13/60	5		50.00	2.92	52.92
Jim Smith	3/13/60	6		100.00	5.83	105.83
Cyril Balch	5/3/60	7		100.00	4.67	104.67
Earl Peterson	5/3/60	8		100.00	4.67	104.67
Rena Smith	5/3/60	9		100.00	4.67	104.67
J. Roy Stevensen	6/22/60	10		20.00	.70	20.70
B. R. Loepp	9/2/60	11		300.00	7.00	307.00
Frank Sonntag	9/2/60	12		300.00	7.00	307.00
L. J. Richardson	3/13/60	13		100.00	5.83	105.83
E. D. Duquette	9/28/60	14		150.00	2.63	152.63
O. K. Kane	9/28/60	15		150.00	2.63	152.63
D. A. Shannon	10/6/60	16		500.00	12.50	512.50
Harry Savaria	9/16/60	17		300.00	5.25	305.25
John M. Larson	12/19/60	18		100.00		100.00
				3,470.00	124.64	3,594.64

NON-INTEREST BEARING NOTES:

M. D. Armstrong	6,100.00			6,100.00
Totals	11,842.78	3,470.00	411.77	15,724.55

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SWANSEA MINES, INC.
DECEMBER 31,1960

ADVANCES:

SCHEDULE A-3

	BALANCE 12/31/59			ADDITIONS	BALANCE 12/31/60		
	WINZE	OTHER	TOTAL	1960	WINZE	OTHER	TOTAL
George Zohn	260.00	4,393.55	4,653.55		260.00	4,393.55	4,653.55
M. D. Armstrong		5,563.55	5,563.55	100.00		5,663.55	5,663.55
[illegible] N. Smith	100.00	28.55	128.55		100.00	28.55	12[illegible]55
W. M. McLean	200.00	600.05	800.05	100.00	200.00	700.05	900.05
Edward Justad	450.00	49.99	499.99		450.00	49.99	499.99
Ed Genzinger	250.00		250.00		250.00		250.00
Roy Smith	125.00		125.00		125.00		125.00
Rita Pearson		150.00	150.00			150.00	150.00
	1,385.00	10,785.69	12,170.69	200.00	1,385.00	10,985.69	12,370.69

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DATE INIT. CODE

DRAFT

SPH
3.14.61

23

REPORT ON EXPLORATION ASSISTANCE APPLICATION

44

Applicant: Swansea Mines, Inc.
P. O. Box 904
Helena, Montana

OME-6114 (Copper-Lead-Zinc)

Dated: February 27, 1961.

Location: Lewis and Clark County, Montana

Received: March 10, 1961.

Name of Property: Carbonate Mine

1. Proposed Exploration and Estimated Cost

The Applicant proposes exploration as follows:

1. Rehabilitate camp buildings and compressor-shop building
2. Rehabilitate Carbonate adit to a point beyond collar of winze
3. Drive 650 feet of size 5' by 7' crosscut to cut eight veins exposed in 800-foot bulldozer trench
4. Drive 100 feet of 5' x 7' drift along most promising vein intersected in above crosscut.

Cost of the work, as estimated by the Applicant	$32,000.00
Government participation @ 50%	16,000.00

2. Financial Eligibility

A - Bank letters declining a requested loan were submitted from the Union Bank and Trust Company and the First National Bank and Trust Company, both of Helena, Montana. Letters to the banks, in nearly identical terms, requested a loan of $16,000.00 for a period of five years, payable $4,000.00 the first year, $3,000.00 each year thereafter for four years, interest payable annually. Purpose of the loan was to run a crosscut to explore several veins newly discovered by surface trenching. Stockholders had agreed to put up $16,000.00, part of which was already paid in. Total cost of the work would be $32,000.00.

The Union Bank and Trust Company denied the request because of the time

required for repayment. The First National Bank and Trust Company stated that because of the term requested and the present tight situation for capital loans it could not give favorable consideration to a loan of this type at this time.

As this correspondence satisfies the reqirements, it appears that the Applicant is financially eligible for Government assistance in the proposed exploration. If a contract is recommended the Applicant should be requested to submit a recent simple financial statement showing assets, liabilities and net worth of the corporation.

Reviews

The Applicant owns 4 patented and 8 ~~14~~ unpatented lode mining claims, situated in secs. 19 and 20, T. 15 N., R. 6 W., Montana B. and M., Heddleston Mining District, Lewis and Clark County, Montana.

Exploration proposed by the Applicant, while feasible, appears not to be a well balanced program, with 650 feet of crosscutting to explore possible downward extensions of eight veins, at depths of ~~####~~ 120 to 155 feet below their exposures in a bulldozer cut, to be followed by only 100 feet of drifting along the most promising vein found in the crosscut. It appears that better results could be attained by drilling a series of inclined diamond core drill holes from surface, or perhaps from the 120-foot adit level, to explore the downward projections of the veins found in the bulldozer cut. If results of the drilling justified, further exploration might consist of crosscutting and drifting at a lower elevation.

4. Action

Refer the application to the Field Officer for consideration and a field

examination if necessary, with the suggestion that the possibility of a revised exploration progrm somewhat on the lines noted above should be studied. The Field Officer, if a contract is recommended, should request the Applicant to submit a simple recent financial statement showing the assets, liabilities and net worth of the corporation.

Stephen P. Holt

Stephen P. Holt

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/14	Holt	500
		500
3/14	Talbert	800
3/14	Leffingwell	430
		~~440~~
		~~248~~
3/14	gsd	220
		500

MAR 1 4 1961

Swansea Mines, Inc.
P. O. Box 904
Helena, Montana

Re: OME-6114 (Lead-Zinc)
Swansea Mines, Incorporated
Carbonate Mine
Lewis and Clark County, Montana

Gentlemen:

The application for assistance in exploring the subject property has been reviewed by the Division of Minerals of the Office of Minerals Exploration and referred to:

Mr. D. R. MacLaren
Acting Field Officer, Region I
Office of Minerals Exploration
South 157 Howard Street
Spokane 4, Washington

The Regional Office will notify you in case additional information concerning the application is needed.

Sincerely yours,

/S/ Frank E. Johnson

Acting Director (248)

SPHolt/hb (3/14/61)

Copy to: Docket (OME-6114)
Director's Reading File
Region I(2)
Review Committee
Code 500
Chron - 500

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/14	Holt	500
	usual	300
3/14	Talbot	800
3/14	[illegible]	130
"	Johnson	110
		~~HB~~
3/14	gad	220
		500

MAR 1 4 1961

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6114 (Lead-Zinc)
Swansea Mines, Incorporated
Carbonate Mine
Lewis and Clark County, Montana

The subject application is being referred to you for consideration and a field examination if necessary. Enclosed is an extra copy of the application for the use of the Field Officer.

We agree with you that the proposed project may have merit, and also agree that the 650-foot long crosscut, with only 100 feet of drifting on only one mineralized zone, to attain backs of only 120 to 155 feet, appears to be unreasonable, especially in view of the fact that the section submitted with the application indicates that most, if not all, of the ore produced on the Carbonate vein was stoped from below the level of the proposed crosscut and drift, and the application contains the statement that sulphides began to come in 45 feet below surface.

We would like to see a map showing the relationship of the 800-foot long bulldozer trench to the underground workings shown on the plan and section submitted with the application. The thought occurs that inclined diamond drill holes from surface, or from the present 120-foot level, might serve better to explore possible downward continuations of the eight veins reported to have been cut in that bulldozer trench.

Please advise the Applicant, if you intend to recommend a contract, that it should submit, as promptly as possible, a simple recent financial statement, showing its assets, liabilities, and net worth.

Enclosure

SPHolt/hb (3/14/61)

George C. Selvidge

Copy to: Docket (OME-6114)
Director's Reading File
Review Committee
Chron - 500
Code 500

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/13	gad	220
"	Hoet S.P.H.	500

Memorandum

MAR 13 1961

To: W. R. Griswold, Chief
Division of Minerals

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

E D Talbert

Subject: OME-6114 (Silver-Copper-Lead-Zinc)
Swansea Mines, Inc.
Carbonate Property
Lewis & Clark County, Montana

The subject applicant has submitted, as the evidence required by item 1(a) of its February 27 application for financial assistance in a minerals exploration project estimated to cost $32,000.00, the following:

(a) A copy of its February 18 letter to the Union Bank and Trust Company, Helena, Montana, requesting a loan and that bank's February 28 letter denying the request; and
(b) A copy of its February 20 letter to the 1st National Bank & Trust Company, Helena, Montana, also requesting a loan and that bank's February 29 (sic) letter denying the request.

The applicant's requests on the banks were for a $16,000.00 loan for a period of five years with repayments of $4,000.00 at the end of the first year and $3,000.00 at the end of each of the following four years with interest payable annually. One bank denied the loan "because of the time required for repayment", and the other "because of the terms requested and the present tight situation as far as capital loans are concerned".

As this correspondence fully satisfies the evidence requirements, it appears that the applicant corporation is financially eligible for federal assistance in the proposed exploration project. However, in accordance with the Acting Director's decision at the July 14, 1960, staff meeting, if the project will be recommended, the regional Acting Field Officer should be requested to obtain a financial statement from the applicant.

Attachment

Copy to: Docket
Director's Reading File
Mr. Talbert

EDTalbert/ama
March 13, 1961

43683

March 10, 1961

Swansea Mines, Inc.
P. O. Box 904
Helena, Montana

Subject: OME - 6114

Gentlemen:

Your application for exploration assistance, dated February 27, 1961 submitted to our office in Spokane, Washington has been assigned Docket Number OME-6114.

Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Allen S. Dakan, Chief
Division of Administrative
Management

Copy to: Region I

EXTRA COPY
O. M. E
RECEIVED MAR 0 1961
DATE

No. 357 Everett Street
Spokane 4, Washington
March 6, 1961

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: Transmittal of GME application
Sunnyvale Mines, Inc. (Silver-Copper-Lead-Zinc)
Carbonate Property
Lewis & Clark County, Montana

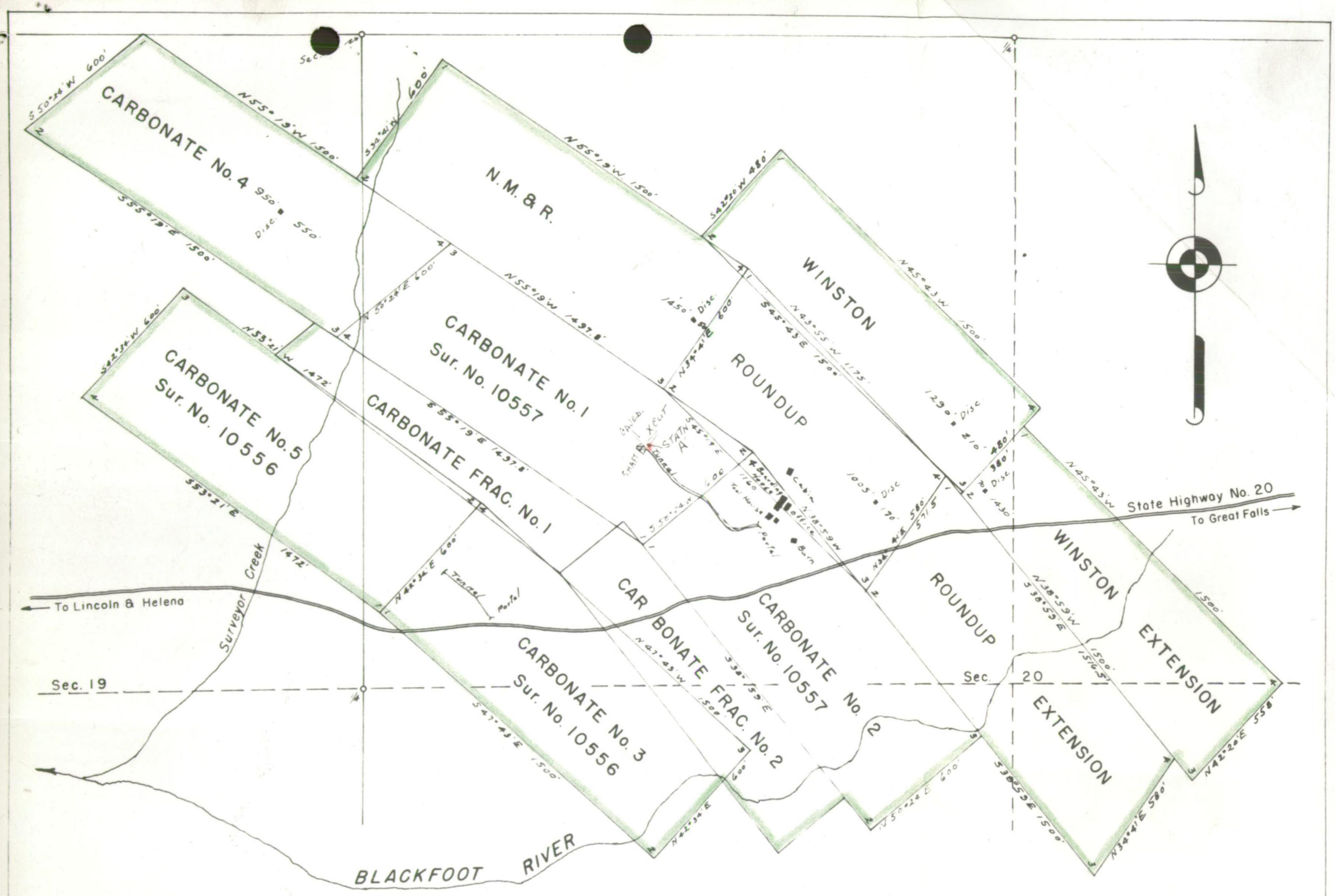
Enclosed is a copy of an application from Sunnyvale Mines, Inc., P. O. Box 904, Helena, Montana, for GME aid to explore for silver, copper, lead, and zinc ore at the Carbonate mine in Lewis and Clark County, Montana.

The applicant proposes to explore at a depth of 120-135 feet 8 veins exposed in a bulldozer cut by rehabilitating an old tunnel, crosscutting 690 feet, and drifting 300 feet on the best showing exposed in the crosscut. The estimated total cost of the project is $32,000.00, of which the Government's share would be 50 percent or $16,000.00.

While the project may have merit, probably allowance for 300 feet of drifting would be more in line if 690 feet of crosscutting is to be done.

D. R. Mathews

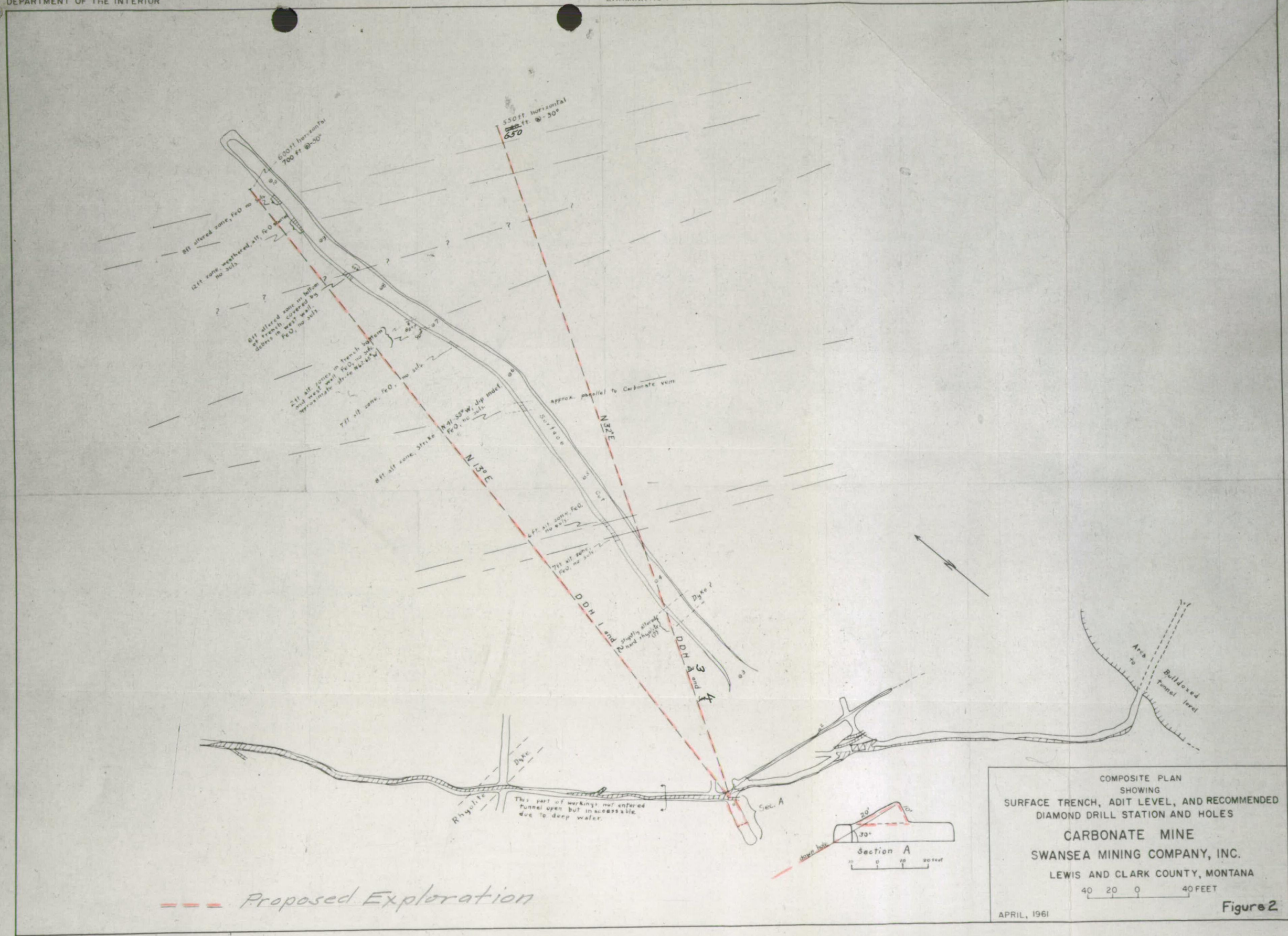
Enclosure



CARBONATE GROUP OF CLAIMS
HEDDLESTON MINING DISTRICT
LEWIS & CLARK CO., MONTANA
Sections 19 & 20, T. 15N., R. 6 W.
Scale 1" = 450'

Boundary of Land in Contract

Figure 1



COMPOSITE PLAN
SHOWING
SURFACE TRENCH, ADIT LEVEL, AND RECOMMENDED DIAMOND DRILL STATION AND HOLES

CARBONATE MINE

SWANSEA MINING COMPANY, INC.

LEWIS AND CLARK COUNTY, MONTANA

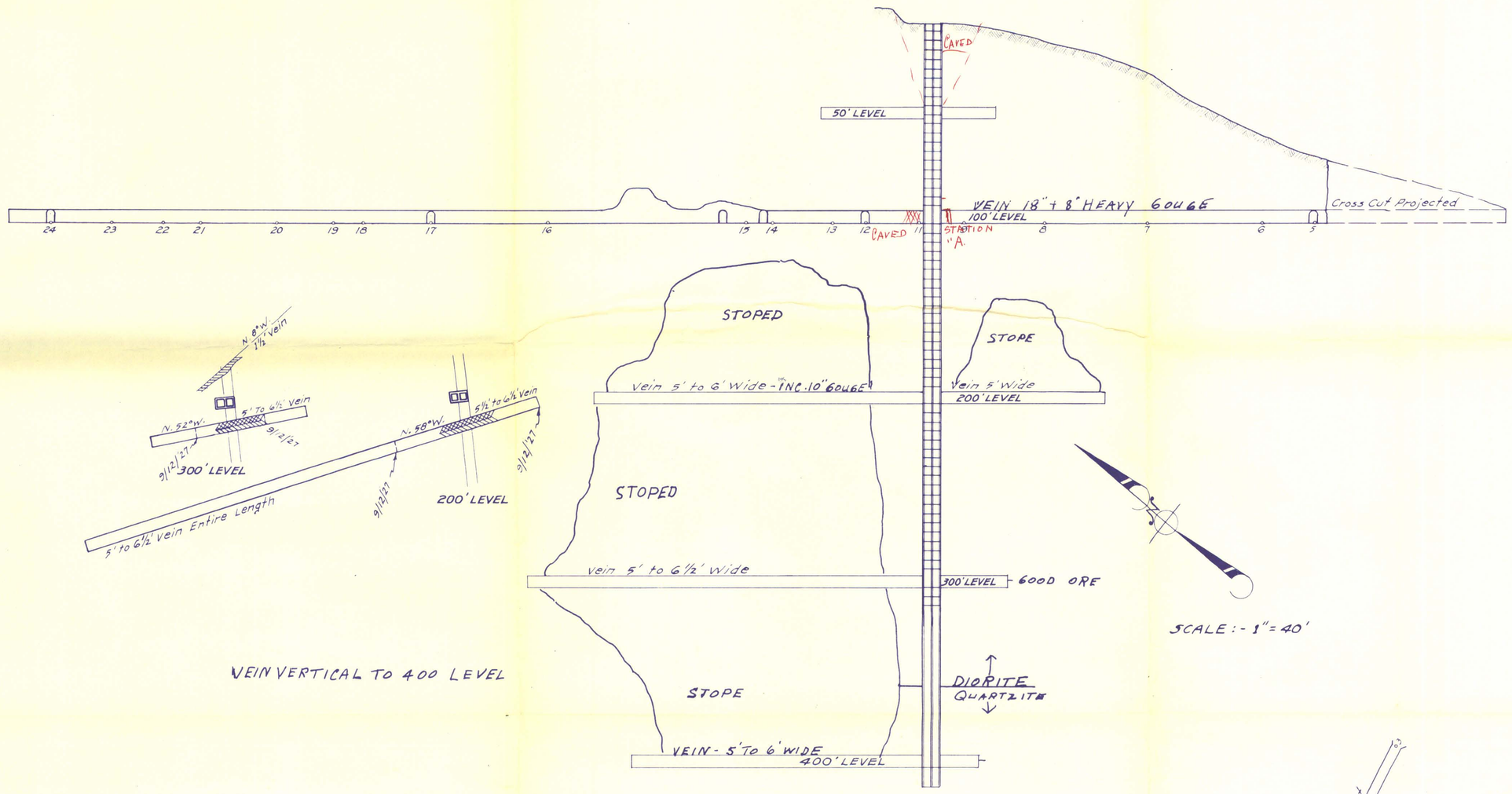
40 20 0 40 FEET

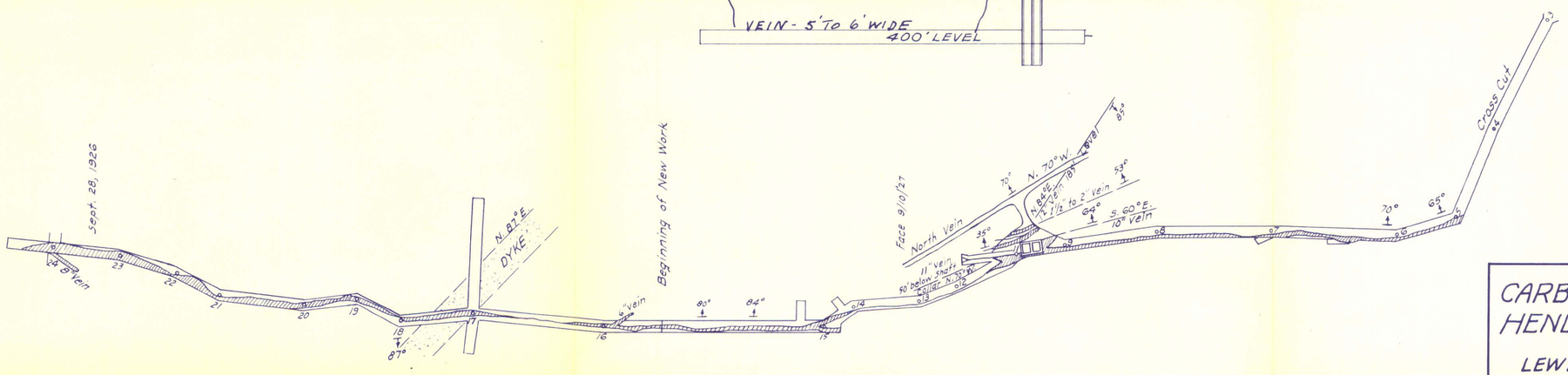
APRIL, 1961

Figure 2

SIL

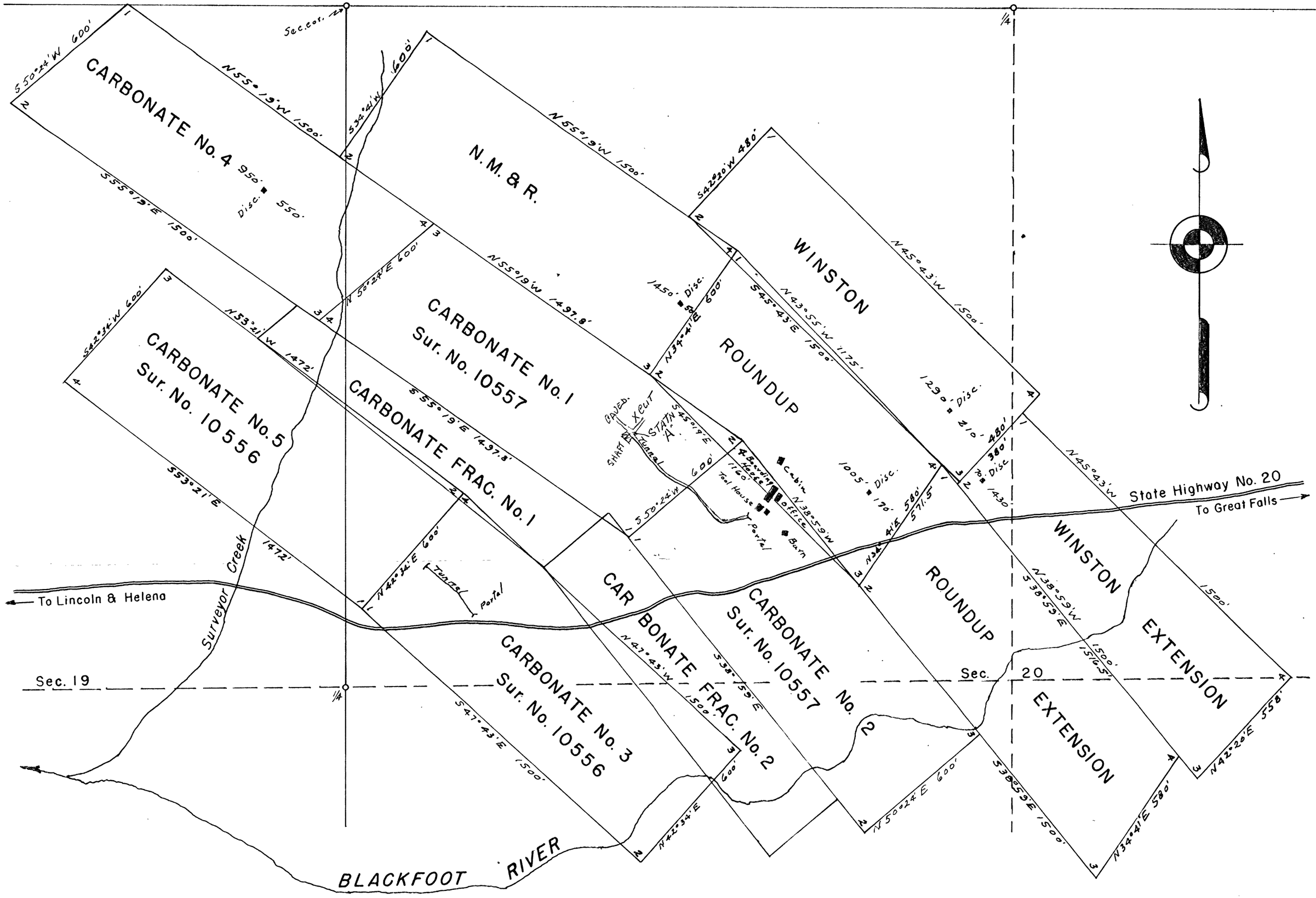
CARBONATE



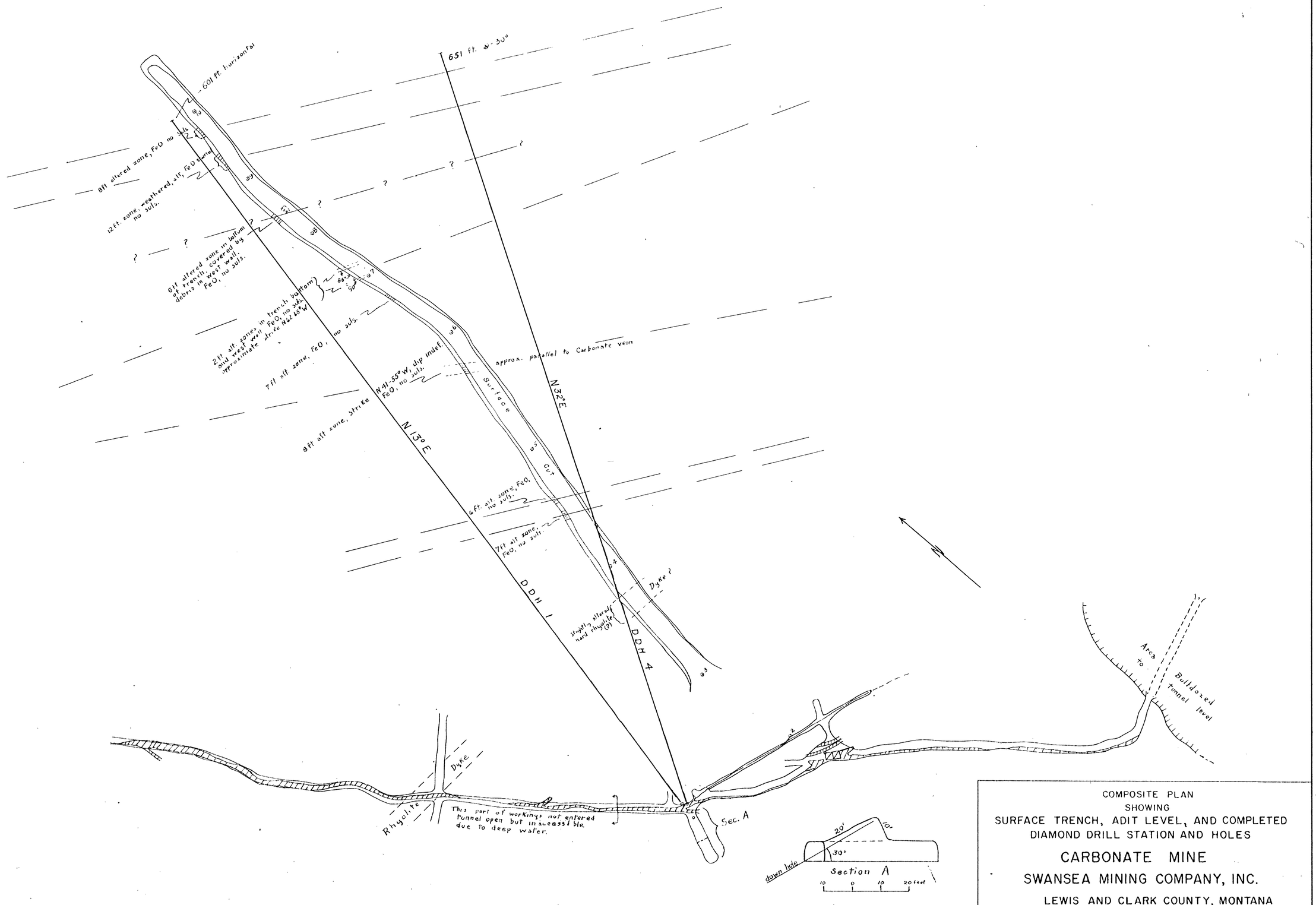


CARBONATE GROUP OF CLAIMS
HENDLESTON MINING DISTRICT

LEWIS & CLARK COUNTY - MONTANA
SECTIONS 19 & 20 - T. 15 N. R. 6 W.



CARBONATE GROUP OF CLAIMS
HEDDLESTON MINING DISTRICT
LEWIS & CLARK CO., MONTANA
Sections 19 & 20, T. 15N., R. 6 W.
Scale 1" = 300'



COMPOSITE PLAN
SHOWING
SURFACE TRENCH, ADIT LEVEL, AND COMPLETED
DIAMOND DRILL STATION AND HOLES

CARBONATE MINE

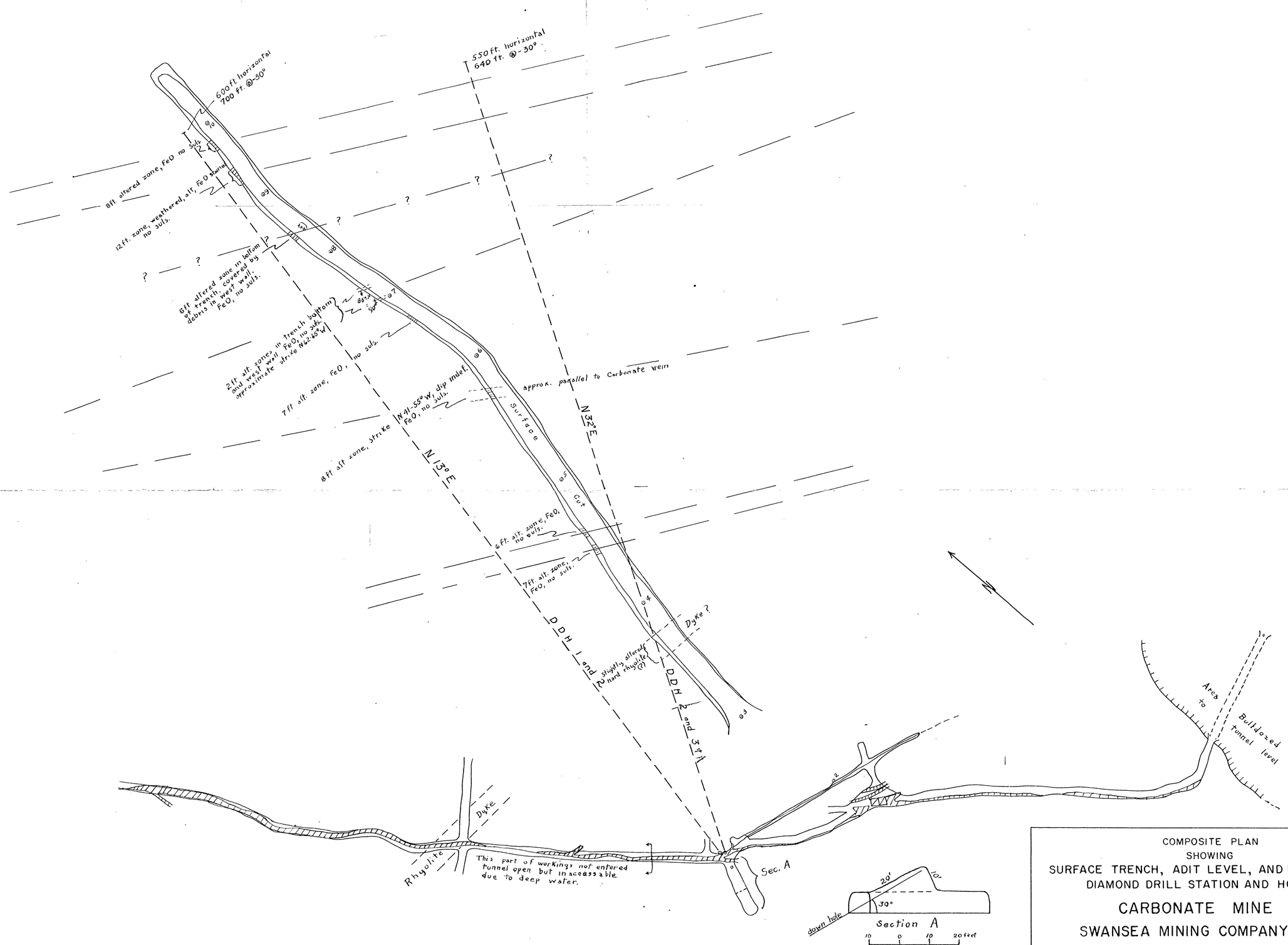
SWANSEA MINING COMPANY, INC.

LEWIS AND CLARK COUNTY, MONTANA

40 20 0 40 FEET

APRIL, 1961

PLATE I



COMPOSITE PLAN
SHOWING
SURFACE TRENCH, ADIT LEVEL, AND RECOMMENDED
DIAMOND DRILL STATION AND HOLES

CARBONATE MINE

SWANSEA MINING COMPANY, INC.

LEWIS AND CLARK COUNTY, MONTANA

40 20 0 40 FEET

APRIL, 1961

PLATE I