DMEA Form 7
(12-56)

OFFICIAL

Date	Surname	

March 8, 1958

Memorandum

To: Wingfield Chamberlain, Statistics Branch
Division of Operation Contract and Statistics

From: Director, Division of Base Metals

Subject: Report of Semi-Annual Reports of Certified Projects for the Period July 1, 1957 thru December 31, 1957.

The following projects were inactive during the cited period.

Docket No.	Contract No.	Name
DMEA-66	Idm-E404	Ely Valley Mines Company
DMEA-110	Idm-E2	Callahan Zinc Lead Company, Inc.
DMEA-270	Idm-E261	Montana Mining & Development Co.
DMEA-371	Idm-E67	Peru Mining Company
DMEA-420	Idm-E10	Bristol Silver Mines Company
DMEA-487	Idm-E26	Silver Bay Mines, Inc.
DMEA-606	Idm-E29	U. S. Metals Corporation
DMEA-1203	Idm-E14	Piquette Mining & Milling Company
DMEA-1219	Idm-E187	The Glidden Company
DMEA-1243	Idm-E86	Bachelor Development Company
DMEA-1303	Idm-E371	Yuma Metals, Inc.
DMEA-1315	Idm-E178	J. M. and Lulu Miller
DMEA-1325	Idm-E237	U. S. Smelting, Refining & Mining Co.
DMEA-1525	Idm-E84	Moreno Uranium Corporation
DMEA-1560	Idm-E42	Dodgeville Mining Company
DMEA-1561	Idm-E167	Dodgeville Mining Company
DMEA-1801	Idm-E315	Reed and Reed
DMEA-1870	Idm-E309	U. S. Metals Corporation
DMEA-1948	Idm-E302	United Minerals Corporation
DMEA-1949	Idm-E322	United Minerals Corporation

W. R. Griswold

CHECK NO. 40940

DATE 3/27/68

OUR NO.	INVOICE NO. OR OTHER DESCRIPTION	DATE	AMOUNT	DISCOUNT
	Royalty due under Defense Minerals Administration Contract IDM-E67, on production from Grant County Mine, New Mexico		$1,080.00	

AMERICAN ZINC COMPANY, BOX 8873, ST. LOUIS, MO. 63102

THIS CHECK IS IN FULL SETTLEMENT OF ABOVE ITEMS - DETACH BEFORE DEPOSITING

CHECK TOTAL $1,080.00

DETACH

BEFORE

DEPOSITING

OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 28 1968
INITIALS CODE
120
110

TO: Budget and Finance

FROM: Office of Minerals Exploration

- ABSTRACT OF REMITTANCES -

Date	Amount	Bank, City and State	Name of Remitter	Docket & Contract Numbers	Purpose
3/27/68	$1,080.00	Mercantile Trust Co. St. Louis, Mo.	American Zinc Co. for Peru Mining Co.	DMEA 371 E-67	Royalties

REMARKS: (List smelter or mill lot numbers covered by royalties)

C. Carter

3/28/68
Date Prepared

Person Preparing Abstract

Date Received

Person Receiving Remittance

AMERICAN ZINC COMPANY ☆ 20 South Fourth Street/St. Louis, Missouri 63102

ARTHUR E. S. SCHMID
ASSISTANT SECRETARY AND COUNSEL

Phone: (314) 231-5390

March 25, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 28 1968

INITIALS	CODE
	130
	~~110~~
	~~120~~
	220

Mr. Frank E. Johnson
Chief, Office of Minerals Exploration
United States Dept. of the Interior
Geological Survey
Washington, D. C. 20242

Re: DMA-371X
Peru Mining Company
Grant County Mine
Grant County, New Mexico
Contract Idm-E67

Dear Mr. Johnson:

In response to your letter dated February 28, 1968, I am enclosing our check payable to the U. S. Geological Survey for $1,080.00 together with settlement sheet in duplicate prepared in respect of this production by our metal and ore department. I hope that you will find these papers in order, but if not, kindly advise.

Very truly yours,

Arthur E. S. Schmid

Arthur E. S. Schmid

AESS:dc
Enc.

cy to R. 111

Calculation of Value Zinc & Lead Conct
Peru Mining Co, Grant County Mines

Zinc Concentrate (Sold to AZ Zinc ...

Tonnage 253
Zinc Assay
Production Period

Value:

Zn - 56.89% = 1137.8# X
Cu .14% = 2.8# X 30 ...

% adj to ...
Net: ...
Value ...

Value (Sold to Asarco, El Paso)
17.70 SDT's
40%
6 Mos Average to Feb '47 Inclusive

X (14.04 - 2.58)
(5.5)
(4.1)

$79.70
27.90
25.18
$134.7?
13.4?
1.41

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/28	Johnson	110
	Bass	140
	Lony	110
		220

FEB 28 1968

Mr. Arthur E. S. Schmid
American Zinc Company
20 South Fourth Street
St. Louis, Missouri 63102

Re: DMA-371X (Lead-Zinc-Copper)
Peru Mining Company
Grant County Mine
Grant County, New Mexico
Contract Idm-E67

Dear Mr. Schmid:

Thank you for your letter of February 20, 1968, enclosing completed MME Form 63, reporting on changes in lease arrangements and production from the property under the subject contract, and a copy of Lease and Option with United States Smelting Refining and Mining Company, dated September 1, 1967.

According to the audit report on the subject contract, dated July 12, 1957, the Government paid the Operator $37,902.68, which was fifty percent of the accepted costs in the amount of $75,805.22, for work completed under the contract, therefore, no funds are due Peru Mining Company. The contract was terminated under the provisions of Amendment No. 7 thereto, dated June 25, 1955, which also provided for payment of royalty to the Government in accordance with the terms of the contract. The Government holds a lien in the amount of $37,902.68 on the property and any production therefrom until July 18, 1968.

Royalty is due the Government at the rate of 5 percent on the value of the production reported on the completed Form MME 63. Accordingly, please forward settlement data in duplicate for the shipments involved and check payable to the U. S. Geological Survey for the amount due.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME Region III w/cy inc.ltr.
(& forms

FEJohnson/bih 2/28/68

AMERICAN ZINC COMPANY ☆ 20 South Fourth Street/St. Louis, Missouri 63102

RALPH C. PERKINS
SECRETARY AND CHIEF COUNSEL

Phone: (314) 231-5390

February 20, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 21 1968
INITIALS CODE
110
130

Mr. Frank E. Johnson, Chief
Office of Minerals Exploration
Department of the Interior
Washington, D. C. 20242

Re: DMA-371X - Peru Mining Company,
Grant County Mine, Grant County,
New Mexico - Contract Idm-E67

Dear Mr. Johnson:

In answer to your letter of January 17, 1968, addressed to Mr. C. V. Burns, formerly our Vice President and Controller, I am enclosing in duplicate executed copies of the form appearing on the reverse side of that letter.

The problem of what, if any, royalty is due remains with us and I ask your help on this. Our information is that the government did not complete its 50% contribution to the cost of the project covered by the above contract, and we are wondering whether this affects the royalty obligation. Similarly, in going through our files, we came across a letter dated July 12, 1956, addressed to Mr. Joseph H. Taylor, Vice President of Peru Mining Company, Silver City, New Mexico, and sent by W. M. Traver, Executive Officer, DMEA Field Team III. This letter contains a summary of the expenditures on the project and ends by stating that there is a balance subject to audit due to Peru Mining Company of $1,916. Since we are the successor in interest to Peru Mining Company under this contract, we wonder whether this balance is now being held for our benefit.

We do not desire to avoid the payment of any royalty obligation appropriately due from us, but trust you will agree that we are entitled to an answer concerning the above.

In February, 1967, we shut down the Grant County mine, and this shutdown was followed by the transaction described in the enclosed contract with United States Smelting Refining and Mining Company.

We await your reply.

Very truly yours,

Arthur E. S. Schmid

Arthur E. S. Schmid

AESS:dc
Encs.

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

January 17, 1968

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Re: DMA-371X (Lead-Zinc-Copper)
Peru Mining Company
Grant County Mine
Grant County, New Mexico
Contract Idm-E67

Mr. C. V. Burns
Vice President and Controller
American Zinc, Lead and Smelting Company
1600 Paul Brown Building
St. Louis, Missouri 63101

Your File 502-8

Dear Mr. Burns:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **February 1966**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [x] No [ ]

   See attached copy of contract dated September, 1967, with United States Smelting Refining and Mining Company

2. Since **February 1966**, has there been any production from the land subject to the contract? Yes [x] No [ ]

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value
Short dry tons zinc concentrates shipped intercompany American Zinc Company, Dumas, Texas	253.11	$19,502
Short dry tons lead concentrates shipped American Smelting & Refin. Co., El Paso, Texas	17.70	2,098

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes [ ] No [ ]
   None except as described in 2 above.
   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by: AMERICAN ZINC COMPANY

Name By: [signature] Title Assistant Secretary

Address 20 South Fourth St. St. Louis, Mo. 63102 Date February 20, 1968

RECEIVED JAN 20 1968 Accounting Department

3/29/67

LEASE AND OPTION

THIS LEASE AND OPTION, made and entered into as of the 1st day of September, 1967, by and between AMERICAN ZINC COMPANY, a corporation of the State of Maine qualified to do business in the State of New Mexico, and UNITED STATES SMELTING REFINING AND MINING COMPANY, a corporation of the State of Maine qualified to do business in the State of New Mexico, hereinafter called "United States Company";

W I T N E S S E T H :

ARTICLE I

For and in consideration of the sum of Ten Dollars ($10.00) and other valuable consideration paid by United States Company to American Zinc Company, receipt whereof is hereby acknowledged, and for and in consideration of United States Company's covenants and agreements hereinafter set forth, American Zinc Company does hereby:

1. Lease, let and demise unto United States Company, its successors and assigns, those certain mining properties and rights situate in the County of Grant, State of New Mexico, described in Exhibit A, attached hereto and made a part hereof, together with all and singular the mines, minerals, lodes and veins within the lines of the mining claims embraced in said properties, and their dips and spurs, and all water and water rights, dumps, plants, fixtures, structures, improvements and other rights, privileges and appurtenances thereunto in anywise belonging.

TO HAVE AND TO HOLD the said mining properties and rights, hereinafter referred to as "leased premises," unless otherwise designated, unto United States Company for a term commencing on the date hereof and ending at midnight on the 29th day of February, 1988, unless extended or sooner terminated; together with the right to use the same and the workings therein for all uses and purposes incident to the mining operations in the leased premises and in other properties, and for any and all other uses and purposes, including the right to prospect for, develop, mine, remove from the leased premises, and ship, treat, sell and dispose of all ores, metals and minerals taken therefrom.

2. AMERICAN ZINC COMPANY COVENANTS AND AGREES:

(a) That it has good and marketable fee simple title to all of said leased premises, except the unpatented lode mining claims, and that they are valid subsisting claims under the laws of the United States and the State of New Mexico; that all of said mining properties and rights are free from liens and encumbrances; and that it has good right, full power and lawful authority to

Lease and sell the same.

(b) That United States Company may at its option at any time procure an abstract of title to said mining properties and cause the same to be examined by its attorneys and the cost of the abstract may be deducted by United States Company from any royalty payments due hereunder. If the examination of the abstract discloses a defect or defects in the title to said mining properties, which makes or shall make them or any part thereof unmarketable and American Zinc Company is apprised in writing of the same, and after thirty (30) days has not cured the defect or defects or taken all steps necessary in the judgment of United States Company's attorneys to do so, United States Company is hereby authorized, at its election, to file any papers as the agent of American Zinc Company, or otherwise attempt to cure such defect or defects. United States Company may deduct any cost incurred under this subsection from any royalty payments due hereunder.

(c) That it will deliver to United States Company all maps, records and files of American Zinc Company in Grant County, New Mexico, relating to the leased premises and operations therein for use by United States Company while this Lease remains in effect, subject, however, to American Zinc Company's right to examine and make copies of any of them.

(d) That United States Company is not required to perform any work in the leased premises other than the assessment work referred to in Article III, section (c), its covenant and agreement to pay advance royalty being in lieu of a work commitment.

ARTICLE II

In consideration of said demise, UNITED STATES COMPANY COVENANTS AND AGREES:

1. That it will, upon undertaking work in or upon the leased premises, forthwith post and thereafter keep posted in conspicuous places at entrances to the premises, such notice as may be necessary adequately to notify all persons who may come in or upon the leased premises that they are held by United States Company under Lease from American Zinc Company and that United States Company is liable for all labor performed and supplies and materials used by it in and upon said premises, and that United States Company, and not American Zinc Company, will be responsible for any and all debts and expenses incurred in operations under this Lease, all as may be required by the statutes of the State of New Mexico.

2. That all work done by it in the leased premises will be performed

in a good and minerlike manner, with due regard for the safety, development and preservation of the leased premises and workings and operations therein; and it will remove insofar as is practicable and consistent with good mining practice, all commercial ores encountered in exploration, development and mining operations in the leased premises to the end that such ores shall be removed or preserved and shall not be wasted or left in an inaccessible condition. All work shall at all times be under the sole control of and done in accordance with the exercise of the discretion of United States Company as to its place, method and manner of operation.

3. That it will pay to American Zinc Company on all ores mined and removed from the leased premises and delivered to a mill, smelter or other plant, a royalty of four per cent (4%) of the gross value, as that term is defined below, of the gold, silver, copper and lead, and of the zinc in sulphide form, contained in such ores.

> Gross Value shall be the sum of the values of the above named metals determined by first computing the gross weight of each metal by multiplying the dry weight in short tons of each lot of such ore by the weight of each metal contained in an average ton of such lot, as determined by the respective assays of each metal and then by multiplying the weight of each metal so computed by the price of each metal -- all determined as provided below under "Weighing, Moisture Determination, Sampling, Assaying, Pulp Samples and Assays, Metal Prices"; provided, however, that in the computation of the weights of said metals if the quantity of metal in such lot of ore be less than:
>
> One-hundredth of one ounce per dry ton in the case of gold; one-half of one ounce per dry ton in the case of silver; and one-half of one per cent per dry ton in the case of zinc in sulphide form, lead, or copper,
>
> the weight assigned to such metals shall be one-fourth of the determined weight of that metal.
>
> Weighing, Moisture Determination, Sampling, Assaying, Pulp Samples and Assays, Metal Prices:
>
> (a) Except when the ore is grab sampled as provided in (b) below, it shall be kept separate from other ore until it is weighed and sampled automatically at the receiving mill or smelter or at a public sampler. The wet weight of said ores shall be corrected to allow for contained moisture as determined from the sample taken in the usual manner at the time of weighing.
>
> (b) When ore is broken from development headings or small isolated workings, or when it is not practicable or convenient to keep the ore separate from other ores mined by United States Company, the dry weight of any lot of such ore shall be ascertained by keeping a record of the number of mine cars of like capacity in such lot, applying to the total number of such mine cars in such lot a factor representing the average wet weight of ore per car of like capacity and correcting the weight of such lot so determined in a calendar month for contained moisture by applying to such lot as a moisture factor, the average moisture content of all ores of the same kind from United States Company's Bayard operations automatically sampled at the mill treating such ores in the same calendar month; and the ore shall be sampled by taking grab samples from each mine car of ore and combining such grab samples in lots representing not more than [illegible] (50) tons of ore

(c) American Zinc Company, at its expense, may have a representative present when the ore is weighed and sampled and the contained moisture determined.

(d) When the ore is treated at a mill, smelter or plant operated by United States Company, settlement shall be made upon the sample taken as described above and assay of United States Company, unless American Zinc Company gives United States Company, not less than twenty-four (24) hours' notice prior to the sampling of any lot that it desires:

(i) a sample of such lot or lots; and

(ii) to compare the assay of its sample or samples with that or those of United States Company.

When such notice is given, the sample taken as above described shall be divided into three (3) equal parts - one to be available to American Zinc Company for assay by it, one for assay by United States Company, and one to be sealed and set aside for umpire assay if required as herein provided. American Zinc Company and United States Company shall make independent assays of their respective pulps and the results shall be exchanged in the usual manner. Assays for zinc shall be for zinc in sulphide form only. If the assay determination of American Zinc Company and United States Company do not differ for any lot by more than the following amounts respectively for any metal, the assay for the metal shall be the average of the assays of American Zinc Company and United States Company, to-wit:

Gold	0.02 oz.
Silver	0.05 oz.
Copper	0.20%
Lead	0.50%
Zinc - in sulphide form	0.40%

If the assay determinations of American Zinc Company and United States Company differ for any lot by more than the above amounts, the third pulp sample shall be submitted to a competent public assayer, mutually satisfactory, for umpire assay of the metal or metals in question, and in these cases the middle assay of the three (3) pulps shall be taken as the agreed assay for the lot. The cost of the umpire shall be borne by the party whose result is further from the umpire's.

(e) When the ore is treated at a mill, smelter or plant not operated by United States Company, settlement shall be made on the assay on which settlement is made for the lot between United States Company and such mill, smelter or plant.

Metal Prices for the purpose of computing gross value shall be determined in the following manner:

The prices for copper, lead and zinc in sulphide form shall be the average quotation for New York domestic refinery electrolytic cathode copper, New York common lead and East St. Louis prime western zinc, all as published in Metals Week (or its recognized successor in the publication of quotations for said metals) for the calendar month in which the ore is sampled at the receiving mill, smelter or other plant.

The price for gold shall be the average of the daily quotations for the calendar month in which the ore is sampled at the receiving mill, smelter or other plant, of the United States Treasury or Mint Price, currently listed at $34.9125 per ounce, or the open-market price, whichever monthly average is higher.

The price for silver shall be the average daily quotations for the calendar month in which the ore is sampled at the receiving mill, smelter or other plant of the Handy and Harman New York Official quotation for silver contained in unrefined silver-bearing materials, as published in Metals Week (or its recognized successor in the publication of silver quotations).

Provided, however, that no prices for gold or silver shall be used as a basis as above provided except those prevailing in a market available to United States Company with reasonable effort, and provided further, that in the event any direct Governmental tax or levy of whatever nature shall be imposed on gold and/or silver reducing the net amount available to United States Company the prices used as a basis shall be reduced accordingly.

Subsidy - In the event United States Company shall receive, directly or indirectly, on any lot of ore produced under this Lease any subsidy or equivalent thereof payable by the United States Government, or any agency thereof, or from any other source as a result of the production, sale and/or disposal of the lot of ore, or of the metal content thereof, United States Company shall, if and to the extent that Government regulations permit, pay to American Zinc Company, in addition to the royalty provided above, four per cent (4%) of the amount so received.

Deduction for Severance and Gross Receipts Taxes - United States Company may at its election deduct and retain from the royalties payable on any lot of ore an amount equivalent to four per cent (4%) of the severance and gross receipts taxes payable on the lot.

Settlement for royalty on production after having first applied and credited advance royalty paid, as provided in section 4 of this Article, and any costs which United States Company may deduct from royalty payments due as provided in Article I, section 2, subsection (b), shall be made on or before the last day of each calendar month or as soon thereafter as necessary data are available for all lots of ore removed and sampled during the preceding calendar month by depositing the same in The American National Bank of Silver City, New Mexico to the order and credit of American Zinc Company, accompanied by a statement showing the gross value, dry weight, metal prices and any other factors used in determining the amount of the royalties, and said bank shall be fully protected in relying on any evidence satisfactory to it of costs which United States Company may deduct from royalty payments due.

4. That while this Lease remains in effect, United States Company will have paid, or will pay, on or before each of the following dates royalties amounting in the aggregate to not less than the amounts set opposite such date respectively:

On or before	October 1, 1967	$ 5,000
" "	October 1, 1968	10,000
" "	October 1, 1969	15,000
" "	October 1, 1970	20,000
" "	October 1, 1971	25,000
" "	October 1, 1972	50,000
" "	October 1, 1973	80,000
" "	October 1, 1974	110,000

and On or before October 1 of each year thereafter, to and including October 1, 1987, an amount increased at the rate of $30,000 per year, amounting in the aggregate to not less than $500,000 on or before October 1, 1987.

Any amount so paid in excess of royalties payable on production shall be advance royalties and shall be applied against future production, and no royalties on production shall be paid, except to the extent that there shall be a balance due on production after having applied and credited against the said production all royalties previously paid in advance.

All sums paid for the account of, or for the benefit of American Zinc Company, in accordance with the terms of this Lease, except payment pursuant to Article IV, shall be deemed to be royalties paid to American Zinc Company for all purposes hereof and said bank shall be fully protected in relying on any evidence of such payment satisfactory to it.

Payments hereunder shall be made by depositing the same in The American National Bank of Silver City, New Mexico to the order and credit of American Zinc Company.

5. That it will furnish and pay for all labor, power, tools, equipment, powder, timber and other materials and supplies that may be used by it in the prosecution of work under this Lease and will not allow any claim or lien for any such thing to be effectually made or asserted against the leased premises or against American Zinc Company.

6. That it will hold American Zinc Company harmless and fully indemnify it against all claims and demands of any kind or nature which may be made upon it or against the leased premises for or on account of any debt or expense contracted or incurred by United States Company, as well as from and against any and all acts, transactions or omissions of United States Company, its agents or employees; and United States Company will defend and save American Zinc Company harmless and fully indemnify it as to any liability or asserted liability for or on account of injury to or death of any person or damage to any property sustained during the period this Lease remains in effect, alleged to have resulted from any act or omission of United States Company, its agents or employees, or the unsafe condition of the leased premises, except when American Zinc Company has assumed the risk as provided in section 9 of this Article.

7. That it will comply with the provisions of the Workmen's Compensation Act and the Occupational Disease Disablement Law of the State of New Mexico, the Unemployment Compensation Act of the State of New Mexico, the Federal Unemployment Tax Act, the Federal Insurance Contributions Act, and other legislation, Federal and State, applicable to operations in the leased premises, and will make all payments, returns and reports required by such acts.

8. That it will pay the ad valorem taxes which are both assessed against the leased premises and fall due during the period this Lease remains in effect; and will pay any severance, sales or other taxes assessed on ore milled or shipped to a smelter by it hereunder, subject, however, to its right, under Article II, section 3, to deduct and retain from the royalties payable on any lot of ore an amount equivalent to four per cent (4%) of the severance and gross receipts taxes payable on the lot.

9. That it will permit the representative of American Zinc Company, authorized in writing, at all reasonable times, to enter, at American Zinc Company's risk, into any workings in the leased premises, for the purpose of examining and inspecting the same and ascertaining whether the terms and conditions of this Lease are being carried out and performed by United States Company, but United States Company's representative may accompany American Zinc Company's representative; and American Zinc Company's representative, authorized in writing, shall at all reasonable times have access to records of production from the leased premises and such other records as will show compliance on the part of United States Company with the provisions of this Lease.

ARTICLE III

THE PARTIES MUTUALLY COVENANT AND AGREE THAT:

(a) If on February 29, 1988 there shall exist a balance of advance royalties paid under Article II, section 4, after applying and crediting advance royalties on production royalties payable under Article II, section 3, the term of this Lease shall be extended and United States Company shall have the right to continue in possession of the leased premises, and the provisions of this Lease and of the option granted in Article IV shall remain in full force and effect until such time as such balance is applied and credited on production royalties; provided, however, that the term shall not be extended beyond February 29, 1998.

(b) It is expressly understood between the parties hereto, anything herein contained to the contrary notwithstanding, that continuance of this Lease is optional with United States Company. United States Company may terminate this Lease at any time on sixty (60) days' advance written notice to American Zinc Company and thereupon all its obligations and liabilities hereunder shall immediately cease and terminate, except liability on account of any obligation incurred and owing at the time of such termination.

(c) United States Company shall perform upon or for the benefit of the unpatented mining claims covered by this Lease the assessment work required by the laws of the United States and the State of New Mexico to keep and maintain them in good standing as unpatented lode mining claims for each assessment year in which this Lease is in effect for nine (9) months of the assessment year; provided, however, that for any year or years in which assessment work on unpatented mining claims shall be suspended by act of Congress, notice of intention to hold said unpatented mining claims or other papers under any such law may be filed in lieu of performance of assessment work.

United States Company shall make and file affidavits of such assessment

instrument.

Notwithstanding anything in the preceding paragraphs to the contrary, United States Company may give American Zinc Company written notice of the nature and place of the assessment work it will perform on or for the benefit of said unpatented mining claims and if American Zinc Company does not object to such assessment work within thirty (30) days after receiving such notice, failure to object shall be deemed to constitute recognition by it that performance of such assessment work will fully satisfy the obligation to perform assessment work for the year involved.

(d) If United States Company shall at any time be in default in the performance of any of the terms and conditions hereof upon it made incumbent, including payment of royalties, such default shall not operate to or give American Zinc Company the right to cancel, forfeit or terminate this Lease, unless American Zinc Company shall notify United States Company in writing specifying the exact nature of such default and unless United States Company shall within sixty (60) days from the date of the receipt of such notification by United States Company at Salt Lake City, Utah, fail to make any payment due hereunder or to proceed diligently to cure any other default.

(e) In case of the expiration or termination of this Lease for any cause, United States Company shall have the right within one hundred twenty (120) days from the date thereof, to remove from the leased premises all tools, equipment, machinery, buildings and other property placed therein and thereon by it, excepting ties and timbers in place below the surface; and if during such one hundred twenty (120) day period inclement weather, storms, difficult roads or other causes beyond the reasonable control of United States Company make it impossible even with reasonable diligence to remove all such property from the premises, United States Company may, upon request, have for that purpose an additional sixty (60) days.

(f) If United States Company is delayed or interrupted in or prevented from performing its obligations as in this Lease provided by acts of God, fires, floods, strikes or labor troubles, breakage of machinery, inability to obtain necessary materials, supplies or labor, interruptions in delivery or transportation, insurrection or mob violence, injunction, regulations or order or requirements of Government or other disabling cause beyond its reasonable control,

then and in all such cases United States Company shall, for the time being and without liability, be excused from performance of its obligations as in this Lease provided for the period of such prevention, delay or disability, and this Lease and all provisions hereof shall again come into full force and effect immediately upon the termination of the period of prevention, delay or disability resulting from any of the causes aforesaid, and the term of this Lease shall be extended for a period equal to the number of days in any such period of prevention, delay or disability.

ARTICLE IV

In consideration of the foregoing covenants and agreements of United States Company and the sum of Ten Dollars ($10.00) paid by United States Company to American Zinc Company, receipt whereof is hereby acknowledged, American Zinc Company does hereby give and grant to United States Company, its successors and assigns, the exclusive right and option, to be exercised at any time during the continuance of this Lease, provided it has already paid the full amount of the royalties payable under the provisions of Article II, section 4, namely Five Hundred Thousand Dollars ($500,000), to purchase the leased premises as they then are for the sum of One Hundred Fifty Thousand Dollars ($150,000). In the event United States Company shall elect to purchase the leased premises, it shall deposit said One Hundred Fifty Thousand Dollars ($150,000) in The American National Bank of Silver City, New Mexico to the order and credit of American Zinc Company in full payment for the leased premises. American Zinc Company simultaneously with the execution hereof has made, executed, acknowledged, and placed in escrow with said American National Bank a good and sufficient deed conveying to United States Company the leased premises; and said bank is instructed to deliver said deed to United States Company, or its successor, at any time upon the request of United States Company, or its successor, and payment by United States Company, or its successor, of the said purchase price of One Hundred Fifty Thousand Dollars ($150,000), provided that United States Company shall prior thereto have paid the full amount of said advance royalties specified in Article II, section 4; otherwise, said bank shall hold said deed subject only to the order of American Zinc Company. In determining for the purpose of this Article, whether United States Company has paid the full amount of all royalties specified in said Article II, section 4, said bank shall be fully protected in relying on any evidence satisfactory to it of any expenditures

made by United States Company for the account of or for the benefit of American Zinc Company and claimed by United States Company to be applicable on account of royalties in accordance with the provisions of said Article II, section 4.

ARTICLE V

THE PARTIES FURTHER MUTUALLY AGREE THAT:

1. All notices under this Lease and Option may be given by United States registered or certified mail, and notice by such mail shall be deemed given when deposited in the mail with postage prepaid and addressed as herein provided.

Notice by American Zinc Company shall be addressed to:

United States Smelting Refining and Mining Company
1019 Newhouse Building (P. O. Box 1980)
Salt Lake City, Utah 84110.

Notice by United States Company shall be addressed to:

American Zinc Company
20 South 4th Street
St. Louis, Missouri 63102

Either party may from time to time change the address which it desires used and upon written notice to the other party such changed address shall be deemed inserted herein in place of the address above stated.

2. In the event any provision of this Lease shall be declared by a court of competent jurisdiction to be invalid or counter to the laws of the State of New Mexico, or rendered invalid or inoperative by any ruling of the Federal Government or agency thereof, such holding shall not prejudice the intent and spirit of this Lease and the other provisions hereof shall continue in full force and effect.

3. All the terms, covenants, agreements and conditions embodied in, and all rights and liabilities arising by virtue of any and all agreements, whether oral or written, covering the leased premises, heretofore entered into between the parties hereto, are superseded by this Lease and Option.

4. Each and every clause, condition, covenant and agreement of this Lease and Option shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their respective proper officers thereunto duly authorized and their corporate seals affixed as of the day and year first above written, one of which shall be lodged with said bank as its escrow instructions for the

holding and delivery of the documents referred to herein.

ATTEST:

Ralph C. Jenkins
Secretary

AMERICAN ZINC COMPANY

By Howard L. Young
PRESIDENT

ATTEST:

Henry G. Stanley
Assistant Secretary

UNITED STATES SMELTING REFINING AND MINING COMPANY

By J. George Cange
J. George Cange, Senior Vice President

STATE OF MISSOURI)
CITY) ss.
~~COUNTY~~ OF ST. LOUIS)

The foregoing instrument was acknowledged before me this 12th day of September, 1967, by Howard L. Young, PRESIDENT of American Zinc Company, a Maine corporation, on behalf of said corporation.

My Commission Expires:
February 2, 1970

Dorothy H. Chipps
Notary Public
Appointed and Commissioned for City of St. Louis, which adjoins County of St. Louis, Missouri.

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.

The foregoing instrument was acknowledged before me this 15th day of September, 1967, by J. George Cange, Senior Vice President of United States Smelting Refining and Mining Company, a Maine corporation, on behalf of said corporation.

My Commission Expires:

Rosalind M. Lacy
Notary Public

ROSALIND M. LACY
Notary Public, State of New York
Qualified in New York County
No. 31-7400775
Certificate Filed in New York County
Clerks Office
Term Expires March 30, 1968

EXHIBIT A

PATENTED LODE MINING CLAIMS

Subsidiary claims included by ✓

Name	Mineral Survey No.
Floyd	1993
Florence J.	1994
Beryl	1994
Exa	1995
La Patrona	1995
Ruby	1995
Las Cruces	1995
Edmondson	1995
Lenore	1995
Peacock	1995
Pewabic	1463
Result	1463
Walpool	1463
Chapin	1726
Clifford	1727
Traders	1728
Topnot	1729
Monarch	1730
Bond	1731
Hate No. 1	1732
Hate No. 2	1733
Hate No. 3	1734
Bond No. 3	1735
X Ray	1736
Bond No. 2	1737
Hurley	1738
Mary No. 1	1739
Mary No. 2	1740
Cumberland	961 A
Congo	961 B
Sumpter	961 C
Laura R	961 D
Copper Carbonate	961 E
Lime Mine	961 F
Copper Glance	961 G
Lexington	961 H
Free Silver	961 I
Superior	961 J
Little Key	961 K
Reservation	961 L

The Kearney Lode Mining Claim, Mineral Certificate No. 507, described as Lot No. 680, United States Patent for which is of record in the office of the County Clerk of Grant County, in Book 29 of Deed Records at Pages 500-502.

The Donald Lode Mining Claim, Mineral Survey No. 1289, United States Patent for which is of record in the office of the County Clerk of Grant County, in Book 49 of Deed Records at Page 101, excepting all those portions of said claim heretofore conveyed to various parties by the predecessors in title of American Zinc Company.

All that portion of the Jersey Lode Mining Claim, designate as part of Lot No. 1056, certified copy of United States Patent for which is of record in the office of the County Clerk of Grant County, in Book 59 of Mining Patents, at Page 90, described by metes and bounds as follows, to-wit:

Beginning at Corner No. 2 of said Jersey Lode Mining Claim, being the Northeast Corner of said claim; running thence along Line 1-2 of said Jersey Lode Mining Claim South 42° 01' West 500 feet to a point on said Line 1-2; running thence North 71° 19' West parallel to Line 2-3 of said mining claim 600 feet to a point on Line 3-4 of said mining claim; running thence North 42° 01' East along Line 3-4 of said mining claim to Corner No. 3 thereof, running thence South 71° 19' East along Line 2-3 of said mining claim to Corner No. 2, the place of beginning, together with all the dips, spurs, and angles thereof and all the metals, ores, mineral bearing quartz, rock and earth therein, and all the rights, privileges and franchises thereto incident.

UNPATENTED LODE MINING CLAIMS

Subsidiary claim indicated by ✓

Name of Claim	Location Notice of record in Office of County Clerk of Grant County in Book	Page
✓ Dan	36	598
Harvey	37	3
Clarence C	37	3
✓ John	36	599
Leland	36	597
Maggie Bell	17	384
Philadelphia	4	176
Philadelphia Extension	18	97
Chicago	18	17
Rey de Cobre	22	118
Marion	29	21
Rush	40	212-13
Mary Catherine #1	41	93

OTHER PROPERTY

Beginning at the point where the southerly side line of the Peacock Lode Mining Claim, Survey No. 1995, intersects the Westerly boundary line of Section 23, T. 17 S., R. 12 W., N.M.P.M., from which point the Southwest Corner of said Section 23 bears South 0° 59' E., and is distant 1564.37 feet and from said point running along said Southerly side line of said Peacock lode mining claim in a direction North 57°0' E., 798.88 feet to the Southeast Corner of said Peacock Lode Mining Claim, identical with the Southwest corner of said Florence J. Lode Mining Claim; thence North 56° 37' E., along the Southerly side line of the Florence J. Lode Mining Claim, Mineral Survey No. 1994, 596.23 feet to a point on said line which is the Northwest corner of the Liberty Bell Lode Mining Claim; thence South 28° 52' E. along the Westerly end line of said Liberty Bell Lode Mining Claim 599.18 feet to the Southwest Corner of said Liberty Bell lode mining claim; thence North 56°38' E. along the Southerly side line of said Liberty Bell Lode Mining Claim 1503.15 feet to the Southeast Corner of said Liberty Bell Lode Mining Claim; thence North 28°52' W. along the Easterly end line of said Liberty Bell Lode Mining claim 29.95 feet, more or less, to the point of intersection of said East end line of said Liberty Bell lode mining claim with the Northerly boundary line of Lot 4 of Section 23; thence Westerly along the Northerly boundary of said Lot 4 of said Section 23, 111.24 feet, more or less, to the Northwest Corner of said Lot 4 and thence along the Northerly boundary line of the N½SW¼ of said Section 23, 2605.91 feet, more or less, to the Northwest Corner of said N½SW¼ of said Section 23 at the Quarter Corner of the West boundary line of said Section 23 and thence Southerly along the Westerly boundary line of said Section 23, 1108.92 feet, more or less, to the point of beginning.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

February 17, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 25 1966

INITIALS	CODE
	140
2/28 m	120 m
	120
	220

American Zinc, Lead and Smelting Co.
1600 Paul Brown Building
St. Louis, Missouri 63101

Re: DMA-371X (Lead-Zinc-Copper)
Peru Mining Company
Grant County Mine
Grant County, New Mexico
Contract Idm-E67

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

DMA-371X
Idm-E67

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **August 1964**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [ ] No [X]

2. Since **August 1964**, has there been any production from the land subject to the contract? Yes [ ] No [X]

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes [ ] No [ ]

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by: C. V. Burns

Name C. V. Burns Title Vice President and Controller

Address 1600 Paul Brown Building
St. Louis, Missouri 63101 Date February 22, 1966

American Zinc, Lead and Smelting Company

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 3 1964

DATE	INITIALS	CODE
		800
		100
		~~110~~
		~~120~~
		~~120~~
		120
		220

CLARENCE V. BURNS
VICE PRESIDENT AND CONTROLLER

1600 PAUL BROWN BUILDING
SAINT LOUIS 1, MISSOURI

July 31, 1964

File 502-8

Mr. George C. Selfridge
Chief Division of Exploration
Operations
Department of The Interior
Office of Minerals Exploration
Washington 25, D. C.

Dear Mr. Selfridge:

Re: DMA-371X (Lead-Zinc-Copper)
Peru Mining Company
Grant County Mine
Grant County, New Mexico
Contract Idm-E67

We have your letter of July 14th on the captioned contract and have filled in the information requested on the reverse side of the letter. Two copies are returned herewith.

Very truly yours,

C. V. Burns

Vice President and Controller

CVB/mar

enclosures

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

July 14, 1964

Re: DMA-371X (Lead-Zinc-Copper)
Peru Mining Company
Grant County Mine
Grant County, New Mexico
Contract Idm-E67

American Zinc, Lead and Smelting Co.
1600 Paul Brown Building
St. Louis 1, Missouri

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since August 1963 , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [x] No [ ]

Effective January 1, 1964 American Zinc, Lead and Smelting Company purchased the remaining one-half interest in the mining and milling properties of Peru Mining Company located in Grant and Luna Counties, New Mexico.

2. Since August 1963 , has there been any production from the land subject to the contract? Yes [ ] No [x]

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since August 1963 , has any production been transported through workings (see of contract)? Yes [ ] No [x]

A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name C. W. Burney Title Vice President and Controller

Address 1600 Paul Brown Building Date July 31, 1964
St. Louis, Missouri 63101

4511

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

August 20, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 26 1963

DATE	INITIALS	CODE
8/26	[illegible]	800
	[illegible]	500
		210

Re: DMEA-371 (Lead, Zinc, Copper)
Peru Mining Co.
Grant County Mine
Grant County, N. M.
Contract Idm-E67

Mr. Ralph C. Perkins
American Zinc, Lead & Smelting Co.
1515 Paul Brown Bldg.
St. Louis 1, Missouri

Dear Mr. Perkins:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

W. R. Griswold, Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since May 2, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since May 2, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

3. Since May 2, 1962, has any production been transported through workings (see of contract)? Yes ☐ No ☒

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name C. O. Deming Title Vice President and Controller

Address 1600 Paul Brown Building
St. Louis, Missouri

Date August 22, 1963

4511

OFFICE OF MINERALS EXPLORATION

REGION III

Statement in Lieu of Interim Report
of Certified Project

Atme

Reporting Period May 5, 1961 thru May 2, 1962

Docket and Contract Number DMEA-371X, Idm-E67

Operator Peru Mining Company (Grant County Mine)
Grant County, New Mexico

Lead-Zinc

The project has been inactive during the reporting period [X]

Pertinent data relative to the subject contract has remained unchanged since the last report [ ]

Remarks: Jack Conley, Superintendent of the Operator's Carney Mine, told me May 2, 1962, that there was no activity in the project area during the reporting period.

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

DATE		
5/7		800.
5/7		100
5/7		110
		120
5/8		500.
		220

Signed T M Romslo
T. M. Romslo

Date May 4, 1962

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 8 1960

DATE	INITIALS	CODE
4-8	gad	110
"		110
4/8/6		800
		500

OFFICE OF MINERALS EXPLORATION

REGION III

Statement in Lieu of ~~Interim~~ Annual Report of Certified Project

Reporting Period January 1, 1959 thru January 25, 1960

Docket and Contract Number DMA-371X, Idm-E67 (Lead Zinc)

Operator Peru Mining Co. (Grant County Mine)
Grant County, New Mexico

The project has been inactive during the reporting period [X]

Pertinent data relative to the subject contract has remained unchanged since the last report [ ]

Remarks:

The Operator reported: (1) Operations for the period were confined to a diamond drilling program which was started during October 1959 and (2) an undivided one-half interest in the property was conveyed to American Zinc & Smelting Company by two Statutory Warranty Deeds, each dated March 25, 1960. The OME was furnished copies of the deeds.

Signed T M Romslo **Date** 4-5-60

T. M. Romslo

OME, REGION III

Statement in Lieu of Semiannual Report

Reporting Period m July 1, 1958 - December 31, 1958
Docket and Contract Number DMEA 371X, Idm-E67 (Pb-Zn-Cu)
Operator Peru Mining Company

The project has been inactive during the reporting period [X]

Pertinent data relative to the subject contract has remained unchanged since the last report [X]

Remarks:

No DMEA ore stockpiled.

4-9 C
4/10 EEF 220
~~4/10~~ WRC ~~110~~
800
500

Original signed by

Signed T. M. Romslo

Date April 2, 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

February 11, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 14 1958

DATE	INITIALS	CODE
2-14	C	220
14	Com	100
2,	[illegible]	110
2/24	[illegible]	800
2/27	WRB	500

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Report of Certified Project for the period July 1, 1957 - December 31, 1957

DMEA Docket 371X
Contract Idm-E67, Peru Mining Company (Lead, Zinc & Copper)
(Grant County mine) Grant County, New Mexico

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office, Memorandum 29, and Special Notice in Minutes of Operating Committee Meeting No. 692.

W S King
Executive Officer, DMEA
Field Team, Region III

Enclosures
MHM:jy

cc: Semiannual Report File E67
Emerick
DMEA, TUC
Harshman
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 14 1958
DATE | INITIALS | CODE

Semiannual Report of Certified Projects

Reporting Period July 1, 1957 - December 31, 1957

Docket and Contract Number Docket DMEA-371X, Contract Idm-E67

Operator Peru Mining Company

Commodity Lead, Zinc and Copper

Mine Name Grant County mine

County and State Grant County, New Mexico

Date of Contract July 18, 1951

Date of Certification November 1, 1955 (Pseudo Certification)

Expiration Date of Royalty Payments July 18, 1968

Date of Examination for this Report January 23, 1958

Total Amount of Contract $225,000

Total Expenditures under Contract $75,805.22

Amount of Government Participation at 50 % $37,902.61

Royalty Payments this Period None

Previous Royalty Payments None

Total Royalty Payments to Date None

% Loan Repayment Completed 0.00

Amount of Royalty Due None

Royalty Remarks

DMA - 371X, [illegible]-E67
Peru Mining Co.
Period

		Tons	Analysis
Original Estimate of DMEA Reserves (Field Team Final Report) Mines ☐ Survey ☐ Joint ☐	Inferred	200,000 to 500,000	5 to 12% Zinc

Explorations of contract did not reach target. No reason to change above inferred reserves

Revised Estimate of DMEA Reserves (Field Team) Mines ☐ Survey ☐ Joint ☐		
Increase of Reserves by work performed subsequent to DMEA project work		
Production DMEA ore (This period)		
(Previous)		
(To date		
" Operator's ore (This period)		
found subsequent (Previous)		
to DMEA work (To date)		

Percent Revised Reserves Mines _____

(For Uranium Ores Only)

Initial Production Bonus:
Status of Operator: Ineligible ☐ Applied for ☐ Rec'ing pmt ☐ Paid up ☐
Pounds U_3O_8 produced this period eligible for Bonus _____
Amount of Bonus paid to Operator this period $_____
Total pounds U_3O_8 produced to date eligible for Bonus _____
Total amount of Bonus paid to Operator to date $_____
Bonus Royalty Paid $_____
Bonus Royalty Due $_____

Investment Data

Shafts Size	Shafts Feet	Shafts Cost	Winzes Size	Winzes Feet	Winzes Cost	Drifts & Crosscuts Size	Drifts & Crosscuts Feet	Drifts & Crosscuts Cost

Raises Size	Raises Feet	Raises Cost	Drilling Type & Size	Drilling Feet	Drilling Cost	Rehabilitation Description	Rehabilitation Cost

Facilities

Mine Plant Description	Mine Plant Cost	Mill Description	Mill Cost	Roads Description	Roads Cost

Remarks

Mr. Jos. H. Taylor, former vice president and presently consultant, furnished the following information during my visit to the company's office at the Kearney mine, Jan. 23, 1958. No work has been done in the subordinated area since that reported in the DMEA Final Report. The Kearney mine has not been operated since it was shut down May 7, 1957. Present activities are confined to pumping operations and repair work.

Signed M Ramsb (Engineer)

FINAL DISTRIBUTION
MADE JUL 25 1957

EXTRA COPY
D M E A
RECEIVED JUL 29 1957

DATE	[illegible]	CODE
		110
7/29	copy	500
	Reg	

22½ New Customhouse
Denver 2, Colorado

July 24, 1957

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region XIX

Subject: DMEA Docket-371X, (Lead-Zinc) Contract Ida-387, Fern Mining Company (Sweet County mine) Grant County, New Mexico, Operator's Monthly Progress Report, for the period from November 1, 1955, through May, 1956

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and supporting data for the above period.

The work reported includes cleaning and running part of the ventilation churn drill hole, crosscutting 54 feet to connect the churn drill hole with the 625 level drift, and drilling a total of 241 feet in two diamond drill holes from the end of the 625 level drift.

The subcontract entered into by the Operator to bring the churn drill hole up to contract specifications was not approved by the Government as stipulated under paragraph (4) of the contract form. Consequently the reported costs, which are in excess of the maximum unit cost established in the prior approved churn drilling subcontract, are not deemed to be allowable.

This office does not consider the crosscutting and diamond drilling to be allowable under provisions of the contract. This position was confirmed by a letter from the Chairman, Operating Committee, DMEA, dated July 9, 1956, a copy of which is attached. Also, the work was performed subsequent to November 1, 1955, which is contrary to the provisions of Amendment No. 4, as amended by Amendment No. 7.

Finally the entire amount reported by the Operator on Form MF-104, Operator's Monthly Report and Voucher, for the period from November 1, 1955, through May, 1956.

Original signed by
W. H. KING
W. H. King

Enclosures
JEC:lmh
Chmn. Op. Comm. (2)
DMEA, Tuc.
MF-104 file
Hardman
Townsend
DMEA Auditor
Corres. file
Chron.

} w/copy of Chmn. letter of 7/9/57

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

Mr. W. M. Traver, Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

JUL 9 - 1956

DMEA
Date Rec'd.
JUL 11 1956
BUREAU OF MINES
Denver, Colorado

Re: Docket No. DMEA-371 (Lead-Zinc-Copper)
Peru Mining Company
Grant County Mine
Grant County, New Mexico
Contract No. Idm-E67

Dear Mr. Traver:

This is with reference to your June 25 memorandum, with enclosures, covering the cited project.

We are in accord with the financial recapitulation on page 2 of your memorandum. We do not consider the 94 feet of crosscutting to connect to the bottom of the churn drill hole as being an integral part of the contract. Likewise, the two diamond drill holes drilled upward from the 625 level, without an amendment, are not within the contract provisions.

It is quite out of the question for us to accede to the operator's request for an additional recess period until some vague future time when metal prices and mining costs might be more to its liking. You should therefore advise this company that since it failed to resume work by November 1, 1955, as required by Amendment No. 7 to the contract, all Government obligations to contribute to costs not then accrued under the provisions of the contract are terminated, and it should promptly proceed with matters of property disposal and final reports as provided for in Article 16 of the contract.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

APPROVED:

Robert W. Gerhen
Member, Bureau of Mines

Thor H. Gilsgaard
Member, Geological Survey

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

July 2, 1957

Re: Docket NO. DMEA 371X (Lead-Zinc)
Contract NO. Idm-E67
Peru Mining Company
(Grant County Mine)
Grant County, New Mexico

DMEA
DEPARTMENT OF THE INTERIOR
JUL 5 1957
REGION III
DENVER, COLORADO

Mr. W. H. King
Executive Officer, DMEA
Field Team, Region III
224 New Customhouse
Denver 2, Colorado

EXTRA COPY
DMEA
RECEIVED
DATE | CODE

Dear Mr. King:

Progress Report covering period ending March 24th 1956:

Due to the lapse of time involved, a short resume of previous work and conditions is in order.

On July 18, 1951, the above Government participation contract was signed. This included a 12" churn drill hole for ventilation purposes. After considerable difficulty, a contractor was secured to drill this hole at $10.50 per foot. This was Johnson Drilling Company, Hot Springs, New Mexico. (As mentioned in our final engineering and geological report, March 28, 1957, none of the local contractors were interested because of the nature of the ground and none of the larger contractors were interested due to the low footage involved.) It soon became apparent that the contractor could not make it at $10.50 per foot, so that the balance of his work was done on an actual cost basis allowing him no profit. Even under these conditions the contractor was unable to finish the hole at 12" diameter. Then in October 1955 another contractor was secured to ream the hole to 12" diameter. This was McBee Drilling Company, Deming, New Mexico. This contractor would consent to do this work only on an hourly basis. With some difficulty this contractor finally finished the hole to the proper depth and diameter.

Then we were faced with the problem of connection to this hole from the 625 level drift. With radio equipment the hole was finally located some ninety feet from the spot directly under the surface coordinates. Ninety-four feet of crosscut, on the 625 level, was necessary to tie into this hole. This connection was made March 24th, 1956 and would be classed as "necessary crosscutting" as far as the contract is concerned.

The primary object in connecting to the bottom of the churn drill hole was ventilation, but the connection also had to be made so that the hole could be checked at the bottom for proper diameter, depth, etc. by the Government engineers. The fact that the hole had wandered some ninety feet was due to ground conditions that were encountered in drilling and was not the responsibility of the contractor, nor of our company.

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

On April 17, 1956, Mr. J. H. Taylor wrote Mr. Traver asking for an amendment for diamond drilling from the end of the main drift. April 30, 1956, Mr. W. R. Storms replied asking for additional information, maps, etc. and stating that at least thirty days would be necessary to get the amendment processed in Washington. As we had a drill free at the moment, we went ahead and drilled two drill holes from this area. These holes are A-360 and A-361, started May 3, 1956 and finished May 14, 1956.

A copy of the logs of these holes is attached to this report.

The total cost of the churn drill hole is as follows:

Paid to Johnson Drilling Company	$25,301.17
Paid to McBee Drilling Company	12,928.00
Total	$38,229.17
The cost of ninety-four feet of crosscutting to connect with the hole	$ 1,790.54
The cost of the two diamond drill holes - 241 ft.	$ 476.96
	$ 2,267.50
Total	$40,496.67

I again wish to state that this work was done as economically as possible and feel that the Government should pay its share.

Very truly yours

PERU MINING COMPANY

J. W. Faust

J. W. Faust
General Manager

JWF:F

cc: Mr. W. R. Storms

COPY

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Period from Nov. 1, 1955 thru
Month of May 1956 Docket No. DMEA 371X Contract No. IDM-E67
Operator's Name Peru Mining Company Minerals Zinc
Address Box 309, Silver City, New Mexico

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	foot			57,227.89	1,801	31.78		
Crosscutting	foot	1,790.54	94	1,790.54	94	19.05		
Raising								
Shafts								
Winzes								
Drilling: Core	foot	476.96	241	476.96	241	1.98		
Churn	foot	12,928.00		36,229.17	912.5	41.89		
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		15,195.50		97,724.56				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				12,989.85				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				110,714.41				

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

Date July 1, 1957 Operator Peru Mining Company

Per J. M. Faust Title General Manager

REMARKS:

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

(Instructions on reverse)

(For Government use only)

RECEIVED JUL 29 1957 D.M.E.A.

INSTRUCTIONS

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

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

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

GPO 872894

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Period from Nov. 1, 1955 thru
Month of May, 1956 Docket No. DMEA 371X Contract No. IDM-E67
Operator's Name Peru Mining Company Minerals Zinc
Address Box 309, Silver City, New Mexico
Contract Amount, $225,000.00 Government Participation: 50 % Amount, $112,500.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Churn	12,928.00	25,301.17	38,229.17			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	837.73	27,963.79	28,801.52			
Supervision	262.50	4,127.35	4,389.85			
Technical Services		1,928.00	1,928.00			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	516.48	6,851.83	7,368.31			
Pipe		2,798.33	2,798.33			
Track		1,777.35	1,777.35			
Other Supplies		3,560.27	3,560.27			
Diamond Drill Bits (net)	148.89		148.89			
(4) Operating Equipment: Power	388.61	5,070.80	5,459.41			
Rental						
Purchase		12,989.85	12,989.85			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		557.49	557.49			
Sampling and Analysis						
Payroll Taxes	52.04	807.33	859.37			
Liability Insurance	.55	15.86	16.41			
Workmen's Comp. Ins.	60.70	1,525.50	1,586.20			
Occupational Dis. Ins.		243.99	243.99			
(8) Contingencies (specify):						
TOTALS	15,195.50	95,518.91	110,714.41	15,195.50	95,518.91	110,714.41
				11-16,927.42		16,927.42
				78,591.49		93,786.99

I certify that the above bill is correct and just and that payment therefor has not been received.
Date July 1, 1957 Payee Peru Mining Company
Per H. Faust Title General Manager

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: No Payment
Signature
(Authorized Certifying Officer)
Date 7/25/57 Vou. No. —
(See other side)

Note: No payment
1. Previous Disallowance

RECEIVED JUL 29 1957 DENVER

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. ..... in accordance with the terms of the contract.

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W H Kang Title Executive Officer Date JUL 23 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DRILL HOLE LOG

Type: Diamond Bit: EX Area: 625-1G Date Start: May 3, 1956 NO. A-360
Date Stop: May 8, 1956

Coordinates:
N 1642.5 E 2972.0 Elev. 5952.5 Bear. N 60 E Inc. +69 - 15°

From	To	Interval	Recovery	Character	Remarks
0	54½	54½	52	White crystalline limestone. Chert in places	Hanover Limestone
54½	62	11½	1	Water course - Hematite, limonite and silicates (fault)	
62	69½	7½	4	White crystalline limestone. Core broken @ 65	
69½	70	½	1"	Water course. Hematite, limonite and silicates	
70	80	10	10	White crystalline limestone	
80	87	7	7	Garnet, salite, silicates, shines of Zn. S., Epidote	
87	100	13	5	Black shale. Lightly altered	Parting Shale
100	105	5		Sill (White)	

Bottom at 105'

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DATE | CODE

Logged By: Robert F. Greene

DRILL HOLE LOG

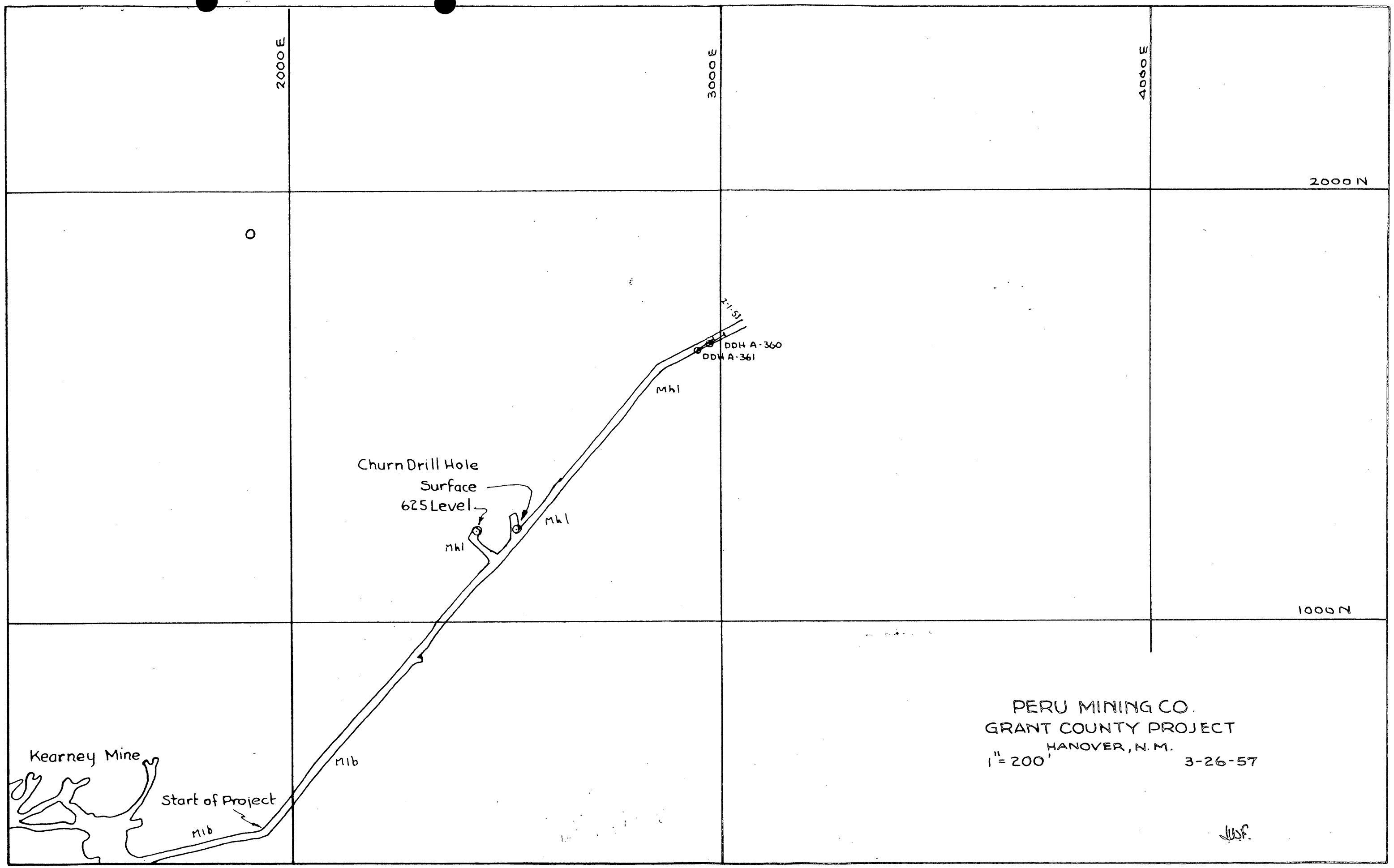
Type: Diamond Bit EX Area: 625-1G Date Start: May 8, 1956 No. A-361
DATE Stop: May 14, 1956

Cordinates
N 1628.5 E 2941.0 Elev. 5952.5 Bear. N. 57E Inc. ∓ 72°

From	To	Interval	Recovery	Character	Remarks
0	111	111	103	White crystalline limestone	Hanover Limestone
111	127	16	5½	Highly altered by garnet, epidote and silicates. Iron stained.	Parting Shale?
127	130	3	1	Highly altered gouge. Epidote and Calcite	
130	136	6	4½	White sill. Some epidote along contact	Sill

Bottom at 136 feet.

Logged by: Robert F. Greene


2000 E
3000 E
4000 E
2000 N
1000 N
0
2-1-57
DDH A-360
DDH A-361
Mhl
Churn Drill Hole
Surface
625 Level
Mhl
Mhl
Mlb
Kearney Mine
Start of Project
Mlb
PERU MINING CO.
GRANT COUNTY PROJECT
HANOVER, N.M.
1" = 200'
3-26-57

McBEE DRILLING CO.
P. O. Box 904
Deming, New Mexico

Peru Mining Company
Box 309
Silver City, New Mexico

October 24, 1955	Set up and cleaned out	10 hrs.	@ $10.00	$100.00
Oct. 25	Cleaned out	10 hrs.	"	100.00
Oct. 26	Cleaned out	10 hrs.	"	100.00
Oct. 27	Cleaned out	10 hrs.	"	100.00
Oct. 28	Cleaned out	10 hrs.	@ $12.00	120.00
Oct. 29	Cleaned out and fished	10 hrs.	"	120.00
Oct. 31	Cleaned out and fished	10 hrs.	"	120.00
Nov. 1	Cleaned out and fished	10 hrs.	"	120.00
Nov. 2	Cleaned out and fished	10 hrs.	"	120.00
Nov. 3	Clean out 7 hrs - after tools 3 hrs.		"	120.00
Nov. 4	Clean out	10 hrs	"	120.00
Nov. 5	Clean out	10 hrs.	"	120.00
Nov. 7	Clean out	10 hrs.	"	120.00
Nov. 8	Clean out	10 hrs.	"	120.00
Nov. 9	Haul tools 5 hrs. - clean out 5 hrs.		"	120.00
Nov. 10	Haul tools 5 hrs. - put on cable 5 hrs.		"	120.00
Nov. 11	Clean out	10 hrs.	"	120.00
Nov. 12	Cleaned out	10 hrs.	"	120.00
Nov. 14	Cleaned out	10 hrs.	"	120.00
Nov. 15	Cleaned out	10 hrs.	"	120.00
Nov. 16	Hauling tools and string up	5 hrs.	"	60.00
	Off from Wed. 16 to Mon. 28			
Nov. 28	Reaming	5 hrs.	"	60.00
Nov. 29	Reaming	10 hrs.	"	120.00
Nov. 30	Reaming	10 hrs.	"	120.00
Dec. 1, 1955	Reaming	10 hrs.	"	120.00
Dec. 2	Reaming 2 hrs, fishing 4 hrs.			
	trip after tools	10 hrs.	"	120.00
Dec. 3	Fishing	10 hrs."	"	120.00
Dec. 4	Fishing	10 hrs.	"	120.00
Dec. 5	Fishing	10 hrs.	"	120.00
Dec. 6	Drilled by	10 hrs.	"	120.00
Dec. 7	Fishing	10 hrs.	"	120.00
Dec. 8	Drilled by	10 hrs.	"	120.00
Dec. 9	Fished	10 hrs.	"	120.00
Dec. 10	Fished and drilled by	10 hrs.	"	120.00
Dec. 12	Off			
Dec. 13	Fishing	5 hrs.	"	60.00
Dec. 14	Fishing	10 hrs.	"	120.00
Dec. 15	Fishing	10 hrs.	"	120.00
Dec. 16	"	8 hrs.	"	96.00

Dec. 19, 1955	Running	20 hrs.	@ $12.00	$ 240.00
Dec. 20	Drilling by and fishing	20 hrs.	@ "	240.00
Dec. 21	Drilling by and fishing 9 hrs. got socket 14 hrs.	23 hrs.	"	276.00
Dec. 22	Drilling and fishing	24 hrs.	"	288.00
Dec. 23	Changed tools and drilled by 9 hrs. fished 10 hrs.	19 hrs.	"	228.00
Dec. 26	Drilled by with 6" tools	18 hrs.	"	216.00
Dec. 27	Lost bit & fished & drilled by	16 hrs.	"	192.00
Dec. 28	Drilled by bit	23 hrs.	"	276.00
Dec. 29	Drilling by bit	8 hrs.	"	96.00
Dec. 30	Running magnet	6 hrs.	"	
Dec. 31	Got steel out of hole			
Jan. 1, 1956	Fished for bit	10 hrs.	"	120.00
Jan. 2	Fished for Bit	10 hrs.	"	120.00
Jan. 3	Fished for bit	10 hrs.	"	120.00
Jan. 4	Fished for bit	10 hrs.	"	120.00
Jan. 5	Drilled by	10 hrs.	"	120.00
Jan. 6, 7, 8	Off			
Jan. 9	Reamed and fished for bit	8 hrs.	"	96.00
Jan. 10	Drilled by	10 hrs.	"	120.00
Jan. 11	Got bit	5. hrs.	"	60.00
Jan. 12	Started opening hole	10 hrs.	"	120.00
Jan. 13	Drilled 6" hole	11 hrs.	"	132.00
Jan. 14	Reamed Hole	10 hrs.	"	120.00
Jan. 16	Reamed	11 hrs.	"	132.00
Jan. 17	Drilled 6" hole	12 hrs.	"	144.00
Jan. 18	Drilled 8" hole	11 hrs.	"	132.00
Jan. 19	Drilled 6" hole	11 hrs.	"	132.00
Jan. 20	Strung up 12" tools & drilled	12 hrs.	"	144.00
Jan. 21	Reamed 12" hole	8 hrs.	"	96.00
Jan. 23	Reamed 12" hole	11 hrs.	"	132.00
Jan. 24	Reamed 12" hole	11 hrs.	"	132.00
Jan. 25	Reamed 12" hole	10 hrs.	"	120.00
Jan. 26	Reamed 12" hole	10 hrs.	"	120.00
Jan. 27	Reamed 12" hole	11 hrs.	"	132.00
Jan. 28	Reamed 12" hole	5 hrs.	"	60.00
Jan. 30	Reamed 12" hole	10 hrs.	"	120.00
Jan. 31	Reamed hole 5 hrs. & worked on rig.			60.00
Feb. 1	Reamed 6" and 12"	1o hrs.	"	120.00
Feb. 2, 3, 4, 5	Off			
Feb. 6	Reamed 6" and 12"	10 hrs.	"	120.00
Feb. 7	Reamed 6" and 12"	9 hrs.	"	108.00
Feb. 8	Reamed 6" and 12"	5 hrs.	"	60.00
Feb. 9, 10	Off			
Feb. 11	Reamed	10 hrs.	"	120.00
Feb. 12	off			
Feb. 13	Reamed 6" to 10" 675 ft. 687 ft.	10 hrs.		120.00
Feb. 14	Reamed 10" to 12"	10 hrs.	"	120.00
Feb. 15	Reamed 10" and 6" to 12"	10 hrs.6	"	120.00
Feb. 16	Reamed 6" to 12" 695 to 705	10 hrs.	"	120.00
Feb. 17	Reamed 6" to 12" 705 to 720	10 hrs.	"	120.00
Feb. 18	Reamed 6" to 12" 720 to 730	10 hrs.	"	120.00
Feb. 19, 20, 21	off			

Feb. 22, 1956	Reamed 6" to 12" 730 to 732	4 hrs.	@ $12.00	48.00
Feb. 23	Reamed 6" to 12" 732 to 742	10 hrs.	"	120.00
Feb. 24	Changing cable going after bit			
	Reaming 6" to 12" 742 to 743	1 hr.	"	12.00
Feb. 25	Reaming 6" to 12" 743 to 753	10 hrs.	"	120.00
Feb. 26 off				
Feb. 27	Reaming 6" to 12"	9 hrs.	"	108.00
Feb. 28	Reaming 6" to 12"	10 hrs.	"	120.00
Feb. 29	Reaming 6" to 12"	10 hrs.	"	120.00
March 1956	150 hours reaming		"	1,800.00
	Total			$12,928.00

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

224 New Customhouse
Denver 2, Colorado

April 26, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA-371X (Lead - Zinc) Contract Idm-E67
Peru Mining Company (Grant County Mine)
Grant County, New Mexico

Enclosed are the original and three copies of an interim geologic report dated April 23, 1956, from Leonid Bryner, Geologist, Geological Survey, pertaining to operations on the subject property.

W. M. Traver

W. M. Traver

Encl.

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APR 30 1956

371

5/1

Suggests some
wording —
Provided for in
contract? — or
amendment needed?
F.T. rec required?

Initialed for field
recommendations re
Travel April 25 letter to
Storms

ROBERT E. ADAMS

DMEA
Rec'd
APR 25 1956
MINERALS
APR 25 1956
GEOLOGICAL SURVEY
DENVER, COLORADO

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
GEOLOGICAL SURVEY
Denver, Colorado

Box 4126 University Station
Tucson, Arizona

MEMORANDUM

April 23, 1956

To: Executive Officer, DMEA Field Team, Region III

From: Leonid Bryner

Through: E. N. Harshman
J. N. Faick

Subject: Interim geologic report, Docket DMA-371X (Zinc-Lead), Contract Idm-E67, Peru Mining Co. (Grant County Mine), Grant County, New Mexico

On April 5, 1956 I visited the above property and spoke to J. H. Taylor and J. M. Faust. The object of the visit was to bring our geologic information on DMEA work up to date. Access is gained to the DMEA workings by the Kearney mine which is now operating. About two hours were spent in the DMEA drift, and the churn drill ventilation hole was seen. This hole is connected to the DMEA drift by about a 90-foot crosscut to the northwest. The hole appears to be about 12 inches in diameter.

The accompanying sketch map shows the main geologic features noted during the inspection. The drift almost parallels the strike of the Mississippian Hanover limestone and the underlying Lower Blue limestone. The south half of the drift is in the Lower Blue limestone and the north half in the Hanover limestone, as the drift heads obliquely across in the gently dipping beds.

Faust mentioned that his Company may request DMEA participation in drilling some holes up from the back of the DMEA drift through the Hanover limestone to the overlying Parting shale. In well mineralized ground the Hanover limestone immediately beneath the Parting shale is a favorable place for ore bodies. I did not indicate to Faust my reaction to his idea, but I am inclined to think that a few such holes near faults or iron-oxide zones in the drift would be justified. The holes probably would be up to 110 feet in length because the Hanover limestone here is about 110 feet thick, according to Faust, and the drift is close to the base of the Hanover limestone. Some of the highly iron-stained fractures and zones of fracturing probably would be the most favorable places from which to drill. An especially thick iron oxide fracture-filling occurs about 50 feet from the face. No notable alteration of the limestone was recognized except for a zone of tactite relatively close to the Kearney mine (fig. 1).

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APR 30 1956

LB:ms
cc.: Harshman (8)
Storms

Leonid Bryner

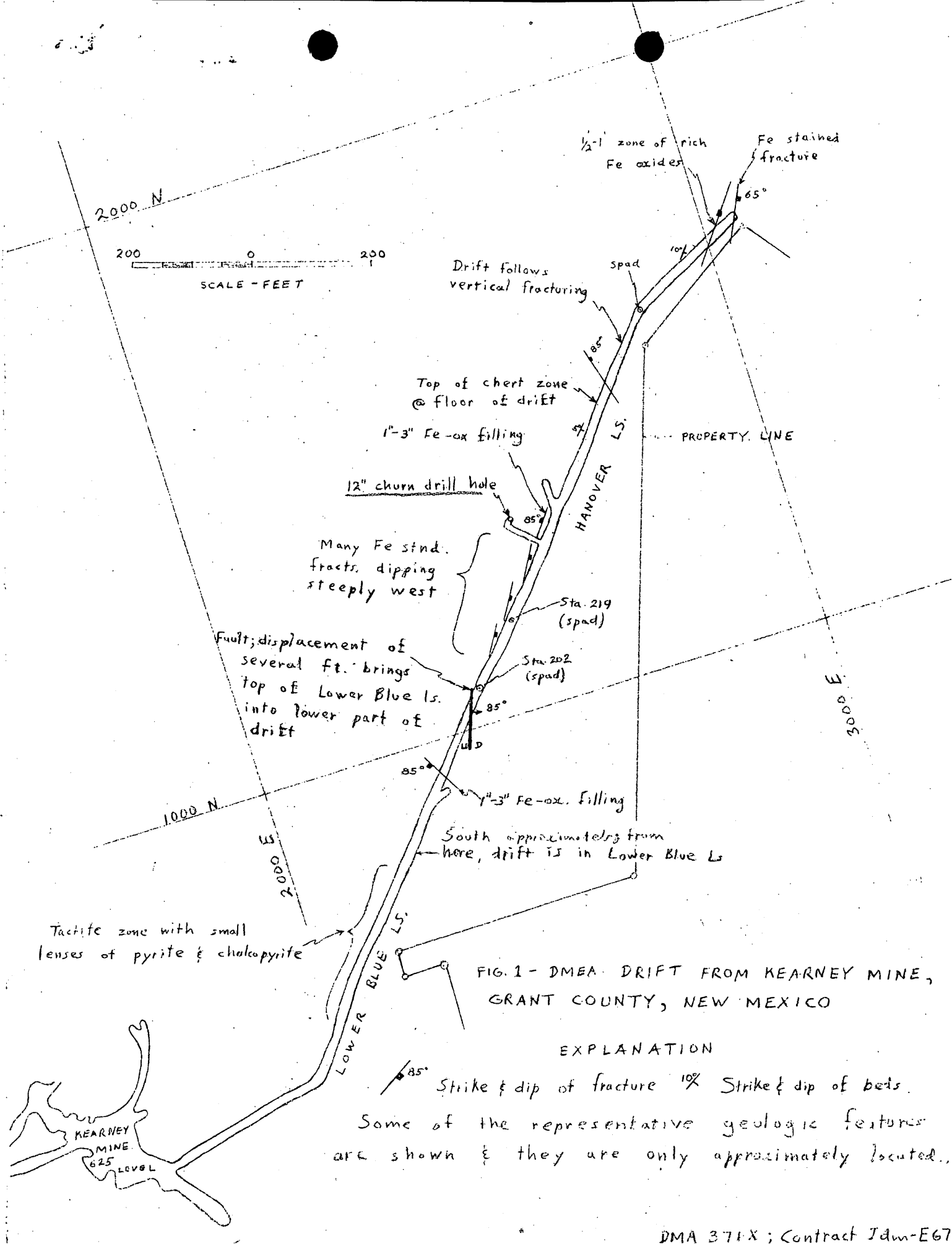


FIG. 1 - DMEA DRIFT FROM KEARNEY MINE, GRANT COUNTY, NEW MEXICO

EXPLANATION

85° Strike & dip of fracture 10% Strike & dip of beds.

Some of the representative geologic features are shown & they are only approximately located.

DMA 371X ; Contract Idm-E67

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

RECEIVED
APR 13 1956

224 New Customhouse
Denver 2, Colorado

April 10, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 371X (Lead-Zinc), Contract Idm-E67, Peru Mining Company (Grant County mine), Grant County, N. Mex.

Enclosed for your records are the original and three copies of an interim report from T. M. Romslo, Mining Engineer, Bureau of Mines, dated April 2, 1956, and transmittal thereof from the Superintendent, Southwest Experiment Station, of the same date, relative to operations of the subject property.

W. M. Traver

W. M. Traver

Enclosures

371

Date: 4-13

Information:

1. ~~[illegible]~~
2. ~~[illegible]~~
3. ~~[illegible]~~
4. Dealer Control Media and Files
5. Division
6. Control Control Media and Files

Note comments in report regarding:

1. Finally getting going again!
2.
3.
4.

and take appropriate action.

Action taken by Division:

ROBERT E. ADAMS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
BOX 4097
TUCSON 5, ARIZONA

DMEA
Date Rec'd.
APR 9 1956
BUREAU OF MINES
Denver, Colorado

April 2, 1956

RECEIVED
APR 13 1956

Memorandum

To : W. M. Traver, Executive Officer, DMEA Field Team, Region III

From : Superintendent, Southwest Experiment Station

Subject : Interim Report, Docket DMA-371X, Contract Idm-E67 (Zinc-Lead), Peru Mining Co.'s Grant County Mine, Grant County, N. Mex.

Enclosed are original and 8 copies of a short interim report on the above property by T. M. Romslo of the Bureau of Mines.

Walter R. Storms

Walter R. Storms

CC W. M. Traver (8)
DMA-371X
DF

WRStorms:frj

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
BOX 4097
TUCSON 5, ARIZONA

RECEIVED
APR 13 1956

April 2, 1956

Memorandum

To : Walter R. Storms, Superintendent, Southwest Experiment Station

From : T. M. Romslo, Mining Engineer, Tucson, Ariz.

Subject : Docket DMA-371X (Zinc-Lead) Contract Idm-E67, Peru Mining Company, Grant County Mine, Grant County, New Mexico.

On March 9, 1956, I called at the office of subject company in order to determine the status of operations described by J. H. Taylor in a letter of Jan. 10, 1956 to W. M. Traver.

The following information regarding the present status of the operations was obtained from Mr. Taylor, Vice President, and J. M. Faust, Assistant Manager. The churn drill hole has been reamed to a diameter of 12 inches from the surface to a vertical depth of 890 feet. Reaming will continue to a depth of 906'. The hole then will be connected by a crosscut which has been started from the 625 level. Its location at this level, as determined by an electronic survey, is more than 100 feet from the projected vertical position.

Mr. Taylor, said the company intends to request permission for renewal of work under the contract shortly after the above mentioned operations are completed.

TMRomslo

T. M. Romslo, Mining Engineer
Southwest Experiment Station
Region III

CC W. M. Traver (Orig. & 8)
DMA-371X
DF

TMRomslo:frj

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

RECEIVED
JUL - 5 1955

224 New Customhouse
Denver 2, Colorado

June 30, 1955

Forwarded
Betty

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-371 (Lead-Zinc-Copper), Contract Idm-E67, Peru Mining Company, (Grant County mine), Grant County, New Mexico

Enclosed are the original and three copies of an interim report by W. R. Hardwick, USBM, and its transmittal by W. R. Storms, Superintendent, Southwest Experiment Station, suggesting liquidating the contract.

In view of the recent action transmitting Amendment No. 7 to extend the recess and completion dates of the contract this memorandum is submitted for informational purposes only.

W. M. Traver

W. M. Traver

Enclosures

DMEA
Date Rec'd.
RECEIVED
JUN 24 1955
BUREAU OF MINES
Denver, Colo.

June 22, 1955

Memorandum

To : W. A. Traver, Executive Officer, DMEA Field Team, Region III.

From : Superintendent, Southwest Experiment Station.

Subject : Interim Report, DMEA Contract Idm-E67, Docket DMA-371X, Peru Mining Co.'s Grant County Zinc-Lead Mine, Central Mining District, Grant County, N. Mex.

Enclosed are original and 8 copies of an interim report by W. R. Hardwick of the Bureau of Mines regarding Exploration Project Contract No. Idm-E67. As you know, the last recess expired on June 1, 1955. Hardwick visited the mine on June 15 and found that no one was at the Kearney mine and evidently no work had been started under terms of the contract.

Walter R. Storms

Walter R. Storms

CC - Traver (8)
Faick
DMA-371X
2F

June 22, 1955

Memorandum

To : Walter R. Storms, Superintendent, Southwest Experiment Station, Region III.

From : William R. Hardwick, Mining Engineer, Tucson, Ariz.

Subject : Interim Report, Docket BMA-371X, Contract Idm-E67, Peru Mining Co.'s Grant County Zinc-Lead Mine, Grant County, New Mex.

The mines and office of Peru Mining Co. were visited on June 15, 1955. No one was at the Kearney Mine. Auto tracks indicated that a watchman drives by occasionally. Apparently no attempt is now being made to resume operations as provided in paragraph (d), Amendment No. 6 to the contract.

Paragraph No. 5, Amendment No. 4 to the contract provides as follows:

"5. If the work is not resumed on or before May 1, 1954, in the manner required to bring the project to completion within the time fixed by the contract, (a) all obligation of the Government to contribute to costs not then accrued under the provisions of the contract shall terminate, (b) the Operator shall promptly liquidate and account to the Government for its interest in any property to the purchase price of which it has contributed, but (c) the Government's right to receive and the Operator's obligation to pay a percentage royalty on production shall be and are preserved."

The date "May 1, 1954" was changed to "November 1, 1954" by amendment No. 5, and to June 1, 1955 by amendment No. 6. As work was not resumed on the contract, it is suggested that the operator be requested to take the action necessary to close the accounts of the contract.

William R. Hardwick
William R. Hardwick
Mining Engineer

CC - Traver (original & 8)
Faick
BMA-371X
DF

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

RECEIVED
SEP 26 1955

224 New Customhouse
Denver 2, Colorado

September 20, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 371X (Lead, Zinc, Copper), Contract Idm-E67, Peru Mining Company, Grant County Mine, Grant County, New Mexico.

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data pertaining to work under the subject Contract for the period January, 1953.

W. M. Traver

Enclosures

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION IV

RECEIVED
SEP 26 1955

Administrative Audit Difference Statement

Date: Sept. 20, 1955
Payee's
Reference: January 1953

[illegible] Mining Company
Box 207
Silver City, New Mexico

Gentlemen:

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ [illegible]

Difference $

Amount Approved $ [illegible]

The reason for the difference was due to:

[illegible] participation disallowed as part of the exception made by the Bureau's Administration [illegible] audit [illegible] of the [illegible] in the second interim audit dated [illegible] 20, 1953.

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-IV-B & F Form No. 4
4-15-52 D

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

RECEIVED
SEP 26 1955

224 New Customhouse
Denver 2, Colorado

September 8, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 371X (Lead, Zinc, Copper), Contract Idm-E67, Peru Mining Company, Grant County Mine, Grant County, New Mexico - Operator's Monthly Progress Report, for the period January 1953.

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been completed as authorized by the contract. Documentation has been waived, therefore we recommend the Government participate in 50 percent of the amount as reported by the Operator on Form MF-104 subject to verification of arithmetical accuracy within Form MF-104. In conformance with the second Interim Audit Report, by the Contract Administration and Audit Division, we recommend that the amount due the Operator be disallowed as part of the exceptions amounting to $8,470.56 recommended by this audit report.

W. A. Traver

Enclosures

WD:jy

cc: MF-104 File E67
Sec. Op. Comm. (2)
Storms
Townsend
Chron.

RECEIVED
SEP 26 1955

MINING DIVISION
REGION IV

April 3, 1953

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : January 1953 Progress Report, Contract Idm-L67, Docket DMA-371X, Peru Mining Co.'s Grant County Zinc-Lead Mine, Grant County, N. Mex.

Enclosed in quintuplicate are the following items for the above report.

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

(3) Forms MF-104 and MF-104A;

(4) Certification that all bills have been paid up to and including January.

Also enclosed are two extra copies of our engineer's report.

As all work was in accordance with the terms of the contract, I recommend that the Government's share of the costs be paid.

Through a misunderstanding this January report was buried in our files and was only discovered this morning.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-371X
DF

WRStorms:frj

MINING DIVISION
REGION IV

RECEIVED
SEP 26 1955

April 3, 1953

Memorandum

To : Walter R. Storms, Chief, Mining Methods Branch
Mining Division, Region IV

From : L. L. Farnham, Mining Engineer, Tucson, Arizona

Subject : Progress Report, Contract Idm-E67, Docket DMA-371X,
Ferm Mining Co., Grant County, N. Mex.

The progress of the exploratory work under the above contract was checked on February 4, 1953. It was found that all the operations of the company had been discontinued on January 25, 1953. A skeleton maintenance crew were retained and the mine was accessible.

During the month of January, 1953 the main drift had been advanced a distance of 36 feet. This work was in accordance with the contract and is approved for payment.

L. L. Farnham, Mining Engineer
Mining Methods Branch, Mining
Division, Region IV

CC: W. H. King (Orig. & 6)
DMA-371X
DF

LLFarnham:als

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

RECEIVED
SEP 26 1955

February 25, 1953

Mr. Walter R. Storms, Chief
Bureau of Mines
Box 4097
University Station
Tucson, Arizona

Dear Mr. Storms:

During December we shut down our Pewabic Mine and transferred the older employees to Kearney Mine so that we could maintain some organization during January. However, as the market broke badly for zinc, we realized that it was out of the question to keep on operating at Kearney Mine and we were forced to discontinue the operation.

We figured that if we went ahead with the Grant County Project, the costs of development work with no production would be very excessive. For this reason, we realized we would have to stop the Grant County Project. For this reason I wrote at the time.

During the month of January the Grant County Drift was extended a distance of 86 feet. We are continuing to inspect the area and see that everything is maintained in condition so that work can be continued whenever we start up.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:F

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

February 25, 1953

Mr. Walter R. Storms, Chief
Bureau of Mines
Box 4097
University Station
Tucson, Arizona

Dear Mr. Storms:

This is to certify that all bills for supplies and equipment used in the Grant County Drift during the month of December 1952, were paid on or before January 13, 1953. All bills for supplies and equipment used in the Drift during the month of January 1953, were paid on or before February 11, 1953.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:F

COPY

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 26 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January, 1953 Docket No. DMEA 371 X Contract No. IDE-E67
Operator's Name Peru Mining Company Minerals Zinc
Address Box 309, Silver City, New Mexico
Contract Amount, $ 225,000.00 Government Participation: 50 % Amount, $ 112,500.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Churn		25,301.17	25,301.17	9/29/55		
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,311.03	26,652.76	27,963.79			
Supervision	262.50	3,864.85	4,127.35			
Technical Services		1,928.00	1,928.00			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	310.79	6,541.04	6,851.83			
Pipe	70.80	2,727.53	2,798.33			
Track	48.10	1,729.25	1,777.35			
Other	232.02	3,328.25	3,560.27			
Power	319.79	4,751.01	5,070.80			
(4) Operating Equipment:						
Rental						
Purchase		12,989.85	12,989.85			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		557.49	557.49			
Sampling and Analysis						
Payroll Taxes	50.55	756.78	807.33			
Liability Insurance	.79	15.07	15.86			
Workmen's Comp. Ins.	103.28	1,422.22	1,525.50			
Occupational Dis. Ins.	11.70	232.29	243.99			
(8) Contingencies (specify):						
TOTALS	~~2,721.35~~	~~92,797.56~~	~~95,518.91~~	2721.35	92797.56	95,518.91
				0	- 16927.42	16927.42
					75870.14	78,591.49

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Feb. 25, 1953 *Payee PERU MINING COMPANY
Per Jas. H. Taylor Title Vice President

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ No Payment
Signature
(Authorized Certifying Officer)
Date 9-13-55 Vou. No.
(See other side)

1 Previous disallowance

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMA-E 67 in accordance with the terms of the contract.

Signature [illegible] Title Mining Engineer Date April 8, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Jones Title Executive Officer Date SEP 8 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 26 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1953 Docket No. DMEA 371 X Contract No. IdM-E67
Operator's Name Peru Mining Company Minerals Zinc
Address Box 309, Silver City, New Mexico

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	foot	2,721.35	86	57,227.89	1,801	31.78		
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn				25,301.17	912½	27.73		
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2,721.35		82,529.06				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				12,989.85				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				95,518.91				

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 Feb. 25, 1953 Operator PERU MINING COMPANY

Per Jos. H. Taylor Title Vice President

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

REMARKS:

(Instructions on reverse)

(For Government use only)

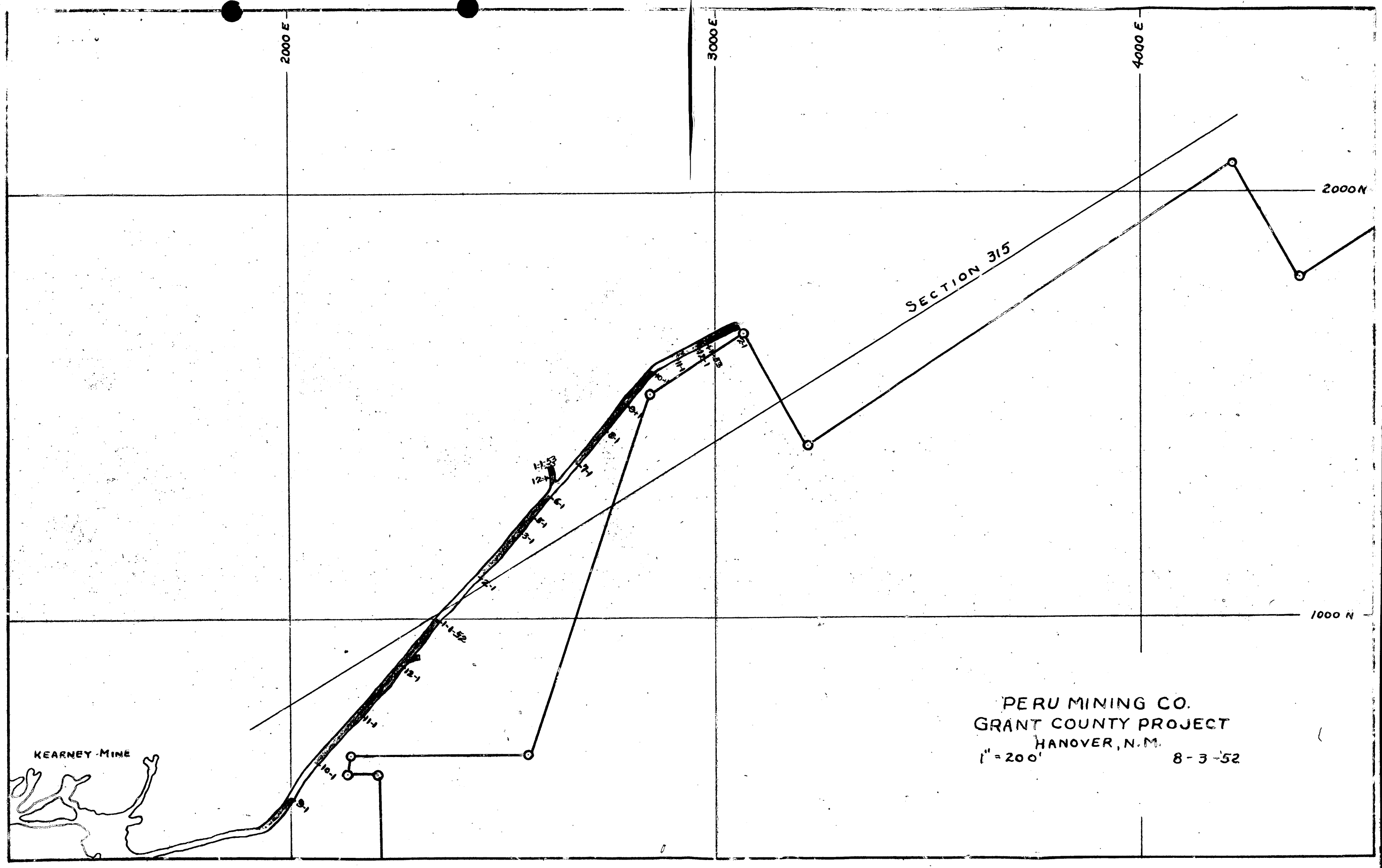
INSTRUCTIONS

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

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

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

GPO 83-38475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KEARNEY MINE
PERU MINING CO.
GRANT COUNTY PROJECT
HANOVER, N.M.
1" = 200'
8-3-52

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

RECEIVED
JUL - 5 1955

224 New Customhouse
Denver 2, Colorado

June 30, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-371 (Lead-Zinc-Copper), Contract Idm-E67, Peru Mining Company, (Grant County mine), Grant County, New Mexico

Enclosed are the original and three copies of an interim report by W. R. Hardwick, USBM, and its transmittal by W. R. Storms, Superintendent, Southwest Experiment Station, suggesting liquidating the contract.

In view of the recent action transmitting Amendment No. 7 to extend the recess and completion dates of the contract this memorandum is submitted for informational purposes only.

W. M. Traver

W. M. Traver

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

SOUTHWEST EXPERIMENT STATION
Box 4097
UNIVERSITY STATION

DMEA
Date Rec'd
JUN 24 1955
BUREAU OF MINES
Denver, Colorado

TUCSON, ARIZONA
June 22, 1955

RECEIVED
RECEIVED
JUL - 5 1955

Memorandum

To : W. M. Traver, Executive Officer, DMEA Field Team, Region III.

From : Superintendent, Southwest Experiment Station.

Subject : Interim Report, DMEA Contract Idm-E67, Docket DMA-371X, Peru Mining Co.'s Grant County Zinc-Lead Mine, Central Mining District, Grant County, N. Mex.

Enclosed are original and 8 copies of an interim report by W. R. Hardwick of the Bureau of Mines regarding Exploration Project Contract No. Idm-E67. As you know, the last recess expired on June 1, 1955. Hardwick visited the mine on June 15 and found that no one was at the Kearney mine and evidently no work had been started under terms of the contract.

?

Walter R. Storms
Walter R. Storms

CC - Traver (8)
Faick
DMA-371X
DF

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

SOUTHWEST EXPERIMENT STATION
Box 4097
UNIVERSITY STATION

RECEIVED
JUL - 5 1955

TUCSON, ARIZONA

June 22, 1955

Memorandum

To : Walter R. Storms, Superintendent, Southwest Experiment Station, Region III.

From : William R. Hardwick, Mining Engineer, Tucson, Ariz.

Subject : Interim Report, Docket DMA-371X, Contract Idm-E67, Peru Mining Co.'s Grant County Zinc-Lead Mine, Grant County, New Mex.

The mines and office of Peru Mining Co. were visited on June 15, 1955. No one was at the Kearney Mine. Auto tracks indicated that a watchman drives by occasionally. Apparently no attempt is now being made to resume operations as provided in paragraph (d), Amendment No. 6 to the contract.

Paragraph No. 5, Amendment No. 4 to the contract provides as follows:

"5. If the work is not resumed on or before May 1, 1954, in the manner required to bring the project to completion within the time fixed by the contract, (a) all obligation of the Government to contribute to costs not then accrued under the provisions of the contract shall terminate, (b) the Operator shall promptly liquidate and account to the Government for its interest in any property to the purchase price of which it has contributed, but (c) the Government's right to receive and the Operator's obligation to pay a percentage royalty on production shall be and are preserved."

The date "May 1, 1954" was changed to "November 1, 1954" by amendment No. 5, and to June 1, 1955 by amendment No. 6. As work was not resumed on the contract, it is suggested that the operator be requested to take the action necessary to close the accounts of the contract.

William R. Hardwick
William R. Hardwick
Mining Engineer

CC - Traver (original & 8)
Faick
DMA-371X
DF

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1953

224 New Customhouse
Denver 2, Colorado

January 28, 1953

Keating
Betty

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 371X, Contract Idm-E67 (Lead-Zinc-Copper), Peru Mining Co's. Grant County Zinc-Lead Mine, Grant County, New Mexico

Enclosed are two copies of the Operator's Monthly Progress Report Form MF-104, and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the period of December, 1952, pertaining to DMA Docket 371X, Contract Idm-E67, Peru Mining Co's. Grant County Zinc-Lead Mine, Grant County, New Mexico.

W. H. King
W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

January 23, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMA Docket 371X, Contract Idm-E67 (Lead-Zinc-Copper), Peru Mining Co's. Grant County Zinc-Lead Mine, Grant County, New Mexico - Operator's Monthly Progress Report, for the period December, 1952

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been completed as authorized by the contract. Documentation has been waived, therefore we recommend that payment be made for 50 percent of the amount as reported by the Operator on Form MF-104 subject to verification of arithmetical accuracy within Form MF-104, and contingent on findings of subsequent on-site audit of the Operator's accounts.

Remarks:

Date of Report----------January 8, 1953
Date Received in Field Office----------January 15, 1953
Date Received in Region Office----------January 19, 1953
Date Processed for Payment----------January 22, 1953

W. H. King
W. H. King

Enclosures
RDB:es

cc: Sec. to the Oper. Comm. (2)
Contract
Chron.
Storms'

MINING DIVISION
REGION IV

January 16, 1953

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : December 1952 Progress Report, Docket DMA-371X, Contract Idm-L67, Peru Mining Co's. Grant County Zinc-Lead Mine, Grant County, N. Mex.

Enclosed in quintuplicate are the following items for the above report:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

(3) Certification that November accounts have been paid;

(4) Forms MF-104 and MF-104A.

Also enclosed are two extra copies of our engineer's report.

As all work conforms to the terms of the contract, I recommend that the Government's share of the costs be paid, the accounts to be audited by a DMA Auditor at a later date.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-371X
DF

WRStorms:frj

MINING DIVISION
REGION IV

January 16, 1953

Memorandum

To : Walter R. Storms, Chief, Mining Methods Br., Mining Div., Region IV

From : L. L. Farnham, Mining Engineer, Tucson, Arizona

Subject : Progress Report for December 1952, Docket DMA-371A, Contract DMA-867, Peru Mining Co's. Grant County Zinc-Lead Mine, Central Mining District, Grant County, N. Mex.

The subject property was visited on January 6, 1953 to observe the progress of the exploration work performed during the month of December 1952.

The 625-foot level drift was advanced 22.5 feet during the month. This work conforms with the contract and is approved.

In addition to the drifting a semi-crosscut was driven northward from the main level drift for a distance of 40 feet in an unsuccessful effort to find the churn drill hole which was drilled from the surface for ventilation. Work of this nature is not mentioned in the contract, yet it appears an allowable expense for the contract calls for approximately 350 feet of crosscutting "where necessary". Hence the total footage of 62.5 feet, as shown on Form MF-104A is approved.

The operator informed the writer that no further search for the drill hole would be made until other means were employed to definitely locate its position relative to the drift. After encountering the drill hole the company contemplates reaming it to the specified size of about 9 inches.

L. L. Farnham

L. L. Farnham

cc W. H. King (orig. & 6)
DMA-371X
DF

LLFarnham:frj

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

January 13, 1953

Mr. W. R. Storms, Chief
Bureau of Mines
Box 4097
University Station
Tucson, Arizona

Dear Mr. Storms:

The Grant County Project Drift was pushed ahead 22½ feet. We also had a crosscut out to the location of the drill hole from the surface; however, this crosscut did not encounter the drill hole. This short drift is 40 feet and is to be used for a location for a fan. This is in connection with the project for ventilation.

We are continuing operation of Kearney Mine for the months of January, February and March and this will permit us to continue the Grant County Project also. However, we do not know that we will operate Kearney after the first of April unless there is something done about a more satisfactory price for zinc.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:F

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

January 12, 1953

Mr. Walter R. Storms, Chief
Bureau of Mines
Box 4097
University Station
Tucson, Arizona

Dear Mr. Storms:

This is to certify that all bills for supplies and equipment used in the Grant County Drift during the month of November 1952, were paid on or before December 10th, 1952.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:F

Form MF-194 (Rev.)
(April 1952)

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

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

Month of December, 1952 Docket No. DMEA 371X Contract No. IDM-E67
Operator's Name Peru Mining Company Minerals Zinc
Address Box 309, Silver City, New Mexico
Contract Amount, $225,000.00 Government Participation: 50 % Amount, $112,500.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Churn		25,301.17	25,301.17			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,040.40	25,612.36	26,652.76			
Supervision	262.50	3,602.35	3,864.85			
Technical Services	140.00	1,788.00	1,928.00			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	243.98	6,297.06	6,541.04			
Pipe	34.50	2,693.03	2727.53			
Track	23.37	1,705.88	1,729.25			
Other	38.24	3,290.01	3,328.25			
Power	310.56	4,440.45	4,751.01			
(4) Operating Equipment:						
Rental						
Purchase		12,989.85	12,989.85			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	319.66	237.83	557.49			
Sampling and Analysis						
Payroll Taxes	16.28	740.50	756.78			
Liability Insurance	.65	14.42	15.07			
Workmen's Comp. Ins.	88.26	1,333.96	1,422.22			
Occupational Dis.*	9.93	222.36	232.29			
(8) Contingencies (specify):						
TOTALS	2,528.33	90,269.23	92,797.56	2528.33	90269.23	92797.56
					-16927.52	-16927.52

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

Date Jan. 8, 1953 *Payee PERU MINING COMPANY

Per Jos. H. Taylor Title Vice President

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

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

(Instructions on reverse)

*Previous Disallowances

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

2528.33 73341.71 75870.04

$ 1264.17

Signature [illegible]
(Authorized Certifying Officer)

Date 1/28/53 Vou. No. DMA 53-90

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E 67 in accordance with the terms of the contract.

Signature [illegible] WRB Title Mining Engineer Date Jan. 15, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.D.B.

Signature W. H. King Title Executive Officer Date JAN 22 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 195 2 Docket No. DMEA 371 X Contract No. IDM-E67
Operator's Name Peru Mining Company Minerals Zinc
Address Box 309, Silver City, New Mexico

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	foot	2,528.33	62.5	54,506.54	1,715	31.78		
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn				25,301.17	912.5	27.73		
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
								TOTAL COSTS AUTHORIZED BY CONTRACT
TOTAL DISTRIBUTED COSTS		2,528.33		79,807.71				
Operating Equipment Purchased				12,989.85				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,528.33		92,797.56				

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

Date Jan. 8, 1953 Operator PERU MINING COMPANY

Per Jos. H. Taylor Title Vice President

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

REMARKS:

(Instructions on reverse)

(For Government use only)

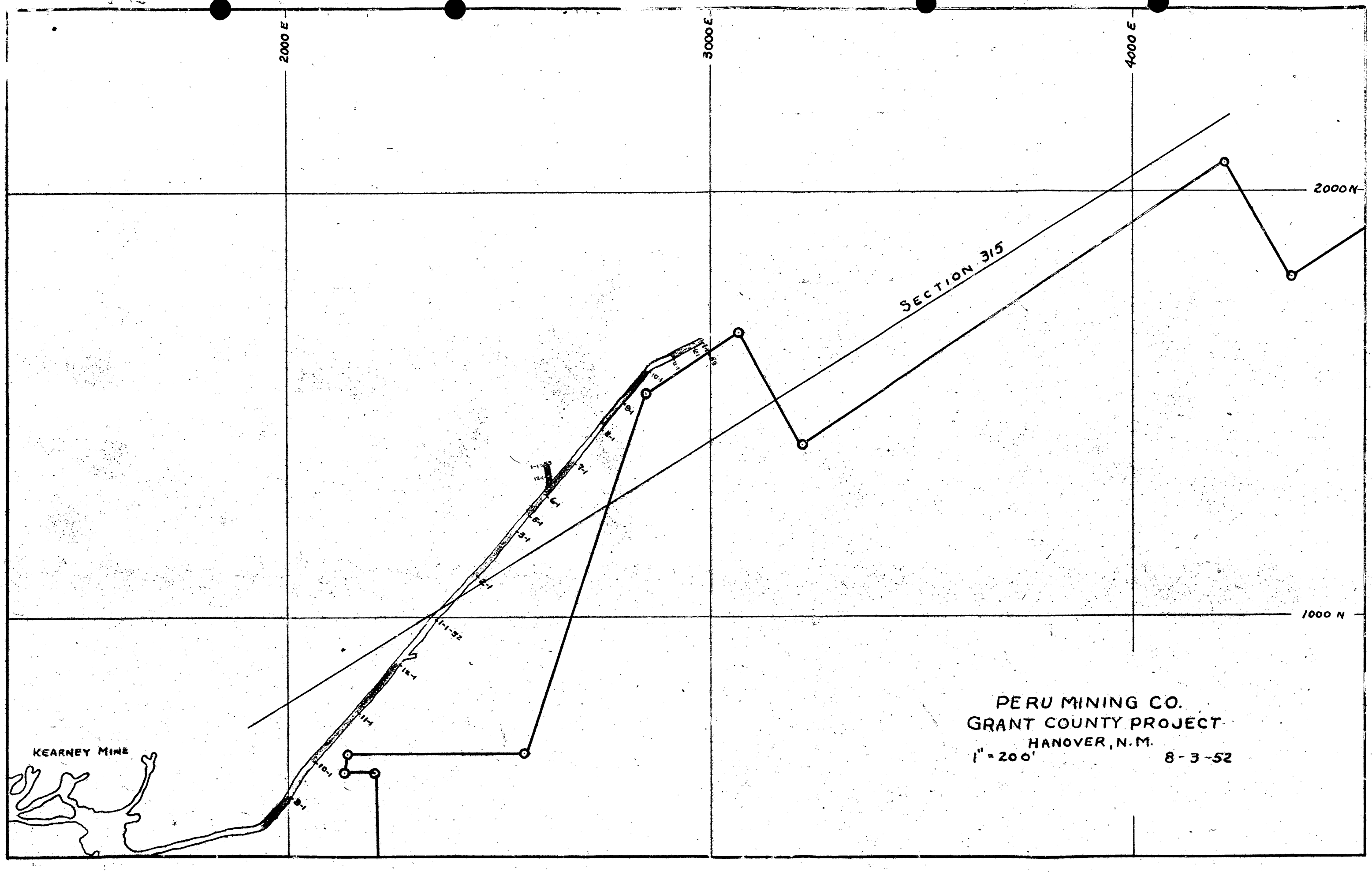
INSTRUCTIONS

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

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

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

GPO 83-38475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SECTION 315
KEARNEY MINE
PERU MINING CO.
GRANT COUNTY PROJECT
HANOVER, N.M.
1" = 200'
8-3-52

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 16 1953

224 New Customhouse
Denver 2, Colorado

January 14, 1953

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 371X, Contract Idm-E67 (Lead-Zinc) Peru Mining Co's/ Grant County Zinc-Lead Mine, Grant County, New Mexico

Enclosed are two copies of the Operator's Monthly Progress Report Form MF-104, and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the period of November, 1952, pertaining to DMA Docket 371X, Contract Idm-E67 (Lead-Zinc), Peru Mining Co's. Grant County Zinc-Lead Mine, Grant County, New Mexico.

W. H. King

W. H. King

Enclosures

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION IV

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 19 1953

Administrative Audit Difference Statement

Date: January 13, 1953
Payee's
Reference: Progress
Report - November 1952

Peru Mining Co.
P. O. Box 309
Silver City, New Mexico

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed	$ 19,087.08
Difference	$ 16,941.62
Amount Approved	$ 2,145.46

The reason for the difference was due to:

Social Security Tax erroneously paid in June (should have been a debit instead of a credit)	$14.20
Disallowed pending clarification of high rates for Churn Drilling	$16,927.42
	$16,941.62

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-IV-B & F Form No. 4
4-15-52 D

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

224 New Customhouse
Denver 2, Colorado

January 5, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMA Docket 371X, Contract Idm-867 (Lead-Zinc) Peru Mining Co's. Grant County Zinc-Lead Mine, Grant County, New Mexico Operator's Monthly Progress Report for the period of November, 1952

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been completed as authorized by the contract. Documentation has been waived, therefore we recommend that payment be made for 50 percent of the amount as reported by the Operator on Form MF-104 subject to verification of arithmetical accuracy within Form MF-104, and contingent on findings of subsequent on-site audit of the Operator's accounts.

Please note letter from Operator concerning overpayment of Social Security Tax for month of June, 1952.

Payment of $16,927.42 for Churn Drilling is to be held up pending letter from Operator concerning justification of high cost per foot of hole and also their intentions for the completion of the hole.

Remarks:

Date of Report - December 10, 1952
Date Received in Ariz.-New Mexico Br. Office - December 15, 1952
Date Received in Region IV Office - December 29, 1952
Date Processed for Payment - January 2, 1953

W. H. King
W. H. King

Enclosures

RDB:oc
cc: Contract
Secretary to the Oper. Comm. (2)
WRStorms
Chron.

MINING DIVISION
REGION IV

December 23, 1952

Memorandum

To : W. M. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : November 1952 Progress Report, Docket MMA-371K, Contract Idm-167, Peru Mining Co's. Grant County Zinc-Lead Mine, Grant County, N. Mex.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report with map;
(3) Form MF-104 and MF-104A.

Also enclosed are two extra copies of our engineer's report.

Documentation has been waived for this contract.

According to Soule's report, the churn drill hole has not been reamed to 9 inches as required by the contract. As I also have heard rumors that the company plans to shut down in December, I would recommend that payment for the churn drilling be delayed until an auditor can visit the property.

Walter R. Storms

Walter R. Storms

CC W. M. King (6)
MMA-371K
DF

WRStorms:frj

MINING DIVISION
REGION IV

December 23, 1952

Memorandum

To : Walter R. Storms, Chief Mining Methods Branch, Mining Division, Region IV

From : John H. Soule', Mining Engineer, Tucson, Arizona

Subject : Progress Report for November 1952, Docket DMA-371X, Contract Idm-267, Peru Mining Co's. Grant County Zinc-Lead Mine, Central Mining District, Grant County, N. Mex.

The Kearney mine of the Peru Mining Co. was visited on December 2, 1952 to observe the progress made on the project for the month of November. Lloyd L. Farnham and John H. Soule' of the Bureau of Mines were the inspecting engineers.

The drift toward the Grant County mine from the 625-foot level of the Kearney mine advanced 54.5 feet during November to a total of 1,652.5 feet. This advance is approved.

The churn drill hole reached the 625-foot level and a crosscut was being started to reach this hole which was expected 10 to 15 feet north of the drift. Intersecting this hole should improve the ventilation in the drift.

The churn drill hole was advanced from 797.5 to 912.5 feet for a monthly advance of 115 feet. A few remarks on this hole may be in order. In August 1952 and between 581 and 670 feet, the hole was reduced to a 6-inch hole to facilitate the drilling. It was expected to ream this hole to 9 or 12 inches later. The contract specifies a hole "finishing at about 9 inches ---". From the operator's narrative report, it seems that the churn drilling has been completed without this reaming.

It is noted from Form MP-104A that large charges have been made against the churn drilling which would seem to indicate completion of the sub-contractor's work. This seems to be a final settlement. According to the approved sub-contract, this work was to be done for "not

cc W. R. King (Orig. & 6)
DMA-371X
DF

JHSoule':frj

more than $10.50 per foot". Considerable trouble was encountered in drilling this hole, but most of the trouble seems to stem from the lack of adequately skilled labor. The estimated price for this work, according to the contract, was $15.00 per foot. It is recommended that payment, partial or total as determined by the auditors, be withheld until the hole is bottomed at about 9 inches as stated in the contract.

No items of equipment were purchased during the month and agreement is noted in the totals on Forms MF-104 and 104A.

John H Soule'

J. H. Soule'

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

December 11, 1952

Mr. Walter R. Storms, Chief
Bureau of Mines
Box 4097, University Station
Tucson, Arizona

Dear Mr. Storms:

The Grant County Project Drift was advanced 54½ feet during last month.

We are still undecided as to whether or not we will continue our mining operations after January 1st, 1953, and it will put an undue burden on us to continue the drifting without the mining operations helping to carry the power load, hoisting expense, maintaining toplanders and cage tenders. For this reason, it may be that we will ask for a suspension of this contract during the period when we may shut down. I will know more about this by the 29th of the month.

The churn drill hole reached the level of the 625 level drift floor on November 29th and we find that we had to pay a great deal more for this work than the contract with Mr. Johnson was drawn up for; however, we were unable to let another contract with anyone else for any reasonable amount and we therefore told him that we would see him through the job. This we did and settled with him in full.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:F

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Defense Minerals Administration
RECEIVED
JAN 19 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1952 Docket No. DMEA 371 X Contract No. IDM-E67
Operator's Name Peru Mining Company Minerals Zinc
Address Box 309, Silver City, New Mexico
Contract Amount, $ 225,000.00 Government Participation: 50 % Amount, $ 112,500.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Churn	16,927.42	8,373.75	25,301.17	00	8,373.75	8,373.75
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,134.72	24,477.64	25,612.36			
Supervision	262.50	3,339.85	3,602.35			
Technical Services	140.00	1,648.00	1,788.00			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	225.04	6,072.02	6,297.06			
Pipe		2,693.03	2,693.03			
Track		1,705.88	1,705.88			
Other		3,290.01	3,290.01			
Power	268.95	4,171.50	4,440.45			
(4) Operating Equipment:						
Rental						
Purchase		12,989.85	12,989.85			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		237.83	237.83			
Sampling and Analysis						
Payroll Taxes	22.62	717.88	740.50			
Liability Insurance	.70	13.72	14.42			
Workman's Compensation	94.65	1,239.31	1,333.96			
Occupational Disease	10.48	211.88	222.36			
(8) Contingencies (specify):						
				2,159.66	71,182.15	73,341.81
					*/14.10	*/14.10
TOTALS	19,087.08	71,182.15	90,269.23	**-14.20		**-14.20
				2,145.46	71,196.25	73,341.71

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

Date Dec. 10, 1952 Payee PERU MINING COMPANY

Per Jos. H. Taylor Title Vice President

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

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

(Instructions on reverse)

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

$ 1072.73

Signature [illegible]
(Authorized Certifying Officer)

Date 1/14/53 Vou. No. DMA 53-80
(See other side)

* Previous Disallowances
** SS Tax, erroneously paid in June, which should have been a debit instead of a credit.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. dm E. 67 in accordance with the terms of the contract.

Signature John H. Soule Title Mining Engineer Date Dec. 15. 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R. B.

Signature W. H. King Title Executive Officer Date 1/5/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
1 9 1953

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

Month of November 195 2 Docket No. DMEA 371 X Contract No. IDM-E67
Operator's Name Peru Mining Company Minerals Zinc
Address Box 309, Silver City, New Mexico

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	foot	2,159.66	54.5	51,978.21	1652.5	31.45	4,000	30.00
Crosscutting							350	30.00
Raising								
Shafts								
Winzes								
Drilling: Core							7,600	3.75
Churn	foot	16,927.42	115	25,301.17	912.5	27.73	1,500	15.00
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		19,087.08		77,279.38				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				12,989.85				35,240.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		19,087.08		90,269.23				225,000.00

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

Date Dec. 10, 1952 Operator PERU MINING COMPANY

Per J. H. Taylor Title Vice President

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

REMARKS:

(Instructions on reverse)

(For Government use only)

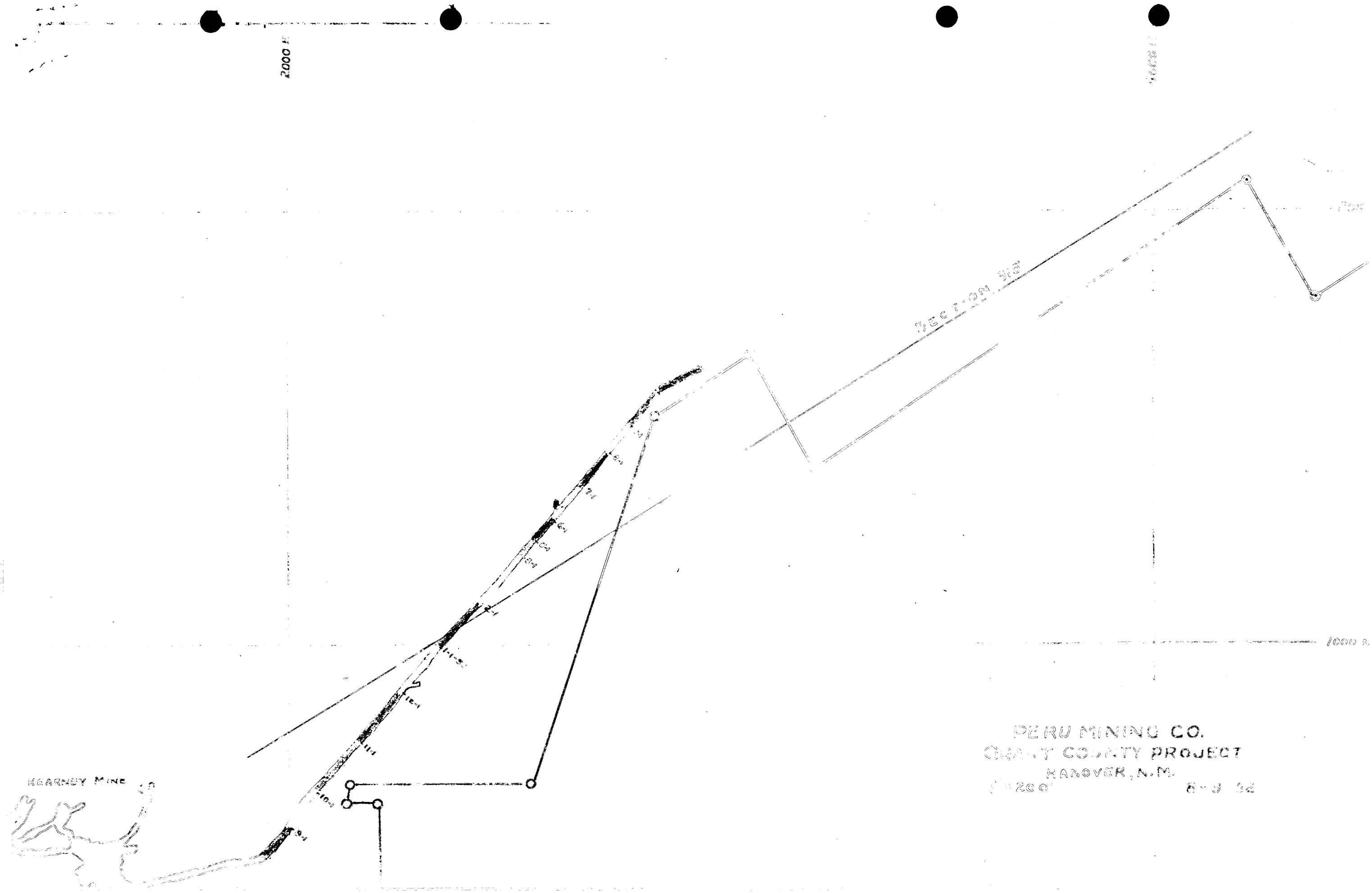
INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676


2000 E
SECTION 5+25
1000 N
KEARNEY MINE
PERU MINING CO.
GRANT COUNTY PROJECT
HANOVER, N.M.
1"=200'
8-3-52

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

224 New Customhouse
Denver 2, Colorado

November 24, 1952

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 371X, Contract Idm-E67 (Lead-Zinc-Copper) Peru Mining Company, Grant County, New Mexico

Enclosed are two copies of the Operator's Monthly Progress Report Forms MF-104, and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the period of October, 1952, pertaining to DMA Docket 371X, Contract Idm-E67, Peru Mining Company.

W. H. King

W. H. King

Enclosures

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

[illegible] New Customhouse
Denver 2, Colorado

November 18, 1952

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMA Docket 371X, Contract Idm-267 (Lead-Zinc-Copper) Peru Mining Company, Grant County, New Mexico - Operator's Monthly Progress Report for the period of October, 1952

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been completed as authorized by the contract. Documentation has been waived, therefore we recommend that payment be made for 50 percent of the amount as reported by the Operator on Form MF-104 subject to verification of arithmetical accuracy within Form MF-104, and contingent on findings of subsequent on-site audit of the Operator's accounts.

W. H. King
W. H. King

Enclosures

JWT:oc

cc: Contract
Secretary to the Operating Committee (2)
WRStorms
Chron.
AHKoschmann (2)

MINING DIVISION
REGION IV

November 13, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Division, Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : October 1952 Progress Report, Docket DMA-371X, Contract Idm-267, Peru Mining Co's., Grant County Zinc-Lead Mine, Grant County, N. Mex.

Enclosed in quintuplicate are the following items for the above progress report:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

(3) Forms MP-104 and 104A;

(4) Letter certifying that all September bills have been paid.

Also enclosed are two extra copies of our engineer's report.

As all work is in accordance with the terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms, Chief
Arizona-New Mexico Branch
Mining Division, Region IV

CC W. H. King (6)
DMA-371X
DF

WRStorms:frj

MINING DIVISION
REGION IV

November 13, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Branch, Mining Division, Region IV

From : John H. Soule', Mining Engineer, Tucson, Arizona

Subject : Progress Report for October 1952, Docket DMA-371X, Contract Idm-267, Peru Mining Co., Grant County Zinc Mine, Central Mining District, Grant County, New Mexico

The Kearney mine of the Peru Mining Co. was visited on November 4, 1952 to inspect the progress made on the project drift on the 625 level towards the Grant County mine. The drift advanced 71.5 feet for a total of 1,598 feet. This work is approved. Toward the end of October a flow of water was encountered that hindered work, hence the small advance. At the time of the visit it was planned to start work again the next day.

Slow progress continues in the churn drill hole being drilled for ventilation. For the month of October, 70 feet was drilled making the total depth of hole 797.5 feet. About 105 feet of hole remains to be drilled to reach the drift to the Grant County mine. The advance reported is approved as being within the terms of the contract.

According to Form MF-104, $3,582.36 was spent on the project during October. This makes the amount spent to date total $71,182.13.

Unit costs of $31.18 and $10.50 are noted on Form MF-104A for drifting and churn drilling, respectively. It is also noted that no supervision charges have been made against the churn drilling.

John H Soule'

John H. Soule', Mining Engineer
Arizona-New Mexico Branch
Mining Division, Region IV

CC W. H. King (Orig. & 6)
DMA-371X
DF

JHSoule':frj

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

November 11, 1952

Mr. Walter R. Storms, Chief
Bureau of Mines
University Station
Tucson, Arizona

Dear Mr. Storms:

During the month of October the Grant County Drift was advanced 70½ feet. On October 24th in drilling out the heading, we ran into high pressure water and we were forced to hold up blasting of the heading until after the first of November. We had put in an extra pump for this emergency and the pumps were kept running continuously over this period in order to keep from flooding out the 625 foot level. I am glad to report that this flood of water has now been taken care of and the drift is again in progress.

The churn drill hole was advanced from 727½ feet to 797½ feet. The contractor on this work believes that he can now advance at a reasonable rate to the 625 foot level and we hope to get this done promptly.

Because of the low price of zinc we are operating at a curtailed rate and but five days per week. In all probability, if the price of zinc does not go above 12¾¢ per pound, we will be forced to discontinue the production of ore within a matter of weeks.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:F

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

November 11, 1952

Mr. Walter R. Storms, Chief
Bureau of Mines
Box 4097
University Station
Tucson, Arizona

Dear Mr. Storms:

This is to certify that all bills for supplies and equipment used in the Grant County Drift during the month of September 1952 were paid on or before October 13, 1952.

Very truly yours,

PERU MINING COMPANY

Jas. H. Taylor

Jas. H. Taylor
Vice President

AVF

COPY

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

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

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

Month of October, 1952 Docket No. DMEA 371 X Contract No. IDM-E67

Operator's Name Peru Mining Company Minerals Zinc

Address Box 309, Silver City, New Mexico

Contract Amount, $ 225,000.00 Government Participation: 50 % Amount, $ 112,500.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Churn	735.00	7,638.75	8,373.75			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,437.21	23,040.43	24,477.64			
Supervision	262.50	3,077.35	3,339.85			
Technical Services	100.00	1,548.00	1,648.00			
(3) Operating Mat'ls. and Supplies:						
~~Timber~~ Repair	237.83		237.83			
Explosives	353.33	5,718.69	6,072.02			
Pipe	193.41	2,499.62	2,693.03			
Track	47.56	1,658.32	1,705.88			
Other	46.05	3,336.06	3,290.01			
Power	142.14	4,029.36	4,171.50			
(4) Operating Equipment:						
Rental						
Purchase		12,989.85	12,989.85			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	28.70	689.18	717.88			
Liability Insurance	.85	12.87	13.72			
Workmen's Compensation Ins.	76.80	1,162.51	1,239.31			
Occupational Dis. Ins.	13.08	198.80	211.88			
(8) Contingencies (specify):						
				3,582.36	67,599.79	71,182.15
					*14.10	14.10
TOTALS	3,582.36	67,599.79	71,182.15	3,582.36	67,613.89	71,196.25

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

Date Nov. 11, 1952 *Payee PERU MINING COMPANY

Per Jos. H. Taylor Title * Vice President

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

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

(Instructions on reverse)

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

$ 1791.18

Signature [illegible]
(Authorized Certifying Officer)

Date 11/21/52 Vou. No. DMA 53-63

(See other side)

* Previous adjustment

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idy E 67 in accordance with the terms of the contract.

Signature John H. Searle WRK Title Mining Engineer Date Nov. 18, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. R. King Title Executive Officer Date 11/18/52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-164A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 195 2 Docket No. DMEA 371 X Contract No. IDM-E67

Operator's Name Peru Mining Company Minerals Zinc

Address Box 309, Silver City, New Mexico

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	foot	2,847.36	71.5	49,818.55	1,598	31.18		
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn	foot	735.00	70	8,373.75	797.5	10.50		
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		3,582.36		58,192.30				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				12,989.85				
New Buildings, Improvements, etc.								
TOTAL COSTS		3,582.36		71,182.15				

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

REMARKS:

Date Nov. 11, 1952 Operator PERU MINING COMPANY

Per Jos. H. Taylor Title Vice President

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 13 1952

224 New Customhouse
Denver 2, Colorado

November 10, 1952

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 371X, Contract Idm-E67, (Zinc-Lead-Copper) Peru Mining Co., Grant County Mine, Grant County, New Mexico

Enclosed are two copies of the Operator's Monthly Progress Report MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of September, 1952, pertaining to DMA Docket 371X, Contract Idm-E67, Peru Mining Co.

W. H. King

W. H. King

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR

New Customhouse
Denver 2, Colorado

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

November 3, 1952

Memorandum

To: T. A. Christensen

From: Executive Officer, Field Team, Region IV

Subject: DMA Docket 371X, Contract Idm-E67, (Zinc-Lead-Copper) Peru Mining Co., Grant County Mine, Grant County, New Mexico - Operator's Monthly Progress Report for the period of September, 1952

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been completed as authorized by the contract. Documentation has been waived, therefore we recommend that payment be made for 50 percent of the amount as reported by the Operator on Form MF-104 subject to verification of arithmetical accuracy within Form MF-104, and contingent on findings of subsequent on-site audit of the Operator's accounts.

W. H. King
W. H. King

Enclosures

WLD:oc

cc: Contract
Secretary to the Operating Committee (2)
WRSterms
Chron.
AHKoschmann (2)

MINING DIVISION
REGION IV

October 27, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : September 1952 Progress Report, Docket DMA-371X, Contract IDM-267, Peru Mining Co's. Grant County Zinc-Lead Mines, Grant County, N. Mex.

Enclosed in quintuplicate are the following items for the above progress report:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

(3) Forms MP-104 and 104A.

Also enclosed are two extra copies of our engineer's report.

As all work is in accordance with the terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-371X
DF

WRStorms:frj

MINING DIVISION
REGION IV

October 20, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Branch, Mining Division, Region IV

From : John H. Soule', Mining Engineer, Tucson, Arizona

Subject : Monthly Progress Report for September 1952, Docket DMA-371X, Contract Idm-167, Peru Mining Co., Grant County Zinc Mine, Central Mining District, Grant County, New Mexico.

The Kearney mine of the Peru Mining Co. was visited on October 14, 1952 to inspect the progress made on the project for the month of September 1952. The drift on the Kearney 650 level advanced 93.5 feet during the month, to a total of 1,526.5 feet for the project. The churn drill hole was advanced 57.5 feet during the month to a total of 727.5 feet for the project. There remains about 175 feet of hole to drill before connecting with the drift. Progress remains slow.

According to Form MF-104, $4,356.62 was spent on the project during the month. This brings the total spent on the project to $67,599.79.

From Form MF-104A, unit costs of $30.77 and $10.50 are indicated for drifting and churn drilling, respectively. It is noted that no supervision is included in the churn drilling.

Approval is given to the advances made in the drifting and the churn drilling as being within the terms of the contract.

John H Soule

John H. Soule', Mining Engineer
Arizona-New Mexico Branch
Mining Division, Region IV

CC W. H. King (orig, & 6)
DMA-371X
DF

WRStorms:frj

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

October 15, 1952

Mr. W. R. Storms, Chief
Bureau of Mines
Box 4097
University Station
Tucson, Arizona

Dear Mr. Storms:

We are very much worried about continuing our operations beyond December. However, we believe that we will go on with our operations well into December in spite of the low price for zinc. In case we suspend our mining operations, the burden on development will be so great that we doubt it would be wise to continue this.

During September we operated five days per week and the Grant County Drift was advanced 95½ feet. The churn drill hole was not in operation all the time. However, there was an advance of 57½ feet and we hope that the advance will be somewhat faster as we approach and get into the crinoidal, or Hanover limestone.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:F

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

October 15, 1952

Mr. Walter R. Storms, Chief
Bureau of Mines
Box 4097
University Station
Tucson, Arisona

Dear Mr. Storms:

This is to certify that all bills for supplies and equipment used in the Grant County Drift during the month of August 1952 were paid on or before September 11, 1952.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

AVF

COPY

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 1 3 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1952 Docket No. DMEA 371X Contract No. Idn-167
Operator's Name Peru Mining Company Minerals Zinc
Address Box 309, Silver City, New Mexico
Contract Amount, $ 225,000.00 Government Participation: 50 % Amount, $ 112,500.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Churn Drilling	603.75	7,035.00	7,638.75			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,570.56	21,469.87	23,040.43			
Supervision	262.50	2,814.85	3,077.35			
Technical Services	140.00	1,408.00	1,548.00			
(3) Operating Mat'ls. and Supplies:						
Timber	369.05	5,349.64	5,718.69			
Explosives	124.62	2,375.00	2,499.62			
Pipe	89.30	1,569.02	1,658.32			
Track						
Other	748.17	2,587.89	3,336.06			
Power	313.74	3,715.62	4,029.36			
(4) Operating Equipment:						
Rental						
Purchase		12,989.85	12,989.85			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	37.08	652.10	689.18		666.20	703.28
Liability Insurance	.92	11.95	12.87			
Workmen's Compensation	82.82	1,079.69	1,162.51			
Occupational Disease	14.11	184.69	198.80			
(8) Contingencies (specify):						
TOTALS	4,356.62	63,243.17	67,599.79	4,356.62	63,257.27	67,613.89

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Oct. 23 1952 *Payee Peru Mining Company
Per J. H. Taylor Title Vice President

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

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

(Instructions on reverse)

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

$2178.31

Signature
(Authorized Certifying Officer)

Date 11/6/52 Vou. No. 53-58
(See other side)

$14.10 deducted erroneously

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DME 67 in accordance with the terms of the contract.

Signature John A. Searle WRK Title Mining Engineer Date Oct. 27, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE

Signature W. L. King Title Executive Officer Date 11/3/52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 1 3 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1952 Docket No. DMEA 371 X Contract No. DMI-167
Operator's Name Peru Mining Company Minerals Zinc
Address Box 309, Silver City, New Mexico

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	3,752.87	95½	46,971.19	1,526½	30.77		
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn	Foot	603.75	57½	7,638.75	727½	10.50		
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
								TOTAL COSTS AUTHORIZED BY CONTRACT
TOTAL DISTRIBUTED COSTS		4,356.62		54,609.94				
Operating Equipment Purchased				12,989.85				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4,356.62		67,599.79				

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

Date Oct. 23, 1952 Operator Peru Mining Company

Per Jos. H. Taylor Title Vice President

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

REMARKS:

(Instructions on reverse)

(For Government use only)

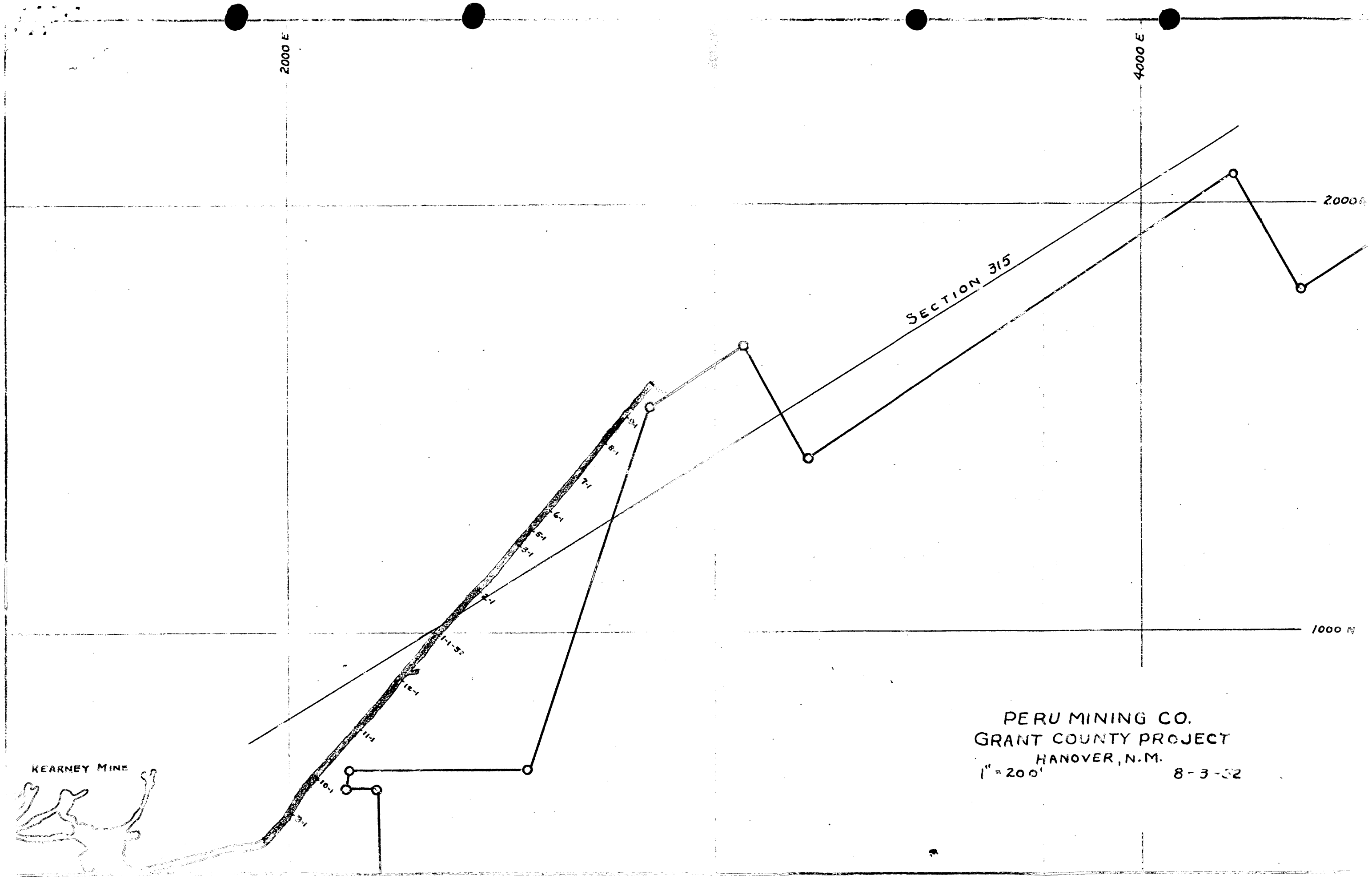
INSTRUCTIONS

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

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

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

GPO 83-38475


2000 E
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SECTION 315
KEARNEY MINE
PERU MINING CO.
GRANT COUNTY PROJECT
HANOVER, N.M.
1" = 200'
8-3-52

371

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 29 1952

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

24 New Customhouse
Denver 2, Colorado

October 22, 1952

Corbett
Betty

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 371X, Contract Idm-E67 (Lead, Zinc, Copper) Peru Mining Company, Grant County Mine, Grant County, New Mexico

Enclosed are two copies of the Operator's Monthly Progress Report MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of August, 1952, pertaining to DMA Docket 371X, Contract Idm-E67, Peru Mining Company.

W. H. King
W. H. King

Enclosures

Posted

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

224 New Customhouse
Denver 2, Colorado

Mining Division
Region IV

October 10, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 371X, Contract Idm-E67 (Lead, Zinc, Copper), Peru Mining Company, Grant County Mine, Grant County, New Mexico - Operator's Monthly Progress Report, for the period August, 1952

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been completed as authorized by the contract. Documentation has been waived, therefore we recommend that payment be made as reported by the Operator on Form MF-104 subject to verification of arithmetical accuracy within Form MF-104 and contingent on findings of subsequent on-site audit of the Operator's accounts.

John F. Shaw
John F. Shaw
For W. H. King

Enclosures
WLD:es

cc: Sec. to the Oper. Comm. (2) ✓
Contract
Storms
Chron.
Koschmann (2)

MINING DIVISION
REGION IV

October 7, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : August 1952 Progress Report, DMA Docket 371K, Contract Idm-E67, Peru Mining Co's. Grant County Zinc-Lead Mine, Grant County, N. Mex.

Enclosed in quintuplicate are the following items for the above progress report:

(1) Bureau of Mines engineer's report;

(2) Operator's monthly progress report, and letter that July accounts have been paid;

(3) Forms MF-104 and 104A, with progress map.

Also enclosed are two extra copies of our engineer's report.

As all operations conform to the terms of the contract, I recommend that the Government's share of the costs be paid, subject to a later audit of all accounts by DMA auditors.

Walter R. Storms

Walter R. Storms, Chief
Arizona-New Mexico Branch
Mining Division, Region IV

CC W. H. King (6)
DMA-371K
DF

WRStorms:frj

The track also is segregated for the first time on the MF-104's. This item totals $1,552.33 which is in close agreement with the engineer's records.

A reverse charge is shown for the other category. This is due to the removal of the pipe and track from this item to be placed under their own lines. Actual supplies used during the month cost $429.90 and consisted of hoses, bits, wire and other supplies.

The power costs for the month are somewhat below the average of the former costs. August power costs total $345,47. It is noted that no reduction has been made in the total power charges because of the disallowance of $2,104.64 recommended by the auditor's report. Possibly the company has not received notification of the disallowance.

Item 7. Miscellaneous. Payroll taxes and insurance are the items listed under this item. All of these items are in line with entries for previous months.

No documentation is required of this project. According to the form MF-104, $4,171.25 was spent on the project during August. This brings the total to date to $65,347.81, which includes overcharges for power that will probably be disallowed.

The arithmetic of the form has been checked and found to be correct.

DISCUSSION OF FORM MF-104A

All of the August costs, with the exception of churn drilling have been charged to drifting. This means that there is no proration of the supervisory costs to churn drilling, possibly because there was no supervision. In any event, the company was requested to prorate the supervisory costs.

Based on this form, $45,322.90 has been expended to date on drifting and $7,035.00 to churn drilling. Unit costs of $31.67 and $10.50 respectively are indicated. The arithmetic of the form is correct.

John M. Soule'

John M. Soule', Mining Engineer
Arizona-New Mexico Branch
Mining Division, Region IV

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

September 11, 1952

Mr. Walter R. Storms, Chief
Bureau of Mines
Box 4097
University Station
Tucson, Arizona

Dear Mr. Storms:

During the month of August the drift of the Grant County Project was advanced a total of 83½ feet. We will continue to work on a five day week. The air in the drift was somewhat worse and we have now moved a blower up and with a vent tube will get more air for ventilation to the face.

The churn drill hole was advanced a distance of 89 feet. This is now a 6" hole instead of 12" and it is planned when the hole is down to the drift, this will be increased to 12".

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:F

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

September 11, 1952

Mr. Walter R. Storms, Chief
Bureau of Mines
Box 4097
University Station
Tucson, Arizona

Dear Mr. Storms:

This is to certify that all bills for supplies and equipment used in the Grant County Drift during the month of July 1952 were paid on or before August 8, 1952.

Very truly yours,

PERU MINING COMPANY

Jas. H. Taylor

Jas. H. Taylor
Vice President

COPY

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 29 1952

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1952 Docket No. DMEA 371 X Contract No. IDM-E 67
Operator's Name Peru Mining Company Minerals Zinc
Address Box 309, Silver City, New Mexico
Contract Amount, $225,000.00 Government Participation: 50 % Amount, $112,500.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Churn	934.50	6,100.50	7,035.00			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,322.64	20,147.23	21,469.87			
Supervision	262.50	2,552.35	2,814.85			
Technical Services		1,408.00	1,408.00			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	402.27	4,947.37	5,349.64			
Pipe	2,229.28	145.72	2,375.00			
Track	1,552.33	16.69	1,569.02			
Other	[illegible]	5,604.70	2,587.89			
Power	345.47	5,474.79	5,820.26			
(4) Operating Equipment:						
Rental						
Purchase		12,989.85	12,989.85			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	54.46	597.64	652.10		611.84	666.20
Liability Insurance	.79	11.16	11.95			
Workman's Compensation	71.62	1,008.07	1,079.69			
Occupational Disease	12.20	172.49	184.69			
(8) Contingencies (specify):						
Totals	4,171.25	61,176.56	65,347.81	4,171.25	61,190.76	65,362.01
					*- 2,104.64	2,104.64
				4,171.25	59,086.12	63,257.37

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Sept. 11, 1952 Payee PERU MINING COMPANY
Per John H. Taylor Title Vice President

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$2085.63
Signature [illegible]
(Authorized Certifying Officer)
Date 10/20/52 Vou. No. DMA 53-51
(See other side)

* Previously Disallowed

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMA E 67 in accordance with the terms of the contract.

Signature John H. Soule Title Mining Engineer Date Sept 24 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature for W. H. King Title Executive Officer Date 10-14-52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 2 9 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1952 Docket No. DMEA 3711 Contract No. IDM-E 67
Operator's Name Peru Mining Company Minerals Zinc
Address Box 309, Silver City, New Mexico

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	foot	3,236.75	33½	45,322.96	1,431	31.67	[illegible]	[illegible]
Crosscutting							[illegible]	[illegible]
Raising								
Shafts								
Winzes								
Drilling: Core							[illegible]	[illegible]
Churn	foot	934.50	89	7,035.00	670	10.50	[illegible]	[illegible]
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		4,171.25		52,357.96				Total Costs Authorized by Contract
Operating Equipment Purchased				12,989.85				[illegible]
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		4,171.25		65,347.81				[illegible]

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 Sept. 11, 1952 Operator PERU MINING COMPANY

Per J. H. Taylor Title Vice President

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

Remarks:

(Instructions on reverse)

(For Government use only)

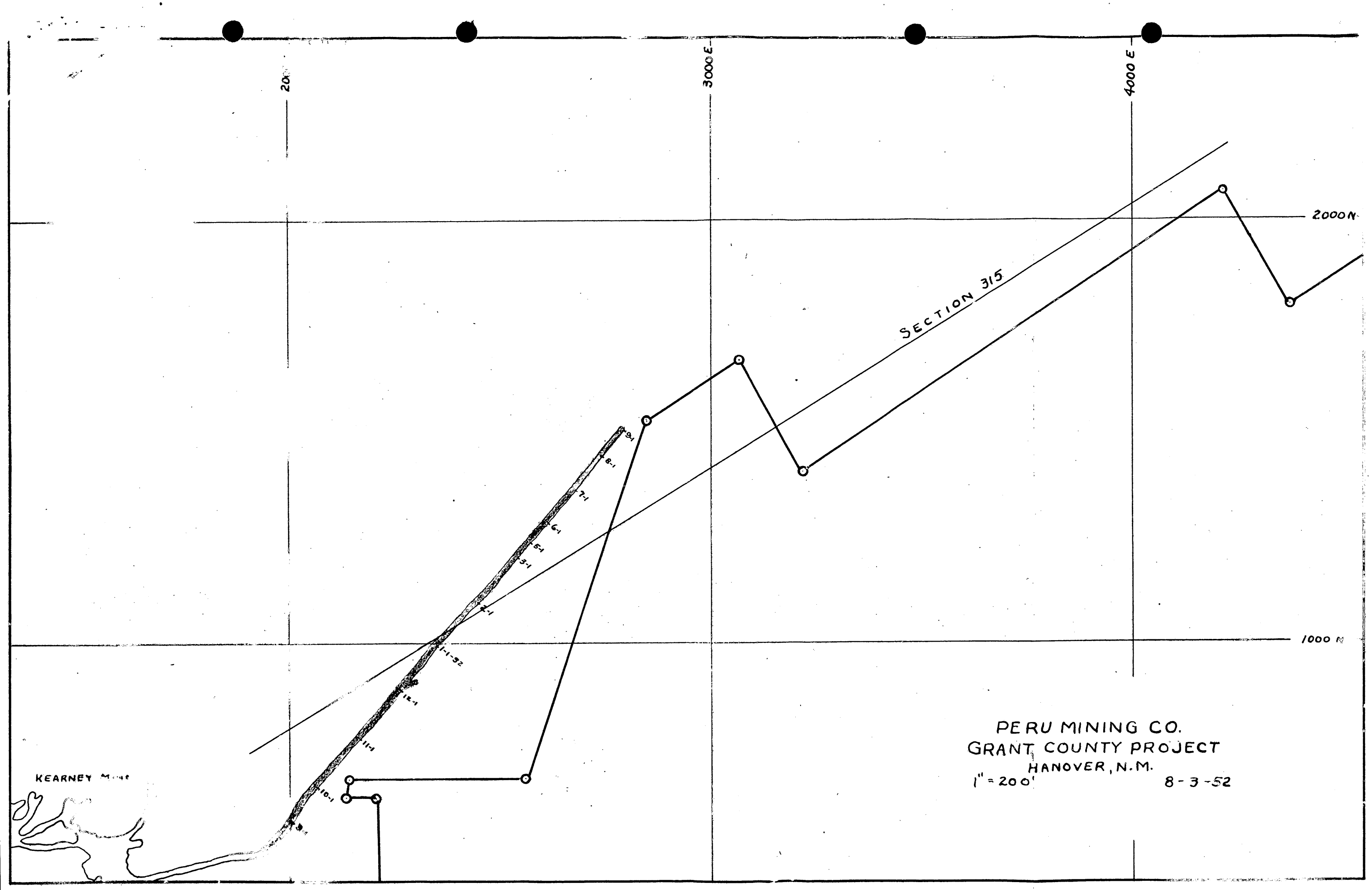
INSTRUCTIONS

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

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

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

GPO 83-38475


20
3000 E
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SECTION 315
9-1
8-1
7-1
6-1
5-1
3-1
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1-1-52
12-1
11-1
10-1
KEARNEY MINE
PERU MINING CO.
GRANT COUNTY PROJECT
HANOVER, N.M.
1" = 200'
8-3-52

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

371 X

224 New Customhouse
Denver 2, Colorado

October 20, 1952

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, DMA Docket 371X, Contract Idm-E67 (Lead, Zinc, Copper), Peru Mining Company, Grant County Mine, Grant County, New Mexico

Enclosed are two copies of the Operator's Monthly Progress Report Form MF-104 and Form MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the period of July 1952, pertaining to DMA Docket 371X, Contract Idm-E67, Peru Mining Company.

W. H. King

W. H. King

jp

cc WRStorms
Contract
Chron
AHKoschmann (2)

No narrative

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

October 10, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 371X, Contract Idm-E67 (Lead,Zinc,Copper), Peru Mining Company, Grant County Mine, Grant County, New Mexico-Operator's Supplemental Monthly Progress Report for the period July, 1952

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above period.

The Operator has reentered his July items of cost in the Monthly Total column of Form MF-104. Inasmuch as your office has processed his July report and had scheduled it for payment on September 30, this report can not replace the July report. The Operator should have carried forward his July items of cost as totals previously reported and then should have shown the amount of $1334.85 as the only current charge against the project.

Documentation has been waived, therefore we recommend that payment be made as reported by the Operator on Form MF-104 subject to verification of arithmetical accuracy within Form MF-104 and contingent on findings of subsequent on-site audit of the Operator's accounts.

John F. Shaw
John F. Shaw
For W. H. King

Enclosures
WWD:es

cc: Sec. to the Oper. Comm. (2)
Contract
Storms
Chron.
Koschmann (2)

MINING DIVISION
REGION IV

October 6, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : Supplemental Progress Report for July 1952, DMA Docket 371X, Contract Idm-467, Peru Mining Co's. Grant County Zinc-Lead Mine, Grant County, Ariz.

Enclosed in quintuplicate are revised Forms MF-104 and 104A for the above company for July; also a Bureau of Mines engineer's report. This new report contains additional charges for equipment. Through a misunderstanding, these charges have not been claimed in any previous report.

These forms MF-104 and 104A replace those which were previously submitted. Charges as shown on these forms have my approval.

Walter R. Storms

Walter R. Storms, Chief
Arizona-New Mexico Branch
Mining Division, Region IV

CC W. H. King (6)
DMA-371X
DF

WRStorms:frj

MINING DIVISION
REGION IV

September 25, 1952

Memorandum

To : Walter M. Storms, Chief, Arizona-New Mexico Branch
Mining Division, Region IV

From : John H. Soule', Mining Engineer.

Subject : Supplemental Progress Report for July 1952, Docket DMA-371M, Contract Idm-167, Peru Mining Co., Grant County, New Mexico.

The accompanying Forms MF-104 and 104A are submitted to include charges of capital equipment that were not charged to the project in the past. In the two cases, only those amounts were charged to the project that were listed in the contract and no effort until now was made to charge the project with the amounts in excess of the contract estimates. These two cases are: Invoice #03-5518 where only $3,795.00 of the $4.105.15 were charged and Invoices #18038 and #18038A where only $4,000.00 of a total of $5,024.70 was charged to the project. This amounts to $310.15 and $1,024.70 respectively for a total of $1,334.85. The invoices for these items, a drill jumbo and 20 mine cars, has been noted by the examining engineer and the two DMA auditors. It is not known if supporting documents are required in this case. Approval is given to the charges.

The accompanying Forms MF-104 and 104A are intended to replace those submitted for the month of July and are the same with the addition of the $1,334.85 in the proper places on the forms. The revised forms are found to be arithmetically correct and are so approved. The unit costs shown of Form MF-104A will not be altered.

John H Soule'
John H. Soule', Mining Engineer
Arizona-New Mexico Branch
Mining Division, Region IV

cc W. M. King (6)
DMA-371
DF

JHSoule':frj

(94 (Rev.)
(952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

July - (Revised) 2 371 X IDM-E 67

th of Peru Mining Company Docket No. DMEA Contract No. Zinc
rator's Name Box 309, Silver City, New Mexico Minerals
Address 225,000.00 50 112,500.00
Contract Amount, $ Government Participation: % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Churn						
Drilling	252.00	5,848.50	6,100.50			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,720.72	18,426.51	20,147.23			
Supervision	262.50	2,289.85	2,552.35			
Technical Services	140.00	1,268.00	1,408.00			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	392.40	4,554.97	4,947.37			
Pipe	145.72		145.72			
Track	16.69		16.69			
Other	220.03	5,384.67	5,604.70			
Power	461.47	5,013.32	5,474.79			
(4) Operating Equipment:						
Rental						
Purchase *	1,334.85	11,655.00	12,989.85	1,334.85	11,655.00	12,989.85
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	43.62	554.02	597.64			
Liability Insurance	.99	10.17	11.16			
Workman's Compensation	89.60	918.47	1,008.07			
Occupational Disease	15.26	157.23	172.49			
(8) Contingencies (specify):						
TOTALS	5,095.85	56,080.71	61,176.56	1,334.85	56,094.91	57,429.76

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

Date Sept. 11, 1952 Payee PERU MINING COMPANY

Per Jos. H. Taylor Title Vice President

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

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

(Instructions on reverse)

Jumbo - Invoice #03-5518 $ 310.15
Mine Cars - Invoice #18038 and 18038A 1,024.70

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

$ 667.43

Signature
(Authorized Certifying Officer)

Date 10/16/52 Vou. No. 53-49
(See other side)

All other items on this report paid on previous July Report

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idy E 67 in accordance with the terms of the contract.

Signature John H. Searle WRK Title Mining Engineer Date Sept. 26. 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE #667.42 6

Signature [illegible] for W. H. King Title Executive Officer Date 10-17-52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

F-104A
(1 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July (Revised) 2 Docket No. DMEA 371X Contract No. IDM-E 67
Operator's Name Peru Mining Company Minerals Zinc
Address Box 309, Silver City, New Mexico

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	foot	3,509.00	103.5	42,086.21	1,347.5	31.23	4,000	30.00
Crosscutting							350	30.00
Raising								
Shafts								
Winzes								
Drilling: Core							2,600	2.75
Churn	foot	252.00	24	6,100.50	581	10.50	1,500	15.00
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
		3,761.00		48,186.71				
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		1,334.85		12,989.85				35,240.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		5,095.85		61,176.56				285,000.00

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

Date Sept. 11, 1952 Operator Peru Mining Company

Per [signature] Title Vice President

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

371 X

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

224 New Customhouse
Denver 2, Colorado

October 2, 1952

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 371X, Contract Idm-E67, (Lead-Zinc-Copper) Peru Mining Company, Grant County New Mexico

Enclosed are two copies of the Operator's Monthly Progress Report MF-104, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of July, 1952, pertaining to DMA Docket 371X, Contract Idm-E67, Peru Mining Company.

W. H. King

W. H. King

Enclosures

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
ALBUQUERQUE

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 6 1952

Administration & Finance [illegible]

September 26, 1952

Subject: Progress Report - July 1952

Peru Mining Co.
P. O. Box 309
Silver City, New Mexico

Upon verification of shipments from the Kennecott Copper Corporation a difference was found which made it necessary to amend your earnings as follows:

Amount Earned $3,761.00

Difference $2,104.64

Amount Approved $1,656.36

The reason for the difference was due to:

See Attached

Any receipts for deductions made above must be supplied by the ORIGINAL OF THIS FORM.

Very sincerely yours,

N. E. Stokes
Audit Section

R-IV - R&F Form No. 4
4-15-52 D

SCHEDULE A
COMPUTATION OF EXCESS POWER CHARGES TO PROJECT
FOR THE PERIOD AUGUST 1, 1951 THROUGH JUNE 30, 1952

1951				
August				
Power Charge shown on MF-104			$ 348.80	
16053 KWH at 7 mills	$112.37			
17982 KWH at 8 mills	143.86			
Total		$256.23		
New Mexico 2% Sales Tax		5.12		
Total Allowable Power Cost			261.35	
Excess Power Cost: Exception				$ 87.45
September				
Power Charge shown on MF-104			399.84	
707 KWH at 7 mills	4.95			
32630 KWH at 8 mills	261.04			
Total		265.99		
New Mexico 2% Sales Tax		5.32		
Total Allowable Power Cost			271.31	
Excess Power Cost: Exception				128.53
October				
Power Charges shown on MF-104			648.72	
38599 KWH at 7 mills		270.19		
New Mexico 2% Sales Tax		5.40		
Total Allowable Power Cost			275.59	
Excess Power Cost: Exception				373.13
November				
Power Charges shown on MF-104			612.00	
37249 KWH at 7 mills		260.74		
New Mexico 2% Sales Tax		5.21		
Total Allowable Power Cost			265.95	
Excess Power Cost: Exception				346.05
December				
Power Charges shown on MF-104			640.56	
37295 KWH at 7 mills		261.07		
New Mexico 2% Sales Tax		5.22		
Total Allowable Cost			266.29	
Excess Power Cost: Exception				374.27
1952				
January (Note rate Increase)				
Power Charges shown on MF-104			591.60	
39251 KWH at 8.05 mills		315.97		
New Mexico 2% Sales Tax		6.32		
Total Allowable Cost			322.29	
Excess Power Cost: Exception				269.31

SCHEDULE A (continued)

1952			
February			
Power Charges shown on MF-104		$ 599.76	
33943 KWH at 8.05 Mills	$273.24		
New Mexico 2% Sales Tax	5.46		
Total Allowable Power Cost		278.70	
Excess Power Cost: Exception			$ 321.06
March			
Power Charges shown on MF-104		-0-	
21647 KWH at 8.05 mills	174.26		
New Mexico Sales Tax 2%	3.49		
Total Allowable Power Cost		177.75	
Allowable Power Costs not claimed			(177.75)
April			
Power Charges shown on MF-104		191.76	
25513 KWH at 8.05 mills	205.38		
New Mexico 2% Sales Tax	4.11		
Total Allowable Power Cost		209.49	
Allowable Power Costs not claimed			(17.73)
May			
Power Charges shown on MF-104		269.28	
36643 KWH at 8.05 mills	294.98		
New Mexico 2% Sales Tax	5.90		
Total Allowable Power Costs		300.88	
Allowable Power Costs Net Claimed			(31.60)
June			
Power Charges shown on MF-104		711.00	
33989 KWH at 8.05 mills	273.61		
New Mexico 2% Sales Tax	5.47		
Total Allowable Power Costs		279.08	
Excess Power Cost: Exception			431.92
Total Excess Power Cost: Exceptions for period of August 1, 1951 through June 30, 1952			$2104.64

(.) equals red or contra figure.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

224 New Customhouse
Denver 2, Colorado

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 371X, Contract Idm-267 (Lead, Zinc, Copper), Peru Mining Company, Grant County, New Mexico - Operator's Monthly Progress Report, for the period July, 1952.

Enclosed are the original and four copies of Form MF-104, Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is recommended as follows:

Total Reported			$3761.00
Power Disallowances - Result of on-site Audit, August 14, 1952 for period of August 1, 1951 through June 30, 1952			
1951			
August		$87.45	
September		128.53	
October		373.15	
November		346.05	
December		374.27	
1952			
January		269.31	
February		321.06	
March	(contra)	177.75	
April	(contra)	17.73	
May	(contra)	31.60	
June		431.92	2104.64
			$1656.36
Government participation - 50 percent			$ 828.18

Note: (Contra) indicates credit of allowable power cost not claimed.

W. H. King
W. H. King

Enclosures

cc: Sec 60 c

MINING DIVISION
REGION IV

August 18, 1952

Memorandum

To : W. H. King, Denver, Colorado

From : Chief, Arizona-New Mexico Branch, Mining Div., Region IV

Subject : July 1952 Progress Report, DMA Docket 371X, Contract Idm-b 67, Peru Mining Co's. Grant County Zinc-Lead Mine, Grant County, N. Mex.

Enclosed in quintuplicate are the following items for the above report:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report;
(3) Forms MF-104 and 104A

Also enclosed are two extra copies of our engineer's report.

Documentation at this project has been waived. DMA auditors checked the company's accounts last week.

As all accounts, with the exception of the power item, conform to the contract, I recommend that 50 percent of the costs be paid by the Government. The power item should be paid as recommended by the auditors.

Walter R. Storms
Walter R. Storms

cc: W. H. King (6)
DMA-371X
DF

WRStorms:als

MINING DIVISION
Region IV

August 18, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Branch

From : J. M. Soule', Mining Engineer, Tucson, Arizona

Subject : Monthly Progress Report for July 1952, Docket DMA-371X, Contract IdM-167, Peru Mining Co., Grant County Zinc Mine, Central Mining District, Grant County, New Mexico.

The Kearney Mine of the Peru Mining Co. was visited to inspect the progress made in the drift towards the Grant County Mine. The drift advanced 103.5 feet for the month of July to a total of 1347.5 feet. Progress remains slow due to the curtailment of operations and because the lack of ventilation prevents the putting on of a second shift. This latter condition has prevailed since the inception of the project and was to have been alleviated by the churn drill hole. However, progress in drilling the hole has been so slow that the drift is now far past the point of intersection and a similar ventilation problem will be had whenever the drill hole does connect.

The churn drill hole advanced only 24 feet for the month to a total of 381 feet. The goal is 903 feet and at the present rate of progress, it will be many months before the connection will be made. It seems that most of the fault lies in the lack of adequately skilled labor supplied by the subcontractor.

The Grant County Mine project has been in operation for about one year, just half of the time allowed the project. Only 1/3 of the drifting has been done and progress in the future is apt to be no faster than that shown to date.

The books were audited by the audits section of the DMA on August 14, 1952. Most items were found to be in order, the exception being in the power charges. Changes in these charges will be covered in the auditor's report.

cc: W. L. King (orig. & 6)
DMA-371X
DF

JMSoule':als

DISCUSSION OF FORM MF-104

This is the first submission of this new form. The entries on the form are retroactive to the beginning of the project. The power item may be changed according to the recommendations of the audit report.

The supplies account for the month was checked and the track and explosives items were found to be in order. For the pipe item, $145.72 was charged to the project while the charge slips indicate that $147.80 should have been charged. This is an undercharge to the project.

The arithmetic of the form is correct and approval is given all items except that for power which will be altered according to the auditor's report.

DISCUSSION OF FORM MF-104A

As with Form MF-104, this is the first submission of this new form. The form is correct except for the proration of supervision to the churn drilling item which will be done on the forms submitted for August.

It will be noted that the unit drift costs are $31.23, a figure only slightly in excess of the contract estimates. This figure will be reduced by the correction of the over-charges made in the past on the power item.

Costs for the month total $3,761.00 thus bringing the total expenditures to date to $59,841.71. The amounts are approved, less the deductions in the power charges recommended by the auditors of the DMEA.

John H. Soule'

John H. Soule', Mining Engineer
Arizona-New Mexico Branch
Mining Division, Region IV

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

August 11, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
4097 University Station
Tucson, Arizona

Dear Mr. Storms:

The Grant County Project drift was carried on throughout July, making an advance of 103.5 feet. This fell down somewhat but, of course, there was a holiday weekend and we are now operating but five days a week at our plant.

The churn drill hole advanced 24 feet during the month. This has not been satisfactory to us; however, we are unable to get any better results.

We are very much worried that the price of zinc is now so low that sooner or later we will be obliged to suspend our zinc production operations, in which case we doubt if we can keep up the exploration work.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:F

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

August 11, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
4097 University Station
Tucson, Arizona

Dear Mr. Storms:

All bills for supplies and equipment used in the Grant County Project during the month of June 1952 were paid July 14, 1952.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

AVF

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
RECEIVED
OCT 6 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1952 Docket No. DMEA 371X Contract No. IDM-E 67
Operator's Name Peru Mining Company Minerals Zinc
Address Box 309, Silver City, New Mexico
Contract Amount, $225,000.00 Government Participation: 50 % Amount, $112,500.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling, Churn	252.00	5,848.50	6,100.50			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,720.72	18,426.51	20,147.23			
Supervision	262.50	2,289.85	2,552.35			
Technical Services	140.00	1,268.00	1,408.00			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	392.40	4,554.97	4,947.37			
Pipe	145.72	2,009.60	2,155.32			
Track	16.69	1,437.19	1,453.88			
Other	220.03	1,937.88	2,157.91			
Power	461.47	5,013.32	5,474.79	[illegible]		3,370.15
(4) Operating Equipment:						
Rental						
Purchase		11,655.00	11,655.00			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	43.62	554.02	597.64		568.22	611.84
Liability Insurance	.99	10.17	11.16			
Workman's Compensation	89.60	918.47	1,008.07			
Occupational Disease	15.26	157.23	172.49			
(8) Contingencies (specify):						
TOTALS	3,761.00	56,080.71	59,841.71	1,656.36	56,094.91	57,751.27

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Sept. 5, 1952 *Payee PERU MINING COMPANY
Per [signature] Title Vice President

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

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

(Instructions on reverse)

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

$828.18

Signature [signature]
(Authorized Certifying Officer)

Date 9/30/52 Vou. DMA 53-39
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm E 67 in accordance with the terms of the contract.

Signature John H. Soule WRS Title Running Engineer Date Sept 8 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: WRS 828.18 b

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 6 1952

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

Month of July 1952 Docket No. DMEA 371X Contract No. IDM-267
Operator's Name Peru Mining Company Minerals Zinc
Address Box 309, Silver City, New Mexico

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	foot	3,509.00	103.5	42,086.21	1,347.5	31.23	4,000	30.00
Crosscutting							350	30.00
Raising								
Shafts								
Winzes								
Drilling: Core							7,600	3.75
Churn	foot	252.00	24	6,100.50	581	10.50	1,300	15.00
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		3,761.00		48,186.71				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				11,655.00				35,240.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3,761.00		59,841.71				225,000.00

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

Date September 5, 1952 Operator Peru Mining Company

Per [signature] Title Vice President

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

REMARKS:

(Instructions on reverse)

(For Government use only)

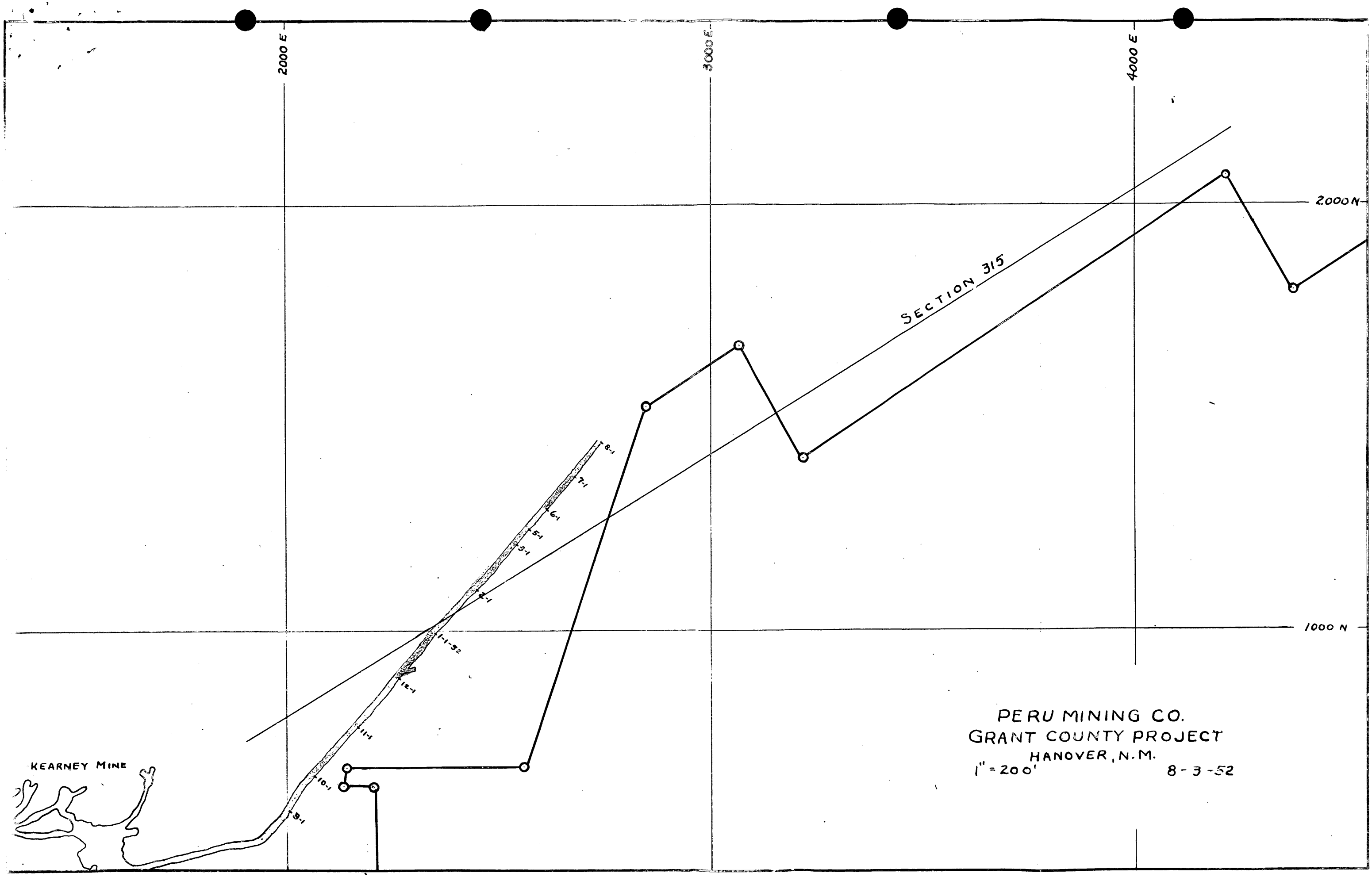
INSTRUCTIONS

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

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

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

GPO 83-38475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8-1
7-1
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KEARNEY MINE
PERU MINING CO.
GRANT COUNTY PROJECT
HANOVER, N.M.
1" = 200'
8-3-52

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

224 New Customhouse
Denver 2, Colorado

August 8, 1952

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 371X, Contract I-DMA-E67, (Lead-Zinc-Copper) Peru Mining Company, Grant County, New Mexico-Operator's Monthly Progress Report, for the period June, 1952.

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of June, 1952, pertaining to DMA Docket 371X, Contract I-DMA-E67, Peru Mining Company, Grant County, New Mexico.

W. H. King

W. H. King

Enclosures

[illegible]
[illegible]
[illegible]

[illegible]

Date August 6, 1952
Project
Reference Progress Report, June 1952

Peru Mining Company
P. O. Box 309
Silver City, New Mexico

[illegible] of the above Payroll deductions a difference was [illegible] which it necessary to change your cost accounting.

Amount [illegible] $ 4,462.17

Differ[illegible] $ + 461.04

Amount Approved $ 4,923.21

The reasons for the differences are as follows

Power cost disallowed from April Report	191.76
Power cost disallowed from May Report	269.28
Total	461.04

Any exceptions for deductions made above must be supported by the [illegible] of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

[illegible] Form No. 4
[illegible]

Mining Division
Region IV

July 24, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 371X, Contract I-DMA-E67, (lead-Zinc-Copper) Peru Mining Company, Grant County, New Mexico - Operator's Monthly Progress Report, for the period June, 1952.

Enclosed are the original and four copies of Form MF-104, Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is recommended as follows:

Total approved in June report (as explained in last paragraph of Soule's report)		$4,462.17
Plus:		
Power Cost disallowed from April report	$191.76	
Power Cost disallowed from May report -	$269.28	461.04
Total		$4,923.21
Government participation - 50 percent		$2,461.60

There had been some question as to the correctness of past power charges that had been computed using the predetermined rate of $4.08 per foot. The examining engineer, using the basic data supplied by the Operator, has gone into detail to check the results shown by the Operator in his June MF-104 report. This check was based upon the Operator's demand and consumption power costs for June. Originally we felt that the Operator should compute his project power charge monthly on a sound engineering basis so as to reflect a more equitable distribution between the exploration work and the mining operation. The result of the engineer's analysis for the month of June compares so favorably with the figure of $4.08 previously used, that even with the many variables, the closeness of the check to the original figure preclude the trouble and expense of a monthly check. This check has borne out the fact that in this case, a predetermined rate per foot of advance is a logical basis for computing power costs.

Auditors from the Contract Administration and Audit Division have been consulted on this matter and have orally indicated their concurrence on the acceptability of power computation on the stated basis.

For general information, it may be worthwhile to note that the operator in his August MF-104 report, made a $100.00 power charge error in the Government's favor. In his May report, he made an error of $257.04, again in the Government's favor, although he later became aware of this mistake, and in the letter attached to that report made mention of charging his June report this additional amount to cover the error. The operator has picked up both errors in the change-over from the old rate of $4.08 per foot to the new rate of $4.03 per foot and these amounts are figured in the balance as shown in the June report.

We have added to this month's total the amounts of $191.76 and $269.28. These amounts represent power charges that had been disallowed from the April and May progress reports, respectively. The change-over increment difference is also incorporated into the balance of power charges shown in the June report.

W. H. King

W. H. King

Enclosures

WHD:ld

cc: Secretary to the Operating Committee (2)
J. R. Storms
Koechman.
Contract
Chron.

MINING DIVISION
REGION IV

July 17, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Dr., Mining Div., Region IV, Tucson, Arizona

Subject : June 1952 Progress Report, DMA Docket 371X, Contract Idm-3 67, Peru Mining Co's. Grant County Zinc-Lead Mine, Grant County, N. Mex.

Enclosed in quintuplicate are the following items for the above report:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report;
(3) Form MF-10A with payroll.

Also enclosed are two extra copies of our engineer's report.

As this company is in production as well as exploration we have asked that documentation be waived.

As all accounts conform to the contract, with the possible exceptions as noted by Soule', I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC: W. H. King (6)
DMA-371X
DF

WRStorms:als

MINING DIVISION
REGION IV

July 17, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Br., Mining Div., Tucson, Arizona

From : J. H. Soule', Tucson, Arizona

Subject : Progress Report, June 1 - June 30, 1952, Docket DMA 371X, Contract Idm-E 67, Peru Mining Co's. Grant County Zinc-Lead Mine, Central Mining District, Grant County, New Mexico.

The Kearney mine of the New Mexico Consolidated Mining Co., subsidiary of the Peru Mining Company, was visited on July 9, 1952 to inspect the drift on the 625 level towards the Grant County Mine. The offices of the Peru Mining Co. were visited to check the accounts for the above subject contract.

The drift had advanced 102 feet for the month to a total of 1,244 feet. The smaller than usual footage is due to the curtailment of operations caused by the decline in zinc prices.

The churn drill hole advanced only 76 feet for the month for a total of 557 feet.

ANALYSIS OF ENTRIES ON FORM MF 104

ITEM 4. LABOR

The attached payrolls were checked and found to be correct. The total of $1,896.56 as entered on the form MF-104 is approved.

ITEM 5. SUPERVISION

The supervision is allowable at $262.50, and this sum is approved as entered on Form MT-104.

ITEM 6. SUPPLIES - EXPLOSIVES

A total of 3954 pounds of explosives and 403 detonators were used during June. The cost of these items was $371.15 and this amount, as entered on form MF-104, is approved.

CC: W. R. King (6)
DMA-371X
DF

JHSoule':als

ITEM 6. SUPPLIES - OTHER

The following items make up the list of supplies which total $100.61 for the month of June. This amount is approved.

Item	Cost
Air hose, 100 feet	$59.00
Water hose, 100 feet	58.00
20-lb. rail, 150 lbs.	10.89
Track spikes, 30 lbs.	4.62
Track bolts, 20 lbs.	4.80
2 in. pipe, 50 feet	20.00
1 in. pipe, 50 feet	9.50
#8 wire, 100 feet	3.10
Blasting wire, 150 feet	10.50
Total	$186.41

A semi-legible charge slip for May caused a clerk to misread it and the following correction is in order. From the $186.41, subtract $28.00 of rails and add $2.80 of rail spikes (track spikes). This totals the approved $100.61.

ITEM 7. POWER

This controversial item was calculated on the following basis. The basic data was supplied by the applicant while the calculations wer e done by the Bureau of Mines at Tucson because the original calculations were made by slide rule. The final results checked very well.

The power bills submitted to the company contain charges for power consumption and demand. The following data was derived from the June bill for power.

Unit Costs

Power Consumption	
244,369 KWH	$ 2,329.42
Less 10% for 100% power factor	232.94
	$ 2,096.94

Therefore, the average unit KWH cost is $ 0.00858.

Demand Charges			
	100 HP		$ 172.50
	300 HP @	$1.73	519.00
	802 HP @	1.44	1,154.88
Totals	1,202		$ 1,846.38

The average demand charge is $1.54 per HP.

Power charges were calculated for the following items based on the horsepower of the items, - pumping, air compression,

hoisting, ventilation, locomotive battery charging and miscellaneous.

Pumping

The following basic data were used.

1. Pumps operated 30 days during June.
2. Eighty percent of the pumped water is derived from the project drift.
3. The daily duty of 3 pumps is:
   5 HP pump for 24 hours per day.
   50 HP pump for 20 hours per day.
   50 HP pump for 1 hour per day.

Consumption in KWH.

5 HP x 24 hours X 80% x .746 x 30 days	=	2,148.5
50 HP x 20 hours x 80% x .746 x 30 days	=	17,904.0
50 HP x 1 hour x 80% x .746 x 30 days	=	895.2
Total KWH		20,947.7

20.947.7 KWH @ $0.00858 = $179.73

Demand Charges.

5 HP x $1.54 x 80% x 24/24	=	6.16
50 HP x $1.54 x 80% x 20/24	=	51.33
50 HP x $1.54 x 80% x 1/24	=	2.57
Total June project pumping power cost		$239.79

Air Compression

The basic data used follows.

1. The compressor operated for 21 days in June.
2. The compressor use is based upon an 8 hour day.
3. There are 11 machines used in the mine of which one is used in the project drift. The machine in the project drift is as large or larger than the other machines.

Consumption.

450 HP x 8 hours x .746 x 21 days x 1/11	=	5,127.1 KWH
5,127.1 KWH @ $0.00858	=	$ 43.99

Demand.

450 HP x $1.54 x 1/11 x 8/24	=	21.00

Total June project air compression cost $ 64.99

Hoisting

The following basic data were used.

1. The hoist operates 16 hours per day, and for 21 days in June.
2. An average of 450 cars are hoisted per day of which an average of 22 are taken from the project drift.

Hoisting (Con't.)

Consumption.

150 HP x 16 hours x .746 x 22/450 x 21 days	=	1,838.14 KWH
1,838.14 KWH x $ 0.00858	=	$ 15.77

Demand.

150 HP x $1.54 x 22/450 x 16/24	=	7.53
Total June project hoisting cost.		$ 23.30

Ventilation

Two blowers are used for mine ventilation. One blower consumes 30 HP and 2.5 hours of its time is estimated for project duty. The other blower consumes 10 HP and is estimated on project duty for 8 hours. Both blowers were used 21 days in June.

Consumption.

30 HP x 2.5 hours x .746 x 21 days	=	1,175.0 KWH
10 HP x 8 hours x .746 x 21 days	=	1,253.3 KWH
Total		2,428.3 KWH
2,428.3 KWH x $ 0.00858	=	$ 20.83

Demand

30 HP x $1.54 x 2.5/8	=	14.44
10 HP x $1.54 x 8/8	=	15.40
Total June project ventilation charges		$50.67

Locomotive Battery Charging

One locomotive battery is used 8 hours per day to charge the batteries for the project drift.

Consumption.

5 HP x 8 hours x .746 x 21 days	=	626.6 KWH
636.6 KWH x $0.00858	=	$ 5.38

Demand

5 HP x $1.54 x 8/8	=	7.70
Total monthly battery charging cost		$ 13.08

Miscellaneous

An estimated cost of $1.50 per day was made for power distributed for lamp charging, signals, lights, shop, and other uses. This would total $31.50 for the 21 work days in June.

Recapitulation

Pumping	$ 239.79
Air compression	64.99
Hoisting	23.30
Ventilation	50.67
Locomotive Battery Charging	13.08
Miscellaneous	31.50
Total	$ 423.33

In the calculations by a representative of the company, the above sum was divided by an assumed 5-foot daily advance or 105 feet for the 21 days in June that were worked. This gives a rate per foot of $4.03 which were used in the power costs. Dividing the above sum by the actual footage made in June, 102 feet, the rate becomes $4.15.

The following will show the derivation of the $711.00 entered on Form MF-104. The new rate of $4.03 derived was applied retroactively to the start of the project.

Total footage to date - 1,244 feet @ $4.03	=	$ 5,013.32
Total power on MF-104 to June 1		4,302.32
Balance		$ 711.00

The disallowance of the April power charges would add to the above figure by reducing the amount of total power on MF-104 to June 1. Tentative approval is given the amount of $711.00, pending Denver's decision.

ITEM 9. INSURANCE

The public liability insurance ($1.03), the workment's compensation insurance ($97.55) and the occupation disease insurance ($16.02) are approved. These items, plus the social security taxes in the next section, are averaging somewhat less than for other properties in the district.

ITEM 11. OTHER, SOCIAL SECURITY TAXES

The sum of $7.10 for this tax is approved.

ITEM 11. OTHER, GEOLOGICAL

These services are allowed by the contract at $140.00 per month and this amount is thereby approved.

ITEM 11. OTHER, OWEN DRILLING

A total of 76 feet of churn drilling was done during the month. At the rate of $10.50 per foot, this amounts to $798.00 which sum is approved.

An error is noted in totalling the figures appearing on Form MF-104 for June. The total spent on the project was $4,462.17, instead of the $4,447.97. The cause of the error is unknown. As the larger total is the sum of the approved amounts on the Form MF-104, the amount $4,462.17 is approved pending the disposition of the power item. Corrections are shown on the last copy of Form MF-104.

John H Soule'

J. H. Soule', Mining Engineer
Arizona-New Mexico Branch,
Mining Div., Region IV

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

July 11, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
4097 University Station
Tucson, Arizona

Dear Mr. Storms:

During June our operations, because of the lower price for zinc, were curtailed to five days per week and for this reason the advance is less than in previous months. The drift was advanced 102 feet. Also, due to considerable trouble at the churn drill hole, this churn drill hole was advanced but 76 feet.

The men, under our labor contract, have now requested an increase in wages effective July 1st. However, to date no settlement has been made and we do not know at present whether or not there will be any change in the contract.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:F

COPY

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

July 11, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
4097 University Station
Tucson, Arizona

Dear Mr. Storms:

All bills for supplies and equipment used in the Grant County Project during the month of May 1952 were paid June 11, 1952.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:P

COPY

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 67

Name of Operator Peru Mining Company
Docket No. DMA 371X
Total Contract Amount $ 225,000.00
Government Participation: 50 % Amount, $ 112,500.00
Distribution of Expenditures for Month of June 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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.

PERU MINING COMPANY
(Name of Company)

By Jos. H. Taylor
(Signature of Authorized Official)

JULY 11, 1952
(Date)

Vice President
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]		11,655.00	11,655.00			
(b) Rented[2]						
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	1,896.56	16,529.95	18,426.51			
5. Supervision	262.50	2,027.35	2,289.85			
6. Supplies						
(a) Timber						
(b) Explosives	371.15	4,183.82	4,554.97			
(c) Repair Parts						
(d) Other	160.61	5,224.06	5,384.67			
7. Power	711.00	4,302.32	5,013.32			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability	1.08	9.09	10.17			
(c) Workmen's Compensation	97.55	820.92	918.47			
Occupational Disease	16.62	140.61	157.23			
10. Contract Work						
11. Other (specify)						
Social Security Taxes	(7.10)	561.12	554.02			568.22
Geological	140.00	1,128.00	1,268.00			
Churn Drilling	798.00	5,050.50	5,848.50			
Total	4,447.97	51,632.74	56,080.71	4,462.17	51,632.74	56,094.91
Deletions				+ 461.04	461.04	
Adjusted totals				4,923.21		56,094.91
Totals previously reported	51,632.74			51,171.70	51,171.70	
Totals to date	56,080.71			56,094.91		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by John H Smile WRB
Amount approved for payment $ 2461.60
Remarks

Schedule DMA 53-18
Aug 6, 1952
2461.60

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF June 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	2,159.06		531.76	959.15	3,649.97	foot	102	1142	1,244	
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) Churn Drill				798.00	798.00	foot	76	481	557	
Totals	2,159.06		531.76	1757.15	4447.97					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

JUNE 1952 -- LABOR

EMPLOYEE	OCCUPATION	HOURS WORKED	RATE PER HOUR	AMOUNT
FEDERICO MARTINEZ	TRACKMAN	168	$ 1.74	$292.32
SALOMON GURULE,	SHOVEL OPERATOR	28	1.74	48.72
BALTAZAR MENDOZA	SHOVEL OPERATOR	49	1.74	85.26
ARTHUR MISQUEZ	SHOVEL OPERATOR	8	1.74	13.92
MANUEL CASTILLO	CAGER	32	1.74	55.68
EMETERIO ESCOBAR	CAGER	24	1.74	41.76
BENITO GONZALES	CAGER	32	1.74	55.68
CRUZ GONZALES, CAGER	CAGER	49	1.74	85.26
COSME GURULE	CAGER	36	1.74	62.64
RAMON MONJE,	CAGER	4	1.74	6.96
GUILLERMO ORTIZ	CAGER	4	1.74	6.96
MANUEL RASCON	CAGER	21	1.74	36.54
JIM RODRIGUEZ	CAGER	45	1.74	78.30
GENERO TREVIZO	CAGER	8	1.74	13.92
FREDDIE FIERRO	MUCKER	8	1.49	11.92
MARTIN GALAVIS	MUCKER	47	1.49	70.03
GILBERT PADILLA	MUCKER	8	1.49	11.92
FRANCISCO SANDOVAL	MUCKER	14	1.49	20.86
GENERO TREVIZO	MUCKER	81	1.49	120.69
ENCARNACION MURILLO, JR.	MACHINE MAN - CONTRACTOR			777.22
TOTAL				$1,896.56

JUNE 1952

ENCARNACION MURILLO, JR. -- MACHINE MAN- CONTRACTOR:

PERIOD ENDING JUNE 7, 1952:		
69 feet @ $5.70 per foot	$393.30	
9 shift differentials @ 48¢ per shift	4.32	
Total Due	397.62	
Less Amount paid in May 1952	161.92	
Amount due in June 1952		$235.70
PERIOD ENDING JUNE 21, 1952:		
44 feet @ $5.70 per foot	250.80	
4 shift differentials @ 48¢ per shift	1.92	258.72

June 12:	8 hrs. @ $1.80	$14.40	
13	8 hrs. @ $1.80	14.40	
17	8 hrs. @ $1.80	14.40	
18	8 hrs. @ $1.80	14.40	
19	8 hrs. @ $1.80	14.40	
30	8 hrs. @ $1.80	14.40	
Total:	48 hrs. @ $1.80		86.40

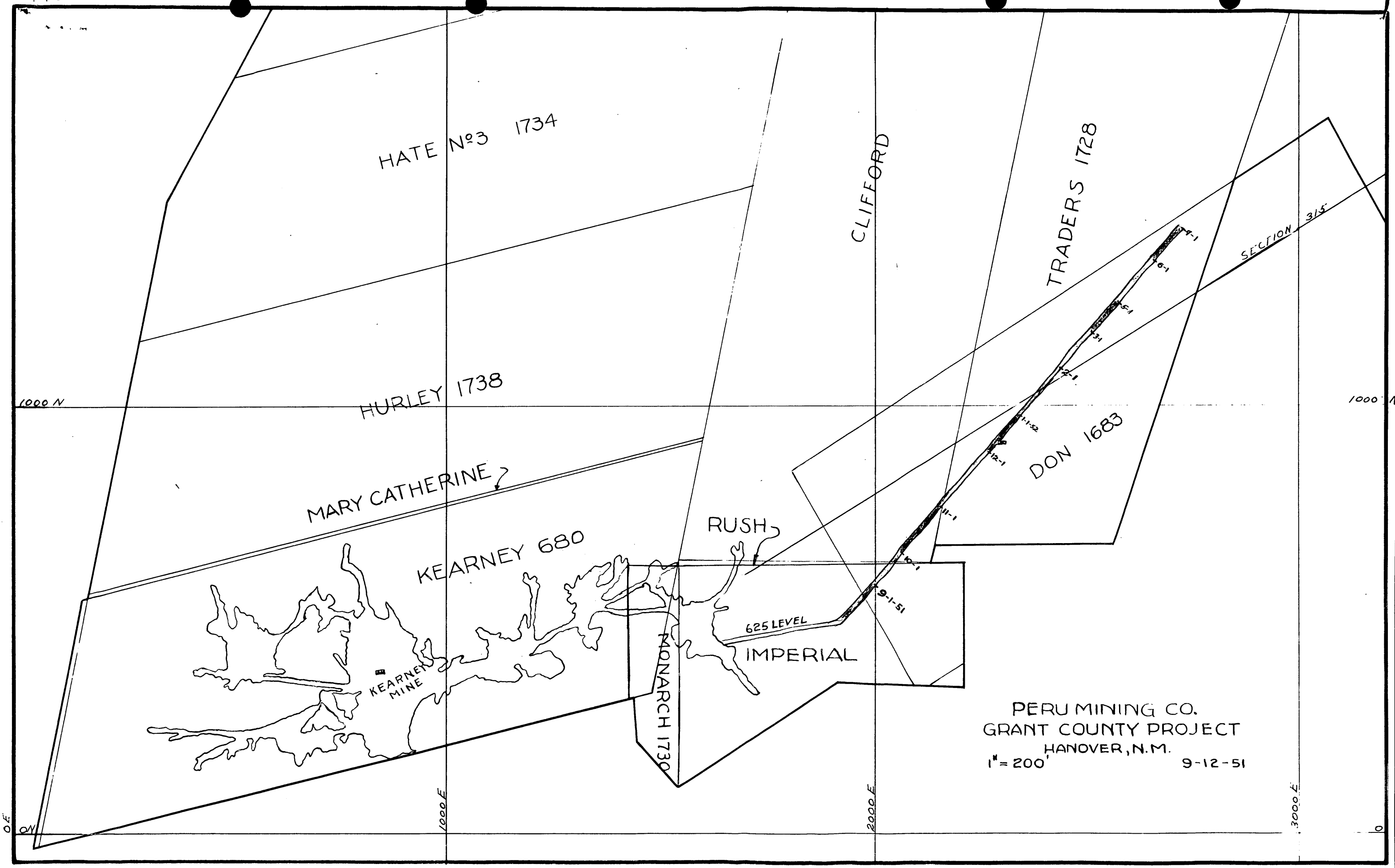
Paid on Contract:

June 24	$40.48	
25	40.48	
26	40.48	
27	40.48	
29	40.48	
Total:	5 @ $40.48	202.40
		$777.22

EMPLOYEES & NUMBER OF HOURS WORKED

JUNE 1952

	2	3	4	5	6	9	10	11	12	13	16	17	18	19	20	23	24	25	26	27	29	30	Total Hours
FEDERICO MARTINEZ, TRACKMAN	8	8	8	8	8	8	8	8	8	8		8	8	8	8	8	8	8	8	8	8	8	168
SALOMON GURULE, SHOVEL OPERATOR						4	4	4	4			4	4	4									28
BALTAZAR MENDOZA, SHOVEL OPERATOR	4	4	5	4	5											4	4	3	4	4	4	4	49
ARTHUR MISQUEZ, SHOVEL OPERATOR										4					4								8
MANUEL CASTILLO, CAGER						4	4		4	4		4	4	4	4								[illegible]
EMETERIO ESCOBAR, CAGER					5											4		3	4	4		4	24
BENITO GONZALES, CAGER							4	4	4	4		4	4	4	4								32
CRUZ GONZALES, CAGER	4	4	5	4	5											4	4	3	4	4	4	4	49
COSME GURULE, CAGER						4	4	4	4	4		4	4	4	4								36
RAMON MONJE, CAGER						4																	4
GUILLERMO ORTIZ, CAGER								4															4
MANUEL RASCON, CAGER			5	4													4		4		4		21
JIM RODRIGUEZ, CAGER	4	4	5	4	5											4	4	3		4	4	4	[illegible]
GENERO TREVIZO, CAGER	4	4																					8
FREDDIE FIERRO, MUCKER	4	4																					8
MARTIN GALAVIS, MUCKER												4	4	4	4	8	4	3	4	4	4	4	47
GILBERT PADILLA, MUCKER	4	4																					8
FRANCISCO SANDOVAL, MUCKER			5	4	5																		14
GENERO TREVIZO, MUCKER			5	4	5	4	4	4	4	4		4	4	4	4	8	4	3	4	4	4	4	81


HATE Nº3 1734
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PERU MINING CO.
GRANT COUNTY PROJECT
HANOVER, N.M.
1" = 200'
9-12-51

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

224 New Customhouse
Denver 2, Colorado

July 23, 1952

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104 DMA Docket 371X, Contract Idm-E67 (lead, Zinc, & Copper), Peru Mining Company, Grant County, New Mexico - Operator's Monthly Progress Report for the period of May, 1952.

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104, Operator's Narrative Report, Inspecting Engineers' Narrative Report, and other supporting data for the month of May, 1952, pertaining to DMA Docket 371X, Contract Idm-E67, Peru Mining Company.

W. H. King

W. H. King

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 28 1952

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION IV

Administrative Audit Difference Statement

Date: July 16, 1952
Report
Information: Progress Report - May 1952

Peru Mining Company
P. O. Box 309
Silver City, New Mexico

Upon examination of the above payroll returns a difference was found which must be reconsidered prior accounts accordingly:

Amount Claimed	$5,547.13
Difference	$ 269.28
Amount Approved	$5,277.85

The reason for the difference can be:

Power charge has been disallowed until such time as power is pro-rated on an acceptable basis.

Any receipts for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

(-10 - REF Form No. 4
4-15-52 D)

Mining Division
Region IV

July 15, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 371X, Contract Idm-E67 (Lead, Zinc & Copper)
Peru Mining Company, Grant County, New Mexico - Operator's
Monthly Progress Report for the period of May, 1952

Enclosed are the original and four copies of Form MF-104, Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is recommended as follows:

Total Reported	$5,547.13
Less - Power Charge	269.28
	$5,277.85
Government participation - 50 percent	$2,638.93

We are disallowing the power charge for the month of May in the amount of $269.28 until the operator computes past power on an acceptable prorated basis.

W. H. King

W. H. King

Enclosures

WID:oc
cc: Secretary to the Oper. Comm. (2)
Contract
Storms
Chron.
Koschmann (2)

MINING DIVISION
REGION IV

June 20, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : May 1952 Progress Report, DMA Docket 371X, Contract Idm-E67, Peru Mining Co's. Grant County Zinc-Lead Mine, Grant County, N. Mex.

Enclosed are original and 4 copies of a letter from Joseph H. Taylor, Vice President of the Peru Mining Co. which should be attached to the above progress report.

Walter R. Storms

CC W. H. King (Orig. & 4)
DMA-371X
DF

WRStorms:frj

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

June 18, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
4097 University Station
Tucson, Arizona

Dear Mr. Storms:

In accordance with my telephone conversation with Mr. Jack Soule, Mrs. Fleming has changed her copy of the report to show 129 feet advance in the drift on the Grant County Project.

When Mr. Soule called me, I told the engineers to go back and measure from the very start of the drift and it appears that at the end of May they reported the advance for but one pay period instead of for the month.

On the June report we will make the additional charge for power. No other charges will be different from the May report. I trust this will be satisfactory but if not, kindly advise us.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:F

COPY

DMA-371A, Contract Idm-E67

MINING DIVISION
REGION IV

June 17, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : May 1952 Progress Report for DMA Docket 371X, Contract Idm-E67, Peru Mining Co's. Grant County Zinc-Lead Mine, Grant County, N. Mex.

Enclosed in quintuplicate are the following items for the above report:

(1) Bureau of Mines engineer's report;

(2) Operater's progress report;

(3) Operator's statement of accounts paid;

(4) Form MF-104 with payroll.

Also enclosed are 2 extra copies of our engineer's report.

As all accounts conform to the contract, with the possible exception of power costs, I recommend that 50 percent of the total costs be paid by the Government.

Walter R. Storms

Walter R. Storms

CC W. H. King (orig. & 6)
DMA-371X
DF

WRStorms:frj

MINING DIVISION
REGION IV

June 17, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Br., Mining Div., Region IV, Tucson, Ariz.

From : J. H. Soule', Mining Engineer, Tucson, Arizona

Subject : Progress Report, May 1 to May 31, 1952, Docket DMA-371X, Contract Idm-E67, Peru Mining Co., Grant County Zinc Mine, Central Mining District, Grant County, New Mex.

The property of the Peru Mining Co. was visited on June 5 and 12, 1952. A monthly advance of 129 feet is reported in the drift from the Kearney 625 level towards the Grant County mine. This brings the total length of the drift to 1,142 feet. The churn drill advanced 173 feet to a total of 481 feet. No new equipment allowed by the contract was purchased during the month.

ANALYSIS OF ENTRIES ON FORM MF-104

Item 4, Labor: The payrolls were checked and the total of $2,085.16 is approved. Again, as in the past, the contract item may need explanation. As often happens, the contractor's payroll period and the end of the month do not coincide. The amount earned by drifting does not match the disbursements, but this will be adjusted at the end of the contractor's pay period.

Item 5, Supervision: Supervision is allowed at $262.50 and the same is approved.

Item 6b, Explosives: A total of 5,560 pounds of explosive was used during the month in addition 552 detonators were used. The cost of these explosives was $521.28 and this sum is approved.

Item 6d, Other: The total entered under this item is $268.61 and the breakdown is as follows.

CC W. M. King (orig. & 6)
DMA-371X
DF

JHSoule':frj

Lead wire,	700 ft.	$21.70
Drill bits,	12	120.00
Track ties,		5.83
Track spikes,	20 lbs.	2.80
Track bolts,	40 lbs.	8.60
20-lb. rail,	1,000 ft.	73.64
2-in. pipe,	60 ft.	23.04
1-in. pipe,	60 ft.	11.28
Wire	80 ft.	1.72
		$268.61

The $268.61 is entered on the forms MF-104 and is approved.

Item 7, Power: Appraisal of this item is difficult because of the recent question as to the method of determining the power cost. However, the power for the month of May was calculated on an erroneously reported 66 feet of advance, and the total power amounts to $269.28. This is somewhat less than $526.32 should the power have been computed on the basis of the 129 feet of advance. An adjustment will be made next month.

With respect to the use of a flat $4.08 power charge per foot of advance, it seems difficult to arrive at another equitable figure when one meter measures all of the power for the company operations, not only at the Kearney mine but the Pewabic as well. However, pending a settlement of the question, the power entry of $269.29 submitted is approved.

Item 9, Insurance: The following items of insurance submitted on the form MF-104 are approved:

Public liability----------	$ 1.20
Workmen's compensation----	$108.65
Occupational disease------	18.51

Item 11, Social Security Taxes: The social security taxes total $55.44 and this sum is approved.

Item 11, Geological: Approval is made of this entry of $140.00 as allowed by the contract.

Item 11, Churn Drilling: A total of 173 feet of churn drilling was done during the month. At the rate of $10.50 per foot, this amounts to $1,816.50 and this sum is approved.

The total costs for the month of May were $5,547.13 bringing the total to date to $51,625.18.

The submitted forms MF-104 are approved for the cost entries made for the month of May 1933. Corrections in other data are shown in red.

John H Soule

J. H. SOULE', Mining Engineer
Arizona-New Mexico Branch
Mining Division, Region IV

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

June 11, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
4097 University Station
Tucson, Arizona

Dear Mr. Storms:

During last month the drift work was carried on during the entire month; however, there were several days when the machine man for this work did not show up due to illness or other causes. For this reason, the total advance for the month was but ~~46~~ 129 feet.

The churn drill hole operated more successfully than heretofore and the advance was 173 feet. We had some trouble with his equipment and we have tried to figure some way of getting better equipment; however, the best figure we have from another contractor is $17.50 per foot and we are not sure that he would bring in equipment and finish the hole satisfactorily. For this reason, we are continuing with the present contractor.

Due to the drop in the price of zinc the first of this month, we will to some extent curtail our operations and the drifting will now be done on five days per week instead of six. This will reduce the amount per month to some extent.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:F

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

June 11, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
4097 University Station
Tucson, Arizona

Dear Mr. Storms:

All bills for supplies and equipment used in the Grant County Project during the month of April 1952 were paid May 12, 1952.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

AVF

COPY

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 67

Name of Operator Peru Mining Company
Docket No. DMA 371X
Total Contract Amount $ 225,000.00
Government Participation: 50% % Amount, $ 112,500.00
Distribution of Expenditures for Month of May 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 28 1952

PERU MINING COMPANY
(Name of Company)

By Jos. H. Taylor
(Signature of Authorized Official)

JUNE 11, 1952
(Date)

Vice President
(Title)

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

16--64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Fixtures						
2. Operating Equipment:						
(*a*) Purchased[1]		11,655.00	11,655.00		11,655.00	11,655.00
(*b*) Rented[2]						
(*c*) Furnished by operator						
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
		14,431.23	16,529.31			
4. Labor[3]	2,085.16	14,444.79	16,529.95	2,085.16	14,437.23	16,522.39
5. Supervision	262.50	1,764.85	2,027.35	262.50	1,764.85	2,027.35
6. Supplies						
(a) Timber						
(b) Explosives	521.28	3,662.54	4,183.82	521.28	3,662.54	4,183.82
(c) Repair Parts						
(d) Other	268.61	4,955.45	5,224.06	268.61	4,955.45	5,224.06
7. Power	269.28	4,033.04	4,302.32	—	4,033.04	4,033.04
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability	1.20	7.89	9.09	1.20	7.89	9.09
(c) Workmen's Compensation	108.65	712.27	820.92	108.65	712.27	820.92
Occupational Dis. Ins.	18.51	122.10	140.61	18.51	122.10	140.61
10. Contract Work						
11. Other (specify)						
Social Security Taxes	55.44	505.68	561.12	55.44	505.68	561.12
Geological	140.00	988.00	1,128.00	140.00	988.00	1,128.00
Churn Drilling	1,816.50	3,234.00	5,050.50	1,816.50	3,234.00	5,050.50
Total	5,547.13	46,085.61	51,632.74	5,277.85	46,078.05	51,355.90
Deletions		46,085.65	51,625.18			
Adjusted totals	46,018.05					
Totals previously reported	46,085.61			46,078.05		
Totals to date	51,632.74	51,625.18		51,355.90		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by John A. Soule
Approved by WRJ
Amount approved for payment $2638.93
Remarks

16—64068-3

Schedule DMA 53-9
July 18, 1951
2638.93

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF May 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	2,347.66		789.89	593.08	3,730.63	feet	~~66~~	1013	~~2079~~	
Crosscutting							129		1142	
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) Churn Drilling				1,816.50	1,816.50	feet	173	308	481	
Totals	2,347.66		789.89	2,409.58	5,547.13					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Hours Forwarded / Occupation	Accumulated Hrs.	1.74 c Hr.	1.74 c Amt.	c Hr.	c Amt.	Excess Hrs. @ ½ Pay Hr.	Excess Hrs. @ ½ Pay Amt.	c Amt.	3.48 c Car	3.48 c Amt.	1.49 c Car	1.49 c Amt.	Car	c Amt.	Car	c Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Trackman		176	306.24			16	13.92		8	27.84							348 00		
	Cager		287	499 38						10	34.80							534.18	882 38	
	Shovel Operator		108	187 92						5	17.40							205 32	1,087 50	
	Mucker											167	248.83					248 83	1,336 33	
Total Hours or Cars			571				16			23		167								
Total Amounts			993.54				13.92			80.04		248.83							1,336 33	

REMARKS:

Check No.

Date Paid

Last Name

First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Hours Forwarded / Occupation	Accumulated Hrs.	1.74 c Hr.	Amt.	c Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.	c	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY		Total Earnings For Period		Day
	Machine Man - Contractor		Period ending May 10, 1952:								58½ ft. @ $5.70						$333.45						
											10 shift differential												
											@ 48¢						4.80						
																	338.25						
											Less Amt. Paid April						161.92		176	33			
											Period ending May 24, 1952:												
											65 ft. @ $5.70						370.50						
											11 shift diff @ 48¢						5.28		375	78	552	11	
2			8	13.92															13	92	566	03	
17			8	13.92			8	6.96											20	88	586	91	
					Contract:																		
28					40.48														40	48	627	39	
29					40.48														40	48	667	87	
30					40.48														40	48	708	35	
31					40.48														40	48	748	83	
Total Hours or Cars			16				8						contract										
Total Amounts			27.84		161.92		6.96						552.11								748	83	

REMARKS:

Check No.

Date Paid

Last Name

First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

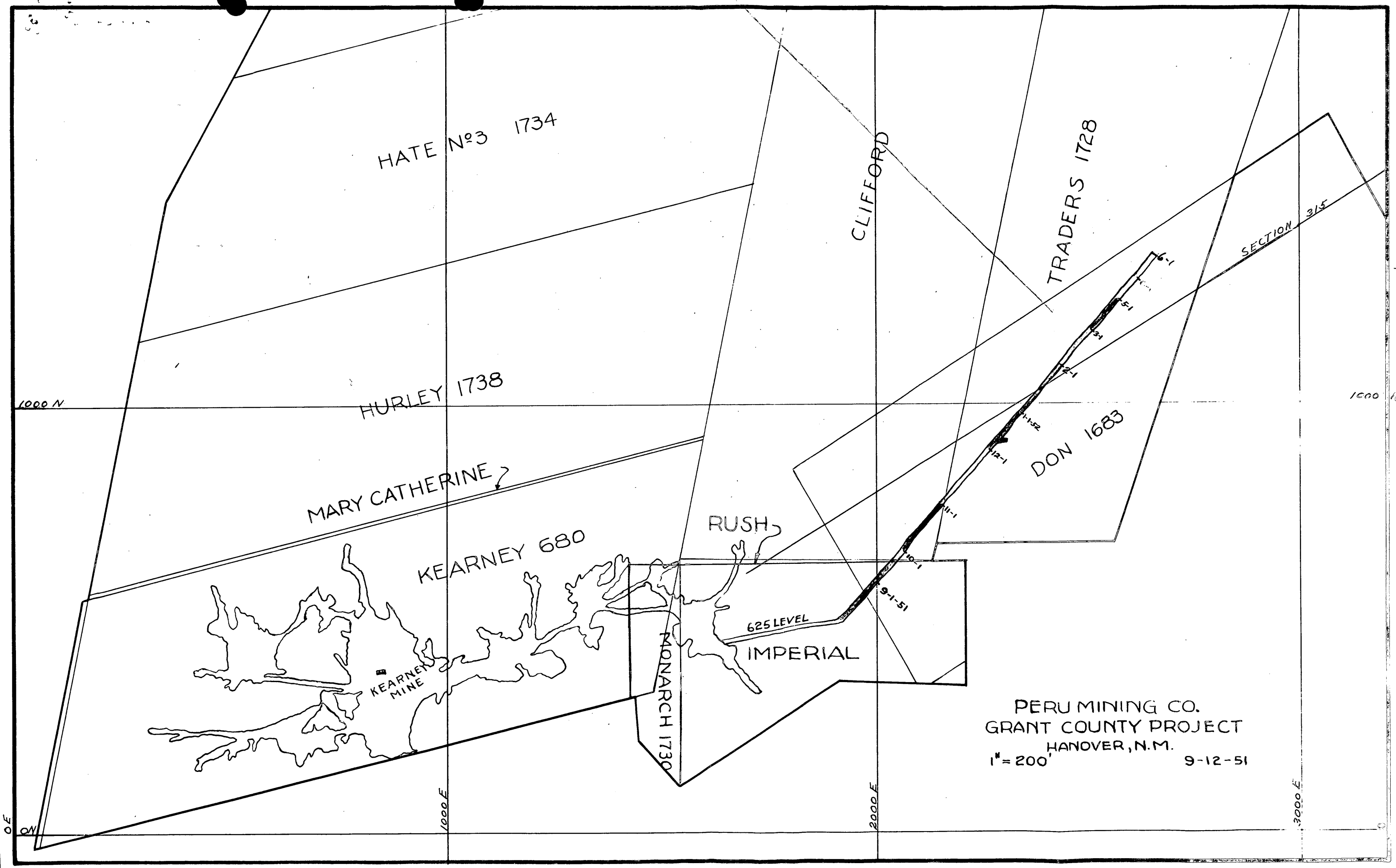
Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....


HATE Nº3 1734
HURLEY 1738
MARY CATHERINE
KEARNEY 680
KEARNEY MINE
CLIFFORD
TRADERS 1728
DON 1683
RUSH
MONARCH 1730
IMPERIAL
625 LEVEL
SECTION 3/5
6-1
5-1
3-1
2-1
1-1-52
12-1
11-1
10-1
9-1-51
1000 N
0 N
0 E
1000 E
2000 E
3000 E
PERU MINING CO.
GRANT COUNTY PROJECT
HANOVER, N.M.
1" = 200'
9-12-51

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

224 New Customhouse
Denver 2, Colorado

July 10, 1952

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 371X, Contract I-DMA-E67, (Lead-Zinc-Copper) Peru Mining Company, Grant County, New Mexico

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the period of April, 1952 pertaining to DMA Docket 371X, Contract I-DMA-E67, Peru Mining Company.

W. H. King

W. H. King

Enclosures

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
DENVER 17

Administrative Audit Difference Statement

Date: July 3, 1952
Payee:
Reference: Progress Report - April 1952

Peru Mining Company
P. O. Box 309
Silver City, New Mexico

Upon examination of the above Payee's Informal & difference has been made it necessary to adjust your account accordingly:

Amount Claimed $ 2,740.79

Difference $ 191.76

Amount Approved $ 2,549.03

The reason for the difference was due to:

Charge for power disallowed until such time as power charges are computed on an acceptable prorated basis - 191.76

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 14 1952

Any rebate for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

P-W-R-RMP Form No. 4
A-3-52

Mining Division
Region IV

June 27, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 371X, Contract I-DMA-E67, (Lead-Zinc-Copper)
Peru Mining Company, Grant County, New Mexico
Operator's Monthly Progress Report for the period of
April, 1952

Enclosed are the original and four copies of Form MF-104, Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is recommended as follows:

Total Reported	$2,740.79
Disallowance - Power	191.76
	$2,549.03
Government participation - 50 percent	$1,274.52

We are disallowing the power charge for the month of April in the amount of $191.76 until such time that the operator complies with the request from this office to compute all past power charges on an acceptable prorated basis.

The operator has calculated all power costs to date using the predetermined rate of $4.08 per foot. We interpret this predetermined rate listed in "Exhibit C" of the contract, as only an estimate used to arrive at an approximate cost per foot of advance and not a rate at which power costs can be charged to the project.

As reported by the inspecting engineer, this is the first month that the operator has listed the wages of the shift boss on his payroll. The operator has a mining operation at the Kearney Mine and from the few hours shown for the shift boss, we assume these hours to be the accumulated hours of direct supervision of the exploration work during the month by the shifter. Since Amendment No. 1 lists the wage scale of a shift boss, we can take no exception and are allowing the charges as shown.

W. H. King

W. H. King

WLD:oc
cc: WRStorms
Contract
Chron.
Secretary to the Oper. Comm. (2)
Koschmann (2)

MINING DIVISION
REGION IV

May 22, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

SUBJECT : April 1952 Progress Report, DMA Docket 371X, Contract Idm-E67, Peru Mining Co's. Grant County Zinc-Lead Mine, Grant County, N. Mex.

Enclosed in quintuplicate are the following items for the above progress report:

(1) Bureau of Mines engineer's report;

(2) Operator's progress report;

(3) Operator's statement of accounts paid;

(4) Form MP-104 with payroll.

Also enclosed are 2 extra copies of our engineer's report.

With the exception of the $7.56 for shift boss as reported by Soule', the accounts are according to the contract, so I recommend that the Government's share be paid.

Walter R. Storms

Walter R. Storms, Chief
Arizona-New Mexico Branch

CC W. H. King (Orig. & 6)
DMA-371X
DF

WRStorms:frj

MINING DIVISION
REGION IV

May 22, 1952

Memorandum

To : Walter R. Storms, Chief, Ariz.-N. Mex. Br., Mining Div., Region IV, Tucson, Ariz.

From : J. H. Soule', Mining Engineer, Arizona-N. Mex. Br.

Subject : Progress Report, April 1 - April 30, 1952, Docket DMA-371X, Contract Idm-L67, Peru Mining Co., Grant County Zinc Mine, Central Mining District, Grant County, New Mexico.

The Peru Mining Co's. property was visited on May 16 and 17, 1952. The first visit was made to gain data for checking the form MF-104 for the month of April. The second visit was made to check the physical aspects of the project.

The drift to the Grant County mine from the 625 level of the Kearney mine was inspected. An advance of 47 feet was reported for April which brings the total to date to 1,013 feet. The drift exceeded this footage when visited. The small advance was due to the excess amount of water encountered, which caused a total of 1½ months lost time.

The churn drilling is progressing more rapidly but is still slow. Loss of the tools and time spent in their recovery delayed the work. A total of 124 feet was reported for the month, which makes the hole 308 feet deep.

ANALYSIS OF ENTRIES ON FORM MF-104

Item 4. Labor. The payroll sheets were checked and are approved with the exception of one item. A shift boss was entered for 4 hours at $1.89 for a total of $7.56. There is no precedent for this entry and it is not allowed under the contract. The sum of $374.86 less $7.56, for a total of $367.30 is approved. Approval is withheld on the $7.56 item.

CC W. H. King (Orig. & 6)
DMA-371X
DF

JHSoule':frj

As to the contract phase of the labor, 35 feet at $5.70 is shown and allowed. This is for the Pay period April 12 - April 26, 1952. The 4 additional shifts after April 26 are shown, as is usual, by the arbitrary sum of $40.48 entered for each round blasted. However, the contract total of $361.42 is in excess of the sum earned by the reported 47 feet of advance. In the past, this has been adjusted at the end of the contractor's pay period which seldom occurs at the first of the month. In view of this adjustment and the excess footage noted on May 17, the sum of $361.42 is approved.

The sum for all labor that is approved totals $736.28 less $7.56 or $728.72.

Item 5 - Supervision. The total supervision allowed per month is $262.50. As only about ½ month was worked on the project, the sum, $111.10, submitted is approved.

Item 6b. Explosives. A total of 1940 pounds of explosives was used in the drift in addition to 206 electric detonators. The sum of $182.73 for explosives is approved, as explosives are allowable at $4.45 per foot, for a total of $209.13.

Item 6d. Other. The $31.86 submitted is broken down in the following tabulation:

Pipe 2-in., 20 ft.	$8.08
Pipe 1-in., 20 ft.	3.79
Rail (20lb.), 200 lbs.	14.52
Track spikes, 10 lbs.	1.54
Track bolts, 5 lbs.	1.60
Ties, 20 bd. ft.	2.33
Total	$31.86

This total is approved.

Item 7. Power. Power is allowed at a rate of $4.08 per foot of drift. The total of $191.76 is therefore approved.

Item 9. Insurance. The following items of insurance are approved:

Public liability	$0.38
Workmen's compensation	34.76
Occupational Disease	5.92

Item 11. Social Security Taxes. The social security taxes total $4.00 and the sum is approved.

Item 11. Geological. A total of $140.00 per month is allowed for geological work. This item is entered as $140.00 and is so approved.

Item 11. Churn Drilling. A total of 124 feet of advance was made in the churn drilling. At the rate of $10.50 per foot, the total of $1,302.00 is approved.

The total costs for the month were $2,740.79 less $7.56, or $2,733.23 and this final figure is approved and is shown in red on the Forms MF-104. The project costs now total $46,078.05.

The submitted forms MF-104 are approved as to the various items and also in total, with the one exception noted.

John H Soule'

J. H. SOULE', Mining Engineer
Arizona-New Mexico Branch

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

May 12, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
4097 University Station
Tucson, Arizona

Dear Mr. Storms:

During the first half of April we were busy pumping water out of what appeared to be an underground cave. When this water was drawn down so that we could blast and get started, it was the middle of the month. From then on we started drifting and made 47 feet during the last part of the month. This work is progressing fairly well now and although we have encountered some additional water it has not been enough to stop the operation.

The churn drill hole was advanced from 184 to 306 feet. This is now advancing about six or seven feet per day. It seems slow but as long as the present driller can make this footage, we will not make any change. However, we now have an offer of a man who will take a contract to complete the hole if this man gives up.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:F

COPY

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

May 12, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
4097 University Station
Tucson, Arizona

Dear Mr. Storms:

All bills for supplies and equipment used in the Grant County Project during the month of March 1952 were paid April 10, 1952.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

AVF

COPY

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 67

Name of Operator Peru Mining Company
Docket No. DMA 371X
Total Contract Amount $ 225,000.00
Government Participation: 50 % Amount, $ 112,500.00
Distribution of Expenditures for Month of April 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 14 1952

CERTIFICATION

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.

PERU MINING COMPANY
(Name of Company)

By Jos. H. Taylor
(Signature of Authorized Official)

MAY 12, 1952
(Date)

VICE PRESIDENT
(Title)

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

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF APRIL 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting 839.92	847.38		214.59	376.82	1,438.79	feet	47	966	1,013	
					1,431.23					
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) Churn Drilling				1,302.00	1,302.00	feet	124	184	308	
	847.38		214.59	1,678.82	2,740.79					
	839.82				2,735.23					
Totals										

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

PERU MINING COMPANY

APRIL 1952

Social Security Number

Payroll for Half Month Ended

Day	Hours Forwarded / Occupation	Accumulated Hrs.	1.74 c Hr.	1.74 c Amt.	c Hr.	c Amt.	Excess Hrs. @ ½ Pay	Amt.	1.49 c	Amt.	1.89 c Car	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY		Total Earnings For Period		Day
	Trackman		52	90.48															90	48			
	Shovel Operator		28	48.72															48	72	139	20	
	Cager		78	135.72															135	72	274	92	
	Mucker								62	92.38									92	38	367	30	
	Shiftboss										4	7.56							7	56	374	86	
Total Hours or Cars			158						62		4												
Total Amounts			274.92						92.38		7.56										374	86	

REMARKS:

Check No.

Date Paid

Last Name

First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended April 1952

Day	Hours Forwarded / Occupation	Accumulated Hrs.	Hr.	Amt.	Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.		Amt.	Car	Amt.	Car	Amt.	Car	Amt.	Car	Amt.	TOTAL EARNINGS FOR DAY		Total Earnings For Period		Day
	Machine Man - Contractor																						
			Period ending April 26, 1952:																				
			35 Feet @ 5.70 per foot																199	50			
		Contract:																					
27		8 40.48																	40	48	239	98	
28		8 40.48																	40	48	280	46	
29		8 40.48																	40	48	320	94	
30		8 40.48																	40	48	361	42	
Total Hours or Cars		32																					
Total Amounts		161.92			199.50																361	42	

REMARKS:

Check No.

Date Paid

Last Name

First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

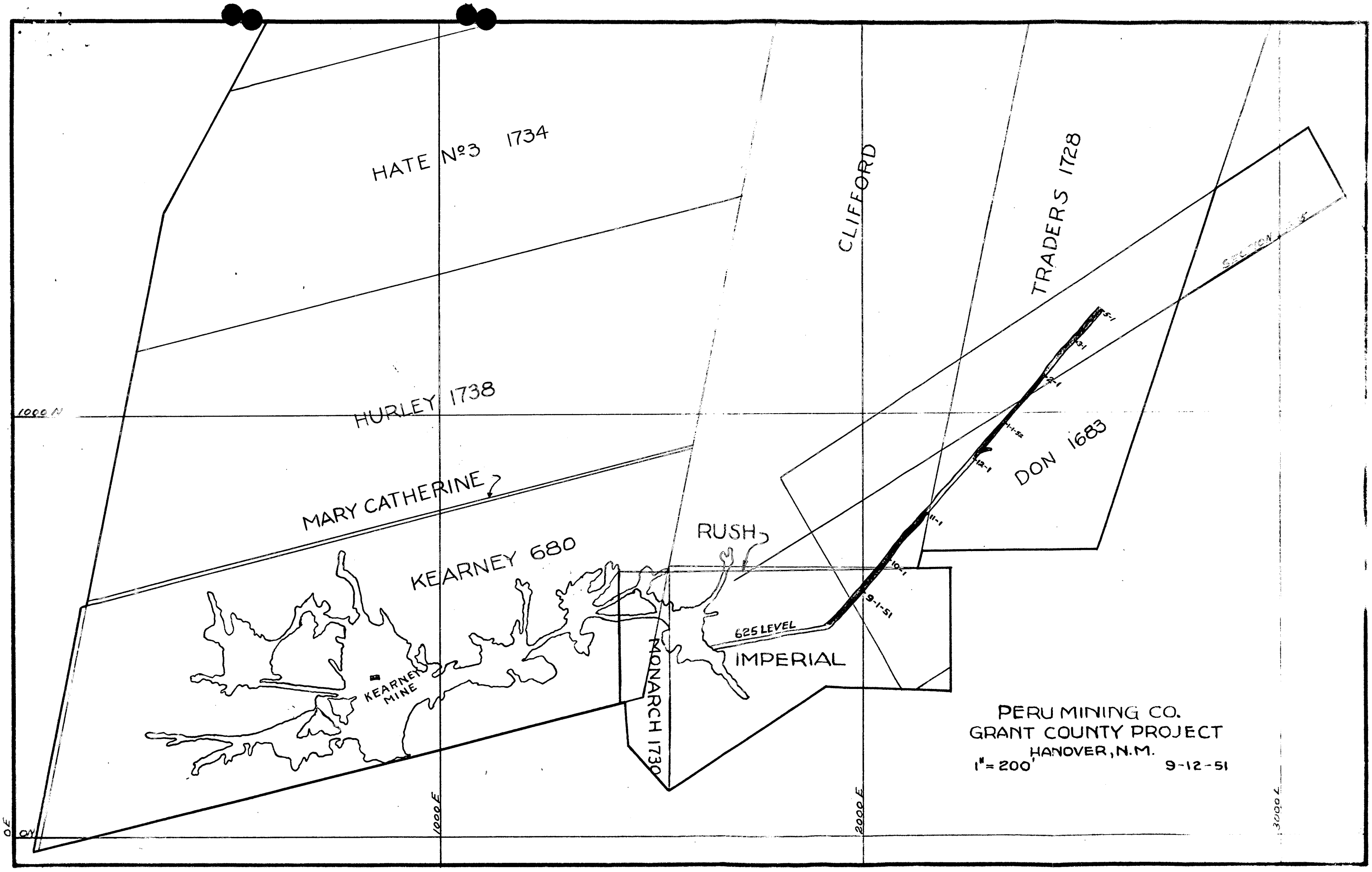
Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....


HATE Nº3 1734
CLIFFORD
TRADERS 1728
SECTION LINE
HURLEY 1738
1000 N
DON 1683
MARY CATHERINE
RUSH
KEARNEY 680
KEARNEY MINE
MONARCH 1730
625 LEVEL
IMPERIAL
9-1-51
10-1
11-1
12-1
1-1-52
2-1
3-1
4-1
5-1
1000 E
2000 E
3000 E
0 E
0 N
PERU MINING CO.
GRANT COUNTY PROJECT
HANOVER, N.M.
1" = 200'
9-12-51

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

224 New Customhouse
Denver 2, Colorado

June 3, 1952

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 371X, Contract Idm-E67,
Peru Mining Company, Grant County, New Mexico

Enclosed are the Operator's Monthly Progress Report Form MF-104, Operator's Narrative Report, Inspecting Engineer's Narrative Report and other supporting data for the period of March, 1952, pertaining to DMA Docket 371X, Contract Idm-E67, Peru Mining Company, Grant County, New Mexico.

W. H. King

W. H. King

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 3 1952

Original MF-104 sent to Mr. Chambers. The copy to Mr. Mittendorf, Mr. Johnson, Mr. Murkland, & Commodity division, 6-10-52.

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E-67

Name of Operator Peru Mining Company
Docket No. DMA 371 X
Total Contract Amount $225,000.00
Government Participation: 50 % Amount, $ 112,500.00
Distribution of Expenditures for Month of March 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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.

PERU MINING COMPANY
(Name of Company)

By Jos. H. Taylor
(Signature of Authorized Official)

April 16, 1952
(Date)

Vice President
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]		11,655.00	11,655.00	----	11,655.00	11,655.00
(b) Rented[2]						
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

Mining Division
Region IV

May 12, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 371X, Contract Idm-E67, Peru Mining Company, Grant County, New Mexico; Operator's Monthly Progress Report, for the period March 1952

Enclosed are the original and three copies of Form MF-104 Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is recommended for the amount of $405.35, which is 50 percent of the total of $810.70.

W. H. KING

W. H. King

Enclosures

cc: Sec. Oper. Comm.
Storms
Contract
Koschmann
Contract
Chron

WLD:fwo

MINING DIVISION
REGION IV

May 6, 1952

Memorandum

To : W. M. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : March 1952 Progress Report, DMA Docket 371X, Contract IDM-E67, Peru Mining Co's. Grant County Zinc-Lead mine, Grant County, N. Mex.

Enclosed are the following items for the above progress report:

(1) Bureau of Mines engineer's report;

(2) Operator's progress report;

(3) Form MF-104

Also enclosed are 2 extra copies of our engineer's report.

As all items of costs for March are in order and in accordance with the contract, I recommend that the government's share of 50 percent be paid.

Walter R. Storms

Walter R. Storms

CC W. M. King (5)
DMA-371X
DF

WRStorms:frj

MINING DIVISION
REGION IV

April 17, 1952

Memorandum

To : W. R. Storms, Chief, Arizona-New Mexico Br., Mining Div., Region IV

From : J. H. Soule', Mining Engineer, Tucson, Arizona

Subject : Progress Report, March 1-March 31, 1952, Docket DMA-371X, Contract Idm-E67, Peru Mining Co., Grant County Zinc Mine, Central Mining District, Grant County, New Mexico

The Peru Mining Co. was visited on April 15, 1952. As no work had been done in the drift on the Kearney 625 level to the Grant County mine since my last visit, an underground trip was not made. The footage of 966 feet as reported at the end of February was the same at the end of March. The water problem is easing and progress is expected soon.

Churn drilling continued slowly with only 46 feet reported for the month of March. This brings the total to 184 feet.

ANALYSIS OF ENTRIES ON FORM MF-104

Item 4, Labor. A credit to the project of $83,45 is due the project this month. This happened because of the method of arbitrarily crediting the contractor with $40.48 for each round blasted. He had failed to average the required 7 feet in February necessary to maintain this sum. This ordinarily would have been adjusted at the end of his pay period but the sudden influx of water prevented further work and he was overpaid. The credit adjustment of $83.45 is approved.

Item 6d, Supplies - other. This item covers one item, 380 feet of 3-inch pipe from warehouse stock. The total of $317.30 is so approved.

Items 9 - b, c and other. These are items that are calculated from the payroll at the end of each pay period and are shown on the Form MF-104 during the month when they have actually been paid. In other words, these amounts represent the last pay period of February and were actually paid in March. They are so approved.

CC W. H. King (5)
DMA-371X
DF

JHSoule':frj

Item 11. Social Security Taxes. Here another credit is due the project. This is due to the use of the wrong rate in calculating social security taxes in February. The overpayment is credited here and approved.

Item 11. Geological. Geological work continued during the month, as much surface mapping is yet to be done. The amount of $140 is allowed and approved.

Item 11. Churn Drilling. The churn drill advanced 46 feet during March and at $10.50 per foot the total of $483.00 is approved.

The total amount spent on the project for the month of March was $810.70 which brings the total spent to date to $43,344.82.

All items discussed above were found in order and in accordance with the contract, so the writer is approving this report.

John H Soule

John H. Soule', Mining Engineer
Arizona-New Mexico Branch

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

April 17, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
4097 University Station
Tucson, Arizona

Dear Mr. Storms:

The drift was not advanced during the month of March because of a large flow of water from this area. However, we have now been able to control the water and are starting drifting again as of yesterday.

The churn drill hole was advanced from 138 feet to 184 feet. We believe now that this hole can be drilled at a greater rate of speed and we will push this and the drift from now on.

We found errors in calculations for the month of February and these have been adjusted in the March accounts. I trust that you will find these in order. Mr. John Soule went over the accounts in this office this week.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:F

COPY

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

April 17, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
4097 University Station
Tucson, Arizona

Dear Mr. Storms:

All bills for supplies and equipment used in the Grant County Project during the month of February 1952, were paid March 12, 1952.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

AVF

COPY

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded	Accumulated Hrs.	Hr.	Amt.	Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.	Amt.	Car	Amt.	Car	Amt.	Car	Amt.	Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	MACHINE MAN - CONTRACTOR																				
				PAYROLL PERIOD ENDING MARCH 1, 1952:																	
				41½ FEET @ $5.70 per foot											$286.55						
				8 Shift Differentials @ 48¢ per shift											3.84						
															240.39						
				Paid in February on Contract											323.84						
				Overpaid											83.45						
	Total Hours or Cars																				
	Total Amounts																				

REMARKS:

Deductions:

Withholding Tax .....
Federal O. A. B. .....
Medical .....
Stores .....
Sales Tax .....
Hospital .....
Union Dues .....
Insurance .....
Advance (Ck. No. .....)

Check No.

Date Paid

Last Name

First Name

Company Number

Signature

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	83.45	13,791.96	13,708.51	83.45	13,791.96	13,708.51
5. Supervision		1,653.75	1,653.75		1,653.75	1,653.75
6. Supplies						
(a) ~~XXXXXX~~ Explosives		3,479.81	3,479.81		3,479.81	3,479.81
(b) Explosives						
(c) Repair Parts						
(d) Other	317.30	4,606.29	4,923.59	317.30	4,606.29	4,923.59
7. Power		3,841.28	3,841.28		3,841.28	3,841.28
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability	.22	7.29	7.51	.22	7.29	7.51
(c) Workmen's Compensation	19.95	657.56	677.51	19.95	657.56	677.51
Occupational Disease	3.40	112.78	116.18	3.40	112.78	116.18
10. Contract Work						
11. Other (specify)						
Social Security Taxes	69.72	571.40	501.68	69.72	571.40	501.68
Geological	140.00	708.00	848.00	140.00	708.00	848.00
Churn Drilling	483.00	1,449.00	1,932.00	483.00	1,449.00	1,932.00
Total	810.70	42,534.12	43,344.82	810.70	42,534.12	43,344.82
Deletions						
Adjusted totals						
Totals previously reported	42,534.12			42,534.12		
Totals to date	43,344.82			43,344.82		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by John H. Sanle WRS
Amount approved for payment $ 405.35
Remarks

16—64068-3

Schedule DMA 52-53
May 23. 1952
405.35

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF March 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	83.45		317.30	93.85	327.70	Ft.	0	966	966	
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) Churn Drilling				483.00	483.00	Ft.	46	138	184	
Totals	83.45		317.30	576.85	810.70					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

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

224 New Customhouse
Denver 2, Colorado

May 1, 1952

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 371X, Contract Idm-E67, Peru Mining Company, Grant County Mine, Grant County, New Mexico

Enclosed are the Operator's Monthly Progress Report Form MF-104, Operator's Narrative Report, Inspecting Engineer's Narrative Report and other supporting data for the month of February, 1952, pertaining to DMA Docket 371X, Contract Idm-E67, Peru Mining Company.

J. F. Shaw
J. F. Shaw, for
J. H. East, Jr.

Enclosures

Feb 52

625 drift
advanced - 147' - 3 monthly advances
Churn drill hole - 76'
Satisfactory

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAY 5 1952

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 67

C
O
P
Y

Name of Operator Peru Mining Company
Docket No. DMA 371X
Total Contract Amount $ 225,000.00
Government Participation: 50 % Amount, $ 112,500.00
Distribution of Expenditures for Month of February, 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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.

Peru Mining Company
(Name of Company)

By /s/ Jos. H. Taylor
(Signature of Authorized Official)

March 12, 1952
(Date)

Vice President
(Title)

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

16--64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]		11,655.00	11,655.00		11,655.00	11,655.00
(b) Rented[2]						
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

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

224 New Customhouse
Denver 2, Colorado

May 1, 1952

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 371X, Contract Idm-E67, Peru Mining Company, Grant County Mine, Grant County, New Mexico

Enclosed are the Operator's Monthly Progress Report Form MF-104, Operator's Narrative Report, Inspecting Engineer's Narrative Report and other supporting data for the month of February, 1952, pertaining to DMA Docket 371X, Contract Idm-E67, Peru Mining Company.

J. F. Shaw

J. F. Shaw, for
J. H. East, Jr.

Enclosures

1d

cc: Contract, chron.
Koschmann
Storms

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAY 5 1952

Mining Division
Region IV

April 21, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 371X, Contract Idm-E67, Peru Mining Company, Grant County Mine, Grant County, New Mexico - Operator's Monthly Progress Report for the period of February, 1952

Enclosed are the original and three copies of Form MF-104, Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is recommended for the amount of $2,921.36, which is 50 percent of the total of $5,842.72.

Correspondence explaining the method used in determining the wages of the "Machine Man - Contractor" is explained in the attached letter.

W. H. King

W. H. King

Enclosures

WLD:oc
cc: DMA Contract, Chron.
Secretary to the Operating Committee
WRSTorms
AHKoschmann (2)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 5 1952

Schedule DMA 52-45

April 24, 1952

$2921.36 UND 4-25-52

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Tucson, Arizona

Arizona-New Mexico Branch
Box 4097
University Stations

MINING DIVISION
REGION IV

April 16, 1951

Memorandum

To: W. H. King, Acting Chief, Mining Div., Region IV

From: Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject: February 1952 Progress Report, DMA Docket ~~271X,~~ 371X
Contract Idm-E67, Peru Mining Co's. Grant County
Zinc-Lead Mine, Grant County, N. Mex.

In regard to your memorandum of March 19 concerning the payroll sheet for the machine man - contractor accompanying the February monthly progress report, and my letter of March 27 and telegram of March 31, J. H. Soule' has checked these items at the Peru Mining Co's office in New Mexico and finds that the February report and accounts, as well as those for January, are correct. A copy of Soule's explanation is attached.

What got us "all fouled up" is that Peru's bookkeeper changed her methods of filing out the payroll in February. However, I believe Soule's attached memo explains everything.

We do not have a copy of the February Progress Report here so I still am somewhat hazy as to what it's all about.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAY 5 1952

s/s/ Walter R. Storms

CC DMA-371X
DF

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Arizona-New Mexico
Box 4097
University Station

MINING DIVISION
REGION IV

Tucson, Arizona

COPY

April 16, 1952

Memorandum

To: W. R. Storms, Chief, Arizona-New Mexico Br., Mining Div.

From: J. H. Soule', Mining Engineer, Tucson, Ariz.

Subject: DMA Docket 371X, Contract Idm-E67, Peru Mining Co's. Grant County Mine, Grant County, New Mexico, Payroll sheet accompanying the February 1952 Monthly Progress Report.

Both payroll sheets (January and February) are correct as submitted. However, a different approach was used on the February sheets. It will be noted that the three shifts, totalling $43.20, were added in the third line under 24 hours @ $1.80 = $43.20. However, this same sum was also added into the $326.56 which was subtracted from the total above to give an answer of $62.96. In effect, the item $43.20 was added and then subtracted. To be consistent with the January payroll sheet the following is given:

60 ft. @ $5.70 - -- ----------	$342.00
Less amount paid in Jan.	283.36
	58.64
9 shift diff. @ $.48	4.32
	62.96

which is the total shown on the payroll sheet.

/s/ John H. Soule'

JOHN H. SOULE'

CC DMA-371X
DF

Mining Division
Date Rec'd.

MAR 31 1952

BUREAU OF MINES
Denver, Colorado

MINING DIVISION
REGION IV

March 27, 1952

Memorandum

Register

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Dr., Mining Div., Region IV

Subject : February 1952 Monthly Progress Report, DMA Docket 371X, Peru Mining Co's. Grant County Zinc-Lead Mine, Grant County, N. Mex. - Machine Man - Contractor Payroll.

In answer to your memorandum of March 19, concerning payment of the Machine Man - Contractor" in February, so far as we are able to determine, the February accounts on Form MF-104 are correct, so we are returning the 4 copies of February's Progress Report to you.

However, we do find that Peru Mining Co. was overpaid $24.56 in January. Peru pays its men every 2 weeks; that is, on December 8, 1951, December 22, 1951, January 5, 1952, January 19, 1952, February 2, February 16, etc. As Form MF-104 is on a calendar month basis, the company must estimate the contractor's earnings from the last pay day to the end of the month. In December, the company estimated his earnings from December 23 to 31, inclusive. In January, the company estimated from January 22 to 31, inclusive; and in February, from February 18 to 26, inclusive (the drift was shut down for a few days because of excessive water in the face).

If you will consult the payroll you will note that in December the miner worked 2 days on straight pay for the period December 23 to 31, inclusive, and 3 days on contract. As the company didn't know how much the contractor would make until the pay period of January 5, when his footage in the drift was measured, it arbitrarily used the figure of $40.48 for each day that he worked on contract (that is, for each day that he blasted), and straight days pay when he wasn't on contract. However, on the January Form MF-104, the company merely entered the amount estimated for the contract or $121.44 and neglected to enter the 2 days worked on company time. On the January payroll under the sheet on "Machine Man - Contractor", the company listed

CC W. H. King (5)
DMA-371X
DF

WRStorms:frj

DEPARTMENT OF THE INTERIOR
Defense Materials Administration
RECEIVED
MAY 5 1952

"Period ending Jan. 5, 1952:
69 ft. @ $5.20 ----------$358.80
Less amount paid in December-- 121.44
237.36"

Actually this should have been:

Period ending Jan. 5, 1952:
69 ft. @ $5.20----------$358.80
Less amount paid in December---- 146.00
$212.80

Therefore, I recommend that the difference, or $24.56, be deducted from Peru's February account to make up for this overpayment.

WHS.

Walter H. Storms, Chief
Arizona-New Mexico Branch

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

COPY

224 New Customhouse
Denver 2, Colorado

March 19, 1952

Memorandum

To: W. R. Storms, Chief, Arizona-New Mexico Branch, Mining Div. Region IV

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 371X, Contract Idm-E67, Peru Mining Co.'s Grant County Mine, Grant County, New Mexico - Payroll sheet accompanying February's Monthly Progress Report

A review of the payroll sheet for the Machine Man-Contractor accompanying February's Monthly Progress Report has resulted in a question concerning the correctness of the amount $326.56 listed after the item "Less amount paid in January".

We are unable to determine the derivation of this amount fot it does not follow the method of determination as was used for the same item in January's Progress Report.

If we could have some explanation as to the method of computing the wages for the man in question, it would expedite handling future Progress Reports. Also, it will result in less confusion when audited by the General Accounting Office. It might be better for future auditing if these questions were explained in a letter from the Operator.

We are enclosing the 4 copies of February's Progress Report.

/s/ W. H. King
W. H. King
Acting Chief, Mining Division

cc: W. R. Storms

Mining Division
Date Rec'd
MAR 17 1952
BUREAU OF MINES
Denver, Colorado

MINING DIVISION
REGION IV

March 14, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Dr., Mining Div., Region IV

Subject : February 1952 Progress Report, DMA Docket 371X, Contract Idm-2067, Peru Mining Co's. Grant County Zinc-Lead Mine, Grant County, Ariz.

Enclosed in quadruplicate are the following for the above contract:

(1) Bureau of Mines engineer's report;
(2) Operator's progress report;
(3) Form MF-104.

Also enclosed are 2 extra copies of our engineer's report.

I recommend that 50 percent of the total costs as shown, be paid the operator.

Walter R. Storms

Walter R. Storms

cc W. H. King (5)
DMA-371X
MF

WRStorms:frj

MINING DIVISION
REGION IV

March 13, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Branch

From : John M. Soule', Mining Engineer, Arizona New Mexico Br.

Subject : Progress Report, Feb. 1 to March 1, 1952, Docket DMA-371X, Contract Idm-E67, Peru Mining Co., Grant County Zinc Mine, Central Mining District, Grant County, New Mexic.

The Kearney mine of the New Mexico Consolidated Mining Co. (Peru Mining Co.) was visited on March 5, 1952 and the 625 level drift from the Kearney to the Grant County mine was inspected. The drift advanced 147 feet to a total of 966 feet. Toward the end of the month, a sudden inflow of water was encountered which almost flooded the level. All work was stopped in the drift but will be resumed when a second pump is installed and the water pressure at the face abates.

Slow progress was made in the ventilation churn drill hole. The monthly total was 76 feet, making a total of 138 feet. Faster progress is expected in the future.

The accounts were checked on March 12 and the following results were obtained:

Item		Approx. Allowable	Contract Cost
Labor		$18.00	$17.92
Supplies		12.00	13.66
	Total	$30.00	$31.58
Supervision		407.50	402.50
Churn Drillers		15.00	10.50

The labor figures are shown on the payroll sheets accompanying the applicants report and total labor shown in the above unit costs includes insurance, social security taxes and compensation payments.

The supplies total $2,008.46 of which $599.76 is the power item. The remaining $1,408.70 for supplies is broken down as follows:

CC W. M. King (5)
DMA-371X
DF

JMSoule':frj

Item	Quantity	Cost
3" Pipe	556 ft.	473.56
2" pipe	140 ft.	71.94
1" pipe	140 ft.	26.30
3" valve	1	36.00
Trackage (includes rail, ties, bolts & spikes)		78.60
Bits	4	42.00
Explosives	-	484.23
Misc.(Hoses and blasting wire)		196.07
	Total	1,408.70

The total amount spent during the month was $5,842.72 which brings the total spent on the project to $42,534.12.

The applicants' agent, Mr. J. M. Taylor submitted a letter in February stating that all January accounts were paid. Because of the allowable lag of one month. a similar statement was not submitted this month and a statement that all February bills have been paid will be submitted the early part of April.

The amounts submitted in Form 104 are in accordance with the Contract Idm-E67.

Respectfully submitted,

John H Soule'

J. H. Soule', Mining Engineer
Arizona-New Mexico Branch

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

March 12, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
4097 University Station
Tucson, Arizona

Dear Mr. Storms:

During the month of February 1952, the drift toward Grant County Mine was pushed ahead 147 feet; however, on Tuesday, February 26th, we drilled into a heavy flow of water and we were obliged to plug these holes as it flooded the 625 foot level waist high at the shaft. This water was pumped out and operations of the mine started by the first of March but we were unable to drift until we had another pump installed. We are now starting to take the plugs out of the drill holes and hope that we will be able to control the water and go ahead with the drift.

The churn drill hole progressed 76 feet during the month and we are encouraged to think that it is going better now.

There is one piece of equipment which has not been received. It is reported that this piece of equipment, a shovel loader, will be shipped within the next few days.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:F

COPY

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded / Accumulated Hrs.	1.74 c Hr.	1.74 c Amt.	1.80 c Hr.	1.80 c Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	c Car	c Amt.	c Car	c Amt.	c Car	c Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Machine Man - Contractor								Period ending Feb. 2, 1952:									
									60 feet @ $5.70 per foot						$342.00			
									9 shift differential @ 48¢						4.32			
									24 hours @ $1.80						43.20			
															389.52			
									Less amount paid in January						326.56			
									Balance						62.96			
4		8			8	14.40			Period ending Feb. 16, 1952:									
7	5 & 6 contract	32			8	14.40			77½ feet @ $5.70						441.75			
9	8 contract	48			8	14.40	8	7.20	8 shift differential @ 48¢						3.84			
		Contract Cont.																
18		40.48	24th	40.48														
19		40.48	25th	40.48														
20		40.48	26th	40.48														
21		40.48																
22		40.48																
Total Hours or Cars		8 @ 40.48			24		8			Shift diff.		Contract						
Total Amounts		323.84			43.20		7.20			3.84		504.71					882	79

REMARKS:

Check No.

Date Paid

Last Name

First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded	Accumulated Hrs.	1.74 c Hr.	Amt.	c Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	1.49 c hrs	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Trackman		192	334.08				40	34.80										368 88		
	Mucking Machine Operator		122	212.28				9	7.83										220.11		
	Cager		284	494.16				18	15.66										509 82		
	Mucker							38	28.30		220	327.80							356.10		
	Motorman		16	27.84															27.84		
	Pipeman		24	41.76															41 76	1,524 51	
	Total Hours or Cars		638					67 @ .87	$58.29		220										
	Total Amounts		1,110.12					38 @ .745	28.30		327.80									1,524.51	

REMARKS:

Check No.

Date Paid

Last Name

First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B.....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

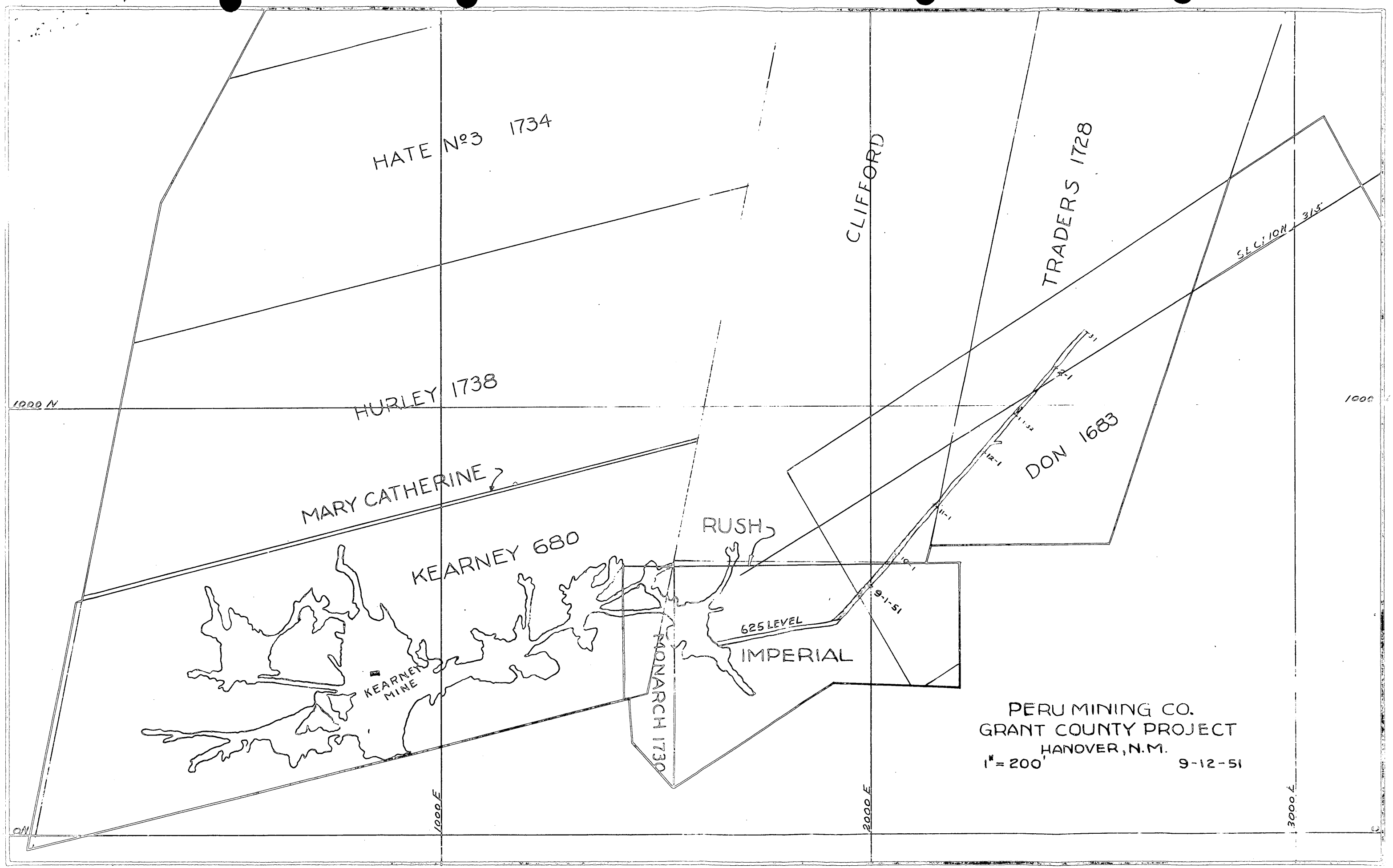
Insurance .....

Advance (Ck. No.....)

.....

.....

Net Earnings .....


HATE Nº3 1734
CLIFFORD
TRADERS 1728
SECTION 3/5
HURLEY 1738
1000 N
DON 1683
MARY CATHERINE
RUSH
KEARNEY 680
625 LEVEL
IMPERIAL
KEARNEY MINE
MONARCH 1730
1000 E
2000 E
3000 E
PERU MINING CO.
GRANT COUNTY PROJECT
HANOVER, N.M.
1" = 200'
9-12-51

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	2,407.30	11,384.66	13,791.96	2407.30	11,384.66	13,791.96
5. Supervision	262.50	1,391.25	1,653.75	262.50	1,391.25	1,653.75
6. Supplies						
(a) Timber						
(b) Explosives	484.23	2,995.58	3,479.81	484.23	2,995.58	3,479.81
(c) Repair Parts						
(d) Other	924.47	3,681.82	4,606.29	924.47	3,681.82	4,606.29
7. Power	599.76	3,241.52	3,841.28	599.76	3,241.52	3,841.28
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability	1.02	6.27	7.29	1.02	6.27	7.29
(c) Workmen's Compensation	92.19	565.37	657.56	92.19	565.37	567.56
Occupational Disease	15.71	97.07	112.78	15.71	97.07	112.78
10. Contract Work						
11. Other (specify)						
Social Security Taxes	117.54	453.86	571.40	117.54	453.86	571.40
Geological	140.00	568.00	708.00	140.00	568.00	708.00
Churn Drilling	798.00	651.00	1,449.00	798.00	651.00	1,449.00
Total	5,842.72	36,691.40	42,534.12	5842.72	36,691.40	42,534.12
Deletions						
Adjusted totals						
Totals previously reported	36,691.40			36,691.40		
Totals to date	42,534.12			42,534.12		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by /s/ John H. Soule WRD WLD
Amount approved for payment $2921.36
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF February, 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	2,669.80		1,408.70	1,764.22	5,842.72	foot	147	819	966	
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	2,699.80		1,408.70	1,764.22	5,842.72	foot	147	819	966	

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

OFFICE OF THE ADMINISTRATOR

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

224 New Customhouse
Denver 2, Colorado

March 14, 1952

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 371X, Contract Idm-E67, Peru Mining Company, Grant County Zinc Mine, Grant County, New Mexico

Enclosed are the Operator's Monthly Progress Report Form MF-104, Operator's Narrative Report, Inspecting Engineer's Narrative Report and other supporting data for the month of January, 1952, pertaining to DMA Docket 371X, Contract Idm-E67, Peru Mining Company.

J. H. East, Jr.

J. H. East, Jr.

Enclosure

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 20 1952

M[illegible]-104
(Aug[illegible]t 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 67

C O P Y

C O P Y

Name of Operator Peru Mining Comapny
Docket No. DMA 371X
Total Contract Amount $ 225,000.00
Government Participation: 50 % Amount, $ 112,500.00
Distribution of Expenditures for Month of January, 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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.

PERU MINING COMAPNY
(Name of Company)

By /s/ Jos. H. Taylor
(Signature of Authorized Official)

February, 11, 1952
(Date)

Vice President
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Fixtures						
2. Operating Equipment:						
(*a*) Purchased[1]		11,655.00	11,655.00	-----	11,655.00	11,655.00
(*b*) Rented[2]						
(*c*) Furnished by operator						
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	2,421.29	8,963.37	11,384.66	2421.29	8963.37	11,384.66
5. Supervision	262.50	1,128.75	1,391.25	262.50	1128.75	1,391.25
6. Supplies						
(a) Timber						
(b) Explosives	607.13	2,388.45	2,995.58	607.13	2388.45	2995.58
(c) Repair Parts						
(d) Other	512.82	3,169.00	3,681.82	512.82	3169.00	3681.82
7. Power	591.60	2,649.92	3,241.52	591.60	2649.92	3241.52
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability	1.32	4.95	6.27	1.32	4.95	6.27
(c) Workmen's Compensation	117.27	448.10	565.37	117.27	448.10	565.37
OCCUPATIONAL DISEASE	19.98	77.09	97.07	19.98	77.09	97.07
10. Contract Work						
11. Other (specify)						
SOCIAL SECURITY TAXES	168.94	284.92	453.86	168.94	284.92	453.86
GEOLOGICAL	130.00	438.00	568.00	130.00	438.00	568.00
CHURN DRILLING	651.00	-	651.00	651.00	----	651.00
Total	5,483.85	31,207.55	36,691.40	5483.85	31,207.55	36,691.40
Deletions						
Adjusted totals						
Totals previously reported	31,207.55			31,207.55		
Totals to date	36,691.40			36,691.40		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by (/s/) WLS
Entered by
Approved by John H. Smill (/s/) /2
Amount approved for payment $2791.93 /2
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF January, 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	2,683.79		1,119.95	1,680.11	5,483.85	foot	145	674	819	
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	2,683.79		1,119.95	1,680.11	5,483.85	foot	145	674	819	

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

Mining Division
Data Card
MAR 3 1952
BUREAU OF MINES
Denver, Colorado

MINING DIVISION
REGION IV

February 15, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : January 1952 Progress Report for Contract Idm-E67, DMA-Docket 371X, Peru Mining Co's. Grant County Zinc-Lead Mine, Grant County, N. Mex.

Enclosed in quadruplicate are the following items for the above:

(1) Bureau of Mines engineer's progress report;
(2) Company's progress report;
(3) Form MF-104

Also enclosed are 2 extra copies of our engineer's report.

A letter regarding payment of accounts will be sent to Mr. East by the company's manager.

As these January accounts seem to be in order, I recommend that the Government's share of the costs be paid.

WRS

Walter R. Storms

CC W. H. King (5)
DMA-371
DF

WRStorms:frj

DEPARTMENT OF
Defense Minerals
MAR 3 1952

U. S. Bureau of Mines
Mining Division, Region IV
New Mexico Field Office
Box 1060, Silver City, N. Mex.
February 12, 1952

Docket DMA 371X, Contract Idm-E67, Peru Mining Co., Grant County Zinc Mine, Central Mining District, Grant County, New Mexico.

Progress Report Jan. 1 - Feb. 1, 1952

The Kearney mine of the New Mexico Consolidated Mining Co. (Peru Mining Co.) was visited on February 12, 1952, to inspect the 625 level drift to the Grant County mine. The drift advanced 145 feet to a total of 819 feet.

Churn drilling was in progress during the month and, although some difficult ground was encountered, a progress of 62 feet was made.

The costs were checked and the following results were obtained. The new wage scale was in effect but the retroactive pay is not included in the costs.

Item	Approx. allowable	Contract cost
Labor	$18.00	$18.82
Supplies	12.00	11.80
Total	$30.00	$30.62
Supervision	$407.50	$392.50
Churn drilling	15.00	15.00

It will be noted that the labor costs are high due to the recent increase in wages.

No items of equipment were purchased or received during the month.

The total spent on the project for the month of January 1952 was $5,483.85, bringing the total spent to date to $36,691.40.

Respectfully submitted,

John H. Soule'

John H. Soule'
Acting Supervising Engineer

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

February 11, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
4097 University Station
Tucson, Arizona

Dear Mr. Storms:

During the month of January we drove the Grant County drift a distance of 145 feet. We had some upsets during January -- first due to the holiday of January 1st and then there was some dissatisfaction in that the Wage Stabilization Board had not approved the increase until January 15th. The men worked better after this date.

The costs for January were higher than $30.00 per feet. This is probably due to the increased wage scale and lack of enthusiasm on the part of the miners. We hope we will be able to get it back down to this figure.

The churn drill hole from the surface did not progress properly and at the end of the month they were down but 62 feet. The expense of this starting was very high; however, the drill hole is now going much better and we hope that it will go on down without serious trouble.

Very truly yours,

PERU MINING COMPANY

Jos. H. Tayler

Jos. H. Tayler
Vice President

JHT:F

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

February 15, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
4097 University Station
Tucson, Arizona

Dear Mr. Storms:

All bills for equipment and supplies for the Grant County Project have been paid promptly. It is our practice to pay all invoices for the month of December on or before the 15th of January and the invoices for January were paid as of the 14th of February, this month.

Trusting this will be the information you desire, I am,

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:AVF

COPY

PERU MINING COMPANY

DMA-371

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded	Accumulated Hrs.	1.74 c Hr.	Amt.	1.80 c Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Machine Man - Contractor							Period ending Jan. 5, 1952:													
								69 Ft. @ $5.20							$358.80						
5				8	13.92			Less Amount paid in December							121.44						
															237.36						
8				8	13.92			3 shift differentials @ 48¢							1.44						
18			Cont.			8	14.40														
22			40.48					Period ending Jan. 19, 1952:													
23			40.48					58 ft. @ $5.70							$ 330.60						
24						8	14.40	9 shift differentials @ 48¢							4.32						
25			40.48																		
26						8	14.40														
27			40.48																		
28						8	14.40														
29			40.48																		
30			40.48																		
31			40.48																		
Total Hours or Cars				16		32				Contract			shift differential 12 @ 48¢								
Total Amounts			283.36	27.84		57.60				567.96			5.76							942	52

REMARKS:

Check No.

Date Paid

Last Name

First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

DMP-371

Social Security Number

Payroll for ~~Week~~ Month Ended January 31, 1952

Day	Occupation	Hours Forwarded	Accumulated Hrs.	1.74 c Hr.	1.74 c Amt.	c Hr.	c Amt.	Excess Hrs. @ ½ Pay	Amt.	Jan. 1 3.48 c	Amt.	Jan. 1 2.98 c Car	Amt.	1.49 c Car	Amt.	Excess hrs @ 1/2 time Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Trackman		206	358.44				30	26.10	8	27.84									412 38		
	Mucking Machine Operator		115	200.10				5	4.35	4	13.92									218.37		
	Cager		321	558.54				15	13.05	12	41.76									613 35		
	Mucker											4	11.92	147	219.03					234 67	1,478 77	
																5	3.72					
	Total Hours or Cars			642				50		24		4		147		5						
	Total Amounts			1,117.08				43.50		83.52		11.92		219.03		3.72					1,478 77	

REMARKS:

Check No.

Date Paid

Last Name

First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

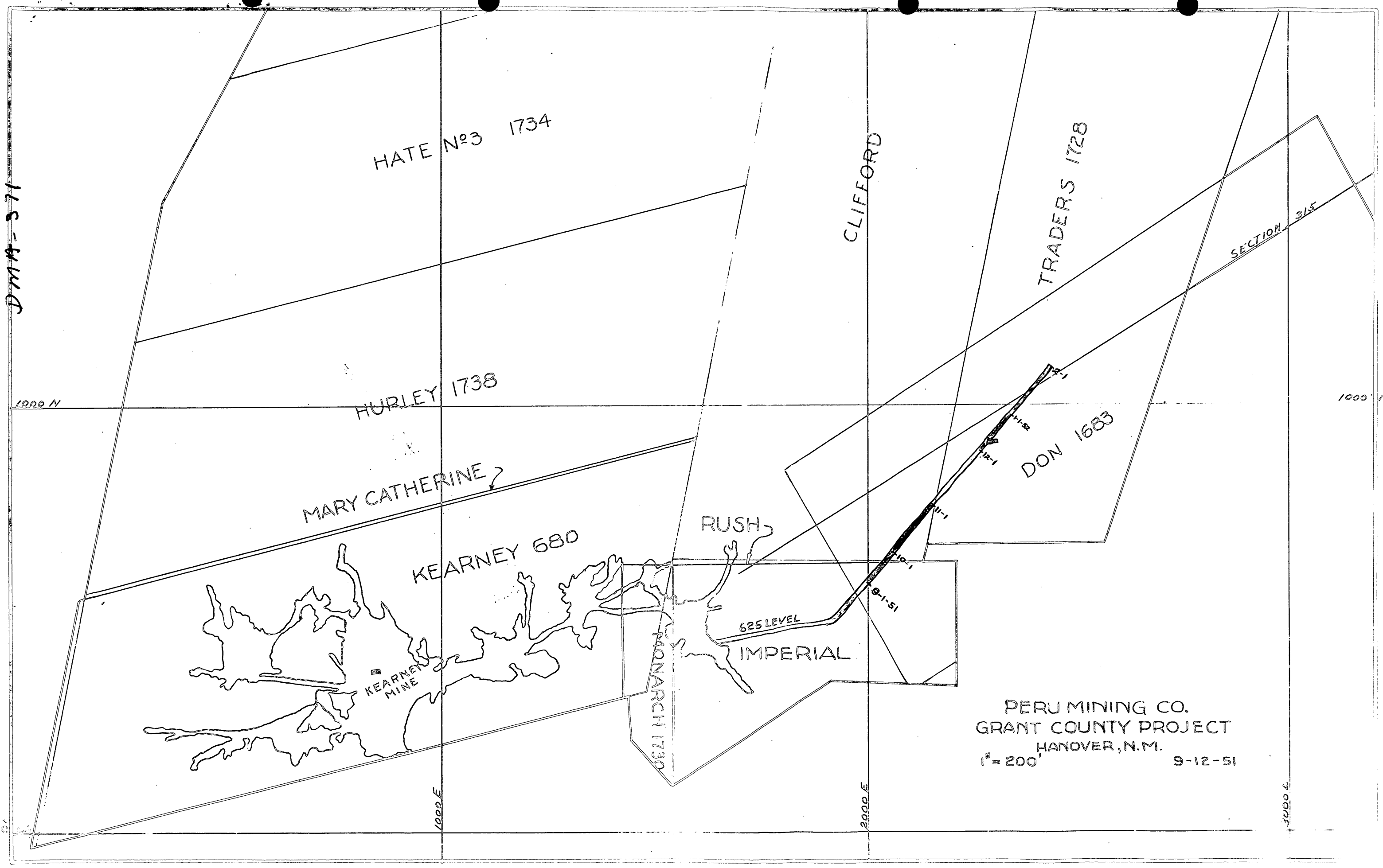
Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....


DMA-371
HATE Nº3 1734
CLIFFORD
TRADERS 1728
SECTION 3/5
HURLEY 1738
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DON 1683
MARY CATHERINE
RUSH
KEARNEY 680
KEARNEY MINE
MONARCH 1730
625 LEVEL
IMPERIAL
A-1
H-1-52
12-1
11-1
10-1
9-1-51
1000 E
2000 E
3000 E
PERU MINING CO.
GRANT COUNTY PROJECT
HANOVER, N.M.
1" = 200'
9-12-51

(August [illegible])

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

C O P Y C O P Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 67

Name of Operator Peru Mining Company
Docket No. DMA 371 X
Total Contract Amount $ 225,000.00
Government Participation: 50 % Amount, $ 112.50
Distribution of Expenditures for Month of December, 1951

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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.

PERU MINING COMPANY
(Name of Company)

By /S/ Jos. H. Taylor
(Signature of Authorized Official)

January 14, 1952
(Date)

Vice President
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
Mine Cars	4,000.00	7,655.00	11,655.00	4000.00	7655.00	11,655.00
(b) Rented[2]						
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

Sched DMA 52-21

New Mexico Field Office
Box 1060, Silver City, New Mexico
January 14, 1952

Docket DMA 371X, Contract Idm E67, Peru Mining Company, Grant County Zinc Mine, Central Mining District, Grant County, N. Mex.

Progress Report, December 1, 1951 to January 1, 1952

The Kearney mine of the New Mexico Consolidated Mining Company (Peru Mining Co.) was visited on January 11, 1952 to inspect the drift to the Grant County mine from the Kearney 625 level. The drift advanced 157 feet for the month to a total of 674 feet. Included in this footage is a stub drift as shown in the map accompanying the Peru report.

The churn drill contractor moved his equipment to the site of Hole No. 1 and started drilling shortly after the first of the year. No footage was reported for December.

The accounts were checked and the following results obtained:

Item	Approx. allowable	Contract Cost
Labor with ins. and Taxes	$ 18.00	$ 13.63
Supplies	12.00	13.83
Total	30.00	27.46
Supervision	407.50	392.50

The only items of equipment included in the month's cost were 20 mine cars received in December. These cars were paid according to the letter accompanying the Peru report. The cancelled check was noted by the DMA examiner.

The total spent on the contract for the month of December was $ 8,704.49 making the total for the year $ 31,207.55.

Respectfully submitted,

John H. Soulé

John H. Soulé
Acting Supervising Engineer
New Mexico Field Office
Arizona-New Mexico Branch
Mining Division, Region IV

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

January 10, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
4097 University Station
Tucson, Arizona

Dear Mr. Storms:

The Grant County Project was pushed during December in spite of the Holiday Season. The advance was 157 feet, which included a crosscut for equipment.

A contract was signed for the churn drill hole and this work has now been started but was not started until during the first of January. In order that this contract could be started, we built an access road which we charged into mining. This was not charged to the Grant County Project.

In as much as we received the invoices for the mine cars, there is a separate letter in regard to this which is enclosed.

As yet we have not received the approval of the Wage Stabilization Board for the increase agreed upon between the Union and the Company. This may cause serious trouble if approval is not received within the next few days.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:F

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

January 10, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
4097 University Station
Tucson, Arizona

Dear Mr. Storms:

This is to advise you that on December 15th we paid Hirsch Brothers Machinery Company invoice #18816 in the amount of $63.98 and invoice #18038 in the amount of $3,360.00, by our check number 7234. The second of these invoices was for twenty (20) mine car bodies and trucks. The first item was for Deming Mill Stores and was not a part of the Grant County Project. We also paid on December 19th, by our check number 7244, Hirsch Brothers Machinery Company invoice #18038-A in the amount of $1,700.00. This was for wheels and axles for the mine cars.

In as much as the contract calls for only $4,000.00 for mine cars, we have charged only $4,000.00 to equipment. The balance of $1,060.00 has been charged into mining costs.

Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:F

COPY

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded	Accumulated Hrs.	1.375c Hr.	1.375c Amt.	c Hr.	c Amt.	Excess Hrs. @ ½ Pay		c Amt.	c Car	c Amt.	1.375c Hr.	1.375c Amt.	c Car	c Amt.	Excess hrs. @ 1/2 pay Car	Excess hrs. @ 1/2 pay Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
12-1	Mucker			4	5.50			4	2.75		12-16		8	11.00							
12-3				4	5.50						12-17		5	6.88							
12-4				4	5.50						12-18		5	6.88							
12-5				4	5.50						12-19		5	6.88							
12-6				4	5.50						12-20		5	6.88							
12-7				4	5.50						12-21		5	6.88			5.	344			
[illegible]8				4	5.50			4	2.75		12-22		5	6.88			5	3.44			
12-10				5	6.88						12-23		4	5.50							
12-11				5	6.88						12-24		4	5.50							
12-12				5	6.88						12-27		3	4.13							
12-13											12-28		4	5.50							
12-14				5	6.88			5	3.44		12-29		4	5.50							
12-15				5	6.88						12-31		4	5.50							
Total Hours or Cars				53				13					61				10				
[illegible]otal Amounts				72.90				8.94					83.91				6.88			172 63	

REMARKS:

Check No.

Date Paid

Last Name

First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded	Accumulated Hrs.	1.505 c Hr.	1.505 c Amt.	1.565 c Hr.	1.565 c Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	c Car	c Amt.	c Car	c Amt.	c Car	c Amt.	c Car	c Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Machine Man - Contractor									Period ending December 8, 1951:											
										70 ft. @ $5.20 per ft.								$364.00			
										Less amount paid previously								140.92			
																		223.08			
										11 shift differentials @ 48¢								5.28			
										Period ending December 22, 1951:											
										68 ft. @ $5.20 per ft.								$ 353.60			
										12 shift differentials @ 48¢								5.76			
12-23						8	12.52														
12-27										8 40.48											
12-28										8 40.48											
12-29										8 40.48											
12-31				8	12.04																
	Total Hours or Cars			8		8				24			Contract					Shift Differential			
	Total Amounts			12.04		12.52				121.44			576.68					11.04		733 72	

REMARKS:

Check No.

Date Paid

Last Name

First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded	Accumulated Hrs.	1.505 Hr.	Amt.	c Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	Car	Amt.	c 1.505 Car	Amt.	c Car	Amt.	Excess Hrs. @ 1/2 pay Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
12-1	Cagers			12	18.06			8	6.02		12-16		8	12.04			1				
12-3				12	18.06						12-17		15	22.58							
12-4				12	18.06						12-18		15	22.58							
12-5				12	18.06						12-19		15	22.58			2				
12-6				12	18.06						12-20		15	22.58							
12-7				12	18.06						12-21		15	22.58			5	3.76			
12-8				12	18.06			12	9.03		12-22		15	22.58			10	7.53			
12-10				15	22.58						12-23		12	18.06							
12-11				15	22.58						12-24		12	18.06							
12-12				15	22.58						12-27		9	13.55							
12-13											12-28		12	18.06							
12-14				15	22.58			10	7.53		12-29-51		12	18.06							
12-15				15	22.58			10	7.53		12-31		12	18.06							
Total Hours or Cars				159				40					167				15				
Total Amounts				239.32				30.11					251.37				11.29			532 09	

REMARKS:

Check No.

Date Paid

Last Name

First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded	Accumulated Hrs.	1.505 c Hr.	Amt.	c Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.	c	Amt.	c Car	Amt.	1.505 c hr. xx	Amt.	c Car	Amt.	Excess hrs @ 1/2 pay Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
12-1	Trackman			8	12.04			8	6.02			12-16		8	12.04							
12-3				8	12.04							12-17		8	12.04							
12-4				8	12.04							12-18		8	12.04							
12-5				8	12.04							12-19		8	12.04							
12-6				8	12.04							12-20		8	12.04							
12-7				8	12.04			8	6.02			12-21		8	12.04			8	6.02			
12-8				8	12.04			8	6.02			12-22		8	12.04			8	6.02			
12-10				8	12.04							12-23		8	12.04							
12-11				8	12.04							12-24		4	6.02							
12-12				8	12.04							12-27		8	12.04							
12-13				8	12.04							12-28		8	12.04							
12-14				8	12.04			8	6.02			12-29		8	12.04			8	6.02			
12-15				8	12.04			8	6.02			12-31		8	12.04							
Total Hours or Cars				104				40						100				24				
Total Amounts				156.52				30.10						150.50				18.06			355 18	

REMARKS:

Check No.

Date Paid

Last Name

First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded	Accumulated Hrs.	1.505 c Hr.	Amt.	c Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	1.505 c Hr	Amt.	c Car	Amt.	Excess hrs. @ 1/2 Pay c Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
12-1-51	Shovel Operators			4	6.02			4	3.01	12-16	8	12.04									
12-3				4	6.02					12-17	5	7.53									
12-4				4	6.02					12-18	5	7.53									
12-5				4	6.02					12-19	5	7.53									
12-6				4	6.02					12-20	5	7.53									
12-7				4	6.02					12-21	5	7.53									
12-8				4	6.02			4	3.01	12-22	5	7.53			5	376					
12-10				5	7.53					12-23	4	6.02									
12-11				5	7.53					12-24	4	6.02									
12-12				5	7.53					12-27	3	4.52									
12-14				5	7.53			5	3.76	12-28	4	6.02									
12-15				5	7.53			5	3.76	12-29	4	6.02									
										12-31	4	6.02									
Total Hours or Cars				53				18			61				5						
Total Amounts				79.79				13.54			91.84				3.76					188 93	

REMARKS:

Check No.

Date Paid

Last Name

First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

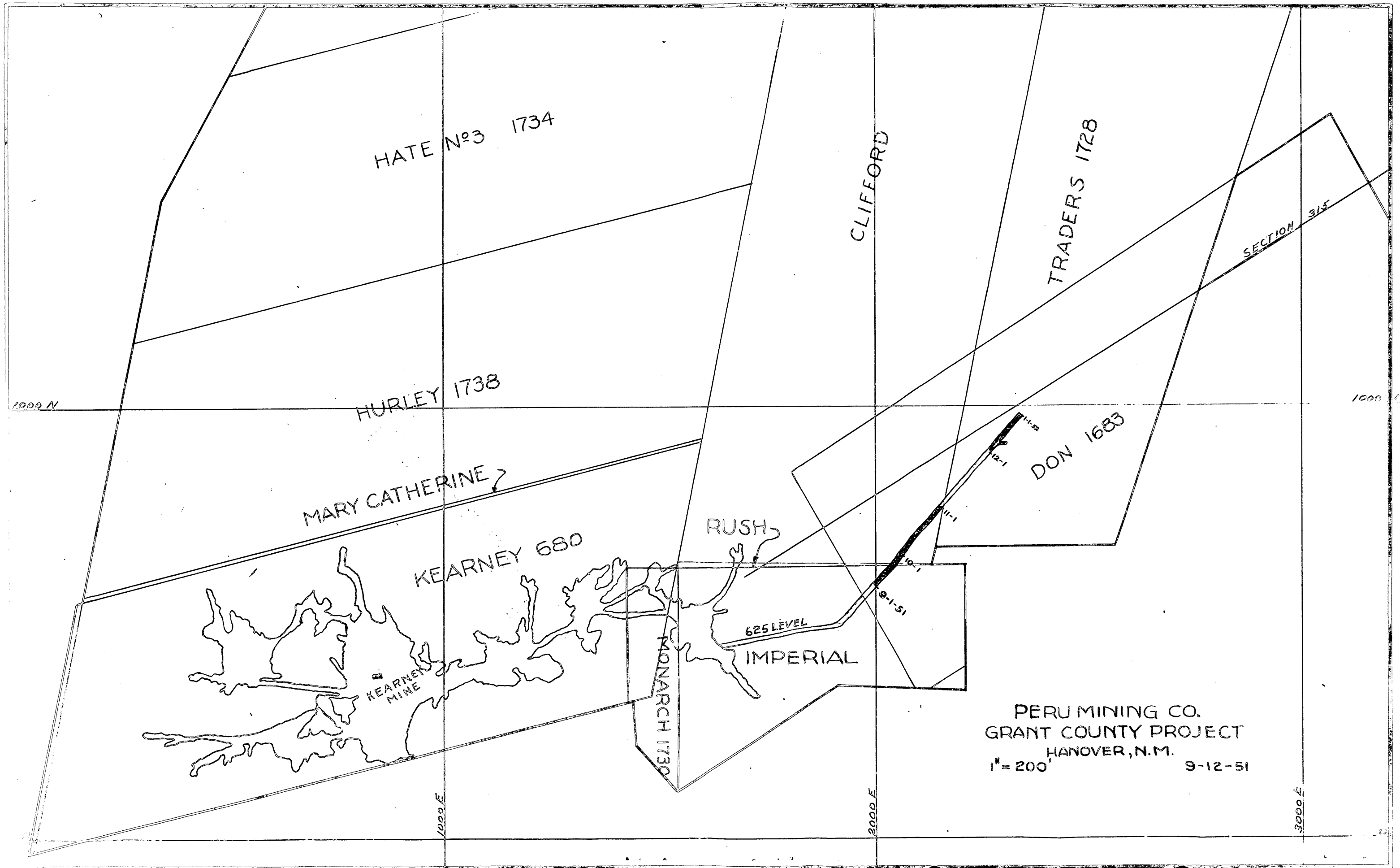
Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....


HATE Nº3 1734
CLIFFORD
TRADERS 1728
SECTION 31-5
HURLEY 1738
1000 N
1000
DON 1683
MARY CATHERINE
RUSH
KEARNEY 680
KEARNEY MINE
MONARCH 1730
625 LEVEL
IMPERIAL
12-1
11-1
10-1
9-1-51
PERU MINING CO.
GRANT COUNTY PROJECT
HANOVER, N.M.
1" = 200'
9-12-51
1000 E
2000 E
3000 E

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	1,982.55	6,980.82	8,963.37	1982.55	6980.82	8963.37
5. Supervision	262.50	866.25	1,128.75	262.50	866.25	1128.75
6. Supplies						
(a) Timber						
(b) Explosives	526.17	1,862.28	2,388.45	526.17	1862.28	2388.45
(c) Repair Parts						
(d) Other	1,005.15	2,163.85	3,169.00	1005.15	2163.85	3169.00
7. Power	640.56	2,009.36	2,649.92	640.56	2009.36	2649.92
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability	1.11	3.84	4.95	1.11	3.84	4.95
(c) Workmen's Compensation	107.44	340.66	448.10	107.44	340.66	448.10
Occupational Disease	18.01	59.08	77.09	18.01	59.08	77.09
10. Contract Work						
11. Other (specify)						
Social Security Taxes	31.00	253.92	284.92	31.00	253.92	284.92
Geological	130.00	308.00	438.00	130.00	308.00	438.00
Total	8,704.49	22,503.06	31,207.55	8704.49	22,503.06	31,207.55
Deletions						
Adjusted totals						
Totals previously reported	22,503.06			22,503.06		
Totals to date	31,207.55			31,207.55		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by John H. Soule WRS JVT WHK JHE
Amount approved for payment
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF December, 1951

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	2,245.05	4,000.	1,531.32	928.12	8,704.49	foot	157	517	674	
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	2,245.05	4,000.00	1,531.32	928.12	8,704.49	foot	157	517	674	

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

Mining Division
Date Rec'd
JAN 1952
BUREAU OF MINES
Denver, Colorado

January 2, 1951

Registered

Memorandum

To : Paul T. Allsman, Denver, Colorado

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : December 1951 Progress Report, DMA Docket 371X, Contract Idm-M67, Peru Mining Co's. Grant County Zinc-Lead Mine, Grant County, N. Mex.

Enclosed in quadruplicate are the following:

(1) Bureau of Mines engineer's progress report;

(2) Peru Mining Co's. letter that invoices have been paid;

(3) Company's progress report;

(4) Churn drilling bid;

(5) Form MF-104 with map and payrolls.

I will ask soule' to send two extra copies of his progress report directly to you as he sent us only the original and 4 copies.

As this progress report seems to be in order, I recommend that it be paid.

Walter R. Storms

CC P. T. Allsman (5)
DMA-371
DF

WRStorms:frj

New Mexico Field Office
Box 1060, Silver City, New Mex.
December 28, 1951

Docket DMA-371X, Contract Idm-R-67, Peru Mining Co., Grant County Zinc Mine, Central Mining District, Grant County, New Mexico.

Progress Report, November 1, to December 1, 1951

The Kearney mine of the New Mexico Cons. Mining Co. (Peru Mining Co.) was visited on December 13 to inspect the progress in the drift to beneathe the Grant County Mine. The drift had advanced 150 feet for the month to a total of 517 feet on December 1,1951.

The accounts have been checked and the items are all within the limits allowed by the contract as shown by the following:

Item	Allowable	Contract
Labor with ins. and taxes	$ 18.00 per foot	$ 16.62 per foot
Supplies	12.00 " "	10.70 " "
Supervision	407.50	402.50

The following items of equipment under the contract were received:

Item	Allowable Cost	Contract Cost
Jumbo (1)	$ 3,800	$ 3,795
Powerfeed drifters (4)	4,050	3,860
Mine cars (20)	4,000	Not invoiced

The first two items have been invoiced and paid according to the information contained in the attached letter. The cancelled check was noted. The item of the powerfeed shell listed in the letter was not included in the monthly cost statement because no allowance was made for it in the contract although it is a part of the jumbo. The item for mine cars will be submitted next month when it has been paid.

No other work has been started although a new churn drill contractor has been contacted and he plans to start the work during the month of December.

The total spent on the contract for November was $12,155.00 bringing the total spent on the contract to $22,503.06

Respectfully submitted,

John H. Soule

John H. Soule
Acting Supervising Engineer
New Mexico Field Office
Arizona-New Mexico Branch
Mining Division, Region IV

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

December 28, 1951

Mr. W. R. Storms
U. S. Bureau of Mines
4097 University Station
Tucson, Arizona

Dear Mr. Storms:

This is to advise that Ingersoll Rand Company invoice No. 174653 for

1	DJB-2 Two-Drill Boom Jumbo Complete with 2 Booms with arms and cone clamps, set Mine Roof Jacks, Lubricators, Piping and Fittings, mounted on Mine Truck for 18 Gauge Track	3795.00
1	Av40-PF2 Power Feed Shell (48" Aluminum) including 63PF2 Power Feed Shell Cone, 64PF2 Clamp, 39A2A491 Bolt, (2) D31PF2 Mounting Bolts and N33PF2 Feed Screw	310.15

and invoice #171781 for

4	DA30 Power Feed Drifters with 24" Fixed Cone Shell, Steel Centralizer and 1-1/4" RD chucks 1 turn in 30" rotation	3860.00

were all paid by our check No. 7083 in the amount of $7,965.15 . I trust this information will be sufficient for you to know that these invoices were paid.

Yours very truly,
PERU MINING COMPANY

Jos. H. Taylor
Vice President

JHT:g

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

December 13, 1951

Mr. W. R. Storms
U. S. Bureau of Mines
4097 University Station
Tucson, Arizona

Dear Mr. Storms:

The Grant County Project has been progressing as to the drift, no other work being done. The advance for November was 150 feet.

During the month we received cars and axels to make up the required number of cars for use, at least for the present. However, invoices for this have not been received. We also received the Jumbo and drills. We have not, however, received the shovel loader and this may be delayed for some time due to a strike in Denver. We have not, as yet, received the approval of our petition for rate increases effective August eighteenth. We thought we would get this approval before Christmas and when we get this, we will send you a copy of the agreement with the Union and a letter in regard to piecework contract for drifting.

Enclosed is a letter of agreement for a churn drill hole. We were considerably delayed in getting anyone to do this work, and I have secured the contractor that we will see him through, even if it costs more than the contract rate. We hope to get this work started before the end of December.

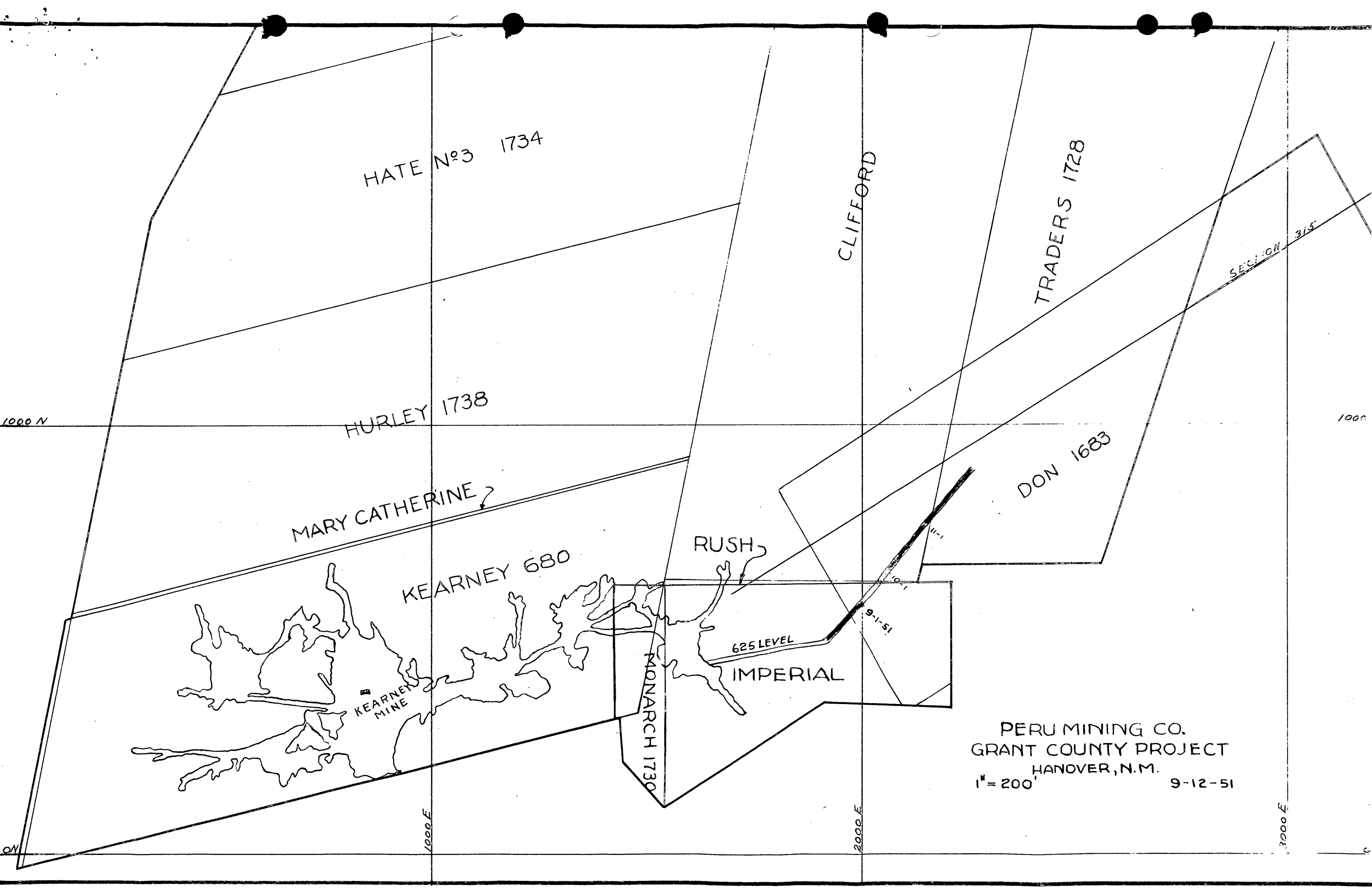
Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:F
Enclosure


HATE No3 1734
CLIFFORD
TRADERS 1728
SECTION 315
1000 N
HURLEY 1738
1000
DON 1683
MARY CATHERINE
RUSH
KEARNEY 680
9-1-51
625 LEVEL
IMPERIAL
KEARNEY MINE
MONARCH 1730
PERU MINING CO.
GRANT COUNTY PROJECT
HANOVER, N.M.
1" = 200'
9-12-51
1000 E
2000 E
3000 E

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded	Accumulated Hrs.	1.505 c Hr.	Amt.	c Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Cager																				
Nov. 26				3	4.52																
27				4	6.02																
28				3	4.52																
29																					
30				4	6.02																
Total Hours or Cars				14																	
Total Amounts				21.08																21 08	

REMARKS:

Check No.

Date Paid

MARQUEZ
Last Name

JOAQUIN
First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Hours Forwarded / Occupation	Accumulated Hrs.	1.505 c Hr.	Amt.	c Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	Car	c Amt.	Car	c Amt.	Car	c Amt.	Car	c Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Cager																			
Nov. 19			5	7.52																
20			5	7.52																
Total Hours or Cars			10																	
Total Amounts			15.04																15 04	

REMARKS:

Deductions:

Withholding Tax .....
Federal O. A. B. .....
Medical .....
Stores .....
Sales Tax .....
Hospital .....
Union Dues .....
Insurance .....
Advance (Ck. No. .....)
.....
.....

Net Earnings .....

ESCAMILLA
Last Name

JOSE
First Name

Company Number

Check No.

Date Paid

Signature

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded / Accumulated Hrs.	1.505 c Hr.	1.505 c Amt.	3.01 c Hr.	3.01 c Amt.	Excess Hrs. @ ½ Pay	Excess Hrs. @ ½ Pay Amt.	c Amt.	c Car	c Amt.	c Car	c Amt.	c Car	c Amt.	c Car	c Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Cager																			
Nov. 12	# 3 hrs. co. time	8	5	7.52																
13	"	16	5	7.52																
14	"	24	5	7.52																
15	"	32	5	7.52																
16	"	40	5	7.52																
17	"	48	5	7.52			5	3.76												
21	#	8	5	7.52																
22	"	16	5		5	15.05														
23	"	24	5	7.52																
24	"	32	5	7.52																
	Total Hours or Cars		45		5		5													
	Total Amounts		67.68		15.05		3.76												86 49	

REMARKS:

Deductions:

Withholding Tax .....
Federal O. A. B. .....
Medical .....
Stores .....
Sales Tax .....
Hospital .....
Union Dues .....
Insurance .....
Advance (Ck. No. .....)
.....
.....

Net Earnings .....

Check No.

Date Paid

RODRIGUEZ
Last Name

JIM
First Name

Company Number

Signature

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded / Accumulated Hrs.	1.505 c Hr.	1.505 c Amt.	3.01 c Hr.	3.01 c Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	c Car	c Amt.	c Car	c Amt.	c Car	c Amt.	c Car	c Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Cager	13 hrs.																		
Nov. 12	3 hrs. co. time	21	5	7.52																
13	3 hrs. co. time	29	5	7.52																
14	3 hrs. co. time	37	5	7.52																
15	3 hrs. co. time	45	5	7.52																
16	3 hrs. co. time	53	5	7.52			5	3.76												
17	3 hrs. co. time	61	5	7.52			5	3.76												
19	3 hrs. co. time	8	5	7.52																
20	3 hrs. co. time	16	5	7.52																
21	3 hrs. co. time	24	5	7.52																
22	3 hrs. co. time	32	5		5	15.05														
23	3 hrs. co. time	40	5	7.52																
24	3 hrs. co. time	48	5	7.52			5	3.76												
Total Hours or Cars			55		5		15													
Total Amounts			82.72		15.05		11.28											109	05	

REMARKS:

Check No.

Date Paid

AYALA
Last Name

RAMON
First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day		Hours Forwarded / Occupation	Accumulated Hrs.	1.505 c Hr.	Amt.	3.01 c Hr.	Amt.	Excess Hrs. @ ½ Pay Hr.	Amt.	c Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
		Cager	13 hrs.																		
Nov.	12	3 hrs. co. time	21	5	7.52																
13		3 hrs. co. time	29	5	7.52																
14		3 hrs. co. time	37	5	7.52																
15		3 hrs. co. time	45	5	7.52																
16		3 hrs. co. time	53	5	7.52			5	3.76												
17		3 hrs. co. time	61	5	7.52			5	3.76												
19		3 hrs. co. time	8	5	7.52																
20		3 hrs. co. time	16	5	7.52																
21		3 hrs. co. time	24	5	7.52																
22		3 hrs. co. time 8 hrs. on 18th	32 40	5		5	15.05														
23		3 hrs. co. time	48	5	7.52			5	3.76												
24		3 hrs. co. time	56	5	7.52			5	3.76												
Total Hours or Cars				55		5		20													
Total Amounts				82.72		15.05		15.04												112 81	

REMARKS:

Deductions:

Withholding Tax .....
Federal O. A. B. .....
Medical .....
Stores .....
Sales Tax .....
Hospital .....
Union Dues .....
Insurance .....
Advance (Ck. No. .....)
.....
.....

Net Earnings .....

Check No.

Date Paid

GONZALES
Last Name

CRUZ
First Name

Company Number

Signature

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded	Accumulated Hrs.	1.505 c Hr.	Amt.	c Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period -	Day
	Cager																				
Nov. 4				4	6.02																
Total Hours or Cars				4																	
Total Amounts				6.02																6 02	

REMARKS:

Check No.

Date Paid

MONJE
Last Name

RAMON
First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded / Accumulated Hrs. 1.505	Hr.	Amt. (c)	Hr.	Amt. (c)	Excess Hrs. @ ½ Pay	Amt. (c)	Amt. (c)	Car	Amt. (c)	Car	Amt. (c)	Car	Amt. (c)	Car	Amt. (c)	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Cager																			
t. 29	8 hrs.																			
	8 hrs.																			
	8 hrs.	24																		
v. 1	5 hrs. co. time	32	3	4.52																
	4 hrs. co. time	40	4	6.02																
	4 hrs. co. time	48	4	6.02		4	3.01													
	4 hrs. co. time	8	4	6.02																
	6 hrs. co. time	16	2	3.01																
	5 hrs. co. time	24	3	4.52																
	5 hrs. co. time	32	3	4.52																
	5 hrs. co. time	40	3	4.52																
	5 hrs. co. time	48	3	4.52		3	2.26													
Total Hours or Cars			29			7														
Total Amounts			43.67			5.27												48 94		

REMARKS:

Check No.

Date Paid

ALVO

Last Name

ADOLFO

First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded / Accumulated Hrs.	1.505 c Hr.	Amt.	c Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Cager																			
Oct. 29	8 hrs. co. time																			
30	8 hrs.																			
31	8 hrs.	24 32																		
Nov. 1	5 hrs. co. time	32 ~~40~~	3	4.52																
2	4 hrs. co. time	40	4	6.02																
3	4 hrs. co. time	48	4	6.02			4	2.94												
4			4	6.02																
5																				
Total Hours or Cars			15				4													
Total Amounts			22.58				2.94											25	52	

REMARKS:

Check No.

Date Paid

GARCIA
Last Name

GONZALO
First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded	Accumulated Hrs.	1.505 ~~XXX~~ c Hr.	Amt.	c Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Cager																				
Nov. 26	5 hrs. co. time	8		3	4.52																
27	4 hrs. co. time	16		4	6.02																
28	5 hrs. co. time	24		3	4.52																
29																					
30	4 hrs. co. time	32		4	6.02																
	Total Hours or Cars			14																	
	Total Amounts			21.08															21 08		

REMARKS:

Check No.

Date Paid

POLANCO
Last Name

RUBEN
First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded / Accumulated Hrs.	1.505 Hr.	1.505 Amt.	c Hr.	c Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	c Car	c Amt.	c Car	c Amt.	c Car	c Amt.	c Car	c Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Cager																			
October 29	8 hrs.																			
30	8 hrs.																			
31	8 hrs.	24																		
Nov. 1	5 hrs. co. time	32	3	4.52																
2	4 hrs. co. time	40	4	6.02																
3	4 hrs. co. time	48	4	6.02			4	3.01												
5	6 hrs. co. time	8	2	3.01																
6	5 hrs. co. time	16	3	4.52																
7	5 hrs. co. time	24	3	4.52																
8	5 hrs. co. time	32	3	4.52																
9	5 hrs. co. time	40	3	4.52																
Total Hours or Cars			25				4.													
Total Amounts			37.65				3.01											40	66	

REMARKS:

Check No.

Date Paid

POLANCO
Last Name

RUBEN
First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded / Accumulated Hrs.	1.505 Hr.	Amt.	Hr.	Amt.	Excess Hrs. @ ½ Pay Amt.	Amt.	Car	Amt.	Car	Amt.	Car	Amt.	Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Cager																		
Nov. 26	5 hrs. co. time	8	3	4.52															
27	4 hrs. co. time	16	4	6.02															
28	5 hrs. co. time	24	3	4.52															
29	4 hrs. co. time	32	4	6.02															
30	4 hrs. co. time	40	4	6.02															
	Total Hours or Cars		18																
	Total Amounts		27.10															27 10	

REMARKS:

Deductions:

Withholding Tax .....
Federal O. A. B. .....
Medical .....
Stores .....
Sales Tax .....
Hospital .....
Union Dues .....
Insurance .....
Advance (Ck. No. .....)
.....
.....

Net Earnings .....

Check No.

Date Paid

MISQUEZ
Last Name

ARTURO
First Name

Company Number

Signature

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Hours Forwarded / Occupation	Accumulated Hrs.	1.50 Hr.	1.50 Amt.	c Hr.	c Amt.	Excess Hrs. @ ½ Pay	Amt.	c	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Cager																				
Nov. 29			4	6.02																	
Total Hours or Cars			4																		
Total Amounts			6.02																	6 02	

REMARKS:

GURULE
Last Name

COSME
First Name

Company Number

Check No.

Date Paid

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Hours Forwarded / Occupation	Accumulated Hrs.	1.505 c Hr.	Amt.	c Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Cager																			
nov. 29			4	6.02																
Total Hours or Cars			4																	
Total Amounts			6.02																6 02	

REMARKS:

Check No.

Date Paid

RODRIGUEZ
Last Name

JIM
First Name

Company Number

Signature

Deductions:

Withholding Tax .....
Federal O. A. B. .....
Medical .....
Stores .....
Sales Tax .....
Hospital .....
Union Dues .....
Insurance .....
Advance (Ck. No. .....)
.....
.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded / Accumulated Hrs.	1.405 c Hr.	1.405 c Amt.	1.375 c Hr.	1.375 c Amt.	Excess Hrs. @ ½ Pay Amt.	1.505 c Amt.	c Car	c Amt.	c Car	c Amt.	c Car	c Amt.	c Car	c Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	24 hrs. in Oct.																		
Nov. 1	8 hrs. Co. time	32																	
	4 hrs. co. time																		
2	Machine Help.	40	4	5.62															
3	Mucker 4 hrs. co.	48			4	5.50	4	2.77											
5	Cager							2	3.01										
6								3	4.52										
7								3	4.52										
8								3	4.52										
9								3	4.52										
Total Hours or Cars			4		4		4	15											
Total Amounts			5.62		5.50		2.77	21.09										34. 98	

REMARKS:

Check No.

Date Paid

MISQUEZ
Last Name

ARTURO
First Name

Company Number

Signature

Deductions:

Withholding Tax .....
Federal O. A. B. .....
Medical .....
Stores .....
Sales Tax .....
Hospital .....
Union Dues .....
Insurance .....
Advance (Ck. No. .....)
.....
.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded / Accumulated Hrs.	1.505 c Hr.	1.505 c Amt.	c Hr.	c Amt.	Excess Hrs. @ ½ Pay Hr.	Excess Hrs. @ ½ Pay Amt.	c Amt.	c Car	c Amt.	c Car	c Amt.	c Car	c Amt.	c Car	c Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Trackman																			
Oct. 28	8 hrs.																			
29	8 hrs.																			
30	8 hrs.																			
31	8 hrs.	32																		
1		40	8	12.04			8	6.02												
2		48	8	12.04																
3		56	8	12.04			8	6.02												
4			8	12.04																
5		16	8	12.04																
6		24	8	12.04																
7		32	8	12.04																
8		40	8	12.04																
9		48	8	12.04			8	6.02												
Total Hours or Cars			72				24													
Total Amounts			108.36				18.06												126 42	

REMARKS:

Check No.

Date Paid

MARTINEZ
Last Name

FEDERICO
First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded / Accumulated Hrs.	1.505 c Hr.	Amt.	3.01 c Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Trackman																			
November 11	8 hrs. company time																			
12		16	8	12.04																
13		24	8	12.04																
14		32	8	12.04																
15		40	8	12.04																
16		48	8	12.04			8	6.02												
17		56	8	12.04			8.	6.02												
18	8 hrs. company time																			
19		16	8	12.04																
20		24	8	12.04																
21		32	8	12.04																
22		40			8	24.08														
23		48	8	12.04			8	6.02												
24		56	8	12.04			8	6.02												
Total Hours or Cars			88		8		32													
Total Amounts			132.44		24.08		24.08											180	60	

REMARKS:

Check No.

Date Paid

MARTINEZ
Last Name

FEDERICO
First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded / Accumulated Hrs.	1.505 Hr.	1.505 Amt.	c Hr.	c Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	c Car	c Amt.	c Car	c Amt.	c Car	c Amt.	c Car	c Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Trackman																			
Nov. 25	Company Time	10 hrs.					2 hrs.													
26		18	8	12.04																
27		26	8	12.04																
28		34	8	12.04																
29		42	8	12.04																
30		50	8	12.04			8	6.02												
Total Hours or Cars			40				8													
Total Amounts			60.20				6.02											66	22	

REMARKS:

Deductions:

Withholding Tax .....
Federal O. A. B. .....
Medical .....
Stores .....
Sales Tax .....
Hospital .....
Union Dues .....
Insurance .....
Advance (Ck. No. .....)
.....
.....

Net Earnings .....

MARTINEZ
Last Name

FEDERICO
First Name

Company Number

Check No.

Date Paid

Signature

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded	Accumulated Hrs.	1.505c Hr.	1.505c Amt.	c Hr.	c Amt.	Excess Hrs. @ ½ Pay	Excess Hrs. @ ½ Pay Amt.	c Amt.	c Car	c Amt.	c Car	c Amt.	c Car	c Amt.	c Car	c Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Mucking Machine Operator																				
Nov. Oct. 28																					
29																					
30																					
31		24 hrs.																			
Nov. 1		5 hrs. co time	32	3	4.52																
2		4 hrs. co time	40	4	6.02																
3		4 hrs. co time	48	4	6.02			4	3.01												
4		4 hrs co time	8	4	6.02																
5		6 hrs co. time	16	2	3.01																
6		5 hrs co. time	24	3	4.52																
7		5 hrs co. time	32	3	4.52																
8		5 hrs co. time	40	3	4.52																
9		5 hrs. co. time	48	3	4.52			3	2.26												
Total Hours or Cars				29				7													
Total Amounts				43.67				5.27											48	94	

REMARKS:

Check No.

Date Paid

ACOSTA CONCEPCION

Last Name First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded / Accumulated Hrs.	1.505 c Hr.	Amt.	3.01 c Hr.	Amt.	Excess Hrs. @ ½ Pay Hr.	Amt.	c Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Mucking Machine Operator																			
Nov. 12	3 hrs co time	8	5	7.52																
13	3 hrs. co. time	16	5	7.52																
14	3 hrs. co. time	24	5	7.52																
15	3 hrs. co time	32	5	7.52																
16	3 hrs. co. time	40	5	7.52																
17	3 hrs. co. time	48	5	7.52			5	3.76												
19	3 hrs. co. time	8	5	7.52																
20	3 hrs. co. time	16	5	7.52																
21	3 hrs. co. time	24	5	7.52																
22	3 hrs. co. time	32			5	15.05														
23	3 hrs. co. time	40	5	7.52																
24	3 hrs. co. time	48	5	7.52			5	3.76												
	Total Hours or Cars		55		5		10													
	Total Amounts		82.72		15.05		7,52												105.29	

REMARKS:

Check No.

Date Paid

ACOSTA
Last Name

CONCEPCION
First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded / Accumulated Hrs.	1.505 c Hr.	Amt.	c Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.	c	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Mucking Machine Op.																				
Nov.																					
26	5 hrs co. time	8	3	4.52																	
27	4 hrs. co. time	16	4	6.02																	
28	5 hrs. co. time	24	3	4.52																	
29	4 hrs. co. time	32	4	6.02																	
30	4 hrs. co. time	40	4	6.02																	
	Total Hours or Cars		18																		
	Total Amounts		27.10																27	10	

REMARKS:

Check No.

Date Paid

ACOSTA
Last Name

CONCEPCION
First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day		Hours Forwarded / Occupation	Accumulated Hrs.	1.375 c Hr.	Amt.	c Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
		Mucker																			
Nov.	26	5 hrs. co. time	8	3	4.13																
27		4 "	16	4	5.50																
28		5 "	24	3	4.13																
29		4 "	32	4	5.50																
30		4 "	40	4	5.50																
Total Hours or Cars				18																	
Total Amounts				24.76															24.76		

REMARKS:

Check No.

Date Paid

AGUILAR
Last Name

RAMON
First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Hours Forwarded / Occupation	Accumulated Hrs.	1.375 c Hr.	Amt.	c Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Mucker																			
Nov. 20		5	6.87																	
Total Hours or Cars			5																	
Total Amounts			6.87																6 87	

REMARKS:

Deductions:

Withholding Tax .....

Federal O. A. B.....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No.....)

.....

.....

Net Earnings .....

Check No.

Date Paid

GALAVIS
Last Name

MARTIN
First Name

Company Number

Signature

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded / Accumulated Hrs.	1.375 c Hr.	Amt.	2.75 c Hr.	Amt.	Excess Hrs. @ ½ Pay Hr.	Amt.	c Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Mucker																			
Nov. 12	3 hrs. co. time	8	3	6.87																
13	"	16	5	6.87																
14	"	24	5	6.87																
15	"	32	5	6.87																
16	"	40	5	6.87																
17	"	48	5	6.87			5	3.44												
19	"	8	5	6.87																
21	"	16	5.	6.87																
22	"	24			5	13.75														
23	"	32	5	6.87																
24	"	40	5	6.87																
	Total Hours or Cars		50		5		5													
	Total Amounts		68.70		13.75		3.44												85.89	

REMARKS:

Check No.

Date Paid

SANDOVAL
Last Name

RAUL
First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded / Accumulated Hrs.	1.375 c Hr.	Amt.	c Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Mucker																			
		24																		
Nov. 7	5 hrs. co.	32	3	4.13																
8	5 hrs. co.	40	3	4.13																
9	5 hrs. co.	48	3	4.13			3	2.06												
Total Hours or Cars			9				3													
Total Amounts			12.39				2.06												14 45	

REMARKS:

Check No.

Date Paid

AGUILAR
Last Name

RAMON
First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded	Accumulated Hrs.	1.375 c Hr.	Amt.	c Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Mucker																				
Nov. 1				3	4.13																
5				2	2.75																
6				3	4.13																
Total Hours or Cars				8																	
Total Amounts				11.01															11 01		

REMARKS:

Check No.

Date Paid

BENAVIDEZ
Last Name

PETE
First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded	Accumulated Hrs.	1.565 c Hr.	Amt.	c Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	c Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Machine Man																				
				625 -1 Drift Contract																	
				68 feet @ 5.20 per foot															353.60		
				8 shifts @ 48¢															3.84	395.00	
																			23.04		
Total Hours or Cars																					
Total Amounts																					

REMARKS:

Check No.

Date Paid

MURILLO, JR. — Last Name

ENCARNACION — First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded / Accumulated Hrs.	Hr.	Amt.	Hr.	Amt.	Excess Hrs. @ ½ Pay	Amt.	Amt.	Car	Amt.	Car	Amt.	Car	Amt.	Car	Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
		1.565																		
	Machine Man																			
							625-1 Drift:													
							70 feet @ $5.20											364.00		
							Shift differential @ 48¢											5 28		
																		12 52		
20		8 12.52																		
	Total Hours or Cars																			
	Total Amounts																			

REMARKS:

Deductions:

Withholding Tax .....
Federal O. A. B. .....
Medical .....
Stores .....
Sales Tax .....
Hospital .....
Union Dues .....
Insurance .....
Advance (Ck. No. .....)
.....
.....

Net Earnings .....

Check No.

Date Paid

MURILLO, JR.
Last Name

ENCARNACION
First Name

Company Number

Signature

PERU MINING COMPANY

Social Security Number

Payroll for Half Month Ended

Day	Occupation	Hours Forwarded / Accumulated Hrs.	1.565c Hr.	1.565c Amt.	c Hr.	c Amt.	Excess Hrs. @ ½ Pay	Amt.	c Amt.	c Car	c Amt.	c Car	c Amt.	c Car	c Amt.	c Car	c Amt.	TOTAL EARNINGS FOR DAY	Total Earnings For Period	Day
	Machine Man																			
26			8	12.52																
27		Contract		40.48																
28		"		40.48																
29		"		40.48																
30		"		40.48																
	due on contract previous periods				102.02														276 46	
	Total Hours or Cars																			
	Total Amounts																			

REMARKS:

Check No.

Date Paid

MURILLO, JR.
Last Name

ENCARNACION
First Name

Company Number

Signature

Deductions:

Withholding Tax .....

Federal O. A. B. .....

Medical .....

Stores .....

Sales Tax .....

Hospital .....

Union Dues .....

Insurance .....

Advance (Ck. No. .....)

.....

.....

Net Earnings .....

(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 371X

Name of Operator Peru Mining Company
Docket No. DMA
Total Contract Amount $ 225,000.00
Government Participation: 50 % Amount, $112,500.00
Distribution of Expenditures for Month of November, 1951

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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.

PERU MINING COMPANY
(Name of Company)

By /S/ J.W.FAUST
(Signature of Authorized Official)

DECEMBER 14, 1951
(Date)

ASSISTANT MANAGER
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
1 JUMBO	$3,795.	-	3,795.00	3,795.	-	3,795.00
4 DA30 Drifters @ $965.00 each	3,860.	-	3,860.00	3,860.		3,860.00
(b) Rented[2]						
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

ITEM	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	2,299.10	4,681.72	6,980.82	2299.10	4681.72	6980.82
5. Supervision	262.50	603.75	866.25	262.50	603.75	866.25
6. Supplies						
(a) Timber						
(b) Explosives	540.70	1,321.58	1,862.28	540.70	1321.58	1862.28
(c) Repair Parts						
(d) Other	452.32	1,711.53	2,163.85	452.32	1711.53	2163.85
7. Power	612.00	1,397.36	2,009.36	612.00	1397.36	2009.36
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability	1.23	2.61	3.84	1.23	2.61	3.84
(c) Workmen's Compensation	114.20	226.46	340.66	114.20	226.46	340.66
Occupational Disease	19.76	39.32	59.08	19.76	39.32	59.08
10. Contract Work						
11. Other (specify)						
Social Security Taxes	58.19	195.73	253.92	58.19	195.73	253.92
Geological	140.00	168.00	308.00	140.00	168.00	308.00
TOTAL	12,155.00	10,348.06	22,503.06	12,155.00	10,348.06	22,503.06
Deletions						
Adjusted totals						
Totals previously reported	10,348.06			10,348.06		
Totals to date	22,503.06			22,503.06		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by

Entered by

Approved by John H. Soule WRS JVT WHK

Amount approved for payment

Remarks

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF November, 1951

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	2,561.60	7,655.00	993.02	945.38	12,155.00	foot	150	367	517	
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	2,561.60	7,655.00	993.02	945.38	12,155.00		150	367	517	

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(April 1951)

Budget Bureau No. 42-R1036.1.
Approval expires 8-31-51.

C C
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Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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.

PERU MINING COMPANY
(Name of Company)

By /S/ J. W. Faust
(Signature of Authorized Official)

November 13, 1951
(Date)

ASSISTANT MANAGER
(Title)

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

16—64068-2

MONTHLY SUMMARY COST STATEMENT

Name of operator Peru Mining Company
Project No. DMA 371X
Total contract amount $225,000.00
Government participation percent 50%

Distribution of Expenditures for Month of October, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	2,425.78	2,859.69	5,285.47	2425.78	2859.69	5285.47
Equipment purchase [1]						
Equipment rental [2]						
Buildings						
Explosives	546.45	775.13	1,321.58	546.45	775.13	1321.58
Repair parts						
Other supplies	451.59	1,259.94	1,711.53	451.59	1259.94	1711.53
Power	648.72	748.64	1,397.36	648.72	748.64	1397.36
Transportation						
Withholding taxes						
Compensation insurance	102.29	124.17	226.46	102.29	124.17	226.46
Other insurance	19.05	22.88	41.93	19.05	22.88	41.93
Contract work						
Other (specify) Soc. Sec. Taxes	67.05	128.68	195.73	67.05	128.68	195.73
Geological	140.00	28.00	168.00	140.00	28.00	168.00
Total	4,400.93	5,947.13	10,348.06	4400.93	5947.13	10,348.06
Totals previously reported	5,947.13					
Totals to date	10,348.06					

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by John H. Soule WRS WDM
Amount approved for payment 2200.46
Remarks

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

New Mexico Field Office
Box 1060, Silver City, New Mexico
November 15, 1951

Docket DMA-371X, Contract Idm-E67, Peru Mining Co., Grant County Zinc Mine, Central Mining District, Grant County, New Mexico.

Progress Report, Oct. 1 to Nov. 1, 1951

The Kearney mine of the New Mexico Consolidated Mining Co. (Peru Mining Co.) was visited on November 13, 1951, to inspect the drift being driven from the 625-foot level northeasterly to the Grant County mine. The drift had advanced 159 feet during October, making a total advance of 367 feet since the start of the period.

No equipment was received during October and no other phases of the project started.

Again this month, a few comments on the wages may be in order. As before, the final wage figures include night differential pay as well as time and one-half for overtime. There also is some adjustment made in balancing the monthly period against the shorter pay periods used at the mine and funds are entered only during the month in which they are paid. None of the wage figures include the new union pay rates as the rates have not been approved by the Wage Stabilization Board. The new rates are retroactive and the additions will be submitted in the month when the payments are actually made.

John H. Soule'

John H. Soule'
Acting Supervising Engineer
New Mexico Field Office
Arizona-New Mexico Branch
Mining Division, Region IV

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

November 12, 1951

Mr. W. R. Storms
U. S. Bureau of Mines
4097 University Station
Tucson, Arizona

Dear Mr. Storms:

During October we were able to push the Grant County drift, on the 625 Kearney Level, a distance of 159 feet. This, as heretofore, was done on a contract basis and is not changed as to contract rate because of a new labor contract.

We have now signed a contract with the Mine, Mill & Smelter Workers, Local 890, and this contract calls for a considerable increase in rates of pay. However, it is subject to approval of the Wage Stabilization Board and application is made for this approval. This rate schedule, which is retroactive to August 18th, is as follows:

OCCUPATIONAL CLASSIFICATION	HOURLY RATE
Laborer	$ 1.41
Mucker	1.49
Tool Nipper	1.53
Crusher Man	1.53
Repair Helper	1.53
Toplander	1.53
Aerial Trammer	1.53
Grizzlyman	1.53
Steel Sharpener Helper	1.53
Truck Driver	1.53
Machine Helper	1.53
Track Helper	1.53
Dragman	1.74
Shovel Operator	1.74
Machine Man	1.74
Cager	1.74
Repairman	1.74
Trackman	1.74
Motorman	1.74
Pipeman	1.74
Pumpman	1.74
Steel Sharpener	1.84
Mechanic	1.84
Carpenter	1.84
Diamond Driller	1.84
Hoistman	1.84
Shaftman	1.84
Electrician	1.84

COPY

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

The costs which you will see for the time being do not include this higher rate schedule.

None of the equipment ordered to use in this project was received before the first of November; however, within the last few days we received the two-machine Ingersoll-Rand Jumbo, four powerfeed drifters and the mine cars listed in the equipment on the contract. We hope that from now on we will be able to increase the rate of development.

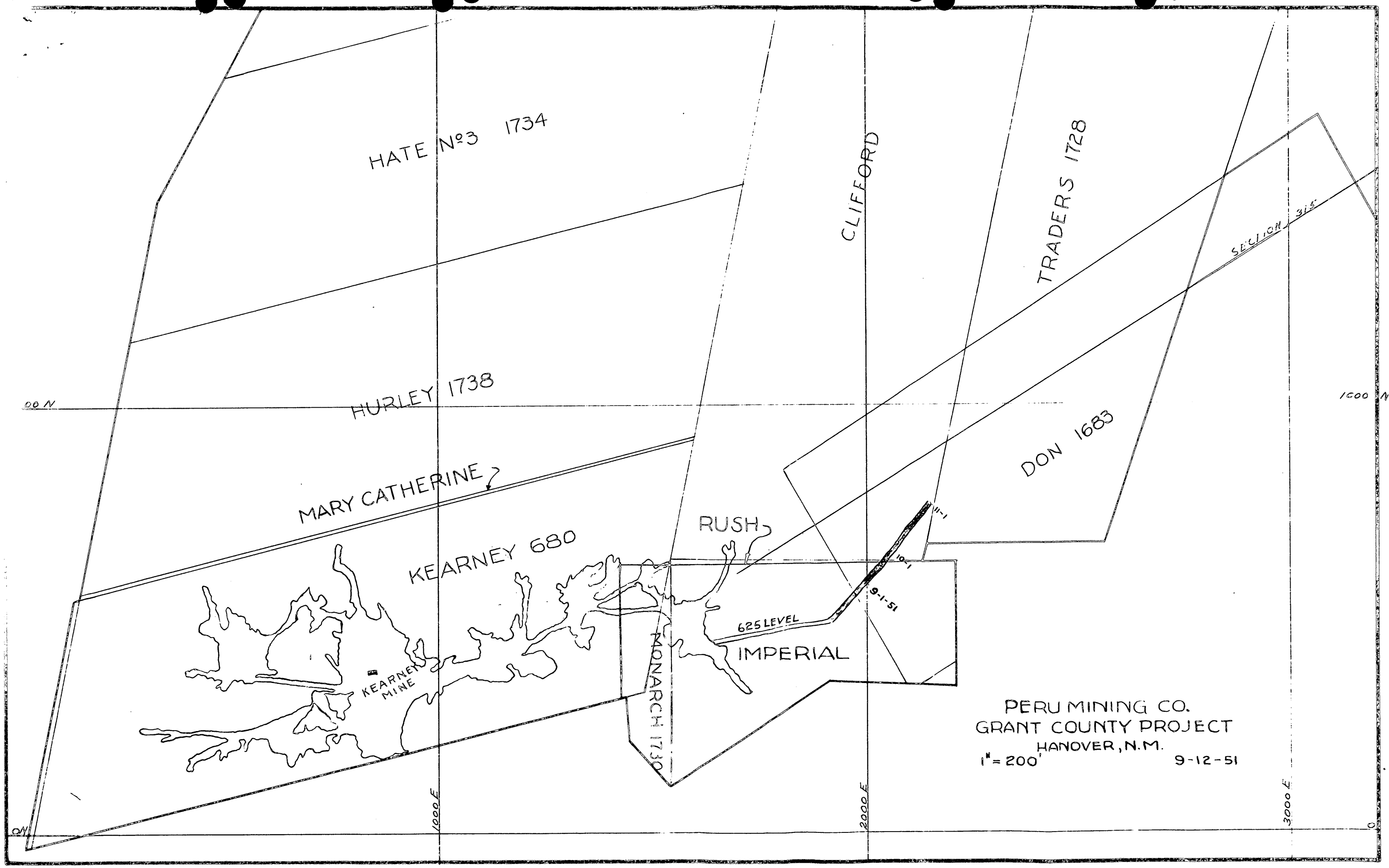
The new wage schedule has frightened people from taking work and for this reason the agreement which we thought we had with Zack Morrison evidently will not be carried out. Morrison has left here and turned his equipment over to someone else and is not interested in the churn drill hole.

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:F

COPY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KEARNEY MINE
MONARCH 1730
PERU MINING CO.
GRANT COUNTY PROJECT
HANOVER, N.M.
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DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF October, 1951

Name of operator Peru Mining Company
Project No. DMA 371x
Total contract amount $225,000.00
Government participation percent 50%

Type	Number	Man-Shifts	Rate	Total
Miners	1	26 208 hrs.	$ Contract	$ 940.30
Muckers	1	8.75 70 hrs.	1.375	99.65
Trammers				
Timbermen				
Pumpmen & Cagers	2	39.75 318 hrs.	1.505	530.20
Hoistmen				
Surface				
Samplers Mucking Machine Operators	1	13.25 106 hrs.	1.505	169.32
Assayers Trackman	1	27 216 hrs.	1.505	373.24
Shift bosses Machine Helper	1	4.125 33 hrs.	1.405	50.57
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent				55.00
Engineers				162.50
Geologists				
Bookkeeper				
Foreman				45.00
Clerks				
Stenographers				
Other				
Total				2,425.78

NOTE.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by John H. Soule WRS
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF October, 1951

Name of operator Peru Mining Company
Project No. DMA 371X
Total contract amount $225,000.00
Government participation, percent 50%

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting	2,425.78		998.04	977.11	4,400.93	foot	159	208	367	
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	2,425.78		998.04	977.11	4,400.93	foot	159	208	367	

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by John H. Soule WRS
Remarks

MF-104
(April 1951)

Budget Bureau No. 42-R1036.1.
Approval expires 8-31-51.

C C
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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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.

PERU MINING COMPANY
(Name of Company)

By JOS. H. TAYLOR
(Signature of Authorized Official)

OCTOBER 11, 1951
(Date)

Vice President
(Title)

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

MONTHLY SUMMARY COST STATEMENT

Name of operator Peru Mining Company
Project No. DMA 371X
Total contract amount $225,000.00
Government participation percent 50

Distribution of Expenditures for Month of September, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	1,444.65	1,415.04	2,859.69	1444.65	1415.04	2859.69
Equipment purchase [1]						
Equipment rental [2]						
Buildings						
Explosives	397.72	377.41	775.13	397.72	377.41	775.13
Repair parts						
Other supplies	230.56	1,029.38	1,259.94	230.56	1029.38	1259.94
Power	399.84	348.80	748.64	399.84	348.80	748.64
Transportation						
Withholding taxes						
Compensation insurance	60.90	63.27	124.17	60.90	63.27	124.17
Other insurance	11.22	11.66	22.88	11.22	11.66	22.88
Contract work						
Other (specify) Soc. Sec. Taxes	78.06	50.62	128.68	78.06	50.62	128.68
Geological	28.00	-	28.00	28.00	-	28.00
Total	2,650.95	3,296.18	5,947.13	2650.95	3296.18	5947.13
Totals previously reported	3,296.18			3296.18		
Totals to date	5,947.13			5947.13		

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by John H. Soule WRS WDM PTA
Amount approved for payment 1325.47
Remarks

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

October 13, 1951

Re: DMA-371-X
Contract IDM-267

Mr. W. R. Storms
U. S. Bureau of Mines
4097 University Station
Tucson, Arizona

Dear Mr. Storms:

Enclosed are the report of costs expended on the Grant County project and a progress sheet showing the amount of drifting done during September.

As soon as the strike was over, the contractor started work on this drift and pursued this work as rapidly as he could until the end of the month.

We have been unable as yet to receive the Jumbo, the Powerfeed drifter and a mucking machine which are required. The Gardner-Denver Company, from whom we expected the mucking machine, is now out on strike and we do not know how long this will last.

The wage rate for the area has not as yet been determined. No contracts have been signed in this area with the Mine, Mill & Smelter Workers and we do not know what our costs truly are so that after this contract with the Union is signed, there will be a higher cost of operation.

Kindly send us two dozen forms for reporting monthly costs of operation.

With kindest personal regards, I remain,

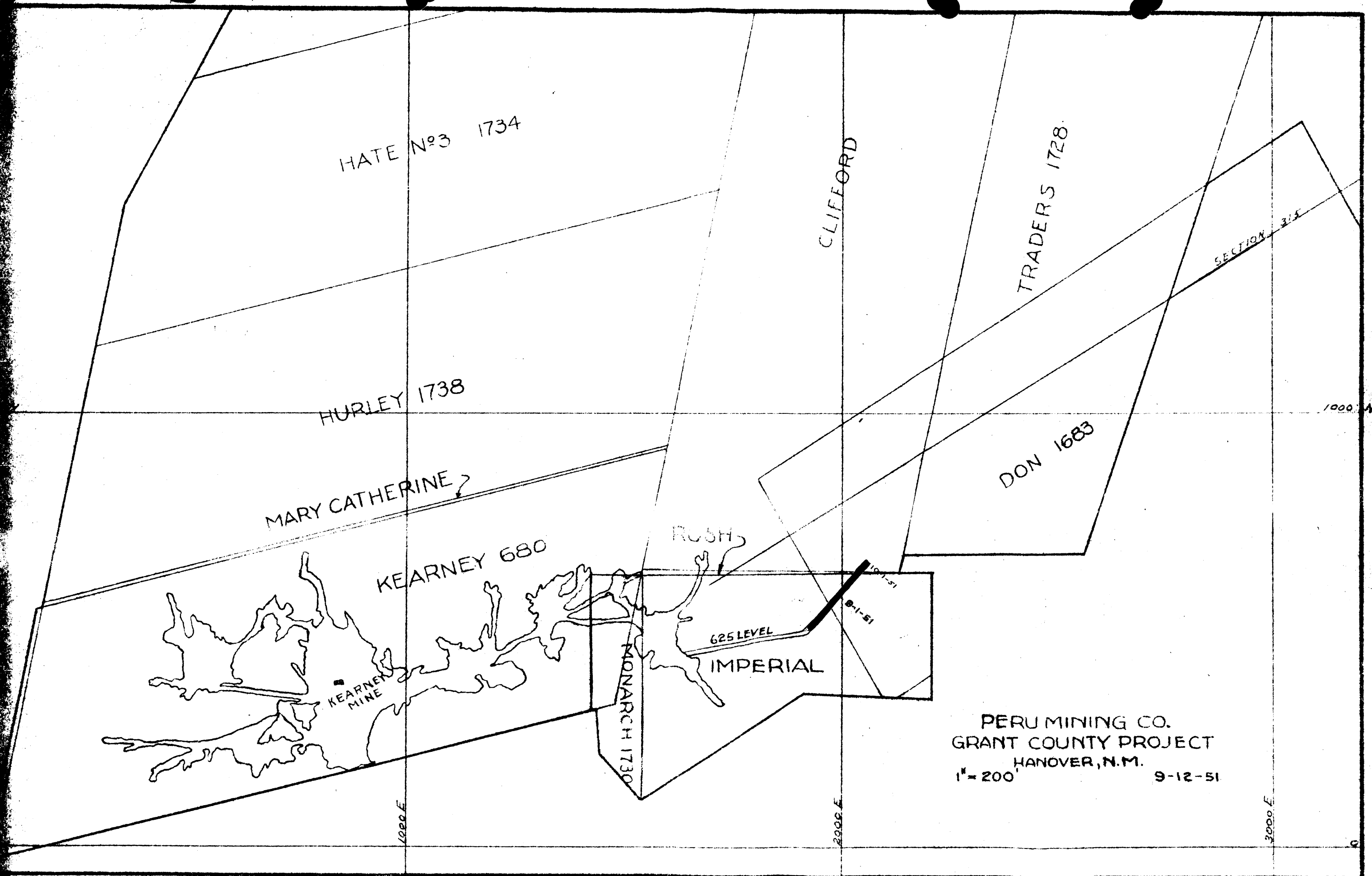
Sincerely yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:F
Enc.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CLIFFORD
TRADERS 1728
SECTION 3/5
HURLEY 1738
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DON 1683
MARY CATHERINE
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KEARNEY 680
10-1-51
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625 LEVEL
IMPERIAL
KEARNEY MINE
MONARCH 1730
PERU MINING CO.
GRANT COUNTY PROJECT
HANOVER, N.M.
1" = 200'
9-12-51
1000 E
2000 E
3000 E

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF September, 1951

Name of operator Peru Mining Company
Project No. DMA 371X
Total contract amount $225,000.00
Government participation percent 50

Type	Number	Man-Shifts	Rate	Total
Miners	1	19	$ Contract	$ 401.60
Muckers	1	8¼	1.375	96.22
Trammers				
Timbermen				
Pumpmen & Cagers	3	28.125	1.505	350.62
Hoistmen				
Surface				
Samplers Mucking Machine Operator	1	9.375	1.505	118.88
Assayers Trackman	1	19	1.505	258.90
Shift bosses Machine Helper	1	3/4	1.405	8.43
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent				44.00
Engineers				130.00
Geologists				
Bookkeeper				
Foreman				36.00
Clerks				
Stenographers				
Other				
Total				1,444.65

Note.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by John H. Soule WRS WDM
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF September, 1951

Name of operator: Peru Mining Company
Project No. DMA 371X
Total contract amount $225,000.00
Government participation, percent 50

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting	1,444.65		628.28	578.02	2,650.95	foot	98	110	208	
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1,444.65		628.28	578.02	2,650.95	foot	98	110	208	

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by John H. Soule WRS WDM
Remarks

MF-104
(April 1951)

Budget Bureau No. 42-R1036.1.
Approval expires 8-31-51.

C O P Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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.

PERU MINING COMPANY
(Name of Company)

By /S/ Jos. H. Taylor
(Signature of Authorized Official)

SEPTEMBER 12,1951
(Date)

Vice President
(Title)

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

16—64068-2

MONTHLY SUMMARY COST STATEMENT

Name of operator Peru Mining Company
Project No. DMA 371X
Total contract amount $225,000
Government participation percent 50

Distribution of Expenditures for Month of August, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	1,415.04	-	1,415.04	1415.04		1415.04
Equipment purchase [1]						
Equipment rental [2]						
Buildings						
Explosives	377.41	-	377.41	377.41		377.41
Repair parts						
Other supplies	1,029.38	-	1,029.38	1029.38		1029.38
Power	348.80	-	348.80	348.80		348.80
Transportation						
Withholding taxes						
Compensation insurance	63.27	-	63.27	63.27		63.27
Other insurance	11.66	-	11.66	11.66		11.66
Contract work						
Other (specify) Social Security Taxes	50.62	-	50.62	50.62		50.62
Total	3,296.18	-	3,296.18	3296.18		3296.18
Totals previously reported	-		-			
Totals to date	3,296.18		3,296.18	3296.18		3296.18

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Walter R. Storms PTA
Amount approved for payment
Remarks

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

New Mexico Field Office, Ariz-N. Mex. Br.
Box 1060, Silver City, New Mexico
September 11, 1951

Docket DMA-371X, Peru Mining Co., applicant, Grant County Zinc Mine, Central Mining District, Grant County, New Mexico.

PROGRESS REPORT, July 26-Sept. 1, 1951

Work on the exploratory drift from the 625' level of the Kearney to the Grant County Mine was started on July 26, 1951. As of Sept. 1, 1951, no other work was started and no equipment had been purchased.

The mine was visited on September 11, 1951, to check the progress. A visit on Sept. 1 was not in order because of a district strike that caused about two weeks lost time the latter part of August and early part of September.

The main drift from the Kearney advanced 110 feet during the period and on Sept. 1 the center of the face was at a point near N. ~~130~~ 237, E. ~~2100~~ 2268 of Figure 2, Idealized Plan of Proposed Exploration, Grant County Mine.

The total costs for the period were $3,296.18 and are broken down in the following tabulation:

Labor	$1,283.79
Explosives	377.41
Supplies	1,029.38
Power	348.80
Supervision and engineering	131.25
Taxes & insurance	125.55
	$3,296.18

The Government's share of the cost of this project for the period is one-half, or $1,648.09. It is recommended that the voucher, when submitted by the applicant, be approved for the above sum.

Respectfully submitted,

John H. Soule'
Acting Supervising Engineer

PERU MINING COMPANY

SILVER CITY, NEW MEXICO

September 12, 1951

Re: DMA-371-X
Contract IDM-E67

Mr. W. R. Storms
U. S. Bureau of Mines
4097 University Station
Tucson, Arizona

Dear Mr. Storms:

Enclosed you will find monthly cost report and maps showing the costs and progress made in connection with the above contract.

Work was started on this project July 23rd, 1951, immediately after receiving word from Mr. East. All charges for work done during the last few days of July and all charges for the work done during August are included in the costs for August. We trust these costs are self explanatory. The number of man shifts devoted to this work is given; however, the number of men employed in this work is not shown and if this is necessary, kindly let me know.

No equipment was received for this work during the month of August but the following equipment has been ordered and we are expecting this to arrive during the last of September or in October.

Order #B-2048 for 1 Ingersoll-Rand Two Drill Boom Jumbo - Ingersoll-Rand Co.
Order #B-2049 for 4 Ingersoll-Rand DA30 Power Feed Drifters - Ingersoll-Rand Co.
Order #B-2050 for 20 1 Ton Mine Cars - Hirsch Brothers Machinery Co.
Order #N-321 for 1 Mancha Locomotive - Goodman Manufacturing Co.
Order #B-2047 for 1 Gardner Denver Mine Car Loader - Mine Supply, Inc.

The work was carried on with equipment currently available.

The mines were struck at noon of August 23rd and the men did not go back to work until the morning of September 7th. There were no unsettled grievances and no demands for changes in the contract which had expired August 18th. The men said they were striking out of sympathy for miners in other work.

Mr. John Soule of the Bureau of Mines inspected the drift after it was started and also inspected the work done at the end of the month. We are now trying to get the contractor to start the churn drill hole as planned and we expect to have someone at work before the end of September. If there is anything further which you desire to know about this project, kindly let me know.

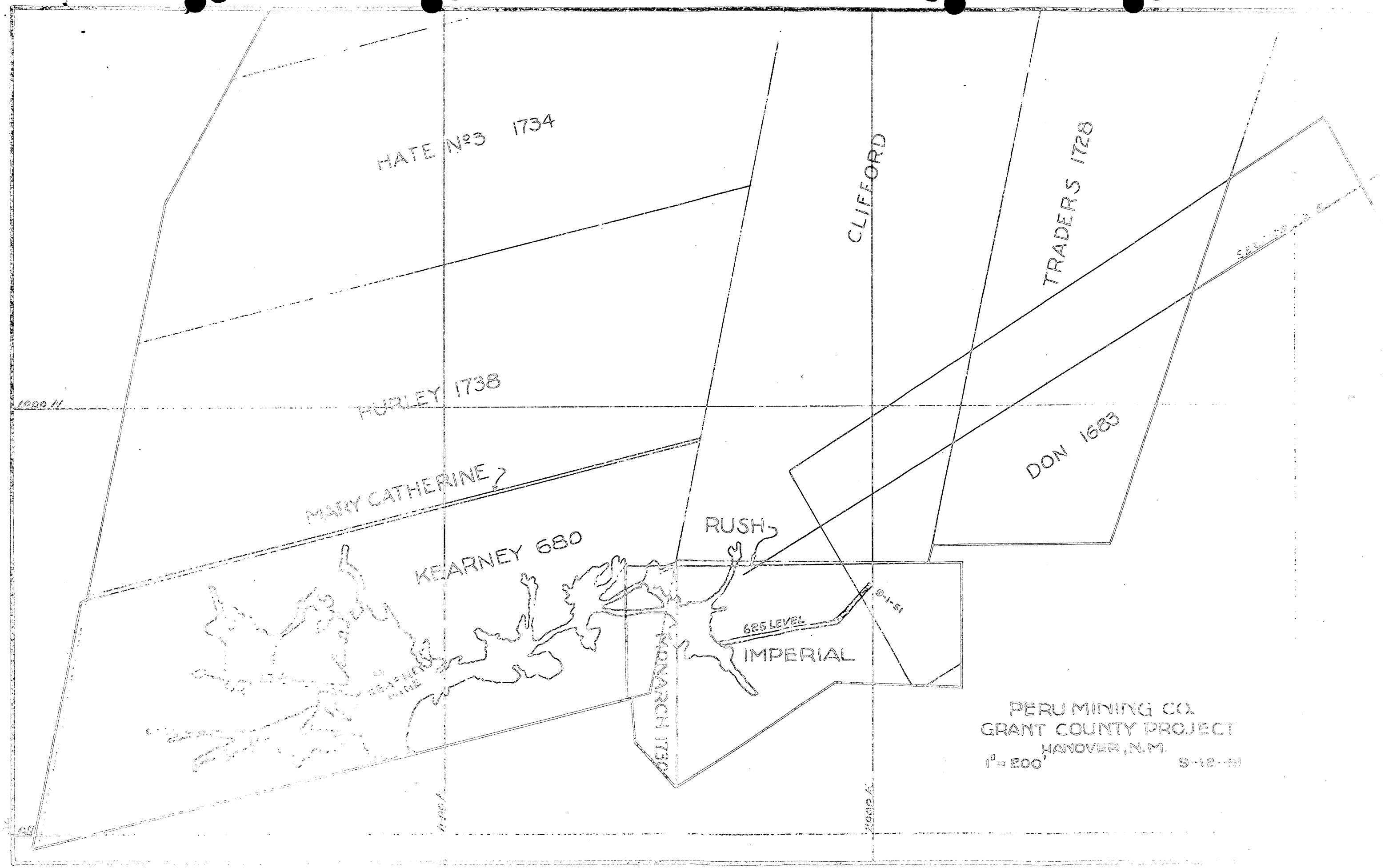
Very truly yours,

PERU MINING COMPANY

Jos. H. Taylor

Jos. H. Taylor
Vice President

JHT:F


HATE No3 1734
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9-1-51
625 LEVEL
IMPERIAL
MONARCH 1730
PERU MINING CO.
GRANT COUNTY PROJECT
HANOVER, N.M.
1" = 200'
9-12-51

New Mexico Field Office, Ariz.-N.Mex.Br.
Box 1060, Silver City, New Mexico
October 17, 1951

Docket DMA-371X, Contract Idm-E67, Peru Mining Co., Grant County Zinc Mine, Central Mining District, Grant County, New Mexico

PROGRESS REPORT, Sept. 1 to Oct. 1, 1951

The Kearney mine of the New Mexico Cons. Mining Co. (Peru Mining Co.) was visited on October 2, 1951, to inspect the drift being driven from the 625-foot level to the Grant County mine. This drift advanced 98 feet for the month, making a total advance of 208 feet. The face of the drift is now near coordinates N. 675, E. 2075. As was the case in August, considerable advance was lost through a strike that stopped work at the mine during the first part of the period. The strike occurred during the last part of August and the first part of September.

The churn drill hole was to have been started during the period but to date has not been done. It may be necessary to contact another contractor to get this work started.

None of the equipment ordered for this project has been received so no charges for equipment were made.

The accompanying forms MF-104 needs some explanation. The wages and salaries item on the first page totaling $1,444.65 contains the Withholding Tax and such is therefore not listed again under the item so marked. On the second page, the items under rate are the basic rates determined by the now expired but yet used union contract. The figures in the total column include the total hours times the basic rate plus time and a half overtime pay and night differential pay when applicable. This leads to a higher average rate than the basic rate. These rates are listed as follows.

Job	Basic Rate	Average Rate incl. Overtime & Night Diff.
Mucker	$1.375	$1.458
Pumpmen & Cagers	1.505	1.588
Mucking Machine Operator	1.505	1.585
Trackman	1.505	1.703
Machine Helper	1.405	1.405

The item Geological on page one refers to the fee paid the consultant. This is not listed on page two because no withholding taxes are made from this fee.

Respectfully submitted,

John H. Soule

John H. Soule'
Acting Supervising Engineer

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF August, 1951

Name of operator Peru Mining Company
Project No. DMA 371X
Total contract amount $225,000
Government participation percent 50

Type	Number	Man-Shifts	Rate	Total
		15.68	1.557	195.38
Miners (Contract $5.20 per ft.)		11	$ Contract	$ 472.74
Muckers		7.75	1.478	91.63
Trammers				
Timbermen				
Pumpmen & Cagers		13	1.621	170.23
Hoistmen		1/8	1.60	1.60
Surface				
Samplers Mucking Machine Operator		11.75	1.6335	153.55
Assayers Trackman		14	1.666	186.62
Shift bosses Pipeman		1	1.505	12.04
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent				27.50
Engineers				81.25
Geologists				
Bookkeeper				
Foreman				22.50
Clerks				
Stenographers				
Other				
Total				1,415.04

Note.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Walter R. Storms
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF August, 1951

Name of operator Peru Mining Company
Project No. DMA 371X
Total contract amount $225,000.00
Government participation, percent 50

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting	1,415.04		1,406.79	474.35	3,296.18	foot	110	-	110	
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1,415.04		1,406.79	474.35	3,296.18	foot	110	-	110	

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Walter R. Storms
Remarks