OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Amended Contract Idm-8295, Docket DMEA-2309 (lead-zinc), effective April 16, 1952, with

Comet Mines, Incorporated
Pioche, Nevada
and
218 Felt Building
Salt Lake City, Utah

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Comet Mine located in Lincoln County, Nevada, during the period July 1, 1955, through November 15, 1961.

In accordance with Article 8 and Amendments Nos. 1 and 2 of the Amended Contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 14 years from April 16, 1952, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated December 4, 1957, indicated accepted costs under the exploration contract amounting to $124,072.00 with the Government's contribution on a 50 percent basis being $62,036.00.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Royalty Audit Certificate, which found the sales subject to the Government's royalty through June 30, 1955, to be $2,773.04. The royalty account as of June 30, 1955, was:

Total Royalty Payable	$41.60
Total Royalty Paid	41.60
Balance of Royalty Due	$ -0-

At November 15, 1961, the royalty account of this project was found to be:

Total Royalty Payable	$41.60
Total Royalty Paid	41.60
Balance of Royalty Due	$ -0-

E. D. Talbert, OME Auditor

November 21, 1961

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

Subsequent to the period covered by a Royalty Audit Certificate and Report dated October 28, 1955, Amendments Nos. 1 and 2 to the Amended Exploration Project Contract were executed. Under the effective provisions of these amendments, certification of discovery or development is waived and the Operator is obligated, as principal if the producer or as surety if not the producer, to pay the Government's percentage royalty on production for a maximum of 14 years from April 16, 1952.

The property under the contract has been inactive since termination of the exploration work in June 1957. The $2,773.40 proceeds on 505.462 short dry tons of lead-zinc ores, as covered by the royalty audit, represent all sales of production since the effective date of the contract.

Upon the June 1957 termination of the exploration work, 440 short wet tons of ore (averaging .081 ounce of gold per ton, 5.06 ounces of silver per ton, 1.52 percent lead, and .82 percent zinc) were stockpiled at the mine. Under Article 8(d) of the contract the Government has the option of requiring computation and payment of royalty on any unsold production after a lapse of six months from the date of extraction.

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

(1) The records indicate that, except for a stockpile of low-grade ores, all production has been reported and proper royalty thereon paid;

(2) The property has been inactive since June 1957; and

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

Check Sheet of Examining Engineer

Operator's Name Comet Mines, Inc.

Address Pioche,

Lincoln County, Nevada

Exploration Contract No. Idm-E 295 Docket No. DMEA-2309

	Check One Yes	No
1. (a) Does the Operator stockpile ore subject to royalty repayment?	X	
(b) If so, is segregation and identification procedure adequate?	X	
2. (a) Does Operator commingle production subject to DMEA royalties with exempt production?		X
(b) If so, do you consider the allocation of the commingled production equitable?		
3. (a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?	X	
(b) If so, are adequate records maintained on such material to protect the Government's interest?	X	
4. Do you consider the assay controls in effect are adequate?	X	
5. Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6. Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA royalties?	X	
7. Does the Operator buy from or sell to other Operators?		X

8. Comment on any item 2 (b) to 6 if answer is No.

The operator discontinued work on the project on June 15, 19577

GLENN G. GENTRY

Glenn G. Gentry
Mining Engineer
Acting Field Officer, OME
Region II

Date November 15, 1961

82448

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Lowell Mines, Incorporated
Phoenix, Arizona
c/o Combined Metals, Inc.

Re: [illegible]
[illegible]

Dear Sirs:

Enclosed herewith for [illegible]
of the subject contract [illegible]
Mr. E. D. Talbert, OME, A, [illegible]

The Acting Field Officer, [illegible]
in this Report of Review

[illegible]

[illegible]
Acting [illegible]
Region [illegible]

Enclosure 1

Copy to: Contract Administration and Audit Division
OME, Washington 25, D. C.

OME Files

NOV 2 2 1961

Memorandum

To: Acting Field Officer, Region II

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

Subject: OrEA-2309 (Lead-Zinc)
Comet Mines, Inc.
Comet Mine
Lincoln County, Nevada
Amended Contract Idm-8295

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

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.;
(b) One copy for the Operator; and
(c) One copy for your files.

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

Attachments

EDTalbert/ama
November 21, 1961

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

NOV 7 1961

Memorandum

To: Acting Field Officer, Region II

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

Subject: DMEA-2309 (Lead-Zinc)
Comet Mines, Inc.
Comet Mine
Lincoln County, Nevada
Contract Idm-E295

This Division is preparing a Report of Royalty Review on the subject contract. Accordingly, your submission of an original and one copy of MME Form 22, Check Sheet of Examining Engineer, will be appreciated.

It appears that this project has been inactive since June 1957. If this is so, please make an appropriate statement under item 8 of MME Form 22.

EDTalbert/ama
November 7, 1961

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

FIRST ROYALTY AUDIT CERTIFICATE

I have examined the records and sales documents pertaining to the sale of lead and zinc ore, for the period April 16, 1952 to June 30, 1955, by the:

Comet Mines, Incorporated,
a Nevada Corporation
Pioche, Nevada and
218 Felt Building
Salt Lake City, Utah

produced from the Comet Mine, located in Lincoln County, Nevada, under the terms of Contract No. Idm-E295, Docket No. DMEA-2309, dated April 16, 1952, and Amended Contract No. Idm-E295, Docket No. DMEA-2309, dated April 16, 1952.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit established the total net sales of lead and zinc ore for this period to be $2,773.04. Royalties due the U.S. Government at the contract rate of 1 1/2 percent are $41.60. The royalty paid and balance due are as follows:

Total Royalties Due	$41.60
Total Royalties Paid	41.60
Balance of Royalties Due	-0-

George Mavor
George Mavor
Auditor

October 28, 1955

RECEIVED
NOV 18 1955

FIRST ROYALTY AUDIT REPORT

I INTRODUCTION

On September 8, 1955, an audit of royalty payments received, was made for the period April 16, 1952 to June 30, 1955, covering lead and zinc ore produced and sold under Contract No. Idm-E295, Docket No. DMEA-2309, dated April 16, 1952, and Amended Contract No. Idm-E295, Docket No. DMEA-2309, dated April 16, 1952, by the:

Comet Mines, Incorporated,
a Nevada Corporation
Pioche, Nevada
and
218 Felt Building
Salt Lake City, Utah

covering a project of exploration for lead and zinc ore, on property known as the Comet Mine, located in Lincoln County, Nevada.

The mining properties are reached by proceeding on highway 93, approximately 3 miles north from Pioche, Nevada and turn southwest on unnumbered paved road approximately 5 miles and then turn northwest on unnumbered gravel road approximately 17 miles to mine site.

The records pertaining to this contract are located in the company's office, 218 Felt Building, Salt Lake City, Utah, and the following officials were consulted during the course of the audit.

C. F. Burton, Treasurer
O. Nordfelt, Accountant

Their cooperation and assistance greatly facilitated the audit.

Mr. Glenn G. Gentry, Mining Engineer, U. S. Bureau of Mines, collaborated in the audit, for which his assistance is hereby acknowledged.

II GENERAL INFORMATION

No certificate of discovery has been issued, however Article 8 (b) of the Amended Contract states that the producer shall pay the Government a royalty on all minerals mined or produced from the land, regardless of any certification of discovery or developement, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. Article 13 of the Amended Contract states that the repayment period of 10 years has been changed to 13 years from date of contract April 16, 1952.

The producing area subject to royalties is described in Annex I, of the Amended Contract as follows:

The land referred to in Article 2 of the contract form consists of unpatented mining claims situated in the Comet Mining District, as follows:

Elmer No. 1
Burnett
Tungsten
Greenback Nos. 1 through 5

The claims are delineated on a map entitled "Geologic Map of the Comet Area," attached to the Prior Contract and incorporated herein by reference.

The cost of the contract as of June 30, 1955 and the Government 50% participation is as follows:

	Cost	Government Participation 50%
Cost of Contract	$101,430.76	$50,715.39

The sum of $41.60 has been received by the Finance Officer, covering royalty repayments on lead and zinc ore sales. This leaves an unpaid balance of $50,673.79 due on the Government loan as of June 30, 1955.

III SCOPE OF AUDIT AND FINDINGS

The audit was limited to determining the accuracy and propriety of royalty payments received by the Finance Officer during the period April 16, 1952 to June 30, 1955, and a determination that all indicated sales of ore subject to repayment royalties under the exploration contract, for which settlement sheets had been released, have been properly accounted for

The extent of the audit and findings follow:

Conference with Examining Engineer

Conference with the Examining Engineer, U. S. Bureau of Mines, during the audit disclosed the following:

The operator does not stockpile ore subject to DMEA royalty repayment.

The operator does not commingle production subject to DMEA royalties with exempt production.

The operator does not stockpile mine or mill rejects that may have potential value within the royalty payment period.

The assay controls in effect are considered adequate.

The manner of disposing of production is considered as giving the Government its fair royalty returns.

Periodic examinations indicate the operator is properly reporting the production of ores subject to DMEA repayment royalties.

There has been no indication that sales of ore have been made by the operator to other than the Combined Metals Reduction Company, at their Caselton Plant, Nevada.

Audit of Settlement Statements

A detailed summarization of Royalty Purchases by Smelter was prepared from settlement statements submitted by the operator during the audit period of April 16, 1952 to June 30, 1955. The total net sales of lead and zinc ore as shown on this summary aggregated $2,773.04 and the royalty payment of 1 1/2 percent amounted to $41.60. The royalty payments were verified to the certificates of deposit and the Finance Office ledger record.

Operator's Accounts and Records

The operator maintains a general ledger and subsidiary records for the exploration project activities, including the supporting records on royalty repayments to DMEA. The net amount of $2,773.04 subject to royalties was verified to Mining Revenue Account, and the royalties paid in amount of $41.06 was verified to royalty payments charged to the Development Cost Account in the general ledger. The cash records covering the foregoing transactions were also examined.

During the course of the audit an examination was made of a price schedule dated January 1, 1951 between Comet Mines, Inc. and Combined Metals Reduction Company, and prices verified to settlement statements.

The ore is shipped by truck from the Comet Mine to the Combined Metals Reduction Company Mill at Caselton, Nevada, a distance of approximately 17 miles, and during the audit an examination was made of invoices covering trucking charges which were listed as a deduction on settlement statements.

IV CONCLUSIONS

An analysis of the operator's production and sales of lead and zinc ore to the Combined Metals Reduction Company, Caselton, Nevada, subject to DMEA royalties, are as follows:

Gross Weight	1,033,700 lbs
Dry Weight	1,010,924 lbs
Dry Weight	505.462 tons
Gross Value	$3,305.39
Less: Truck Hauling	532.37
Net Value	$2,773.04
Average Value Per Ton (Dry Weight)	$5.49
Royalty Percentage	1 1/2%
Royalties Due	$41.60
Royalties Paid	$41.60
Balance Royalties Due	-0-

A detail of royalty payments is filed as part of my audit working papers.

The audit has confirmed the accuracy and propriety of the royalty payments received by the Finance Officer, during the period April 16, 1952 to June 30, 1955. It has also determined that all indicated sales of ore subject to DMEA Royalties under the exploration contract, for which settlement sheets have been released, have been properly accounted for.

George Mavor

George Mavor
Auditor

November 7, 1955

Check Sheet of Examining Engineer

Operator's Name Comet Mines, Inc.

Address Pioche, Nevada

Exploration Contract No. Idm-E295 Docket No. DMEA-2309

	Check One Yes	No
1. (a) Does the Operator stockpile ore subject to royalty repayment?		X
(b) If so, is segregation and identification procedure adequate?		
2. (a) Does Operator commingle production subject to DMEA royalties with exempt production?		X
(b) If so, do you consider the allocation of the commingled production equitable?		
3. (a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		X
(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4. Do you consider the assay controls in effect are adequate?	X	
5. Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6. Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA royalties?	X	
7. Does the Operator buy from or sell to other Operators?		X
8. Comment on any item 2 (b) to 6 if answer is No.		

Glenn G. Gentry

Glenn G. Gentry
Mining Engineer

Date 9/27/55

82448

RECEIVED
DEC 15 1955

Operator's Name: Comet Mines, Inc.

Address: Pioche, Nevada

Exploration Contract No.: Idm-E295 Docket No.: DMEA-2309

COMMENTS

2 (b) There has been no co-mingling of production, and royalties are payable to DMEA on rock classified as ore grade, when stockpiled and/or milled.

3 (a) The very slight lead-zinc mineralization observed in the quartz vein indicated no potential value within the royalty payment period. This type of vein material is classified as "waste" and is moved to the mine waste dump.

3 (b) The Operator maintains a daily record of the number of mine cars trammed to the waste dump.

Glenn G. Gentry
Mining Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
420 Custom House
555 Battery Street
San Francisco 11, California

RECEIVED
DEC 15 1955

December 13, 1955

Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Idm-E295, DMEA-2309
Comet Mines, Inc.
1st Royalty Audit Report

Dear Mr. Chambers:

In accordance with your letter dated November 21, 1955, you will find attached hereto, 2 copies of supplemental statement which are required to complete Check Sheet of Examining Engineer, and should be attached to the First Royalty Audit Report of subject contract.

Sincerely yours,

George Mavor

George Mavor
Auditor

Inclosure

Copy Supplement statement to Invoiced 12/19/55

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

RECEIVED
DEC - 1 1955

420 Custom House
555 Battery Street
San Francisco, California

November 28, 1955

Mr. S. Ricker, Executive Officer
Defense Minerals Exploration Administration
1605 Evans Avenue
Reno, Nevada

RE: Idm-E295, DMEA-2309
Comet Mines, Inc.
Idm-E580, DMEA-3273
Lory M. Free d/b/a
Y. Z. Mining Co.

Dear Mr. Ricker:

Reference is made to "Check Sheet of Examining Engineer" prepared by Glenn G. Gentry for attachment to royalty audits covering subject contracts, and you will note on the check sheet, that Item 8 reads "Comments on any item2(b) to 6 if answer is No."

I am in receipt of letter dated November 21, 1955, from Mr. Jay L. Chambers, wherein he calls my attention to check sheet prepared for Comet Mines, Inc., and that the answer "No." is indicated under item 3(a), without any comments as required under item 8. This apparent oversight also applies to the same items covering check sheet prepared for Lory M. Free.

Would you please prepare in triplicate a "Supplemental Statement" as required by item 8, and to be affixed to the check sheets for subject contracts. Upon receipt of these supplemental statements, one copy will be retained in my files and two copies for each contract will be forwarded to the Washington Office, in order to meet their requirements and complete their records on both royalty audits.

Sincerely yours,

"(SIGNED) GEORGE MAVOR"

George Mavor
Auditor

Copy to: Jay L. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
420 Custom House
555 Battery Street
San Francisco 11, California

RECEIVED
DEC - 1 1955

November 25, 1955

Mr. O. F. Burton, Treasurer
Comet Mines, Inc.
218 Felt Building
Salt Lake City, Utah

Re: Idm-R295, DMEA-2309
Comet Mines, Inc.
Royalty Audit Report

Dear Mr. Burton:

Attached hereto for your information and files, is copy of First Royalty Audit Report for subject contract, covering the period April 16, 1952 to June 30, 1955.

Sincerely yours

George Mavor
Auditor

Copy to: Jay L. Chambers

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

NOV 21 1955

Mr. George Mayer
DMEA Auditor
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Zdm-8295, DMEA-2309
Comet Mines, Inc.

Dear George:

Receipt is acknowledged of the Washington copies of your First Royalty Audit Report and Certificate covering the referenced contract.

Release of the regional copies is authorized after correction of the amount of the Government's participation as stated in the fourth paragraph on page 2 of the report and the unpaid balance indicated in the third line of the following paragraph. The Government's participation and the unpaid balance as of June 30, 1955, correctly should be stated as $50,725.39 and $50,673.79, respectively. These are the amounts shown on this Division's records, which are checked against the Region's monthly statements submitted to the Branch of Finance, Bureau of Mines. The Washington copies of your Royalty Audit Report have been corrected accordingly.

On the Check Sheet of Examining Engineer, submitted with your report, a "No" answer has been indicated for question 3 (a), but the required comment was not included under item 8. Please obtain and submit a supplemental statement for attachment to the Washington copies of your report.

Sincerely yours,

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
November 18, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

SEXTUPLICATE

STANDARD FORM 209e (Formerly Cert. of Deposit, Form 6599)
Promulgated August 1951 by Treasury Department, Fiscal Service

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

Deposited with _____ _____
(Name and location of depositary) (Date sent)

DEPOSIT NO.

the sum shown opposite for credit, subject to check, in the disbursing account of—

$

SYMBOL NO.

_____
(Name and address of officer to be credited)

On account of—

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

INTERIOR, BUREAU OF MINES
MINERALS EXPLORATION
555 BATTERY STREET, ROOM 410
SAN FRANCISCO, CALIFORNIA

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

_____
(Authorized signature)

DEC 14 1956
(Date of credit in Treasurer's account)

DEPOSITOR WILL RETAIN THIS COPY

FEDERAL RESERVE BANK OF SAN

1. MIA Mines Royalty pay't.
amount $1,531.98 Contract E-481
check on docket 2688
Walker Bank & Trust Co.,
Salt Lake City, Utah

Vo.No.	Check No.	Amount	dated
D8536	57643	$936.02	12/9/54
D8666	57645	478.03	12/9/54
D8724	57646	105.84	12/9/54
D8951	57653	12.09	12/9/54
		$1,531.98	

rec'd 12/13/54

2. Comet Mines Contract E-295
Docket 2309
Royalty pay't.
check on
Walker Bank & Trust Co.,
Salt Lake City, Utah
Vo. No. D-8880, Check No. 57651,
dated 12/9/54, amount $18.83
rec'd. 12/13/54

3. New Idria Mining & Chemical Co.,
Royalty pay't. Contract E-369
docket 2478

check on
Crocker First National Bank
of San Francisco
check no. 4609, dated 12/10/54
amount $5,476.94, rec'd. 12/13/54

SEXTUPLICATE

STANDARD FORM 209e (Formerly Cert. of Deposit, Form 6599)
Promulgated August 1951 by Treasury Department, Fiscal Service

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

DEPOSIT NO.
[illegible]

Deposited with [illegible]
(Name and location of depositary) (Date sent)

the sum shown opposite for credit, subject to check, in the disbursing account of—

$ [illegible]

SYMBOL NO.
[illegible]

[illegible]
(Name and address of officer to be credited)

On account of— [illegible]

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

LLOYD H. SJOLANDER, FISCAL OFFICER
INTERIOR BUREAU OF MINES
Defense Minerals Exploration Admin.
[illegible] BATTERY ST., ROOM 420
SAN FRANCISCO 11, CALIFORNIA

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

(Date of credit in Treasurer's account)

DEPOSITOR WILL RETAIN THIS COPY

1. Northfield Mines, Inc. E-323
Eureka Corp. Ldt.- First Nat'l. Bank, Check #2845, dtd. 8/4/54
Amount $531.47

2. Comet Mines, Inc. E-295
Walker Bank & Trust Co. Check # 56273, dtd. 7/16/54
Amount $22.77

3. Raymond Combined Mines Co. E-409
[illegible]lker Bank & Trust Co. Check # [illegible]274, dtd. 7/16/54
Amount $12.97

4. ~~Foreman~~, Foreman and Cannon E-424
Foreman,
Crocker First Nat'l. Bank, Check # 50479, dtd. 8/3/54
Amount $222,43

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 9 1957

DATE	INITIALS	CODE

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Comet Mines, Incorporated
Pioche, Nevada

pertaining to Exploration Project Contract No. Idm-R295, Docket No. DMEA-2309, dated April 16, 1952, including Amendment Nos. 1 to 4, inclusive, and Amended Contract, including Amendment Nos. 1 and 2 for the period June 1, 1952 to June 30, 1957, covering a project for the exploration of lead-zinc, on property known as the Comet Mine, located in Lincoln County, Nevada.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with Executive Officer in charge of the project, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the reasons given on the attachment to this report.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor.

Total cost as billed by the Contractor	$124,072.00
Exceptions	-0-
Total Accepted Cost	$124,072.00

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Sixty Two Thousand Thirty Six and 00/100 Dollars, is valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Amount payable to Operator	$62,036.00
Amount reimbursed	61,830.96
Balance due Operator	$ 205.04

George Mavor

December 4, 1957

George Mavor, Auditor

Reasons for Report of Review in lieu of final audit

Idm-8295 Comet Mines, Incorporated DMBA-8309

(a) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowances thereunder;

(b) the accepted costs ($98,748.90) of all work on an actual cost basis were covered by an Interim Audit Report and Audit Certificate, dated October 25, 1955, issued by this auditor;

(c) all subsequent costs incurred ($25,323.10) were under a contract provision for payment by the Government on the basis of fixed unit costs of units of work actually performed.

Mr. George Mayer
DMEA Auditor
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Report of Review
Comet Mines, Inc.
Contract No. Idm-8295
Docket No. DMEA-2309

Dear Mr. Mayer:

Your Report of Review in lieu of a final audit of the referenced project is acceptable and normal distribution is authorized after correction of the date in reason (b) of the attachment from "February 6, 1957", to "October 25, 1955".

This correction has been made in the Washington copies.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

EDTalbert/wb
December 9, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
xxxxxxxxxxxxxxxxxx
420 Custom House, 555 Battery Street
San Francisco 11, California

Original File Copy
DMEA
RECEIVED DEC 18 1957
DATE | INITIALS | CODE
12/19 | gb | 220 800

December 16, 1957

Mr. O. F. Burton, Treasurer
Comet Mines, Inc.
218 Felt Building
Salt Lake City 1, Utah

Re: Idm-E295, DMEA-2309
Comet Mines, Inc.

Dear Mr. Burton:

Attached hereto for your information and files, is copy of Report of Review for subject contract, which pertains to the operation period June 1, 1952 to June 30, 1957. You will receive a check in a few days, for the balance due in amount of $205.04, as shown in this report.

Sincerely yours,

"(SIGNED) GEORGE MAVOR"

George Mavor
Auditor

Copy to: Jay L. Chambers

1605 Evans Avenue
Reno, Nevada

November 4, 1957

Combined Metals Reduction Co.
Comet Mines, Inc.
218 Felt Building
Salt Lake City, Utah

Re: Docket No. DMEA-2309 (Lead-Zinc)
Comet Mines, Inc.
Comet Mine
Lincoln County, Nevada
Amended Contract No. Idm-E 295

Gentlemen:

Reference is made to Mr. O. F. Burton's letter of October 17, 1957 with which were enclosed copies of MF-104 "Supplementary Report" for the month of June, 1957.

The report appears to be in order but, in accordance with our policy, payment must be held in abeyance on the concluding MF-104 voucher until the Operator's final report has been received. Upon receipt of final report as called for in the contract we shall be pleased to forward the forms to our San Francisco office for payment.

Very truly yours,

S. Ricker
Executive Officer,
DMEA Field Team, Region II

SRicker:ft
cc: Opr. Com., DMEA, Wash., D.C.
Finance Office, Reg. II
GeoMayor
RMSmith
File
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BUREAU OF MINES
WASHINGTON, D. C.
Nov 6 9 49 AM '57

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

SUPPLEMENTARY REPORT

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED JAN 10 1958 D.M.E.A.

Month of June, 1957 Docket No. DMEA 2309 Contract No. Idm-E 295
Operator's Name Comet Mines, Inc. Minerals
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $190,000.00 Government Participation: 50 % Amount, $95,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	410.10	19,083.14	19,493.24			
Drifting		3,200.00	3,200.00			
(2) Labor and Supervision:						
Labor		50,111.32	50,111.32			
Supervision		10,312.31	10,312.31			
Technical Services		379.29	379.29			
(3) Operating Mat'ls. and Supplies:						
Timber		4,338.22	4,338.22			
Explosives		3,899.12	3,899.12			
Pipe		1,309.28	1,309.28			
Track		1,609.98	1,609.98			
Power		1,632.78	1,632.78			
(4) Operating Equipment:						
Rental		4,141.57	4,141.57			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		1,358.60	1,358.60			
Sampling and Analysis		330.45	330.45			
Payroll Taxes		1,329.29	1,329.29			
Liability Insurance		3,499.25	3,499.25			
Truck Transportation of Supplies		1,807.69	1,807.69			
(8) Contingencies (specify):						
Misc. Tools & Supplies		8,250.45	8,250.45			
Misc. Autos & General Expense		7,069.16	7,069.16			
TOTALS	410.10	123,661.90	124,072.00			

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

Date OCT 17 1957 *Payee COMET MINES, INC.

Per [signature] Title Treasurer

*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:

$205.04

Signature [signature]
(Authorized Certifying Officer)

Date JAN 3 1958 Vou. No. SF-DMEA-13

(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-E295 in accordance with the terms of the contract.

Signature Glenn G. Gentry Title Mining Engineer Date Nov. 12, 1

Glenn G. Gentry

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Ricker Title Executive Officer Date Nov. 12, 1957

S. Ricker

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED JAN 2 1958 D.M.E.A.

SUPPLEMENTARY REPORT

Month of June, 1957 Docket No. DMEA 2309 Contract No. Idm-E 295

Operator's Name Comet Mines, Inc. Minerals Lead-Zinc

Address P. O. Box 150, Salt Lake City, Utah

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	Feet	410.10	13.67	59,377.88	2,010.97	29.53		
Crosscutting	Feet			3,959.15		46.04		
Raising	Feet			44,879.68		118.71		
Shafts				905.19		150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
~~Roads and Trails~~ Raising	Feet			3,200.00	64.0	50.00		
Raising	Cu. Ft.			11,652.09	6,456	1.80		
TOTAL DISTRIBUTED COSTS							TOTAL COSTS AUTHORIZED BY CONTRACT	
Operating Equipment Purchased								$190,000.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Assaying				98.00				
TOTAL COSTS		410.10		124,072.00				

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 OCT 17 1957 Operator COMET MINES, INC.

Per [signature] Title Treasurer

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)

[signature]

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

COMET MINES, INC.
P. O. Box 150
Salt Lake City, Utah
October 12, 1957

Mr. S. Ricker, Executive Officer
D M E A Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Dear Mr. Ricker:

Attached are Supplementary Form MF-104-A and Supplementary Form MF-104 for the month of June 1957, showing drift advance of 13.67 feet in the North-East Drift on 465 Level.

The measurements by your Field Engineer, Mr. Gentry and our engineer, Mr. Schrader in July of this year shows total drifting on 465 level North East and South West to be 2,010.97 feet, whereas our drift footage reported on Form MF-104 for June of 1957 was 1,997.30 feet.

No work has been performed in the Comet Mine since June of this year.

Very truly yours

Reginald G. Lee

Reginald G. Lee

I N V O I C E

COMET MINES, INC.
Pioche, Nevada
October 1, 1957

TO:

D.M.E.A. PROJECT
Docket No. 2309
Contract No. Idm-E 295

Work performed under DMEA Project No. 2309.

13.67 feet of drifting @ $30.00	$410.10

APPROVED:

W.E. Swanson

Certified True Copy:

Reginald E. Lee

COMET MINES, INC.
P. O. Box 150
Salt Lake City 10, Utah

October 17, 1957

Mr. S. Ricker, Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Docket No. DMEA 2309
Contract No. Idm-E-295

Dear Mr. Ricker:

Attached are original and four copies of MF-104 "Supplementary Report" for the month of June, 1957, showing the following expenditures:

Expended per previous report	$123,661.90
Expended per June supplementary	410.10
	$124,072.00

Also included are the following:

1. Letter dated October 12, 1957 - R. G. Lee to S. Ricker.
2. Certified copy of invoice.

Very truly yours,

COMET MINES, INC.
By

O. F. Burton, Treasurer

Enc.
OFB:rs

cc - E. H. Snyder
Paul Gemmill
R. G. Lee
H. E. Swanson
File 119-1

AUG 12 1957

Mr. Spangler Hicker
Executive Officer
Buck Field Team, Region 1
1605 Evans Avenue
Reno, Nevada

Re: Contract No. [illegible]-239 (Lead-Zinc)
Comet Mines, Inc.
Comet Mine
Lincoln County, Nevada
Amended Contract No. [illegible]-295

Dear Mr. Hicker:

We have just received the operator's monthly report and voucher (AF-10h) for the month of June 1957 for the cited project. In the operator's progress report, dated July 11, 1957, we note that Mr. Reginald G. Lee, in the first paragraph, states:

> "The [illegible] project No. 2309 at the Comet Mine was active during the first week of June."

In the last paragraph, he states:

> "Due to the hardship from suppressed lead and zinc prices and the fact that in nearly 80 feet of raising no ore has been found in the 56-038 raise on the 665 level, expenditures on this project must be deferred until lead-zinc prices are in line with cost of production."

From the above statements, work on this project has been suspended and no payment should have been made on this voucher. As it now stands, the Government has not withheld funds to insure the rendition of the operator's final report. It is normal administrative procedure to withhold funds on any project at any time when operations are suspended. We wish to call your attention to the special notice in the Operating Committee Minutes No. 574, September 30, 1955.

This matter is brought to your attention in order that corrective action may be taken to prevent the recurrence of such a situation.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operations Committee

Approved:

P. F. Yopes
Member, Bureau of Mines

N. E. Nelson
Member, Geological Survey

JAlt/bjm (8/8/57)

Copy to: Mr. Lloyd A. Fjelander
Authorized Certifying Officer
Bureau of Mines
San Francisco 11, California

Docket
Admr. R. File
Op. Committee
Mr. Bishop
Mr. Killegaard
Mr. Chambers
Chron.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1957 Docket No. DMEA 2309 Contract No. Idm-B 295
Operator's Name Comet Mines, Inc. Minerals Lead-Zinc
Address P.O. Box 150, Salt Lake City, Utah
Contract Amount, $190,000.00 Government Participation: 50 % Amount, $ 95,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting		19,083.14	19,083.14			
Raising	450.00	2,750.00	3,200.00			
(2) Labor and Supervision:						
Labor		50,111.32	50,111.32			
Supervision		10,312.31	10,312.31			
Technical Services		379.29	379.29			
(3) Operating Mat'ls. and Supplies:						
Timber		4,338.22	4,338.22			
Explosives		3,899.12	3,899.12			
Pipe		1,309.28	1,309.28			
Track		1,609.98	1,609.98			
Power		1,632.78	1,632.78			
(4) Operating Equipment:						
Rental		4,141.57	4,141.57			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		1,358.60	1,358.60			
Sampling and Analysis		330.45	330.45			
Payroll Taxes		1,329.29	1,329.29			
Liability Insurance		3,499.25	3,499.25			
Truck Transportation of Supplies		1,807.69	1,807.69			
(8) Misc. Tools & Supplies		8,250.45	8,250.45			
Misc., Autos & Gen. Expense		7,069.16	7,069.16			
TOTALS	450.00	123,211.90	123,661.90			

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

Date July 16, 1957 *Payee COMET MINES PRODUCTION COMPANY

Per [signature] Title Treasurer

*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:

$225.00

Lloyd H. Sjolander
Signature Authorized Certifying Officer
(Authorized Certifying Officer)

Date Vou. No. SF-DMEA-2

(See other side)

RECEIVED JUL 31 1957 D.M.E.A.

(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-E295 in accordance with the terms of the contract.

Signature Glenn G. Gentry Title Mining Engineer Date July 19, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Ricker Title Executive Officer Date July 19, 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1957 Docket No. DMEA 2309 Contract No. Idm-E 295

Operator's Name Comet Mines, Inc. Minerals Lead-Zinc

Address P.O. Box 150, Salt Lake City, Utah

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	Feet			58,967.78	1,997.3	29.52		
Crosscutting	Feet			3,959.16		46.04		
Raising	Feet			44,879.68		118.71		
Shafts				905.19		150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
~~Backfill Block~~ Raising	Feet	450.00	9.0	3,200.00	64.0	50.00		
Raising	Cu ft			11,652.09	6,456	1.80		
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								190,000.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		450.00		123,661.90				

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 July 16, 1957 Operator COMBINED METALS EXPLORATION CO.

Per [signature] Title Treasurer

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)

[signature]

RECEIVED JUL 31 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

COMBINED METALS REDUCTION COMPANY

Progress Report - DMEA Project/2309 - Comet Mines, Inc. Month of June, 1957.

July 11, 1957

Paul Gemmill, General Manager

Reginald G. Lee

Dear Paul:

The D.M.E.A. Project No. 2309 at the Comet Mine was active during the first week of June.

Advance in the 56-638 Raise amounted to 9.0', from 48.5 feet to 57.5 feet above track level.

The fissure is 2 feet wide in the back of the raise, containing oxidized iron with minor amount of lead and zinc.

The raise is timbered having two compartments, manway, timber slide and pipe in one compartment, the other a rock section for ore or waste.

Due to the hardship from suppressed lead and zinc prices and the fact that in nearly 60 feet of raising no ore has been found in the 56-638 raise on 465 level, expenditures on this project must be deferred until lead-zinc prices are in line with cost of production.

Very truly yours,

Reginald G. Lee

Reginald G. Lee

COPY

ORIGINAL FILE COPY
DMEA
RECEIVED JUL 8 1957
DATE | INITIAL | REMARKS

I N V O I C E

COMET MINES, INC.
Pioche, Nevada
July 1, 1957

TO:

D.M.E.A. Project
Contract No. Idm-E 295
Docket No. 2309

Work under D.M.E.A. Project/2309 during the month of June, 1957.

9.0 feet of raising	@ $50.00	$ 450.00
Total for month of June, 1957		$ 450.00

APPROVED:

W. E. Swanson

Certified True Copy:

Raymond Pike

EXTRA COPY
DMEA
JUL 31 1957

DATE	SIGNER	CODE

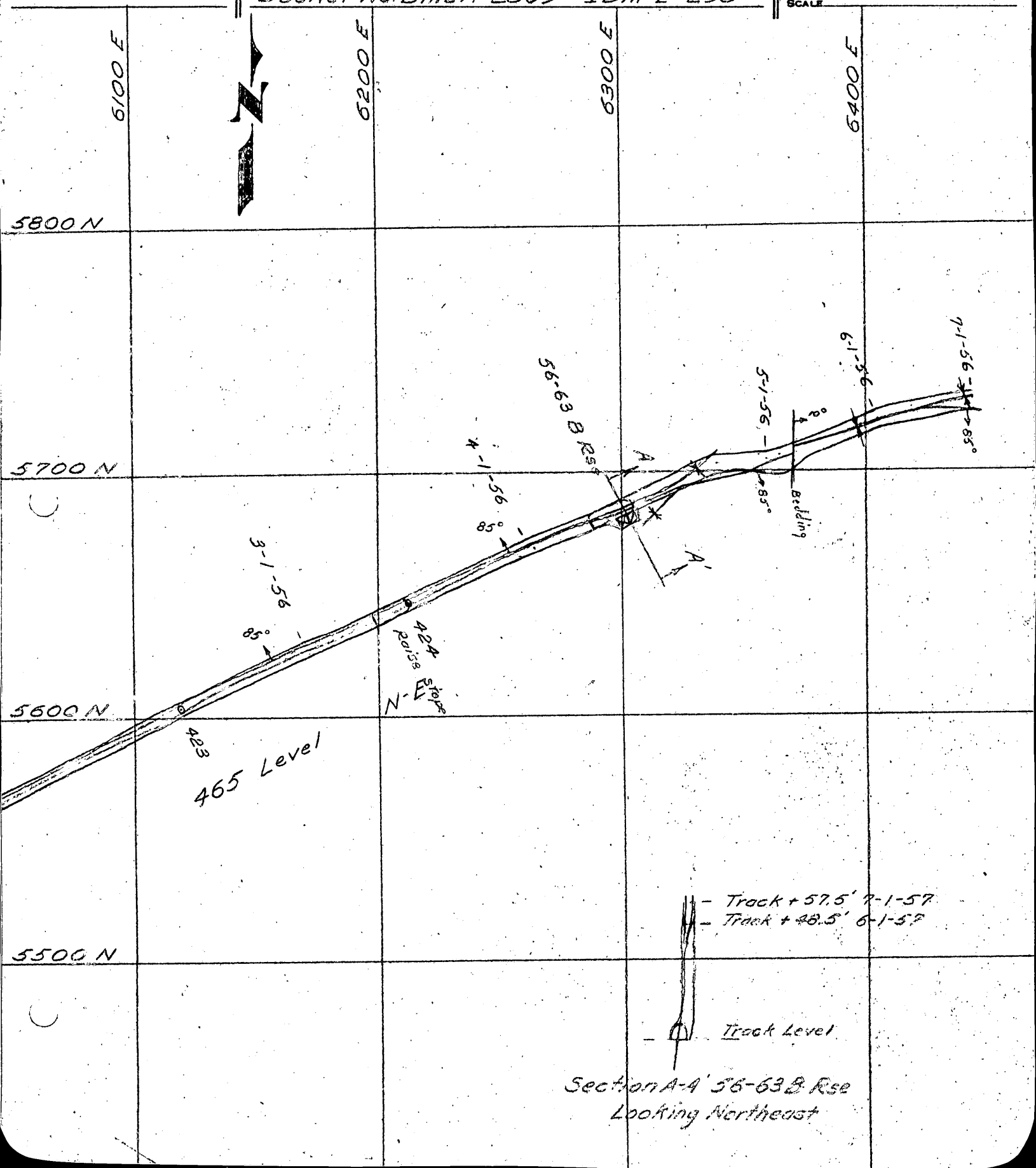
A 1687-A

REFERENCES

COMBINED METALS REDUCTION CO.

Comet Mines Incorporated
Pioche, Nevada
Docket No. DMEA-2309 IDM-E 295

April 9, 1956
MADE BY Schrader
TRACED BY
CHECKED BY R. G. Lee
SCALE 1" = 50'



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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1957 Docket No. DMEA 2309 Contract No. Idm-R-295
Operator's Name Comet Mines, Inc. Minerals Lead-Zinc
Address P.O. Box 150, Salt Lake City 10, Utah
Contract Amount, $ 190,000.00 Government Participation: 50 % Amount, $ 95,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting		19,083.14	19,083.14			
Raising	1,350.00	1,400.00	2,750.00			
(2) Labor and Supervision:						
Labor		50,111.32	50,111.32			
Supervision		10,312.31	10,312.31			
Technical Services		379.29	379.29			
(3) Operating Mat'ls. and Supplies:						
Timber		4,338.22	4,338.22			
Explosives		3,899.12	3,899.12			
Pipe		1,309.28	1,309.28			
Track		1,609.98	1,609.98			
Power		1,632.78	1,632.78			
(4) Operating Equipment:						
Rental		4,141.57	4,141.57			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		1,350.60	1,350.60			
Sampling and Analysis		330.45	330.45			
Payroll Taxes		1,329.29	1,329.29			
Liability Insurance		3,499.25	3,499.25			
Truck Transportation-Supplies		1,807.69	1,807.69			
(8) Contingencies (specify):						
Misc. Tools & Supplies		8,250.45	8,250.45			
Shee., Autos & Gen. Expense		7,069.16	7,069.16			
TOTALS	1,350.00	121,861.90	123,211.90			

RECEIVED JUL 3 1957 D.M.E.A.

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

Date May 16, 1957 *Payee CONDINER METALS PROSPECTING COMPANY

Per [signature] Title Treasurer

*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:

$ 675.00

Signature [signature]
(Authorized Certifying Officer)

Date Vou. No. SF-DMEA-30

(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-E295 in accordance with the terms of the contract.

Signature For Glenn G. Gentry Title Mining Engineer Date 6/17/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature J. Bleser Title Executive Officer Date 6/17/57

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1957 Docket No. DMEA 2309 Contract No. Idm-P-295
Operator's Name Comet Mines, Inc. Minerals Lead-Zinc
Address P.O. Box 150, Salt Lake City 10, Utah

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	Feet			58,957.78	1,997.3	29.52		
Crosscutting	Feet			3,959.16		46.04		
Raising	Feet			44,879.68		118.71		
Shafts				905.19		150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
~~Roads and Trails~~ Raising	Feet	1,350.00	27.0	2,750.00	55.0	50.00		
Raising	Cu Ft			11,652.09	6,456.0	1.80		
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1,350.00		123,211.90				

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 May 14, 1957 Operator COMBINED METALS REDUCTION CO.

Per [signature] Title Treasurer

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 3 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

COMBINED METALS REDUCTION COMPANY

Progress Report - DMEA Project/2309 - Comet Mines, Inc. - May, 1957.

June 6, 1957

Mr. Paul Gemmill, General Manager

Reginald G. Lee

Dear Paul:

The DMEA Project/2309 at the Comet Mine was reactivated April 24, 1957.

A raise station was cut 1470 feet northeast of the Comet shaft on the 465 level. Chute and manway was installed and the raise advanced to 48.5' above the track level during the month.

The Comet Fissure is from 10" to 18" wide showing some lead carbonate mineralization. The fissure has a slight reverse dip or nearly vertical dip for about 40 feet above track level, above this point the dip changes to the regular attitude and the fissure shows some improvement in width and mineralization.

COPY

Very truly yours,

Reginald G. Lee

Reginald G. Lee

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 3 1957

DATE	INITIALS	CODE

FORM 25

I N V O I C E

COMET MINES, INC.
Pioche, Nevada
June 1, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 3 1957

DATE	INITIALS	CODE

TO:

D.M.E.A. Project
Docket No. 2309
Contract No. Idm-4 295

Work under D.M.E.A. Project/2309 during the month of May, 1957.

27.0 Feet of Raising	@ $50.00	$ 1,350.00
Total for Month of May, 1957		$ 1,350.00

APPROVED:

H.E. Swenson

Certified True Copy:

Raymond F. Lee

A 1687-A

REFERENCES

COMBINED METALS REDUCTION CO.

Comet Mines Incorporated
Pioche, Nevada
Docket No. DMEA-2309 IDM-E 295

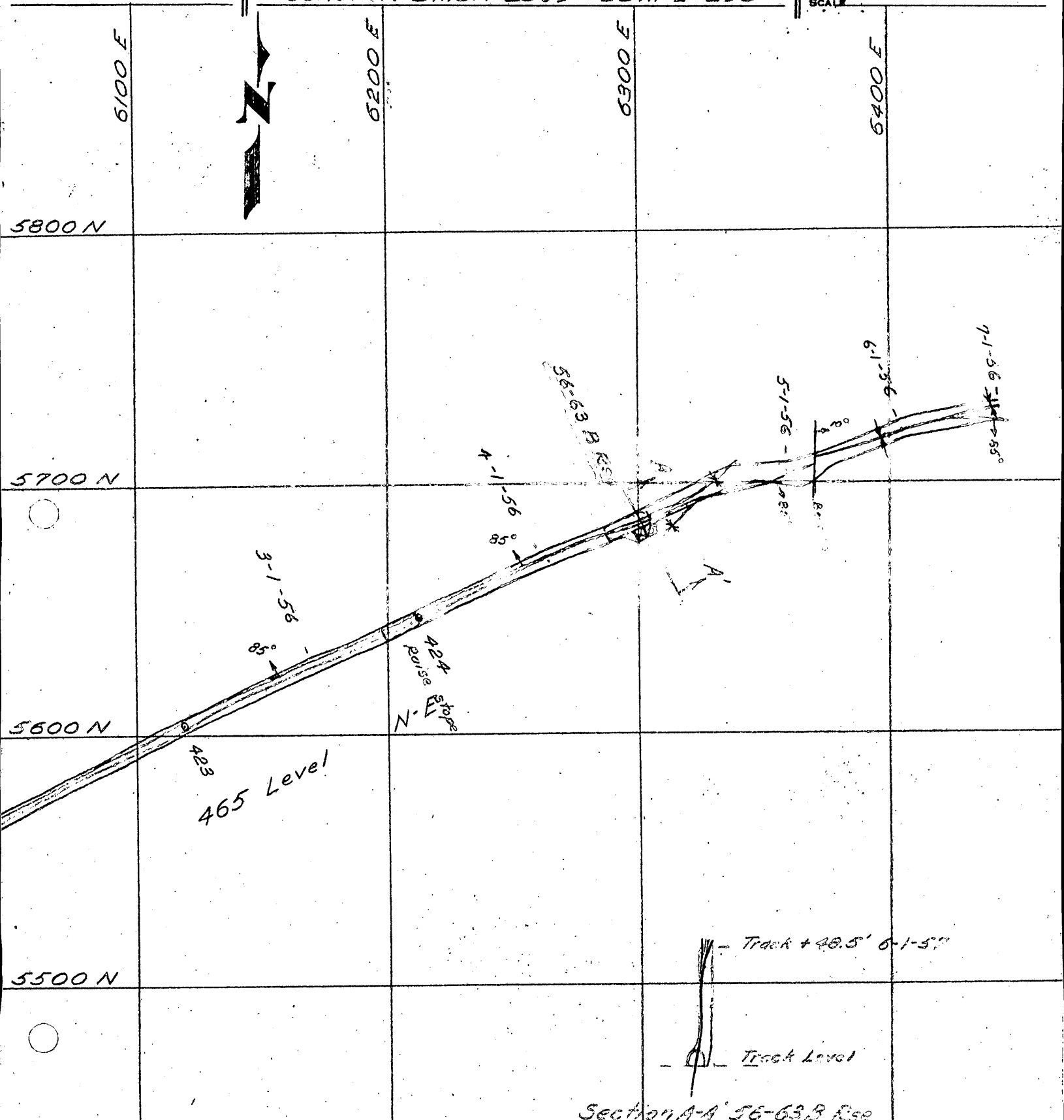
April 19 1956

MADE BY Schrader

TRACED BY

CHECKED BY R. G. Lee

SCALE 1" = 50'



Section A-A' 56-63 B Rise
Looking Northeast

[illegible] OR
BUREAU OF MINES
REGION II
RECEIVED

[illegible] 1 : 41

RENO, NEVADA

RECEIVED JUL 1 1992
DIVISION OF MINES
OFFICIAL FILE COPY
DATE INITIAL

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 25 1956
AUG 2 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1956 Docket No. DMEA 2309 Contract No. Idm-E 295
Operator's Name COMET MINES, INCORPORATED Minerals Lead-Zinc
Address P.O. Box 150, Salt Lake City, Utah
Contract Amount, $ 190,000.00 Government Participation: 50 % Amount, $ 95,000.00

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						
Bulldozing						
Crosscutting						
Drifting 40.0 Ft.@$30	1,200.00	17,883.14	19,083.14			
Raising 20.0 Ft.@$50	400.00	1,000.00	1,400.00			
(2) Labor and Supervision:						
Labor		50,111.32	50,111.32			
Supervision		10,312.31	10,312.31			
Technical Services		379.29	379.29			
(3) Operating Mat'ls. and Supplies:						
Timber		4,338.22	4,338.22			
Explosives		3,899.12	3,899.12			
Pipe		1,309.28	1,309.28			
Track		1,609.98	1,609.98			
Power		1,632.78	1,632.78			
(4) Operating Equipment:						
Rental		4,141.57	4,141.57			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		1,358.60	1,358.60			
Sampling and Analysis		330.45	330.45			
Payroll Taxes		1,329.29	1,329.29			
Liability Insurance		3,499.25	3,499.25			
Truck Trans. of Supplies		1,807.69	1,807.69			
Misc. Tools & Supplies		8,250.45	8,250.45			
Whse., Autos & Gen. Expense		7,069.16	7,069.16			
TOTALS	1,600.00	120,261.90	121,861.90			

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

Date July 16, 1956 Payee COMET MINES, INCORPORATED

Per [signature] Title Treasurer

*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:

$800.00

Lloyd H. Stelander
Signature [signature] Authorized Certifying Officer
(Authorized Certifying Officer)

Date JUL 30 1956 Vou. No. SF-DMEA-2

(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. Idme-E295 in accordance with the terms of the contract.

Signature Glenn G. Gentry Title Mining Engineer Date 7/20/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Picker Title Executive Officer Date 7/20/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
AUG - 2 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1956 Docket No. DMEA 2309 Contract No. Ida-E 295
Operator's Name COMET MINES, INCORPORATED Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	1,200.00	40.0	58,967.78	1,997.3	29.52		
Crosscutting	Ft.			3,959.16		46.94		
Raising	Ft.			44,879.68		118.71		
Shafts				905.19		150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
~~xBradcorb Drill~~ Raising	Ft.	400.00	8.0	1,400.00	28.0	50.00		
Raising	Cu.Ft.			11,652.09	6,456	1.80		
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Assaying				98.00				
TOTAL COSTS		1,600.00		121,861.90				

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 July 16, 1956 Operator COMET MINES, INCORPORATED

Per [signature] Title Treasurer

→ 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)

[signature]

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

COMBINED METALS REDUCTION COMPANY

RECEIVED
AUG - 2 1956

Progress Report - [illegible] Project/2309, Comet Mines, Inc. for Month of June, 1956.

July 10, 1956

Mr. Paul Cassill, General Manager

Reginald G. Lee

Dear Paul:

During the month of June, work under [illegible] Project/2309 consisted of advancing the 465 Level northeast drift and a small amount of raising, all on the Comet Fissure.

The northeast drift was advanced 40 feet in mineralized fissure material from 5" to 10" wide. The walls on both sides were hard Prospect Mountain Quartzite. No ore was produced from this advance.

Raise advance amounted to 8 feet for the month.

About 184.5 feet of drifting remain of Stage II of the work.

Due to the flat dip of the beds in this section, the distance ahead where Pioche Shale will be intersected by the 465 level northeast drift is probably much further than 184.5 feet.

Under these conditions, it may be advisable to sink on the best ore showings drifted through, where some fair silver, lead and copper assays were obtained.

Very truly yours,

Reginald G. Lee

Reginald G. Lee

COPY

FORM 25

A 1687-A

REFERENCES

COMBINED METALS REDUCTION CO.

RECEIVED AUG - 2 1956

Comet Mines Incorporated

Pioche, Nevada

Docket No. DMEA-2309 IDM-E 295

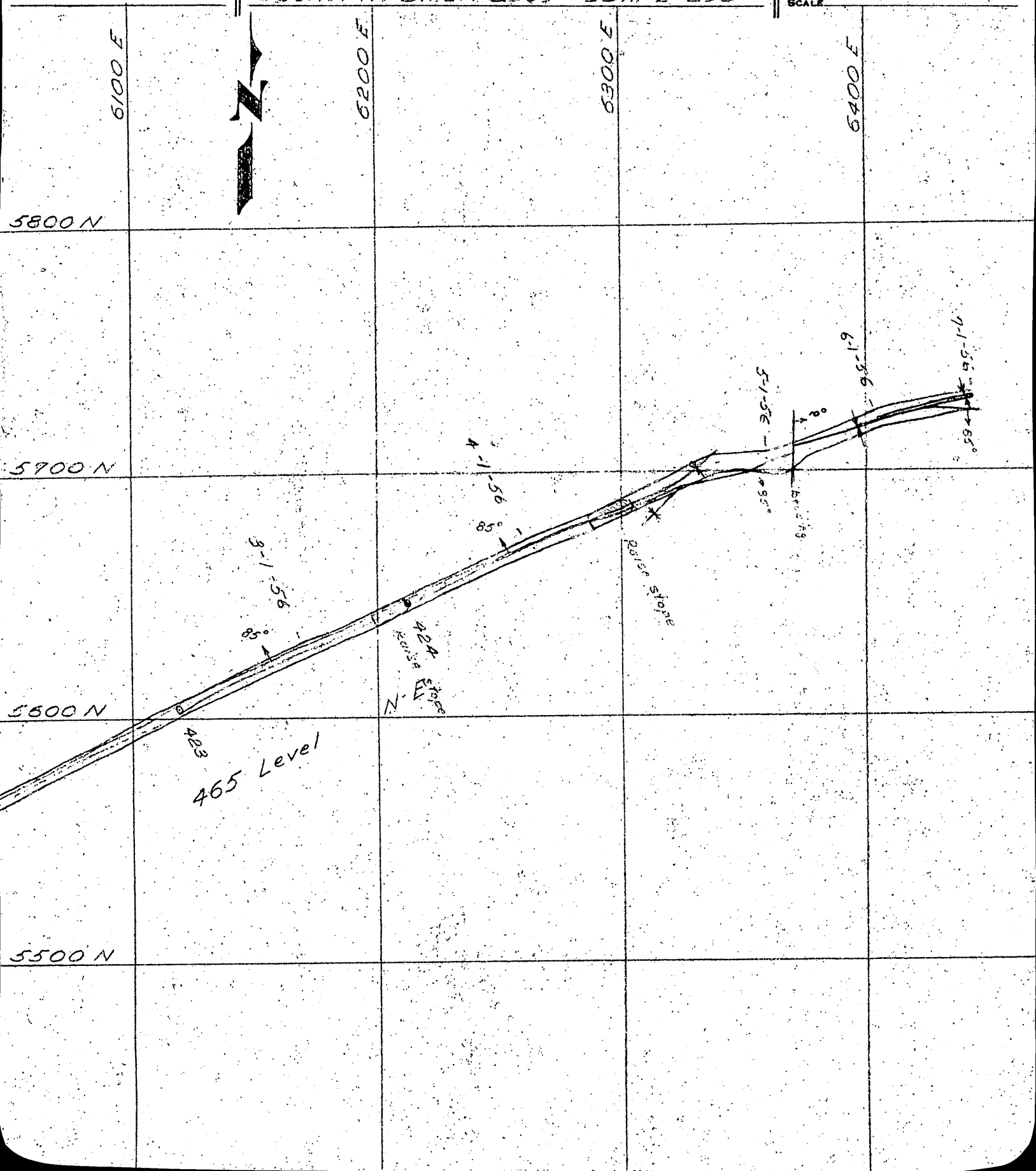
April 9 1956

MADE BY Schrader

TRACED BY

CHECKED BY R. G. Lee

SCALE 1" = 50'



INVOICE

RECEIVED
AUG - 2 1956

GOLD MINES, INC.
Pioche, Nevada
July 1, 1956

TO:

USEA Project Docket No. 2309
Contract No. Idm-E 235

Work under USEA Project/2309 during the month of June, 1956.

40.0 feet of drifting	@ $30.00	$ 1,200.00
8.0 feet of raising	@ $50.00	400.00
Total for month of June, 1956		$ 1,600.00

APPROVED:

Neal Lemmill

H.E. Swanson

Certified True Copy:

Bernard E. Lee

Form [illegible]104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

RECEIVED
JUL 23 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1956 Docket No. DMEA 2309 Contract No. Idm-E 295
Operator's Name COMET MINES, INCORPORATED Minerals Lead-Zinc
Address P.O. Box 150, Salt Lake City 10, Utah
Contract Amount, $ 190,000.00 Government Participation: 50 % Amount, $ 95,000.00

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						
Bulldozing						
Crosscutting						
Drifting 50.5 Ft. @$30	1,515.00	16,368.14	17,883.14			
Raising 20.0 Ft. @$50	1,000.00		1,000.00			
(2) Labor and Supervision:						
Labor		50,111.32	50,111.32			
Supervision		10,312.31	10,312.31			
Technical Services		379.29	379.29			
(3) Operating Mat'ls. and Supplies:						
Timber		4,338.22	4,338.22			
Explosives		3,899.12	3,899.12			
Pipe		1,309.28	1,309.28			
Track		1,609.98	1,609.98			
Power		1,632.78	1,632.78			
(4) Operating Equipment:						
Rental		4,141.57	4,141.57			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		1,358.60	1,358.60			
Sampling and Analysis		330.45	330.45			
Payroll Taxes		1,329.29	1,329.29			
Liability Insurance		3,499.25	3,499.25			
Truck Trans. of Supplies		1,807.69	1,807.69			
Misc. Tools & Supplies		8,250.45	8,250.45			
~~(8) Contingencies (specify)~~						
Whse., Autos & Gen. Expense		7,069.16	7,069.16			
TOTALS	2,515.00	117,746.90	120,261.90			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 6/12/56 *Payee COMET MINES, INCORPORATED
Per [signature] Title Treasurer

*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:

$ 1257 50

Signature
(Authorized Certifying Officer)

Date Vou. No. SF-DMEA-36
(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-E295 in accordance with the terms of the contract.

Signature Glenn G. Gentry Title Mining Engineer Date 6/14/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Ricker Title Executive Officer Date 6/14/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 23 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1956 Docket No. DMEA 2309 Contract No. Idm-E 295
Operator's Name COMET MINES, INCORPORATED Minerals Lead-Zinc
Address P.O.Box 150, Salt Lake City 10, Utah

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	Feet	1,515.00	50.5	57,767.78	1957.3	29.51		
Crosscutting	Feet			3,959.16		46.04		
Raising	Feet			44,879.68		118.71		
Shafts				905.19		150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
~~Roads and Trails~~ Raising	Feet	1,000.00	20.0	1,000.00	20.0	50.00		
Raising	Cu.Ft.			11,652.09	6456	1.80		
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								190,000.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Assaying				98.00				
TOTAL COSTS		2,515.00		120,261.90				

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 6/12/56 Operator COMET MINES, INCORPORATED

Per [signature] Title Treasurer

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)

[signature]

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

COMBINED METALS REDUCTION COMPANY

RECEIVED
JUL 23 1956

Progress Report - DMEA Project/2309, Comet Mines, Inc. - May, 1956.

June 7, 1956

Mr. Paul Gemmill, General Manager

Reginald G. Lee

Dear Paul:

Work under DMEA Project/2309 consisted of advancing the 465 level east drift and raising on the Comet Fissure.

During the month of May, 50.5 feet of drift advance was made. All of this advance was in waste, the fissure filling being mostly white quartz, the walls hard quartzite. However, the last five feet of advance showed considerable copper mineralization.

Two small lead carbonate ore shoots drifted through some time ago was raised on. Both of these ore shoots pinched down to a few inches in 20 feet of raising. However, one of these ore shoots should be followed up by further raising as recommended by DMEA Field Team.

COPY

Very truly yours,

Reginald G. Lee

Reginald G. Lee

FORM 25

A 165

REFERENCES

COMBINED METALS REDUCTION CO.

Comet Mines Incorporated

Pioneer, Nevada

Location DVGA-2308 IDM-E 204

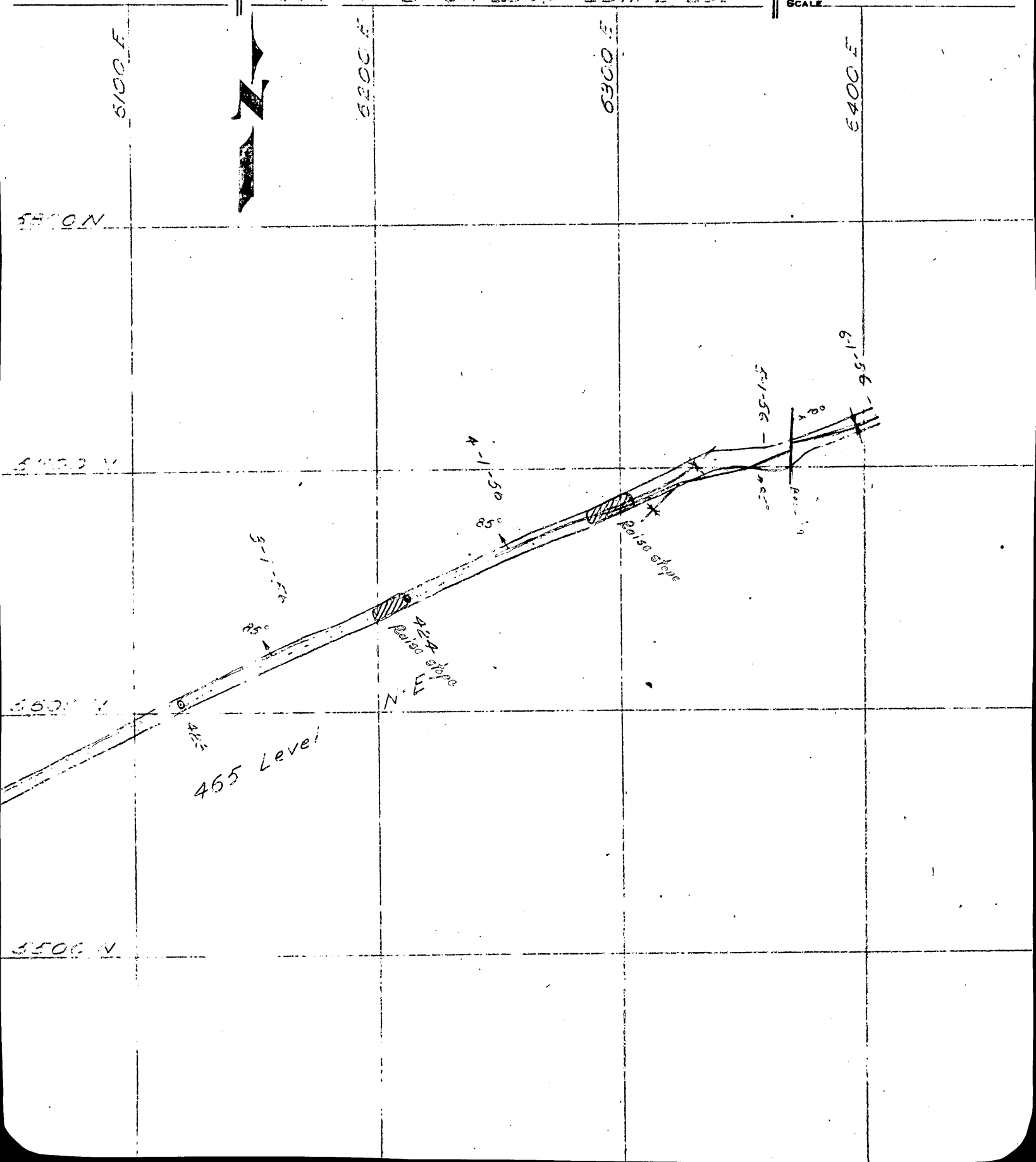
April 9 19

MADE BY Schneider

TRACED BY

CHECKED BY A. S. Lee

SCALE 1" = 50'



I N V O I C E

COMET MINES, INC.
Pioche, Nevada
June 1, 1956

TO:

DMEA Project Docket No. 2309
Contract No. Idm-E 295

Work under DMEA Project/2309 during the month of April, 1956.

50.5 feet of drifting	@ $30.00	$ 1,515.00
20.0 feet of raising	@ $50.00	1,000.00
Total for month of May, 1956		$ 2,515.00

APPROVED:

Frank H. Anderson

Ward Hammond

Certified True Copy:

Reginald F. Lee

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

Budget Bureau No. 42-R1036.5

RECEIVED JUN 6 1956 MAY 29 1956

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

Month of April, 1956 Docket No. DMEA 2309 Contract No. Km-B 295
Operator's Name COMET MINES, INC. Minerals Lead-Zinc
Address P O Box 150, Salt Lake City, Utah
Contract Amount, $ 190,000.00 Government Participation: 50 % Amount, $ 95,000.00

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						
Bulldozing						
Crosscutting						
Drifting 105.0 Ft. @ $30.00	3150.00	13,218.14	16,368.14			
(2) Labor and Supervision:						
Labor		50,111.32	50,111.32			
Supervision		10,312.31	10,312.31			
Technical Services		379.29	379.29			
(3) Operating Mat'ls. and Supplies:						
Timber		4,338.22	4,338.22			
Explosives		3,699.12	3,699.12			
Pipe		1,309.28	1,309.28			
Track		1,609.98	1,609.98			
Power		1,632.78	1,632.78			
(4) Operating Equipment:						
Rental		4,141.57	4,141.57			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		1,358.60	1,358.60			
Sampling and Analysis		330.45	330.45			
Payroll Taxes		1,329.29	1,329.29			
Liability Insurance		3,499.25	3,499.25			
Truck Trans. Of Supplies		1,807.69	1,807.69			
Misc. Tools & Supplies		8,250.45	8,250.45			
(8) Misc., Autos & Gen Exp.		7,069.16	7,069.16			
TOTALS	3150.00	114,596.90	117,746.90			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date May 18, 1956 *Payee COMBINED METALS REDUCTION COMPANY

By [signature] Title Treasurer

*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:

$ 1575.00

Lloyd W. Sjolander
Signature Authorized Certifying Officer
(Authorized Certifying Officer)

Date MAY 1956 Vou. No. SF-DMEA-35

(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-E295 in accordance with the terms of the contract.

Signature Glenn C. Gentry Title Mining Engineer Date 5/28/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Ricker Title Executive Officer Date 5/28/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
JUN - 6 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1956 Docket No. DMEA 2309 Contract No. Idm-5 295
Operator's Name COLT MINES, INC. Minerals Lead-Zinc
Address P O Box 150, Salt Lake City, Utah

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	Ft.	3,150.00	105.0	56,252.79	1,906.6	29.50		
Crosscutting	Ft.			3,959.16		46.04		
Raising	Ft.			44,879.68		118.71		
Shafts				905.19		150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Raising				11,632.09		1.80		
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								199,000.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Assaying				92.00				
TOTAL COSTS		3,150.00		117,746.90				

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 May 18, 1956 Operator COMBINED METALS REDUCTION CO.

Per [signature] Title Treasurer

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)

[signature]

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

COMBINED METALS REDUCTION COMPANY

Progress Report - DMA Project/2309, Comet Mines, Inc. - April, 1956.

May 10, 1956

Mr. Paul Gessmill, General Manager

Reginald G. Lee

Dear Paul:

Work under DMA Project/2309 on 465 level east drift was advanced 105.0 feet during the month of April.

The first 45 feet of advance showed considerable oxidized mineralization in the quartz fissure, two to three feet wide. The last 60 feet was mostly in barren quartz.

The highest assay from car samples representing 40 one-ton cars run 0.11 oz Au, 4.69 oz Ag, 3.5% Pb, 0.[illegible]% Zn and 0.1% Cu.

Very truly yours,

COPY

Reginald G. Lee

Reginald G. Lee

FORM 25

GOLT MINES, INC.
Ploche, Nevada
May 1, 1956.

TO:

DMEA Project Docket No. 2309
Contract No. Idm-1. 295

Drift advance under DMEA Project/2309 during the month of April, 1956.

105.0 feet of drifting @ $30.00		$ 3,150.00
Total for month of April, 1956		$ 3,150.00

APPROVED:

Frank H. Anderson

Paul Gummell

Certified True Copy:

Raymond G. Lee

A 1687-A

REFERENCES

COMBINED METALS REDUCTION CO.

Comet Mines Incorporated
Pioche, Nevada
Docket No. DMEA-2309 IDM-E 295

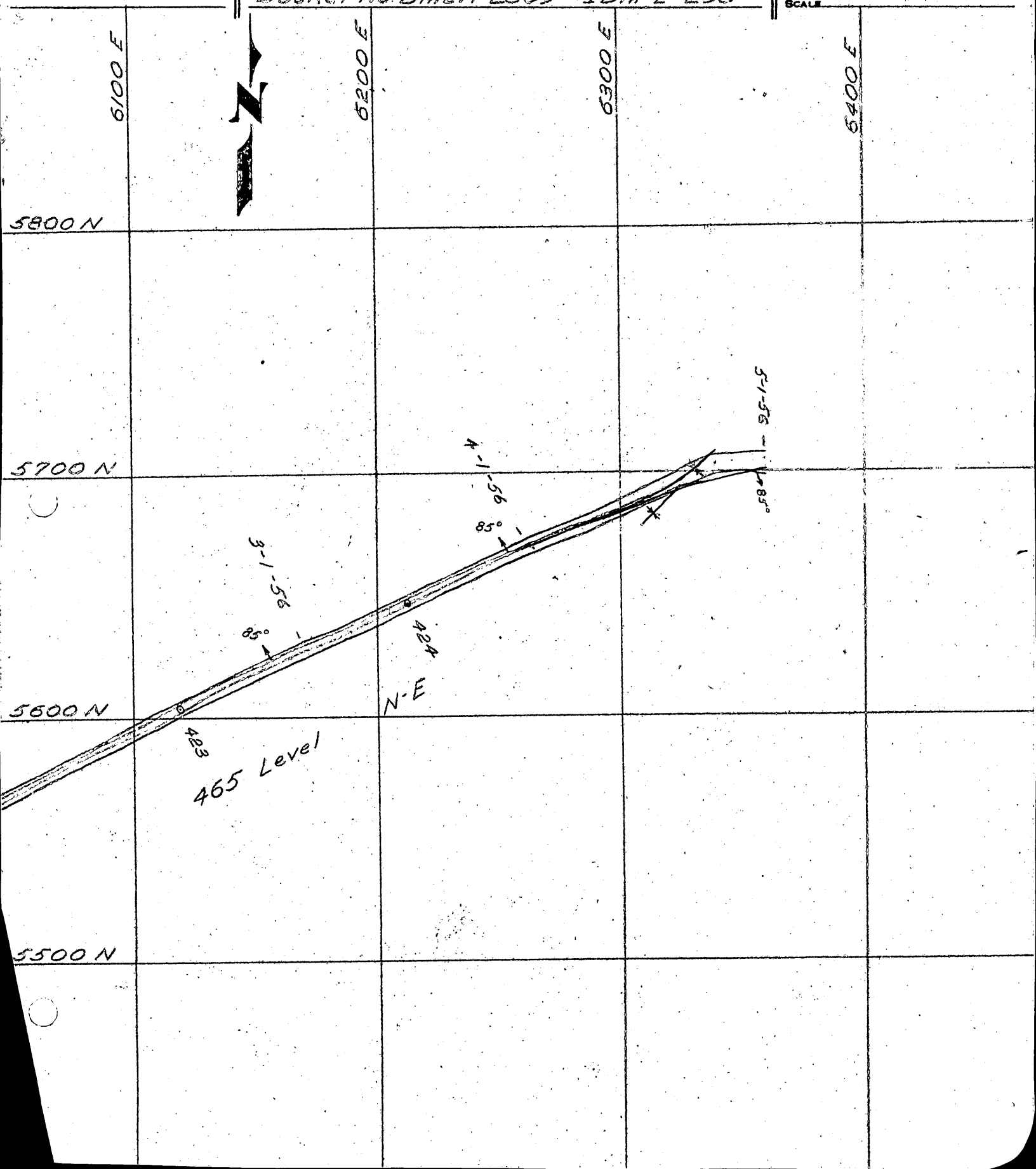
April 9 1956

MADE BY Schrader

TRACED BY

CHECKED BY R. G. Lee

SCALE 1" = 50'



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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED MAY 7 - 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March 1956 Docket No. DMEA 2307 Contract No. 1Cm-3 295
Operator's Name COSEY MINES, INC. Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $ 190,000.00 Government Participation: 50 % Amount, $ 95,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting 225.5 ft. @	1,000.00	10,223.14	13,310.14			
Drifting 30.00						
(2) Labor and Supervision:						
Labor		50,121.33	50,121.33			
Supervision		10,512.31	10,512.31			
Technical Services		979.29	979.29			
(3) Operating Mat'ls. and Supplies:						
Timber		4,338.22	4,338.22			
Explosives		3,699.12	3,699.12			
Pipe		1,307.20	1,307.20			
Track		1,609.98	1,609.98			
Power		1,632.73	1,632.73			
(4) Operating Equipment:						
Rental		4,141.57	4,141.57			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	90.00	1,350.00	1,350.00			
Sampling and Analysis		232.45	232.45			
Payroll Taxes		1,329.29	1,329.29			
Liability Insurance		3,499.25	3,499.25			
Truck Transportation of Supplies		1,607.69	1,607.69			
(8) Contingencies (specify):						
Misc. Tools & Supplies		8,250.45	8,250.45			
Misc., Autos & Gen. Expense		7,069.26	7,069.26			
TOTALS	3,090.00	111,470.90	114,560.90			

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

Date 5-22-56 *Payee COSEY MINES, INC.

Per [signature] Title Treasurer

*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:

$1549.00

Lloyd H. Sjolander
Signature Authorized Certifying Officer
(Authorized Certifying Officer)

Date MAY 3 1956 Vou. No. SF-OmCA-33

(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-E295 in accordance with the terms of the contract.

Signature Glenn G. Gentry Title Mining Engineer Date 4/30/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature G. Ricker Title Executive Officer Date 4/30/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAY 7 - 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1956 Docket No. DMEA 2367 Contract No. Xdr-3 295
Operator's Name Great Mines, Inc. Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	ft.	3,000.00	100.0	59,102.78	1251.0	29.47	1700	30.00
Crosscutting	ft.			3,069.16		46.04		
Raising	ft.			44,579.60		119.71		
Shafts				905.39		150.07		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Tunneling				11,652.09		1.00		
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								$190,000.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Sampling 28 samples, lb.		1,40 96		92.60				
TOTAL COSTS		3,098.00		118,576.90				

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 4-30-56 Operator Great Mines, Inc.

Per [signature] Title President

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

REMARKS:

(Instructions on reverse)

(For Government use only)

[signature]

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

COMBINED METALS REDUCTION COMPANY

RECEIVED

MAY 7 - 1956

Progress Report - Project/2309, Comet Mines Inc. - Month of March, 1956.

April 9, 1956

Mr. Paul Cassill, General Manager

Reginald O. Lee

Dear Paul:

Work under Proj. Project/2309 on 465 level in the Comet mine made a progress of 100.0 feet of drift advance on the Comet Fissure.

The first 25 feet of this advance showed strong fissuring and some oxidized mineralization up to 30" wide. Average assays from about 100 tons (car samples) was 0.09 oz. Au, 4.8 oz. Ag, 3.3% Pb and 0.7% Zn.

The next 20 feet showed considerable improvement in mineralization, lead carbonate being the principal mineral from 10" to 16" wide. Average assays from 60 tons was 0.27 oz. Au, 10.32 oz. Ag, 7.6% Pb and 0.7% Zn.

The last 55 feet from survey station 474 to the face showed only 2" of fissuring and much less mineralization. Average assays of about 160 tons was 0.08 oz. Au, 2.70 oz. Ag, 2.6% Pb and 0.7% Zn.

A cut sample across 14" of the lead carbonate assayed 0.56 oz. Au, 32.54 oz. Ag, 33.8% Pb and 0.5% Zn.

No effort was made to mine up from the back of the drift in the lead carbonate as this would slow down the drift advance.

Very truly yours,

Reginald O. Lee

Reginald O. Lee

COPY

FORM 25

DOUBLE BIRDS, INC.
Fiocche, Nevada
April 1, 1956.

RECEIVED
MAY 7 - 1956

TO:

DMEA Project, Docket No. 2309
Contract No. Idm-6 395

Drift advance under DMEA Project/2309 during month of March, 1956.

100.0 feet of drifting @ $30.00	$ 3,000.00
Assaying of 26 samples for lead, zinc & silver @ $3.50	98.00
Total for month of March, 1956	$ 3,098.00

APPROVED:

Paul Stimmell

Frank H Hudson

Certified True Copy

Raymond S Lee

A 1687-4

REFERENCES

COMBINED METALS REDUCTION CO.

Comet Mines Incorporated

Pioche Nevada

Docket No DMEA-2309 IDM-L 295

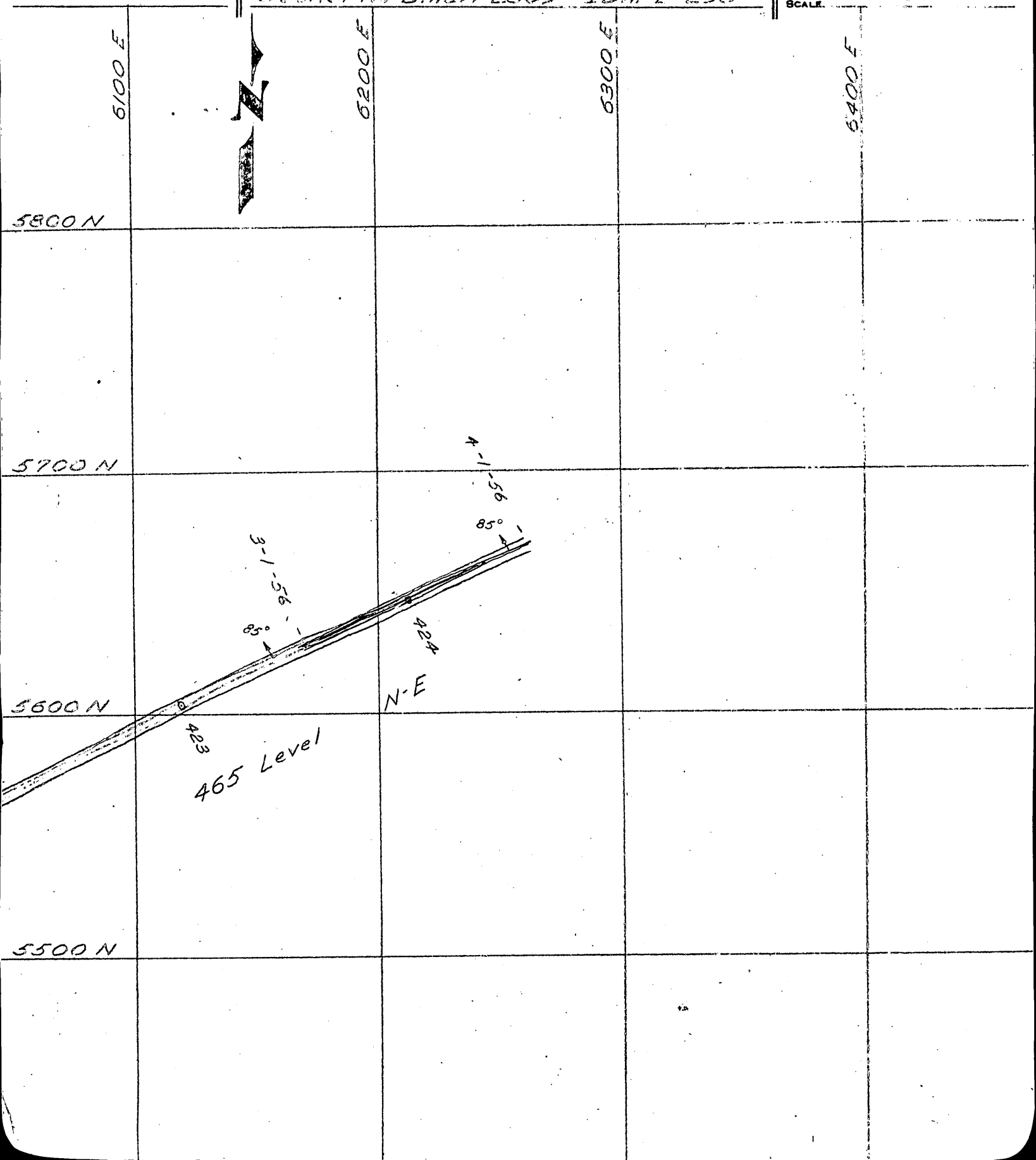
April 9 1956

MADE BY Schrader

TRACED BY

CHECKED BY R.S.

SCALE 1" = 50'



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.

RECEIVED
APR 11 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 1956 Docket No. DMEA 2309 Contract No. Idm-E 295
Operator's Name Comet Mines, Inc. Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $190,000.00 Government Participation: 50 % Amount, $95,000.00

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						
Bulldozing						
Crosscutting						
Drifting 87.0' @ $30.	2,610.00	7,608.14	10,218.14			
(2) Labor and Supervision:						
Labor		50,111.32	50,111.32			
Supervision		10,312.31	10,312.31			
Technical Services		379.29	379.29			
(3) Operating Mat'ls. and Supplies:						
Timber		4,338.22	4,338.22			
Explosives		3,899.12	3,899.12			
Pipe		1,309.28	1,309.28			
Track		1,609.98	1,609.98			
Power		1,632.78	1,632.78			
(4) Operating Equipment:						
Rental		4,141.57	4,141.57			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		1,358.60	1,358.60			
Sampling and Analysis		232.45	232.45			
Payroll Taxes		1,329.29	1,329.29			
Liability Insurance		3,499.25	3,499.25			
Truck Transportation of Supp.		1,807.69	1,807.69			
(8) [redacted]						
Misc. Tools & Supplies		8,250.45	8,250.45			
Misc., Autos & Gen. Expense		7,069.16	7,069.16			
TOTALS	2,610.00	108,888.90	111,498.90			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 3-16-56 *Payee COMET MINES, INC.
Per [signature] Title Treasurer

*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:

$1305 00

Signature Lloyd H. Schneider, Certifying Officer
(Authorized Certifying Officer)

Date Vou. No. SF-DMEA-31
(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-8295 in accordance with the terms of the contract.

Signature Glenn G. Gentry Title Mining Engineer Date 3/20/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Glenn G. Gentry

Signature S. Ricker Title Executive Officer Date 3/20/56

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-R1151.1
Approval expires 6-30-53.

RECEIVED
APR 11 1956

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

Month of February 195 6 Docket No. DMEA 2309 Contract No. Idm-6 293
Operator's Name Comet Mines, Inc. Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	2,610.00	87.0	50,102.78	1701.8	29.44		
Crosscutting	Ft.			3,959.16		46.04		
Raising	Ft.			44,879.68		118.71		
Shafts				905.19		150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Raising	Cu Ft			11,652.09		1.80		
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								190,000.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,610.00		111,498.90				

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 3-10-56 Operator COMET MINES, INC.
Per [signature] Title Treasurer

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)

[signature]

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

COMBINED METALS REDUCTION COMPANY

RECEIVED
APR 1 1 1956

Progress Report - Project/2309, Comet Mines, Inc. - Month of February, 1956.

March 6, 1956

Mr. Paul Gemmill, Plant Manager

Reginald G. Lee

Dear Paul:

Work under DMEA Project/2309 was active during the month of February, 1956.

The northeast drift on 465 level was advanced 87.0 feet.

In the first 35 feet of advance the fissure was 14" wide containing very little mineralization, the next 52 feet the fissure opened up to 36" containing a silica filling of a sponge like pattern that is the direct result from leached out high grade sphalerite. Some lead carbonate is exposed in the face.

The shale and quartzite contact is about 200 feet above the drift face. For some distance immediately under the shale oxidation may have been much less active and the leached zones drifted through may contain lead-zinc sulphide ore near the contact.

COPY

Very truly yours,

Reginald G. Lee

Reginald G. Lee

FORM 25

COMET MINES, INC.
Pioche, Nevada
March 1, 1956.

TO:

DMEA Project, Docket No. 2309
Contract No. Idm-E 295

Drift advance under DMEA Project/2309 during the month of February, 1956.

87.0 feet of drifting	@ $30.00	$ 2,610.00
Total for month of February, 1956		$ 2,610.00

APPROVED:

Frank H. Hudson

Lee Rammell

Certified True Copy:

Reginald G. Lee

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

ACCOUNTS FEB 20 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January, 1956 Docket No. DMEA 2309 RECEIVED Contract No. Idm-E295
Operator's Name Comet Mines, Inc. Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah FEB 20 1956
Contract Amount, $190,000.00 Government Participation: 50 % Amount, $ 95,000.00

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						
Bulldozing						
Crosscutting						
Drifting 90.0 Ft. @ $30.	2,700.00	4,908.14	7,608.14			
(2) Labor and Supervision:						
Labor		50,111.32	50,111.32			
Supervision		10,312.31	10,312.31			
Technical Services		379.29	379.29			
(3) Operating Mat'ls. and Supplies:						
Timber		4,338.22	4,338.22			
Explosives		3,899.12	3,899.12			
Pipe		1,309.28	1,309.28			
Track		1,609.98	1,609.98			
Power		1,632.78	1,632.78			
(4) Operating Equipment:						
Rental		4,141.57	4,141.57			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		1,358.60	1,358.60			
Sampling and Analysis		232.45	232.45			
Payroll Taxes		1,329.29	1,329.29			
Liability Insurance		3,499.25	3,499.25			
Truck Transportation of Supplies		1,807.69	1,807.69			
(8) Misc. Tools & Supplies		8,250.45	8,250.45			
Whse., Autos & Gen. Expense		7,069.16	7,069.16			
TOTALS	2,700.00	106,188.90	108,888.90			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 2-13-56 *Payee COMET MINES, INC.
Per [signature] Title Treasurer

*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:

$1350.00

Signature [signature]
(Authorized Certifying Officer)

Date FEB 23 1956 Vou. No. SF-DMEA-29

(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. 10m-R299 in accordance with the terms of the contract.

Signature Glenn G. Gentry Title Mining Engineer Date 2/17/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Richter Title Executive Officer Date 2/17/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
FEB 29 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1956 Docket No. DMEA 2309 Contract No. Idm-E 295
Operator's Name Comet Mines, Inc. Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah

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	Feet	2700.00	90.0	47,492.78	1614.0	29.41	1700	30.00
Crosscutting	Feet			3,959.16		46.04		
Raising	Feet			44,879.68		118.71		
Shafts				905.19		150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Raising	CuFt			11,652.09		1.80		
TOTAL DISTRIBUTED COSTS							TOTAL COSTS AUTHORIZED BY CONTRACT	
Operating Equipment Purchased							$190,000.00	
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2700.00		108,888.90				

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 2-13-56 Operator COMET MINES, INC.

Per [signature] Title Treasurer

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)

[signature]

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

COMBINED METALS REDUCTION COMPANY

Progress Report on DMEA Project/2309 - Comet Mines, Inc. for month of January, 1956.

February 7, 1956

Mr. Paul Gemmill, Plant Manager

Reginald G. Lee

Dear Paul:

Work under DMEA Project/2309 was active during the entire month of January, 1956.

The northeast drift on 465 Level was advanced 90.0 feet (Stage II, under amended contract) during the month.

The first 40 feet of advance ~~on~~ encountered very little mineralization, the last 50 feet contained from 3" to 8" of semi-sulphide lead-copper ore. Of the 309 tons hoisted during the month 188 tons were waste and 121 tons were pretare stockpiled at the mine, assaying 0.03 Au, 3.20 Ag, 12% Pb, 0.70% Zn and 0.50% Cu.

COPY

Very truly yours,

Reginald G. Lee

Reginald G. Lee

FORM 25

COMET MINES, INC.
Pioche, Nevada
February 1, 1956

TO:
DMEA Project/2309

Drift advance under DMEA Project/2309 during the month of January, 1956.

90.0 feet of drifting	@ $30.00	$ 2,700.00
Total for January, 1956		$ 2,700.00

APPROVED:

Frank H. Henderson

Lee Summerill

Certified True Copy:

Raymond G. Lee

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December 1955 Docket No. DMEA 2309 Contract No. Idm-E 295

Operator's Name Comet Mines, Inc. Minerals Lead-Zinc

Address P. O. Box 150, Salt Lake City, Utah

Contract Amount, $ 190,000.00 Government Participation: 50 % Amount, $ 95,000.00

RECEIVED FEB - 6 1956

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						
Bulldozing						
Crosscutting						
Drifting 125.0 ft. @ $30.00	3,750.00	1,158.14	4,908.14			
(2) Labor and Supervision:						
Labor		50,111.32	50,111.32			
Supervision		10,312.31	10,312.31			
Technical Services		379.29	379.29			
(3) Operating Mat'ls. and Supplies:						
Timber		4,338.22	4,338.22			
Explosives		3,899.12	3,899.12			
Pipe		1,309.28	1,309.28			
Track		1,609.98	1,609.98			
Power		1,632.78	1,632.78			
(4) Operating Equipment:						
Rental		4,141.57	4,141.57			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		1,358.60	1,358.60			
Sampling and Analysis		232.45	232.45			
Payroll Taxes		1,329.29	1,329.29			
Liability Insurance		3,499.25	3,499.25			
Truck Transportation of Supplies		1,807.69	1,807.69			
Misc. Tools & Supplies		8,250.45	8,250.45			
Mhse., Autos & Gen. Expense		7,069.16	7,069.16			
TOTALS	3,750.00	102,438.90	106,188.90			

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

Date January 26, 56 *Payee COMET MINES, INC.

Per [signature] Title Treasurer

*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:

$ 1875.00

Signature Lloyd E. Stokes (Authorized Certifying Officer)

Date FEB 1 1956 Vou. No. SF-DMEA-27

(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-E295 in accordance with the terms of the contract.

Signature Glenn G. Gentry Title Mining Engineer Date 1/30/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Eicher Title Executive Officer Date 1/30/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form M[illegible]A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED
FEB - 6 1956

Month of December 195 5 Docket No. DMEA 2309 Contract No. Idm-E 295
Operator's Name Comet Mines, Inc. Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah

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	Ft.	3,750.00	125.0	*44,792.78	1524.8	29.38	1100	30.00
Crosscutting	Ft.			3,959.16		46.04		
Raising	Ft.			44,879.68		118.71		
Shafts				905.19		150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Mining	Cu.Ft.			11,652.09		1.80		
TOTAL DISTRIBUTED COSTS							TOTAL COSTS AUTHORIZED BY CONTRACT	
Operating Equipment Purchased							$190,000.00	
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3,750.00		106,188.90				

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 January 26, 1956 Operator COMET MINES, INC.

Per [signature] Title Treasurer

REMARKS: *Corrected for liquidation of property purchased as per December audit.

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)

[signature]

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

COMBINED METALS REDUCTION COMPANY

Report on DMEA Project/2309 - Month of December, 1955 - Comet Mines, Inc.

January 16, 1956

Mr. Paul Gemmill, Plant Manager

Reginald O. Lee

Dear Paul:

Work under DMEA Project/2309 was continued during the entire month of December.

The northeast drift on 465 level was advanced 125.0 feet (Stage II, under amended contract).

The first 70 feet of the advance showed considerable oxidized mineralization, the last 55 feet the fissure narrowed to average width of 20 inches with only scant amount of mineralization.

Average assay value of 130 tons stockpiled was 0.03 oz. gold, 5.2 oz. silver, 0.9% lead, 1.1% zinc and 0.5% copper.

Water had to be hauled from Cascade for drilling and domestic use.

COPY

Very truly yours,

Reginald O. Lee

Reginald O. Lee

FORM 25

COMET MINES, INC.
Pioche, Nevada
January 1, 1956.

TO:

D.M.E.A. Project/2309

Drift advance under DMEA Project/2309 during the month of December, 1955.

125.0 feet of drifting	$30.00	$ 3,750.00
Total for December, 1955		$ 3,750.00

APPROVED:

Charles H. Anderson

Paul Summit

Certified True Copy:

Reginald G. Lee

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

RECEIVED
JAN 11 1956

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

Month of November 5 195 Docket No. DMEA 2309 Contract No. Idm-E 295
Operator's Name Comet Mines, Inc. Minerals
Address P. O. Box 150, SaltLake City, Utah
Contract Amount, $ 190,000.00 Government Participation: 50 % Amount, $ 95,000.00

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						
Bulldozing						
Crosscutting						
Drifting 62.0' @ $30.00	1,860.00	1,830.00	3,690.00	1,860.00		
Less final liquidation of equipment				-1326.42	-120000	
(2) Labor and Supervision:						
Labor		50,111.32	50,111.32			
Supervision		10,312.31	10,312.31			
Technical Services		379.29	379.29			
(3) Operating Mat'ls. and Supplies:						
Timber		4,338.22	4,338.22			
Explosives		3,899.12	3,899.12			
Pipe		1,309.28	1,309.28			
Track		1,609.98	1,609.98			
Power		1,632.78	1,632.78			
(4) Operating Equipment:						
Rental		4,141.57	4,141.57			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		1,358.60	1,358.60			
Sampling and Analysis		232.45	232.45			
Payroll Taxes		1,329.29	1,329.29			
Liability Insurance		3,499.25	3,499.25			
Less Suspension per audit of 10/25/55				-5.44		
Transportation of Supplies		1,807.69	1,807.69			
(8) Contingencies (specify):						
Misc. Tools & Supplies		8,250.45	8,250.45			
Misc., Autos & Con. Expense		7,069.16	7,069.16			
TOTALS	1,860.00	103,110.76	104,970.76	528.14	101,910.76	102,438.90

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 12/12/55 *Payee Comet Mines, Inc.
Per [signature] Title Treasurer

*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:

$264.07

Lloyd W. Sjolander
Signature Authorized Certifying Officer
(Authorized Certifying Officer)

Date DEC 28 1955 Vou. No. SF-DMEA 23
(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-1296 in accordance with the terms of the contract.

Signature Glenn O. Gentry Title Mining Engineer Date 12/14/59

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature D. Richter Title Executive Officer Date 12/14/59

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JAN 11 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 195 5 Docket No. DMEA 2300 Contract No. 1da-E 295
Operator's Name Comet Mines, Inc. Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	1,860.00	62.0	43,574.64	1399.8	31.13	1700	30.00
Crosscutting	Ft.			3,959.16		46.04		
Raising	Ft.			44,829.65		119.71		
Shafts				998.39		199.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Caising	Cu.Ft.			31,062.09		1.00		
TOTAL DISTRIBUTED COSTS				*2531.86*				TOTAL COSTS AUTHORIZED BY CONTRACT
Less final liquidation of equipment								
Operating Equipment Purchased		-1,326.42						190,000.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Less suspension per audit		5.44						
TOTAL COSTS		528.14		102,438.90				

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.

* Total deducted from Oct. & Nov. MF-104 per audit of 10/25/55

Date 12/12/55 Operator Comet Mines, Inc.

Per [signature] Title Treasurer

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)

Glenn T. Gerlach

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

RECEIVED
JAN 11 1956

Report on DMEA Project/2309 - Month of November, 1955 - Comet Mines, Inc.

December 8, 1955

Mr. Paul Gemmill, Plant Manager

Reginald G. Lee

Dear Paul:

Work on DMEA Project/2309 was continued during the entire month of November.

The northeast drift on 465 level was advanced 62.0 feet for the month (Stage II, under amended contract). The quartz fissure averaged 4 feet in width and showed an increase in mineralization, although most of the zinc mineral had been removed by leaching.

Average assay value of 200 - one tone mine cars were as follows: Au .03 oz., Ag 2.5 oz., Pb .80%, Zn .70%, Cu .40%.

A car slide for switching cars near the heading was installed to speed up mucking and tramming. Ventilation at the heading was improved by installation of 12" vent pipe and larger blower fan.

Drilling is the most time consuming due to the hard and vuggy character of the fissure.

Decreasing water flow at the Comet Spring made it necessary to haul water from the Pan American and Caselton. The spring was cleaned out but the water flow is yet below consumption at the Comet Mine.

Very truly yours,

Reginald G. Lee

Reginald G. Lee

COMET MINES, INC.
Pioche, Nevada
December 1, 1955

To:
D.M.E.A. Project/2309

Drift advance under DMEA Project/2309 during the month of November, 1955.

62.0 feet of drifting	@ $30.00	$ 1,860.00

Total for Nov. $ 1,860.00

APPROVED:

Frank H. Hudson

Certified True Copy:

Raymond G. Lee

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED NOV 8 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

JAN 11 1956

Month of October, 1955 Docket No. DMEA 2309 Contract No. DMA-D 295
Operator's Name Comet Mines, Inc. Minerals
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $190,000.00 Government Participation: 50 % Amount, $95,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting 40.0' @ 30.00	1,200	630.00	1,830.00	1,200.00	630.00	1,830.00
Less partial liquidation of equipment				-1,200.00		-1,200.00
(2) Labor and Supervision:						
Labor		50,111.32	50,111.32			
Supervision		10,312.31	10,312.31			
Technical Services		379.29	379.29			
(3) Operating Mat'ls. and Supplies:						
Timber		4,338.22	4,338.22			
Explosives		3,899.12	3,899.12			
Pipe		1,309.28	1,309.28			
Track		1,609.98	1,609.98			
Power		1,632.70	1,632.70			
(4) Operating Equipment:						
Rental		4,141.57	4,141.57			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		1,358.60	1,358.60			
Sampling and Analysis		232.45	232.45			
Payroll Taxes		1,329.29	1,329.29			
Liability Insurance		3,499.25	3,499.25			
Truck Transp. of Supplies		1,207.69	1,207.69			
Misc. Tools & Supplies		8,250.45	8,250.45			
(8) Contingencies (specify)						
Misc., Autos & Gen. Exp.		7,069.16	7,069.16			
TOTALS	1,200	101,910.76	103,110.76	-0-	101,910.76	101,910.76

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

Date 11/17/55 *Payee Comet Mines, Inc.

Per [signature] Title Treasurer

*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:

$ None

Signature
(Authorized Certifying Officer)

Date Vou. No. SF-DMCA-23

(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. [illegible] in accordance with the terms of the contract.

Signature [illegible] Title [illegible] Date [illegible]

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title [illegible] Date [illegible]

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Form MT-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

ACCOUNTS NOV 29 1955

RECEIVED
JAN 11 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1955 Docket No. DMEA 2309 Contract No. [illegible] 295
Operator's Name Comet Mines, Inc. Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah

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
				41,714.64				
Drifting	Ft.	1,200.00	40.0	41,710.00	1337.8	31.18	1700	30.00
Crosscutting	Ft.			3,959.16	86.0	46.04		
Raising	Ft.			44,879.69	381.1	118.71		
Shafts				905.19	6.0	150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails				11,652.09				
Raising	Cu.Ft.			11,652.00		1.80		
TOTAL DISTRIBUTED COSTS		1,200.00	40.0					TOTAL COSTS AUTHORIZED BY CONTRACT
Less Partial liq. of equip.		-1,200.00		-1200.00				
Operating Equipment Purchased								190,000.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		~~1,200.00~~ -0-		~~102,110.76~~ 101,910.76				

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 11/17/55 Operator Comet Mines, Inc.

Per [signature] Title Treasurer

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)

[signature]

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

COMBINED METALS REDUCTION COMPANY

RECEIVED
JAN 11 1956

Report on DMEA Project/2309 - Month of October, 1955 - Comet Mines, Inc.

November 10, 1955

Mr. Paul Gemmill, Plant Manager

R. G. Lee

Dear Paul:

Work on DMEA Project/2309 was continued during October.

The northeast drift on 465 feet level was advanced 40.0 feet during the month. (Stage II, under amended contract).

The fissure is from 3 to 4 feet wide containing some oxidized mineralization of iron and a lesser amount of lead, zinc and copper.

Average assay value of grab samples taken from 204 one ton mine cars were as follows:

0.6% Pb, 0.6% Zn, and 0.1% Cu

Silver assays from the above samples are not available yet.

COPY

Very truly yours,

Reginald G. Lee

FORM 25

COMET MINES, INC.
Pioche, Nevada
November 1, 1955

TO:

D.M.E.A. Project/2309

Drift advance under DMEA Project/2309 during the month of October, 1955.

40.0 feet of drifting	@ $30.00	$ 1,200.00
	Total for Oct.	$ 1,200.00

APPROVED:

Frank H Pinkerton

Certified True Copy:

Reynold G Lee

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September 195 5 Docket No. DMEA 2309 Contract No. Idm-E 295

Operator's Name Comet Mines, Inc. Minerals Lead-Zinc

Address 218 Felt Bldg., P. O. Box 150, Salt Lake City, Utah.

Contract Amount, $ 190,000.00 Government Participation: 50 % Amount, $ 95,000.00

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						
Bulldozing						
Crosscutting						
Drifting 16.0 ft. at $30.	480.00	150.00	630.00			
(2) Labor and Supervision:						
Labor		50,111.32	50,111.32			
Supervision		10,312.31	10,312.31			
Technical Services		379.29	379.29			
(3) Operating Mat'ls. and Supplies:						
Timber		4,338.22	4,338.22			
Explosives		3,899.12	3,899.12			
Pipe		1,309.28	1,309.28			
Track		1,609.98	1,609.98			
Power		1,632.78	1,632.78			
(4) Operating Equipment:						
Rental		4,141.57	4,141.57			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		1,358.60	1,358.60			
Sampling and Analysis		232.45	232.45			
Payroll Taxes		1,329.29	1,329.29			
Liability Insurance		3,499.25	3,499.25			
Truck Transportation of Supplies		1,807.69	1,806.69			
(8) ~~Contingencies (specify)~~ Misc. tools & supplies		8,250.45	8,250.45			
Whse., Autos & Gen. Expense		7,069.16	7,069.16			
TOTALS	480.00	101,430.76	101,910.76			

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

Date 10-22-55 *Payee COMET MINES, INC.

Per [signature] Title Treasurer

*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.

RECEIVED NOV 1 2 1955

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:

$ 240 00

Lloyd [illegible]
Authorized Certifying Officer

Signature
(Authorized Certifying Officer)

Date NOV 4 1955 Vou. No. SF-DMEA-17

(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-2295 in accordance with the terms of the contract.

Signature Glenn G. Gentry Title Mining Engineer Date 11/1/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature D. Ricker Title Executive Officer Date 11/1/55

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A.
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED NOV -2 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 195 5 Docket No. DMEA 2309 Contract No. Idm-E 295
Operator's Name Comet Mines, Inc. Minerals Lead-Zinc
Address 218 Felt Bldg., P. O. Box 150, Salt Lake City, Utah

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	Ft	480.00	16.0	40,514.64	1297.8	31.22	1700	30.00
Crosscutting	Ft			3,959.16	86.0	46.04		
Raising	Ft.			44,879.68	381.1	116.71		
Shafts				905.19	6.0	150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Raising	Cu.Ft.			11,652.09		1.80		
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								190,000.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		480.00		101,910.76				

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 10-15-55 Operator Comet Mines, Inc.

Per [signature] Title Treas

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)

[signature]

RECEIVED
NOV 14 1955

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

COMBINED METALS REDUCTION COMPANY

Report on DMEA Project/2309 - Month of September, 1955 - Comet Mines, Inc.

October 14, 1955

Mr. Paul Gemmill, Plant Manager

R. G. Lee

Dear Paul:

Work on DMEA Project/2309 in the Comet Mine was resumed on a permanent basis as of September 1st.

Considerable trouble was experienced with equipment left in the mine and at the surface plant in starting the operation. The battery on the underground electric trammer had to be replaced and charging equipment worked over. Mucking machine had to be gone over, air lines were leaking and had to be repaired. The air compressor motor shorted out after two days of running and had to be repaired. The drifts and track had to be cleaned and surface track to waste dump raised and extended.

With the above dead work completed, drift advance for the month amounted to 16.0 feet.

The fissure is mineralized but is too low grade to go for ore. Grab-samples from muck pile for the 16.0 feet advance averaged 4.92 oz. silver, 0.72% lead, 1.30% zn and 0.72% copper.

Drift advance will increase as the new underground crew aquire more experience in drilling and breaking the hard quartz fissure.

Very truly yours,

Reginald G. Lee

Reginald G. Lee

COPY

FORM 25

I N V O I C E

COMET MINES, INC.
Pioche, Nevada
October 1, 1955.

TO:
D.M.T.A. Project/2309

Drift advance for month of September, 1955.

16.0 feet of drifting	$30.00	$ 480.00
	TOTAL	$ 480.00

APPROVED:

Frank H. Anderson

Paul Summit

Certified True Copy:

Raymond G. Lee

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
SEP 12 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1955 Docket No. DMEA 2309 Contract No. IDM-E 295
Operator's Name Comet Mines, Inc. Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $ 190,000.00 Government Participation: 50 % Amount, $ 95,000.00

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						
Bulldozing						
Crosscutting						
Drifting 5 ft. @ $30.00	150.00		150.00			
(2) Labor and Supervision:						
Labor		50,111.32	50,111.32			
Supervision		10,312.31	10,312.31			
Technical Services		379.29	379.29			
(3) Operating Mat'ls. and Supplies:						
Timber		4,338.22	4,338.22			
Explosives		3,899.12	3,899.12			
Pipe		1,309.28	1,309.28			
Track		1,609.98	1,609.98			
		1,632.78	1,632.78			
(4) Operating Equipment:						
Rental		4,141.57	4,141.57			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		1,358.60	1,358.60			
Sampling and Analysis		232.45	232.45			
Payroll Taxes		1,329.29	1,329.29			
Liability Insurance		3,499.25	3,499.25			
Truck Transp. of supplies		1,807.69	1,807.69			
Misc. Tools & Supplies		8,250.45	8,250.45			
~~(8) Contingencies (Specify)~~						
Whse., Auto, & Gen Expense		7,069.16	7,069.16			
Totals	150.00	101,280.76	101,430.76			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8-23-55 *Payee Comet Mines, Inc.
Per [signature] Title Treasurer

*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:

$ 75.00

Signature [signature]
Authorized Certifying Officer
(Authorized Certifying Officer)

Date Vou. No. SF-DMEA-9
(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-E295 in accordance with the terms of the contract.

Signature G. G. Gentry Title Mining Engineer Date 8/25/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Executive Officer DMEA Field Team

Signature S. Ricker Title Region II Date 8/25/55

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 12 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1955 Docket No. DMEA 2309 Contract No. IDM-E 295
Operator's Name Comet Mines, Inc. Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Ft.	150.00	5	40,034.64	1,281.8	31.23	2372	30.00
Crosscutting	Ft.			3,959.16	86.0	46.04		
Raising	Ft.			44,879.68	381.1	118.71	150	50.00
Shafts	Ft.			905.19	6.0	150.87	390	
Winzes							100	95.00
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Raising	Cu. Ft.			11,652.09	6456.0	1.80		
Total Distributed Costs		150.00		101,430.76				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								190,000.00
Total Costs		150.00		101,430.76				

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

Date 8-23-55 Operator Comet Mines, Inc.

Per [signature] Title Treasurer

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)

[signature]

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

COMBINED METALS REDUCTION COMPANY

RECEIVED
SEP 12 1955

Comet Mines, Inc. Operating Report for Month of June, 1955.

August 6, 1955

Paul Gemmill, Vice President, Comet Mines, Inc.

R. G. Lee

Dear Paul:

During the later part of June, operation at the Comet Mine was started up temporarily.

Servicing of equipment and cleaning of northeast drift was completed and the drift advanced 5 feet during the month. The drift was turned slightly to the right to expose the footwall of the fissure. Mineralization is stronger near the footwall, the gangue being white quartz.

Very truly yours,

Reginald G. Lee

Reginald G. Lee

COPY

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

NOV 3 1955

Mr. George Mayer
DMEA Auditor
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Idm-8295, DMEA-2309
Comet Mines, Incorporated

Dear George:

The 3rd Interim Audit Report and Certificate covering your recent audit of the referenced Exploration Project Contract is acceptable and normal distribution is authorized after the following corrections:

(a) In the 3rd line on page 1 of the report change the word "pretaining" to "pertaining"; and

(b) In the 1st line of the 3rd complete paragraph on page 4 change the amount of $9,961.11 to $10,312.31.

These changes have been made in the Washington copies of the report.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

XXX
EDTalbert/wb
November 3, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

DEFENSE MINERALS EXPLORATION ADMINISTRATION

CONTRACT ADMINISTRATION AND AUDIT DIVISION

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3rd INTERIM AUDIT CERTIFICATE

I have examined the records and transactions of:

Comet Mines, Incorporated
Pioche, Nevada

pertaining to Exploration Project Contract No. Idm-E295, Docket No. DMEA-2309, including Amendments Nos. 1, 2, 3 and 4, for the period June 1, 1952 to August 14, 1954, covering a project of exploration for lead and zinc, located in Lincoln County, Nevada, commonly known as the Comet Mine.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to the amount to be paid the contractor:

Total cost as billed by contractor		$101,640.34
Less: Proceeds from disposition of property		2,526.42
Net claimed cost		$ 99,113.92
Exceptions (see Audit Report for details)		
By DMEA Finance Officer	$308.41	
Prior Audit	51.17	
This Audit	5.44	365.02
Total Accepted Cost		$ 98,748.90

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government, in the amount of Forty Nine Thousand Three Hundred Seventy Four and 45/100 Dollars.

49,374.45

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

George Mavor

George Mavor
Auditor

October 25, 1955

AUDIT REPORT

I. INTRODUCTION

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On September 9 and 10, 1955, a third interim audit (covering operations for the period June 1, 1952 to August 14, 1954) was made of the records and accounts pertaining to Exploration Contract No. Idm-2295, Docket No. DMSA-2309, including Amendments Nos. 1, 2, 3 and 4, with the:

Comet Mines, Incorporated
Pioche, Nevada

covering a project for the exploration of lead and zinc, located in Lincoln County, Nevada, and commonly known as the Comet Mine.

The Comet Mines, Incorporated is a subsidiary company of the Combined Metals Reduction Company, and the control accounting records under this contract are located in the office of the Treasurer of the Comet Mines, Incorporated, 218 Felt Building, Salt Lake City, Utah. The source documents for payrolls, material and other charges are maintained in the office of the Combined Metals Reduction Company, Caselton Plant, Pioche, Nevada.

During the course of the audit, this auditor consulted the following officers and employees of the operator who were in the following locations:

Caselton Plant, Pioche, Nevada
Paul Gemmill, Vice-President
Frank H. Anderson, Office Manager
218 Felt Building, Salt Lake City, Utah
Clyde Stevenson, Accountant
Orlom Nordfelt, Accountant

The cooperation and assistance rendered by the above officials, greatly facilitated the audit.

II GENERAL INFORMATION ON RECORDS

The accounting records for this project are co-mingled with the Combined Metals Reduction Company operations at the Caselton Plant, Pioche, Nevada, however, all charges to the exploration project can be readily identified by cost account classification numbers assigned to the operations of the Comet Mines, Incorporated. At the end of each month the Caselton Plant Office prepares a series of journal vouchers covering the plant operations, which includes the Comet Mines, Incorporated. These journal vouchers are then forwarded to the Combined Metals Reduction Company Office in Salt Lake City, Utah, for further review and reconciliation of the monthly

transactions involved, and subsequently entered in the general ledgers of the various enterprises.

A general ledger is maintained for the Comet Mines, Incorporated at 218 Felt Building, Salt Lake City, Utah, and after the above referred to journal vouchers have been received and reconciled, then the items applicable to the exploration project are entered in the general ledger control account No. 412.11. The balance shown in this account as of August 14, 1954, was in agreement with the "Totals to Date" column of the MF-104 for August 1954. The MF-104 is prepared in Salt Lake City office each month, and signed by G. F. Burton, Treasurer.

All hourly rate employees for the exploration project are on the Caselton Plant payroll, and all salaried employees are paid direct by Combined Metals Reduction Company, Salt Lake City, Utah. The checks for hourly employees are drawn by Combined Metals Reduction Company on Nevada Bank of Commerce, Pioche Branch, Pioche, Nevada, and the bank statements are sent direct each month to the Combined Metals Reduction Company, Salt Lake City, for reconciliation. After reconciliation the cancelled payroll checks are stored at Bauer, Utah. All checks are countersigned by Combined Metals Reduction Company officials.

All material used on the exploration project is drawn from Caselton Plant Storeroom by requisitions and billed by the Combined Metals Reduction Company at the end of each month.

In addition to the above payroll and material charges, the Combined Metals Reduction Company also bill the Comet Mines, Incorporated each month for operating equipment rental, power, sampling and analysis, truck transportation, and a 7 1/2 percent fee for warehouse, accounting and general expense.

From the above description it is apparent that the entire exploration project program of the Comet Mines, Incorporated, is being financed by the Combined Metals Reduction Company.

The Company's accounts are audited after the close of each calendar year by (Wells, Baxter and Miller, Salt Lake City, Utah) a certified public accounting firm.

III SCOPE OF AUDIT AND FINDINGS

The first interim audit was made for the period June 1, 1952 to July 31, 1953, and Audit Report issued September 14, 1953. The second interim audit covered the period August 1, 1953 to

May 31, 1954, and Audit Report issued September 23, 1954. This third interim audit covered the period June 1, 1954 to August 14, 1954, and the combined results of the three audits are discussed in this report. The Amended Contract states in the second paragraph of the preamble to Annex 11, that work under the original contract would be suspended August 14, 1954, and paragraph 4(a) of Annex 11, further states "During the period beginning August 14, 1954, and ending not later than September 1, 1955, work under this Amended Contract shall be suspended". This third interim audit has therefore been made in order to properly account for all costs reimbursable under the terms of the original contract as of August 14, 1954. The additional work to be performed under the Amended Contract when work is resumed is on a fixed unit cost basis.

The audit was limited to ascertaining the accuracy, propriety and validity of the costs as shown in the "Totals to Date" column of Form MF-104, Operator's Monthly Report and Voucher, for the month of August 1954. The extent of the audit and the findings under each of the "Items of Cost" follows:

(2) Labor and Supervision $60,802.92

The payroll records for the period June 1, 1952 to August 14, 1954, were examined and during the course of the audit a substantial test of time cards and payroll checks was made. The audit also disclosed that the costs shown under this item on August 1954 MF-104, as compared to the costs properly chargeable, and allowable, under the terms of the contract to be:

	Charged	Disallowed	Allowable
Labor	$50,111.32	$	$50,111.32
Supervision	10,356.11	43.80	10,312.31
Technical Services	379.29		379.29
Totals	$60,846.72	$ 43,80	$60,802.92

This disallowance of $43.80 was due to the operator charging $5,443.80 for part time Superintendent's salary, whereas the contract allowed $5,400.00 as a maximum allowable cost.

The labor and supervision is further analyzed as follows:

Labor

Miners	$27,851.26	
Underground Hoistman	14,001.17	
Muckers	2,171.10	
Topman	3,999.01	
Maintenance Labor	2,088.78	$50,111.32

Supervision

Supervisor	$5,400.00	
Foreman	4,912.31	$10,312.31

Technical Services

Engineer	379.29
Total Labor and Supervision	$60,802.92

The units completed as of August 14, 1954 and shown on Form MF-104a are as follows:

Drifting	1,276.8 ft.
Crosscutting	86.0 ft.
Raising	381.1 ft.
Shaft	6.0 ft
Station Excavation and Work Preparation to Raising	6,456.0 cu.ft.

The hourly wage rates paid for labor were made in accordance with Union Contracts, between the Combined Metals Reduction Company, and the United Steel Workers of America, C.I.O. Union. Most of the wages paid for drifting, crosscutting and raising were on a bonus contract footage basis, and the hourly rates established for this work were in accordance with Union Contracts.

The supervision charge in amount of $10,312.31was made up as follows:

E. I. McIntyre, Superintendent			
9 mos.	at $250.00	$2,250.00	
3 1/2 mos.	at $300.00	1,050.00	
1 mo.	at $375.00	375.00	
1 mo.	at $500.00	500.00	$ 4,175.00
R. R. Dusk, Superintendent			
August 16, 1953 to October 31, 1953			
1 1/2 mos.	at $300.00	$ 450.00	
Oct. '53 prorata		103.80	553.80
J. D. Russell, Superintendent			
March 29, 1954 to August 14, 1954			
March '54 prorata		$ 40.00	
4 mos.	at $150.00	600.00	
Aug. '54 prorata		31.20	671.20
Total Paid to Superintendents			$ 5,400.00
James Hulse, Mine Foreman			4,912.31
Total Supervision			$10,312.31

The salaries paid in amount of $5,400.00 to three superintendents who were employed successively during the period June 1, 1952 to August 14, 1954, did not exceed the "allowable maximum" of $5,400.00 as shown in Exhibit "A" of the contract, which shows the estimated part-time salary for one superintendent at $300.00 per month for 18 months.

In the case of E. S. McIntyre the operator charged $375.00 for part time superintendent's salary during June 1952 and this was due to additional time required in getting project started, and during October 1952, the amount of $500.00 was charged representing full time supervision on raise work. After discussion with S. Hicker, Executive Officer, it was agreed to accept these salary costs, due to the necessity of work operations, which benefited the Government's interest in the project, and at the same time it was determined that the total salary paid to E. S. McIntyre amounted to $4,175.00 over a period of 14 1/2 months, for an average monthly charge of $287.93, which was less than the estimated $300.00 per month shown in contract, therefore, no exception was taken.

The amount of $4,912.31 charged to supervision, represented wages paid to James Hulse, Mine Foreman, and did not exceed the "allowable maximum" of $9,900.00 allowed under item 2 in Exhibit "A" of the contract. The hourly base rate for forman's wages was $1.885 per hour and included in the total charge of $4,912.31 was overtime $347.57 and holiday pay $75.40.

The charge for technical services in amount of $379.29 was a proportionate part of salaries paid to the following Combined Metals Reduction Company Engineers, for services rendered to exploration project.

	Monthly Salary	Project Proportion
Sept. & Oct. 1952 R.H.Godbe, Engineer	$475.00	$199.29
June & Sept. 1953 K.E.Anderson, Engineer	425.00	40.00
Sept.'53, Apr., June, July, Aug.'54 O. H. Schroeder, Engineer	475.00	140.00
Total Technical Services		$379.29

The above technical services are allowable costs and are applicable to Item (7) Miscellaneous listed in Exhibit "A" of the Contract, with an "allowable maximum" of $14,145.00.

During the course of the audit, it was ascertained that no jobs other than those provided for in the contract were charged to the project.

(3) Operating Materials and Supplies $18,689.67

A complete examination was made of all charges under this category, which included a review of requisitions and verifications of prices, together with extensions and footings. The audit also disclosed that the costs shown under this item on August 1954 MP-104, as compared to the costs properly chargeable, and allowable, under the terms of the contract to be:

	Charged	Less: Sale of Property	Allowable
Timber	$ 4,338.22	$	$ 4,338.22
Explosives	3,899.12		3,899.12
Pipe	1,309.28	981.96	327.32
Track	1,609.98	1,207.49	402.49
Power	1,632.78		1,632.78
Sub-total	$12,789.38	$2,189.45	$10,599.93
Miscellaneous			
Drill Steel & Bits	$ 6,004.26	$ 108.00	$ 5,896.26
12" Ventube	527.12	52.71	474.41
Oil and Grease	481.41		481.41
Nails	95.85		95.85
Oxygen & Acetylene	91.90		91.90
Nuts,Bolts,Washers,Etc.	1,049.91		1,049.91
Total Miscellaneous	$ 8,250.45	$ 160.71	$ 8,089.74
Total Materials & Supplies	$21,039.83	$2,350.16	$18,689.67

The material sold and listed above in amount $2,350.16, was comprised chiefly of material in place on the operator's property. Therefore it was more advantageous to the Government to accept the offer of $2,350.16 made by the operator, rather than dismantle the property, for sale on a bid basis. The offer of $2,350.16 was accepted by the Executive Officer under date of September 21, 1955, and waiver in settlement of property issued September 21, 1955. There was a 7 1/2% surcharge refund of $176.26, applicable to the sale and explained under Item (7) Miscellaneous.

All the above materials and supplies were issued by requisitions from the Combined Metals Reduction Company, Caselton Plant storeroom, other than 145 feet of 12" ventube, $118.90, issued by the operator. The Caselton Plant storeroom accounting procedure for material control is well organized and the system includes purchase orders, receiving reports and invoices, together with a systematic recording in stock record cards of all material movements. The storeroom also maintains a purchase order file by

vendor's name and a purchase order master file by purchase order number, which has all of the documents attached, which include the purchase orders, shipping notices, receiving reports, freight charges and invoices.

The requisitions issued for materials and supplies used on the project are prepared, priced and amounts extended by warehouse clerk, the receipt of material is signed by the workman, and approved by the foreman. The requisitions are dated but not numbered. The requisition shows the account to be charged and the requisitions chargeable to the exploration project are maintained in a separate file. At the end of the month, a schedule is prepared from the requisitions, and lists each item of material issued, showing the quantity, description, price and amount. This monthly schedule is certified as being correct by the superintendent of the project and approved by three officials of the Caselton Plant.

An average inventory price is used when pricing material requisitions, and the method used is to recompute the inventory card prices as new purchases are made. During the course of the audit, prices were traced from the stock record cards to the material purchase invoices in order to verify the prices used on material charged to the exploration project.

The electric power used during the period June 1, 1952 to August 14, 1954, amounted to $1,632.78 and represented a total of 307,906 KWH, at an average rate of .530 cents per KWH. The Lincoln County Power District No. 1, Pioche, Nevada, furnishes the power and bills the Combined Metals Reduction Company each month, listing all of the various locations where power is furnished and shows the meter readings for each location, including the Comet Mines, Incorporated. The Combined Metals Reduction Company then bills the exploration project for the amount of power consumed at the project. The project gains the benefit of any reduction in rates on the overall plant power consumption which may be over the maximum demand. There is no power contract and the rates used are established at nonprofit by the Board of Directors of the Lincoln Count Power District No. 1, Pioche, Nevada.

<u>Operating Equipment</u> <u>$4,141.57</u>

All charges for operating equipment were examined and the rates verified to the contract. The audit disclosed that the costs shown under this item on the August 1954 MF-104, as compared to the costs properly chargeable and allowable, under the terms of the contract to be:

	Charged	Disallowed	Allowable
Rental	$2,077.51	$	$2,077.51
Depreciation	2,357.81	293.75	2,064.06
Totals	$4,435.32	$293.75	$4,141.57

The disallowance of $293.75 was due to the operator claiming depreciation in excess of the "allowable maximum" set forth in Exhibit "A" of the contract, and accounted for as follows:

2-Compressors 20 mo. 24da.	at $100.00	$2,093.75
Less: "Allowable Maximum"		
2-Compressors 18 mo.	at $100.00	1,800.00
Depreciation Disallowed		$ 293.75

The equipment rental was billed by the Combined Metals Reduction Company each month for the following items:

Drills at $15.00 each per month				
2 Stopers	9 mo. at	$30.00	$270.00	
3 Stopers	1 mo. at	45.00	45.00	
1 Stoper	1 mo. at	15.00	15.00	$ 330.00
1 Jakleg & Hammer	2 mo. at	15.00	30.00	
2 Jaklegs & Hammers	8 mo. 24da. at	30.00	268.13	298.13
1 Drifter	2 mo. at	15.00		30.00
Total Drill Rental				$ 658.13
1 Mucking Machine	9 mo. 24da. at	$70.00		695.63
1 Locomotive	7 mo. 6da. at	100.00		723.75
Total Equipment Rental				$2,077.51

The depreciation charges for equipment were accounted for as follows:

2 Mine cars	4 mo. at	$ 10.00	$ 40.00	
3 Mine cars	14 mo.24da.at	15.00	224.06	$ 264.06
2 Compressors	18 mo. at	100.00		1,800.00
Total Allowable Depreciation				$2,064.06

(7) Miscellaneous $15,114.74

The audit of miscellaneous charges included an examination of invoices, requisitions, and other supporting data pertaining to payroll taxes, compensation insurance and transportation charges, all of which were billed by the Combined Metals Reduction Company. The audit disclosed that the costs shown under this item on the August 1954 MP-104, as compared to the costs properly chargeable and allowable, under the terms of the contract to be:

	Charged	Disallowed	Less: Sale of Property	Allowable
Repairs to Equipment	$ 1,358.60		$	$ 1,358.60
Sampling & Analysis	232.45			232.45
Payroll Taxes	1,329.29			1,329.29
Liability Insurance	3,499.25	$ 2.00		3,497.25
Pick-up Transportation	1,807.69			1,807.69
Warehouse, Accounting and General Expense	7,091.19	25.47	176.26	6,889.46
Totals	$15,318.47	$27.47	$176.26	$15,114.74

The repairs to equipment cost of $1,358.60, represented materials issued on requisitions, from the Caselton Plant Storeroom and was used as follows:

Repairs to Equipment	
Hoisting Equipment	$ 383.95
Drilling Machines	551.58
Compressors	170.88
Mucking Machine	48.60
Slusher	19.79
Sump Pump	26.66
Electric Power Equipment	57.91
Change Room	18.32
Other	80.96
Total Repairs to Equipment	$1,358.60

During the course of the audit, the repair material requisitions were examined, and a sufficient test of prices verified.

The sampling and analysis charges in amount of $232.45 covered 460 determinents at 50 cents each $230.00, and 10 sample sacks $2.45, all of which were billed by Combined Metals Reduction Company.

The charges for payroll taxes and compensation insurance were verified by computation at the rates used by the operator, which were as follows:

Payroll Tax Rates	1953	1954
Federal Old Age Benefit	1.5%	2.0%
Federal Unemployment	.3%	.3%
Nevada Unemployment	1.0%	1.0%
Total Payroll Tax Rates	2.8%	3.3%
Compensation Insurance Rates		
Nevada Industrial Commission	3.25%	3.25%
Pioche Mutual Benefit Ass'n. Hospital Division	1.32%	1.32%
Total Comp. Insur. Rates	4.57%	4.57%

Payroll taxes are exempt on any one employee earning over $3,600.00 for Federal Taxes and $3,000.00 for State taxes. This limitation was taken into consideration when computing payroll taxes. During August, September and October 1953 and June, July and August 1954, the Combined Metals Reduction used an average payroll tax rate, which included exempt salaries as part of the divisor, and the procedure had the result of reducing payroll tax rates during these periods.

The compensation insurance is covered jointly by the Nevada Industrial Commission, and the Pioche Benefit Association, Hospital Division. The hospital accident benefit contract now in effect is between the Combined Metals Reduction Company, and the Pioche Mutual Benefit Association, Hospital Division. A copy of this contract, which cites the various medical benefits, is filed with the Nevada Industrial Commission. Compensation Insurance coverage of the Combined Metals Reduction Company employees, includes employee of the operator.

The disallowance of $2.00 applicable to liability insurance was due to disallowance of supervision $43.80 under Item (2) Labor and Supervision. The supervision salary disallowed $43.80 at compensation insurance rate of 4.57% equals $2.00.

The pick-up transportation represents the cost of transporting men, materials and supplies to Comet Mine and charged on the following mileage basis:

Truck #20	204 miles at	$.07	$ 14.28
Truck #22	34 miles at	.07	2.38
Ford Sedan #26	34 miles at	.07	2.38
Truck #38	17,655 miles at	.07	1,235.85
Truck #44	408 miles at	.07	28.56
Truck #46	68 miles at	.07	4.76
Ranch Wagon	170 miles at	.07	11.90
R. G. Maki-Private Car	4,243.8mls. at	.06	254.62
G. W. Blank-Private Car	2,720 miles at	.06	163.20
H. E. Dent-Private Car	102 miles at	.06	6.12
J.F.Mooney-Private Car	68 miles at	.06	4.08
D. Sherwood-Private Car	306 miles at	.06	18.36
E. LaFavre-Private Car	1,020 miles at	.06	61.20
Totals	27,032.8 miles		$1,807.69

The above transportation costs were billed by the Combined Metals Reduction Company and the mileage taken from mileage meter readings listed in Monthly Mileage reports, which were examined during the course of the audit.

The Warehouse, accounting and general expense charge in amount of $6,889.46, represents 7 1/2% of the total project costs to August 14, 1954, after disallowance and sale of property adjustments, and accounted for as follows:

	Charged	Disallowed	Less: of Prop.	
Total project costs before surcharge	$ 94,549.15	$339.55	$2,350.16	$ .44
Add: Surcharge of 7 1/2%	7,091.19	25.47	176.26	6, 39.46
Total Project costs to 8/14/54	$101,640.34	$365.02	$2,526.42	$98,748.90

The disallowed project costs in amount of $339.55, and the disallowed 7 1/2% surcharge of $25.47 can be identified as follows:

Project Costs Disallowed		7 1/2% Disallowed
Item (2) Labor and Supervision	$ 43.80	$ 3.29
Item (4) Depreciation	293.75	22.03
Item (7) Liability Insurance	2.00	.15
Totals	$339.55	$25.47

The sale of project property in amount of $2,350.16 plus 7 1/2% surcharge of $176.26, represents total bid by operator of $2,526.42, which was accepted by the Executive Officer and explained in the narrative of this report under Item (3) Operating Materials and Supplies.

The surcharge of 7 1/2% is a proportional amount of Combined Metals Reduction Company, Caselton Mine, Direct Expense, attributable to the cost of the exploration project, and covers such items as engineering, assaying, accounting, warehouse, boarding house, safety, watchman and general supervision.

The 7 1/2% charge is not considered an overhead charge, but a percentage established to simplify the distribution of direct costs, heretofore enumerated and the method of applying the 7 1/2% surcharge was agreed to by the field engineer as reasonable and equitable.

The following figures showing how the surcharge of 7 1/2% was computed were furnished this auditor, in letter dated September 10, 1953, from Mr. Sam S. Arentz, Manager, Nevada Operations for the Combined Metals Reduction Company.

	Caselton Mine Accounts	
Direct Operating Cost	Year 1950	Year 1951
Included direct labor, supplies, power supervision, engineering, assaying, vacations, haulage, etc.	$1,467,651.76	$1,763.917.08
Caselton Mine's Prorate Share of Plant Overhead		
Including engineering, assaying, repairs, maintenance, accounting, warehousing, safety and watchman.	112,747.09	149,647.77

The above does not include taxes other than payroll and sales taxes, and did not include any portion of general office expense.

Surcharge Rates	7.68%	8.48%
Rate used for contract rounded off for convenience	7.50%	-0-

The application was prepared during 1951, and on page 13 thereof the 7 1/2% surcharge was explained, and it was understood that in Exhibit "A" of the contract, under Item (7) Miscellaneous, the "allowable maximum" of $14,145.00 covered the 7 1/2% surcharge expense. Therefore, due to the foregoing explanations, the 7 1/2% surcharge expense, has been accepted as an allowable cost item to the exploration project.

IV CONCLUSIONS AND RECOMMENDATIONS

This audit has disclosed that all costs, as charged to this project, with the exception of the disallowances itemized under Items (2) Labor and Supervision, (4) Operating Equipment, (7) Miscellaneous and salvage received from disposal of property, itemized under Items (3) Operating Materials and Supplies and (7) Miscellaneous, of the preceding section of this report, are reasonable and proper under the terms of the contract.

The audit also disclosed that the status as of August 14, 1954, of "allowable maximums" under this contract was as follows:

Item	Maximum	Total Costs	Balance
Labor, P/R Taxes & Liab. Insurance	$ 90,000.00	$54,937.86	$35.062.14
Supervision	5,400.00	5,400.00	-0-
Foreman	9,900.00	4,912.31	4,987.69
Operating Materials and Supplies	64,600.00	18,689.67	45,910.33
Operating Equipment Rental	3,630.00	2,077.51	1,552.49
Operating Equipment Depreciation	2,325.00	2,064.06	260.94
Miscellaneous	14,145.00	10,667.49	3,447.51
Totals	$190,000.00	$98,748.90	$91,251.10

*Miscellaneous costs include Repairs to Equipment $1,358.60, sampling and analysis $232.45, Pick-up Transportation $1,807.69, Technical Services $379.29, and Warehouse, Accounting and General Expense $6,889.46.

As previously stated in the narrative of this report, when work is resumed in accordance with the terms of the Amended Contract, then the costs will be reimbursable on a fixed unit cost basis.

This report has been discussed with Mr. S. Ricker, Executive Officer, Region II, and he concurred with my findings, including disallowances, and agreed the final allowable costs as presented, were necessary and allowable under the terms of the contract.

The adjustments between Items of Costs, as shown on the August 1954 MF-104, the recommended disallowances, proceeds from sale of property, and approved amounts, are summarized as follows:

	Totals August MF-104	Distribution Corrected	Disallowed by Audit	Proceeds Disposition of Property	Allowed by Audit
(2) Labor and Supervision					
Labor	$ 50,111.32	$ 50,111.32	$ [illegible]	$	$50,111.32
Supervision	10,356.11	10,356.11	43.80		10,312.31
Technical Services	379.29	379.29			379.29
(3) Operating Mat'ls. & Supplies					
Timber	4,338.22	4,338.22			4,338.22
Explosives	3,899.12	3,899.12			3,899.12
Pipe	1,309.28	1,309.28		981.96	327.32
Track	1,609.98	1,609.98		1,207.49	402.49
Power	1,632.78	1,632.78			1,632.78
Misc.Supp.& Drill Steel		8,250.45		160.71	8,[illegible].74
(4) Operating Equipment					
Rental	4,435.32	2,077.51			2,077.51
Depreciation		2,357.81	293.75		2,064.06
(7) Miscellaneous					
Repairs to Equipment	1,358.60	1,358.60			1,358.60
Sampling & Analysis	232.45	232.45			232.45
Payroll Taxes	1,329.29	1,329.29			1,329.29
Liability Insurance	3,499.25	3,499.25	2.00		3,497.25
Pick-up Transportation	1,807.69	1,807.69			1,807.69
Misc.Tools & Supplies	8,250.45				
Warehouse,Actg. & Gen.Expense	7,091.19	7,091.19	25.47	176.26	6,889.46
Totals	$101,640.34	$101,640.34	$365.02	$2,526.42	$98,748.90

At the conclusion of the audit the findings were discussed with Paul Gemmill, Vice President, Frank H. Anderson, Office Manager, and O. F. Burton, Treasurer.

George Mavor

George Mavor
Auditor

October 25, 1955

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

420 Custom House
555 Battery Street
San Francisco, California

November 7, 1955

Mr. Frank H. Anderson
Office Manager
Combined Metals Reduction Company
Caselton Plant
Pioche, Nevada

RE: Comet Mines, Inc.
Idm-E295, DMEA-2309
Pioche, Nevada

Dear Mr. Anderson:

Attached hereto for your information and files, is copy of Audit Report pertaining to subject contract and covering the period of operations from June 1, 1952 to August 14, 1954, inclusive.

Sincerely yours,

"(SIGNED) GEORGE MAVOR"
George Mavor
Auditor

Enclosure

Copy to: Jay L. Chambers

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Defense Minerals Administration
RECEIVED
OCT 12 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1954 Docket No. DMEA 2309 Contract No. DE-R 295
Operator's Name Comet Mines, Inc Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $90,000.00 Government Participation: 50 % Amount, $5,000.00

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						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,000.07	49,111.25	50,111.32			
Supervision*	75.00	10,281.11	10,356.11	31.20	10,281.11	10,312.31
Technical Services	40.00	339.29	379.29			
(3) Operating Mat'ls. and Supplies:						
Timber		4,330.22	4,330.22			
Explosives	143.58	3,755.54	3,899.12			
Pipe	1.25	1,300.03	1,309.28			
Track	15.60	1,594.38	1,609.98			
Rover	36.93	1,595.85	1,632.78			
(4) Operating Equipment:						
Rental*	145.38	4,289.94	4,435.32	-247.60	4,289.94	4,141.87
Depreciation Rental Allowed for August				99.23		
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	26.68	1,331.92	1,358.60			
Sampling and Analysis	10.00	222.45	232.45			
Payroll Taxes	25.62	1,303.67	1,329.29			
Liability Insurance	49.13	3,450.12	3,499.25			
Pickup Transp.	29.24	1,770.45	1,807.69			
Misc. Tools & Sup.	182.34	8,068.11	8,250.45			
Warehouse actg.* & General Expense	133.56	6,957.63	7,091.19	111.53	6,976.63	7,089.16
TOTALS	1,914.38	99,725.96	101,640.34	1,554.80	99,726.96	101,280.76

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

Date 9-23-54 *Payee Comet Mines, Inc.

Per [signature] Title Treasurer

*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:

$ 777.40

Lloyd H. Stalnaker
Authorized Certifying Officer

Signature
(Authorized Certifying Officer)

Date Vou. No. 57-OMEA-8
(See other side)

*See Administrative Audit Difference Statement Attached.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature A. C. Johnson Title Chief, Mining Div. Date Sept. 29, 1954.

A. C. Johnson

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Region III

Signature W. C. Miller Title Executive Officer DMEA Field Team Region III Date October 1, 1954.

W. C. Miller

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-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS OF DEPT. OF INTERIOR 1954
Defense Minerals Administration
RECEIVED
OCT 12 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1954 Docket No. DMEA 2309 Contract No. DMI-E 295
Operator's Name Comet Mines, Inc. Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	1,914.38	64.1	39,884.64	1,276.8	31.23		
Crosscutting	Ft.			3,959.16	86.0	46.04		
Raising	Ft.			45,239.26	381.1	118.71		
Shafts	Ft.			905.19	6.0	150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Raising	Cu Ft			11,652.09	6,456.0	1.80		
Less Suspension		-359.58		-359.58				
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1,554.80		101,280.76				
TOTAL COSTS		[illegible]		[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 9-23-54 Operator Comet Mines, Inc.

Per [signature] Title Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

DEPARTMENT OF THE INTERIOR
Bureau of Mines Minerals Administration
RECEIVED
OCT 12 1954

Administrative Audit Difference Statement

Date: October 5, 1954
Payee's
Reference: Contract R 295
Docket DMA-2309
Comet Mines, Inc.

Comet Mines, Inc.
P.O. Box 150
Salt Lake City, Utah

Gentlemen:

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

Amount Claimed	$	1,014.39
Difference	$	359.59
Amount Approved	$	1,654.80

The reason for the difference was due to: Depreciation and Supervision exceeding "Allowable Maximum" of Contract

Depreciation on 3 Compressors claimed to 5/31/54, per MD-104		
18 Mo. 13 days at $100.00		$1847.60
Less: Allowable Maximum		1800.00
18 Mo. at $100.00		47.60
Additional disallowance:		
3 compressors on subsequent MD-104's	June	100.00
	July	100.00
	August	46.15
Total depreciation disallowance on compressors		$293.75
Add: 7½ % Warehouse, Accounting and General Expense		22.03
Supervision for August		43.80
Total Disallowance		$359.58

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

Very sincerely yours,

L. H. Sjolander
Chief, Budget and Finance Branch
Region III

Comet Mines, Inc. - Operations Report - August, 1954

September 11, 1954

Paul Gemmill, Vice President, Comet Mines, Inc.

John J. Russell, Mine Supt.

Dear Paul:

Operations at the Comet Mine from August 1, 1954 through August 14, 1954, consisted of development work approved by the Defense Minerals Exploration Administration under Project No. 2309. During the remaining portion of the month, raising operations were carried on in favorable ore showings on the 465 level. All activity was temporarily discontinued on the 28th of August. Supplies, labor and supervision charges were held separate in their proper accounts. Power, rental and transportation charges are charged proportional to the number of operating shifts worked on the two accounts.

The 465 northeast drift advanced 64.1'. The fissure widened out to 4.5', consisting chiefly of white quartz with minor amounts of galena and sphalerite. A 4.5' cut sample in the present face assays: .04 gold, 4.26 silver, 0.8 Lead, 1.9 Zinc and 0.8 Copper. The hanging wall is not exposed in the face.

Four raises were started on the fissure from the 465 level. 465 A Raise advanced 7.0' to expose an ore edge with the fissure badly oxidized. In 465 B and C Raises the fissure narrowed down to 3.0' of ore after respective advances of 20.0' and 21.5'. 465 D Raise advanced 6.0' to the ore edge. It appears that the 465 level is at or near the top of the ore sheet. The raises are shown on the map accompanying this report.

The item "Miscellaneous Tools and Supplies" appearing on the Operator's Monthly Report and Voucher is as follows:

Drill Steel	$ 175.83
Mine Lights	6.31
Total	$ 182.14

Breakdown of the item "Repairs to Equipment" is as follows:

Compressor	$ 2.20
Gardner Denver Hunker	24.48
Total	$26.68

Mr. Davenport has been retained as watchman and resides at the Comet Mine.

Sincerely yours,

John J. Russell

John J. Russell
Mine Supt.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-55.
Defense Minerals Administration
RECEIVED
SEP 27 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1954 Docket No. DMEA 2909 Contract No. 10[illegible] 295
Operator's Name Comet Mines, Inc. Minerals Zinc-Lead
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $100,000.00 Government Participation: 50 % Amount, $95,000.00

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						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,799.42	47,311.83	49,111.25			
Supervision	150.00	10,131.11	10,281.11			
Technical Services	40.00	299.29	339.29			
(3) Operating Mat'ls. and Supplies:						
Timber		4,330.22	4,330.22			
Explosives	316.35	3,439.19	3,755.54			
Pipe	173.02	1,134.21	1,3[illegible].03			
Track	35.10	1,559.20	1,594.30			
Corner	103.66	1,492.19	1,595.85			
Misc. Tools & Supplies	612.24	7,455.87	8,068.11			
(4) Operating Equipment:						
Rental	315.00	3,974.94	4,289.94			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	50.69	1,281.23	1,331.92			
Sampling and Analysis		222.45	222.45			
Payroll Taxes	50.51	1,253.16	1,303.67			
Liability Insurance	82.23	3,367.89	3,450.12			
Pickup Transportation	71.06	1,707.39	1,778.45			
Misc. Acty. & Gen. Exp.	285.01	6,672.62	6,957.63			
(8) Contingencies (specify):						
TOTALS	4,085.09	95,640.87	99,725.96			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8-3-54 *Payee Comet Mines, Inc.
Per ORIGINAL SIGNED BY O. F. BURTON Title Treasurer

*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:

$ 2042.55

Lloyd H. Sjolander
Authorized Certifying Officer
Signature (Authorized Certifying Officer)

Date SEP 9 1954 Vou. No. SF-DMEA-6

(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-E295 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Region III Date August 30, 1954.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Ricker for H. C. Miller Title Executive Officer DMEA Field Team Region III Date September 1, 1954

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-R1151.1
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 27 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1954 Docket No. DMEA 2309 Contract No. DMEA 295
Operator's Name Comet Mines, Inc. Minerals Lead-Zinc
Address P.O. Box 150, Gold Hill City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	3,926.74	124.0	97,979.26	2,212.7	91.21		
Crosscutting	Ft.	158.35	5.0	3,959.16	66.0	60.04		
Raising				45,239.26	371.1	120.71		
Shafts				905.19	6.0	150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Caving	Cu. Ft.			11,652.09	6,656	1.09		
TOTAL DISTRIBUTED COSTS		4,085.09		99,735.96				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4,085.09		99,735.96				

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

Date 8-23-54 Operator Comet Mines, Inc.

Per ORIGINAL SIGNED BY O. F. BURTON Title Operator

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Comet Mines, Inc. Operations Report - July, 1954

August 6, 1954

Paul Gemmill, Vice President, Comet Mines, Inc.

J. J. Russell, Mine Supt.

Dear Paul:

Operations at the Comet Mine during July, 1954, consisted of development work approved by the Defense Minerals Exploration Administration under Project No. 2309.

The 465 NE drift was advanced 124.0'. The fissure remained about two feet wide, consisting chiefly of white vein quartz with minor amounts of sphalerite and galena. The vein is partly oxidized on or near the footwall. The crosscut was advanced 5.0' and stopped.

The original allowed 1100' of drifting on the 465 level was exceeded by 112.7', but Amendment No. 3 was approved on August 3, 1954, with an allowable maximum of 1700' of drifting to include 189' of rehabilitation of the drift. Glenn Gentry has pointed out that our actual drift advance as reported does not check his total measured advance because of the inclusion of rehabilitation as drift equivalent. Following is a summary of our reported drift advance:

Month	Drift Advance
*April, 1953	63'
*May, 1953	133'
June, 1953	156'
July, 1953	113.7'
August, 1953	134.1'
September, 1953	139.7'
October, 1953	32.5'
November, 1953	No Advance
December, 1953	No Advance
January, 1954	No Advance
February, 1954	No Advance
March, 1954	10.5'
April, 1954	125.2'
May, 1954	98.0'
June, 1954	83.0'
July, 1954	124.0'
TOTAL	1,212.7'

*Includes a total of 189.0' of drift rehabilitation reported as drift equivalent footage plus 10.0' of new drift advance.

Further breakdown of the item "Miscellaneous Tools and Supplies" appearing on the Operator's Monthly Report and Voucher is as follows:

Drill Steel	$ 524.14
Tools	11.66
Oils & Greases	71.76
Mine Lights	4.68
Total	$ 612.24

Breakdown of the item "Repairs to Equipment" is as follows:

Hose Repair	$ 11.43
Air Drills	37.53
Compressor	0.90
Mine Power	0.83
	$ 50.69

During the entire month the Comet Operation was on a one shift basis.

Sincerely yours,

John J. Russell
Mine Supt.

Form MF-204 (Rev.)
April 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval Expires 6-30-53.

Defense Minerals Administration
RECEIVED
JUL 30 1954
SEP 27 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1954 Docket No. DMEA 2309 Contract No. 101-E 295
Operator's Name Comet Mines, Inc. Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $190,000.00 Government Participation: 50 % Amount, $95,000

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						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,668.42	45,643.41	47,311.83			
Supervision	150.00	9,981.11	10,131.11			
Technical Services	20.00	279.29	299.29			
(3) Operating Mat'ls. and Supplies:						
Timber	7.37	4,330.85	4,338.22			
Explosives	203.83	3,235.36	3,439.19			
Pipe	90.33	1,043.88	1,134.21			
Track	274.82	1,284.46	1,559.28			
Power	96.51	1,395.68	1,492.19			
Misc. Tools & Supplies	437.30	7,018.57	7,455.87			
(4) Operating Equipment:						
Rental	315.00	3,659.94	3,974.94			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	129.22	1,152.01	1,281.23			
Sampling and Analysis	27.50	194.95	222.45			
Payroll Taxes	54.92	1,198.24	1,253.16			
Liability Insurance	83.10	3,284.79	3,367.89			
Pickup Transp.	71.74	1,635.65	1,707.39			
(8) Contingencies (specify):						
Misc. Acctg. Gen. Exp.	272.25	6,400.37	6,672.62			
TOTALS	3,902.31	91,738.56	95,640.87			

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

Date 7/22/54 *Payee Comet Mines, Inc.

ORIGINAL SIGNED BY

Per O. F. BURTON Title Treasurer

*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:

$1951.15

Signature
(Authorized Certifying Officer)

Date SEP 9 1954 Vou. No. SF-DMEA-6

(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-E295 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Region III Date July 29, 1954.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date July 30, 1954.

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-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
ACCOUNTS
RECEIVED JUL 28 1954
SEP 27 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 195 4 Docket No. DMEA 2300 Contract No. [illegible]
Operator's Name Comet Mines, Inc. Minerals [illegible]
Address P. O. Box 300, [illegible] City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	ft.	1,[illegible].97	[illegible].0	[illegible]	1,[illegible].7	[illegible].7		
Crosscutting	ft.	[illegible]	17.0	3,800.01	[illegible].0	[illegible]		
Raising	ft.			[illegible]	[illegible]	[illegible]		
Shafts	ft.			[illegible]	0.0	[illegible].7		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Other:	[illegible]			[illegible]	[illegible]	[illegible]		
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		[illegible]		[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 7/28/54 Operator Comet Mines, Inc.

ORIGINAL SIGNED BY
Per O. F. BURTON Title Treasurer

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Comet Mines, Inc. Operations Report - June, 1954

July 7, 1954

Paul Gemmill, Vice President, Comet Mines, Inc.

J. J. Russell, Mine Supt.

Dear Paul:

Operations at the Comet Mine during June, 1954, consisted of development work approved by the Defense Minerals Exploration Administration under Project No. 2309.

The 465 NE drift advanced 83.0'. The first 40' advance along the strike of fissure produced ore. Then the fissure narrowed down to two feet, consisting chiefly of quartz with scattered sphalerite and galena. Just behind the face at the end of the month some minor east-west fracturing and fissuring intersected the fissure the northwest.

During the month the mill cleaned up the Comet stockpile. The tonnages and estimated assays are as follows:

Comet Sulphide	Tons	Au	Ag	Pb	Zn	Cu	MsPb	MsZn
Mine Lot #1 Control	199.870	.03	6.77	1.2	10.1	0.5	0.4	0.65
Total Lots	199.870	.03	6.77	1.2	10.1	0.5	0.4	0.65
Plus Inv. 7-1-54	0.000							
Minus Inv. 6-1-54	70.470	.02	5.23	0.95	9.73	0.5		
Total	129.400	.036	7.75	1.36	10.56	0.59		

Further breakdown of the item "Miscellaneous Tools and Supplies" appearing on the Operator's Monthly Report and Voucher is as follows:

Drill Steel	$ 411.70
Tools	18.85
Oils & Greases	6.61
Mine Lights	0.14
Total	$437.30

Breakdown of the item, "Repairs to Equipment is as follows:

Mine Haulage	$ 18.07
Air Drills	111.15
Total	$ 129.22

During the entire month the Comet Operation was on a one shift basis.

Sincerely yours,

John J. Russell

John J. Russell
Mine Supt.

DEFENSE MINERALS EXPLORATION ADMINISTRATION

CONTRACT ADMINISTRATION AND AUDIT DIVISION

2nd INTERIM AUDIT CERTIFICATE

I have examined the records and transactions of:

Comet Mines, Incorporated
Pioche, Nevada

pertaining to Exploration Project Contract No. Idm-E295, Docket No. DMEA-2309, including Amendments Nos. 1 and 2, for the period June 1, 1952 to May 31, 1954, covering a project of exploration for lead and zinc, located in Lincoln County, Nevada, commonly known as the Comet Mine.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to the amount to be paid the contractor:

Total cost as billed by contractor	$91,738.56
Exceptions (see Audit Report for details) During this audit	51.17
Total accepted cost	$91,687.39

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government, in the amount of Forty-Five Thousand, Eight Hundred Forty-Three and 70/100 Dollars,

$45,843.70

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

George Mavor
George Mavor
Auditor

September 23, 1954

I INTRODUCTION

Under date of July 21 and 22, 1954, a second interim audit (covering operations for the period June 1, 1952 to May 31, 1954) was made of the records and accounts pertaining to Exploration Contract No. Idm-8295, Docket No. DMEA-2309, including Amendments No. 1, 2 and 3, with the:

Comet Mines, Incorporated
Pioche, Nevada

covering a project for the exploration of lead and zinc, located in Lincoln County, Nevada, commonly known as the Comet Mine.

The Comet Mines, Incorporated is a subsidiary company of the Combined Metals Reduction Company, and the control accounting records under this contract are located in the office of the Treasurer of the Comet Mines, Incorporated, 218 Felt Building, Salt Lake City, Utah. The source documents for payrolls, material and other charges are maintained in the office of the Combined Metals Reduction Company, Caselton Plant, Pioche, Nevada.

During the course of the audit, this auditor consulted the following officers and employees of the operator who were in the following locations:

Caselton Plant, Pioche, Nevada
Paul Gemmill, Vice-President
Frank H. Anderson, Office Manager
218 Felt Building, Salt Lake City, Utah
Clyde Stevenson, Accountant

The cooperation and assistance rendered by the above officials, greatly facilitated the audit.

II GENERAL INFORMATION ON RECORDS

The accounting records for this project are co-mingled with the Combined Metals Reduction Company operations at the Caselton Plant, Pioche, Nevada, however, all charges to the exploration project can be readily identified by cost account classification numbers assigned to the operations of the Comet Mines, Incorporated. At the end of each month the Caselton Plant Office prepares a series of journal vouchers covering the plant operations, which includes the Comet Mines, Incorporated. These journal vouchers are then forwarded to the Combined Metals Reduction Company Office in Salt Lake City, Utah for further review and reconciliation of the monthly transactions involved, and subsequently entered in the general ledgers of the various enterprises.

A general ledger is maintained for the Comet Mines, Incorporated at 218 Felt Building, Salt Lake City, Utah and after the above referred to journal vouchers have been received and reconciled, then the items applicable to the exploration project are entered in the general ledger control account No. 412-11. The balance shown in this account as of May 31, 1954, was in agreement with the "Totals to Date" column of the MF-104 for May 1954. The MF-104 is prepared in the Salt Lake City office each month, and signed by O. F. Burton, Treasurer.

All hourly rate employees for the exploration project are on the Caselton Plant payroll and all salaried employees are paid direct by Combined Metals Reduction Company, Salt Lake City, Utah. The checks for hourly employees are drawn by Combined Metals Reduction Company on the Nevada Bank of Commerce, Pioche Branch, Pioche, Nevada, and the bank statements are sent direct each month to the Combined Metals Reduction Company, Salt Lake City for reconciliation. After reconciliation the cancelled payroll checks are stored at Bauer, Utah. All checks are countersigned by Combined Metals Reduction Company officials.

All material used on the exploration project is drawn from Caselton Plant Storeroom by requisitions and billed by the Combined Metals Reduction Company at the end of each month.

In addition to the above payroll and material charges, the Combined Metals Reduction Company also bill the Comet Mines, Incorporated each month for operating equipment rental, power, sampling and analysis, truck transportation and a 7-1/2 percent fee for warehouse, accounting and general expense.

From the above description it is apparent that the entire exploration project program of the Comet Mines, Incorporated is being financed by the Combined Metals Reduction Company.

The company's accounts are audited after the close of each calendar year by (Wells, Baxter and Miller, Salt Lake City, Utah) a certified public accounting firm.

III SCOPE OF AUDIT AND FINDINGS

The first interim audit was made for the period June 1, 1952 to July 31, 1953, and Audit Report issued September 14, 1953. This second interim audit covered the period August 1, 1953 to May 31, 1954, and the combined results of the two audits are discussed in this report. There were no operations under this contract from October 12, 1953 to March 27, 1954.

The audit was limited to ascertaining the accuracy, propriety and validity of the costs as shown in the "Totals to Date" column of Form MF-104,

Operator's Monthly Report and Voucher, for the month of May 1954. The extent of the audit and the findings under each of the "Items of Cost" follows:

(2) Labor and Supervision $55,903.81

The payroll records for the period June 1, 1952 to May 31, 1954, were examined and during the course of the audit a substantial test of time cards and payroll checks was made.

An analysis of labor and supervision showed the following classification:

Labor		
Miners	$24,940.61	
Underground Hoistmen	12,535.16	
Muckers	2,171.10	
Topman	3,999.01	
Surface Labor	45.20	
Maintenance Labor	1,952.33	$45,643.41
Supervision		
Supervisor	$ 5,068.80	
Foreman	4,912.31	9,981.11
Technical Services		
Engineer		279.29
Total Labor & Supervision		$55,903.81

The units completed as of May 31, 1954 and shown on Form MF-104a are as follows:

Drifting	1,005.7 ft.
Crosscutting	64.0 ft.
Raising	381.1 ft.
Shaft	6.0 ft.
Station Excavation and Work Preparation to Raising	6,456. cu. ft.

The hourly wage rates paid for labor were made in accordance with Union Contracts, between the Combined Metals Reduction Company, and the United Steel Workers of America, C.I.O. Union. Most of the wages paid for drifting, crosscutting and raising were on a bonus contract footage basis and the hourly

rates established for this work was in accordance with Union Contracts. All of the work performed on the shaft and station excavation was paid on straight time hourly rates. The total hourly wages paid for labor in amount of $45,643.41, included overtime $2,838.13 and holiday pay $699.40, and paid in accordance with Union Contracts.

The supervision charge in amount of $9,981.11 was made up as follows:

E. S. McIntyre, Superintendent		
June 1, 1952 to August 15, 1953		
9 mos. at $250.00	$2,250.00	
3-1/2 mos. at $300.00	1,050.00	
1 mo. at $375.00	375.00	
1 mo. at $500.00	500.00	$4,175.00
R. R. Durk, Superintendent		
August 16, 1953 to October 31, 1953		
1-1/2 mos. at $300.00	$ 450.00	
Oct. '53 prorata	103.80	$ 553.80
J. J. Russell, Superintendent		
March, April & May 1954		
March '54 prorata	$ 40.00	
2 mos. at $150.00	300.00	$ 340.00
Total Paid to Superintendents		$5,068.80
James Hulse, Mine Foreman		4,912.31
Total Supervision		$9,981.11

The salaries paid in amount of $5,068.80 to three superintendents who were employed successively during the period June 1, 1952 to May 31, 1954, did not exceed the "allowable maximum" of $5,400.00 as shown in Exhibit "A" of the contract, which shows the estimated part time salary for one superintendent at $300.00 per month for 18 months.

In the case of E. S. McIntyre the operator charged $375.00 for part time superintendent's salary during June 1952 and this was due to additional time required in getting project started, and during October 1952, the amount of $500.00 was charged representing full time supervision on raise work. After discussion with H. C. Miller, Executive Officer, it was agreed to accept these salary costs, due to the necessity of work operations which benefited the

Government's interest in the project, and at the same time it was determined that the total salary paid to E. S. McIntyre amounted to $4,175.00 over a period of 14-1/2 months, for an average monthly charge of $287.93, which was less than the estimated $300.00 per month shown in contract, therefore, no exception was taken.

The amount of $4,912.31 charged to supervision, represented wages paid to James Hulse, Mine Foreman, and did not exceed the "allowable maximum" of $9,900.00 allowed under item 2 in Exhibit "A" of the contract. The hourly base rate for foreman's wages was $1.[illegible]5 per hour and included in the total charge of $4,912.31 was overtime $347.57 and holiday pay $75.40.

The charge for technical services in amount $279.29 was a proportionate part of salaries paid to the following Combined Metals Reduction Company engineers services rendered to exploration project.

	Monthly Salary	Project Proportion
Sept. & Oct. 1952 R. H. Godbe, Engineer	$475.00	$199.29
June & Sept. 1953 K. [illegible]. Anderson "	425.00	40.00
Sept. '53 & Apr. '54 O. E. Schraeder"	475.00	40.00
Total Technical Services		$279.29

The above technical services are allowable costs and are applicable to Item (7) Miscellaneous listed in Exhibit "A" of the contract, with an "allowable maximum" of $14,145.00.

During the course of the audit, it was ascertained that no jobs other than those provided for in the contract were charged to the project.

(3) Operating Materials and Supplies $18,308.80

The following materials and supplies charged to the exploration project were obtained from the Combined Metals Reduction Company, Caselton Plant:

Timber	$ 4,330.85
Explosives	3,235.36
Pipe	1,043.88
Track	1,204.46
Power	1,395.68

Miscellaneous		
Drill Steel & Bits	$4,892.59	
12" Ventube	527.12	
Oil & Grease	403.04	
Nails	95.85	
Oxygen & Acetylene	91.90	
Nuts, Bolts, Washers, etc.	1,008.07	$ 7,018.57
Total Materials and Supplies:		$18,308.80

All of the above materials and supplies were issued by requisitions from the Combined Metals Reduction Company, Caselton Plant storeroom, other than 145 feet of 12" ventube, $118.90, issued by the operator. The Caselton Plant storeroom accounting procedure for material control is well organized and the system includes purchase orders, receiving reports and invoices, together with a systematic recording in stock record cards of all material movements. The storeroom also maintains a purchase order file by vendor's name and a purchase order master file by purchase order number, which has all of the documents attached, which include the purchase orders, shipping notices, receiving reports, freight charges and invoices.

The requisitions issued for materials and supplies used on the project are prepared, priced and amounts extended by warehouse clerk, the receipt of material is signed by the workman, and approved by the foreman. The requisitions are dated but not numbered. The requisition shows the account to be charged and the requisitions chargeable to the exploration project are maintained in a separate file. At the end of the month, a schedule is prepared from the requisitions, and lists each item of material issued, showing the quantity, description, price and amount. This monthly schedule is certified as being correct by the superintendent of the project and approved by three officials of the Caselton Plant.

An average inventory price is used when pricing material requisitions and the method used is to recompute the inventory card prices as new purchases are made. During the course of the audit, prices were traced from the stock record cards to the material purchase invoices in order to verify the prices used on material charged to the exploration project.

The electric power used during the period June 1, 1952 to May 31, 1954, amounted to $1,395.68 and represented a total of 264,797 KWH, at an average rate of .527 cents per KWH. The Lincoln County Power District No. 1, Pioche, Nevada, furnishes the power and bills the Combined Metals Reduction Company each month, listing all of the various locations where power is furnished and shows the meter readings for each location, including

the Comet Mines, Incorporated. The Combined Metals Reduction Company then bills the exploration project for the amount of power consumed at the project. The project gains the benefit of any reduction in rates on the overall plant power consumption which may be over the maximum demand. There is no power contract and the rates used are established at nonprofit by the Board of Directors of the Lincoln County Power District No. 1, Pioche, Nevada.

(4) Operating Equipment $3,612.34

All charges for operating equipment were examined and the rates verified to contract, and the audit disclosed that the costs shown under this item on the May 1954 MF-104, as compared to the costs properly chargeable and allowable, under the terms of the contract to be:

	Charged	Disallowed	Allowable
Rental	$1,585.20	$	$1,585.20
Depreciation	2,074.74	47.60	2,027.14
Totals	$3,659.94	$ 47.60	$3,612.34

The disallowance of $47.60 was due to the operator claiming depreciation in excess of the "allowable maximum" set forth in Exhibit "A" of the contract, and accounted for as follows:

2-Compressors	18 mo. 12 da. at	$100.00	$1,847.60
Less: "Allowable Maximum"			
2-Compressors	18 mo. at	100.00	1,800.00
Depreciation Disallowed			47.60

The equipment rental was billed by the Combined Metals Reduction Company each month for the following items:

Drills at $15.00 each per month

2 Stopers	9 mo. at $30.00	$270.00	
3 Stopers	1 mo. at 45.00	45.00	
1 Stoper	1 mo. at 15.00	15.00	$330.00
1 Jackleg & Hammer	2 mo. at 15.00	30.00	
2 Jacklegs & Hammers	6 mo. 12 da. at 30.00	194.28	224.28
1 Drifter	2 mo. at 15.00		30.00
Total Drill Rental			$584.28
1 Mucking Machine	7 mo. 12 da. at $70.00		523.32
1 Locomotive	4 mo. 21 da. at 100.00		477.60
Total Equipment Rental			$1,585.20

The depreciation charges for equipment were accounted for as follows:

2 Mine Cars	4 mo.	at $10.00	$ 40.00	
3 Mine Cars	12 mo. 12 da.	at 15.00	187.14	$ 227.14
2 Compressors	18 mo.	at $100		1,800.00
Total Allowable Depreciation				$2,027.14

(7) Miscellaneous $13,862.44

The audit of miscellaneous charges included an examination of invoices, requisitions, and other supporting data pertaining to payroll taxes, compensation insurance and transportation charges, all of which were billed by the Combined Metals Reduction Company. The audit disclosed that the costs shown under this item on the May 1954 MF-104, as compared to the costs properly chargeable and allowable, under the terms of the contract to be:

	Charged	Disallowed	Allowable
Repairs to Equipment	$ 1,152.01	$	$ 1,152.01
Sampling and Analysis	194.95		194.95
Payroll Taxes	1,198.24		1,198.24
Liability Insurance	3,284.79		3,284.79
Pick-up Transportation	1,635.65		1,635.65
Warehouse, Accounting & General Expense	6,400.37	3.57	6,396.80
Total Miscellaneous Costs	$13,866.01	$ 3.57	$13,862.44

The disallowance of $3.57 is explained below, under the caption of "Warehouse Accounting & General Expense."

The repairs to equipment cost of $1,152.01 represented material issued on requisitions, from the Caselton Plant storeroom and was used as follows:

Repairs to Equipment

Hoisting Equipment	$ 383.95
Drilling Machines	402.85
Compressors	167.78
Mucking Machine	24.12

Slusher	19.79
Sump Pump	26.66
Electric Power Equipment	57.91
Change Room	18.32
Other	50.63
Total Repairs to Equipment	$1,152.01

During the course of the audit, the repair material requisitions were examined, and a sufficient test of prices verified.

The sampling and analysis charges in amount of $194.95 covered 385 determinations at 50 cents each $192.50, and 10 sample sacks $2.45, all of which were billed by Combined Metals Reduction Company.

The charges for payroll taxes and compensation insurance were verified by computation at the rates used by the operator, which were as follows:

Payroll Tax Rates

	1953	1954
Federal Old Age Benefit	1.5%	2.0%
Federal Unemployment	.3%	.3%
Nevada Unemployment	1.0%	1.0%
Total Payroll Tax Rates	2.8%	3.3%

Compensation Insurance Rates

Nevada Industrial Commission	3.25%	3.25%
Pioche Mutual Benefit Ass'n Hospital Division	1.32%	1.32%
Total Comp. Insur. Rates	4.57%	4.57%

Payroll taxes are exempt on any one employee earning over $3,600.00 for Federal taxes and $3,000.00 for State taxes. This limitation was taken into consideration when computing payroll taxes. The Combined Metals Reduction Company maintains Employees' Earnings Records for all employees, which includes employees of the operator. These records were examined during the course of the audit.

The compensation insurance is covered jointly by the Nevada Industrial Commission, and the Pioche Mutual Benefit Association, Hospital Division. The hospital accident benefit contract now in effect is between the Combined Metals Reduction Company, and the Pioche Mutual Benefit Association, Hospital Division. A copy of this contract, which cites the various medical benefits, is filed with the Nevada Industrial Commission. Compensation insurance coverage of the Combined Metals Reduction Company employees includes employees of the operator.

The pick-up transportation represents the cost of transporting men, materials and supplies to Comet Mine and charged on the following mileage basis:

Truck #22	34	miles	at	$.07	$ 2.38
Ford Sedan #26	34	"	"	"	2.38
Truck #38	17.655	"	"	"	1,235.85
Truck #44	136	"	"	"	9.52
Truck #46	68	"	"	"	4.76
Ranch Wagon	170	"	"	"	11.90
R. O. Maki-Private Car	4,243.8	"	"	.06	254.62
G. W. Bleak-Private Car	1,904	"	"	"	114.24
Totals	24,244.8	miles			$1,635.65

The above transportation costs were billed by the Combined Metals Reduction Company and the mileage taken from mileage meter readings listed in monthly mileage reports, which were examined during the course of the audit.

The warehouse, accounting and general expense charge in amount of $6,396.80, represents 7-1/2% of the total project costs to May 31, 1954, after disallowance adjustments and accounted for as follows:

	Charged	Disallowed	Allowable
Total project costs before surcharge	$85,338.19	$ 47.60	$85,290.59
Add: Surcharge of 7-1/2%	6,400.37	3.57	6,396.80
Total project costs to 5/31/54	$91,738.56	$ 51.17	$91,687.39

The surcharge of 7-1/2% is a proportionate amount of Combined Metals Reduction Company, Caselton Mine, Direct Expense, attributable to the cost of the exploration project, and covers such items as engineering, assaying, accounting, warehouse, boarding house, safety, watchmen and general supervision.

The 7-1/2% charge is not considered an overhead charge, but a percentage established to simplify the distribution of direct costs, heretofore enumerated and the method of applying the 7-1/2% surcharge was agreed to by the field engineer as reasonable and equitable.

The following figures showing how the surcharge of 7-1/2% was computed were furnished this auditor, in letter dated September 10, 1953, from Mr. Sam S. Arentz, Manager, Nevada Operations for the Combined Metals Reduction Company.

	Caselton Mine Accounts	
	Year 1950	Year 1951
Direct Operating Cost		
Including direct labor, supplies, power, supervision, engineering, assaying, vacations, haulage etc.	$1,467,651.76	$1,763,917.08
Caselton Mine's Prorate Share of Plant Overhead		
Including engineering, assaying repair, maintenance, accounting warehousing, safety and watchman	$ 112,747.09	$ 149,647.77
The above does not include taxes, other than payroll and sales taxes, and did not include any portion of general office expense.		
Surcharge Rates	7.68%	8.48%
Rate used for contract rounded off for convenience	7.50%	-0-

The application was prepared during 1951, and on page 13 thereof the 7-1/2% surcharge was explained, and it was understood that in Exhibit "A" of the contract, under Item (7) Miscellaneous, the "allowable maximum" of $14,145.00 covered the 7-1/2% surcharge expense. Therefore, due to the foregoing explanations, the 7-1/2 surcharge expense, has been accepted as an allowable cost item to the exploration project.

IV CONCLUSIONS AND RECOMMENDATIONS

This audit has disclosed that all costs, as charged to this project, with the exception of the disallowances itemised under Items (4) Operating Equipment and Item (7) Miscellaneous of the preceding section of this report, are reasonable and proper under the terms of the contract.

The audit also disclosed that the status as of May 31, 1954, of "allowable maximums" under this contract was as follows:

Item	Maximum	Total Costs	Balance
Labor, P/R Taxes & Liab. Insur.	$ 90,000.00	$ 50,126.44	$ 39,873.56
Supervision	5,400.00	5,068.80	331.20
Foreman	9,900.00	4,912.31	4,987.69
Operating Material & Supplies	64,600.00	18,308.80	46,291.20
Operating Equipment Rental	3,630.00	1,585.20	2,044.80
Operating Equipment Depreciation	2,325.00	2,027.14	297.86
Miscellaneous	14,145.00	*9,658.70	4,486.30
Totals	$190,000.00	$ 91,687.39	$ 98,312.61

*Miscellaneous costs include Repairs to Equipment $1,152.01, Sampling and Analysis $194.95, Pick-up Transportation $1,635.65, Technical Services $279.29, and Warehouse, Accounting & General Expense $6,396.80.

The exceptions in amount of $10.76 listed in 1st Interim Audit Report dated September 14, 1953, were subsequently adjusted by operator.

The adjustments between Items of Costs, as shown on the May 1954 MF-104, and approved amounts are summarized as follows:

	Totals May MF-104	Distribution Corrected	Disallowed by Audit	Allowed by Audit
(2) Labor and Supervision				
Labor	$45,643.41	$45,643.41	$	$45,643.41
Supervision	9,981.11	9,981.11		9,981.11
Technical Services	279.29	279.29		279.29
(3) Operating Mat'ls & Supplies				
Timber	4,330.85	4,330.85		4,330.85
Explosives	3,235.36	3,235.36		3,235.36
Pipe	1,043.88	1,043.88		1,043.88
Track	1,284.46	1,284.46		1,284.46
Power	1,395.68	1,395.68		1,395.68
Misc. Supplies & Drill Steel	7,018.57	7,018.57		7,018.57
(4) Operating Equipment				
Rental	3,659.94	1,585.20		1,585.20
Depreciation		2,074.74	47.60	2,027.14
(7) Miscellaneous				
Repairs to Equipment	1,152.01	1,152.01		1,152.01
Sampling and Analysis	194.95	194.95		194.95
Payroll Taxes	1,198.24	1,198.24		1,198.24
Liability Insurance	3,284.79	3,284.79		3,284.79
Pick-up Transportation	1,635.65	1,635.65		1,635.65
Warehouse, Accounting & General Expense	6,400.37	6,400.37	3.57	6,396.80
Totals	$91,738.56	$91,738.56	$ 51.17	$91,687.39

At the conclusion of the audit, the findings were discussed with Paul Gemmill, Vice President, Frank H. Anderson, Office Manager, and Clyde Stevenson, Accountant.

George Mavor

George Mavor
Auditor

September 23, 1954

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 29 1954

420 Custom House
555 Battery Street
San Francisco 11, California

October 19, 1954

Mr. Frank H. Anderson
Office Manager
Combined Metals Reduction Company
Caselton Plant
Pioche, Nevada

Re: Comet Mines, Inc.
Idm-E295, DMEA-2309
Pioche, Nevada

Dear Mr. Anderson:

Attached hereto for your information and files, is copy of Audit Report pertaining to subject contract and covering the period of operations from June 1, 1952 to May 31, 1954, inclusive.

Sincerely yours,

"(SIGNED) GEORGE MAVOR"

George Mavor
Auditor

Enclosure

Copy to: Jay L. Chambers

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

Mr. George Mayor
DMEA Auditor
420 Custom House
555 Battery Street
San Francisco 2, Calif.

OCT 12 1954

Re: Idm-E295, DMEA-2309
Coast Mines, Incorporated

Dear Mr. Mayor:

Returned herewith for several minor corrections are the Washington copies of your 2nd Interim Audit Certificate and Report covering your recent audit of the subject Exploration Project Contract.

In the first paragraph of both the Certificate and Report the reference to Amendment No. 3 should be deleted. This Amendment was dated August 3, 1954 and was effective July 16, 1954, whereas your audit covers the period ending May 31, 1954.

On page 4 of the Audit Report it appears that the dates of the services of R. R. Durk, Superintendent should be "August 16, 1953 to October 13, 1953" rather than "August 16, 1952 to October 31, 1953". Also, the statement "Oct. '52 prorata" apparently should be "Oct. '53 prorata".

In the last paragraph of page 6 of the Audit Report either the number of EWH is erroneously stated or the average rate has been miscalculated. On the basis of the figures presented the average rate would be ".527 cents" rather than "00.5268 mills".

After necessary corrections have been made, normal distribution of the Audit Report and Certificate may be made without further advice from this Division.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb 10-12-54

cc to: Docket
Admr. Reading File
Mr. Chambers

Form MF-[illegible] (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 May, 1954 Docket No. DMEA 2309 Contract No. [illegible] 299
Operator's Name Comet Mines, Inc. Minerals Lead, Zinc
Address P. O. Box 190, Salt Lake City, Utah
Contract Amount, $ 190,000 Government Participation: 50% Amount, $ 95,000

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						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,662.00	43,981.41	45,643.41			
Supervision	150.00	9,831.11	9,981.11			
Technical Services		279.29	279.29			
(3) Operating Mat'ls. and Supplies:						
Timber		4,330.85	4,330.85			
Explosives	165.19	3,070.17	3,235.36			
Pipe	27.58	1,016.30	1,043.88			
Track	14.52	1,269.94	1,284.46			
Power	95.19	1,300.49	1,395.68			
Misc. Tools, Supplies	198.06	6,820.51	7,018.57			
(4) Operating Equipment:						
Rental	315.00	3,344.94	3,659.94			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	106.25	1,045.76	1,152.01			
Sampling and Analysis	29.50	165.45	194.95			
Payroll Taxes	58.57	1,139.67	1,198.24			
Liability Insurance	82.81	3,201.98	3,284.79			
Pickup Transp.	67.32	1,568.33	1,635.65			
(8) ~~Contingencies (specify)~~ Chse., Acctg., Gen'l. Exp.	222.90	6,177.47	6,400.37			
TOTALS	3,194.89	88,543.67	91,738.56			

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

Date June 14, 1954 Payee Comet Mines, Inc.

ORIGINAL SIGNED BY

Per O. F. BURTON Title Treasurer

*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:

$ 1597.45

Lloyd H. Stolander
Signature Authorized Certifying Officer
(Authorized Certifying Officer)

Date JUN 21 1954 Vou. No. SF-DMEA-45

(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-E295 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Region III Date June 17, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature C. Ricker for H. C. Miller Title Executive Officer DMEA Field Team Region III Date June 18, 1954

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-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 1954 Docket No. DMEA [illegible] Contract No. [illegible] 295
Operator's Name [illegible] Minerals [illegible]
Address [illegible]

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		
Crosscutting	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		
Raising	[illegible]			[illegible]	[illegible]	[illegible]		
Shafts	[illegible]			[illegible]	[illegible]	[illegible]		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
[illegible]	[illegible]			[illegible]	[illegible]	[illegible]		
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		[illegible]		[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 [illegible] Operator [illegible]

Per ORIGINAL SIGNED BY O. F. BURTON Title [illegible]

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

COMBINED METALS REDUCTION COMPANY

Comet Mines, Inc. Operations Report - May, 1954

June 4, 1954

Paul Gemmill, Vice President, Comet Mines, Inc.

J. J. Russell, Mine Supt.

Dear Paul:

Operations at the Comet Mine during May, 1954, consisted of development work approved by the Defense Minerals Exploration Administration under Project No. 2309.

The 465 NE drift advanced 86.5'. A northeast fault offset the fissure to the north. The drift was turned and the fissure was picked up and drifting continued on the strike of the fissure. From the drift section where the fissure was first encountered after the turn for a distance of 24' the muck was hoisted as ore. Production totaled 67 tons. The weighted hoisted average sample assayed .02 gold, 5.23 silver, 0.95 lead, and 0.73 zinc. This ore has been trucked to the Cazelton stockpile area. One round was shot back along the strike of the fissure from the drift-fissure intersection.

There were several days delay with ore in the bin waiting for the truck. This time was used to start a crosscut through the northwest fault. One round was shot in the 465 SW drift during the same period of time.

Distribution of supplies for the operators report and voucher are as follows:

Explosives		$ 165.19
Pipe		27.58
Track		14.32
Miscellaneous Tools & Supplies		
Development Supplies	$ 5.89	
Drill Steel	140.89	
Oils & Greases	48.02	
Electrical Supplies	2.70	
Sanitation	.56	
		$ 198.06

COMBINED METALS REDUCTION COMPANY

2 June 4, 1954 Paul Gemmill

Repairs to Equipment

Jackleg	$ 101.85	
Compressor	4.40	
		$ 106.25
	Total Supplies	$ 511.40

During June the 465 Ne drift will be advanced along the fissure. Any ore mined during the drive will be trucked to the Castleton stockpile area.

Sincerely yours,

John J. Russell
Mine Supt.

COPY

A

REFERENCES

COMBINED METALS REDUCTION CO.

Comet Mines Incorporated
Pioche, Nevada
Exploration Project

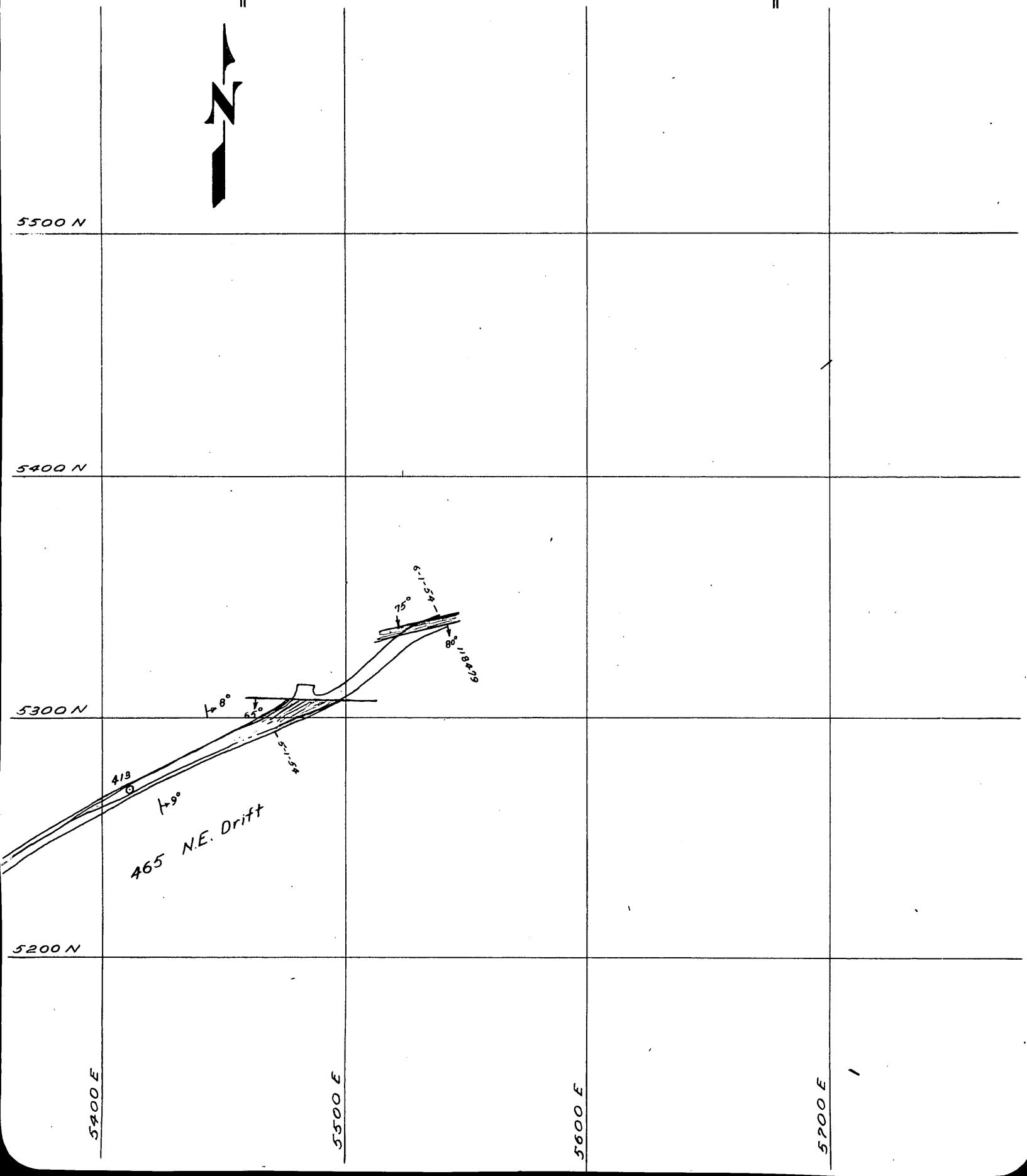
June 4, 1954

MADE BY O.E. Schrader

TRACED BY J.J. Russell

CHECKED BY

SCALE 1" = 50'



A

REFERENCES

COMBINED METALS REDUCTION

COMET MINES INCORPORATED

PIOCHE, NEVADA

EXPLORATION PROJECT

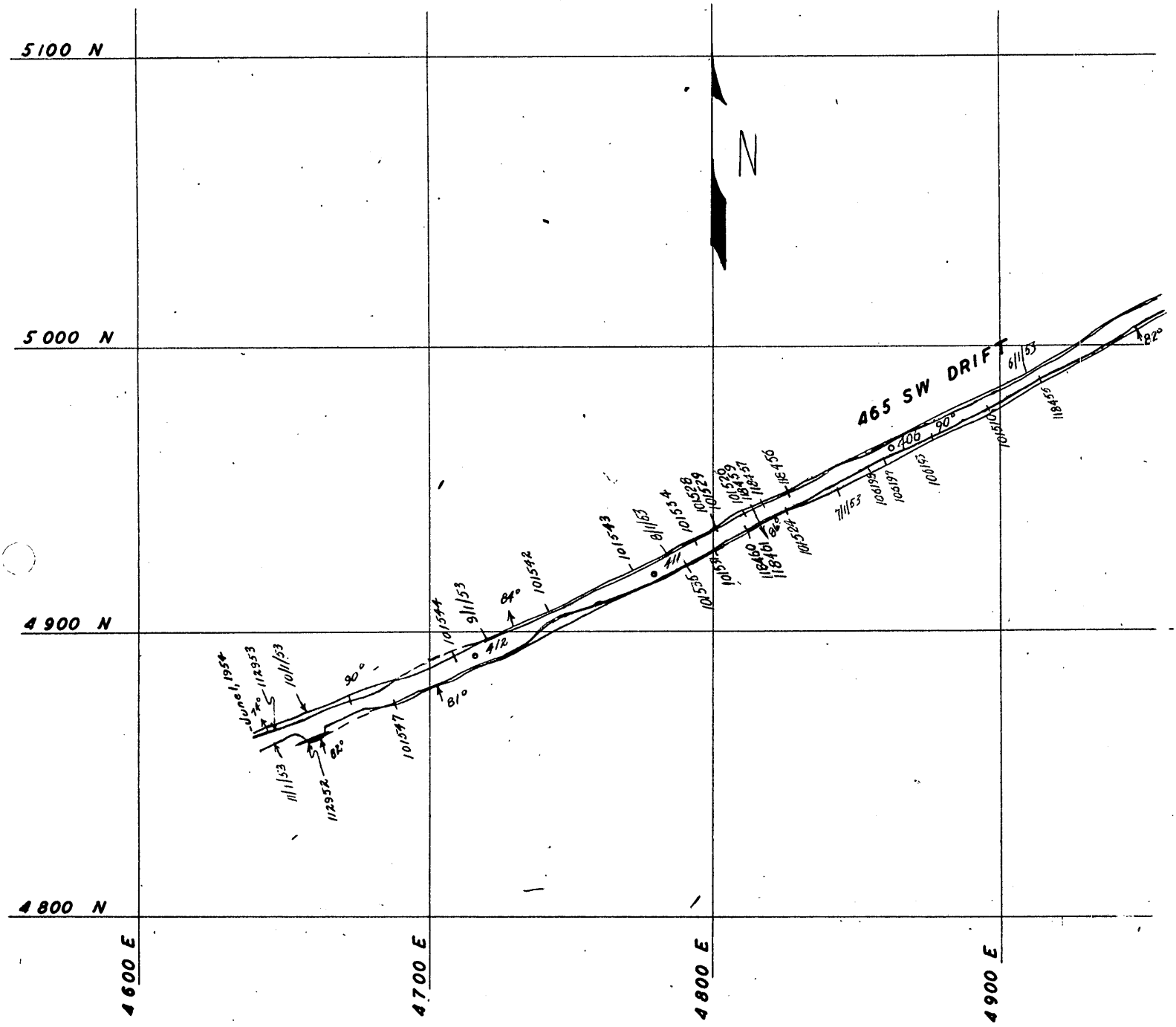
JULY 30 19 53

MADE BY ESM

TRACED BY

CHECKED BY

SCALE 1" = 50'



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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED MAY 17 1954

MAY 5 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1954 Docket No. DMEA 2309 Contract No. IDM-E 295

Operator's Name Comet Mines, Inc. Minerals Lead-Zinc

Address P. O. Box 150, Salt Lake City, Utah

Contract Amount, $ 190,000 Government Participation: 50 % Amount, $ 95,000

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	$1,937.31	$42,044.10	$43,981.41			
Supervision	150.00	9,681.11	9,831.11			
Technical Services	20.00	259.29	279.29			
(3) Operating Mat'ls. and Supplies:						
Timber	11.33	4,319.52	4,330.85			
Explosives	143.60	2,926.57	3,070.17			
Pipe	63.30	953.00	1,016.30			
Track		1,269.94	1,269.94			
Power	84.77	1,215.72	1,300.49			
Misc. Tools, Supplies	225.56	6,594.95	6,820.51			
(4) Operating Equipment:						
Rental						
Purchase	315.00	3,029.94	3,344.94			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	14.10	1,031.66	1,045.76			
Sampling and Analysis		165.45	165.45			
Payroll Taxes	68.88	1,070.79	1,139.67			
Liability Insurance	95.39	3,106.59	3,201.98			
Pickup Transp.	66.98	1,501.35	1,568.33			
(8) Contingencies (specify):						
Whse. Acctg.Gen.Exp.	239.72	5,937.75	6,177.47			
TOTALS	$3,435.94	$85,107.73	$88,543.67			

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

Date May 13, 1954 *Payee Comet Mines, Inc.

Per ORIGINAL SIGNED BY O. F. BURTON Title Treasurer

*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:

$ 1717.97

Signature _____ (Authorized Certifying Officer)

Date JUN 2 1954 Vou. No. 5F-DMEA-43

(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-E295 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Date May 18, 1954.

A. C. Johnson

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Region III

Executive Officer

Signature H. C. Miller Title DMEA Field Team Date May 24, 1954

H. C. Miller Region III

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-R2151.1
Approval expires 6-30-53.

ACCOUNTS MAY 25 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1954 Docket No. DMEA 2309 Contract No. IDM-E 295
Operator's Name Comet Mines, Inc. Minerals Lead, Zinc
Address P. O. Box 150, Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Ft.	$3,435.94	125.2	$27,850.78	907.7	$30.68		
Crosscutting	Ft.			2,896.35	56.0'	51.72		
Raising	Ft.			45,239.26	381.1	118.71		
Shafts	Ft.			905.19	6.0'	150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Raising	Cu.Ft.			11,652.09	6,456	1.80		
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		$3,435.94		$88,543.67				

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

Date May 13, 1954 Operator Comet Mines, Inc.

Per ORIGINAL SIGNED BY O. F. BURTON Title Treasurer

→ 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

COMBINED METALS REDUCTION COMPANY

Comet Mines, Inc. Operations Report - April, 1954

May 4, 1954

Paul Gemmill, Vice President, Comet Mines, Inc.

J. J. Russell, Mine Supt.

Dear Paul:

Operations at the Comet Mine during April, 1954, consisted of development work approved by the Defense Minerals Exploration Administration under Project No. 2309.

The 465 NE drift advanced 125.2' along the strike of the Comet Fissure. The last 10' of fissure exposed widened out to 4'. A 4.0' cut sample assayed: 2.10 Ag. 0.9 Pb and 3.3 Zn. The mineralization was chiefly quartz with small showings of galena and sphalerite and occasional copper oxide minerals. The vein material is still partly oxidized.

Further breakdown of the item "Miscellaneous Tools and Supplies" appearing on the Operator's Monthly Report and Voucher is as follows:

Drill Steel	$ 69.86
Ventilation	126.20
Oils & Greases	24.85
Shaft Timber	3.20
Lights	1.45
Total	$ 225.56

Breakdown of the item "Repairs to Equipment" is as follows:

Haulage	$ 1.50
Hoist	1.61
Compressor	10.99
Total	$ 14.10

During the entire month the Comet Operation was on a one shift basis.

Sincerely yours,

John J. Russell

John J. Russell
Mine Supt.

COPY

Form MF-304 (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 March, 1954 Docket No. DMEA 2309 Contract No. IDL-E 295
Operator's Name Comet Mines, Inc. Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $ 190,000 Government Participation: 50 % Amount, $ 95,000

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						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:	194.25	41,849.85	42,044.10			
Labor						
Supervision	40.00	9,641.11	9,681.11			
Technical Services		259.29	259.29			
(3) Operating Mat'ls. and Supplies:						
Timber		4,319.52	4,319.52			
Explosives	51.33	2,875.24	2,926.57			
Pipe		953.00	953.00			
Track		1,269.94	1,269.94			
Power	20.11	1,195.61	1,215.72			
Misc. Tools & Suppl.		6,594.95	6,594.95			
(4) Operating Equipment:						
Rental	40.95	2,988.99	3,029.94			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	27.50	1,004.08	1,031.66			
Sampling and Analysis		165.45	165.45			
Payroll Taxes	7.73	1,063.06	1,070.79			
Liability Insurance	10.71	3,095.88	3,106.59			
Pickup Transportation	10.88	1,490.47	1,501.35			
Phone Actg Gen Expense	30.27	5,907.48	5,937.75			
(8) Contingencies (specify):						
TOTALS	433.81	84,673.92	85,107.73			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 4-23-54 *Payee Comet Mines, Inc.

Per _____ Title Treasurer

*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:

$ 216.91

Signature _____
(Authorized Certifying Officer)

Date MAY 4 1954 Vou. No. SF-DMEA-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-E295 in accordance with the terms of the contract.

Signature [illegible] Title Mining Methods Date April 28, 1954.
George H. Holmes, Jr. Research Engr.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Region III Date April 30, 1954.
H. C. Miller

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-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Department of the Interior
Defense Minerals Administration
RECEIVED
MAY 10 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1954 Docket No. DMEA 2309 Contract No. DMEA 295
Operator's Name Comet Mines, Inc. Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Ft.	633.01	10.5	64,634.04	782.5	91.20		
Crosscutting	Ft.			2,896.35	56.0	51.72		
Raising	Ft.			45,239.26	981.1	110.71		
Shafts	Ft.			905.19	6.0	150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Station Excavation & Roads and Trails								
Work Preparation to Mining	Cu Ft			11,052.00	64.56	1.00		
Total Distributed Costs		633.01		125,107.73				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		633.01		125,107.73				

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 4-23-54 Operator Comet Mines, Inc.

Per [signature] Title Treasurer

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Comet Mines, Inc. Operations Report - March, 1954

April 6, 1954

Paul Gummill, Vice President, Comet Mines, Inc.

J. J. Russell, Mine Supt.

Dear Paul:

Operations at the Comet Mine during March, 1954, consisted of development work approved by the Defense Minerals Exploration Administration under Project No. 2309.

Drifting was resumed in the 465 Mk drift. The drift advanced 10.5'.

No change in the characteristics of the fissure was encountered.

It was necessary to spend one day reblocking the shaft sets.

Breakdown of the item "Repairs to Equipment" is as follows:

Lights	$ 2.26
Haulage	7.00
Change Room	18.12
Total	$ 27.38

The last three days of the month of March were worked at the Comet.

Sincerely yours,

John J. Russell

John J. Russell
Mine Supt.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

ACCOUNTS DEC 8 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October 195 3 Docket No. DMEA 2309 Contract No. MMA-R 295
Operator's Name Comet Mines, Inc. Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $190,000 Government Participation: 50 % Amount, $95,000

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						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	759.93	41,089.92	41,849.85			
Supervision	103.80	9,537.31	9,641.11			
Technical Services	-	259.29	259.29			
(3) Operating Mat'ls. and Supplies:						
Timber	-	4,319.52	4,319.52			
Explosives	79.95	2,795.29	2,875.24			
Pipe	-	953.00	953.00			
Track	368.52	901.42	1,269.94			
Power	50.90	1,144.71	1,195.61			
Misc. Tools, Supplies	190.44	6,404.51	6,594.95			
(4) Operating Equipment:						
Rental	108.99	2,880.00	2,988.99			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	2.25	1,001.83	1,004.08			
Sampling and Analysis	17.00	148.45	165.45			
Payroll Taxes	8.00	1,055.06	1,063.06			
Liability Insurance	39.47	3,056.41	3,095.88			
Pick-up Transp.	38.66	1,451.81	1,490.47			
Misc. Acctg., Adm. Exp.	132.59	5,774.89	5,907.48			
(8) Contingencies (specify):						
TOTALS	$1,900.50	$82,773.42	$84,673.92			

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

Date 12/1/53 *Payee Comet Mines, Inc.

Per [signature] Title Treasurer

*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:

$ 950.25

Signature [signature]
(Authorized Certifying Officer)

Date DEC 2 1953 Vou. No. SF-DMEA-26
(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-E295 in accordance with the terms of the contract.

Signature George H. Holmes, Jr. Title Mining Methods Research Engr. Date Dec. 4, 1953.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Date December 7, 1953

U. Walter Zur H. C. Miller Region III

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-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

ACCOUNTS DEC 8 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1953 Docket No. DMEA 2309 Contract No. IDM-E 295

Operator's Name Comet Mines, Inc. Minerals Lead-Zinc

Address P. O. Box 150, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT: Units	AUTHORIZED BY CONTRACT: Unit Costs
Drifting	Ft.	1900.50	32.5	23,981.03	772.0	31.06		
Crosscutting	Ft.			2,896.35	56.0	51.72		
Raising	Ft.			45,239.26	381.1	118.71		
Shafts	Ft.			905.19	6.0	150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
~~Test Pits~~ Sta. Excavation ~~[illegible]~~ & Work Prep. to Raising	Cu.Ft.			11,652.09	64.56	1.80		
TOTAL DISTRIBUTED COSTS		1900.50		84,673.92				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1900.50		84,673.92				

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 12/1/53 Operator Comet Mines, Inc.

Per [signature] Title Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Comet Mines, Inc. Operations Report, October, 1953

November 5, 1953

Paul Connill, Vice President, Comet Mines, Inc.

L. H. Burk, Mine Supt.

Dear Paul:

Operations at the Comet Mine during October, 1953, consisted of development work approved by the Defense Minerals Exploration Administration under Project No. 2309. All activity was temporarily discontinued on the 14th of October. Mine operating days were completed and supervision and equipment rental charges were proportioned accordingly.

The 465 northeast drift was advanced 16.5' and the 465 southwest drift was advanced 16.0' making a total advance of 32.5' on the project.

No radical change in the characteristics of the vein was encountered in either heading. The vein remained about 6' in width in the southwest heading with both hanging and foot walls being oxidized for about 1 1/3', the center of the vein being filled with barren quartz. A 1 inch streak of lead and zinc sulphide was encountered on the north side of the drift in the face of the northwest heading. Samples taken in both headings failed to indicate commercial ore of minimum width.

Assays of cut samples listed on the accompanying maps were as follows:

Heading	Sample No.	Length cut	Au	Ag	Pb	Zn	MO_2	Cu
SW	112952	2.9'	.01	1.19	.8	.5	Tr	.4
SW	112953	1.5'	.01	1.39	.6	.5	Tr	.5
NE	112954	2.4'	.01	1.29	2.1	.5	Tr	.1

Sick.

Breakdown of the item "miscellaneous tools and supplies" appearing on the Operator's Monthly Report and Voucher is as follows:

Drill Steel	$ 190.44
TOTAL	$ 190.44

Breakdown of the item "Repairs to equipment" is as follows:

Hoist repair	$ 1.11
Compressor repair	1.14
Total	$ 2.25

Mr. Davenport has been employed as watchman and resides at the Comet Mine.

Sincerely yours,

Robert Urk
Mine Supt.

Form [illegible]94 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS NOV 9 1953
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 23 1953
Minerals

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1953 Docket No. DMEA 2309 Contract No. IDM-E 295
Operator's Name Comet Mines, Inc.
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $190,000 Government Participation: 50 % Amount, $95,000

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						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,979.01	39,110.91	41,089.92			
Supervision	300.00	9,237.31	9,537.31			
Technical Services	40.00	219.29	259.29			
(3) Operating Mat'ls. and Supplies:						
Timber	45.50	4,274.02	4,319.52			
Explosives	238.04	2,557.25	2,795.29			
Pipe	80.03	872.97	953.00			
Track	14.52	886.90	901.42			
Power	66.09	1,078.62	1,144.71			
Misc. Tools & Supplies	524.09	5,880.42	6,404.51			
(4) Operating Equipment:						
Rental	315.00	2,565.00	2,880.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	18.18	983.65	1,001.83			
Sampling and Analysis	28.00	120.45	148.45			
Payroll Taxes	12.49	1,042.57	1,055.06			
Liability Insurance	104.15	2,952.26	3,056.41			
Pick-up Transp.	96.20	1,355.61	1,451.81			
Whse. Acctg. Gen. Exp.	289.60	5,485.29	5,774.89			
(8) Contingencies (specify):						
TOTALS	4,150.90	78,622.52	82,773.42			

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

Date 10/29/53 *Payee Comet Mines, Inc.

By [signature] Title Treasurer

*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:

$2075.45

Signature Lloyd A. Stoddard
(Authorized Certifying Officer)

Date NOV 16 1953 Vou. No. SF-DMEA-24

(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-E295 in accordance with the terms of the contract.

Signature A. E. Johnson Title Chief, Mining Div. Region III. Date Nov. 5, 1953.

A. E. Johnson

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title ~~DMEA Field Team~~ Executive Officer Region III Date ~~November 9, 1953~~

H. C. Miller

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 EF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS NOV - 9 1953
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 2 0 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1953 Docket No. DMEA 2309 Contract No. DMEA-295

Operator's Name Comet Mines, Inc. Minerals Lead-Zinc

Address P. O. Box 150, Salt Lake City, Utah

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	Ft.	4150.90	139.7	22,080.53	739.5	29.86		
Crosscutting	Ft.			2,896.35	56.0	51.72		
Raising	Ft.			45,239.26	381.1	118.71		
Shafts	Ft.			905.19	6.0	150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Station Excavation & Work Prep. to Raising	Cu.Ft.			11,652.09	64.56	1.80		
TOTAL DISTRIBUTED COSTS		4150.90		82,773.42				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4150.90		82,773.42				

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 10/29/53 Operator Comet Mines, Inc.

Per [signature] Title Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

COMBINED METALS REDUCTION COMPANY

DEPARTMENT OF THE INTERIOR
Bureau Mines Administration
RECEIVED
OCT 23 1953

Comet Mines, Inc. Operations Report, September, 1953

October 9, 1953

Paul Demaill, Vice President, Comet Mines, Inc.

A. K. Burk, Mine Supt.

Dear Paul:

Operations at the Comet Mine during September, 1953, consisted of development work approved by the Defense Minerals Exploration Administration under project No. 2309.

Drifting on the Comet vein was continued on the 465' level, drifting both NE and SW. Advance was 70.8' in the northeast heading and 68.9' in the southwest heading, making a total of 139.7' for the month.

Characteristics of the vein remained about the same as exposed in the total advance to date. In the NE drift the vein widened from about a foot in width to over 3 feet in width and pinched again near the face. Very little mineralization was encountered, but small showings of Pb and Zn sulphides plus pyrite was apparent at different spots along the advance. The quartz vein remained an average of 5 ft. or more in width in the SW heading with small showings of copper sulphides and oxides at different spots along the advance. At one place where the vein seemed to split an oxidized section assayed .23 gold.

Assays of cut samples listed on the accompanying maps were as follows:

Heading	Sample No.	Length Cut	Au	Ag	Pb	Zn	WO_3	Cu
NE	101542	3.4'	Tr	Tr	.4	.5	Tr	
NE	101580	2.0'	.04	.26	.4	.6	Tr	
SW	101544	3.0'	.08	1.22	1.0	.3	Tr	2.0
SW	101547	2.0'	.23	1.77	.7	1.8	Tr	

Further break-down of the ~~time~~ item "Miscellaneous tools and supplies" appearing on the Operator's Monthly Report and Voucher is as follows:

Drill Steel	$ 322.50
Small Tools	8.35
Telephone, lights and signals	3.91
Ventillation	186.88
Sanitation	1.37
TOTAL	$ 524.09

FORM 25

COMBINED METALS REDUCTION COMPANY

Break-down of the item "Repairs to Equipment" is as follows:

Point	$ 2.38
Drills	6.55
Mucking Machines	9.25
TOTAL	$ 18.18

In October, drifting on the 465' level was continued as usual in both the Southwest and Northeast headings until the 9th when it was decided that further exploration was impossible at the time and advance was stopped.

Yours truly

Robert R. Durk
Mine Superintendent

COPY

FORM 25

Form MF-10 (Rev.) (April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS OCT 14 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1953 Docket No. DMEA 2309 Contract No. Idm E 295
Operator's Name COMET MINES INC Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $ 190,000.00 Government Participation: 50 % Amount, $ 95,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	2,025.49	37,085.42	39,110.91			
Supervision	300.00	8,937.31	9,237.31			
Technical Services		219.29	219.29			
(3) Operating Mat'ls. and Supplies:						
Timber	35.17	4,238.85	4,274.02			
Explosives	374.95	2,182.30	2,557.25			
Pipe	46.95	826.02	872.97			
Track	20.22	866.68	886.90			
Power	65.28	1,013.34	1,078.62			
Misc. Tools & Supp.	550.92	5,329.50	5,880.42			
(4) Operating Equipment:						
Rental	305.00	2,260.00	2,565.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	14.99	968.66	983.65			
Sampling and Analysis	21.00	99.45	120.45			
Payroll Taxes	36.02	1,006.55	1,042.57			
Liability Insurance	106.31	2,845.95	2,952.26			
Pickup Transportation	96.75	1,258.86	1,355.61			
Whse, Ac ct'g & Gen.	337.65	5,147.64	5,485.29			
(8) Contingencies (specify): In adjustment of Government Participation in accordance with Interim Audit dated 9-14-53				- 02		
TOTALS	4,336.70	74,285.82	78,622.52	4336.68		

I certify that the above bill is correct and just and that payment therefor has not been received.
Date September 30, 1953 Payee COMET MINES INC
Per [signature] Title Treasurer

*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:

$ 2168.34

Signature Lloyd H. Splender, Authorized Certifying Officer (Authorized Certifying Officer)
Date OCT 22 1953 Vou. No. SF-DM EA-22

(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-E295 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Date Oct. 12, 1953

A. C. Johnson

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Region III

Executive Officer

Signature M. C. Miller Title DMEA Field Team Date October 13, 1953

M. C. Miller Region III

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

ACCOUNTS OCT 14 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1953 Docket No. DMEA 2309 Contract No. Idm S 295

Operator's Name COMET MINES INC Minerals lead-zinc

Address P. O. Box 150, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft	4336.70	134.1	17,929.63	599.8	29.89		
Crosscutting	Ft			2,896.35	56.0	51.72		
Raising	Ft			45,239.26	381.1	118.71		
Shafts	Ft			905.19	6.0	150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
~~[illegible]~~ Station Ex- ~~[illegible]~~ cavation &Work Prep. to Raising	Cu Ft.			11,652.09	64.56	1.80		
TOTAL DISTRIBUTED COSTS		4336.70		78,622.52				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS		4336.70		78,622.52				

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 30, 1953 Operator COMET MINES INC.

Per [signature] Title Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

COMBINED METALS REDUCTION COMPANY

Comet Mines Inc. Operations Report, August, 1953

September 10, 1953

Paul Gessell, Vice President, Comet Mines, Inc.

R. R. Durk, Mine Supt.

Operations at the Comet Mine during August, 1953, consisted of development work approved by the Defense Minerals Exploration Administration under Project No. 2309.

Drifting on the Comet vein was continued in both the 465 NE drift and the 465 SW drift, advancing 63.5' in the NE and 70.6' in the SW, or a total of 134.1' for the month of August.

In the NE drift the vein continued to be narrow, varying in width from a few inches to about 1½ ft. The vein material consisted of barren quartz with occasional small showings of Sphalerite. In the SW drift the vein persisted in a width of 5' to 6' throughout most of the advance. Here again the vein material was predominantly quartz. Zinc, Lead, and Copper sulphides appeared at several places but in relatively small amounts. Very little sampling was done due to the apparent barrenness of the vein. Assays of cut samples listed on the accompanying maps were as follows:

Heading	Sample No.	Length Cut	Au	Ag	Pb	Zn	Mn	Cu
NE	101541	0.8'	.02	.98	.5	.8	Tr	—
SW	101542	3.4'	Tr	Tr	.4	.5	Tr	—
SW	101543	3.0'	.03	1.27	.8	.3	Tr	.3

Further break-down of the item "Miscellaneous tools and supplies" appearing on the Operators monthly report and voucher is as follows:

Development Supplies	$ 19.54
Drill Steel	298.30
Small Tools	5.17
Oils & Greases	167.48
Telephone, lights & signals	1.73
Ventilation	58.22
Sanitation	.48
Total	$ 550.92

Brea k-down of the item "Repairs to equipment" is as follows:

Repairs to equipment:

FORM 25

COMBINED METALS REDUCTION COMPANY

SHEET 2 September 19, 1953 Paul Gemmill, Vice Pres., Comet Mines, Inc.

Moist	$ 1.32
Drills	8.75
Compressors	4.36
Mucking Machine	.56
Total	$14.99

Total Supplies $ 565.91

During September, drifting on the vein will be continued, advancing both the NE and SW headings on the 465 level.

Yours truly,

COPY

R. E. Burk
Mine Supt.

REB/dw

FORM 23

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
SEP 21 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

CONTRACT ADMINISTRATION AND AUDIT DIVISION

INTERIM AUDIT CERTIFICATE

I have examined the records and transactions of:

Comet Mines, Incorporated
Pioche, Nevada

pertaining to Exploration Project Contract No. Idm-8295, Docket No. DMEA-2309, including Amendment No. 1, for the period June 1, 1952 to July 31, 1953, covering a project for the exploration of lead and zinc.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to the amount to be paid the contractor.

Total cost as billed by contractor	$74,285.82
Exceptions (see Audit Report for details) During this audit	10.76
Total accepted cost	$74,275.06

The contract calls for a 50 per cent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Thirty Seven Thousand, One Hundred Thirty-Seven and 53/100 Dollars

$37,137.53

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

George Mavor
George Mavor
Auditor

September 14, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

I INTRODUCTION

During the period of August 19 to 22, 1953, an interim audit (covering operations for the period June 1, 1952 to July 31, 1953) was made of the records and accounts pertaining to Exploration Project Contract No. Idm-E295, Docket No. DMEA-2309, including Amendment No. 1 with the:

Comet Mines, Incorporated
Pioche, Nevada
and
218 Felt Building
Salt Lake City, Utah

covering a project for the exploration of lead and zinc.

The Comet Mines, Incorporated is a subsidiary company of the Combined Metals Reduction Company, and the control accounting records under this contract are located in the office of the Treasurer of the Comet Mines, Incorporated, 218 Felt Building, Salt Lake City, Utah. The source documents for payrolls, material and other charges are maintained in the offices of the Combined Metals Reduction Company, Caselton Plant, Pioche, Nevada.

During the course of the audit, this auditor consulted the following officers and employees of the operator who were in the following locations:

Caselton Plant, Pioche, Nevada
Sam S. Arentz, President
Paul Gemmill, Vice-President
218 Felt Building, Salt Lake City, Utah
Clyde Stevenson, Accountant

In order to expedite the auditing of documents and explain the accounting procedure, James D. King, Chief Clerk of the Caselton Plant Office, was assigned for this purpose and his cooperation and assistance greatly facilitated the audit.

II GENERAL INFORMATION ON RECORDS

The accounting records for this project are co-mingled with the Combined Metals Reduction Company operations at the Caselton Plant, Pioche, Nevada, however all charges to the exploration project can be readily identified by cost account classification numbers assigned to the operations of the Comet Mines, Incorporated. At the end of each month the Caselton Plant Office prepares a series of journal vouchers covering the plant operations which includes the Comet Mines, Incorporated. These journal vouchers are then forwarded to the Combined Metals Reduction Company Office in Salt Lake

City, Utah for further review and reconciliation of the monthly transactions involved, and subsequently entered in the general ledgers of the various enterprises.

A general ledger is maintained for the Comet Mines, Incorporated at 218 Felt Building, Salt Lake City, Utah and after the above referred to journal vouchers have been received and reconciled, then the items applicable to the exploration project are entered in the general ledger control account No. 412-11. The balance shown in this account as of July 31, 1953, was in agreement with the "Total to Date" column of the MF-104 for July 1953. The MF-104 is prepared in the Salt Lake City Office each month, and signed by O. F. Burton, Treasurer.

All hourly rate employees for the exploration project are on the Caselton Plant payroll and all salaried employees are paid direct by Combined Metals Reduction Company, Salt Lake City, Utah. The checks for hourly employees are drawn by Combined Metals Reduction Company on the Nevada Bank of Commerce, Pioche Branch, Pioche, Nevada, and the bank statements are sent direct each month to the Combined Metals Reduction Company, Salt Lake City for reconciliation. After reconciliation the cancelled payroll checks are stored at Bauer, Utah. All checks are countersigned by Combined Metals Reduction Company officials.

All material used on the exploration project is drawn from the Caselton Plant Storeroom by requisitions and billed by the Combined Metals Reduction Company at the end of each month.

In addition to the above payroll and material charges, the Combined Metals Reduction Company also bill the Comet Mines, Incorporated each month for operating equipment rental, power, sampling and analysis, truck transportation and the 7-1/2% fee for warehouse, accounting and general expense.

From the above description it is apparent that the entire exploration project program of the Comet Mines, Incorporated is being financed by the Combined Metals Reduction Company.

The company's accounts are audited after the close of each calendar year by (Wells, Baxter and Miller, Salt Lake City, Utah) a certified public accounting firm.

III SCOPE OF AUDIT AND FINDINGS

The audit was limited to ascertaining the accuracy, propriety and validity of the costs as shown in the "Totals to Date" column of Form MF-104, Operator's Monthly Report and Voucher, for the month of July 1953. The extent of the audit and the findings under each of the "Items of Cost" follows:

(2) Labor and Supervision $46,241.26

The payroll records for the period June 1, 1952 to July 31, 1953 were examined and during the course of the audit a substantial test of time cards and cancelled payroll checks was made. The result of the audit revealed a small overcharge in labor costs which was disallowed and accounted for as follows:

	Charged	Not Allowable	Allowable
Labor	$37,085.42	$ .76	$37,084.66
Supervision	8,937.31		8,937.31
Technical Services	219.29		219.29
Total	$46,242.02	$ .76	$46,241.26

The $ .76 disallowed was a payroll distribution error made December 1952. The wages of R. French, starting mechanic, was charged to the project in amount of $64.66 instead of $63.90.

A further analysis of labor and supervision is classified as follows:

Labor		
Miners	19,801.36	
Underground Hoistmen	9,740.20	
Muckers	2,171.10	
Topman	3,599.20	
Surface Labor	45.20	
Maintenance Labor	1,727.52	$37,084.66
Supervision		
Supervisor	4,025.00	
Foreman	4,912.31	8,937.31
Technical Services		
Engineer		219.29
Total		$46,241.26

The units completed as of July 31, 1953 and shown on Form HF-104a is as follows:

Drifting	465.7 ft.
Crosscutting	56.0 ft.
Raising	381.1 ft.
Shaft	6.0 ft.
Station Excavation & Work Preparation to Raising	6,456 cu. ft.

The hourly wage rates paid for labor were made in accordance with Union Contracts, between the Combined Metals Reduction Company and the United Steel Workers of America, C.I.O. Union. Most of the wages paid for drifting, crosscutting and raisingwere on a bonus contract footage basis and the hourly rates established for this work was in accordance with Union Contracts. All of the work performed on the shaft and station excavation was paid on straight time hourly rates. The total hourly wages paid for labor in amount $37,084.66, included overtime $2,253.12 and holiday pay $598.99, and paid in accordance with Union Contracts.

The supervision charge in amount of $8,937.31 was made as follows:

E. S. McIntyre, Superintendent			
9 mos. at	$250.00	$2,250.00	
3 mos. at	300.00	900.00	
1 mo. at	375.00	375.00	
1 mo. at	500.00	500.00	$4,025.00
James Hulse, Mine Foreman			4,912.31
Total Supervision			$8,937.31

The monthly salary of E. S. McIntyre was $500.00 per month, and a proportionate amount was charged to the exploration project, based on the time devoted to the project. The contract shows under item 2 of Exhibit "A" an allowable maximum cost of $5,400.00 for superintendent, and was estimated on a part time basis at $300.00 per month for 18 months.

The operator charged $375.00 for part time for superintendent's salary during June 1952 and this was due to additional time required in getting project started, and during October 1952, the amount of $500.00 was charged representing full time supervision by superintendent on raise work. As the $300.00 per month for superintendent shown under item 2 in Exhibit "A" of the contract was only an estimate in arriving at the allowable maximum of $5,400.00 for superintendent's salary, and the operator had consistently charged the actual time devoted which in many instances was less than the

estimate of $300.00 per month, no disallowance was made and this action was agreed to by H. C. Miller, Executive Officer. The part time salary paid to E. S. McIntyre, Superintendent, and charged to project amounted to $4,025.00, and this amount did not exceed the allowable maximum of $5,400.00 as set forth under item 2, in Exhibit "A" of the contract.

The amount of $4,912.31, charged to supervision, represented wages paid to James Hulse, Mine Foreman, and did not exceed the allowable maximum of $9,900.00 allowed under item 2 in Exhibit "A" of the contract. The hourly base rate for foreman's wages was $1.885 per hour and included in the total charge of $4,912.31 was overtime $347.57 and holiday pay $75.40.

The charge for technical services in amount of $219.29 was a proportionate part of salaries paid to the following Combined Metals Reduction Company engineers for engineering services rendered to exploration project.

	Monthly Salary	Project Proportion
Sept. 1952 R. H. Godbe, Engineer	$475.00	$ 75.79
Oct. 1952 R. H. Godbe, Engineer	475.00	123.50
June 1953 Kenneth Anderson, Engineer	415.00	20.00
Total Technical Services		$219.29

The above technical services are allowable costs and are applicable to item (7) Miscellaneous listed in Exhibit "A" of the contract, with an allowable maximum of $14,145.00.

(3) Operating Material and Supplies $14,456.69

The following material and supplies charged to the exploration project was obtained from the Combined Metals Reduction Company, Caselton Plant:

Timber		$ 4,238.85
Explosives		2,182.30
Pipe		826.02
Track		866.68
Power		1,013.34
Miscellaneous		
Drill Steel & Bits	$3,870.52	
12" Ventilation Pipe	155.82	
Oil & Grease	162.69	
Nails	95.85	
Oxygen & Acetylene	67.50	
Nuts, Bolts, Washers, etc.	977.12	5,329.50
Total		$14,456.69

All of the above material and supplies were issued by requisitions from the Combined Metals Reduction Company, Caselton Plant storeroom. The accounting procedure for material control is well organized and the system includes purchase orders, receiving reports and invoices, together with a systematic recording in stock record cards of all material movements. The storeroom also maintains a purchase order file by vendor's name and a purchase order master file by P.O. number which has all of the documents attached which include the purchase orders, shipping notices, receiving reports, freight charges and invoices.

The requisitions issued for material and supplies used on the project are prepared, priced and amounts extended by warehouse clerk, the receipt of the material is signed by workman and approved by foreman. The requisitions are dated but not numbered. The requisition shows the account to be charged and the requisitions chargeable to the exploration project are maintained in a separate file. At the end of each month a schedule is prepared from the requisitions, and lists each item of material issued, showing the quantity, description, price and amount. This schedule is certified as being correct by the superintendent of the project and approved by three officials of the Caselton Plant.

An average inventory price is used when pricing material requisitions and the method used is to recompute the inventory card prices as new purchases are made. During the course of the audit, prices were traced from the stock record cards to the material purchase invoices in order to verify the prices used on material charged to the exploration project.

The electric power cents used during the period June 1, 1952 to July 31, 1953 amounted to $1,013.34 and represented a total of 193,974 KWH, at an average rate of 00.5224 mills per KWH. The Lincoln County Power District No. 1, Pioche, Nevada furnishes the power and bills the Combined Metals Reduction Company each month, listing all of the various locations where power is furnished and shows the meter readings for each location, including the Comet Mines, Incorporated. The Combined Metals Reduction Company then bills the exploration project for the amount of power consumed at the project. The project gains the benefit of any reduction in rates on the overall plant power consumption which may be over the maximum demand. There is no power contract and the rates used are established at nonprofit by the Board of Directors of the Lincoln County Power District No. 1, Pioche, Nevada.

(4) Operating Equipment $2,250.00

All charges for operating equipment were examined and the rates verified to contract. The result of the examination revealed an overcharge of $10.00 which was disallowed and accounted for as follows:

	Charged	Not Allowable	Allowable
Rental	$ 690.00	$	$ 690.00
Depreciation	1,570.00	10.00	1,560.00
Total	$2,260.00	$10.00	$2,250.00

The overcharge of $10.00 was depreciation on two mine cars at $5.00 per month each, charged during July 1952 as $20.00 instead of $10.00.

The equipment rental was billed by the Combined Metals Reduction Company each month for the following items:

Drills at $15.00 each per month

2 Stopers	9 mos. at $30.00	$270.00	
3 Stopers	1 mo. at 45.00	45.00	
1 Stoper	1 mo. at 15.00	15.00	$330.00
1 Jack Leg & Hammer	2 mos. at 15.00	30.00	
2 Jack Legs & Hammers	2 mos. at 30.00	60.00	90.00
1 Drifter	2 mos. at 15.00		30.00
Total Drill Rental			$450.00
1 Mucking Machine	3 mos. at $70.00 per mo.		210.00
1 Locomotive	9 da. at $100.00 per mo.		30.00
Total Equipment Rental			$690.00

The rates used were in agreement with item 4 as shown under Exhibit "A" of the contract.

The depreciation charges for equipment were accounted for as follows:

2 Mine Cars	4 mos. at $10.00	$ 40.00	
3 Mine Cars	8 mos. at $15.00	120.00	$ 160.00
2 Compressors	14 mos. at $100.00		1,400.00
Total Allowable depreciation			$1,560.00

The depreciation rates were in agreement with item 4 as shown under Exhibit "A" of the contract.

(7) Miscellaneous $11,327.11

The charges for miscellaneous costs were examined and comprised the following items, billed by the Combined Metals Reduction Company.

Repairs to Equipment	$ 968.66
Sampling and Analysis	99.45
Payroll Taxes	1,006.55
Liability Insurance	2,845.95
Pick-up Transportation	1,250.06
Warehouse, Accounting & General Expense	5,147.64
Total	$11,327.11

The repairs to equipment represented material issued on requisitions from the Gasolton Plant storeroom and was used as follows:

Repairs to Equipment

Hoisting Equipment	$377.53
Drilling Machines	285.70
Compressors	146.89
Mucking Machine	14.31
Slusher	19.79
Sump Pump	26.66
Electric Power Equipment	57.91
Other	39.87
Total	$968.66

During the courseof the audit, the repair material requisitions were examined and a sufficient test of prices verified.

The sampling and analysis charges in amount of $99.45 covered 194 determinations at 50 cents each $97.00 and 10 sample sacks $2.45, all of which were billed by Combined Metals Reduction Company.

The charges for payroll taxes and compensation insurance were verified by computation at the rates used by the operator, which were as follows:

Payroll Tax Rates

Federal Old Age Benefit	1.5%	
Federal Unemployment	.3%	
Nevada Unemployment	1.0%	2.8%

Compensation Insurance Rates

Nevada Industrial Commission	3.25%	
Pioche Mutual Benefit Ass'n Hospital Division	1.32%	4.57%

Payroll taxes are exempt on any one employee earning over $3,600.00 for Federal Taxes and $3,000.00 for State Taxes. The Combined Metals Reduction Company maintains Employees' Earnings Records for all employees, which includes employees of the operator. These records were examined during the course of the audit. The compensation insurance is covered jointly by the Nevada Industrial Commission and the Pioche Mutual Benefit Association, Hospital Division. The hospital accident benefit contract now in effect is between the Combined Metals Reduction Company and the Pioche Mutual Benefit Association, Hospital Division. A copy of this contract, which cites the various medical benefits, is filed with the Nevada Industrial Commission. Compensation insurance coverage of the Combined Metals Reduction Company employees includes employees of the operator.

The pick-up transportation represents the cost of transporting men, materials and supplies to Comet Mine and charged on the following mileage basis:

Truck #38	16,805.0 miles at $.07	$1,176.35
R. O. Maki - Private Car	1,375.3 miles at .06	82.51
Total		$1,258.86

The above transportation costs were billed by the Combined Metals Reduction Company and the mileage taken from mileage meter readings listed in monthly mileage reports.

The warehouse, accounting and general expense charge in amount of $5,147.64 represents 7-1/2% of the total project costs to July 31, 1953 and arrived at as follows:

Total project costs before surcharge		$69,138.18
Add: Surcharge of 7-1/2%	$5,185.36	
Deduct computation error	37.72	
Amount charged by operator		5,147.64
Total cost billed by operator to 7/31/53		$74,285.82

The surcharge of 7-1/2% is a proportionate amount of Combined Metals Reduction Company. Gasselton Mine direct expense chargeable to the project to cover such items as engineering, assaying, accounting, warehouse, boarding house, bunkhouse, safety, watchmen, and general supervision.

The following figures showing how the surcharge of 7-1/2% was computed were furnished by Mr. Sam S. Arentz, Manager, Nevada Operations for the Combined Metals Reduction Company.

	Caselton Mine Accounts	
	Year 1950	Year 1951
Direct Operating Cost		
Including direct labor, supplies, power, supervision, engineering, assaying, vacations, haulage, etc.	$1,467,651.76	$1,763,917.08
Caselton Mine's Prorate Share of **Plant Overhead**		
Including engineering, assaying, repair, maintenance, accounting, warehousing, safety and watchmen.	$ 112,747.09	$ 149,647.77
The above does not include taxes, other than payroll and sales taxes, and did not include any portion of general office expense.		
Surcharge Rates	7.68%	8.48%
Rate used for contract rounded off for convenience	7.50%	- 0 -

The application was prepared during 1951 and on page 13 thereof the 7-1/2% surcharge was explained, and it was understood that in Exhibit "A" of the contract under Item (7) Miscellaneous the allowable maximum amount of $14,145.00 covered the 7-1/2% surcharge expense. Therefore the costs for this expense have been accepted as an allowable cost item to the exploration project.

IV CONCLUSIONS AND RECOMMENDATIONS

The audit also disclosed that the status as of July 31, 1953, of "allowable maximums" under this contract was as follows:

Item	Maximum	Total Costs	Balance
Labor, P/R Taxes & Liab. Insur.	$90,000.00	$40,937.16	$49,062.84
Supervision	5,400.00	4,025.00	1,375.00
Foreman	9,900.00	4,912.31	4,987.69
Operating Material & Supplies	64,600.00	14,456.69	50,143.31
Operating Equipment Rental	3,630.00	690.00	2,940.00
Operating Equipment Depreciation	2,325.00	1,560.00	765.00
Miscellaneous	14,145.00	7,693.90*	6,451.10

*Miscellaneous costs include Repairs to Equipment $968.66, Sampling and Analysis $99.45, Pick-up Transportation $1,258.86, and Warehouse, Accounting & General Expense $5,147.64. Also Technical Services $219.29.

This audit has disclosed that all costs, as charged to this project, with the exception of the disallowances itemized under item (2) Labor and Supervision and item (4) Operating Equipment, of the preceding section of this report, are reasonable and proper under the terms of the contract.

The adjustments between Items of Costs, as shown on the July 1953 MF-104, the recommended disallowances, and approved amounts are summarized as follows:

	Totals July MF-104	Distribution Corrected	Disallowed by Audit	Allowed by Audit
(2) Labor and Supervision				
Labor	$37,085.42	$37,085.42	$ .76	$37,084.66
Supervision	8,937.31	8,937.31		8,937.31
Technical Services	219.29	219.29		219.29
(3) Operating Mat'ls & Supplies				
Timber	4,238.85	4,238.85		4,238.85
Explosives	2,182.30	2,182.30		2,182.30
Pipe	826.02	826.02		826.02
Track	866.68	866.68		866.68
Power	1,013.34	1,013.34		1,013.34
Misc. Supplies & Drill Steel	5,329.50	5,329.50		5,329.50
(4) Operating Equipment				
Rental	2,260.00	690.00		690.00
Depreciation		1,570.00	10.00	1,560.00
(7) Miscellaneous				
Repairs to Equipment	968.66	968.66		968.66
Sampling and Analysis	99.45	99.45		99.45
Payroll Taxes	1,006.55	1,006.55		1,006.55
Liability Insurance	2,845.95	2,845.95		2,845.95
Pick-up Transportation	1,258.86	1,258.86		1,258.86
Warehouse, Accounting & General Expense	5,147.64	5,147.64		5,147.64
Totals	$74,285.82	$74,285.82	$10.76	$74,275.06

At the conclusion of the audit, the findings were discussed with Sam S. Arentz, President, Paul Gorrill, Vice-President, and Clyde Stevenson, Accountant.

George Mavor

George Mavor
Auditor

September 14, 1953

1012 Flood Bldg
San Francisco 2, Cal.
Oct. 19, 1953
MDR

Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D.C.

RE: Comet Mines Inc.
E295-DMEA-2309

Dear Mr. Chambers:

Enclosed are 3 copies of Audit Certificate and 2 copies of Audit Report, for subject operator. All other copies have been released and the attached are being returned to you, in accordance with your letter dated October 3, 1953.

Sincerely yours
George Mavor
Auditor

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

800

OCT 13 1953

Mr. George Mavor
DMEA Auditor
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Comet Mines, Inc.
Idm-E295, DMEA-2309
Pioche, Nevada

Dear Mr. Mavor:

Reference is made to my letter of September 25, 1953, and your reply under date of October 8, 1953, in regard to certain points on the above-cited contract.

I wish to emphasize that in an actual costs contract the time, monthly salary, and total salary for supervision are designated "allowable maximums" by Article 6 (a) (2) of the contract form. A star on any one of these items has no affect on the interpretation of the contract. This office, however, has decided that under the extenuating circumstances involved in this particular contract it appears equitable to allow the claim of the contractor, especially since the average supervisory charge for the 14 months was $287.00 a month or $13.00 per month under the contract allowance. This decision should not be used as a precedent or as establishing a policy. The policy of the Administration on this point is the interpretation that I have given above.

The quotation which you gave from a letter of the Operating Committee has the opposite intention than what you gave in your letter. The Operating Committee stressed the point that the monthly salary allowed for supervision was for full time employment unless otherwise stated in the contract and that if a supervisor gave only a part of his time to a project only a part of the allowable salary would be approved.

I am also approving the general direct costs items, since the engineer agreed that a 7½% charge on the total project costs was to the advantage to the Government because of the near impossibility of making detail distribution of the items mentioned both in your report and in the contract itself.

Your explanations on the other questions raised by my letter of September 25 are acceptable. Accordingly, you may release the Audit Report and Certificate for distribution and return the Washington Office copies to me.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChamber/wb
October 13, 1953

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

1012 Flood Building
870 Market Street
San Francisco 2, California

October 8, 1953

Mr. Jay L. Chambers, Chief
Contract Administration and
Audit Division
Defense Minerals Exploration
Administration
Washington 25, D. C.

Re: Comet Mines, Inc.
Idm-E295, DMEA-2309
Pioche, Nevada

Dear Mr. Chambers:

Reference is made to your letter dated September 25, 1953, wherein you returned subject operator's Audit Certificates and Audit Reports with certain comments pertaining to supervision salaries, 7-1/2% charge for warehousing, accounting and general expense, and also clarification of certain "allowable maximums."

The supervision salary of E. S. McIntyre, Superintendent, was shown in my audit report as follows:

9 mos.	at $250.00	$2,250.00
3 mos.	at 300.00	900.00
1 mo.	at 375.00	375.00
1 mo.	at 500.00	500.00
Total		$4,025.00

In my audit report I stated that the operator had charged $375.00 for June 1952, due to additional time required in getting the project started and during October 1952 the amount of $500.00 was charged which represented full time supervision. It was also pointed out that the operator had charged over a period of 9 months, a prorata amount of $250.00 per month, which was less than the estimated monthly amount of $300.00 shown in the contract. The total amount of $4,025.00 for supervisory salary of E. S. McIntyre over a period of 14 months, averages $287.00 per month which is less than the estimated $300.00 shown in the contract.

The operator advised that the proration of the salary paid to E. S. McIntyre was allocated to the DMEA Project, based on the time devoted to the project, and as the monthly charges were reasonable no exception was taken to the method used.

The contract does not specifically state that the amount of $300.00 per month is a maximum monthly salary, but simply was used as a factor in estimating the allowable maximum of $5,400.00 for a part time superintendent over a period of 18 months.

Apparently the method used by the operator should be accepted, based on Operating Committee letter dated December 15, 1952 to Region IV, wherein part of third paragraph read as follows:

> "At this time your engineers doubtless could make a fairly close estimate of the amount of supervision which would be considered adequate. Later in the development of the project the supervisory payment might be adjusted whenever justifiable, provided that the maximum allowed in the contract is not exceeded."

It would appear that the above explanation could be interpretated to mean that the present operator had justified his method of allocating the supervisor's salary, and the allowable maximum of $5,400.00 had not been exceeded.

In connection with 7-1/2% charge on the total project cost for warehousing, accounting and general expense, I am attaching hereto a copy of letter dated September 10, 1953 from S. S. Arentz, Manager, Nevada Operations, Combined Metals Reduction Company, wherein you will note that the 7-1/2% is referred to as general expense exclusive of general overhead, interest, taxes or corporate management.

In the second paragraph the 7-1/2% is referred to as direct expense chargeable to the project to cover such items as engineering, assaying, accounting, warehouse, boarding house, bunkhouse, safety, watchmen and general supervision.

In the third paragraph the reason for using the 7-1/2% was due to the difficulty of properly assigning costs on any other basis, and the field engineer approved the percentage basis as set out in operator's application.

In the fourth paragraph the method used in arriving at the 7-1/2% is explained, and also what cost items the 7-1/2% represents.

As all of the DMEA Project activities are centralized and controlled at the Combined Metals Reduction Company's Caselton Plant,

Pioche, Nevada, it appears that the DMEA Project benefits from the affiliation of the combined operations. The 7-1/2% charge is not considered an overhead charge, but a percentage established to simplify the distribution of direct costs for engineering, assaying, accounting, etc., which are applicable to the DMEA Project.

The status of item (7) Miscellaneous, as shown in my audit report, as of July 31, 1953, was as follows:

Allowable Maximum		$14,145.00
Less:		
Repairs to Equipment	$ 968.66	
Sampling and Analysis	99.45	
Pick-up Transportation	1,258.86	
Technical Services	219.29	
Warehouse, Accounting and General Expense	5,147.64	7,693.90
Balance		$ 6,451.10

The repairs to equipment $968.66, sampling and analysis $99.45 and technical services $219.29 are in addition to the direct costs represented by the 7-1/2% direct charges in amount of $5,147.64 heretofore described.

With reference to job classification of "starting mechanic" which you questioned as a labor cost, you will note under item 2 of the contract that one repairman is included in maximum labor crew, therefore, the "starting mechanic" is considered a repairman. In my audit report I showed total labor as $37,084.66 and included in this figure was the amount of $1,727.52 for maintenance or an average of $123.00 per month for 14 months.

In connection with pick-up transportation, which you state for "allowable maximum" purposes should be included under Operating Materials and Supplies, it is pointed out that the truck was not used exclusively for hauling material, but was also used for transporting men between the Caselton Plant and mine site. Should you desire this type of transportation for "allowable maximum" purposes under the caption of Operating Material and Supplies, please let me know.

This letter is not written with the viewpoint of upholding the costs claimed by the operator, but solely for the purpose of trying to interpret the correct meaning of the contract, and how the items herein discussed fit in with the contract terms and the costs claimed by the operator.

Mr. H. C. Miller, Executive Officer, has reviewed the contents of this letter and he concurs with the explanations given. In the meantime I will hold in abeyance all copies of the audit report, pending your review of the contents of this letter, and your further advice as to whether or not disallowances should be made.

Sincerely yours,

George Mavor

George Mavor
Auditor

Attachment

Copy to: H. C. Miller

COMBINED METALS REDUCTION COMPANY

CASELTON PLANT PIOCHE, NEVADA

September 10, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 12 1953

Mr. George Mavor
D. M. E. A. Auditor
1012 Flood Building
870 Market Street
San Francisco, California

Re: D. M. E. A. Docket No. 2309
Comet Mines, Inc.
Pioche, Nevada

Dear Mr. Mavor:

Mr. F. H. Anderson, our office manager, informed me of your telephone request for more information regarding the 7½% charge for general expense exclusive of general overhead, interest, taxes or corporate management.

In our application for the Comet Exploration Project on page 13, paragraph (j) we included an item in the amount of $14,858.00 which is stated to be 7½% of the direct expense chargeable to the project to cover such items as engineering, assaying, accounting, warehouse, boarding house, bunkhouse, safety, watchmen, and general supervision. This estimate was based on our actual experience at the Caselton mine. As was discussed with you during your recent visit to Caselton, the 7½% figure was based on our 1950 cost records, those being the most recent at the time our application was prepared in 1951. The cost records for 1951 show that we underestimated the cost of general expense items and we should have used 8 to 8½% instead of 7½%. It was also pointed out that mine engineering, sampling and assaying are included in our direct operating accounts at Caselton and the engineering and assaying expense covered by the 7½% charge appertained to geological and mechanical engineering provided by our plant staff personnel and to undistributed costs of maintaining an assay laboratory.

In the contract with the government dated April 16, 1952 as allowance is made for miscellaneous expense on page 3 of Exhibit A, paragraph (7) in the amount of $14,145.00 to cover the same items listed in our application as cited above. No mention is made of the 7½% in the contract, but because of the difficulty of properly assigning costs on any other basis, the field engineer approved the percentrage basis as set out in our application, particularly as the amount allowed in the contract was consistent with the amount estimated in our application.

COMBINED METALS REDUCTION COMPANY

SHEET -2 DATE September 10,1953 TO Mr. George Mavor

The basis at which we arrived at the 7½% is as follows:

The application was prepared in 1951. Our Caselton mine accounts for the year ending December 31, 1950 show total direct operating cost of $1,467,651.76 including all direct labor, supplies, power, supervision, engineering, assaying, vacations, haulage, etc. The Caselton Mine's pro rata share of plant overhead including engineering, assaying, repair, maintenance, accounting, warehousing, safety and watchmen totalled $112,747.09 or 7.68% of the direct expense of mine operation. This did not include taxes, other than payroll and sales taxes, and did not include any proportion of our general office expense, some of which could properly have been considered in arriving at a service charge to the project.

For convenience in estimating, we rounded the actual percentage of 7.68% at 7.5% of direct expense in our application.

For the year ending December 31, 1951, the direct cost totalled $1,763,917.08 with the mine's pro rata share of plant overhead totalling $149,647.77 or 8.48% of direct costs. More recent figures indicate that general expense in terms of direct cost is averaging between the 1950 and 1951 figures or in excess of the amount set up in our contract.

I trust that this will give you the desired information. It was a pleasure meeting you during your visit to Caselton.

Very truly yours,

S. S. Arentz, Manager
Nevada Operations

SSA:sp

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

1012 Flood Building
870 Market Street
San Francisco 2, California

October 8, 1953

Mr. Jay L. Chambers, Chief
Contract Administration and
Audit Division
Defense Minerals Exploration
Administration
Washington 25, D. C.

Re: Comet Mines, Inc.
Idm-E295, DMEA-2309
Pioche, Nevada

Dear Mr. Chambers:

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Total		$4,025.00

In my audit report I stated that the operator had charged $375.00 for June 1952, due to additional time required in getting the project started and during October 1952 the amount of $500.00 was charged which represented full time supervision. It was also pointed out that the operator had charged over a period of 9 months, a prorata amount of $250.00 per month, which was less than the estimated monthly amount of $300.00 shown in the contract. The total amount of $4,025.00 for supervisory salary of E. S. McIntyre over a period of 14 months, averages $287.00 per month which is less than the estimated $300.00 shown in the contract.

The operator advised that the proration of the salary paid to E. S. McIntyre was allocated to the DMKA Project, based on the time devoted to the project, and as the monthly charges were reasonable no exception was taken to the method used.

The contract does not specifically state that the amount of $300.00 per month is a maximum monthly salary, but simply was used as a factor in estimating the allowable maximum of $5,400.00 for a part time superintendent over a period of 18 months.

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In the third paragraph the reason for using the 7-1/2% was due to the difficulty of properly assigning costs on any other basis, and the field engineer approved the percentage basis as set out in operater's application.

In the fourth paragraph the method used in arriving at the 7-1/2% is explained, and also what cost items the 7-1/2% represents.

As all of the DMKA Project activities are centralized and controlled at the Combined Metals Reduction Company's Caselton Plant,

Pioche, Nevada, it appears that the DMEA Project benefits from the affiliation of the combined operations. The 7-1/2% charge is not considered an overhead charge, but a percentage established to simplify the distribution of direct costs for engineering, assaying, accounting, etc., which are applicable to the DMEA Project.

The status of item (7) Miscellaneous, as shown in my audit report, as of July 31, 1953, was as follows:

Allowable Maximum		$14,145.00
Less:		
Repairs to Equipment	$ 968.66	
Sampling and Analysis	99.45	
Pick-up Transportation	1,258.86	
Technical Services	219.29	
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Mr. H. C. Miller, Executive Officer, has reviewed the contents of this letter and he concurs with the explanations given. In the meantime I will hold in abeyance all copies of the audit report, pending your review of the contents of this letter, and your further advice as to whether or not disallowances should be made.

Sincerely yours,

George Mavor

George Mavor
Auditor

Attachment

Copy to: H. C. Miller

GMavor:jl

COMBINED METALS REDUCTION COMPANY

CASELTON PLANT PIOCHE, NEVADA

September 10, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 12 1953

Mr. George Mavor
D. M. E. A. Auditor
1012 Flood Building
870 Market Street
San Francisco, California

Re: D. M. E. A. Docket No. 2309
Comet Mines, Inc.
Pioche, Nevada

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In the contract with the government dated April 16, 1952 as allowance is made for miscellaneous expense on page 3 of Exhibit A, paragraph (7) in the amount of $14,145.00 to cover the same items listed in our application as cited above. No mention is made of the 7½% in the contract, but because of the difficulty of properly assigning costs on any other basis, the field engineer approved the percentrage basis as set out in our application, particularly as the amount allowed in the contract was consistent with the amount estimated in our application.

The basis at which we arrived at the 7½% is as follows:

The application was prepared in 1951. Our Caselton mine accounts for the year ending December 31, 1950 show total direct operating cost of $1,467,651.76 including all direct labor, supplies, power, supervision, engineering, assaying, vacations, haulage, etc. The Caselton Mine's pro rata share of plant overhead including engineering, assaying, repair, maintenance, accounting, warehousing, safety and watchmen totalled $112,747.09 or 7.68% of the direct expense of mine operation. This did not include taxes, other than payroll and sales taxes, and did not include any proportion of our general office expense, some of which could properly have been considered in arriving at a service charge to the project.

For convenience in estimating, we rounded the actual percentage of 7.68% at 7.5% of direct expense in our application.

For the year ending December 31, 1951, the direct cost totalled $1,763,917.08 with the mine's pro rata share of plant overhead totalling $149,647.77 or 8.48% of direct costs. More recent figures indicate that general expense in terms of direct cost is averaging between the 1950 and 1951 figures or in excess of the amount set up in our contract.

I trust that this will give you the desired information. It was a pleasure meeting you during your visit to Caselton.

Very truly yours,

S. S. Arentz, Manager
Nevada Operations

SSA:sp

Mr. Chandler

800

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

SEP 2 5 1953

Mr. George Mavor
DMEA Auditor
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Comet Mines, Inc.
Idm-E295, DMEA-2309
Pioche, Nevada

Dear Mr. Mavor:

I am returning the Audit Certificates and Audit Reports on the above-cited project, submitted by your memorandum of September 18, 1953, with the following comments.

The contract form itself provides that the monthly salaries, the total amount estimated in Exhibit A for supervisory and technical people are maximums. For this reason a disallowance of $275.00 should be taken on Mr. McIntyre's salary. The asterisk which was placed after the total amount for supervision in this particular contract apparently is misleading, both to you and the Comet Mines, Inc.

It is noted that your audit accepted a 7½% charge on the total project cost for warehousing, accounting and general expense. General expense, of course, is not an allowable item, nor is warehousing within itself an allowable item. A reasonable charge for accounting will be accepted as will also a reasonable handling charge for materials and supplies taken from a warehouse, provided the warehouse inventory items do not contain a mark-up for handling charge in their issue prices.

It is true that the item of $14,145.00 allowed under Miscellaneous is exactly the amount estimated by the Corporation for general overhead services, etc., in the Corporation's application. This amount was placed in the contract to care for legitimate direct costs not otherwise provided for in the contract. We have paid for engineering, assaying, repairs and maintenance as billed by the Operator. We will consider a reclaim by the Company for accounting and handling of supplies, provided, as stated above, the warehouse inventory does not include a mark-up for handling.

The word "services" used under the Miscellaneous item in the contract does not have the same connotation in the contract that the

applicant had in his application. Judging from the manner in which the Company billed for the services, part of the payment would be for general overhead, which by the terms of the contract (Article 6c) is prohibited as allowable ~~allowable~~ costs in which the Government will participate. In this respect refer to page 10 of your audit where, under the heading of "Caselton Mine's Prorata Share of Plant Overhead", an item of $149,000 is listed.

In taking your exception I think you might explain to the Operator that he may submit a claim for accounting and for handling materials and supplies taken out of the warehouse and other direct costs, but no charge for "servicing" these or other items, as the term is apparently understood by the Operator, can be allowed.

Two other points in the Audit Report need clarification or correction as follows:

(1) The contract provides, under Labor, that a list shown therein "shall constitute the maximum crew for direct labor on the project." Therefore, your report should include a statement to the effect that no jobs other than those provided for in the contract were charged to the project, if such is the case. It is noted, however, that your report mentions a "starting mechanic" which is not in the contract list, and accordingly disallowances may be required unless this is merely another title for one of the listed jobs.

(2) In the status of "allowable maximums" on page 11 you have included the pick-up transportation under Miscellaneous rather than Operating Materials and Supplies, as provided by the contract. Therefore, the table and the asterisked footnote should be corrected to indicate that, for "allowable maximum" purposes, the pick-up transportation of materials and supplies is included under Operating Materials and Supplies.

Sincerely yours,

SIGNED

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

JLChambers/wb
September 25, 1953

Copy to: Docket
Admr. Reading File
Mr. Chambers

Form [illegible] (Rev.) (April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

ACCOUNTS AUG 25 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1953 Docket No. DMEA 2309 Contract No. IDM-E 295
Operator's Name COMET MINES INCORPORATED Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $ 190,000 Government Participation: 50 % Amount, $ 95,000.00

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						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,807.34	35,278.08	37,085.42			
Supervision	300.00	8,637.31	8,937.31			
Technical Services		219.29	219.29			
(3) Operating Mat'ls. and Supplies:						
Timber	41.90	4,196.95	4,238.85			
Explosives	218.74	1,963.56	2,182.30			
Pipe	62.99	763.03	826.02			
Track		866.68	866.68			
Power	60.93	952.41	1,013.34			
Misc.tools, supplies,	398.12	4,931.38	5,329.50			
(4) Operating Equipment: drill steel						
Rental	245.00	2,015.00	2,260.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	12.60	956.06	968.66			
Sampling and Analysis	44.00	55.45	99.45			
Payroll Taxes	59.01	947.54	1,006.55			
Liability Insurance	96.31	2,749.64	2,845.95			
Pick-up Transp.	98.39	1,160.47	1,258.86			
Whse, accounting Gen.	258.40	4,889.24	5,147.64			
(8) Contingencies (specify): Expense						
TOTALS	3,703.73	70,582.09	74,285.82			

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

Date Aug. 14, 1953 *Payee COMET MINES INCORPORATED

ORIGINAL SIGNED BY
Per O. F. BURTON Title Treasurer

*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:

$ 1851 87

Lloyd H. Sjolander
Signature Authorized Certifying Officer
SEP 3 1953 (Authorized Certifying Officer)
Date Vou. No. SF-DMEA-10
(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. [illegible] in accordance with the terms of the contract.

Signature [illegible] Title Chief, Mining Div. Region III Date August 21, 1953.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Region III Date August 21, 1953

H. C. Miller

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

[illegible]-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

ACCOUNTS AUG 25 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 195 3 Docket No. DMEA 2309 Contract No. TDM-T 295
Operator's Name COMET MINES INCORPORATED Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft	3703.73	113.70	13,592.93	465.7	29.19		
Crosscutting	Ft			2,896.35	56.0	51.72		
Raising	Ft			45,239.26	381.1	118.71		
Shafts	Ft			905.19	6.0	150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Station Excavation & Work Preparation to Raising	cu.ft			11,652.09	64.56	1.80		
TOTAL DISTRIBUTED COSTS		3703.73		74,285.82				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3703.73		74,285.82				

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 Aug. 14, 1953 Operator COMET MINES INCORPORATED

ORIGINAL SIGNED BY

Per O. F. BURTON Title Treasurer

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

Comet Mines Inc. Operations Report July, 1953

August 5, 1953

Paul Gemmill, Vice Pres. Comet Mines Inc.

E. S. McIntyre, Sup't Comet Mines Inc.

Dear Paul:

Operations at the Comet Mine during July, 1953 consisted of development work approved by the Defense Minerals Exploration Administration. From July 6 to July 10th, inclusive - the crew was utilized to remove and salvage, air and water lines, electrical cable and ventilation pipe from the old winze. These costs are not included in operators monthly report and voucher prepared for the D.M.E.A.

Drifting was continued in the 465 northeast and southwest drifts advancing on the fissure. The northeast drift was advanced from 408 plus 46.0 feet to 408 plus 99.7 feet, a distance 53.7 feet. The southwest heading was advanced from 406 plus 23.5 feet to 406 plus 83.5 feet a distance of 60.0 feet resulting in a total drift advance of 113.7 feet for the month of July.

In the northeast drift the fissure continued to be two strands of quartz with quartzite and shale between them. The quartz contained some mineralization but no commercial ore was developed. By the end of the month the quartz had increased to a width of 2½ feet of quartz eliminating the horst of shale and quartzite between the two strands. In the southwest drift the fissure continued an average width of 5.5 to 6.0 feet, at 406 plus 52.0 feet to 406 plus 64.0 feet the fissure continued high grade copper ore, (malachite and chalcocite) averaging 1½ feet in width. Barren quartz followed the copper ore however, at the end of the month a seam of sphalerite occurred in the floor of the drift that appeared promising for future advance.

Assay returns of samples listed on the accompanying maps were as follows:

Heading	Sample No.	Length Cut	Au	Ag	Pb	Zn	WO_3	Cu
NE	118458	1.4	Tr	Tr	.6	.6	-	-
NE	101533	Test Hole	Tr	Tr	.7	.7	Tr	.05
NE	118463	2.0	Tr	.20	.8	1.0	-	-
SW	118456	5.5	.25	1.15	-	-	Tr	.02
SW	101524	5.0	.02	1.18	.5	.6	Tr	-
SW	101525	5.0	.03	1.27	.6	.9	Tr	-
SW	118457	4.5	.05	1.55	.8	.6	-	-
SW	101526	5.0	.05	4.25	.6	1.0	Nill	8.8
SW	118459	4.2	.01	.99	.7	.6	Nill	.1
SW	118460	1.4	.03	20.37	.3	.5	-	28.2
SW	118461	3.8	.01	.89	.3	.5	-	.3
SW	101528	2.	.03	3.87	.8	1.6		11.4

Heading	Sample No.	Length Cut	Au	Ag	Pb	Zn	WO_3	Cu
SW	101529	3.0'	.02	3.88	.6	1.5	-	12.9
SW	101531		.02	1.38	.7	.8	Tr	1.5
SW	101534		Tr	Tr	.6	.7	Tr	.1
SW	101535	6.'	.05	1.55	.7	3.0		
			Car Hoisted Samples					
SW	101527	8	.04	2.26				3.65
SW	101530	24	.02	1.98	1.1	-	-	3.0
SW	101532	23	.01	.89	.7	-	Tr	.95

Distribution of supplies for the operators monthly report and voucher are as follows:

Timber		$41.90
Explosives		218.74
Pipe		62.99
Miscellaneous tools and supplies		
Development supplies	$ 6.75	
Drill Steel	166.41	
Small tools	24.19	
Lights & Signals	32.17	
Ventilation	166.80	
Sanitation	1.80	
		398.12
Repairs:		
Hoist	12.43	
Compressor	.17	
		12.60
Total Supplies		$ 734.35

A Mancha ~~hammer~~ Tram for underground haulage was received July 22, 1953 on a rental basis. July rental was proportioned on a daily basis as specified in the DMEA Contract.

During August 1953, drift advance will be continued on the 465 level advancing the northeast and southwest headings developing the fissure.

Yours truly

E. S. McIntyre

E. S. McIntyre

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

ACCOUNTS JUL 29 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1953 Docket No. DMEA 2309 Contract No. DME 295
Operator's Name COMET MINES INC. Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $ 190,000.00 Government Participation: 50 % Amount, $ 95,000.00

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						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	2,129.29	33,148.79	35,278.08			
Supervision	300.00	8,337.31	8,637.31			
Technical Services	20.00	199.29	219.29			
(3) Operating Mat'ls. and Supplies:						
Timber	39.97	4,156.98	4,196.95			
Explosives	291.65	1,671.91	1,963.56			
Pipe	76.56	686.47	763.03			
Track	27.06	839.62	866.68			
Power	71.07	881.34	952.41			
Misc.tools, supplies, drill steel	214.75	4,716.63	4,931.38			
(4) Operating Equipment:						
Rental	215.00	1,800.00	2,015.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	6.53	949.53	956.06			
Sampling and Analysis	49.45	6.00	55.45			
Payroll Taxes	68.58	878.96	947.54			
Liability Insurance	111.93	2,637.71	2,749.64			
Pick-up Transportation	67.07	1,093.40	1,160.47			
Whse Acc. Gen. Exp.	276.67	4,612.57	4,889.24			
(8) Contingencies (specify):						
TOTALS	3,965.58	66,616.51	70,582.09			

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

Date July 31, 1953 *Payee Comet Mines Inc.

Per O. F. BURTON Title Treasurer

*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:

$ 1,982.79

Signature
(Authorized Certifying Officer)

Date 8-3-53 Vou. No. SF-DMEA-4

(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. [illegible] in accordance with the terms of the contract.

Signature [illegible] Title [illegible] Date [illegible]

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title [illegible] Date [illegible]

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;

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(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

ACCOUNTS JUL 28 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 195 3 Docket No. DMEA 2309 Contract No. DMEA 295
Operator's Name Comet Mines Inc.
Address P. O. Box 150, Salt Lake City, Utah
Minerals Lead-Zinc

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT: Units	AUTHORIZED BY CONTRACT: Unit Costs
Drifting	Ft.	3965.58	156.00	9889.20	352.00	28.09		
Crosscutting	Ft.			2896.35	56.0	51.72		
Raising	Ft.			45239.26	381.1	118.71		
Shafts	Ft.			905.19	6.0	150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Station evacation & work preparation to raising	cu.ft.			11652.09	64.56	1.80		
TOTAL DISTRIBUTED COSTS		3965.58	156.00	70582.09				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3965.58		70582.09				

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 21, 1953 Operator Comet Mines Inc.

Per ORIGINAL SIGNED BY C. E. LUSTON Title Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Comet Mines Inc. Operations Report June 1953

July 8, 1953

Paul Gemmill, Vice. Pres. Comet Mines Inc.

E. S. McIntyre, Sup't Comet Mines Inc.

Dear Paul:

Operations at the Comet Mine during June 1953 consisted of development work approved by the Defense Minerals Exploration Administration.

The development accomplished was drifting on the fissure at the 465 level. The northeast heading was advanced from 402 plus 115.3 feet to 406 plus 46.0 feet, a distance of 77.7 feet. The southwest heading was advanced from 402 plus 103.9 feet to 406 plus 23.5 feet, a distance of 78.3 feet, resulting in a total drift advance of 156.0 feet for the month of June 1953. In the 465 northeast heading the fissure narrowed to just a seam of shale gouge and FeOx, this condition prevailed for approximately 40 feet advance, the width then started increasing containing white quartz with sphalerite and pyrite disseminated throughout. On the footwall side of the fissure occured a 4 inch seam of sphalerite. In the 465 southwest heading the fissure remained a average width of six feet but only mineralized for a width of 1.0 to 1.5 feet the remainder being quartz. In the mineralized section copper minerals were predominate changing to sphalerite then barren quartz with continued advance.

Assays of samples listed on the accompanying map were as follows:

Cut Samples

Heading	Sample No.	Length Cut	Au	Ag	Pb	Zn	WO_3	Cu
NE	X		.07	.93	.4	4.0	-	-
NE	106176	2.0	.05	1.65	.6	2.0	-	-
NE	106199	-	.01	.49	.6	.6	Tr	
SW	101510	-	.05	2.95	1.2	2.0	-	.25
SW	106195	6.0	.05	1.35	.7	2.0	-	.3
SW	106197	.5	.03	3.17	-	-	-	21.3
SW	106198	2.0	.02	1.08	.5	13.0	-	-

Hoisted Samples

Heading	Sample No.	No. Cars	Au	Ag	Pb	Zn	Cu
SW	101509	20	.03	1.37	.6	.8	
SW	101511	23	.03	1.07	.5	.9	
SW	106513	24	.08	1.12	.8	.8	.1

Heading	Sample No.	No. Cars	Au	Ag	Pb	Zn	Cu
SW	101514	21	.04	.96	.6	.8	.1
SW	101516	22	.03	1.17	.5	.6	.1
SW	101517	23	.03	1.27	.6	.6	.2
SW	101518	20	.03	1.67	.6	.6	.85
SW	101519	23	.02	.68	.6	.6	.4
NE	101512	24	.05	1.65	.4	-	-

Car samples were omitted in the northeast heading while the drift was advancing through a non-mineralized section of the fissure.

Distribution of supplies for the operators monthly report and voucher are as follows:

Timber		$39.97
Explosives		291.65
Pipe		76.56
Track		27.06
Miscellaneous Tools and Supplies		
Development supplies	.89	
Drill steel	202.58	
Small tools	.63	
Oils & Greases	7.42	
Electrical supplies	1.37	
Sanitation	1.86	214.75
Repairs		
Mine Cars	6.34	
Hoist	.19	
		6.53
Sampling (sacks)		2.45
Total supplies		$658.97

During July, 1953 - drift advance will be continued on the 465 level advancing the northeast and southwest headings.

Yours truly,

E. S. McIntyre

E. S. McIntyre

Form MP-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

ACCOUNTS JUL 30 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Defense Minerals Administration
RECEIVED JUL 30 1953

Month of May 1953 Docket No. DMEA 2309 Contract No. Idme 295
Operator's Name COMET MINES INC. Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $ 190,000.00 Government Participation: 50 % Amount, $ 95,000.00

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						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,863.17	31,285.62	33,148.79			
Supervision	566.67	7,770.64	8,337.31			
Technical Services		199.29	199.29			
(3) Operating Mat'ls. and Supplies:						
Timber	224.66	3,932.32	4,156.98			
Explosives	186.27	1,485.64	1,671.91			
Pipe	32.27	654.20	686.47			
Track	809.62	30.00	839.62			
Power	72.11	809.23	881.34			
Misc. Tools & Supp.	158.74	4,557.89	4,716.63			
(4) Operating Equipment:						
Rental	215.00	1,585.00	1,800.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	30.49	919.04	949.53			
Sampling and Analysis	6.00		6.00			
Payroll Taxes	68.04	810.92	878.96			
Liability Insurance	111.04	2,526.67	2,637.71			
Pick-up Transportation	86.38	1,007.02	1,093.40			
Warehse accounting Ex.	332.28	4,280.29	4,612.57			
(8) Contingencies (specify):						
TOTALS	4,762.54	61,853.77	66,616.51			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date June 17, 1953 *Payee Comet Mines Inc.

Per [signature] Title Treasurer

*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:

$2381 37

Lloyd H. Sjolander
Authorized Certifying Officer

Signature
(Authorized Certifying Officer)

Date JUL 13 1953 Vou. No. SF-DMCa-1

(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-1295 in accordance with the terms of the contract.

Signature R. C. Johnson Title Chief, Mining Div., Region III Date June 22, 1953.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date June 25, 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

DEPARTMENT OF THE INTERIOR
ACCOUNTS JUN 30 1953
RECEIVED
JUL 20 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1953 Docket No. DMEA 2309 Contract No. I dme295
Operator's Name Comet Mines Inc. Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah

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	Ft	4762.74	133.0	5,923.62	196.0	30.22		
Crosscutting	Ft			2,896.35	56.0	51.72		
Raising	Ft			45,239.26	381.1	118.71		
Shafts	Ft			905.19	6.0	150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
~~Tesopex~~ Station Excavation ~~Roads and Trans~~ & Work Preparation to Raising	CuFt			11,652.09	6456	1.80		
TOTAL DISTRIBUTED COSTS		4762.74		66,616.51				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4762.74		66,616.51				

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

Date June 17, 1953 Operator Comet Mines Inc.

Per [signature] Title Treasurer

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

Comet Mines Inc. Operations Report May 1953

June 1, 1953

Paul Gemmill, Vice Pres. Comet Mines Inc.

E. J. McIntyre, Supt. Comet Mines Inc.

Dear Paul:

Operations at the Comet Mine during May, 1953 consisted of development work approved by the Defense Minerals Exploration Administration.

Excavation of 465 station and 465 northeast and south west drifts were completed and the broken rock was transported to the surface waste dump. Track and air and water lines were installed to the face of each heading. By May 22, 1953 preparatory work was completed and drifting was started on the 465 level by advancing both the northeast and southeast drifts. June 1, 1953 the north east drift was advanced to survey station 402 plus 115.3 feet and the southwest drift to survey station 402 plus 103.9 feet. Drift advance for May 1953, including excavation completed as drift equivalent was 133.0 ft.

Drift advance was along the Comet fissure northeast and southwest of the shaft. The northeast section of the fissure decreased in width to 2.0 feet, of well mineralized quartz. In the southwest drift the width of the fissure remained approximately 5 feet in width but was sparsely mineralized.

Assays of samples listed on the accompanying map were as follows:

Heading	Sample No.	Length Cut	Au	Ag	Pb	Zn
N.E.	118454	2.0' Horz.	.14	12.66	7.2	6.8
S.W.	1184555	5.0' "	.10	1.30	.6	1.7

Distribution of supplies for the operators monthly report and voucher are as follows:

Timber	224.66
Explosives	186.27
Pipe	32.27
Track	809.62

Miscellaneous Tools & Supplies:		
Development Supplies	$ 74.11	
Drill Steel	36.34	
Drill Hose	2.08	
Small Tools	3.96	
Oil & Grease	37.37	
Lights & Signals	4.88	
		158.74
Repairs:		
Change Room (Water Heater)	16.11	
Mucking Machine	14.31	
Hoist	.07	30.49
Total Supplies		$ 1,442.05

May 25, 1953 the Comet operations were reduced to a three man crew with part time superintendent. The crew consists of 1 special miner, 1 miner and 1 hoistman. To date excellent results have been obtained by completing a round each shift.

During June 1953 it is proposed to continue advance on the fissure to the northeast and southwest by driving the 465 level drifts.

Yours truly,

E. S. McIntyre

E. S. McIntyre, Supt.
Of Comet Mines Inc.

ESM:zw

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 April 1953 Docket No. DMEA 2309 Contract No. IDME 295

Operator's Name Comet Mines, Incorporated Minerals Lead-Zinc

Address P.O. Box 150, Salt Lake City, Utah

Contract Amount, $ 190,000.00 Government Participation: 50% Amount, $ 95,000.00

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						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,986.46	29,299.16	31,285.62			
Supervision	719.60	7,051.04	7,770.64			
Technical Services		199.29	199.29			
(3) Operating Mat'ls. and Supplies:						
Timber	143.51	3,788.81	3,932.32			
Explosives		1,485.64	1,485.64			
Pipe	22.93	631.27	654.20			
Track		30.00	30.00			
Power	66.83	742.40	809.23			
Misc. Tools, Supplies Drill Steel	377.04	4,180.85	4,557.89			
(4) Operating Equipment:						
Rental	145.00	1,440.00	1,585.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	41.74	877.30	919.04			
~~Sampling and Analysis~~						
Payroll Taxes	75.77	735.15	810.92			
Liability Insurance	123.67	2,403.00	2,526.67			
Pick-Up Trans.	77.07	929.95	1,007.02			
Warehouse Acc. Gen. Exp.	283.47	3,996.82	4,280.29			
(8) Contingencies (specify):						
TOTALS	4,063.09	57,790.68	61,853.77			

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

Date 5/21/53 *Payee Comet Mines, Inc.

ORIGINAL SIGNED BY

Per O. E. BURTON Title Treasurer

*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:

$ 2031.55

Lloyd W. Sjolander

Signature Authorized Certifying Officer

(Authorized Certifying Officer)

Date JUN 12 1953 Vou. No. SF-DM ca-44

(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. [illegible]295 in accordance with the terms of the contract.

Signature R. C. Johnson Title Chief, Mining Div., Region III Date June 3, 1953.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature N. Miller Title Executive Officer DMEA Field Team Date June 8, 1953

N. C. Miller Region III

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 IF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

ACCOUNTS JUN - 9 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPARTMENT OF THE INTERIOR Defense Minerals Administration

Month of April 1953 Docket No. DMEA 2369 Contract No. IDME 295

Operator's Name Comet Mines Incorporated Minerals Lead-Zinc

Address P.O. Box 150 Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	1,160.88	63	1,160.88	63	18.43		
Crosscutting	Ft.			2,896.35	56.0	51.72		
~~Raising~~ Shafts	Ft.			905.19	6.0	150.71		
~~Shafts~~ Raising	Ft.	2,902.21		45,239.26	381.1	118.71		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Work Prep. to Rais-ing & Station Excavation	Cu.Ft.			11,652.09	6456	1.80		
TOTAL DISTRIBUTED COSTS		4,063.09		61,853.77				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4,063.09		61,853.77				

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 5/21/53 Operator Comet Mines Incorporated

Per ORIGINAL SIGNED BY O. F. BUNTON Title Treasurer

REMARKS Raise cost clearing hoisting compartment and installing manway. Drift costs rehabilitating present drifts.

→ 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

Comet Mines Inc. Operations Report April, 1953

May 6, 1953

Paul Gemmill, Vice President, Comet Mines Inc.

E. S. McIntyre, Supt. Comet Mines Inc.

Dear Paul:

Operations at the Comet Mine during April 1953 consisted of development work approved by the Defense Minerals Exploration Administration.

The 550 Raise was converted to a shaft with manway and hoisting compartment. The shaft sets were installed from Sill plus 64.5 to Sill plus 84.5 completing the timber. The broken rock in the hoisting compartment was transported to the surface waste dump and chute and lagging were removed. The manway was completed by installing platforms, air, water lines and changing the ladders to a sloping position. This completed the raise and crosscuts listed as items 3 and 4 of Exhibit A in the DMEA contract. Approval of the amendment to drift on the 465 level instead of the 385 level was received from the DMEA and work was started to excavate the 465 station and present drifts to accomodate drifting equipment.

During the month repairs were completed to the surface hoist and water supply pump. The hoist motor in use failed and it was necessary to replace it. The Pan American hoist motor was removed and installed on the surface hoist, it is a 40 HF motor and should be advantageous for hoisting from the lower levels.

Distribution of supplies for the operators monthly report and voucher are as follows:

Timber		$ 143.51
Pipe		22.93
Miscellaneous tools & supplies:		
Drill Steel	$307.59	
Tools	5.64	
Lights & Signals	4.11	
Power Supply	42.31	
Development Supplies	17.39	
		377.04
Repairs:		
Hoist Motor	16.47	
Nails	.92	
Slusher	.77	
Water Pump	23.58	
		41.74
Total		585.22

During May 1953 it is proposed to: Complete enlarging and rehabilitating the 189 feet of drift on the 465 level, in preparation of drifting and to start drifting on the fissure. Preparatory work will necessitate removing broken rock excavated while enlarging drifts and laying track to east and west headings.

Yours truly,

E. S. McIntyre

E. S. McIntyre
Supt. of Comet Mines Inc.

Form MF-1[illegible] (Rev.)
(April 1[illegible])

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

Defense Minerals Administration
RECEIVED
MAY 12 1953
ACCOUNTS MAY 5 1953

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

Month of March 1953 Docket No. DMEA 2309 Contract No. IDME 295
Operator's Name Comet Mines, Incorporated Minerals Lead-Zinc
Address P.O. Box 150, Salt Lake City, Utah
Contract Amount, $ 190,000.00 Government Participation: 50 % Amount, $ 95,000.00

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						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	2,277.21	27,021.95	29,299.16			
Supervision	719.71	6,331.33	7,051.04			
Technical Services		199.29	199.29			
(3) Operating Mat'ls. and Supplies:						
Timber	349.34	3,439.47	3,788.81			
Explosives	181.60	1,304.04	1,485.64			
Pipe	99.16	532.11	631.27			
Track		30.00	30.00			
Power	104.30	638.10	742.40			
Misc. Tools Supplies Drill Steel	310.55	3,870.30	4,180.85			
(4) Operating Equipment:						
Rental	145.00	1,295.00	1,440.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	4.00	873.30	877.30			
Sampling and Analysis						
Payroll Taxes	83.91	651.24	735.15			
Liability Insurance	149.85	2,253.15	2,403.00			
Pick-up Transportation	93.31	836.64	929.95			
Whse. Accounting Gen. Exp.	338.85	3,657.97	3,996.82			
(8) Contingencies (specify):						
TOTALS	4,856.79	52,933.89	57,790.68			

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

Date 4/25/53 *Payee Comet Mines, Inc.

ORIGINAL SIGNED BY

Per O. F. BURTON Title Treasurer

*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:

$ 2428.40

Signature Lloyd W. Sjolander
Authorized Certifying Officer
(Authorized Certifying Officer)

Date MAY 13 1953 Vou. No. SF-DMEA-42

(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. Idn-2295 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Date April 30, 1953.

A. C. Johnson Region III

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Executive Officer

Signature W. C. Miller Title DMEA Field Team Date May 4, 1953

W. C. Miller Region III

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.

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED
MAY 9 1:10
SAN FRANCISCO, CALIFORNIA

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

ACCOUNTS MAY 5 1953
Defense Minerals Administration
RECEIVED
MAY 22 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1953 Docket No. DMEA 2309 Contract No. IDME 295
Operator's Name Comet Mines Incorporated Minerals Lead-Zinc
Address P.O. Box 150 Salt Lake City, Utah

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								
Crosscutting	Ft.			2,896.35	56.0	51.72		
Raising	Ft.	4,711.41	51.5	42,337.05	381.1	111.09		
Shafts	Ft.			905.19	6.0	150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Station Excavation & Work Prep. to Raising	Cu.Ft.	145.38	276	11,652.09	6456	1.80		
TOTAL DISTRIBUTED COSTS		4,856.79		57,790.68				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4,856.79		57,790.68				

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 4/25/53 Operator Comet Mines, Inc.

ORIGINAL SIGNED BY
Per O.H. BURTON Title Treasurer

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.

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED
1983 APR 30 AM 9:09
SAN FRANCISCO, CALIFORNIA

GPO 83-38475

COMET MINES INC. OPERATIONS REPORT MARCH 1953

April 14, 1953

Paul Gemmill, Vice President, Comet Mines Inc.

E. S. McIntyre, Supt. Comet Mines Inc.

Dear Paul:

March 1953 operations at the Comet Mine consisted of development work approved by the Defense Minerals Exploration Administration.

The 550 Raise being advanced for a connection with the vertical shaft progressed from sill plus 33.0 feet to sill plus 84.5 feet, a total distance of 51.5 advance during March 1953. The raise connected with the vertical shaft March 31, 1953. This phase of the project will be completed after installing shaft timber, and converting the raise to a manway and hoisting compartment. At sill plus 51.6 feet a small station, 276 cubic feet was excavated for a loading pocket. It is not contemplated to complete the loading pocket at this time but it was deemed advisable to excavate a situation sufficient in size to allow future advance without endangering the shaft and to facilitate handling broken rock while raising for a ore pocket.

Expenses during the month increased in comparison with the previous month of February, mainly due to additional drill steel, timber and explosives used while raising.

Distribution of supplies for the operators monthly report and voucher are as follows;

Timber		$ 349.34
Explosives		181.60
Pipe (4" airline)		99.16
Drilling Machine (Repairs) Miscellaneous tools & supplies		4.00
Drill Steel	$294.00	
Development supplies	10.46	
Small tools	3.54	
Lights & signals	1.09	
Shaft supplies (bolts)	1.46	
		310.55
Total		$ 944.65

During April 1953 it is proposed to; finish timbering the raise connecting the timber with the vertical shaft on the 465 station, pulling the broken rock from the hoisting compartment transporting it to the surface waste dump, remove chute lagging and chute from the hoisting compartment, install air and water lines from the 465 level to 550 level and alter the manway to comply with Nevada Safety laws.

After the above items are completed it is anticipated to start the drifting phase of the exploration contract by drifting on the vein. Originally it was planned to drift a total of 1,100 feet on the 385 level a amendment has been requested from Defense Minerals Exploration Administration to change this part of the contract to drift on the 465 level. The supporting factors for this amendment is that the same results may be obtained at a financial savings to the government and Comet Mines Inc. by utilizing the present workings. The 465 level station in the vertical shaft and the cross-cut to the vein can be used with only slight modification to the cross-cut and by increasing the width of the existing drifts on the vein 189 feet of drifting can be accomplished at a reduced cost. Whereas drifting on the 385 level would necessitate excavating a new station and cross-cutting to the vein prior to drifting. excavations of this type have always proven costly and time consuming therefore a favorable decision on this amendment is hoped for.

Yours truly,

E. S. McIntyre

E. S. McIntyre
Supt. of Comet Mines Inc.

ESM:sw

Form [illegible] (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 February, 1953 Docket No. DMEA 2309 Contract No. IDAE 295
Operator's Name Comet Mines, Incorporated Minerals Lead-Zinc
Address P.O. Box 150, Salt Lake City, Utah
Contract Amount, $ 190,000 Government Participation: 50% Amount, $ 95,000.00

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						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,864.99	25,156.96	27,021.95			
Supervision	649.95	5,681.38	6,331.33			
Technical Services	—	199.29	199.29			
(3) Operating Mat'ls. and Supplies:						
Timber	213.67	3,225.80	3,439.47			
Explosives	62.47	1,241.57	1,304.04			
Pipe	5.32	526.79	532.11			
Track		30.00	30.00			
Power	88.86	549.24	638.10			
Misc. tools supplies	46.24	3,824.06	3,870.30			
(4) Operating Equipment:						
Rental	145.00	1,150.00	1,295.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	520	868.10	873.30			
Sampling and Analysis						
Payroll Taxes	70.42	580.82	651.24			
Liability Insurance	125.75	2,127.40	2,253.15			
Pick-up Transporta.	90.23	746.41	836.64			
Warehouse Acc. Gen.Ex.	252.61	3,405.36	3,657.97			
(8) Contingencies (specify):						
TOTALS	3,629.71	49,313.18	52,933.89			

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

Date 3/16/53 *Payee Comet Mines, Inc.

ORIGINAL SIGNED BY
Per O. F. BUNTON Title Treasurer

*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:

$ 1810.36

A. J. Renner
Signature Authorized Certifying Officer
(Authorized Certifying Officer)

Date APR 6 1953 Vou. No. SF-DMEA-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. [illegible] in accordance with the terms of the contract.

Signature [illegible] Title Mining Methods Research Engineer Date March 31, 1953.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Region III Date March 27, 1953

H. C. Miller

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.

ACCOUNTS MAR 30 1953

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 February 1953 Docket No. DMEA 2309 Contract No. IDME 295
Operator's Name Comet Mines Incorporated Minerals Lead-Zinc
Address P.O. Box 150, Salt Lake City, Utah

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								
Crosscutting				2,896.35	56.0	51.72		
Raising *	* Ft	1357.77	7.0	37,625.64	329.6	114.16		
Shafts	Ft	905.19	6.0	905.19	6.0	150.87		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
~~xxxxx~~ Station Excavation &								
Test Pits								
~~xxxxxxxxx~~ Work Preparation to								
Roads and Trails								
Raising		1357.75		11,506.71				
TOTAL DISTRIBUTED COSTS		3620.71		52,933.89				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3,620.71		52,933.89				

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 3/16/53 Operator Comet Mines, Inc.

ORIGINAL SIGNED BY
Per O. F. BURTON Title Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Comet Mines Inc. Operations Report February 1953

March 10, 1953

Paul Gemmill, Vice President, Comet Mines Inc.

E. S. McIntyre, Supt. Comet Mines Inc.

Dear Paul:

February 1953 operations at the Comet Mine consisted of development work approved by The Defense Minerals Exploration Administration.

The shaft to the 465 level was completed the first part of the month and the crew and equipment were transferred to the 550 level. The 550 station was cleared of broken rock and two shaft rounds were excavated and mucked out prior to setting the station sills, so that the timber will be safe guarded during future sinking operations. The 550 level raise station was constructed with a chute for handling the broken rock while raising to 465 level. The raise service hoist and skip was transported from the 465 level to the 550 level and installed to hoist supplies up the raise. Track and car, formerly used on the 465 level, were set up on the 550 level for hauling the broken rock from the raise chute to the winze for hoisting to the surface via the 160 level. Shaft sets were installed in the raise section previously excavated and raising towards the 465 level was started. The 550 Raise was advanced from sill plus 26.0 feet to sill plus 33.0 feet for a total distance of 7.0 feet.

Expenses during the month decreased in comparison with the previous month, due to a shorter month, smaller crew and fewer supplies necessary while completing preparatory work, namely drill steel.

Distribution of supplies for the operators monthly report and voucher are as follows:

Timber		$ 213.67
Explosives		62.47
Pipe		5.32
Miscellaneous tools and supplies		
Drill steel	$ 6.00	
Small tools	10.94	
Lights & Signals	7.68	
Development Supplies	1.31	
Shaft Supplies (nails)	20.05	
Sanitation	.26	
		46.24
Repairs		5.20
Total		$332.90

Drill steel costs for the month were small as operations did not require as muck drilling and the drill steel on hand was utilized for drilling required. Cost of repairs were for supplies necessary to make repairs to the raise service hoist and surface hoist motors.

Raising costs on the operators unit and progress report include expenditures for converting the raise section to a shaft section. Expenses for constructing the raise station are itemized as stations excavation and work preparatory to raising.

During March 1953 it is proposed to advance the 550 Raise which has approximately 52 feet remaining to connect with the vertical shaft on the 465 level.

Yours truly,

E. S. McIntyre

E. S. McIntyre

Copies (9)

Comet Mines Inc. Operations Report February 1953

March 10, 1953

Paul Gemmill, Vice President, Comet Mines Inc.

E. S. McIntyre, Supt. Comet Mines Inc.

Dear Paul:

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Development Supplies	1.31	
Shaft Supplies (nails)	20.05	
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Total		$332.90

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Raising costs on the operators unit and progress report include expenditures for converting the raise section to a shaft section. Expenses for constructing the raise station are itemized as stations excavation and work preparatory to raising.

During March 1953 it is proposed to advance the 550 Raise which has approximately 52 feet remaining to connect with the vertical shaft on the 465 level.

Yours truly,

E. S. McIntyre

E. S. McIntyre

Copies (9)

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

Budget Bureau No. 42-R1636.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS MAR 11 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January 195 3 Docket No. DMEA 2309 Contract No. Idme 295

Operator's Name COMET MINES, INC.

Minerals Lead Zinc

Address P. O. Box 150, Salt Lake City, Utah

Contract Amount, $ 190,000.00 Government Participation: 50 % Amount, $ 95,000.00

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						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	2,543.68	22,613.28	25,156.96			
Supervision	747.29	4,934.09	5,681.38			
Technical Services		199.29	199.29			
(3) Operating Mat'ls. and Supplies:						
Timber	251.25	2,974.55	3,225.80			
Explosives	86.91	1,154.66	1,241.57			
Pipe	202.45	324.34	526.79			
Track		30.00	30.00			
Power	91.19	458.05	549.24			
Misc. Tools & Supp.	176.44	3,647.62	3,824.06			
(4) Operating Equipment:						
Rental	145.00	1,005.00	1,150.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	16.00	852.10	868.10			
Sampling and Analysis						
Payroll Taxes	92.15	488.67	580.82			
Liability Insurance	164.55	1,962.85	2,127.40			
Pickup Transportation	92.82	653.59	746.41			
Whse. & Accounting	344.97	3,060.39	3,405.36			
(8) Contingencies (specify):						
TOTALS	4,954.70	44,358.48	49,313.18			

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

Date February 28, 1953 Payee COMET MINES, INC.

Per ORIGINAL SIGNED BY O. F. POTTER Title Treasurer

*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:

$ 2477.35

Lloyd H. Stolander
Authorized Certifying Officer

Signature (Authorized Certifying Officer)

Date MAR 16 1953 Vou. No. SF-DMEA-37

(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. Idr-1295 in accordance with the terms of the contract.

Signature R. E. Johnson Title Chief, Mining Div. Region III Date March 5, 1953.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Region III Date March 11, 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 ME-101A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

ACCOUNTS MAR 11 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1953 Docket No. DMEA 2309 Contract No. Idme 295

Operator's Name COMET MINES, INC. Minerals Lead Zinc

Address P. O. Box 150, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft			2,896.35	56.0	51.72		
Crosscutting								
Raising	Ft	4,954.70	35.8	36,267.87	322.6	112.42		
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
~~Test Pits~~ Station excavation								
~~Roads and Trails~~ and work								
Preparation to raising Cu Ft.				10,148.96	6180	1.64		
TOTAL DISTRIBUTED COSTS		4,954.70		49,313.18				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4,954.70		49,313.18				

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

Date February 28, 1953 Operator COMET MINES, INC.

Per _____ Title Treasurer

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

Comet Mines Inc. Operations Report January 1953

Feb. 19, 1953

Paul Gemmill, Vice President, Comet Mines Inc.

E. S. McIntyre, Supt. Comet Mines Inc.

Dear Paul:

January 3, 1953 operations at the Comet Mine were curtailed to one heading and the crew was reduced to five men and a foreman. The 465 raise was continued and all work during the month was that approved by Defense Minerals Exploration Administration.

The 465 raise was advanced from sill plus 144.2 feet to connect with the vertical shaft in the 310 level at sill plus 170.0 feet. Total raise advance was 32.8 feet. By January 15,1953 the 465 raise had been completed and alterations were started to change it to a shaft section by pulling the broken rock, removing chute lagging, installing shaft guides, air and water lines etc.

By January 31st the shaft section from the 465 level to the surface was completed with the exception of altering the manway from the 465 level to 310 level.

Supplies and labor were decreased during the month due to curtailed operations and fewer supplies required while converting the raise to a shaft section.

Distribution of supplies for the Operators Monthly Report and Voucher are as follows:

Timber		$251.25
Explosives		86.91
Pipe		202.45
Miscellaneous tools & supplies		
Drill steel	$ 57.20	
Small tools	28.74	
Greases	7.22	
Hoisting (lubricant)	4.46	
Lights & signals (bell cord)	28.76	
Supervisory Clothing	9.30	
Development supplies	40.76	
		176.44
Repairs to equipment		16.00
Total		$ 733.05

The increased cost for pipe results from purchases of 4 inch air line installed in the shaft from 310 level to the 465 level.

Drill steel costs are lower due to the curtailed program and operations during the month did not include as much drilling. The abrasive nature of the quartzite continued to give high costs for drill steel. Cormorat Drill steel (Swede) has given the best drilling costs to date, the Gopco Pacific representatives have replaced those that fail the first 10 feet of drill hole. At present we have considerable steel with the tungsten cutting edges worn beyond use. It is proposed to salvage this steel by grinding a liddacoat connection on the steel and use a detachable tungsten carbide insert bit.

During February 1953 it is proposed to complete the shaft section to the 465 level finish mucking out the 550 station and sink two rounds to safe guard the station sills during future sinking operations. The next phase is to install station timber, chute, timber the raise and continue raising. The hoist from the 465 raise station will be moved to the 550 level and installed for a service hoist while raising. Chute lagging, pipe, guides and other materials usable will be salvaged from the 465 raise and used in the 550 raise.

Yours truly,

E. S. McIntyre

E. S. McIntyre

ESM:zw

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

1953 MAR 5 AM 8:59

SAN FRANCISCO, CALIFORNIA

Form MF-101 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 8-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS FEB 6 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1952 Docket No. DMEA 2309 Contract No. IDME 295
Operator's Name Comet Mines, Incorporated Minerals Lead-Zinc
Address P.O. Box 150, Salt Lake City, Utah
Contract Amount, $190,000.00 Government Participation: 50 % Amount, $95,000.00

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						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	4381.97	18,231.31	22,613.28			
Supervision	724.79	4,209.30	4,934.09			
Technical Services		199.29	199.29			
(3) Operating Mat'ls. and Supplies:						
Timber	485.49	2,489.06	2,974.55			
Explosives	307.53	847.13	1,154.66			
Pipe	2.62	321.72	324.34			
Track		30.00	30.00			
Power	120.78	337.27	458.05			
Misc. Tools,	1038.83	2,608.79	3,647.62			
(4) Operating Equipment:						
Rental	160.00	845.00	1,005.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	252.23	599.87	852.10			
Sampling and Analysis						
Payroll Taxes	103.83	384.84	488.67			
Liability Insurance	372.22	1,590.63	1,962.85			
Pick-up Trans.	87.57	566.02	653.59			
(8) Contingencies (specify):						
Whse, accounting general expense	602.78	2,457.61	3,060.39			
TOTALS	8,640.64	35,717.84	44,358.48			

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

Date 1-26-52 *Payee Comet Mines, Incorporated

ORIGINAL SIGNED BY
Per O. E. RUPPON Title Treasurer

*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:

$ 4320 32

Lloyd H. Sidenter
Signature (Authorized Certifying Officer)
Authorized Certifying Officer

FEB 24 1953
Date Vou. No. SF-DMEA-34

(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. [illegible] in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Date February 3, 1953.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: A. C. Johnson Region III Executive Officer

Signature H. C. Miller Title DMEA Field Team Region III Date February 5, 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-10[illegible]
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS FEB 6 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1952 Docket No. DMEA 2309 Contract No. IDME 295
Operator's Name Comet Mines, Incorporated Minerals Lead-Zinc
Address P.O. Box 150 Salt Lake City, Utah

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	Ft.			2,896.35	56.0	51.72		
Crosscutting								
Raising	Ft.	5225.10	69.5	31,313.17	286.8	109.18		
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
ation Excavation & rk preparation	cu.ft.	3415.54	1683	10,148.96	6180	1.64		
TOTAL DISTRIBUTED COSTS		8640.64		44,358.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS		8640.64		44,358.48				

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

Date 1-26-52 Operator Comet Mines, Incorporated

Per ORIGINAL SIGNED BY O. F. BURTON Title Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

Comet Mines Inc. Operations Report December 1952

January 12, 1953

Paul Gemmill, Vice President, Comet Mines Inc.

E. S. McIntyre, Supt. Comet Mines Inc.

Dear Paul:

Work at the Comet Mine during December 1952 consisted entirely of development work approved by Defense Minerals Exploration Administration. Progress was continued in raises being advanced for conversion to a vertical shaft.

The 465 Raise was advanced from sill plus 92.2 feet to sill plus 144.2 feet for a total distance of 52.0 feet. Shaft sets were installed as the heading was advanced. The quartzite formation remained exceedingly abrasive resulting in adverse drilling conditions. By the end of the month approximately 24 feet advance remained for a connection with the vertical shaft at the 310 level.

On the 550 level 1683 cubic feet was excavated to complete a station for raising to the 465 level and sinking to the 640 level a station of sufficient size was excavated to allow for a loading pocket and additional room necessary during sinking operations. The 550 Raise was advanced from floor plus 8.5 feet to floor plus 26 feet or a total distance of 17.5 feet. To date all excavation has been completed without timber, so the next phase of this heading will require installation of station timber, chute and raise sets before raise advance is continued.

During January 1953 it is proposed to curtail operations to one heading and reduce the crew accordingly. The 465 Raise will be advanced until a connection is made at the 310 level. It will then be necessary to, remove all the broken rock from the raise, remove chute lagging and alter the raise to a shaft with manway and hoisting compartment.

Yours truly,

E. S. McIntyre

E. S. McIntyre

ESM:zw

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 21 1953

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

Month of November, 1952 Docket No. DMEA 2309 Contract No. Idme 295
Operator's Name Comet Mines Incorporate d Minerals Lead - Zinc
Address P. O. Box 150, Salt Lake City 10, Utah
Contract Amount, $ 190,000.00 Government Participation: 50 % Amount, $ 95,000.00

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						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	3,589.46	14,641.85	18,231.31			
Supervision	696.09	3,513.21	4,209.30			
Technical Services		199.29	199.29			
(3) Operating Mat'ls. and Supplies:						
Timber	447.27	2,041.79	2,489.06			
Explosives	200.44	646.69	847.13			
Pipe	26.98	294.74	321.72			
Track		30.00	30.00			
Power	94.75	242.52	337.27			
Misc. Tools & Supp.	626.88	1,981.91	2,608.79			
(4) Operating Equipment:						
Rental	155.00	690.0 0	845.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	169.60	430.27	599.87			
Sampling and Analysis						
Payroll Taxes	42.98	341.86	384.84			
Liability Insurance	312.36	1,278.27	1,590.63			
Pick-up Transportation	95.69	470.33	566.02			
Warehouse, Accounting & General Expense	484.31	1,973.30	2,457.61			
(8) Contingencies (specify):						
TOTALS	6,941.81	28,776.03	35,717.84			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 12-29-52 *Payee COMET MINES, INC.

Per [signature] Title Treasure r

*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:

$ 3470 90

Signature (Authorized Certifying Officer)

JAN 14 1953

Date Vou. No. SF-DMEA-31

(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. [illegible] in accordance with the terms of the contract.

Signature [illegible] Title [illegible] Date [illegible]

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Region III Date January 9, 1953

H. C. Miller

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.

SAN FRANCISCO
DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1953)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 21 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 2309 Contract No. Idme 295
Operator's Name Comet Mines, Inc. Minerals Lead Zinc
Address P. O. Box 150, Salt Lake City 10, Utah

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								
Crosscutting	Feet	549.36	14.0	2,896.35	56.0	51.72		
Raising	Feet	4960.24	55.2	26,088.07	217.3	120.05		
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Station Excavation and work								
Preparation to raising CF		1432.21	1275	6,733.42	4497	1.50		
TOTAL DISTRIBUTED COSTS		6941.81		35,717.84				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		6941.81		35,717.84				

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 12/29/52 Operator Comet Mines, Inc.

Per [signature] Title Treasurer

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

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED
1963 JAN 9 AM 11:1
SAN FRANCISCO, CALIFORNIA

Comet Mines Inc. Operations Report November 1952

December 12, 1952

Paul Gemmill, Vice President, Comet Mines Inc.

E. S. McIntyre, Supt. Comet Mines Inc.

Dear Paul:

At the Comet Mine during November 1952 operations consisted of exploration work approved by the Defense Minerals Exploration Administration.

The raise advancing from the 465 level was driven from sill plus 37.0 feet to sill plus 92.2 feet for a total distance of 55.2 feet. Shaft sets were installed as the raise advanced. The hardness and abrasive nature of the quartzite formation continued to result in adverse drilling conditions and costs. To date Cormant drill steel converted to use with a stoper has given the best results. However, recent drilling has required seven sharpenings to complete a round consisting of 25 holes 5.5 feet in depth.

On the 550 level the cross-cut was advanced 14.0 feet and 1275 cu ft. was excavated for a raise station. At the end of the month additional excavation was necessary for ample room on the station.

Cost of supplies for November was $1,471.17 a substantial increase over the previous month of November. The increased cost is attributed mainly to additional timber purchased and increased amount of drill steel required.

During December 1952 it is proposed to, continue advance in the 465 Raise, complete 550 Raise station and advance the 550 Raise. Before installing station timber on the 550 level it is contemplated to sink for approximately ten feet in preparation of deepening the shaft at a later date.

Yours truly,

E. S. McIntyre

E. S. McIntyre

ESM:zw

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 Exploration Administration
RECEIVED
DEC 12 1952
15

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1952 Docket No. DMEA 2309 Contract No. IDME295
Operator's Name Comet Mines, Incorporated Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $ 190,000.00 Government Participation: 50 % Amount, $ 95,000.00

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						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	3,097.34	11,544.51	14,641.85			
Supervision	915.95	2,597.26	3,513.21			
Technical Services	123.50	75.79	199.29			
(3) Operating Mat'ls. and Supplies:						
Timber	195.04	1,846.75	2,041.79			
Explosives	136.00	510.69	646.69			
Pipe	11.82	282.92	294.74			
Track		30.00	30.00			
Power	58.05	184.47	242.52			
Miscellaneous tools & Supplies	320.15	1,661.76	1,981.91			
(4) Operating Equipment:						
Rental	140.00	550.00	690.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		430.27	430.27			
Sampling and Analysis						
Payroll Taxes	38.26	303.60	341.86			
Liability Insurance	306.88	971.39	1,278.27			
Pick-up Transportation	73.64	396.69	470.33			
(8) Contingencies (specify):						
Warehouse, Accounting, General Exp.	406.25	1,567.05	1,973.30			
TOTALS	$ 5,822.88	$ 22,953.15	$ 28,776.03			

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

Date 11/21/52 *Payee Comet Mines Inc.

Per [signature] Title Treasurer

*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:

$ 2911.44

Signature A. J. Renner
(Authorized Certifying Officer)

Date Vou. No. SF-DMEA-11

(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. [illegible] in accordance with the terms of the contract.

Signature [illegible] Title Chief, Mining [illegible] Date Dec. 1, 1952.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date Dec. 2, 1952

H. C. Miller

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-104
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
DEC 12 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1952 Docket No. DMEA 2309 Contract No. IDME295
Operator's Name Comet Mines Incorporated Minerals Lead-Zinc
Address P.O. Box 150, Salt Lake City, Utah

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 Cross Cutting	Feet	1474.92	9.0	2,346.99	42.0	55.88		
Crosscutting Raising	Feet	4347.96	29.0	21,127.83	162.19	130.34		
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Station Excavation and work preparation to raising.				5,301.21	3222.00	1.64		
TOTAL DISTRIBUTED COSTS		5822.88		28,776.03				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		5822.88		28,776.03				

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

Date November 21, 1952 Operator Comet Mines Inc.

By [signature] Title Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

Comet Mines Inc. Operations Report October 1952

November 10, 1952

Paul Gemmill, Vice President, Comet Mines Inc.

E. S. McIntyre, Supt. Comet Mines Inc.

Dear Paul:

Operations at the Comet Mine during October 1952 consisted entirely of exploration work approved by Defense Minerals Exploration Administration.

Guides were installed to the 310 level, a longer hoisting rope was installed on the surface hoist and the vertical shaft was completed for handling men and materials to the 310 level. The ladders in the manway from the 160 level to the 310 level were changed from a vertical position to sloping and platforms constructed to comply with Nevada Safety laws.

On the 465 level the previous broken rock was mucked out and a Raise station constructed with a chute to handle broken rock from the raise. Equipment, consisting of car, track, hoist, skip and ventilating fans, was transported from the 310 level and installed on the 465 level and ventilation, air and water lines were supplied to the face. The raise was advanced from Sill + 8.0 feet to Sill + 37.0 feet a total distance of 29.0 feet. Advance was in quartzite with small shale beds, which continued to be exceedingly abrasive resulting in adverse drilling conditions.

After work was completed on the 310 level preparatory work was started for driving a cross-cut from the Winze to a position for raising from the 550 level to the 465. level. The Winze was cleaned and repaired down to the 550 level, the water in the sump was removed by pumping it into the old 550 stope and the old loading ramp was removed to obtain additional room. A small electric slusher and scraper was brought from the 465 level and installed for transporting broken rock while advancing the cross-cut. The Winze was bulkheaded off to facilitate drilling and mucking, the first cross-cut was then advanced 9.0 feet by the end of the month.

A transit survey was completed from the 465 level to the 550 level to obtain accurate data for advancing the cross-cut, raising and preparing maps of the level.

During November it is proposed to continue advancing the raise on the 465 level, advance the cross-cut on the 550 level and excavate for a raise station. With preparatory work mostly completed increased progress is anticipated during the month of November.

Yours truly,
E. S. McIntyre By J. W.
E. S. McIntyre
Supt. Comet Mines Inc.

ESMr

Form 164 (Rev.) (1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

DEPARTMENT OF THE INTERIOR
Budget Bureau No. 42-R036.3.
Approval expires 8-30-53
Defense Minerals Administration
RECEIVED
NOV 12 1952

Month of September, 1952 Docket No. DMEA 2309 Contract No. idm E 295
Operator's Name COMET MINES, INCORPORATED Minerals LEAD-ZINC
Address P. O. Box 150, Salt Lake City 10, Utah
Contract Amount, $ 190,000.00 Government Participation: 50 % Amount, $ 95,000.00

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						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	3,347.11	8,197.40	11,544.51			
Supervision	558.33	2,038.93	2,597.26			
Technical Services	75.79		75.79			
(3) Operating Mat'ls. and Supplies:						
Timber	167.54	1,679.21	1,846.75			
Explosives	94.57	416.12	510.69			
Pipe	172.49	110.43	282.92			
Track		30.00	30.00			
Power	49.64	134.83	184.47			
Misc. Tools & Supp.	192.08	1,469.68	1,661.76			
(4) Operating Equipment:						
Rental	140.00	410.00	550.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	83.94	346.33	430.27			
Sampling and Analysis						
Payroll Taxes	45.96	257.64	303.60			
Liability Insurance	289.89	681.50	971.39			
Pick-up Transportation	93.10	303.59	396.69			
(8) Contingencies (specify):						
Warehouse, Accounting General Expense	398.28	1,168.77	1,567.05			
TOTALS	5,708.72	17,244.43	22,953.15			

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

Date 10/22/52 *Payee COMET MINES, INC.

Per [signature] Title Treasurer

*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:

$ 2854.36

Signature A. J. Renner
Authorized Certifying Officer
(Authorized Certifying Officer)

Date NOV 5 1952 Vou. No. SF-Dmca-25

(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. Ium-1295 in accordance with the terms of the contract.

Signature R. C. Johnson Title Chief, Mining Div. Region III Date Oct. 30, 1952.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. C. Miller Title Executive Officer DMEA Field Team Region III Date Oct. 31, 1952

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 12 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1952 Docket No. DMEA 2309 Contract No. 14a 6 295
Operator's Name Comet Mines, Inc. Minerals Lead-zinc
Address P. O. Box 150, Salt Lake City 10, Utah

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								
Crosscutting	Feet			872.07	33.0	26.42		
Raising		3,466.08	9.55	16,779.87	133.1	126.07		
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
~~Test Pit Station Excavation Backpacking and Tailing work preparation to raising~~	in ft	2,242.64	1302	5,301.21	3222.0	1.64		
TOTAL DISTRIBUTED COSTS		5,708.72		22,953.15				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS		5,708.72		22,953.15				

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.

Date 10/22/52 Operator COMET MINES, INC.

Per [signature] Title Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

COMET MINES INCORPORATED - OPERATIONS REPORT-SEPTEMBER, 1952

October 9, 1952

Paul Gemmill, Vice President, Comet Mines Inc.

E. S. McIntyre, Supt. Comet Mines Inc.

Dear Paul:

Operations at the Comet mine during September, 1952 consisted entirely of exploration work approved by Defense Minerals Exploration Administration.

The raise being advanced from the 310 level connected with the vertical shaft at the 160 level. Raise advance for the month was from sill + 130.55 feet to break through at sill + 140.10 feet a total advance of 9.55 feet. Shaft sets were installed and connected to the sill timber on the 160 level. The total Raise footage for this heading was 133.10 feet requiring 24 sets of timber, exclusive of station timber and station excavation. After the raise section was completed the broken rock was removed from the skip compartment and transported to the surface. Lagging that had been used for chute linning was salvaged and stored on the 160 level for use in future raises. Air and water lines were hung in the manway side of the shaft from the 160 level to the 310 level. A larger cage, for 4 feet 6 inchs hoisting compartment was installed and progress was being made to complete installation of guides in the new shaft to the 310 level.

On the 465 level a raise station 1,305 cubic feet in size (excluding drift footage) was excavated in preparation of raising from the 465 level to the 310 level. A transit survey was completed to the 465 level to obtain the exact position for raising.

During October 1952 it was proposed to complete the shaft guides to the 310 level and move the raise hoist, mine car and track to the 465 level for handling materials, supplies and transporting broken rock while raising. The 465 Raise station timber will be installed and the raise advanced. After completion of work on the 310 level the winze will be repaired from the 465 level to the 550 level, a bulkhead constructed in the winze and a cross-cut advanced towards a position for raising from the 550 level to the 465 level. Surface water has filled the winze up to 550 level, but is not anticipated to present a problem as the water can be disposed of by pumping it into the east stope on the 550 level

Yours truly,

E. S. McIntyre

E. S. McIntyre

ESM:mw

Form [illegible]04 (Rev.)
(A[illegible]952)

Budget Bureau No. 42-R1036.3.
Approval Expires [illegible]53.

[illegible]rals Administration
[illegible]ED
OCT 17 1952

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

Month of August, 195[illegible]2 Docket No. DMEA 2909 Contract No. Idaho295
Operator's Name Quick Mines, Inc. Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City 10, Utah
Contract Amount, $190,000.00 Government Participation: 50 % Amount, $95,000.00

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						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	3,708.91	4,488.49	8,197.40			
Supervision	713.95	1,324.98	2,038.93			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	1,024.66	654.55	1,679.21			
Explosives	282.24	133.88	416.12			
Pipe	90.44	59.99	110.43			
Track		30.00	30.00			
Power	52.69	82.14	134.83			
Misc. Tools & Supplies	499.25	970.43	1,469.68			
(4) Operating Equipment:						
Rental	150.00	260.00	410.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	152.33	194.00	346.33			
Sampling and Analysis						
Payroll Taxes	116.84	140.80	257.64			
Liability Insurance	294.43	387.97	682.40			
Pick-up Transportation	105.28	198.31	303.59			
(8) Contingencies (specify): Warehouse, Accounting General Expense	505.50	663.27	1,168.77			
TOTALS	7,656.52	9,587.92	17,244.43			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 9/20/52 *Payee Quick Mines, Inc.
Per [signature] Title Treasurer

*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:

$3,828.26

Signature A. J. RENNER
(Authorized Certifying Officer)
Date OCT 16 1952 Vou. No. SP-DMEA-17
(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. [illegible] in accordance with the terms of the contract.

Signature [illegible] Title [illegible] Date [illegible]

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title [illegible] Date [illegible]

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 [illegible]104A
(Apr[illegible]52)

Budget Bureau No. 42-R1151
Approval Expires 4-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August, 195[illegible]2 Docket No. DMEA 2309 Contract No. [illegible]

Operator's Name [illegible], INC. Minerals Lead-Zinc

Address P. O. Box 150, Salt Lake City 10, Utah.

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
[redacted] Drifting	Feet	672.07	33	672.07	33.00	26.62		
[redacted] Crosscutting	Feet							
Raising	Feet	6,377.69	52.5	13,313.79	123.55	107.76		
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
[redacted] Test Pits								
[redacted] Roads and Trails								
[redacted]		406.96		3,058.57				
TOTAL DISTRIBUTED COSTS		7,656.32		17,244.43				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		7,656.32		17,244.43				

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 9/20/52 Operator [illegible], INC.

Per [illegible] Title Treasurer.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

COMET MINES INCORPORATED - OPERATIONS REPORT AUGUST 1952

September 8, 1952

Paul Gemmill, Vice-President, Comet Mines Inc.

E. S. McIntyre, Supt., Comet Mines Inc.

Dear Paul:

Comet Mine operation during August 1952 was entirely exploration work approved by Defense Minerals Exploration Administration.

Advance in the raise from the 310 level was from sill + 78.05 feet to sill + 130.55 feet, a total advance of 52.50 feet. Shaft sets were installed as the raise advanced with manway, air and water lines, and ventilation supplied to the face. On the 465 level a chute was built in the winze, and a slusher and scraper were installed for transporting the broken rock to the winze bucket. A crosscut was then advanced 33.0 feet from the winze to a required location for excavating a raise station prior to raising from the 465 level toward the 310 level. This heading was not worked continuously during the month as priority was given to the 310 heading and the crew adjusted accordingly to offset absenteeism, vacations and maintenance work.

The abrasive nature of the quartzite continued to present a drilling problem, but was practically overcome by use of Coromant drill steel, which drilled sufficient footage of hole to reduce the cost from that experienced during July.

The increased costs of supplies in comparison with July resulted from additional timber purchased, and charges for ladder stock which was furnished during June and July, but not charged until this period. The additional timber purchased was still in inventory for use during September advance. Timber costs will decrease after completion of the first raise as lagging used for chute linings will be salvaged and installed while advancing the other raises.

During September 1952 the 310 Raise will connect with the shaft on the 160 level. The chute section of the raise will be connected to a hoisting compartment and the manway completed to specifications of the Nevada Mining Laws for shafts. On the 465 level progress will consist of excavating a station, installing station timber with chute, and track for transporting waste to the winze. Raise advance is contemplated the latter part of the month. After completion of the shaft from the 160 level to the 310 level preparatory work will be started for crosscutting and raising from the 550 level.

Yours truly

E. S. McIntyre

E. S. McIntyre
Supt. Comet Mines Inc.

ESM;ah

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

224 New Customhouse
Denver 2, Colorado

September 24, 1952

Comet Mines, Inc.
E-295
Other was rejected

Mr. Jay L. Chambers, Chief
Contract Administration & Audit Division
Defense Minerals Exploration Administration
Interior Building
Washington 25, D. C.

Dear Mr. Chambers:

In talking to Mr. Burton, Comptroller and Treasurer of Combined Metals, he told me that Combined Metals either had or controlled two contracts out of the San Francisco office. These contracts are located at Pioche, Nevada, and are in the name of the Comet Mining Company.

In view of the fact that Mr. Mavor probably will be making contact at Pioche in the near future to complete the Bristol Silver Mine Audit, Contract Idm-E10, I thought perhaps you would want him to also check the Comet contracts.

It is my understanding that these are substantially new contracts and probably have only been in effect for about thirty days. However, in order to get them off on the right foot, possibly an audit at this time is in order. On the other hand, it is possible that you would prefer to wait and see our report on Combined Metals before advising Mr. Mavor regarding this matter.

Sincerely yours,

T. H. Brading
Auditor, Region IV

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

OPERATOR'S MONTHLY REPORT AND VOUCHER

SEP 15 1952

Month of July, 1952 Docket No. DMEA 2309 Contract No. Idm 6295
Operator's Name Comet Mines, Inc. Minerals Lead - Zinc
Address P. O. Box 190, Salt Lake City 10, Utah
Contract Amount, $ 190,000.00 Government Participation: 50 % Amount, $ 95,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	2,819.73	1,668.76	4,488.49			
Supervision	662.50	662.48	1,324.98			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	498.35	156.20	654.55			
Explosives	91.23	42.65	133.88			
Pipe	22.46	37.53	59.99			
Track		50.00	50.00			
Power	47.55	34.59	82.14			
Misc. Tools & Supplies	672.03	298.40	970.43			
(4) Operating Equipment:						
Rental	130.00	130.00	260.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	84.80	109.20	194.00			
Sampling and Analysis						
Payroll Taxes	90.50	50.30	140.80			
Liability Insurance	227.17	159.90	387.07			
Pick-up Transportation	102.20	96.11	198.31			
(8) Contingencies (specify):						
Warehouse-Accounting-General Expense	408.64	254.63	663.27			
TOTALS	5,857.16	3,730.75	9,587.91			

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

Date 8/26/52 *Payee COMET MINES, INC.

Per [signature] Title Treasurer

*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:

$2928.58

Lloyd E. Norvell
Authorized Certifying Officer

Signature SEP 9 1952 (Authorized Certifying Officer)

Date Vou. No. SF-DMEA-13

(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. [illegible]205 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div., Region III Date October 3, 1952.

A. C. Johnson

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. Miller Title Executive Officer A Field Team Date Sept. 5, 1952

R. C. Miller Region III

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
SEP 15 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 2309 Contract No. Dm 295
Operator's Name Comet Mines, Inc. Minerals Lead-Zinc
Address P. O. Box 150, Salt Lake City 10, Utah

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								
Crosscutting								
Raising	Feet	5,471.76	49.55	6,936.30	71.05	97.62		
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Station Excavation & work preparation to raising		385.40		2,651.61				
TOTAL DISTRIBUTED COSTS		5,857.16		9,587.91				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		5,857.16		9,587.91				

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 8/26/52 Operator Comet Mines, Inc.

Per [signature] Title Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

COMET MINES INCORPORATED — OPERATIONS REPORT JULY 1952

August 4, 1952

Paul Gemmill, Vice President, Comet Mines Inc.

E. S. McIntyre, Supt., Comet Mines Inc.

Dear Paul:

Operations at the Comet Mine during July 1952 consisted entirely of exploration work approved by Defense Minerals Exploration Administration.

The raise on the 310 level was advanced from sill + 28.5 feet to sill + 78.05 feet, a total distance of 49.55 feet. The raise was timbered with shaft sets, and air and water lines and forced ventilation supplied to the face. A hoist was installed on the 310 level with a skip in the manway for handling supplies and equipment in the raise. All broken rock was transported to the surface waste dump.

The last of the month preparatory work was begun for starting a raise from the 465 level to the 310 level. The bulkhead in the winze below the 310 level was mucked off and removed to gain access to the 465 level. The winze between the two levels required cleaning down and repairing for safe hoisting operations. Work required for drifting on the 465 level from the winze to a position for raising to the 310 level was in the process of completion at the end of the month.

Drill steel and bits continued to be important items of costs. The tungsten carbide insert types of cutting edges have decreased the drilling time substantially, but no bit or steel that has been tested to date will drill sufficient footage in the abrasive quartzite to reduce the cost per foot of drill hole to normality. The cost of drilling with tungsten insert cutting edges is excessive. However, without consideration for drilling time saved, it is estimated the cost is less than would be experienced with convertional type steel drill bits.

During August 1952 the main objective will be to continue advance in the raise from the 310 level. Preparatory work on the 465 level will be completed and a drift advanced toward a position for raising. Advance will be dependent on availability of miners. Research will be continued testing different types of drill steel and bits striving to find a cutting edge that will drill sufficient footage to reduce costs. Several drill steel manufacturers have been contacted and it is anticipated that field representatives of these firms will visit the property and attempt to aid us in surmounting the adverse drilling conditions being experienced.

Yours truly

E. S. McIntyre

E. S. McIntyre
Supt. Comet Mines Inc.

ESMciah

Form MF-10 (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

OPERATOR'S MONTHLY REPORT AND VOUCHER

SEP 15 1952

Month of June, 1952 Docket No. DMEA 2309 Contract No. Idm 5295
Operator's Name Comet Mines, Inc. Minerals Lead Zinc
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $190,000.00 Government Participation: 50 % Amount, $95,000.00

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						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,668.76	0.0	1,668.76			
Supervision	662.48	0.0	662.48			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	156.20	0.0	156.20			
Explosives	42.65	0.0	42.65			
Pipe	37.53	0.0	37.53			
Track	30.00	0.0	30.00			
Power	34.59		34.59			
Misc. Tools & Supplies	298.40	0.0	298.40			
(4) Operating Equipment:						
Rental	130.00	0.0	130.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	109.20	0.0	109.20			
Sampling and Analysis						
Payroll Taxes	50.30	0.0	50.30			
Liability Insurance	159.90	0.0	159.90			
Pick-up Transportation	96.11	0.0	96.11			
(8) Contingencies (specify): Warehouse, accounting & general expense	254.63	0.0	254.63			
TOTALS	3,730.75	0.0	3,730.75			

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

Date 7/22/52 *Payee Comet Mines, Inc.

Per [signature] Title Treasurer

*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 $1865.37

Signature David E. Nowell, Authorized Certifying Officer (Authorized Certifying Officer)

Date SEP 9 1952 Vou. No. SF-DMEA-13

(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. [illegible] in accordance with the terms of the contract.

Signature [illegible] Title Acting Chief, Mining Div., Reg. III Date August 20, 1952.
George H. Colony, Jr.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Region III Date August 22,
H. C. Miller

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

DMEA 104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
SEP 15 1952

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

Month of June, 1952 Docket No. DMEA 2309 Contract No. Ida 1295
Operator's Name Comet Mines, Inc. Minerals Lead Zinc
Address P. O. Box 150, Salt Lake City, Utah

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								
Crosscutting								
Raising	Feet	1,464.54	21.5	1,464.54	21.5	68.12	390	
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Station Excavation & work preparation to Raising		2,266.21		2,266.21				
TOTAL DISTRIBUTED COSTS		3,730.75	21.5	3,730.75				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3,730.75		3,730.75				

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 7/22/52 Operator Comet Mines, Inc.

Per [signature] Title Treasurer

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)

ACCOUNTS AUG 22 1952

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

COMET MINES INCORPORATED - JUNE 1952

July 9, 1952

Paul Gemmill, Vice President, Comet Mines Inc.

E. S. McIntyre, Superintendent, Comet Mines Inc.

Dear Paul:

The first of June 1952 exploration work incorporate to the loan by Defense Minerals Exploration Administration was started.

The first part of the period consisted of preparatory work necessary before raising from the 310 level to the 168 level. After a survey down the winze was completed, a raise station was excavated and timbered. The skip compartment of the raise was converted to a chute and track was laid to handle and transport the broken rock to the winze for hoisting. Forced ventilation, air and water, and electrical lines were provided to the heading. Necessary repairs were made to the main surface hoist by replacing the cable, and to the head sheave on the winze.

After the preparatory work was completed, the raise was advanced 21.5 feet and shaft timber installed.

The hardness and abrasive nature of the quartzite formation in which the raise is being driven presents a drilling problem. The loss of gage, number of bits required, and increased drilling time have proven that the conventional type bits are unsatisfactory. Bits with tungsten carbide cutting edges and steel with tungsten carbide inserts are now being tested. This type drilling equipment has greatly decreased the drilling time and it is estimated that further use of this type drill bit will decrease drilling costs and prove to be an answer to the adverse drilling conditions.

During June the necessary preparatory work that always accompanies a project of this type was completed. The advance for July is anticipated to reflect greater progress towards the ultimate goal of connecting the raise with the shaft at the 168 level.

Yours truly

E. S. McIntyre

E. S. McIntyre

ESM:ah
CC: 7

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 15 1957

DATE	INITIALS	CODE

Government's copy

AMENDED EXPLORATION PROJECT CONTRACT
COMET MINES, INCORPORATED
DOCKET NO. DMEA-2309

AMENDMENT NO. 2

It is agreed this 1st day of March, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Comet Mines, Incorporated, that Amended Exploration Project Contract Idm-E295 (Docket No. DMEA-2309), dated as of April 16, 1952, is hereby amended as follows:

1. (a) Work under the Contract shall be suspended during the period beginning July 1, 1956, and ending not later than May 1, 1957.

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

(c) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The time for completion of the work, specified in item 1 of Amendment No. 1, is extended from June 16, 1957, to September 16, 1957.

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

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

(i) Effective July 1, 1956, if the work has not been resumed on or before May 1, 1957;

(ii) Effective September 16, 1957, if the work is resumed on or before May 1, 1957, but is not completed on or before September 16, 1957.

(b) The Government shall contribute only to allowable costs incurred prior to said effective date, and to allowable costs incurred or to be incurred beginning with said effective date in performing winding-up and settlement actions provided for in the Contract, including (a) the preservation and disposal of property to the cost of which the Government has contributed; and (b) the making and rendering of reports and accounts.

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

(d) The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including (a) the disposal of any facilities, buildings, fixtures, equipment, or other items to the cost of which the Government has contributed; and (b) the rendering of the final report and final account.

(e) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the Contract, except as otherwise provided in this Amendment No. 2.

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

COMET MINES, INCORPORATED

By _____

Title President

Government's copy

RECEIVED NOV 14 1956 D.M.E.A.

AMENDED EXPLORATION PROJECT CONTRACT
COMET MINES, INCORPORATED
DOCKET NO. DMEA-2309

AMENDMENT NO. 1

It is agreed this 15th day of October, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Comet Mines, Incorporated, that Amended Exploration Project Contract Idm-E295 (Docket No. DMEA-2309), dated as of April 16, 1952, is hereby amended as follows:

1. The time for completion of the work, specified in Article 3 of the Contract, is extended from October 16, 1956, to June 16, 1957.

2. The maximum period for royalty payments and lien for the payment thereof is increased from "thirteen years" to "fourteen years."

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C P Mittendorf
Administrator, Defense Minerals
Exploration Administration

COMET MINES, INCORPORATED

By Paul Gemmell

Title President

DMEA Form 14

Contr[illegible] No. Idm-E 295

Docket No. 2309

Terminated contract

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

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

Date of Contract	Region	State	Commodity
April 16, 1952	II	Nevada	Lead-Zinc

Name and Address of Operator: Comet Mines, Inc.
Pioche, Nevada

	Reserve	Obligation
Prior Amount	0	95,000.00
Increase	0	0
Decrease	0	32,964.00
Revised Amount	0	62,036.00

Remarks:

ALLEN S. DAKAN
(Name)

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

Date delivered to Bureau of Mines, Washington 12/19/57

22845

Government's Copy

RECEIVED

AUG 15 1955

MF-200
(Revised June 1954)

Docket No. DMEA-2309

Commodity Lead-Zinc

Contract No. Idm-E295

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
AMENDED
EXPLORATION PROJECT CONTRACT[1]

It is agreed ~~this~~ as of 16th day of April, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Comet Mines, Incorporated, a Nevada Corporation, whose mailing address is Pioche, Nevada, hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] owner of [5] the entire interest in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] --, [7] -- recorded in Book ---, page --, official records of said County; and

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

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

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

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

.....

.....

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of lead-zinc. The work to be performed is described in Exhibit "A." The Operator on or before September 1, 1955 shall [redacted] the work, and on or before October 16, 1956 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A."

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

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

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $190,000.00 The Government shall contribute 50 percent of the allowable costs as they are incurred in a total sum not in excess of $95,000.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

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

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

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

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

CATEGORY (2)—PERSONAL SERVICES.

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

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

Subcategory (c)—Labor.

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

CATEGORY (4)—OPERATING EQUIPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 9. And see Article 13.

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

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

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

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

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

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

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. See Article 13.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. *Changes and added provisions.*—

(a) To the extent that costs are set forth in Exhibit "A" as "Fixed Unit Costs" they are in lieu of the actual costs that would otherwise be allowable under Article 6 of the contract.

(b) (1) In Article 8(b)(1) substitute the words "date of the "Prior Contract (April 16, 1952)" for the words "date of the contract."

(2) In Article 8(b)(2) substitute the words "thirteen years from the date of the Prior Contract (April 16, 1952)," for the words "ten years from the date of the contract."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mitchendorf
Administrator, Defense Minerals
Exploration Administration

COMET MINES, INCORPORATED
(Operator)

By Paul Gemmill
President

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

Frank H. Anderson
Secretary

[CORPORATE SEAL]

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

AMENDED
EXPLORATION PROJECT CONTRACT
COMET MINES, INCORPORATED
DOCKET NO. DMEA-2309

ANNEX I

The land referred to in Article 2 of the contract form consists of unpatented mining claims situated in the Comet Mining District, as follows

Elmer No. 1
Burnett
Tungsten
Greenback Nos. 1 through 5

The claims are delineated on a map entitled "Geologic Map of the Comet Area," attached to the Prior Contract and incorporated herein by reference.

AMENDED EXPLORATION PROJECT CONTRACT
COMET MINES, INCORPORATED
DOCKET NO. DMEA-2309

ANNEX II

The parties to this Amended Contract are also parties to a contract dated April 16, 1952, as amended, executed on form MF200 (revised Feb. 1952) having the same contract and docket numbers as this Amended Contract and hereinafter called the "Prior Contract."

Part of the work set forth under the Prior Contract has been completed, and the parties desire that no further work be performed under the Prior Contract; that further work be provided for under this Amended Contract; and that the entire agreement of the parties be restated in this Amended Contract. Work under the Prior Contract has been suspended by agreement since August 14, 1954.

NOW THEREFORE, it is agreed that:

1. Effective as of April 16, 1952, the Prior Contract is superseded by this Amended Contract which shall govern all rights and obligations of both parties, except that vouchers for work performed under the Prior Contract shall be submitted pursuant to and paid under the Prior Contract.

2. The work performed and the money contributed by the Government under the Prior Contract are hereby incorporated into this Amended Contract, and the total amount contributed by the Government under the Prior Contract is repayable under the royalty provisions of this Amended Contract.

3. The Operator hereby releases and agrees to save the Government harmless from all claims and demands under or arising out of the Prior Contract, except as otherwise provided in this Annex II.

4.(a) During the period beginning August 14, 1954, and ending not later than September 1, 1955, work under this Amended Contract shall be suspended.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government, and the Government shall not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

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

(d) It is of the essence of this Amended Contract that work be resumed not later than September 1, 1955, and if it is not so resumed in the manner required by the Amended Contract, the following provisions shall thereupon become effective:

(1) The Government shall contribute only to the allowable costs incurred prior to August 14, 1954, and to the costs incurred after September 1, 1955, in winding-up and settlement actions provided for in the contract, including (1) the preservation and disposal of property to the cost of which the Government has contributed, and (2) the making and rendering of reports and accounts.

(2) The Operator shall promptly perform all winding-up and settlement actions provided for in the contract, including (1) the disposal of any facilities, buildings, fixtures, equipment, or other items to the cost of which the Government has contributed; and (2) the rendering of the final report and final account.

(3) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government the royalty on production provided for in the Amended Contract, in the same manner and amount and for the same period as if a certification of discovery or development had been made, such certification being hereby waived.

ESTIMATED COSTS OF PROJECT

STAGE I

Actual costs of work performed under Prior Contract (subject to audit.)	$101,280.00	

FIXED UNIT COSTS OF WORK TO BE PERFORMED UNDER STAGES II & III 1/

STAGE II

900 feet of drifting @ $30/ft.	$ 27,000.00	
60 samples assayed for lead, zinc, and silver @ $3.50/sample	210.00	
Estimated total costs - Stage II		$ 27,210.00

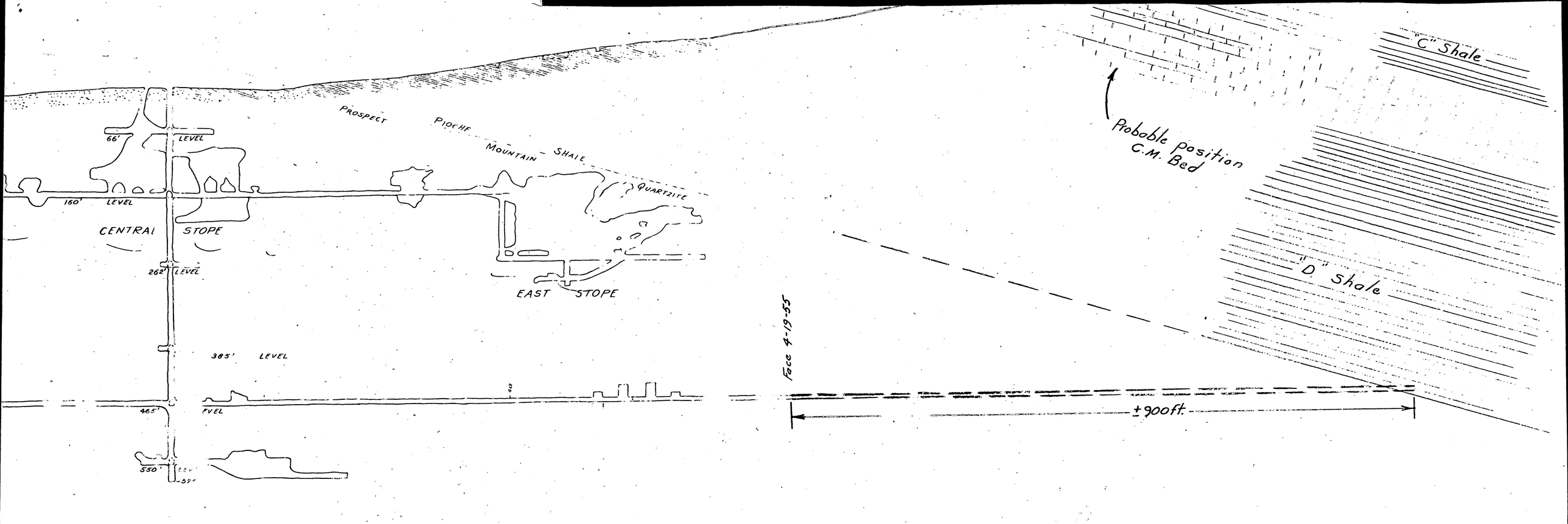
STAGE III

1,472 feet of drifting and/or crosscutting @ $30/ft.	$ 44,160.00	
150 feet of raising @ $50/ft.	7,500.00	
100 feet of winzing @ $95/ft.	9,500.00	
100 samples assayed for lead, zinc and silver @ $3.50/sample	350.00	
Estimated total cost - Stage III		$ 61,510.00
Estimated total cost of project		$190,000.00
Government participation @ 50%		$ 95,000.00

1/ The Government will contribute to the costs of the requirements under Stages II and III on the basis of the "Fixed Unit Costs" set forth above, as they accrue, in lieu of the actual costs otherwise allowable under Article 6 of the Contract form. The unit costs include all costs whatsoever necessary to complete the work.

(4) The Operator hereby releases and agrees to save the Government harmless from all claims and demands under or arising out of said Amended Contract, except as otherwise provided in this Annex II.

5. All salable or salvageable property in which the Government has an interest remaining after the completion of the work performed under the Prior Contract shall be inventoried, and the Government may deduct its share of the cost price of the inventoried items from any money due the Operator. Upon approval by the Government of the inventory, the Government's interest therein shall belong to the Operator.



LONGITUDINAL SECTION A-A
N65° Looking Northerly

Docket No. DMEA-2309

C-1087

Schrader | 12544 | COMBINED METALS REDUCTION CO.
PIOCHE NEV.

COMET MINE
SURFACE PLAN and SECTIONS

SCALE 1"=100'

D-1230

Government's copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 16 1955

EXPLORATION PROJECT CONTRACT
COMET MINES, INCORPORATED
DOCKET NO. DMEA-2309

AMENDMENT NO. 4

It is agreed this 8th day of April, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Comet Mines, Incorporated, that Contract Idm-E295 (Docket No. DMEA-2309), dated April 16, 1952, as amended, is further amended, effective April 16, 1952, as follows:

1. (a) Work under the contract shall be suspended during the period beginning August 14, 1954, and ending not later than July 1, 1955.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government, and the Government shall not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

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

2. In Article 3 of the contract, the time fixed for completion of the work is further extended from "thirty-two (32) months" to "54 months."

3. Annex I, attached to Amendment No. 2, is cancelled, and Annex II, attached hereto and made a part hereof, is substituted for the royalty provisions of Article 9 of the contract.

4. In Article 10 of the contract, that part of the second sentence beginning with the word "Provided," is deleted.

5. It is of the essence of this contract that work be resumed not later than July 1, 1955; and if it is not

so resumed in the manner required by the contract, the following provisions shall thereupon become effective:

(a) The Government shall contribute only to the allowable costs incurred prior to August 14, 1954, and to the costs incurred after July 1, 1955, in winding-up and settlement actions provided for in the contract, including (1) the preservation and disposal of property to the cost of which the Government has contributed, and (2) the making and rendering of reports and accounts.

(b) The Operator shall promptly perform all winding-up and settlement actions provided for in the contract, including (1) the disposal of any facilities, buildings, fixtures, equipment, or other items to the cost of which the Government has contributed; and (2) the rendering of the final report and final account.

(c) The total net amount contributed by the Government shall be repayable in the form of a percentage royalty on any minerals mined or produced from the land described in Article 2 of the contract, in the manner and amount provided in the contract, for a period of thirteen years from the date of the contract, certification of discovery or development being hereby waived.

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

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the amount of any item designated as "allowable maximum."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

COMET MINES, INCORPORATED

By _____

President

EXPLORATION PROJECT CONTRACT
COMET MINES, INCORPORATED
DOCKET NO. DMEA-2309

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 16 1955

ANNEX II

The following provisions are in lieu of Article 9 :

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

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

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

* The word "land" refers to the land described in Article 2 of the contract form.

‡ The period "thirteen years" is substituted for the period "ten years."

Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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

e. Percentages of royalty.--The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.
>
> (For instance: the royalty on an amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

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

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

h. No obligation to produce.--Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

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

58694

Government Copy

COMET MINES, INCORPORATED
EXPLORATION PROJECT CONTRACT IDM-E295
DOCKET NO. DMEA-2309

AMENDMENT NO. 3

It is agreed this 3rd day of August, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Comet Mines, Incorporated, that effective as of July 16, 1954, Exploration Project Contract Idm-E295, Docket No. DMEA-2309, dated April 16, 1952, as amended, is further amended as follows:

In Exhibit "A" of the contract, Statement of the Work delete Item 7, reading:

"Drift on vein at 640' level, allowable maximum of 2,100 feet including crosscut from shaft to vein."

and substitute the following:

"Drift on vein at 640' level, allowable maximum of 1,500 feet, including crosscut from shaft to vein."

The 600 feet of drifting thus deducted from work to be done on the 640' level, is to be switched to the 465' level (Amendment No. 1 approved switching the work allowed under Item 6 of Exhibit "A" of the contract from the 385' level to the 465' level) so that by this amendment, Item 1 of Amendment No. 1 is changed to read as follows:

1. Exhibit "A" - Item 6. Drift on vein at 465' level, allowable maximum of 1,700 feet (500 feet southwesterly and 1,200 feet northeasterly) and rehabilitation of present 189 feet of drift to be included as part of the 1,700 feet allowed.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the amount of any item designated as "allowable maximum".

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By H. C. Miller
H. C. Miller, Executive Officer
DMEA Field Team, Region III

COMET MINES, INCORPORATED

By Sam S. Arentz
Sam S. Arentz, President

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

1980 NOV 3 AM 9:03

SAN FRANCISCO, CALIFORNIA

AMENDMENT NO. 3

Docket No. DMEA-2309 Mineral Lead-Zinc

Exploration Project Contract E-295

Date of Contract April 16, 1952

Date of Amendment August 3, 1954

Operator Comet Mines, Incorporated

JUSTIFICATION

Exploration work under the contract indicates that drifting 600 feet northeasterly on the 465' level will not be sufficient to explore the ground in the area toward which the 465' level is directed and to thoroughly prospect the good exposure of commercial ore encountered in drifting. As it is to the best interest of the Government to have the 465' level extended northeasterly an additional 600 feet, this amendment was drawn switching that footage from that allowed on the 640 level.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

Government's Copy

EXPLORATION PROJECT CONTRACT
COMET MINES, INCORPORATED
DOCKET NO. DMEA-2309

AMENDMENT NO. 2

It is agreed this 18th day of December, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Comet Mines, Incorporated, that effective as of October 13, 1953, Exploration Project Contract Idm-E295, Docket No. DMEA-2309, dated April 16, 1952, as amended, is further amended as follows:

1. In Article 3 of the contract form, the words "twenty (20) months" are deleted, and in their place the words "thirty-two (32) months" are substituted.

2. Article 9 of the contract form is deleted, and in lieu thereof the provisions of Annex I are substituted.

3. Article 10 is amended so that where the word "ten" appears, it is changed to read "eleven."

4. During the period from October 13, 1953, to March 29, 1954,

(a) the project work shall be recessed;

(b) the Government shall not contribute to any costs of operation or maintenance incurred by the Operator; and

(c) the Operator shall save the Government harmless from any and all claims, and preserve and protect the project work and any property in which the Government has an interest.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the amount of any item designated as "allowable maximum."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mitchell Dory
Administrator, Defense
Minerals Exploration
Administration

COMET MINES, INCORPORATED

By Leon E. Crosby, President

ANNEX I

The following provisions are in lieu of Article 9 :

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten* years (or other period fixed by this contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts, plus one-half ($\frac{1}{2}$) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) per cent.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

* The period "eleven years" is substituted for the period "ten years."

49450

AMENDMENT NO. 2

Docket No. DMEA-2309 Mineral Lead-Zinc

Exploration Project Contract Idm-E295

Date of Contract April 16, 1952

Date of Amendment December 18, 1953

Operator Comet Mines, Inc.

JUSTIFICATION

Work on the project was stopped temporarily on October 13, 1953, due to the continued low price for lead and zinc. Operator requested an extension of the contract of one year and promised to resume operations on March 29, 1954. Amendment grants the operator's wish as it was to the Government's interest to do so.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

Gover[illegible]nt's Copy

COMET MINES, INCORPORATED
CONTRACT Idm-E295
DOCKET No. DMEA-2309

AMENDMENT NO. 1

Contract Idm-E295 (Docket No. DMEA-2309), dated April 16, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Comet Mines, Incorporated, is amended as follows, effective April 21, 1953:

1. Exhibit "A" - Item 6. Drift on vein at 465 level, allowable maximum of 1,100 feet, instead of drifting on vein at 385 level, allowable maximum of 1,100 feet, and rehabilitation of present 189 feet of drift to be included as part of the 1,100 feet allowed.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum."

Dated April 21, 1953.

UNITED STATES OF AMERICA

By H. C. Miller
H. C. Miller, Executive Officer
DMEA Field Team, Region III

COMET MINES, INCORPORATED

By Sam S. Arentz
Sam S. Arentz, President

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

1953 APR 29 AM 9:02

SAN FRANCISCO, CALIFORNIA

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 4 1953

AMENDMENT NO. 1

Docket No. 2309 Mineral Lead-Zinc

Exploration Project Contract E295

Date of Contract April 16, 1952

Date of Amendment April 21, 1953

Operator Comet Mines, Inc., Comet Mine, Lincoln County, Nevada

JUSTIFICATION

Request of the Operator to drift on the 465-foot level instead of on the 85-foot level was granted for the following reasons:

1. Drifting on the 465 level will reach farther into unexplored ground and will have a better chance of hitting an entirely new ore body.

2. The 465 level will have a better chance of developing unoxidized ore which will contain more zinc than oxidized ore.

3. Exploration on the 465 level will explore the same target as exploration on the 385 level and no geologic information is available that indicates the 385 level is more favorable.

4. Time and money will be saved.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

Docket No. 2309

Commodity Lead-Zinc

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 295

Date of Contract ~~of Amendment~~ April 16, 1952

Name and Address of Operator:

Comet Mines, Inc.
Pioche, Nevada

Amount of Government participation $ 95,000.00

Percent of Government participation 50 %

Region: III State: Nevada

(Name)
J.L. Chambers
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington.

13908

COPY

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Bldg.
870 Market St.
San Francisco 2, Calif.

June 12, 1952

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2309--Contract Idm-E295 (Lead-Zinc)
Comet Mines, Inc., Pioche, Nevada

As requested in Mr. Frank E. Johnson's letter of May 29, the original and all copies of subject contract were returned to the Operator for initialing the changes made in Exhibit "A". The Operator has complied accordingly and retained his copy of the contract. We have retained the Field Team's copy, and the original and three remaining copies are returned herewith. We shall expect to receive the Finance Office copy through the regular channels.

/s/ H. C. Miller
Executive Officer, DMEA Field Team
Region III

Attachments

Copy to: E. H. Bailey, USGS
A.C. Johnson, Reno

MF-200
(June 1951)
(Revised Feb. 1952)

Docket No. DMEA-2309
Commodity Lead-Zinc
Idm-E295

GOVERNMENT'S COPY

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

EXPLORATION PROJECT CONTRACT 1/

It is agreed this 16th day of April, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and 2/ Comet Mines, Incorporated
Pioche, Nevada

hereinafter called the "Operator," as follows:

ARTICLE 1. Authority for contract. This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Regulations for Government Aid in Defense Exploration Projects."

ARTICLE 2. Operator's property rights. With respect to that certain land situated in the State of Nevada, County of Lincoln, described as follows:

1/ If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.

2/ State name, address, and nature of organization if any.

3/ The following unpatented lode mining claims; situated in the Comet Mining District: Elmer No. 1, Burnett, Tungsten, Greenback No. 1, Greenback No. 2, Greenback No. 3, Greenback No. 4, and Greenback No. 5, all as delineated on map attached hereto marked "Geologic Map of the Comet Area".

the Operator represents and undertakes: 4/

(a) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: _____

None

(b) [redacted]

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. Exploration project. The Operator, within sixty (60) days from the date of this contract shall commence

3/ Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.

4/ Strike out the provision not applicable.

on a project of exploration for[5/] lead and zinc

in or upon the described land; and shall bring the project to completion within a period of twenty (20) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. Performance of the work. (a) Operator's responsibility. The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A" , attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A", as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(b) Independent contracts. Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed

5/ Name of mineral or minerals.

under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(c) Government may inspect. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 5. Estimated costs of the project. A statement of the estimated cost of the project is set forth in Exhibit "A", attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or

elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. Allowable costs of the project. (a) The costs of the project in which the Government will participate are limited to the following:

(1) Independent contracts. Payments to independent contractors under independent contracts listed in Exhibit "A". The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) Labor, supervision, consultants. Labor, supervision and technical services (including engineering and geological consultants),

a schedule of which is included in the estimate of costs set forth in Exhibit "A". The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) Operating materials and supplies. Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A".

(4) Operating equipment. Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A". Any items listed as owned and to be furnished by the Operator, and allowable depreciation, are allowable maximums.

(5) Rehabilitation and repairs. Any necessary rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A". These items are allowable maximums.

(6) New buildings, improvements, installations. Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A". All of these items are allowable maximums.

(7) Miscellaneous. Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmens' compensation and employers' liability insurance and payroll ~~and sales~~ taxes.

(8) Unforeseen. Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A", as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

(b) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(c) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. Reports, accounts, audits. (a) Progress reports. The Operator shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator,

and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

(b) Final report. Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(c) Compliance with requirements. If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(d) Accounts and audits. The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. Payments by the Government. (a) The Government will pay 50 per cent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $95,000.00, which is 50 per cent of $190,000.00, the agreed, estimated total cost of the project in which the Government will participate; Provided, that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) per cent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(b) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within ten years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which

the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said ten years have elapsed, whichever occurs first, as follows:

(1) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts not in excess of eight dollars ($8.00) per tons

(2) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts, plus one-half ($\frac{1}{2}$) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

(b) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 10. Assignment, transfer, or loss of Operator's interest. Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; Provided, that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of ten years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any

reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 11. Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. Termination and completion. The Government may, at any time, by written notice to the Operator, terminate this contract: (a) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (b) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (c) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its prorata share of any money remaining.

ARTICLE 13. Changes and added provisions. _____

_____

_____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Comet Mines, Incorporated
Operator

By Sam S. Arentz
Pres., Comet Mines, Incorporated

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

I, Frank H. Anderson, certify that I am the secretary of the corporation named as operator herein; that Sam S. Arentz who signed this contract on behalf of the operator, was then President and General Manager of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Frank H. Anderson [Corporate Seal]
Secretary

16042

EXPLORATION PROJECT CONTRACT
COMET MINES, INCORPORATED
DOCKET NO. DMEA-2309

EXHIBIT "A"

Statement of the Work

The work consists of the following items:

Item 1. Repair of existing facilities and equipping present vertical shaft with necessary operating facilities.

Item 2. Reaming present vertical shaft to present bottom (168' below collar) to provide 2½ compartments.

Item 3. Extending 2½ compartment vertical shaft from 168' level to 550' level by raising from present winze, 390 feet of raise, allowable maximum.

Item 4. Drive 3 crosscuts from present winze to provide raising stations for vertical shaft. Crosscuts to be at such location to provide access to 385' level and permit use of winze for raising operation, 120 feet of crosscut, allowable maximum.

Item 5. Extend 2½ compartment shaft to proposed 640' level plus sump room, 110 feet of shaft, allowable maximum.

Item 6. Drift on vein at 385' level, allowable maximum of 1,100 feet.

Item 7. Drift on vein at 640' level, allowable maximum of 2,100 feet including crosscut from shaft to vein.

None of the cost required to complete the performace of work stated in Items 1 and 2 above shall be charged to the project as cost to which the Government will contribute. The Government will participate only in the expense of Items 3 to 7, inclusive, as listed, to the extent allowable under the provisions of this contract.

Estimated Costs of the Project

(1) Independent Contracts

None

(2) Labor, Supervision, Consultants

Labor:

2 - Hoistmen	1 - Topman
10 - Miners	1 - Repairman
6 - Muckers	1 - Truck driver
2 - Motormen	2 - Laborers

The above list shall constitute the maximum crew for direct labor on the project. The above labor shall be paid the standard wage scale for the Pioche District as approved by the Wage Stabilization Board and such labor costs shall include fringe payments, shift differentials, employee insurance and payroll taxes as are customarily paid in the District for like work. Where applicable and as practiced in the Pioche District, a unit bonus basis is allowable for computing and paying wages.

On the basis described above, project labor costs are allowable for the work approved to a maximum of $ 90,000.00*

Supervision:

1 - Superintendent (part time) @ $300.00 per month for 18 months	$5,400.00*	
1 - Foreman @ $550.00 per month for 18 months	9,900.00*	15,300.00*

Consultants:

See "Miscellaneous"

(3) Operating Materials and Supplies

Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, freight, and local transportation 64,600.00*

---

* Allowable maximum

(4) Operating Equipment

To be rented:

4 - Drills @ $60.00/mo. for 18 months	$1,080.00	
1 - Mucking machine @ $70.00/mo. for 15 months	1,050.00	
1 - Locomotive @ $100.00/mo. for 15 months	1,500.00	$ 3,630.00*

To be purchased:

None

To be furnished by the Operator:

7 - Mine cars @ $35.00/mo. for 15 months	525.00	
2 - Compressors @ $100.00/mo. for 18 months	1,800.00	2,325.00*

(5) Rehabilitation and Repairs

None

(6) New Buildings, Improvements, Installations

None

(7) Miscellaneous

The direct expense of services required to provide engineering, assaying, repair, maintenance, accounting, warehousing, safety and watchman. The expense of maintaining boarding house and bunkhouse services and facilities.

All or any of the above services may be provided by the Caselton Plant of the Combined Metals Reduction Company, of which the Operator is a subsidiary, and shall be chargeable to the project only on the basis of actual costs apportioned to the satisfaction and approval of the Government. 14,145.00*

Total estimated cost $190,000.00*

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* Allowable maximum