REPORT OF
ROYALTY REVIEW

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract No. Idm-E379, Docket No. DMEA-2455 (Mercury), dated July 31, 1952, with

Aubrey Minney
511 Archer Street
Salinas, California

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as McAdoo Mine located in Humboldt County, Nevada, during the period April 15, 1959, through February 8, 1961.

A certification of discovery or development was issued on February 4, 1955, and, in accordance with Annex I of Amendment No. 8 to the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 11 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. A Report of Review in lieu of final audit dated November 19, 1954, indicated accepted costs under the exploration contract amounting to $15,804.02 with the Government's contribution, on a 75 percent basis, being $11,853.02.

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

This review established total sales of mercury for the period to be $639.45. Royalty due the Government at rates specified in the contract is $31.97.

A prior Report of Royalty Review found the sales subject to Government royalty through April 14, 1959, to be $3,392.10 which added to the sales for this subsequent period make a total of $4,031.55. The royalty account as of April 14, 1959, was:

Total Royalty Due	$169.61
Total Royalty Paid	169.61
Balance of Royalty Due	$ -0-

At February 8, 1961, the royalty account of this project was found to be:

Total Royalty Due	$201.58
Total Royalty Paid	201.58
Balance of Royalty Due	$ -0-

February 10, 1961

E. D. Talbert, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

The only operation of the property since the period covered by the last Report of Royalty Review resulted in the production, apparently during assessment work, of 217½ pounds of mercury which were sold to Quicksilver Products, Inc., for $639.45. My review included a re-computation of the copy of the settlement sheet dated July 29, 1959, submitted by the Operator in support of the royalty payment of $31.97 made by him.

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

(a) Reports by field representatives of the Government indicate that all production from the property since the date of the contract has been reported and proper royalty paid; and

(b) 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 Aubrey Minney

Address 511 Archer Street

Salinas, California

Exploration Contract No. IDM-E 379 Docket No. DMEA 2455

	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.

According to Division of Mineral Resources records, the operator showed no record of production for 1959 and 1960.

Mining Engineer

Date February 8, 1961

82448

FEB 1 0 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-2455 (Mercury)
Aubrey Minney
McAdoo Mine
Humboldt County, Nevada
Contract Idm-7379

Attached are the original and two copies of a Report of Royalty Review on the subject contract. If you concur in the facts stated in this report, distribution should be made as follows:

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

As evidence of your concurrence, please furnish this Division with a copy of your transmittal letter to the Operator.

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
February 10, 1961

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

~~OFFICIAL FILE COPY~~
O. M. E
RECEIVED FEB 10 1961

DATE	INITIALS	CODE
2-10	gad	VVO
		800
		~~[illegible]~~

February 8, 1961

Memorandum

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

From: Acting Field Officer, Region II

Subject: DMEA-2455 (Mercury)
Aubrey Minney
McAdoo Mine
Humboldt County, Nevada
Contract Idm-E 379

In reply to your request of February 2, 1961, attached are the original and one copy of a Check Sheet of Examining Engineer for the subject contract.

Mr. Gentry's last Check Sheet, submitted to you on April 13, 1959, stated that the mine was idle on November 6, 1958. Division of Mineral Resources records show that the operator showed no record of production for 1959 and 1960.

George H. Holmes, Jr.

Attachments

Copy to: Chief, Division of Field Operations, Washington, D. C.
OME File

FEB 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: DMSA-2455 (Mercury)
Aubrey Mimney
McAdoo Mine
Humboldt County, Nevada
Contract Idm-E379

In order to complete the preparation of a Report of Royalty Review, this Division will appreciate the submission of an original and one copy of a Check Sheet of Examining Engineer for the subject contract.

In the event that mining operations are not being conducted on the contract property, a footnote to that effect, together with the approximate date operations were discontinued, should be included on the check sheet.

EDTalbert/ama
February 1, 1961

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

QUADRUPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

8/26/59 (Date sent)

5 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9012

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): San Francisco, California

(3) The Sum of $ 31.97

Deposited with Federal Reserve Bank of San Francisco, California
(Name and location of depositary)

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
11X1401	$ 31.97		$

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5) [illegible], FISCAL OFFICER
[illegible]
[illegible] STREET, [illegible]
[illegible], CA

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) 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.

AUG 26 1959
(Authorized signature)

(Credit in Treasurer's account)
FEDERAL RESERVE BANK OF SAN FRANCISCO
[illegible]

Depositary will date, sign and forward to depositor.

Aubrey Minney - McAdoo Mine
Contract IDM-E 379
Docket 2455
Royalty pay't. $31.97

Check on:

Bank of America
Salinas Branch
Check No. 682, dtd. 8/7/59,
rec'd. 8/25/59

REPORT OF
ROYALTY REVIEW

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed all Finance Office copies of settlement statements with the Executive Officer, OME Field Team, Region II, Reno, Nevada, pertaining to Contract No. Idm-E379, Docket No. IMEA-2455 (Mercury) dated July 31, 1952, including Amendment Nos. 1 to 8, inclusive, with:

Aubrey Minney
119 Cayuga Street
Salinas, California

for the purpose of determining the amount of royalties due the U. S. Government on sales of mercury from property known as the McAdoo Mine, located in Humboldt County, Nevada, during the period August 1, 1955 to April 14, 1959.

A certification of discovery or development was issued February 4, 1955, and in accordance with Annex I of Amendment No. 8 of the Contract, royalty is payable on all production from the land described in Article 2 of the contract for a maximum period of 11 years from the date of the contract. A Report of Review in lieu of final audit dated November 19, 1954, indicated accepted costs under the exploration contract amounting to $15,804.02 with the Government's contribution, on a 75 percent basis, being $11,853.02. The scope of review and reasons therefor are stated in the attachment to this report.

My review established the total sales of mercury for this period to be $275.33. Royalty due the U. S. Government at the contract rate of 5 percent is $13.77. A prior review made by this auditor for the period July 31, 1952 to July 31, 1955, found the sales as of the last date to be $3,116.77, which added to the sales for this period make a total of $3,392.10 as of April 14, 1959. The royalty account as of July 31, 1955, was

Total Royalties Due	$155.84
Total Royalties Paid	155.84
Balance Royalties Due	$ - 0 -

As of April 14, 1959, the royalty account of this project was found to be

Total Royalties Due	$169.61
Total Royalties Paid	169.61
Balance Royalties Due	$ - 0 -

April 17, 1959

George Mavor
George Mavor, OME Auditor

DESCRIPTION OF THE REVIEW
AND STATEMENT OF JUSTIFICATION

Iom-E379 | Aubrey Minney | Docket No. DMEA-2455

My review included a tabulation and recomputation of all mercury sales as shown in settlement statements, and a conference with the engineer who had made periodical inspections of the project.

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

(a) The production involved was incidental to exploration operations.

(b) The mine was idle when last visited by the Examining Engineer on November 6, 1958.

(c) The Examining Engineer is of the opinion that all sales of mercury produced during the period July 31, 1952 to March 31, 1959 for which settlement sheets have been released, have been properly accounted for.

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

Check Sheet of Examining Engineer

Operator's Name Aubrey Minney

Address 511 Archer Street

Salinas, California

Exploration Contract No. Idm-E 379 Docket No. DMEA-2455

	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.

On November 6, 1958, the mine was idle.

Glenn G. Gentry
Mining Engineer

Date April 13, 1959

82448

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
420 Custom House
555 Battery Street
San Francisco, California

April 24, 1959

Mr. Aubrey Minney
119 Cayuga Street
Salinas, California

RE: Docket No. DMEA-2455 (Mercury)
Aubrey Minney
McAdoo Mine
Contract No. Idm-E379

Dear Mr. Minney:

Attached hereto for your information and files, is copy of Report of Royalty Review, which shows royalties paid to the Government from date of contract July 31, 1952 to April 14,1959.

Sincerely yours,

(Signed) George Mavor

George Mavor, OME Auditor

Attachment

Copy to: E. D. Talbert

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 27 1959

DATE	INITIALS	CODE
4/28	a	220
		800

San Francisco, Cal.
April 21, 1959

Memorandum

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

FROM: George Mavor, OME Auditor

SUBJECT: Aubrey Minney
Report of Royalty Review
IDM-E379, OMEA-2455

I recently submitted a Report of Royalty Review to your office for approval covering royalty review of subject contract.

On the attachment to this report under item (c) I show the period July 31, 1957 to March 31, 1959. The ending period should have been April 14, 1959 to agree with Certificate. Would you please make the necessary change.

George Mavor

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 23 1959

DATE	INITIALS	CODE
4/23	a	220
		800

APR 22 1959

Memorandum

To: Mr. George Meyer, OMK Auditor

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

Subject: Docket No. DMRA-2455 (Mercury)
Contract No. Idm-K379
Aubrey Mimmey

Your report of royalty review on the above cited project is acceptable and normal distribution is authorized.

AMAlley/ama
April 22, 1959

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

For Certificate of Deposit No. 7, dated August 6, 1958, giving royalty payment of $13.77, see E-369.

REPORT OF
ROYALTY REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED
AUG 31 1955

REPORT OF FIRST ROYALTY REVIEW

I have reviewed all Finance Office copies of settlement sheets, with the Executive Officer, DMEA Field Team, Region II, applicable to royalties collected on the sales of mercury for the period July 31, 1952, to July 31, 1955 by:

Aubrey Minney, an individual
119 Cayuga Street
Salinas, California

produced from property referred to as the McAdoo Mine, located in Humboldt County, Nevada, under the terms of Contract No. Idm-E379, Docket No. DMEA-2455.

My review included a tabulation and recomputation of all mercury sales, listed on the settlement sheets. It also included a conference with the Examining Engineer who had made frequent inspections of the exploration project.

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

(1) The production involved was incidental to exploration operations.

(2) The examining Engineer is of the opinion that all sales of mercury produced during the period July 31, 1952 to July 31, 1955 for which settlement sheets have been released, have been properly accounted for.

(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.

The examination established the total sales of mercury for this period to be $3,116.77. Royalty due the U. S. Government at the contract rate of five percent is $155.84. The royalty paid and balance due are as follows:

Total Royalties Due	$155.84
Total Royalties Paid	$155.84
Balance of Royalties Due	- 0 -

George Mayor
George Mayor
Auditor

August 25, 1955

RECEIVED
AUG 31 1955

Check Sheet of Accompanying Engineer

Operator's Name Aubrey Minney

Address 511 Archer Street

Salinas, California

Exploration Contract No. Idm-E379 Docket No. DMEA-2455

Date _____

		Check One Yes	Check One 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 co-mingle production subject to DMEA royalties with exempt production?		X
(b)	If so, do you consider the allocation of the co-mingled 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. Comment on any item 2 to 6 if answer is No.

Henry W. Jones
Mining Engineer

67958

Date: August 19, 1955

Work Office Copy

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

DEPOSIT NO.
[illegible]

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

$ [illegible]

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

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) RALPH H. SJOLANDER, FISCAL OFFICER
INTERIOR, BUREAU OF MINES, DEFENSE
MINERALS EXPLORATION ADMINISTRATION
555 BATTERY STREET, ROOM 420
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)

(Date of credit in Treasurer's account)

DEPOSITOR WILL RETAIN THIS COPY

SEXTUPLICATE

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

Contract A. Minney IDM-E379
docket 2455
Royalty pay't. $14.76

check on
First National Bank of Nevada
Winnemucca Branch
check No. 280, dtd. 4/15/55
rec'd. 4/20/55

SEXTUPLICATE

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

Wash Office

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

DEPOSIT NO.

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] (Name and address of officer to be credited)

On account of—

[illegible]

E-379

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

[illegible], FISCAL OFFICER
[illegible] OF MINES, [illegible]
[illegible] ADMINISTRATION
[illegible] STREET, ROOM 4[illegible]
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.

FEB 17 1955

(Authorized signature)

FEDERAL RESERVE BANK OF SAN FRANCISCO TELLER

(Date of credit in Treasurer's account)

DEPOSITOR WILL RETAIN THIS COPY

Aubrey Minney (McAdoo Mine)
Contract No. IDM-E379
docket 2455
Royalty pay't.

check on
First National Bank of Nevada
Winnemucca, Branch
check No. 273, dtd. 2/14/55
rec'd. 2/15/55

REPORT
OF REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

Defense Minerals Administration
RECEIVED
DEC 9 1954

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Aubrey Mimmey, an individual
119 Cayuga Street
Salinas, California

pertaining to Exploration Project Contract No. Idm-E379, Docket No. DMEA-2455, including amendments No. 1, 2, 3, 4, 5, 6, 7 and 8, for the months of August 1952 to September 1954, inclusive, covering a project for the exploration of mercury, on property known as McAdoo Mine, located in Humboldt County, Nevada.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of costs claimed with the contract and pertinent schedules, consultation with the 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 following reasons:

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

(b) the major portion ($14,712.89) of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed, and the remaining costs ($1,091.13) were documented and did not exceed the amounts specified in the contract.

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

Total cost as billed by Contractor	$16,306.13
Exceptions (schedule attached)	
This audit	502.11
Total Accepted Cost	$15,804.02

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in amount of Eleven Thousand Eight Hundred Fifty Three and 2/100 Dollars:

** $11,853.02 **

is considered 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 project.

November 19, 1954

George Mayor
George Mayor
Auditor

SCHEDULE OF EXCEPTIONS

Aubrey Minney | DMEA-2455 | Idm-E379

Item (5) Initial Rehabilitation and Repairs August 1952 costs, exceeding maximum allowed by contract for the following item: Remove existing headframe and ore bunker and construct a 5 'x 5'x10' high headframe with waste bunker at new shaft site by using material salvaged from existing headframe	$286.94	
Less: "Allowable Maximum"	221.38	$65.56
Item (6) New Bldgs., Improvements, etc. September 1954 costs not covered by contract, covering the cost of restoring damaged property, caused by fire of August 21, 1954, to hoist house, portion of headframe, and hoist.		436.54
Error in previous costs brought forward on September 1953 MF-104.		.01
Total Exceptions		$ 502.11

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

NOV 1 0 1954

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

Re: E-379, DMEA-2455
Aubrey Minney
McAdvo Mine (Mercury)

Dear Mr. Mayer:

Reference is made to your letter of November 4, 1954, in regard to the audit of the above-cited contract.

I am in agreement that the amount of $436.54 to restore hoist house, headframe and hoist damaged by fire August 21, 1954, is not an allowable cost under the contract. I referred this item to the Division in charge of this contract and was informed that the project is too nearly completed for the Government to participate in restoring the damaged property.

Your disallowance of $65.56 for an overexpended item under Rehabilitation and Repairs is justified under the provisions of the contract.

It is true that the individual items in Exhibit "A" of the contract add to more than the $17,600 allotted to the contract. It isn't necessary, however, to amend the contract. No more, however, than $17,600 may be expended on the contract for Government participation.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
November 10, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

Defense Minerals Administration
RECEIVED
NOV 8 - 1954

420 Custom House
555 Battery Street
San Francisco 11, California

November 4, 1954

Air Mail

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

Re: E-379, DMEA-2455
Aubrey Mineey
McAdvo Mine
(Mercury)

Dear Mr. Chambers:

Reference is made to subject contract dated July 31, 1952, prepared on Form MF-200 (Revised Feb. 1952), and in connection therewith I intend to prepare a Report of Review as the major portion of costs are on an agreed unit basis, and the last voucher prepared on Form MF-104, for the month of September 1954, can be set forth for discussion purposes as follows:

Agreed Unit Costs		$14,712.90
Actual Costs		
August 1952	$1,157.69	
September 1954	436.54	1,594.23
Total Costs		$16,307.13

In reviewing the actual costs pertaining to Item (5) Rehabilitation and Repairs for the month of August 1952, there will be a disallowance of $65.56, due to the cost exceeding the maximum allowed under the terms of the contract as follows:

	Contract	Cost	Disallowed
Remove existing hoist house (a 15' x 25' corrugated galvanized iron building) and hoisting equipment and reconstruct both at new shaft site	$264.43	$247.66	$ -0-

	Contract	Cost	Disallowed
Remove existing headframe and ore bunker and construct a 5' x 5' x 10' high headframe with waste bunker at new shaft site by using material salvaged from existing headframe	$ 221.38	$ 286.94	$ 65.56
Purchase one 3 room house on site for living quarters and repair for living conditions and construct an 8' x 10' washroom addition for the 3 room house and an outside toilet	576.90	336.37	-0-
Totals	$1,062.71	$ 870.97	$ 65.56

There will also be a further disallowance of $436.54, applicable to Item (6) New Buildings, Improvements, Installations for the entire amount reported on September 1954 MF-104, for costs not covered by contract.

	Contract	Cost	Disallowed
Sink a 4' x 4' x 8' deep, timbered well and construct a corrugated G.I. Pump house	$ 179.62	$ 150.38	$ -0-
Purchase a 300-gal. water tank and erect it on an 8' high time frame	131.90	-0-	-0-
September 1954 Item not in Contract			
Restoring damaged property, caused by fire of August 21, 1954, to hoist house, portion of headframe, and hoist	-0-	436.54	436.54
Totals	$ 311.52	$ 586.92	$436.54

The disallowances to be made are as follows:

Item (5) Rehabilitation and Repairs	$ 65.56
Item (6) New Bldgs., Improvements, etc.	436.54
Error costs brought forward September 1953 MF-104	.01
Total	$502.11

The disallowances for rehabilitation and repairs, and new buildings, improvements etc., have been made in accordance with explanation given in Audit Procedure, appendix to Section III, which states "Costs of each item and total for category are maximums." Please let me know if you agree with action taken.

There were also errors in Amendments No. 7 and 8 as follows:

Amendment No. 7 over	$424.60
Amendment No. 8 short	10.13
Net contract overage	$414.47

In connection with above amendment errors, I am attaching hereto a copy of letter dated November 4, 1954, from H. C. Miller to George C. Selfridge, requesting a further amendment to eliminate these errors from contract.

My Report of Review will be held in abeyance, until the items discussed in this letter are cleared.

Sincerely yours,

"(SIGNED) GEORGE MAVOR"

George Mavor
Auditor

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

Defense Minerals Administration
RECEIVED
NOV 8 - 1954

420 Custom House
555 Battery Street
San Francisco 11, Calif.

November 4, 1954

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA
Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA-2455 - Mercury
Aubrey Kinney
Pedoo Mine, Humboldt County, Nevada
Contract No. Idm-2379

In attempting to "close the books" on the subject project, Mr. George Lavor, DMEA Auditor, has called my attention to some discrepancies in the contract figures as the result of Amendments Nos. 7 and 8.

Everything seems to be in order through Amendment No. 6 (Amendment No. 6 has no effect on any figures) so that I will use Amendment No. 5 as my starting point in the discussion to follow.

By Amendment No. 5, the Operator was allowed the following:

Stage I

Shaft sinking 80 feet at $42.225/ft.	$3,378.00
Crosscutting 103 feet at $23.00/ft.	2,369.00
Drifting 7 feet at $23.00/ft. plus 7 feet timbering at $14.11/ft.	4,991.00

Stage II

Drifting and crosscutting 61.643 feet at $23.00/ft.	$1,417.77
Raising 80 feet at $25.00/ft.	2,000.00
Sinking winze 50 feet at $37.00/ft.	1,850.00
Direct Costs	1,594.23
Total	$17,600.00

By Amendment No. 7, the Operator was allowed to do the following:

Stage I

Shaft Sinking 80 feet at $42.225/ft.	$3,378.00
Crosscutting 103 feet at $23.00/ft.	2,369.00
Drifting ? feet at $23.00/ft. plus ? feet timbering at $14.11/ft.	4,991.00
Crosscutting and drifting 99.577 feet at $23.00/ft.	2,290.27
Timbering 110 feet at $14.11/ft.	1,552.10

Stage II

Sinking winze, 50 feet at $37.00/ft.	$1,850.00
Direct Costs	1,594.23
Total	$18,024.60

The total ($18,024.60) is $424.60 more than the contract ($17,600.00) allows.

By Amendment No. 8, the Operator was allowed the following:

Stage I

Shaft sinking 80 feet at $42.225/ft.	$3,378.00
Crosscutting 103 feet at $23.00/ft.	2,369.00
Drifting ? feet at $23.00/ft. plus ? feet timbering at $14.11/ft.	4,991.00
Crosscutting and drifting 99.577 feet at $23.00/ft.	2,290.27
Timbering 99 feet at $14.11/ft.	1,396.89

Stage II

Sinking 32 feet at $50.00/ft.	$1,600.00
Timbering 28 feet at $14.11/ft.	395.08
Direct Costs	1,594.23
Total	$18,014.47

The total ($18,014.47) is $414.47 more than the contract ($17,600.00) allows and is $10.13 less than the overage resulting from Amendment No. 7.

In other words, we found when using your figures as indicated by Amendment No. 7 the total was $424.60 over the contract. After additions and reductions in accordance with Amendment No. 8, we find the overage to be $414.47, or $10.13 less. Apparently, not only was an error made when Amendment No. 7 was drawn, but an additional error of $10.13 was made when restating the figures used in Amendment No. 7 in Amendment No. 8.

You will probably want to correct the error by an Amendment, or maybe you can think of some other way to do it.

Mr. Mavor and I have checked our figures but you may have another interpretation, in which event we will gladly "argue the case" with you.

H. G. MILLER

H. G. Miller for
S. Ricker
Executive Officer
DMA Field Team, Region III

Copy to: Roscoe Smith, USCS
George Mavor (2 copies)

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of [illegible], 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $[illegible] Government Participation: [illegible]% Amount, $[illegible]

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	[illegible]	[illegible]	[illegible]			
Bulldozing	[illegible]	[illegible]	[illegible]			
Crosscutting	[illegible]	[illegible]	[illegible]			
Drifting	[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
[illegible]	[illegible]	[illegible]	[illegible]			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		[illegible]	[illegible]			
(5) Initial Rehabilitation and Repairs	[illegible]	[illegible]	[illegible]			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	[illegible]	[illegible]	[illegible]			
Payroll Taxes	[illegible]	[illegible]	[illegible]			
Liability Insurance						
(8) Contingencies (specify):						
Less suspension per Final Report of Review				-502.11		
TOTALS	[illegible]	[illegible]	[illegible]	1108.96	14,605.06	[illegible]

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

Date [illegible] *Payee Aubrey Murray

Per [illegible] Title [illegible]

*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)

Includes $.01 additional to agree with Audit Report.

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

$831.73

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

Date DEC 9 1954 Vou. No. SF-DMEA-15

(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-E379 in accordance with the terms of the contract.

Signature R. C. Johnson Title Chief, Mining Div. Region III Date October 28, 1954.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date October 29, 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] 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
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	Unit Costs
Drifting	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Crosscutting	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Raising								
Shafts	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Winzes	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Drilling: Core								
Churn	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Auger	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		[illegible]	[illegible]	[illegible]				TOTAL COSTS AUTHORIZED BY CONTRACT
Loss operation [illegible]		[illegible]		[illegible]				[illegible]
Operating Equipment Purchased				[illegible]				[illegible]
Initial Rehabilitation and Repairs		[illegible]		[illegible]				[illegible]
New Buildings, Improvements, etc.		[illegible]		[illegible]				[illegible]
TOTAL COSTS		1100.00		[illegible] 15,000.00				[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 Aubrey Minnely

Per [illegible] 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

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

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
[illegible]

Administrative Audit Difference Statement

Date: [redacted]
Payee's
Reference: [redacted]

[redacted]

Dear Sir, [redacted]

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

Amount Claimed $ [redacted]

Difference $ [redacted]

Amount Approved $ [redacted]

The reason for the difference was due to:

[redacted]

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

DEPARTMENT OF
Mineral
RE
DEC 20 1954

AUDRAY MIGNAN
511 Archer Street
Salinas, California

Docket MLM-439 (Mercury)
Contract Im-437
Adobe Mine, Humboldt County, Nev.

PROGRESS REPORT - SEPTEMBER TO OCTOBER 18, 1954

Since my report of August 25, 1954, considerable time has been consumed in restoring the damage caused by fire, as outlined in the above narrative. A new hoist house has been built, portion of the headframe has been replaced, a new hoist, generator, electric drill, electric saw, and all necessary hand tools have been replaced.

Beyond restoring the mine to its normal operation, a surface crew was employed with bulldozer and dump truck to grade and build roads and grade retort furnace site. Areas around living quarters were cleared of brush and paved with calcine to eliminate fire hazard.

A 5,000-gallon redwood water tank has been erected with approximately 2,000 feet of distribution water line to the living quarters and mine placed.

At this time I am in the process of building a three-tube, 16-foot retort. It is expected that this furnace will be in operation within a period of three weeks. This furnace will be fired with two propane burners and will be capable of processing approximately two tons of ore in 24 hours.

All of the above-mentioned improvements and installations were deemed necessary in order that operations can be continued throughout the winter. It is intended that a three-man crew be maintained throughout the winter months in further exploring the ore lens and processing the ore.

Mining progress on the bottom level has advanced the winze to a depth of 32 feet along the ore lens. Square set timber has been placed for 20 feet. Thus far the ore lens has not made any material change. It consists of an ore body varying from a one- to three-foot width, to a three- to six-foot length. The ore value will run between 15 and 20 pounds per ton. There is approximately 50 tons of such ore stockpiled, underground and on the surface. It is believed that with this stockpile, along with selective mining in the winze, a sufficient supply will be maintained for furnace ore. Of course, it is hoped that future exploration will develop a more substantial ore deposit.

Should the ore lens, which is contained in a fracture of the dyke, take a more horizontal plane it is highly probable that a

ALBERT MINNEY
211 Archer Street
Salinas, California

substantial ore body will develop. At any rate, sinking will be employed so long as the operation will supply sufficient furnace ore for continual processing. In the event that this procedure allows the stocks to deplete, through hauling excessive waste materials, and timbering, a raise will be started on the ore lens above the bottom level where material can be obtained with considerably less effort. Finances at this time prevent a more concentrated effort. However, should the exploration on this property remain favorable or develop into larger ore findings, an expanded mining and processing operation would ensue by Spring or early Summer of 1955.

In computing my voucher, I find that there still remains in the contract $436.54 under "Actual Cost" items. Also, an amount of $1,293.67 remains under "Agreed Unit Cost". The amount for "Agreed Unit Cost" is in excess of the 3d foot of winze sinking, plus timbering, as specified in Amendment No. 6. I suggest that the remainder of this money be made available for additional winze sinking and timbering. The balance remaining in "Actual Cost" items is being submitted on my voucher, attached, for building the new hoist house. It is felt that since the building of the new hoist house was an absolute necessity in order to continue the work under the exploration contract, the Government should contribute to this expense.

A. Minney
A. Minney

EXPLANATION OF ITEMS ON FORM MP-104

6. New Buildings, Improvements, etc.

Build new 15 ft. by 20 ft. galvanized, corrugated sheet iron hoist house.

Labor -		$200.00	
Materials -	$103.56		
	2.00		
	4.55		
		110.11	
Fuel, generator		5.91	
Drayage (inc. wages, 1 man $16.00)		28.00	
			$412.02

7. Miscellaneous

Payroll Taxes			
Social Security, 4% of $224.00		$4.48	
Unemployment	2.7% " "	6.05	
		$10.53	
Liability Insurance, Rate 7.01		$15.70	
			$26.23
Total			$430.25
Amount submitted on Form MP-104			$430.54

Form M-404 (Rev.)
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Minerals Administration
RECEIVED SEP - 3 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

SEP 13 1954

Month of July, August, 1954 Docket No. DMEA 2455 Contract No. IC-0379
Operator's Name Aubrey Hinney Minerals Mercury
Address 511 Archer Street, Salinas, Calif.
Contract Amount, $ 17,000.00 Government Participation: 75% Amount, $ 13,200.00

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~~ Sinking	9.27	7,615	370.02			
~~Bulldozing~~ " -Mine	70.55	-	70.55			
Crosscutting		2,369.00	2,369.00			
Drifting	713.00	5,382.00	6,095.00			
Shaft Sinking	-	3,370.00	3,370.00			
Mine	150.00	-	150.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Misc. Min. equip.		114.90	114.90			
Rehabilitn.						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		870.97	870.97			
(5) Initial Rehabilitation and Repairs		150.38	150.38			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes		3.08	3.08			
Liability Insurance		17.56	17.56			
(8) Contingencies (specify):						
TOTALS	1032.32	13,042.74	14,075.06			

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

Date Aug. 25, '54 *Payee Aubrey Hinney
Owner

Per _____ Title _____

*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:

$ 1224.24

Signature _____
(Authorized Certifying Officer)

Date 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-E379 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Region III Date Sept. 2, 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 3, 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 ME-104A
(April 1952)

Budget Bureau No. 42-R1161
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR SEP 3 1954
Defense Minerals Administration

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED
SEP 13 1954

Month of July, Aug. 1954 Docket No. DMEA 2455 Contract No. Idm-2379
Operator's Name Aubrey Mimney Minerals Mercury
Address 511 Archer St., Salinas, Calif.

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.	713.00	31	6095.00	265	23/ft	273.57	6292.27
Crosscutting	ft.	-	-	2307.00	103	23/ft	103	2307.00
Raising								
Shafts	ft.	-	-	3370.00	80	42.225	80	3370.00
Winzes	ft.	750.00	15	750.00	15	50/ft	32	1600.00
Diamond Core								
Timber Mining Sets	ft.	90.77	7	876.82	62	14.11	139	1961.29
Auger	ft.	70.55	5	70.55	5	14.11	20	375.00
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1632.32	58	13537.37				Total Costs Authorized by Contract
Operating Equipment Purchased				114.90				120.00
Initial Rehabilitation and Repairs				987.19				1082.71
New Buildings, Improvements, etc.				155.60				311.52
						Misc.		100.00
Total Costs		1632.32		14695.06				1594.23

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 Aug. 25, 1954 Operator Aubrey Mimney
Aubrey Mimney
Owner

Per Title

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

AUBREY MINNEY
511 Archer Street
Salinas, California

RECEIVED
SEP 13 1954

Docket DMEA-2455 (Mercury)
Contract Idm-5379
McAdoo Mine, Humboldt County,
Nevada

PROGRESS REPORT FOR THE MONTHS OF JULY AND AUGUST, 1954

Mining operations at the McAdoo mine for the month of July and a part of August have progressed at a steady pace with the exception of some minor breakdowns and the replacement of some of the mining personnel.

On the afternoon of August 21, 1954, a major loss was incurred by fire, which destroyed the hoist house. This included the complete loss of hoist, one electric generator, two electric drills, two spare Wisconsin one-cylinder engines, one blower, and numerous hand tools, along with considerable mining essentials. An investigation of the incident failed to establish the cause of the fire. At the time of origin of the fire, two men were employed underground. The hoist man was at the time engaged in obtaining a set of socket wrenches from a pickup truck located at the living quarters about 400 yards away. Upon his return the entire structure was engulfed in flame, making the salvage of items impossible and fire-fighting ineffectual. No injuries were incurred by the fire; the two miners below-ground were able to make their exit safely.

At this time, a new hoist, generator, Skill saw and essential hand tools have been purchased. It is expected that operations will be resumed within one week.

Mining progress since my last report has consisted of drifting 31 feet, which completed the connecting of our drift with the McAdoo north drift. There were no commercial ore values along this drift, which was along the east side of the diabase dyke. There was, however, some good cinnabar showing in places along the route. It was necessary to install 5 feet of timber upon entering the old workings. Also, there was one-half set of timber placed at a point 14 feet back from the September 5, 1953 face, in ground which became aggravated by blasting. 2 feet of complete timbering is reported for the half set.

A 4-foot by 6-foot winze, in the clear of timber, was sunk on the ore lens to a depth of 15 feet. One complete square set of timber was placed in the winze, 5 feet reported. A timbered superstructure was installed over the winze to accommodate a gear-driven hand hoist for hoisting material from the winze.

The ore lens at this depth is of about the same value and dimension. It still stands at about 80°, and follows the side of the dyke to depth.

In conclusion, I would say that normal operations will be resumed very shortly with every effort being extended toward the termination of this project.

Aubrey Minney
Aubrey Minney

Form MG-104 (Rev.)
(April 195[illegible])

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 [illegible], 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $[illegible] Government Participation: [illegible]% Amount, $[illegible]

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	[illegible]	[illegible]	[illegible]			
Drifting	[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
[illegible]	[illegible]	[illegible]	[illegible]			
[illegible]						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		[illegible]	[illegible]			
(6) New Bldgs., Improvements, etc.		[illegible]	[illegible]			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes		[illegible]	[illegible]			
Liability Insurance		[illegible]	[illegible]			
(8) Contingencies (specify):						
TOTALS	[illegible]	[illegible]	[illegible]			

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

Date [illegible] *Payee Aubrey Mumley

Per [illegible] Title [illegible]

*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:

$1193 74

Signature Lloyd H. S[illegible]
Authorized Certifying Officer
(Authorized Certifying Officer)

Date JUL 20 [illegible] 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. Idm-E379 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Date July 7, 1954

A. C. Johnson Region III

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Date July 8, 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-161A
(April 1952)

Budget Bureau No. 42-R1161
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

JUL 8 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
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	Unit Costs
Drifting	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Crosscutting	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Raising								
Shafts	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL DISTRIBUTED COSTS		[illegible]	[illegible]	[illegible]				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		[illegible]	[illegible]	[illegible]				[illegible]
Initial Rehabilitation and Repairs		[illegible]	[illegible]	[illegible]				[illegible]
New Buildings, Improvements, etc.		[illegible]	[illegible]	[illegible]				[illegible]
						[illegible]		[illegible]
TOTAL COSTS		[illegible]		[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 Aubrey Mumley
[illegible]

Per [illegible] Title [illegible]

REMARKS: [illegible]

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

AUBREY MINNEY
511 Archer Street
Salinas, California

Docket Idm-2452 (Mercury)
Contract Idm-2379
McAdoo Mine, Humboldt County,
Nevada

PROGRESS REPORT FOR THE MONTH OF JUNE, 1954

Operations were resumed at the McAdoo Mine on May 26, 1954. A new hoist and hoist engine was purchased to replace the badly worn old equipment. Actual mining was started on May 29, 1954, with the aid of one miner, one hoist man, a cook and myself.

Ground-breaking operations were started at a point approximately 10 feet back from the face of the drift where work was terminated September 5, 1953. This margin was allowed for the installation of a switch which would permit the use of two tram cars and expedite the disposal of waste material. At the above-mentioned 10-foot point the dyke was crosscut from the west side to the east side as described in my letter of February 7, 1954. A diagonal crosscut of approximately 16 feet was required to reach the east side of the dyke, at which point drifting was continued to the south along the dyke for an additional 25 feet. At this point the dyke terminated in what I consider a sheer fault which was displaced to the east.

At the termination of the dyke it was necessary to drop back some 6 feet and side-swipe with two 4-foot rounds and angle at about S. 28° W., in order to stay in contact with the dyke, and also to permit a gradual curve for tramming. In breaking the third round across the faulted end of the dyke, an ore lens was encountered containing a high grade of cinnabar. The lens is some three to four feet wide and stands at about 80 degrees. It appears also that it may continue to the west in unexplored ground.

Thus far no attempts have been made to determine the extent or size of the ore body. I am at this time drifting diagonally south 28° west in order to hole through to the old McAdoo workings, as stipulated in my contract. It is estimated that it will take about 15 days to connect with the old McAdoo north drift, on our level.

It is my recommendation that the remainder of the money in this project be made available to explore the discovered ore lens, both by sinking and by raising. I believe that the ore body will enlarge and be further enriched at greater depth, possibly in the flat fault area below our present level. Also I believe that a commercial ore body will develop in the flat fault area above. I am sure that in your inspection of the discovery you will find considerable merit for such a plan.

I would suggest in the above recommendation that a raise be started first to prevent blasting in the close vicinity of the winze superstructure after installation. Timbering of course will

AUBREY MINNEY
511 Archer Street
Salinas, California

be necessary in both raising and sinking. A two-compartment raise with timbered manway should be considered to conform with the Nevada mining law which specifies such construction when raising over 45°. Beyond the approval of raising and sinking, consideration should be given to horizontal mining, both in the raise and sinking operations in order to follow important leads or ore bodies.

During the period May 26, 1954, to June 25, 1954, the underground drift has been extended 60 feet. One 5-foot section of timbering was placed approximately 35 feet back from the September 5, 1953 face. This location became heavy after blasting operations of this year and was considered unsafe. A great deal of time was required in getting under way this year, in the installation of the new hoist and engine, adjustments, and changes in hoisting operations, and general underground cleanup. At this time the operation is running well, equipment and mine workings are in good shape and running smoothly.

Your early decision on my recommendations would be appreciated in order that mining may continue uninterrupted.

Aubrey Minney
Aubrey Minney

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

Budget Bureau No. [illegible]R1036.3.
Approval expires 6-3[illegible]-53.

ACCOUNTS SEP 18 1953

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

Month of [illegible] 1953 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $[illegible] Government Participation: [illegible] % Amount, $[illegible]

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 Contracts:						
Drilling						
Bulldozing						
Crosscutting	[illegible]	[illegible]	[illegible]			
Drifting	[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
[illegible]	[illegible]	[illegible]	[illegible]			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		[illegible]	[illegible]			
(5) Initial Rehabilitation and Repairs		[illegible]	[illegible]			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes		[illegible]	[illegible]			
Liability Insurance		[illegible]	[illegible]			
(8) Contingencies (specify):						
TOTALS	[illegible]	[illegible]	[illegible]			

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

Date [illegible] *Payee [illegible]

Per [illegible] Title [illegible]

*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:

$1380.00

Signature [illegible]
(Authorized Certifying Officer)

Date SEP 21 1953 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. 1[illegible]-1339 in accordance with the terms of the contract.

Signature R. C. Johnson R. C. Johnson Title Chief, Mining Div. Region III Date Sept. 16, 1953.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Ricker for H. C. Miller Title Executive Officer DMEA Field Team Region III Date Sept. 17, 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

ACCOUNTS SEP 18 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals Mercury
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]	[illegible]	[illegible]
Crosscutting	[illegible]	-	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Raising								
Shafts	[illegible]	-	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	[illegible]	-	-	[illegible]		[illegible]		[illegible]
Total Distributed Costs		[illegible]	[illegible]	[illegible]				Total Costs Authorized by Contract
[illegible]		-	-	[illegible]				[illegible]
Operating Equipment Purchased		-	-	[illegible]				[illegible]
Initial Rehabilitation and Repairs		-	-	[illegible]				[illegible]
New Buildings, Improvements, etc.		-	-	[illegible]				[illegible]
Total Costs		[illegible]		[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 Aubrey Mining Co.

Per _____ Title _____

Remarks: [illegible]

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

AUBREY MINNEY
511 Archer Street
Salinas, California

Docket DMEA-2455 (Mercury)
Contract Idm-E379
McAdoo Mine, Humboldt County, Nevada

PROGRESS REPORT FOR THE MONTH OF SEPTEMBER, 1953

In this final report of Stage No. 1 of my Contract Idm-E379, Docket No. DMEA-2455, at the McAdoo Mine, Humboldt County, Nevada, the following complete summary and description of the project will apply as to the general status of the operation.

Terms of the contract have been carried out to the extent that the headframe and hoist house have been erected, with hoisting equipment and other incidental mining gear on hand. An 80-foot, two-compartment fully timbered shaft has been sunk. A crosscut has been completed from the shaft station for a distance of 103 feet, at which point drifting along the dyke was employed for 174 feet. A total of 50 feet of timbering has been installed, square set method, with 2-inch by 12-inch lagging encasement. A 6-inch ventilation line, air line, water line, and pump line have been extended throughout the underground workings. A 3-foot by 6-foot timbered sump was placed in the drift for de-watering purposes.

The mining progress since my last report has extended the drift a distance of 80 feet. About 60 feet of this drift has been through volcanic country rock, with the remaining 20 feet being along the west side of the dyke.

Minerals have been found in a very sparce degree only in the dyke cleavage in the portion of dyke at the face of the crosscut. In relocating the fractured portion of dyke, beyond the fault shear area, the dyke carried cinnabar in the seams to a greater degree. In either case, the minerals have not been of commercial values.

I would be glad to submit any further information which you may regard as pertinent to the project.

Aubrey Minney
Aubrey Minney

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 AUG 25 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July - August, 1953 Docket No. DMEA 485 Contract No. Idm-379
Operator's Name Aubrey Minnow Minerals Tungsten
Address 311 Alvarado Street, Salinas, California
Contract Amount, $ 17,600.00 Government Participation: 75 % Amount, $ 13,200.00

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	--	2,365.00	2,365.00			
Drifting	1,311.00	1,121.00	2,430.00	1035.00	1127.00	2162.00
Shaft Sinking	--	3,374.94	3,374.94			
(2) Labor and Supervision: Operating only	705.50	--	705.50	564.40		564.40
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Misc. operating mat'ls & supplies, Total	--	114.96	114.96			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	--	970.97	970.97			
(6) New Bldgs., Improvements, etc.	--	150.30	150.30			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	--	3.88	3.88			
Liability Insurance	--	17.50	17.50			
(8) Contingencies (specify):						
TOTALS	2,016.50	8,031.68	10,048.18	1599.40	8031.68	9631.08

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

Date 8/12/53 *Payee Aubrey Minnow
Aubrey Minnow
Per _____ Title owner

*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:

$ 1199.55

Signature _____ (Authorized Certifying Officer)
Date AUG 25 1953 Vou. No. SF-DMEA-8
(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-E379 in accordance with the terms of the contract.

Signature R. G. Johnson Title Chief, Mining Div. Region III Date August 21, 1953.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date August 24, 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-1044
(April 1952)

Budget Bureau No. [illegible]
Approval expires 6-30-[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS AUG 25 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
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	Unit Costs
		1035.00	45	2162.00	94			
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails		564.40	40	564.40	40			
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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 8/17/53 Operator Aubrey Wilson

Per [illegible] Title [illegible]

REMARKS: [illegible]

→ 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

AUBREY MINNEY
511 Archer Street
Salinas, California

Docket DMA-2455 - Mercury
Contract Idm-2379
Meadoo Mine, Humboldt County,
Nevada

PROGRESS REPORT FOR MONTHS OF JULY AND AUGUST

Work has been resumed following the approval of additional unit cost for timbering heavy ground where necessary.

Waste materials have been cleared from caved underground areas, and timbers have been installed by square set method with collar sets and mud sills. Square sets have been encased by use of 2" x 12" lagging to avoid further sloughing. A 3' x 3' x 6' length timbered sump has been placed so as to retain water near the fault area. Water line and pump have been installed and pump is being operated daily.

Drifting along the dike from the shaft crosscut has advanced through the fault area into a solid material which does not require timber for the time being. A 15-degree turn to the east has been placed in the drift just beyond the fault zone in an attempt to locate the displaced section of dike. This course has been maintained for 27 feet, at which point the drift was again straightened to its former alignment, which parallels the dike.

Materials encountered have been volcanic rock and rhyolite. The dike thus far has carried very little cinnabar, all of which has been in the calcite seams and of no commercial value. It is thought that upon locating the faulted blocks of dike to the east they will be altered and mineralized with cinnabar contents. Additional fault zones are expected along this course which in former history and characteristics of this property have been productive.

A. Minney
A. Minney

COPY

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

DEPARTMENT OF THE INTERIOR
Bureau of Mines
RECEIVED
AUG 31 1953

Administrative Audit Difference Statement

Date: August 26, 1953
Payee's Reference: Contract E 379
Docket No. 2455
Aubrey Minney, McAdoo Mine
Humbolt County, Nevada

Aubrey Minney
511 Archer Street
Salinas, California

Dear Sir:

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

Amount Claimed	$ 2,016.50
Difference	$ 417.10
Amount Approved	$ 1,599.40

The reason for the difference was due to: Costs for footages in drifting and timbering in the frift which are in excess of those measured in connection with a transit survey made at the mine on August 18, 1953. The total units of additional work completed for which payment is allowable is as follows:

Drifting (from 49 to 94 feet) total 45' @ $23.00 a foot	$1,035.00
Timbering (where necessary) total 40' @ $14.11 a foot	564.40
Total allowable as of 8/18/53	$1,599.40

M.F. 104 covering the months of July and August, 1953 has been passed for payment in the amount of $1,199.55 which is 75% of $1599.40.

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

Very sincerely yours,

L. H. SJOLANDER
L. H. Sjolander
Chief, Budget and Finance Branch
Region III

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED M[illegible] 2 1953
ACCOUNTS MAY 4 1953

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Feb. to Apr. 24, 1953, inc. Docket No. DMEA 2455 Contract No. Idm-2379
Operator's Name Aubrey Minney Minerals Mercury
Address 119 Cayuga Street, Salinas, California
Contract Amount, $17,600.00 Government Participation: 75 % Amount, $13,200.00

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 Contracts:						
Drilling						
Bulldozing						
Crosscutting	759.00	1,610.00	2,369.00			
Drifting	1,127.00	-	1,127.00			
Shaft Sinking	-	3,377.99	3,377.99			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Misc. cooking equip. & household furn.	-	114.90	114.90			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	-	870.97	870.97			
(6) New Bldgs., Improvements, etc.	-	150.38	150.38			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	-	3.88	3.88			
Liability Insurance	-	17.56	17.56			
(8) Contingencies (specify):						
TOTALS	1,886.00	6,145.68	8,031.68			

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

Date 4/22/53 *Payee Aubrey Minney
Per Aubrey Minney Title Owner

*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:

$1414.50

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

Date MAY [illegible] 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. [illegible] in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div., Region III Date April 29, 1953.

APPROVAL BY REGIONAL EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date April 30, 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.

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

ACCOUNTS MAY 4 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Defense Minerals Administration
RECEIVED
MAY 22 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Feb. 00 April 05 24, '53, 200 Docket No. DMEA 2,55 Contract No. Ic-379
Operator's Name Aubrey Minney Minerals Mercury
Address 119 Sixth Street, Baldwin, Calif.

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.	1127.00	49 Ft	1127.00	49 Ft.	23.00	217	4991.00
Crosscutting	Ft.	759.00	33 "	2367.00	103 "	23.00	103	2367.00
Raising								
Shafts	Ft.	-	-	3377.99	00 "	42.225	00	3370.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1886.00	82 Ft.	6874.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		None		114.90				160.00
Initial Rehabilitation and Repairs		"		867.19				1002.71
New Buildings, Improvements, etc.				155.00				311.52
						Misc.		100.00
TOTAL COSTS		1886.00		8031.00				1574.23

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 4/27/53 Operator Aubrey Minney
Aubrey Minney
Per Title Owner

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

AUBREY MINNLY
119 Cayuga Street
Salinas, California

Docket DMEA-2455 - Mercury
Contract Idm-E379
McAdoo Mine, Humboldt
County, Nevada

PROGRESS REPORT FOR FEBRUARY TO APRIL 24, 1953, INCLUSIVE

Emplorationwork thus far has extended the crosscut of the 80-foot level southwest of the shaft a total of 103 feet, 33 feet of which is being submitted under this report.

The diabase dike was encountered at the 100-foot margin of the crosscut, at which point drifting along the east side of the dike was employed.

Total work completed this report: Crosscut: 33 feet; drift: 49 feet.

The materials throughout the crosscut consisted mostly of rhyolite or volcanic rock. The diabase dike was explored to a depth of 3 feet by means of crosscut and 9 feet by drill hole. The diabase dike proved to be 12 feet thick at the west workings of the crosscut. The dike cleavage contained cinnabar in a very sparse degree, which is characteristic of the old McAdoo Mine. The drill hole beyond the dike encountered a slight mud material; also rhyolite was prevalent to a depth of 4 feet. No trace of cinnabar was obtained from the panning of this drill hole.

The drift along the east side of the dike has exposed a fault at approximately 35 feet south of the crosscut. It appears at this point that the dike has completely sheared off and has displaced itself to the east. This evidence is based on the prescence of minute pieces of dike in the fault area east of the drift.

It is planned, with your concurrence, that in further extending this course a slight bearing to the east should be employed in hopes of contacting the displaced portions of dike. It is also planned to explore to the east with 8- and 12-foot drill holes as work progresses.

We have been experiencing a very difficult time since encountering the fault area. Water, which is considered surface seepage, has caused the ground to cave and become heavy. The water volume is not serious in itself, but it has incurred timbering along its course in the crosscut and drift due to its softening the ground. We are at this time timbering several feet along the present open workings in order to hold the ground.

It is obvious that further exploration work will involve timbering and full oncasement with lagging so long as the present conditions exist. I expect in the near future to submit a full, detailed report of this problem.

A. Minnly

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

1958 APR 30 AM 11:35

SAN FRANCISCO, CALIFORNIA

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
MAR 16 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January, 1953 Docket No. DMEA 2055 Contract No. [illegible]
Operator's Name Aubrey Minnly Minerals Monazite
Address [illegible]
Contract Amount, $17,000.00 Government Participation: 75% Amount, $13,500.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	702.00	828.00	1,530.00			
Drifting						
[illegible]	None	3,377.92	3,377.92			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Misc. [illegible]	-	221.50	221.50			
[illegible]	-					
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	-	[illegible]	[illegible]			
(6) New Bldgs., Improvements, etc.	-	290.30	290.30			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	-	3.00	3.00			
Liability Insurance	-	17.50	17.50			
(8) Contingencies (specify):						
TOTALS	702.00	5,363.60	6,115.60			

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

Date 3/10/53 *Payee Aubrey Minnly

Per _____ Title Owner

*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:

$ 586.50

Lloyd H. Sjolander
Authorized Certifying Officer

Signature _____
(Authorized Certifying Officer)

MAR 24 1953
Date _____ Vou. No. SF-DMEA-38

(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 March 12, 1953.
A. C. Johnson Region III

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Date March 16, 1953
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.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
April 1952

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

ACCOUNTS MAR 16 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1953 Docket No. DMEA 2455 Contract No. Idm-5379
Operator's Name Aubrey Minney Minerals Mercury
Address 119 Cayuga Street, Salinas, California

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Foot	-						
Crosscutting	Foot	782.00	34 Ft.	1610.00	70 Ft.	23.00	70 Ft.	1,610.00
Raising								
Shafts	Foot	-	-	3377.97	80 Ft.	42.225	80 Ft.	3,378.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		782.00	34 Ft.	4,987.97				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		None		114.90				120.00
Initial Rehabilitation and Repairs		"		887.19				1,062.71
New Buildings, Improvements, etc.		"		155.60				311.52
							31 sc.	100.00
TOTAL COSTS		"		6,157.07 6,145.68				1,594.23

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 3/10/53 Operator Aubrey Minney

Per Title Owner

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

Docket [illegible]-2[illegible] - Forcury
Contract Ic[illegible]-237,
Mendon Mine, Lawrence County,
Nevada

Monthly Report for the Months of December and January

During the months of December and January there has been very little progress by the contractor, Roy Dorman. The weather during this period has been severe and mining conditions, water level for the most part were severe, with a underground machine work very difficult. Housing is not good during severe weather. The contractor has, on several occasions, been forced to abandon operations.

Progress that has been completed has been as follows, to wit, 24 lineal feet, including small timbering. Drift guides are about finished. The operations are now completed to 70 feet.

Portions of ore material has been encountered, with gold results from the sampling. It is thought that the lode of the prospect is in the immediate vicinity of the ore. The general material has been mostly rhyolite, with small portions of quartz and calcite.

Operations will commence on a split-time basis on each lode, and it is expected that we can produce ore in approximately days a week.

A. Nimmey
A. Nimmey

[illegible]

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

1953 MAR 13 AM 9:10

SAN FRANCISCO, CALIFORNIA

March 12, 1953.

Memorandum

To: Mr. H. C. Miller, Executive Officer, DMEA Field Team Region III

From: Chief, Mining Division, Region III

Subject: MF-104 -- McAdoo Mine -- Ldc-2379

Enclosed are four copies each of MF-104 form, MF-104A form and narrative report submitted by Mr. Aubrey Murray, owner of the above captioned property, covering expenses incurred under Contract Ldc-2379.

The forms indicate that charges were incurred only in January, however, the narrative report covers December and January. Last report submitted covered the months of October and November and there has been no claim presented in the interim. Amounts shown in column "Totals previously Reported" (on the enclosures) bears out the fact that a claim was not forwarded for December.

The form has been approved for processing by your office.

A. C. Johnson

Encls.

SEP MINERALS CORPORATION
MAR 13 11 5:03
DMEA
REGION III
BUREAU OF MINES
DEPARTMENT OF INTERIOR

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

1983 MAR 13 AM 9:09

SAN FRANCISCO, CALIFORNIA

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 23 1952

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

Month of [illegible], 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $ [illegible] Government Participation: [illegible] % Amount, $ [illegible]

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	[illegible]	[illegible]	[illegible]			
Drifting						
[illegible]	[illegible]	[illegible]	[illegible]			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
[illegible]	[illegible]	[illegible]	[illegible]			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	[illegible]	[illegible]	[illegible]			
(5) Initial Rehabilitation and Repairs	[illegible]	[illegible]	[illegible]			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	[illegible]	[illegible]	[illegible]			
Liability Insurance	[illegible]	[illegible]	[illegible]			
(8) Contingencies (specify):						
TOTALS	[illegible]	[illegible]	[illegible]			

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

Date [illegible] *Payee Aubrey Mummey

Per [illegible] Title [illegible]

*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:

$1096.03

A. J. Ronner
Signature Authorized Certifying Officer
(Authorized Certifying Officer)

Date DEC 17 1952 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. Idm-E379 in accordance with the terms of the contract.

Signature George H. Holmes, Jr. Title Mining Methods Research Engineer Date 12/10/52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. Miller Title Executive Officer Field Team Region II Date Dec. 15, 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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 23 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Nov. 195 Docket No. DMEA [illegible] Contract No. [illegible]
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								
Crosscutting	[illegible]	[illegible]	36 [illegible]	[illegible]	36 [illegible]	[illegible]	[illegible]	1,620.00
Raising								
Shafts	[illegible]	633.37	35 [illegible]	3,370.[illegible]	[illegible]	[illegible]	[illegible]	3,370.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		[illegible]	[illegible]	[illegible]				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		[illegible]		[illegible]				[illegible]
Initial Rehabilitation and Repairs		[illegible]		[illegible]				[illegible]
New Buildings, Improvements, etc.		[illegible]		[illegible]				[illegible]
						[illegible]		[illegible]
TOTAL COSTS		[illegible]		[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 ____ Title [illegible]

REMARKS [illegible]

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

Docket [illegible]-455 (Mercury)
Contract [illegible]-2379
Meadow Mine, Humboldt County,
Nevada

Weekly Report for the Month of October 1943

The shaft has been completed, to a depth of 80 feet. The entire depth of the shaft has been fully timbered, including shaft station.

Crosscutting has been completed to 30 feet. It is expected that the vein will be reached within the next 40 feet.

The crosscut thus far has not necessitated the use of timber.

Tram track has been extended to the face of the crosscut.

Materials encountered during this project have consisted mostly of rhyolite, with portions of quartz and calcite prevalent.

No cinnabar results have been obtained from any of the workings. No materials were assayed as there were no evidence of minerals. However, such results were not to be expected at this distance from what is considered to be the ore-bearing zone.

We have experienced recently several reverses account of weather conditions which have incurred a considerable amount of lost time. Freezing temperatures have caused a work stoppage in some instances.

Work is being continued, and it is expected that the crosscut will be completed during the month of December.

A. Minnes
A. Minnes

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
1012 Flood Building
870 Market Street
San Francisco 2, California

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 14 1952

November 13, 1952

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

Re: Contract No. Idm-E379
Docket No. DMEA-2455
Aubrey Minney (Mercury)

Dear Mr. Chambers:

Reference is made to letter dated November 6, 1952 written by Mr. E. D. Talbert in connection with subject contractor's September 1952, Form MF-104.

Mr. Talbert questioned the necessity of requiring the approval of subcontract for work being performed under this contract as he thought it was not necessary under the terms of the contract and called my attention to the instructions under Item (1) on reverse side of MF-104 as follows:

"Under Item (1) ***. Also, report work paid for on a unit basis under contract Form MF-200 as though it was performed under an independent contract."

The question of interrogation of contract terms was brought about by Mr. H. C. Miller's letter dated October 30, 1952, to the contractor wherein he had requested that a copy of independent contract be submitted for approval.

In discussing the contract terms with Mr. H. C. Miller, he stated that he did not mean to include me as one of the auditor's that had requested the approval of subcontract, but had in mind his own audit staff. In the meantime the September MF-104 was paid November 5, 1952, and the subcontract has been received for approval. Mr. Miller agrees that he possibly should not have requested the contractor to submit his subcontract for approval, however, in view of the sequence of events he feels that no further action should be taken by him.

Sincerely yours,

George Mavor

George Mavor
Auditor

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

NOV 6 1952

Air Mail

Mr. George Mavor
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Contract No. Idm-E379
Docket No. DMEA-2455
Aubrey Minney (Mercury)

Dear Mr. Mavor:

This letter is being addressed to you on the premise that possibly you are included in the "auditors" referred to in the attached copy of a letter, dated October 30, 1952, addressed by Mr. Miller to the Operator of the subject project.

The Exploration Project Contract involved is, in effect, a combination of the short and long form contracts. It provides for contribution by the Government:

(a) on the basis of actual cost as set forth in Article 6 of the contract insofar as the preparatory work (i. e., the initial rehabilitation and repairs, the new installations, rental of a house, and purchase of cooking equipment and household furnishings) is concerned; and

(b) on the basis of the agreed estimated unit costs per foot, as they accrue, for units of work actually performed in lieu of actual costs for the actual exploratory work (i. e., the sinking, drifting, crosscutting and raising).

From an audit standpoint we are not concerned with the actual costs of the underground work or how they were incurred, since payment is to be made on the basis of the footage rates indicated in Exhibit "A" of the contract for the work actually performed.

Instructions for reporting these costs at footage rates appears on the reverse of the MF-104 as follows:

"Under Item (1) ****. Also, report work paid for on a unit basis under Contract Form MF-200 as though it was performed under an independent contract."

It appears, therefore, that the Operator probably has prepared his September Form MF-104 correctly.

It is suggested that you review the file on this project and then consult with the Executive Officer and the Certifying Officer. It may be desirable for Mr. Miller to withdraw his letter to the Operator.

Sincerely yours,

(Signed) E. D. Talbert

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

Attachment

EDTalbert/wb
November 6, 1952

Copy to: Docket
Admr. Reading File
Mr. Ellis
Mr. Talbert

Office of
Executive Officer
DMEA Field Team
Region III

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

1012 Flood Bldg.
870 Market St.
San Francisco 2, Calif.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

October 30, 1952

Mr. Aubrey Minney
119 Cayuga Street
Salinas, California

Contract Idm-E379
Docket DMEA-2455 (Mercury)
McAdoo Mine, Humboldt County, Nev.

Dear Mr. Minney:

Our auditors have called my attention to your September Operator's Unit Cost and Progress Report and to your September Operator's Monthly Report and Voucher wherein you have indicated your shaft sinking costs based upon an independent contract.

Inasmuch as your contract dated July 31, 1952, under Exhibit "A" Scheduled Actual Costs (in Stage 1 only) specifies that there are to be no independent contracts, the Government may refuse to participate in the cost thereof until Government approval has been given. Therefore, as written approval by the Government of your independent contract is required according to Article 4 (b) of the contract, kindly furnish this office as soon as possible with six copies of your independent contract for sinking your shaft, cross-cutting and drifting under your contract.

Sincerely yours,

H. C. Miller

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Copy to: DMEA, Washington, D. C.
E. H. Bailey, USGS
A. C. Johnson, Reno

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 12 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September 1952 Docket No. DMEA 2455 Contract No. IOC-A379
Operator's Name Aubrey Minnoy
Address 119 Cayuga St., Salinas, California Minerals Mercury
Contract Amount, $17,600.00 Government Participation: 75% Amount, $13,200.00

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 Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Shaft Sinking	2,744.62	None	2,744.62			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Misc. cooking equip. & household furniture	-	114.90	114.90			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	-	870.97	870.97			
(6) New Bldgs., Improvements, etc.	-	150.38	150.38			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	-	3.88	3.88			
Liability Insurance	-	17.56	17.56			
(8) Contingencies (specify):						
TOTALS	2,744.62	1,157.69	3,902.31			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Oct. 12, '52 *Payee Aubrey Minnoy
Per _____ Title Owner

*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:
$2058.46

A. J. Renner
Signature _____ 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. [illegible]379 in accordance with the terms of the contract.

Signature R. C. Johnson Title Chief, Mining Div., Region III Date October 14, 1952.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team, Region III Date October 15, 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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 12 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1952 Docket No. DMEA 2455 Contract No. Idm-2379
Operator's Name Aubrey Minney Minerals Mercury
Address 119 Cayuga St., Salinas, California

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								
Shafts	Feet	2,744.62	65 Ft.	2,744.62	65 Ft.	42.225	80 Ft.	3,378.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2,744.62	65 Ft.	2,744.62				TOTAL COSTS AUTHORIZED BY CONTRACT
Household Operating Equipment Purchased		None		114.90				120.00
Initial Rehabilitation and Repairs		None		887.19				1062.71
New Buildings, Improvements, etc.		None		155.60				311.52
							Misc.	100.00
TOTAL COSTS		None		1157.69				1594.23

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. 12, 1952 Operator Aubrey Minney
Aubrey Minney
Per Title Owner

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

Docket DMEA-2455 (Mercury)
Contract I[illegible]m-5379
McAdoo Mine, Humboldt County, Nevada

PROGRESS REPORT FOR THE MONTH OF SEPTEMBER

The work during the month of September has consisted entirely of shaft sinking. The shaft has been completed to a depth of 65 feet. The entire depth of the shaft has been fully timbered.

Materials encountered during this project have consisted mostly of rhyolite, with portions of quartz and calcite also prevalant in the conglomerate.

No cinnabar results have been obtained from any of the pannings. No materials were assayed as there were no evidence of minerals. However, such results were not to be expected as the shaft is being sunk at a location which is diverged by a margin of 50 feet from what is considered to be the ore-bearing zone.

Work is being continued and it is expected that full depth of the shaft will be completed by about November 17.

No particular difficulties have been encountered. However, there are indications from damp materials that water may be expected within a short distance, but probably not before the shaft depth of 80 feet is reached.

A. MINNAY

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires [illegible]

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 17 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of [illegible], 195[illegible] Docket No. DMEA 455 Contract No. Ion-[illegible]
Operator's Name [illegible] Minerals Mercury
Address [illegible] 4th St., Winnemucca, Nevada
Contract Amount, $17,000.00 Government Participation: 75 % Amount, $13,000.00

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						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
[illegible]	114.90	None	114.90			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	670.97	None	670.97			
(6) New Bldgs., Improvements, etc.	150.30	None	150.30			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	3.00	None	3.00			
Liability Insurance	17.50	None	17.50			
(8) Contingencies (specify):						
TOTALS	1057.67	None	1057.67			

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

Date 9-17-52 *Payee Aubrey Lamoy
owner

Per _____ Title _____

*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:

$868.27

T. Y. RENNER

Signature _____
(Authorized Certifying Officer)

Date 10/10/52 Vou. No. DMEA-20

(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 H. C. Miller Title Executive Officer DMEA Field Team Region III Date Sept. 25, 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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 17 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1952 Docket No. DMEA 2455 Contract No. Idm-E379

Operator's Name Aubrey Minney Minerals Mercury

Address 221 E. 4th St., Winnemucca, Nevada

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								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Household								
Operating Equipment Purchased		114.90		114.90				120.00
Initial Rehabilitation and Repairs		887.19		887.19				1062.71
New Buildings, Improvements, etc.		155.60		155.60				311.52
							Misc.	100.00
TOTAL COSTS		1157.69		1157.69				1594.23

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 9-17-52 Operator Aubrey Minney

Per Aubrey Minney Title Owner

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

Docket DMEA-2455 (Mercury)
Contract dm-E379
McAdoo Mine, Humboldt County, Nev.

PROGRESS REPORT FOR THE MONTH OF AUGUST

An area of approximately 30' x 70' was graded and leveled on a sidehill at the site of the new shaft. The grade required a cut of from 2' to 3' to permit the construction of headframe and hoist house.

A 5' x 5' x 12' high headframe was constructed.

The shaft at the time of this report has been completed to a depth of 30'. The first 3 sets of timber, spaced at 5' intervals, are constructed from 6" x 8" timber. The balance of sets are of 6" x 6" timber. The entire depth of the shaft is lagged solid with 2" x 12" timber.

Skip-way dimensions are 48" x 48" in the clear. Manway dimensions are 18" x 48" in the clear.

Materials encountered in sinking the shaft consisted of 6' of earth over-burden; the balance was mostly rhyolite, with what is thought to be minor portions of diabase dike material. Minor portions of quartz and calcite were also prevalent in the conglomerate. Iron oxydization was encountered throughout the depth of the shaft in the rhyolite material.

No cinnabar results have been obtained from any of the pannings; no material was assayed, as there has been no evidence of minerals. However, such results were not to be expected as the shaft is being sunk at a location which is divorced by a margin of 50' from what is considered to be the ore-bearing zone.

Items referred to as "Scheduled Actual Costs" under the contract have been to a great extent completed, and lists of costs are attached.

During the entire progress of this project I have tried repeatedly to engage help, without success. Although the mining wage offered is the standard rate, it is believed that the availability of work by large, well-established mining concerns, and more convenient and comfortable living quarters, were the factors involved in being unable to employ help. However, this situation will be pursued persistently.

The above condition has incurred an average 14-hour shift, 7 days per week, for both the hoist man and myself, with no thought by either of reimbursement. It has been our desire to diligently conform and restrict ourselves to the time limitations and all other agreements of the contract.

It is hoped that this report contains the information desired. I shall be glad to furnish any further information which may be necessary.

A. Minney 9-1-52
A. Minney

EXPLANATION OF ITEMS LISTED ON FORM MF-104

(5) Rehabilitation and Repairs

(a) Dismantle existing hoist house and reconstruct hoist house at new shaft site.

Labor and Supervision:				
Hoist Man	3 days @ $12.80	$38.40		
Cook	4 days @ $ 7.50	30.00		
			$68.40	
Superintendent	3½ days @ $16.666			
Labor	35 hours	$48.61		
Supervision	7 hours	9.72		
			58.33	
				$126.73
Materials and Supplies:				
Drag Line Bucket			$49.35	
10 Lbs. Nails			2.00	
				51.35
Transporting of Materials:				
Transporting of salvaged timber and materials from Winnemucca to McAdoo Mine - used in construction of hoist house. (Materials not charged to project.)			$50.00	
Rental of 3/4-ton truck 3½ days @ $5.00			17.50	
Gasoline for rented truck 3 gal. @ $0.33			.99	
				68.49
Depreciation on operator-owned equipment 3½ days @ $0.31				1.09
		Total Cost		$247.66

(5) (b) Construct 5' x 5' x 14' high headframe at new shaft site.

Labor and Supervision:				
Hoist Man	3 days @ $12.80	$38.40		
Cook	3½ days @ $ 7.50	26.25		
			$64.65	
Superintendent	4½ days @ $16.666			
Labor	46 hours	$63.89		
Supervision	8 hours	11.11		
			75.00	
				$139.65
Materials and Supplies:				
Angle Iron			$33.78	
2 Pulleys			1.00	
2 pc. 6" x 8" x 14' - Rgh.			13.44	
				48.22
Transporting of Materials:				
Transporting of salvaged timber and materials from Winnemucca to Mendoo Mine - used in construction of headframe. (Materials not charged to project.)			$75.00	
Rental of 3/4-ton truck 4½ days @ $5.00			22.50	
Gasoline for rented truck 1 gal. @ $.33			.33	
				97.83
Depreciation on operator-owned equipment 4 days @$.31				1.24
		Total Cost		$286.94

(5) (c) Purchase one three-room house on site for living quarters, and repair for living condition.

Labor and Supervision:				
Hoist Man	3 days @ $12.80	$38.40		
Cook	3½ days @ $ 7.50	26.25		
			$64.65	
Superintendent	3½ days @ $16.666			
Labor	35 hours	$48.61		
Supervision	7 hours	9.72		
			58.33	
				$122.98
Materials and Supplies:				
Lumber (Majority of materials used salvaged from grounds; and paint on hand.)				4.48
Transporting of Materials:				
Rental of 3/4-ton truck 3½ days @ $5.00			$17.50	
Gasoline for rented truck 4 gal. @ $.33			1.32	
				18.82
Depreciation on operator-owned equipment 3½ days @$.31				1.09
Purchase of house				150.00
		Total Cost		$297.37

(5) (d) Initial repairs to hoist.

It was found that during the winter months water had entered the cylinders and froze the pistons to the cylinder walls.

Cost of Repairs	$ 39.00
Total Page 3	$336.37
Total Page 2	286.94
Total Page 1	247.66
Total Costs Charged to Item (5)	$870.97

(6) Improvements

(a) Clean out and timber well, and repair pump house.

Labor and Supervision:				
Hoist Man	3 days @ $12.80	$38.40		
Cook	3 days @ $ 7.50	22.50		
			$60.90	
Superintendent	3 days @ $16.666			
Labor	30 hours	$41.67		
Supervision	6 hours	8.33		
			50.00	
				$110.90
Materials and Supplies:				
Timber			$10.56	
"			12.00	
				22.56
Transporting of Materials:				
Rental of 3/4-ton Truck	3 days @ $5.00		$15.00	
Gasoline for rented truck	3 gal. @$.33		.99	
				15.99
Depreciation on operator-owned equipment	3 days @$.31			.93

Total Costs Charged to Item (6) $150.38

(7) Miscellaneous

(a) Payroll Taxes

1.5% of $197.70 - labor under Item (5)	$ 2.97	
1.5% of $ 60.90 - labor under Item (6)	.91	
Total Payroll Taxes		$ 3.88

(b) Liability Insurance

9.92% of $115.20 - labor under Item (5)	$11.43		
2.2 % of $ 82.50 - labor under Item (5)	1.82		
		$13.25	
9.92% of $ 38.40 - labor under Item (6)	$ 3.81		
2.2 % of $ 22.50 - labor under Item (6)	.50		
		$4.31	
Total Liability Insurance			$17.56
Total Miscellaneous			$21.44

AUG 7 1963

Mr. Aubrey Minney
1765 Pinecove Drive
San Luis Obispo, California

Re: DMRA-2433 (Mercury)
Aubrey Minney
McAdoo Mine
Humboldt County, Nevada
Contract Ida-8379

Dear Mr. Minney:

Thank you for returning the completed MER Form 63's mailed to you on July 26, 1963.

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated February 4, 1955, all minerals mined or produced from July 31, 1952, to July 31, 1963, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

George Fumich, Jr.

Director

MMarrithew/mm
8/7/63
cc: Director's Reading File
Region II w/copy of Form 63 dated July 26
CA&A Division
Docket
Code 500

Contract Adm. & Audit Div.

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Aubrey Mimmey
119 Cayuga Street
Salinas, California

Pursuant to the provisions of Exploration Project Contract No. Ida-5172, dated July 31, 1952, (Docket No. IPEA-6455), hereinafter called the "contract" between you and the United States of America, hereinafter called the "Government", to establish and fix the Government's percentage royalty on production and the lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

Underground work done on the Blue Bird Nos. 1 and 3 claims exposed spotty mercury mineralization (cinnabar) along an east-striking, north-dipping fault which offsets a diabase dike, and also along the east contact in the brecciated fault zone of the north-striking, west-dipping diabase dike.

Dated: FEB 4 1955

[illegible]/gla
[illegible]

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals
Exploration Administration

[illegible] Operator (original)
Adm.'s Reading File
Operating Committee
Mr. Hedges, Rm. 1464
Mr. Killingsard, Rm. 5224
Contract Adm. & Audit Division
Docket
[illegible]are & Misc. Metals Division
[illegible]ield Team, Region II (2)
[illegible]nance Office
[illegible], Irving Gunbel, Acting Dir., Materials Div., EPS
[illegible]E. Johnson
[illegible]L. Knouse

Government copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 31 1954

EXPLORATION PROJECT CONTRACT
AUBREY MINNEY
DOCKET NO. DMEA-2455

AMENDMENT NO. 8

It is agreed this 11th day of August, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Aubrey Minney, hereinafter called the "Operator," that Exploration Project Contract Idm-E379 (Docket No. DMEA-2455), dated July 31, 1952, as amended, hereinafter called the "Contract," is further amended effective June 1, 1954, as follows:

1. Exhibit "A" is amended as follows:

a. In Amendment No. 7, under 4(e) change:

"110 feet of timbering, including 10 feet of timbering in the 103 feet of crosscut (under Amendment No. 4) @ $14.11/ft. $1,552.10"

to read:

"99.00 feet of timbering, including 10 feet of timbering in the 103 feet of crosscut (under Amendment No. 4) @ $14.11/ft. $1,396.89"

b. The Description of the Work under "Stage II," is restated to read as follows:

"Sink a 2-compartment winze a distance of 32 feet along the mineralized vein. The skipway compartment shall be 4 feet by 4 feet in the clear of timber, the manway compartment shall be 18 inches by 4 feet in the clear of timber, and suitable ladders and landings shall be installed. The winze shall be timbered with satisfactory square set timbers where necessary. The location of the winze is subject to the approval of the Government."

c. The "Agreed Unit Costs" of "Stage II," are restated to read as follows:

"Sink winze 32 feet @ $50.00/ft.	$1,600.00
"Square set timber 28 feet of 2-compartment winze @ $14.11/ft.	395.08
Total	$1,995.08"

d. In Amendment No. 7, under 4(f), delete "$15,750.00*" and substitute "$15,604.92*," and delete "$1,850.00" and substitute "$1,995.08."

2. Article 9 of the Contract, as amended by paragraph 3 of Amendment No. 7, is deleted, and Annex I, attached hereto and made a part hereof, is substituted for Article 9 of the Contract.

3. That part of the second sentence in Article 10 beginning with the word "Provided" is deleted.

This amendment shall not be construed to increase the estimated total cost of the project, the agreed unit cost of any item of work, or the aggregate total amount which the Government may be required to contribute.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mustesdorf
Administrator, Defense Minerals Exploration Administration

Aubrey Minney
AUBREY MINNEY

EXPLORATION PROJECT CONTRACT
AUBREY MINNEY
DOCKET NO. DMEA-2455

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 31 1954

ANNEX I

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 "land" refers to the land described in Article 2 of the contract.

** The period "eleven 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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 31 1954

AMENDMENT NO. 8

Docket No. DMEA-2455 Mineral Mercury

Exploration Project Contract Idm-E379

Date of Contract July 31, 1952

Date of Amendment August 11, 1954

Operator Aubrey Minney

JUSTIFICATION

Exploration work to August 1, 1954, disclosed an ore body of unknown size in the drift driven along the dyke under the DMEA contract. Following an engineering and geological examination of the disclosure, it was agreed as being in the best interest of the Government to use the funds remaining, as requested by the operator, to determine if the discovered ore body extended downward below the adit level. The contract, therefore, was amended to allow the operator to sink a winze along the mineralized area to a depth below the adit of 32 feet.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

Government's Copy

EXPLORATION PROJECT CONTRACT
AUBREY MINNEY
DOCKET NO. DMEA-2455

AMENDMENT NO. 7

It is agreed this 1st day of April, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Aubrey Minney, that Exploration Project Contract Idm-E379 (Docket No. DMEA-2455), dated July 31, 1952, as amended, is further amended, effective July 31, 1952, as follows:

1. (a) Work under the contract shall be suspended during the period beginning September 14, 1953, and ending not later than June 1, 1954.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

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

(d) 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 work.

2. In Article 3 of the contract form, delete the completion date "October 31, 1953," provided by Amendment No. 5, and substitute the period "twenty-eight (28) months."

3. In Articles 9 and 10 of the contract form, delete the period "10 years" and substitute the period "11 years."

4. In Exhibit "A" of the contract:

(a) Under "Description of the Work," "Stage II," as amended by Amendment No. 2, delete the item "Drive 61.643 feet of drift or crosscut to explore walls of dyke."

(b) Under "Description of the Work," "Stage II," delete the item "Drive 80 feet of raise along the dyke."

(c) Under "Description of the Work," "Stage I," as amended by Amendments Nos. 2 and 4, add:

> Not to exceed an aggregate of 99.577 feet of drifting and crosscutting shall be performed to connect the present drift with the old McAdoo mine workings and to explore the diabase dyke. The drift and crosscut shall be of dimensions not less than 4 feet by 6.5 feet in cross section. The location, direction, and extent of all work is subject to the approval of the Government. All work shall be timbered, as necessary, but not to exceed 100 feet of timbering shall be performed under this amendment. 1/

> Not to exceed 10 feet of timbering shall be performed in the 103 feet of crosscut (provided under Amendment No. 4).

(d) Under "Estimated Costs of the Project," "Agreed Unit Costs," "Stage II," as amended by Amendment No. 2, delete the first two items of drifting or crosscutting, and raising, totaling $3,417.77; and delete the total "$5,267.77."

(e) Under "Estimated Costs of the Project," "Agreed Unit Costs," "Stage I," as amended by Amendments Nos. 2 and 4, add the following items:

99.577 feet of drifting or crosscutting @ $23.00/ft.	$2,290.27
110 feet of timbering, including 10 feet of timbering in the 103 feet of crosscut (under Amendment No. 4), @ $14.11/ft.	1,552.10
	$3,842.37

1/ This work is shown on the attached map entitled "McAdoo Mine (Mercury), Aubrey Minney, Humboldt County, Nevada, Docket DMEA-2455, Contract Idm-E379."

(f) Under the "Summary" at the end of Exhibit "A," as amended by Amendments Nos. 2 and 4, delete the estimated total costs for Stage I and Stage II, and add the following:

Estimated Total Cost, Stage I	$15,750.00*
Estimated Total Cost, Stage II	1,850.00

This amendment shall not be construed to increase the estimated total cost of the project, the agreed unit cost of any item of work, or the aggregate total amount which the Government may be required to contribute.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

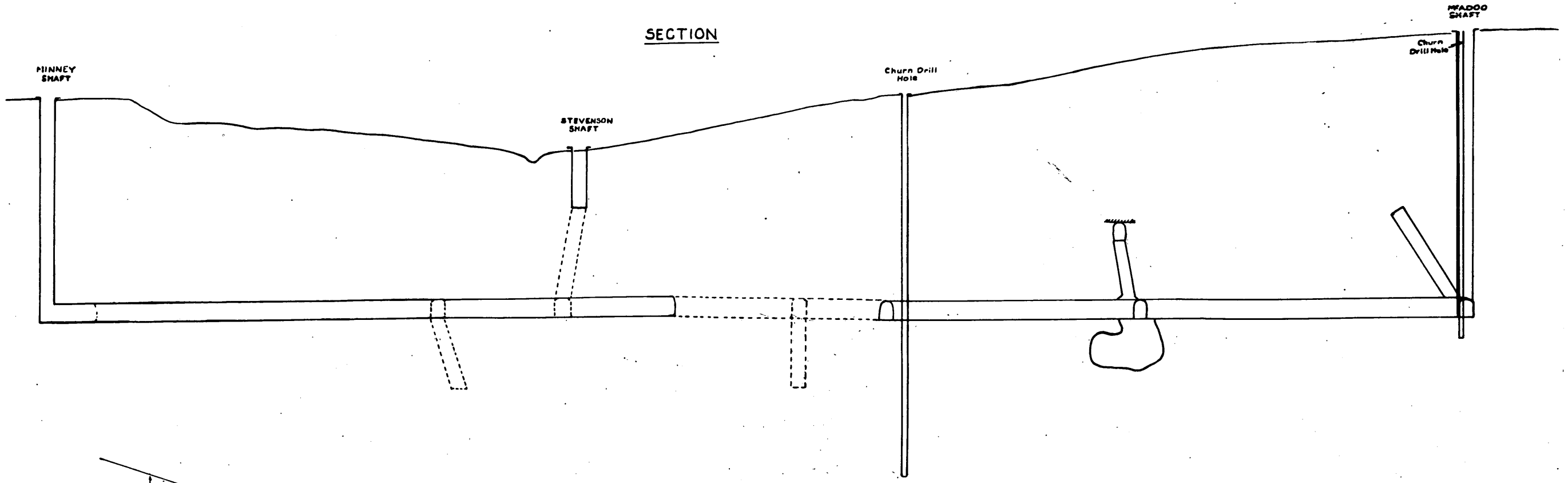
By O. Meredith
Administrator, Defense
Minerals Exploration
Administration

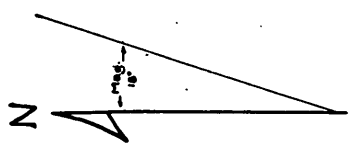
Aubrey Minney
Aubrey Minney

* Indicates allowable maximum.

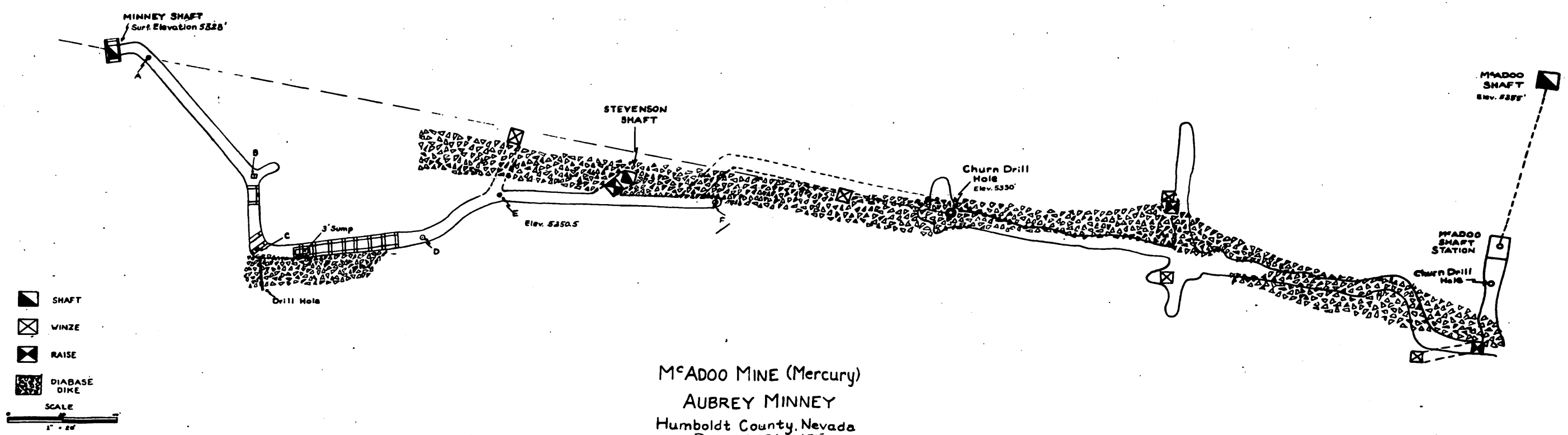
AUBREY MINNEY
511 Archer St.
Salinas, Calif.

SECTION





PLAN



McADOO MINE (Mercury)

AUBREY MINNEY

Humboldt County, Nevada

Docket DMEA 2455
Contract Idm-2319

DEPARTMENT OF COMMERCE
Defense Minerals Administration
RECEIVED
APR 20 1954

AMENDMENT NO. 7

Docket No. DMEA-2455 Mineral Mercury

Exploration Project Contract Idm-E379

Date of Contract July 31, 1952

Date of Amendment April 1, 1954

Operator Aubrey Minney

JUSTIFICATION

This amendment was prepared to complete the work under the contract to the best interest of the Government in that remaining funds will be used to maximum advantage in exploring the property and revealing information of its economic importance.

Extension of time to complete work is granted because due to the location of the property, work during the winter had to be recessed.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

Government copy

AUBREY MINNEY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2455

AMENDMENT NO. 6

It is agreed this 18th day of August, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Aubrey Minney, that Amendment No. 5 dated July 9, 1953, to the Exploration Project Contract between these parties dated July 31, 1952, Docket No. DMEA-2455, Contract No. Idm-E379, is amended by adding to the said Amendment No. 5, as a preamble thereto, immediately under the title "Amendment No. 5," the following recitals:

> WHEREAS, at the time said Exploration Project Contract was entered into, the parties supposed and contemplated that the ground through which the drifting was to be prosecuted was of a character that would require little if any timbering, and fixed the agreed unit price of $23 per foot on the basis of this supposition; and
>
> WHEREAS, this understanding and supposition proved to be a mistake in that after the work commenced the ground turned out to be unexpectedly bad, requiring much timbering;
>
> NOW THEREFORE, in view of this mutual mistake of fact . . . .

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By N. Miller
Executive Officer
DMEA Field Team, Region III

Aubrey Minney
Operator

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 28 1953

AMENDMENT NO. 6

Docket No. 2455 Mineral Mercury

Exploration Project Contract Idm-E379

Date of Contract July 31, 1952

Date of Amendment August 18, 1953

Operator Aubrey Minney

JUSTIFICATION

Amendment No. 6 was drawn in the Washington office to clear the record with respect to existing Amendment No. 5, dated July 9, 1953.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

Government's Copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 20 1953

AUBREY MINNEY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2455

AMENDMENT NO. 5

It is agreed this 9th day of July 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Aubrey Minney, each acting in consideration of the agreement of the other to the terms hereinafter set forth that Exploration Project Contract Idm-E379, Docket No. DMEA-2455, dated July 31, 1952, as amended, by the parties, hereto be further modified and amended as of said date as follows:

The completion date which was extended by Amendment No. 3 dated February 3, 1953, to July 1, 1953, is hereby further extended to October 31, 1953.

In Amendment No. 4 dated March 16, 1953, delete the allowable item reading:

"Drifting 217 feet at $23.00/ft. $4,991.00"

and substitute therefor:

"Drifting at $23.00/ft. and timbering, where necessary, at $14.11/ft. 1/ $4,991.00"

1/ Based on cost for material of $8.11 per foot and cost of labor of $6.00 per foot.

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 "allowable maximum."

AUBREY MINNEY

By Aubrey Minney

THE UNITED STATES OF AMERICA

By H. C. Miller

H. C. Miller, Executive Officer
DMEA Field Team, Region III

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 27 1953

AMENDMENT NO. 5

Docket No. DMEA-2455 Mineral Mercury

Exploration Project Contract Idm-E379

Date of Contract July 31, 1952

Date of Amendment July 9, 1953

Operator Aubrey Minney

JUSTIFICATION

The Operatur ran into bad ground in drifting and has requested permission to use Stage II money to run his drift and to timber it. He states that his drifting costs are $36.20 a foot and timbering costs $14.11 a foot. He would like not only to be allowed the timbering cost but also to have his allowable drifting cost increased from $23.00 a foot to $36.20 a foot. Neither Mr. Bailey, Mr. A. C. Johnson, nor I are in favor of granting the increased cost or of taking Stage II money for Stage I work. We are, however, in favor of allowing $14.11 per foot for timbering where necessary and for drifting as far as the Operator can on the $4,991.00 allowed under Stage I of the contract. When we see what turns up after he has spent all of Stage I money, consideration may be given to a possible amendment allowing the Operator to complete his drift to the old workings. It is possible that it may not be necessary to go the entire distance to prove or disprove presence of mineralization in the dike.

In order that the Operator may have the necessary time in which to complete proposed work, contract has been further extended to October 31, 1953.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

Government's Copy

AUBREY MINNEY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2455

AMENDMENT NO. 4

It is agreed this 16th day of March 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Aubrey Minney, each acting in consideration of the agreement of the other to the terms hereinafter set forth that Exploration Project Contract Idm-E379, Docket No. DMEA-2455, dated July 31, 1952, as amended, by the parties, hereto be further modified and amended as of said date as follows:

In Amendment No. 2 dated January 29, 1953:

Paragraph 2(B)(b) is modified to read: "in the third paragraph change the words '50 feet' to '103 feet'."

Paragraph 2(B)(c) is modified to read: "in the fourth paragraph after the word 'section' insert the words '217 feet'."

In paragraph 2(D) eliminate everything under Stage I and substitute the following:

Shaft sinking 80 feet @ $42.225/ft.	$3,378.00	
Crosscutting 103 feet @ $23/ft.	2,369.00	
Drifting 217 feet @ $23/ft.	4,991.00	
Total Unit Cost, Stage I		$10,738.00

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 "allowable maximum".

AUBREY MINNEY

By Aubrey Minney

THE UNITED STATES OF AMERICA

By [illegible]
Executive Officer, DMEA
Field Team, Region III

AMENDMENT NO. 4

Docket No. DMEA-2455 Mineral Mercury

Exploration Project Contract Idm-E379

Date of Contract July 31, 1952

Date of Amendment March 16, 1953

Operator Aubrey Minney

JUSTIFICATION

Under Stage I, in order to reach the objective dyke it was necessary to extend the crosscutting an additional 53 feet, making a total of 103 feet of crosscutting. A corresponding amount of footage was deducted from the 250 feet of drifting allowed under Stage I, in order to compensate for the increased crosscutting work.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

AMENDMENT #4 RETURNED TO H. C. MILLER,

REGION III. LETTER SENT TO OPERATING COMMITTEE

5-26-53.

Government's Copy

AUBREY MINNEY
CONTRACT Idm-E379
DOCKET NO. DMEA-2455

AMENDMENT NO. 3

Contract Idm-E379 (Docket No. DMEA-2455), dated July 31, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Aubrey Minney, is amended as follows:

Time of completion of contract is extended to July 31, 1953.

The effective date of this amendment shall be January 30, 1953.

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 especially designated "allowable maximum."

Dated February 3, 1953.

UNITED STATES OF AMERICA

By H. C. Miller
H. C. Miller, Executive Officer
DMEA Field Team, Region III

By Aubrey Minney
Aubrey Minney

DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

FEB 1 10 AM 9:1

SAN FRANCISCO, CALIFORNIA

AMENDMENT NO. 3

Docket No. 2455 Mineral Mercury

Exploration Project Contract Idm-E379

Date of Contract July 31, 1952

Date of Amendment February 3, 1953

Operator Aubrey Minney, McAdoo Mine, Humboldt County, Nevada

JUSTIFICATION

To complete work remaining under Stage I and all work under Stage II. Work under the contract was slowed down during the winter, due to freezing weather and the difficulty of maintaining a working force in the temporary camp during the winter.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

Government's Copy

AUBREY MINNEY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2455

AMENDMENT NO. 2

It is agreed this 29th day of January, 1953, between the United States of America, acting through the Department of the Interior, DMEA, and Aubrey Minney, each acting in consideration of the agreement of the other to the terms hereinafter set forth that Exploration Project Contract Idm-E379, Docket No. DMEA-2455, dated July 31, 1952, as amended, by the parties, hereto be further modified and amended as of said date as follows:

1. Amendment No. 1 is hereby revoked and cancelled, and substituted by this Amendment No. 2.

2. In Exhibit "A" attached to the Contract:

(A) Under the heading "Description of the Work", the words "map marked Exhibit 'C'" are changed to read "map marked Exhibit 'C' Revised."

(B) Under the heading "Stage I":

(a) in the second paragraph change the figure "70'" to "80'" and add at the end of the sentence the following: "at the location indicated by the words "Minney Shaft" on the map marked "Exhibit 'C' Revised";

(b) in the third paragraph, change the words "50 feet" to "70 feet"; and

(c) in the fourth paragraph, after the word "section" insert the words "250 feet".

(C) Under the heading "Stage II" in the first paragraph, change "100 feet" to "61.643 feet".

(D) Under the heading "Agreed Unit Costs," eliminate everything under "Stage I" and "Stage II" and in lieu thereof insert the following:

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 17 1953

Stage I

Shaft sinking 80 feet @ $42.225/ft.	$3,378.00	
Crosscutting 70 feet @ $23/ft.	1,610.00	
Drifting 250 feet @ $23/ft.	5,750.00	
Total Unit Cost, Stage I		$10,738.00

Stage II

Drifting or crosscutting 61.643 feet @ $23/ft.	$1,417.77	
Raising 80 feet @ $25/ft.	2,000.00	
Sinking winze 50 feet @ $37/ft.	1,850.00	
Total Unit Cost, Stage II		$ 5,267.77

(E) Under the heading "Summary" eliminate what follows and substitute in lieu thereof the following:

Estimated Cost, Stage I	$12,332.23*	
Estimated Cost, Stage II	5,267.77	
Total Estimated Cost of Project		$17,600.00*
Government Participation @ 75%		$13,200.00*

3. This amendment shall be effective as of July 31, 1952.

4. 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."

AUBREY MINNEY

By Aubrey Minney

UNITED STATES OF AMERICA

By C. D. Mitchell
Administrator, Defense Minerals Exploration Administration

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

FEB 2 AM 8:5

SAN FRANCISCO, CALIFORNIA

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 17 1953

AMENDMENT NO. 2

Docket No. 2455 Mineral Mercury

Exploration Project Contract Idm-E379

Date of Contract July 31, 1952

Date of Amendment January 29, 1953

Operator Aubrey Minney

JUSTIFICATION

Amendment No. 1, dated October 1, 1952, was drawn in the San Francisco office to permit Operator to change the location of the shaft to a site that would not be effected by water run-offs and also would provide adequate dump room. This change in location of shaft increased the amount of crosscutting necessary from 50 to 70 feet and shaft sinking from 70 to 80 feet.

The amendment was not drawn correctly so that Amendment No. 2 was prepared in the Washington office. By means of Amendment No. 2, Amendment No. 1 is revoked and cancelled.

Amendment No. 2 clarifies the contract as it now stands. It provides that the added shaft sinking and crosscutting be compensated by drifting or crosscutting eliminated from Stage II and not Stage I, as the work provided for in Stage I is essential to connect the drift with the old mine workings. Inasmuch as the drifting or crosscutting to be done in Stage II can be done only with the approval of the Government, the Field Team will determine what drifting or crosscutting, if any, should be eliminated.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 17 1953

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

140

JAN 29 1953

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMEA-2455
Contract No. Idm-1379
Aubrey Minney (Mercury)

Dear Mr. Miller:

Receipt is acknowledged of your memorandum dated January 7, 1953, to the Operating Committee enclosing an original and two executed copies of Amendment No. 2, which are herewith returned.

We enclose a substitute Amendment No. 2, drawn by the Chief Counsel's office, which you should endeavor to have the operator sign in place of the document now in effect. The operator's copy of the original amendment should be returned to you and destroyed along with all other copies thereof, if the amendment as prepared by this office is signed.

This revised amendment will clarify the contract as it now stands. Moreover, the drifting or crosscutting to be eliminated should come from Stage II and not Stage I, as that provided for in Stage I is essential to connect the drift with the old mine workings. Inasmuch as the drifting or crosscutting to be done in Stage II can be done only with the approval of the Government, the Field Team can determine what drifting or crosscutting, if any, should be eliminated.

Please make certain that the map marked "~~Exploration Contract~~ Revised" is attached to all outstanding copies of the contract.

Sincerely yours,

AEKane/JLH/ema/1-26-53
cc: Mails & Files Adm. R. File
Mr. Thayer Mr. Hedges

George C. Selfridge
Chairman, Operating Committee

Enclosures

Approved:

Mr. Ellis A. E. Kane
J. L. Hofflund J.L.Chambers
Op. Comm. Chron.
Pending

J. E. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

Amendment No. 2
returned to Mr.
Miller per letter
from Opr. Com. A
substitute amendment
was drawn by
the Chief Counsel.
1/27/52

P1-7-2429

COPY

NOV 6 1952

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMEA-2455 (Mercury)
Aubrey Minney
Contract No. Idm-E379

Dear Mr. Miller:

If it meets with your approval, for the sake of clarity, it is suggested that Amendment No. 2, which we have enclosed, be substituted for Amendment No. 1 which you have drawn. If this amendment is acceptable and is executed, please deliver all copies to the designated parties concerned.

Sincerely yours,
(signed) FRANK E. JOHNSON

Chairman, Operating Committee

Enclosures-6

APPROVED:

J. H. Hodges
Member, Bureau of Mines

A. R. Kinkel, Jr
Member, Geological Survey

AEKane/mef
cc to: Mails and Files
Adm. R. File
Oper. Comm.
Mr. Thayer
Mr. Hedges
Mr. Ellis
Mr. Hofflund
Mr. Kane
Chron.
Mr. Chambers

Aus

AUBREY MINNEY
CONTRACT Idm-E379
DOCKET NO. DMEA-2455

AMENDMENT NO. 1

Contract Idm-E379, dated July 31, 1952, between the United States of America, acting through the Department of the Interior, DMEA, and Aubrey Minney, is amended as follows, effective October 1, 1952: In Exhibit "A" - Description of the Work - Stage I,

Sink an 80' deep, 2-compartment vertical-timbered shaft with hoisting compartment 45" x 45" and the manway compartment 21" x 45" in the clear of timber.

Drive a crosscut 4' x 6.5' in cross section 70 feet to and through dyke from bottom of shaft.

Authority to change shaft site as originally proposed is also granted.

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 October 1, 1952.

UNITED STATES OF AMERICA

By S. Ricker
S. Ricker for H. C. Miller
Executive Officer, DMEA Field Team
Region III

By Aubrey Minney
Aubrey Minney

C

OCT 2 , 1952

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

1952 OCT 13 AM 9:34

SAN FRANCISCO, CALIFORNIA

AMENDMENT NO. 1

Docket No. 2455 Mineral Mercury

Exploration Project Contract Idm-E 379

Date of Contract July 31, 1952

Date of Amendment October 1, 1952

Operator Aubrey Minney

JUSTIFICATION

This amendment was discussed with Mr. Knouse of the Washington DMEA office on September 25, 1952 by telephone and authorization was verbally approved.

The amendment is required due to the changed location of the shaft so that it would not be subject to water run-offs and so that sufficient dump room could be provided, thus avoiding excessive tramming costs.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

Government Copy
Minneney

APPROVAL OF SUBCONTRACT
(Under Form MF-200, revised February 1952)

To: Aubrey Minney

That certain contract, a copy of which you have submitted with your request for approval, dated September 16, 1952 between you and Ray Bowman for the performance of the following work:

Sinking shaft and crosscutting at the Owner's McAdoo Mine, Battle Creek Quicksilver Mining District, Humboldt County, Nevada,

which is all or a specific element of the work described in an Exploration Project Contract, dated July 31, 1952, Idm-E379, Docket No. DMEA-2455, is hereby approved by the United States of America, subject to all of the terms and conditions relating to such independent contracts set forth in said Exploration Project Contract.

Dated: November 12, 1952.

THE UNITED STATES OF AMERICA

By H. C. Miller
H. C. Miller, Executive Officer
DMEA Field Team, Region III

A. MINNEY
119 Cayuga St.
Salinas, California

November 3, 1952

Refer to	Noted	Date
Answered		

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
1012 Flood Bldg., 870 Market St.
San Francisco 2, Calif.

Dear Mr. Miller:

In accordance with our telephone conversation of today, you will find enclosed five signed copies of contract and agreement with Mr. Roy Bowman in connection with Docket No. DMEA-2455, Contract No. Idm-E379 (Mercury), McAdoo Mine, Humboldt County, Nevada.

You will please note that under the terms of the contract with Mr. Bowman an allowance of $35.00 per lineal foot for sinking the shaft is a mutually agreed figure, and you will also note that timber and incidental mining materials are to be furnished by me.

The above amounts will undoubtedly be greater than the actual cost allowed by the Government under the unit price basis.

The contract also states that Mr. Bowman will receive $23.00 per lineal foot for crosscutting and drifting. These amounts are the same as allowed to me by the Government. Here again I am to furnish all materials at my own expense.

It is not my intention to complain or in any way hamper this project. I only wish to state my case in order that there will be no further complications regarding my sincere determination to pursue and bring this project to a satisfactory conclusion to all concerned.

Yours truly,

A. Minney

A. Minney

Enc.

C O P Y

16th Nov 10/52 - A. Minney to McCleen (see letter date)

THIS AGREEMENT, entered into this 16th day of September, A. D. 1952, by and between A. MINNEY, of Winnemucca, Nevada, hereinafter referred to as OWNER, and RAY BOWMAN, of Winnemucca, Nevada, hereinafter referred to as CONTRACTOR;

W I T N E S S E T H:

That the Contractor hereby agrees to furnish all labor, necessary equipment and tools, and supervision, except as otherwise provided hereinafter, for the performance of certain underground mining as hereinafter specified and described, upon the property owned by the Owner and located in the Bottle Creek Quick Silver Mining District in the County of Humboldt, State of Nevada, and known as the McAdoo Mine.

The Owner agrees to pay to the Contractor for the faithful performance of the work herein required to be performed, the unit prices hereinafter set out for each lineal foot of shaft or tunnel, as designated below.

The work to be performed is laid out in three different stages, which shall be performed by the Contractor in the Order hereinafter presented, that is, stage number one shall be performed first, and so on, unless otherwise authorized by the Owner, and provided that after the completion of stage number one the Owner shall have the right, at any time, to cancel this Contract and cause work hereunder to be stopped without liability for the uncompleted part of the Contract or for lack of notice of cancellation.

STAGE NUMBER ONE: Contractor agrees to sink a rectangular shaft upon the above described property upon the location of the now existing shaft and as a continuation thereof, for a distance of forty (40) feet, and to accept as full compensation therefor, to be paid by the owner, the sum of Thirty-five

Dollars ($35.00) per lineal foot.

The following specifications shall be complied with:

The dimensions of the shaft shall be rectangular, four feet by six feet (4' x 6') over-all, with the skipway area forty-eight inches by forty-eight inches (48" x 48") in the clear, with the manway area eighteen inches by forty-eight inches (18" x 48") in the clear.

All shaft timbering to be made to six inch by six inch (6" x 6"); sets spaced at five (5) foot intervals at the centers of the timbers.

The shaft shall be fully encased by two inch by twelve inch (2" x 12") lagging to the full depth.

Skip guides shall be constructed of four inch by four inch (4" x 4") timber placed at the center line of each side of the skipway.

Ladder shall be constructed in the manway, reaching the full depth of the shaft, and all guides andladdering shall be patterned after the same now constructed in the upper forty (40) feet of the shaft.

Each timber set in the shaft shall be level, and each set to be in a direct line with other sets at the corners which line shall be perpendicular to level.

The Owner agrees to furnish for the construction steel rod, timbering and incidental materials; also, air line, water line, and incidental equipment and tools which are now located at the mine.

STAGE NUMBER TWO: The Contractor agrees to perform the following described work immediately upon the Completion of Stage Number One, unless notified by the Owner to cease work: Cross-cut sixty (60) feet in the above described mine, at the location and in the direction, to be designated by the Owner, and as full compensation therefor, shall accept the sum of Twenty-three Dollars ($23.00) per lineal foot.

The cross-cutting shall be accomplished in compliance with the following specifications:

The tunnel shall have the dimension of four

feet by six feet five inches (4' x 6'5") in the clear.

Where heavy ground is encountered, timbering shall be used and placed in compliance, in all respects, with good mining practices and the laws of the State of Nevada.

Owner agrees to furnish air line, water line, tram trank, andall timbering where required.

STAGE NUMBER THREE: Contractor agrees to perform the following work consisting of a drift tunnel two hundred fifty (250) feet long upon the above described mining property and as designated by the Owner immediately upon the completion of Stage Number Two, unless notified to cease work by the Owner, and shall accept as full compensation therefor, the sum of Twenty-three Dollars ($23.00) per lineal foot.

The drift tunnel shall comply with the following specifications:

The drift tunnel shall have the following dimensions: Four feet by six feet five inches (4' x 6' 5") in the clear.

The drift tunnel shall be made upon an absolute level plane.

The Owner agrees to furnish air line, water line, tram track, and all timbering where required.

Timbering shall be used as in the cross-cut tunnel if heavy ground is encountered.

The Contractor agrees to the following terms before the commencement of any of the above described work:

1. The Contractor shall assume sole responsibility for the payment of all bills incurred by him and shall post and keep posted Notices, as required by Law, of the Non-Responsibility of the Owner for any such bills, claims, or obligations.

2. Contractor shall furnish proof to the Owner, before commencing work, of complete coverage of all employees employed

at the mine under Nevada Industrial Insurance and Occupational Disease Act.

3. The Contractor agrees to commence work upon Stage Number One not later than September 19, 1952, and thereafter to continuously and diligently work in the performance of the above required mining until all of the Stages above described are completed, or until stopped by the Owner, in accordance with the terms of this Contract.

IN WITNESS WHEREOF, we have hereunto set our hands the day and year first above written.

A. Minney

A. MINNEY

OWNER

Ray Bowman

RAY BOWMAN

CONTRACTOR

Docket No. ~~DMEA - 2455~~

Commodity ~~Mercury~~

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 379

Date of Contract ~~amendment~~ July 31, 1952

Name and Address of Operator:
Aubrey Hinney
119 cayuga St.,
Salinas, California

Amount of Government participation _____ $ 13,200.00

Percent of Government participation 75 %

Region: 111 State: Nevada

Note: Please release $1,346.98

J L C Jr.
(Name)
J. L. Chambers
Chief, Contract Administration and Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington. 12/29/54

54458

Docket No. 2455

Commodity Mercury

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 379

Date of Contract ~~or Amendment~~: July 31, 1952

Name and Address of Operator:

Aubrey Minney
119 Cayuga Street
Salinas, California

Amount of Government participation $ 13,200.00

Percent of Government participation 75 %

Region: III State: Nevada

J. L. (Name) Chambers
Chief, Contract, Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. 7/31/52

13008

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. DMEA 2455

COMMODITY Mercury
Idm-E-379

Government's Copy

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

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 31st day of July, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Aubrey Minney, an individual
119 Cayuga Street
Salinas, California

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 "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 Humboldt, described as follows:[3] known as the McAdoo Mine, located in the Bottle Creek Mining District, Township 40 North, Range 33 East, Section 7 M.D.M. consisting of the following mining claims: Blue Bird Fraction, Blue Bird No. 1, and Blue Bird No. 3, as located on the attached claim map marked "Exhibit B" and made a part hereof.

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*) ~~That the Operator is a lessee in possession and entitled to possession, and the Owner's Consent to Lease is attached.~~

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 thirty (30) days from the date of this contract shall commence work on a project of exploration for[5] Mercury

in or upon the described land; and shall bring the project to completion within a period of six 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 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 related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial 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, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—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.

[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] 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.
[5] Name of mineral or minerals.

(*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 Operators 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 75 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $13,200.00, which is 75 percent of $17,600.00, 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) percent 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 6 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 10 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 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent 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) percent 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 (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) 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 10 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 worth while 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 pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* The Operator's obligation to bring the project to completion continues only as long as the accumulated allowable costs of the project in which the Government will participate do not exceed the agreed, total estimated cost of the project set forth in Article 8.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Aubrey Minney
AUBREY MINNEY
(Operator)

By C O Mitteudorf
Acting Administrator, Defense Minerals Exploration Administration

By

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

[CORPORATE SEAL]

DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
RECEIVED
SAN FRANCISCO, CALIFORNIA
1956 AUG 28 AM 11:05

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

EXPLORATION PROJECT CONTRACT
AUBREY MINNEY
DOCKET NO. DMEA-2455

EXHIBIT "A"

Description of the Work

The work below indicated is to be done in two stages, but Stage II is to be undertaken only after completion of Stage I, and the location and extent of the work is to be dependent upon the results of Stage I and to be undertaken only upon the expressed approval of the Government. The location of the underground work to be done is shown on the attached map marked Exhibit "C" and made a part hereof, but the cross section sizes of the underground workings shown below are approximate only.

STAGE I

Dismantle existing 15' x 25' hoist house with equipment and shaft headframe with waste bunker and reconstruct at new shaft site. Sink a 4' x 4' x 8' deep timbered well and construct a pump house. One 3-room house on the site is to be purchased and reconditioned for living quarters, an 8' x 10' bathhouse being added, a 300-gal. water tank erected on a framework and an outside toilet constructed, and a 2-room house off the site is to be rented.

Sink a 70' deep, 2-compartment vertical-timbered shaft with hoisting compartment 45" x 45" and the manway compartment 21" x 45" in the clear of timber.

Drive a crosscut 4' x 6.5' in cross section 50 feet to and through dyke from bottom of shaft.

Drive a drift 4' x 6.5' in cross section along the dyke in a northern and southern direction from the crosscut.

STAGE II

Drive 100 feet of drift or crosscut to explore walls of dyke.

Drive 80 feet of raise along the dyke 4' x 4' in cross section in the clear of timber.

Sink 50 feet of winze along the dyke 4' x 4' in cross section in the clear of timber.

Estimated Costs of the Project
(*Indicates allowable maximum)

In both Stages I and II, the Government will contribute to the costs of shaft sinking, drifting, crosscutting, raising and winze sinking on the basis of the agreed estimated unit costs per foot indicated below, as they accrue, for units of work actually performed in lieu of actual costs. These unit costs include all costs of the work (including all

engineering, geology, sampling, sample analysis, mapping and accounting costs) except those scheduled below to which the Government will contribute on the basis of actual costs as set forth in Article 6 of the contract.

Agreed Unit Costs

Stage I

Shaft sinking 70 feet @ $42.225/ft.*	$2,955.77	
Crosscutting 50 feet @ $23/ft.*	1,150.00	
Drifting 250 feet @ $23/ft.*	5,750.00	
Total Unit Costs, Stage I		$9,855.77*

Stage II

Drifting or crosscutting 100 feet @ $23/ft.*	$2,300.00	
Raising 80 feet @ $25/ft.*	2,000.00	
Sinking winze 50 feet @ $37/ft.*	1,850.00	
Total Unit Costs, Stage II		$6,150.00*

Scheduled Actual Costs
(In Stage I only)

(1) Independent Contracts

None

(2) Labor, Supervision, Consultants

None, except as indicated in (5) and (6).

(3) Operating Materials and Supplies

Miscellaneous cooking equipment and household furnishings	$ 120.00*

(4) Operating Equipment

None

(5) Rehabilitation and Repairs

Remove existing hoist house (a 15' x 25' corrugated galvanized iron building) and hoisting equipment and reconstruct both at new shaft site.	$264.43	
Remove existing headframe and ore bunker and construct a 5' x 5' x 10' high headframe with waste bunker at new shaft site by using material salvaged from existing headframe	221.38	
Purchase one 3-room house on site for living quarters and repair for living condition and construct an 8' x 10' washroom addition for the 3-room house and an outside toilet	485.81 576.90	$1,062.71*

(6) New Buildings, Improvements, Installations

Sink a 4' x 4' x 8' deep, timbered well and construct a corrugated G. I. pump house	$179.62	
Purchase a 300-gal. water tank and erect it on an 8' high timber frame	131.90	$ 311.52*

Note: The costs estimated in (5) and (6) include all costs of every kind, except those indicated in (3).

(7) Miscellaneous

One 2-room house off-site to be rented for 5 months @ $20/mo.	$ 100.00*

One 3-room house as indicated in (5).

(8) Contingencies

None

SUMMARY

Estimated Cost Stage I	$11,450.00*	
Estimated Cost Stage II	6,150.00*	
Total Estimated Cost of Project		$17,600.00*
Government Participation @ 75%		$13,200.00*

Aubrey Minney
119 Cayuga Street
Salinas, Californ

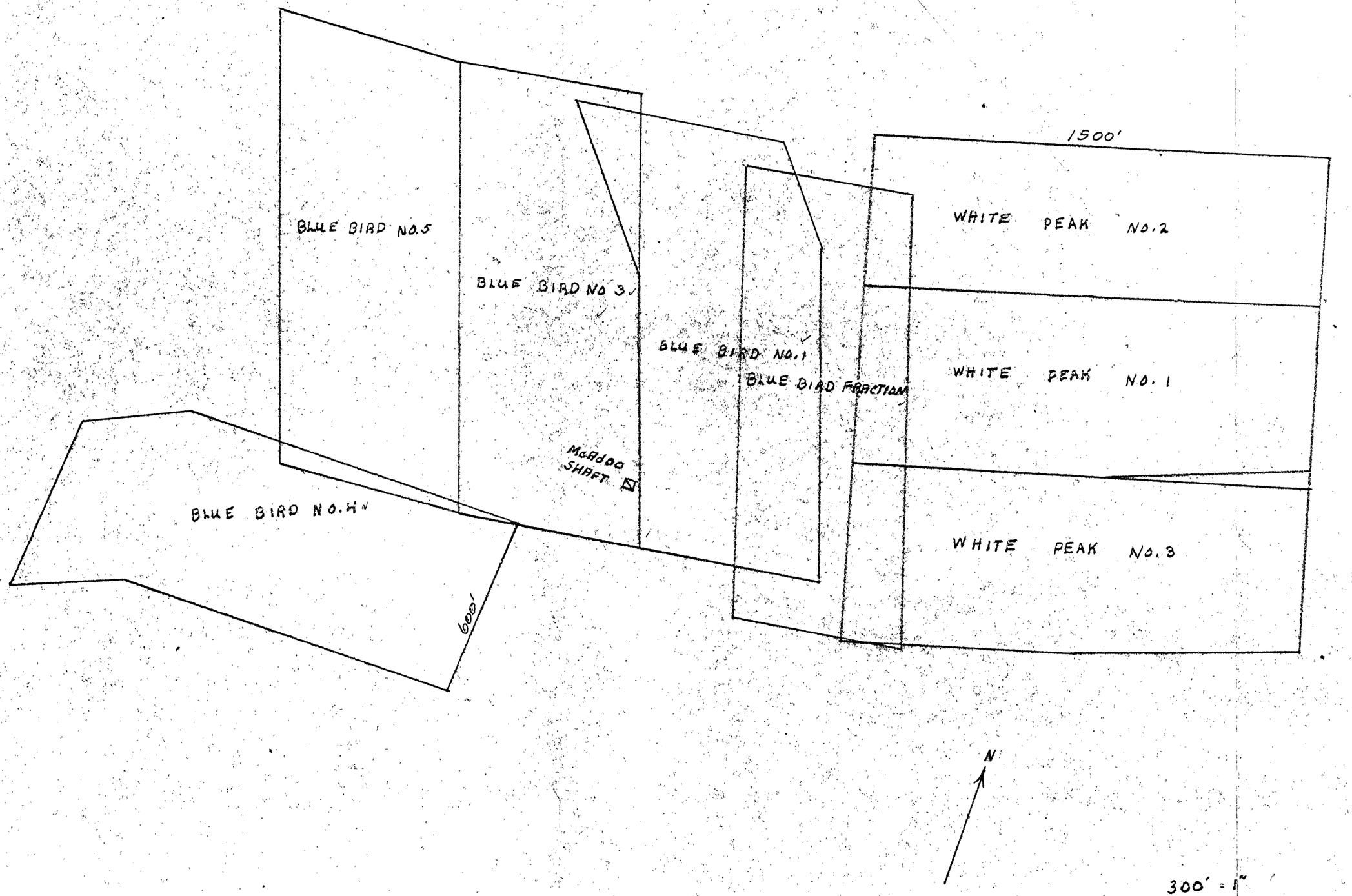


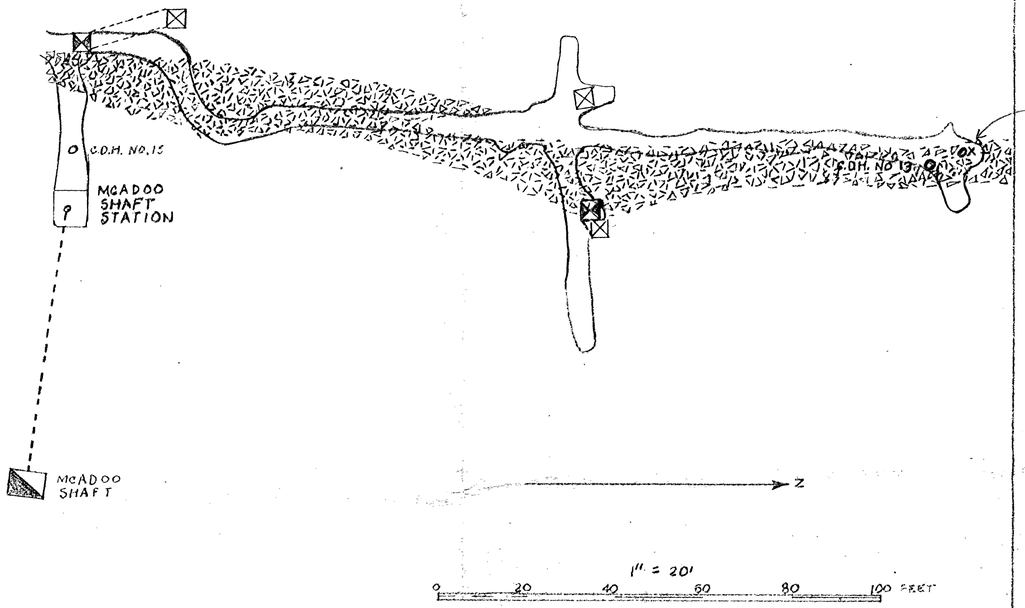
Exhibit "B"

PLAN OF CLAIM LAYOUT BOTTLE CREEK QUICKSILVER DISTRICT

4

BOTTLE CREEK QUICKSILVER DISTRICT HUMBOLDT COUNTY, NEVADA

AUBREY MINNEY
118 CAYUGA STREET
SALINAS, CALIFORNIA



PLAN OF 105-FOOT LEVEL OF McADOO NORTH WORKINGS

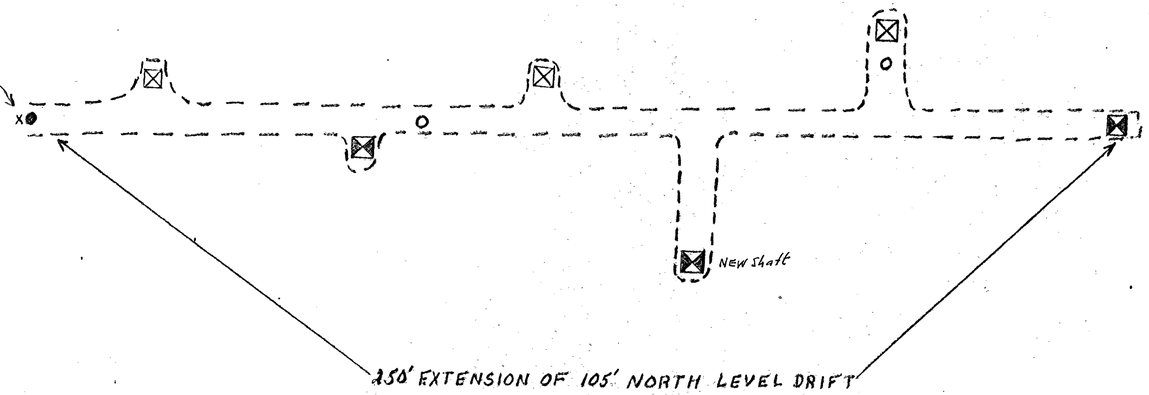
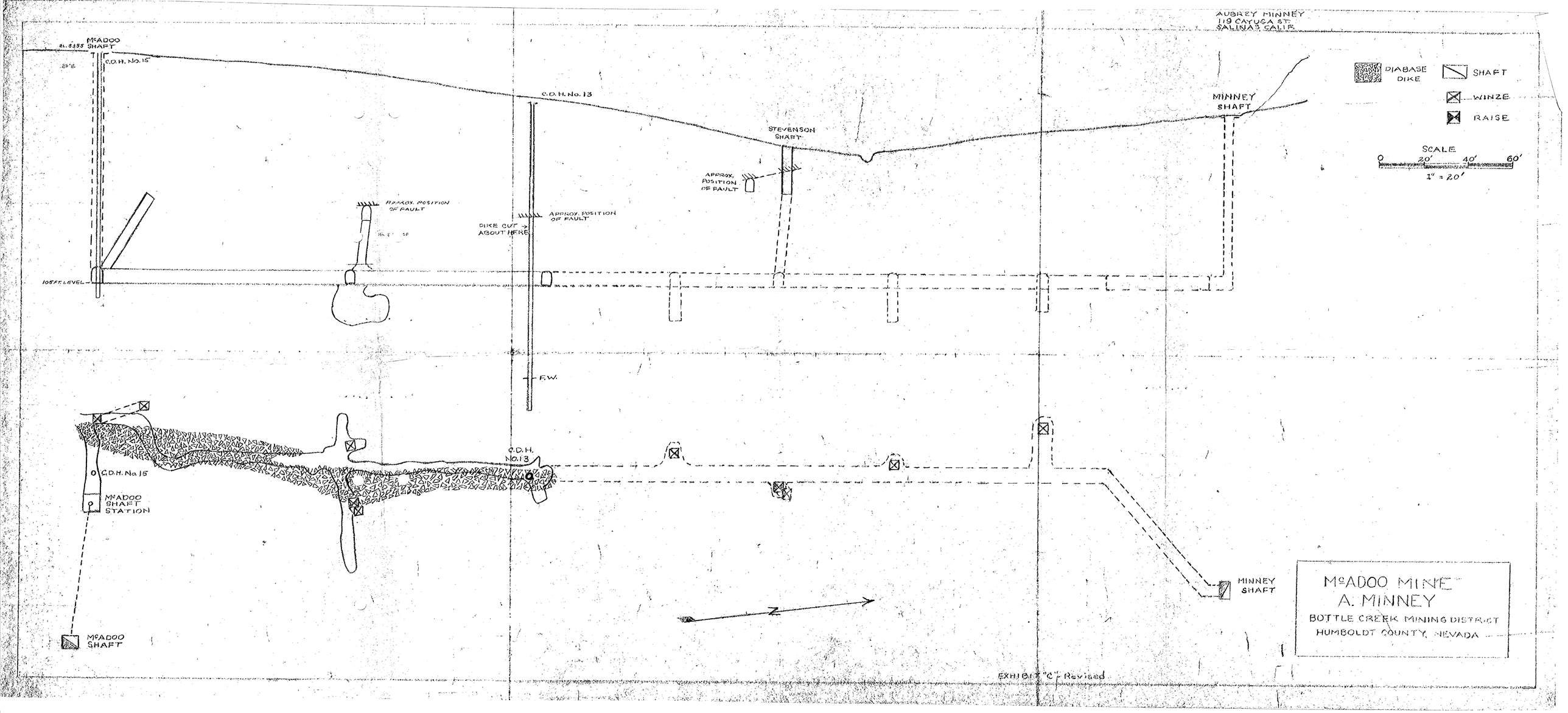


Exhibit "C"

DIAGRAMMATIC PLAN OF PROPOSED NEW EXPLORATION


AUBREY MINNEY
119 CAYUGA ST.
SALINAS CALIF.
McADOO SHAFT
C.D.H. No. 15
C.D.H. No. 13
STEVENSON SHAFT
MINNEY SHAFT
DIABASE DIKE
SHAFT
WINZE
RAISE
SCALE
0 20' 40' 60'
1" = 20'
APPROX. POSITION OF FAULT
APPROX. POSITION OF FAULT
APPROX. POSITION OF FAULT
DIKE CUT ABOUT HERE
105 FT. LEVEL
F.W.
C.D.H. No. 13
C.D.H. No. 15
McADOO SHAFT STATION
McADOO SHAFT
MINNEY SHAFT
N
McADOO MINE
A. MINNEY
BOTTLE CREEK MINING DISTRICT
HUMBOLDT COUNTY, NEVADA
EXHIBIT "C" Revised