OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Amended Contract Idm-E481, Docket DMEA-2688 (tungsten), dated January 27, 1953, with

M. I. A. Mines Company
218 Felt Building
Salt Lake City, Utah

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Minerva Tungsten Mine located in White Pine County, Nevada, during the period June 1, 1956, through December 7, 1961.

A certification of discovery or development was issued on July 18, 1955, and, in accordance with Article 8 of the amended contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 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. An Audit Certificate dated April 20, 1955, indicated accepted costs under the exploration contract amounting to $165,512.67 with the Government's contribution on a 75 percent basis being $124,134.50.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Royalty Audit Certificate, which found the sales subject to the Government's royalty through May 31, 1956, to be $374,798.27. The royalty account as of May 31, 1956, was:

Total Royalty Payable	$18,431.45
Total Royalty Paid	18,431.45
Balance of Royalty Due	$ -0-

At December 7, 1961, the royalty account of this project was found to be:

Total Royalty Payable	$18,431.45
Total Royalty Paid	18,431.45
Balance of Royalty Due	$ -0-

December 12, 1961

E. D. Talbert, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

Mining operations on the leased unpatented claims under this contract ceased on May 12, 1956, and the last shipment of production was made on May 16, 1956. Inspections and inquiries by field representatives have found that, except for annual assessment work, the property has remained inactive.

All sales of production (tungsten ore and concentrates) from the date of the contract through the last shipment on May 16, 1956, were covered by a Royalty Audit Report and Certificate dated August 1, 1956.

Article 8 of this amended contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay the Government's percentage royalty on all production from the land. The Operator is a joint venture of the Combined Metals Reduction Company and the American Zinc Company of Tennessee.

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

(1) No minerals have been produced from the property since May 1956;

(2) All sales of production have been accounted for and proper royalty thereon paid; and

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

Check Sheet of Examining Engineer

Operator's Name M. I. A. Mines Company, (Minerva Tungsten Mine)

Address 218 Felt Bldg.,

Salt Lake City, Utah

Exploration Contract No. Idm-E 481 Docket No. DMEA-2688

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

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

The mine has been idle since May, 1956.

GEORGE H. HOLMES, JR.

George H. Holmes, Jr.
Mining Engineer
Acting Field Officer, OME
Region 11

Date December 7, 1961

82448

DEC 13 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-2688 (Tungsten)
M. I. A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada
Contract Idm-E481

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

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

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

Enclosures

EDTalbert/ama 12-13-61

cc:
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

EXTRA COPY
O. M. E
RECEIVED DEC 12 1961

DATE	INITIALS	CODE
		800

December 7, 1961

Memorandum

To: Mr. E. D. Talbert, Acting Chief,
Contract Administration and Audit Division
Office of Minerals Exploration
Department of the Interior
Washington 25, D. C.

From: Acting Field Officer, OME, Region 11

Subject: DMEA-2688 (Tungsten)
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada
Amended Contract Idm-E 481

Pursuant to your request of November 28, 1961, we enclose the original and one copy of the Check Sheet of the Examining Engineer on Form 22, on the subject property, dated December 7, 1961.

GEORGE H. HOLMES, JR.

George H. Holmes, Jr.

NOV 28 1961

Memorandum

To: Acting Field Officer, Region II

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

Subject: IMEA-2688 (Tungsten)
M. I. A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada
Amended Contract Idm-8481

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

It appears that the property under this contract has been inactive, except for annual assessment work, since May 1956. If this is so, please confirm by an appropriate statement under item 8 of MME Form 22.

EDTalbert/ama 11-28-61

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

THIRD ROY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
GENERAL ADMINISTRATION AND AUDIT DIVISION

RECEIVED
AUG - 6 1956

THIRD ROYALTY AUDIT CERTIFICATE

I have examined the records and sales documents pertaining to the sale of tungsten ore and tungsten concentrates for the period July 1, 1955 to May 31, 1956, by the

M.I.A. Mines Company
a joint venture consisting of
Combined Metals Reduction Company
and American Zinc Company of Tennessee,
218 Felt Building
Salt Lake City, Utah

produced from the Minerva Tungsten Mine, White Pine County, Nevada, approximately 50 miles southeast of Ely, Nevada, on which royalties are due the U.S. Government under the terms of Contract No. DMA-2481, Docket No. DMEA-2688(Tungsten), dated January 27, 1953, including Amendments Nos. 1, 2 and 3, inclusive, and Amended Contract dated January 27, 1953, including Amendment No. 1.

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

The audit established the net sales of tungsten ore and tungsten concentrates for this period to be $199,730.88. Royalty due the United States Government at contract rate of five percent is $9,986.56.

Prior audits conducted by this auditor for the period of January 27, 1953, to February 28, 1955, and for the period March 1, 1955 to June 30, 1955, found the sales as of the last date to be $175,067.43, which added to sales for this period make a total of $374,798.27 as of May 31, 1956. The royalty account as of June 30, 1955, was

Total Royalties Due	$8,444.89
Total Royalties Paid	8,444.89
Balance Royalties Due	-0-

As of May 31, 1956, the royalty amount of this project was found to be

Total Royalties Due	$18,431.45
Total Royalties Paid	18,431.45
Balance Royalties Due	-0-

George Mavor
George Mavor
Auditor

August 1, 1956

THIRD ROYALTY AUDIT REPORT

RECEIVED
AUG - 6 1956

I INTRODUCTION

On June 21 and 22, 1956, an audit was made of the production, sales, and royalty accounts and records of

M.I.A. Mines Company
a joint venture consisting of
Combined Metals Reduction Company
and American Zinc Company of Tennessee,
218 Felt Building
Salt Lake City, Utah

pertaining to the sale of tungsten ore and tungsten concentrates during the period July 1, 1955 to May 31, 1956, produced from property known as the Minerva Tungsten Mine, located in White Pine County, Nevada, approximately 50 miles southeast of Ely, Nevada, on which royalties are due the U.S. Government under the terms of Contract No. Idm-2481, Docket No. DMEA-2688, dated January 27, 1953, including Amendments Nos. 1,2 and 3, inclusive, and Amended Contract dated January 27, 1953, including Amendment No. 1.

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

O. F. Burton, Treasurer
O. Nordfelt, Account

Their cooperation and assistance greatly facilitated the audit.

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

II GENERAL INFORMATION

A certificate of discovery was issued under date of July 18, 1955, and the producing area subject to royalties is described in Annex I, of the Amended Contract as follows:

The land referred to in Article 2 of the contract, consists of the following unpatented lode claims, all recorded in the White Pine County Recorder's office, Ely, Nevada

Claim	Book	Page
Silver Ball (easterly 1/2 of claim)	96	276
Silver Ball No. 1	96	277
Wedge (southerly 1/2 of claim)	134	307
Pot Pie No. 1 (southerly 1/2 of claim)	126	377

and that part of the west 1/2 of the Silver Ball claim that contributes ore from Objective Area No. 1
(See attached map C-1107)

Under Article 8 (b) of the Amended Contract, the royalty repayment period is stipulated as 10 years from date of contract, which was dated January 27, 1953.

The contract was completed January 27, 1955 and the Final Audit Report and Certificate dated April 20, 1955, prepared by this auditor, showed the total accepted costs of the exploration amounted to $165,512.67, with the Government's contribution, on a 75 percent basis, being $124,134.50.

There were two prior royalty audits made for this contract. The First Royalty Audit Report dated April 20, 1955, covered the period January 27, 1953 to February 28, 1955. The Second Royalty Audit Report was dated November 22, 1955, and covered the period March 1, 1955 to June 30, 1955, and both of these royalty audit reports were prepared by this auditor. The present audit extends the period covered by audit to May 31, 1956.

The company ceased mining operations May 12, 1956, and the last tungsten concentrates shipped was May 16, 1956 to the General Service Administration, San Francisco, California, and covered by Combined Metals Reduction Company Settlement Statement dated July 10, 1956, C.M.R. Co. Lot No. 13 and Shippers Lot No. 9-2646-2, and the 5 percent royalty payment in amount of $1,514.62, was received by Finance Officer in San Francisco, California on July 24, 1956, and deposited under C/D No. 14-23-030-5.

III SCOPE OF AUDIT AND FINDINGS

A. Conference with Examining Engineer

A conference with the examining engineer (Mr. Gentry) disclosed the following:

(a) The examining engineer considers, and this auditor agrees, that the operator maintains adequate records pertaining to stockpiled ore and mine or mill rejects that may have a potential value within the royalty repayment period.

(b) The method of allocation of proceeds from commingled production is considered equitable.

(c) Assay controls are deemed adequate

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

(e) Periodic examinations by the examining engineer indicate that the operator is properly reporting the current production subject to DMEA royalties.

(f) There has been no indication that the operator has bought ore from, or sold ore to other operators.

B. Audit of Settlement Statements

A considerable amount of preaudit work was accomplished in the Finance Office, Region II, San Francisco, California, prior to field audit. During this preaudit work a statement of royalties received was prepared from copies of settlement sheets furnished by purchasers of ore and concentrates in support of royalty payments made by such purchasers directly to the Regional BMSA Executive Officer. The royalty receipts were verified with deposits made by the Regional Finance Officer. All of the data included in the statement was confirmed. This statement, which is filed as a part of audit work papers, was reconciled with the production and sales records, maintained by the operator in their office, at Salt Lake City, Utah.

An analysis of tungsten ore and concentrate sales during the audit period January 27, 1953 to May 31, 1956, showed shipments made to the following purchasers:

Tungsten Ore

Purchaser	Dry Tons	Net Sales
Combined Metals Reduction Co.	5,597.755	$95,863.36
Minerals Engineering Co.	508.298	6,538.98
Total Tungsten Ore	6,106.053 *	$102,402.34

*100% from BMSA Area

Tungsten Concentrates

	Net Total Sales		Net Sales from BMSA Area		
	Units WO_3	Amount	%	Units WO_3	Amount
C. W. Jones	3,303.821	$195,898.16	100.00	3,303.821	$195,898.16
Minerals Engineering Co.	453.649	27,239.36	46.85	212.535	12,761.64
" " "	364.631	21,731.09	59.00	215.132	12,821.34
Gen'l Service Admin.	391.6691	24,254.11	87.50	342.7105	21,222.35
" " "	480.8384	30,292.44	100.00	480.8384	30,292.44
Totals	4,994.6085	$298,815.16		4,555.0309	$272,395.93

Total Royalties Paid to BMSA

	Sales	Royalty Rates	Royalties Paid
Tungsten Ore	$102,402.34	1-1/2% to 5%	$ 4,811.64
Tungsten Concentrates	272,395.93	5%	13,619.81
Totals	$374,798.27		$18,431.45

Included in the above tungsten concentrates sales, were mixed lots from company and BMSA ore production, and the BMSA proportion of the sales were included with lot No. 10-46.85%, lot No. 11-59.00% and lot No. 12-87.50%. The

company ore production was from old sections of the mine, which was not subject to BMMA royalties. The method of arriving at the percentage of sales applicable to BMMA, was based on daily mine production reports, which showed the tonnage and indicated whether the ore was produced from company or BMMA areas. After production, the ore is then sorted, which results in a loss of 20 to 30 percent, depending on type of ore produced. The method of obtaining the sales percentage applicable to BMMA for lot No. 10 - 46.85%, was calculated as follows:

	Tons Produced Before Sorting	Tons Produced After Sorting	% After Sorting
BMMA Area	430	335	46.85%
Company Area	473	380	53.15%
Totals	903	715	100.00%

The same procedure was used when computing the percentages applicable to BMMA sales on lot No. 11 - 39.00% and lot No. 12 - 87.50%. The total sales of tungsten concentrates listed above, for which BMMA royalties applied, amounted to $272,395.93 and was accounted for in lots Nos. 1 to 8, inclusive and lots Nos. 10 to 13, inclusive. Lot No. 9 covered a shipment of tungsten concentrates to C. W. Jones, Bishop, California, and settlement was made for 299.875 units in amount of $18,003.81, and this entire shipment, was attributable to ore produced from old company stopes, in which the BMMA did not participate in royalty payments.

All tungsten concentrates shipped and covered by lots Nos. 1 to 13 inclusive, were produced at the Stoper, Stoper and Allen Mill, located on Minerva Mining properties. The ore production records indicate that 5,956.5 tons was produced and shipped to the Stoper, Stoper and Allen Mill during the period February 1955 to May 1956, and the milling records indicate the entire tonnage of 5,956.5 had been milled. From this 5,956.5 tons milled, the mill records showed an estimated concentrate recovery of 162,173 dry lbs. at an average of 64.5% WO_3 - 104,617 lbs. WO_3 or 5,230.85 units. After deducting a mill inventory of 8.15 units, this would indicate that 5,222.70 units had been shipped which was less than the total of 5,294.4775 units shown in settlement statements 1 to 13, inclusive. This variation was due to the final assays shown in settlement statements being slightly higher than the estimated mill recovery assays. When mining and milling operations ceased May 12, 1956, the mill records showed 250 dry lbs. of tungsten concentrates at 65% WO_3 or 8.15 units remaining on hand at the mill. The operator also showed 1,380 tons of low grade ore 0.40% WO_3, on hand at the mine site.

The settlement statements for tungsten concentrates prepared by the Combined Metals Reduction Company, are not calculated on a 20 lb. unit price, but a price per ton of dry tungsten concentrates, however for audit report purposes 20 lb. units have been used, which were obtained from the buyer's settlement statements.

During the course of the audit, an examination was made of all prices shown in settlement statements. Negotiated prices were the basis of

settlement on tungsten concentrate shipments to C. W. Jones, Bishop, California and Minerals Engineering Company, Salt Lake City, Utah.

Additional information pertaining to operator's accounts and records and method of shipping tungsten ore is explained in pages 3, 4 and 5 of Second Royalty Audit Report, dated November 22, 1955.

IV CONCLUSIONS

An analysis of the operator's production and sales of tungsten ore and tungsten concentrates, subject to DMEA Royalties, are as follows:

	Tungsten Concentrates	Tungsten Ore
Wet Weight	138,648.1870 lbs.	12,511,906 lbs.
Moisture	569.6137 lbs.	899,800 lbs.
Dry Weight	138,078.5133 lbs.	11,212,106 lbs.
Dry Weight	69.0393 tons	6,106.053 tons
Average % WO_3	65.98%	
20 lb. Units WO_3	4,555.0309	
Average price per unit (approximate)	$59.80	
Average value per ton (dry weight)	$3,945.52	$16.77
Gross Value	$273,898.31	$141,657.90
Allowable Reductions	1,462.38	38,635.56
Net Value	$272,395.93	$102,408.34

Summary of Sales and Royalties

	Sales	Royalty Rates	Royalties Paid
Tungsten Concentrates	$272,395.93	5%	$13,619.81
Tungsten Ore	102,408.34	1-1/2% to 5%	4,811.64
Totals	$374,798.27		$18,431.45

A detail of royalty payments is filed as part of the audit work papers.

The audit has confirmed the accuracy and propriety of the royalty payments received by the Finance Officer, during the period January 27, 1953 to May 31, 1956. It has also determined that all indicated sales of tungsten ore and tungsten concentrates subject to DMEA royalties under exploration contract, for which settlement sheets have been released, have been properly accounted for.

George Mavor

George Mavor
Auditor

August 1, 1956

Check Sheet of Examining Engineer

RECEIVED
AUG - 6 1956

Operator's Name M.I.A. Mines Co. (Minerva Tungsten Mine)

Address 218 Felt Bldg.,

Salt Lake City, Utah

Exploration Contract No. Idm-E481 Docket No. DMEA-2688

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

Glenn G. Gentry

Glenn G. Gentry

Mining Engineer

Date 6/26/56

82448

QUADRUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

412

THIS DEPOSIT IS NOT SUBJECT TO CHECK

San Francisco, Calif.

DEPOSIT NO.
14-23-030-5

For credit of Treasury Region[illegible] Office, San Francisco, Calif. [illegible] 24, 1956
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

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

$ 1,764.81

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		1,764.81

(Depositor will insert below the name, title, and address of the Agency concerned, and his address.)

LLOYD H. SIOLANDER, 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.

JUL 24 1956

(Authorized signature)

(Date of credit to Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR, WHO WILL FORWARD BY FIRST MAIL TO ADMINISTRATIVE OFFICE

16—59686c-1 GPO

MiI.A. Mines Company
Contract: Idm-E481
Docket : DMEA-2688
Royalty Payment: $1,539.81
Check on: Combined Metals Reduction
Company, Salt Lake City, Utah.
Check No. 898 dated July 18, 1956
in the amount of $1,539.81 drawn
on: Walker Bank & Trust Company,
Salt Lake City, Utah.
Check Received: July 24, 1956

Fr[illegible] M. Anderson, et al
(Stormy Day Mine)
Contract: IDM-E521
Docket : DMEA-2925
Royalty Payment: $225.00
Check on: Treasurer of the US through
Federal Reserve Bank of San Francisco,
California.
Check No. 28, 452,499 dated
July 18, 1956 in the amount of $225.00
drawn on Treasurer of the U.S.
Check Received: July 24, 1956

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

420 Custom House
555 Battery Street
San Francisco 11, California

August 13, 1956

Mr. O. F. Burton, Treasurer
M.I.A. Mines Company
218 Felt Building
Salt Lake City 1, Utah

Re: Idm-2481, DMEA-2688
M.I.A. Mines Company
Minerva Tungsten Mine
Royalty Audit Report

Dear Mr. Burton:

Enclosed herewith is copy of Third Royalty Audit Report for your information and files, which covered the audit period July 1, 1955 to May 31, 1956 for subject contract. This audit report also includes the audit results of prior audits.

Sincerely yours,

"(SIGNED) GEORGE MAVOR"

George Mavor
Auditor

Enclosure

Copy to: Jay L. Chambers

RECEIVED
AUG 17 1956

RECEIVED
AUG 17 1956

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

420 Custom House
555 Battery Street
San Francisco 11, California

August 15, 1956

Mr. W. J. Walker, Vice President
Shasta Copper and Uranium Company, Inc.
612 Beely Building
Salt Lake City, Utah

Re: Idm-E803, EMEA-3590
Shasta Copper and
Uranium Company, Inc.
Audit Report

Dear Mr. Walker:

Enclosed herewith is copy of Audit Report for your information and files, covering subject contract for the period July 1, 1955 to May 31, 1956. After reviewing this report, you may want to forward same to Mr. R. B. Patrick at Redding, California, for his information.

Sincerely yours,

"(SIGNED) GEORGE MAYOR"
George Mayor
Auditor

Enclosure

Copy to: Jay L. Chambers

RECEIVED
AUG 17 1956

RECEIVED
AUG 17 1956

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

AUG - 7 1956

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

Re: Royalty Audit
M. I. A. Mines Company
Contract No. Idm-E481
Docket No. DMEA-2688

Dear Mr. Mavor:

Receipt is acknowledged of your Third Royalty Audit Certificate and Report covering the above-cited project.

The report is acceptable and normal distribution may be effected.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

WBorovies/wb
August 6, 1956

Copy to: Docket
Admr. Reading File
Mr. Chambers

MEMO

San Francisco, Cal.
August 7, 1956

RECEIVED
AUG - 9 1956

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

RE: Third Royalty
Audit Report
M.I.A. Mines Co.
Idm-E481, DMEA-2688

Dear Mr. Chambers:

A few days ago, I submitted to your office the Third Royalty Audit Certificate and Audit Report for subject contract.

Reference is made to the last line, paragraph 2, page 4 of Audit Report, wherein I state that 1.320 tons of low grade ore 0.40% WO_3, was on hand at mine site. The correct tons should be 1,320 (One Thousand Three Hundred Twenty). A period was inadvertantly used, instead of a comma, when typing the report. Please change your copies of this report.

Sincerely yours
George Mavor
Auditor

E-481

For Certificate of Deposit No. 61, dated June 6, 1956, giving royalty repayment of $1,061.12, see E-369.

QUADRUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK

San Francisco, California

For credit of 412 Treasury Regional Office, San Francisco, Calif. May 1, 1956
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

DEPOSIT NO. 14-23-030-55

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

$ 641.07

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		641.07

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

RONDA F. 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.

MAY 1 - 1956

(Authorized signature)

(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR, WHO WILL FORWARD BY FIRST MAIL TO ADMINISTRATIVE OFFICE

16—59686c-1 GPO

M.I.A. Mines Co.
Contract No. Idm-E481
Docket No. DMEA-2688
Royalty Payment: $641.07
Check on: Combined Metals Reduction
Company of Salt Lake City,
Utah.
Check drawn on: Walker Bank & Trust
Company, Salt Lake City, Utah.
Check Received: May 1, 1956

APR 2 0 1956

Mr. Spangler Richer, Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA 2666 - Tungsten
M. I. A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada
Contract No. Idm-2481

Dear Mr. Richer:

Reference is made to the Interim Report of April 6, 1956, on the above noted project, by Glenn C. Century, Mining Engineer, which raises the following questions regarding the operation and royalty settlements:

1. It would assist us in reviewing returns if we could have data on the tonnage and WO_3 content of each lot of ore shipped to the Stepper mill.

2. The analysis provided by Mr. Century indicates that the tailings will run about 0.25 percent WO_3, but possibly the Operator plans to retreat this comparatively high grade product.

3. If the ore averages 0.60 to 0.75 percent WO_3, with the above tailings the recovery is between 58 and 66 percent, which appears to us to be somewhat low.

4. Please advise us whether the concentrates must be shipped to a buyer at a lower base price ($61.25) and cannot be sold to the Government by the Operators at the mill for $63.00 per unit.

5. We note that some shipments of concentrates have been mixed with other concentrates from the Stepper mill. We believe this practice might be questioned and should be avoided if possible.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

P. S. May we have your comments.

APPROVED:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

TLSHAPHA:fcs 4-26-56
cc to: Docket
Code 400
Admr. Board. File

cc to: Oper. Comm.
Ft. RMI, II
R. W. Holliday, USBM
T. H. Kiilsgaard, USGS

QUADRUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK

San Francisco, Calif.

DEPOSIT NO. 14-2K-030-81

For credit of 413 Treasury Regional Office, San Francisco, Calif. 3/26/86
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

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

$ 617.00

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
1414401	E-481	617.00

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

LUCY A. SCHLANDER, 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)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR, WHO WILL FORWARD BY FIRST MAIL TO ADMINISTRATIVE OFFICE 16—59686c-1 GPO

M.I.A. Mines. Co.
Contract No. Idm-E481
Docket No. DMEA-2688
Royalty Payment: $617.89
Check on Combined Metals Reduction Co.
of Salt Lake City, Utah.
Check No. 802 dated March 21, 1956
in the amount of $617.89 drawn on
the Walker Bank & Trust Co. of
Salt Lake City, Utah.
Check received: March 26, 1956.

E-481

For Certificate of Deposit No. 44, dated February 14, 1956, giving royalty repayment of $601.69, see E-65.

QUADRUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK

DEPOSIT NO. [illegible]

For credit of [illegible]
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

deposited with [illegible] San Francisco, California
(Name and location of depositary)

$ 1,[illegible].24

for accounts listed below. SCHEDULE NOS. [illegible]

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
[illegible]		[illegible]

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

[illegible]

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.

[illegible]
(Authorized signature)

(Date of credit in Treasurer's account)

TELLER

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR, WHO WILL FORWARD BY FIRST MAIL TO ADMINISTRATIVE [illegible]

[illegible]-00686c-1 GPO

M.I.A. Mines Co.
Contract IDM-E481, docket 2688
Royalty pay't. $1,092.24

check on:

Walker Bank & Trust Co.,
Salt Lake City, Utah
check No. 712, Vo. No. 712,
dtd. 12/31/55, rec'd. 1/10/56

San Francisco, Cal.

THIS DEPOSIT IS NOT SUBJECT TO CHECK

DEPOSIT NO.
11-23-030-30

For credit of 412-Treasury Regional Office, San Francisco, Cal. 12/7/55
(Name, title, and disbursing or [illegible] identification symbol of accountable officer) [illegible]e sent)

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

$1,209.66

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
11X4401		$1,209.66

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

[illegible] SANDER, FISCAL OFFICER
[illegible] BUREAU OF MINES, DEPTH[illegible]
[illegible] IMMIGRATION ADMINISTRATION
[illegible] STREET, ROOM 420
[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.

(Authorized signature)

(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR, WHO WILL FORWARD BY FIRST MAIL TO ADMINISTRATIVE OFFICE 16—59680

QUADRUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1) Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

MIA Mines, Co.
Contract IDM-E481
docket 2688
Royalty pay't. $1,209.66

check on:

Walker Bank & Trust Co.,
Salt Lake City, Utah
check No. 678, Vo. No. 678,
dtd. 11/30/55, Rec'd. 12/6/55

QUADRUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1) • Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK

San Francisco, Cal.

DEPOSIT NO. 14-23-030-22

For credit of 412 Treasury Regional Office, San Francisco, Calif. 11/1/55
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

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

$1,581.68

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14.4401		1,581.68

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

[illegible]
[illegible]
[illegible]
[illegible]
[illegible]
SAN FRANCISCO, CALIFORNIA

SPACE BELOW TO BE USED BY DEPOSITARY ON

I certify that the above amount has been received for cre account of the Treasurer of the United States on the dat subject to adjustment for uncollectible items included there

NOV 1955
(Authorized signature)

(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR, WHO WILL FORWARD BY FIRST MAIL TO ADMINISTRATIVE OFFICE 16—59680

M.I.A. Mines Co.,
Contract IDM-E481
docket 2688
Royalty pay't. $1,581.68

check on:

Walker Bank & Trust Co.,
Salt Lake City, Utah
check No. 61819
Vo. No. D12872
dtd. 10/28/55
rec'd. 11/1/55

QUADRUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK

San Francisco

DEPOSIT

11-23-55

For credit of [illegible] (Name, title, and disbursing or other identification symbol of accountable officer) [illegible] (Date sent)

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

$ 1,041.40

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14[illegible]01	E-481	1,041.40

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

[illegible]
[illegible]
[illegible]
[illegible]

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.

SEP 26 1955

(Authorized signature)

(Date of credit on Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR, WHO WILL FORWARD BY FIRST MAIL TO ADMINISTRATIVE OFFICE

16—59686c-1 GPO

M. I. A. Mines Co.,
Contract IDM-E481
docket 2688
Royalty pay't. $1,641.40

check on:

Walker Bank & Trust Co.,
Salt Lake City, Utah,
check No. 589, Vo. No. 589,
dtd. 9/9/55, rec'd. 9/15/55

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DEC - 1 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

SECOND ROYALTY AUDIT CERTIFICATE

I have examined the records and sales documents pertaining to the sale of crude tungsten ore for the period January 27, 1953 to June 30, 1955, by:

M. I. A. Mines Company
a joint venture consisting of
Combined Metals Reduction Company
and American Zinc Company of Tennessee,
218 Felt Building
Salt Lake City, Utah

produced from the Minerva Tungsten Mine, White Pine County, Nevada, under the terms of Contract No. Idm-E481, Docket No. DMEA-2688.

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

The audit established total sales of crude tungsten ore for this period to be $175,067.45. Royalty due the U. S. Government at the contract rates of 1 1/2 to 5 percent is $8,444.89. The royalty due and paid is as follows:

Total Royalties Due	$8,444.89
Total Royalties Paid	8,444.89
Balance of Royalties Due	-0-

George Mavor
George Mavor
Auditor

November 22, 1955

RECEIVED
DEC - 1 1955

SECOND ROYALTY AUDIT REPORT

I INTRODUCTION

On September 8, 1955, an audit of royalty payments received, was made for the period January 27, 1953 to June 30, 1955, covering tungsten ore produced and sold under Contract No. Idm-E481, Docket No. DMEA-2688, by:

M. I. A. Mines Company
a joint venture consisting of
Combined Metals Reduction Company
and American Zinc Company of Tennessee,
218 Felt Building
Salt Lake City, Utah

covering a project of exploration for tungsten ore, on property known as the Minerva Tungsten Mine, located in White Pine County, Nevada.

The mining properties are reached by proceeding on highway 93, approximately 35 miles south of Ely, Nevada, then turn east on unnumbered gravel road 15 miles to mine site.

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

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

Their cooperation and assistance greatly facilitated the audit.

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

II GENERAL INFORMATION

A certificate of discovery was issued under date of July 18, 1955, and the producing area subject to royalties is described in Annex I, of the Amended Contract as follows:

The land referred to in Article 2 of the contract, consists of the following unpatented lode claims, all recorded in the White Pine County Recorder's Office, Ely, Nevada.

Claim	Book	Page
Silver Bell (easterly 1/2 of claim)	96	276
Silver Bell No. 1	96	277
Wedge (Southerly 1/2 of claim)	134	207
Pot Pie No. 1 (southerly 1/2 of claim)	128	377

and that part of the West 1/2 of the Silver Bell claim that contributes ore from Objective Area No. 1 (see attached map c-1107).

Under Article 8 (b) of the Amended Contract, the royalty repayment period is stipulated as 10 years from date of contract, which was dated January 27, 1953.

The contract was completed January 27, 1955, and the total cost of the contract, together with the Government 75% participation is as follows:

	Cost	Government Participation 75%
Cost of Contract	$165,512.67	$124,134.50

The sum of $8,444.89 has been received by the Finance Officer, covering royalty repayments on tungsten ore sales made during the period January 27, 1953 to June 30, 1955. This leaves an unpaid balance of $115,689.61 due on the Government loan as of June 30, 1955.

III SCOPE OF AUDIT AND FINDINGS

The first royalty audit was made for the period August 14, 1954 to March 1, 1955, and audit report issued April 20, 1955. The period August 14, 1954 to March 1, 1955 as heretofore shown, were dates that ore was received at smelter, whereas the correct audit period should have been from the date of contract January 27, 1953 to February 28, 1955. This second royalty audit covered the period March 1, 1955 to June 30, 1955 and the combined results of the two audits are discussed in this report.

The audit was limited to determining the accuracy and propriety of royalty repayments, received by the Finance Officer, covering royalty repayments on tungsten ore sales during the period January 27, 1953 to June 30, 1955, and a determination that all indicated sales of tungsten ore subject to royalty repayment under the exploration contract, for which settlement sheets had been released, have been properly accounted for.

The extent of the audit and the findings follows:

Conference with Examining Engineer

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

The operator stockpiles are subject to DMEA royalty repayment. Tungsten ore has been occasionally stockpiled at the mine, and at a later date has been transferred to the sorting plant adjacent to the mine and the resultant sorted product shipped to the Combined Metals Reduction Company Plant, at Bauer, Utah, for treatment.

The assay controls in effect are considered adequate.

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

The operator stockpiles mine rejects, that may have potential value within the royalty payment period. The rejected ore from the sorting plant at mine is stockpiled at the mine for possible treatment at a later date if considered economically advisable.

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

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

There has been no indication that the operator has bought ore from, or sold ore to other operators.

Audit of Settlement Statements

A detailed summarization of royalty purchases by Smelter was prepared from settlement statements submitted by the operator during the audit period of January 27, 1953 to June 30, 1955. The total net sales of tungsten ore as shown on this summary aggregated $175,067.45 and the royalty payments of 1 1/2 to 5 percent amount to $8,444.89. The royalty payments were verified to the certificates of deposit and the Finance Office Ledger Record.

Operator's Accounts and Records

The operator maintains a general ledger and subsidiary records for the exploration project activities, including the supporting records on royalty repayments to DMEA. The net amount of $175,067.45 subject to royalties was verified to Mining Revenue Account, and the royalties paid in amount of $8,444.89 was verified to royalty payments, charged to the Development Cost Account in the general ledger. The cash records covering the foregoing transactions were also examined, which included an examination of paid freight bills, and invoices covering trucking charges, loading cars and assaying.

The Mining Revenue Account in the operator's ledger showed a total of $167,925.71 as compared with the amount of $175,067.45, subject to royalties as shown in this audit report. The difference of $7,141.74 represents trucking charges of $7,089.24 and car loading charges of $52.50 which had been paid direct by M. I. A. Mines Company. The aforementioned charges were disallowed on lots 1, 2, 4, 5 and 6, when computing royalty settlements. This was due to the M. I. A. Mines Company paying the charges direct, whereas according

to Title 32A - National Defense Appendix, DMEA Order - 1 Amended, Section 10 Repayment by Operator, paragraph (c) states that only the buyer can deduct such charges from the settlement statement.

The M.I.A. Mines Company maintain their records on an accrual basis, and it is the company's policy to estimate the value at the end of each month any tungsten ore that was stockpiled at the mine, and set up the estimated inventory value in their books. The end of the month estimated inventory of tungsten ore is reversed during the succeeding month, therefore, this estimated inventory has no direct bearing on royalties due the Government, for the reason no settlement statements have been received.

An analysis of tungsten ore and concentrate sales during the audit period showed shipments made to the following purchasers:

Tungsten Ore

Purchaser	Dry Tons	Net Sales
Combined Metals Reduction Co.	5,597.755	$ 95,863.36
Minerals Engineering Co.	508.298	6,538.98
Total Tungsten Ore	6,106.053	$102,402.34

Tungsten Concentrates

Purchaser	Dry Tons	Net Sales
C. W. Jones	18.4395	$ 72,665.11
Total Net Sales		$175,067.45
Royalties Paid at 1 1/2 to 5%		$ 8,444.89

When shipment of tungsten ore first started during April 1954, the tungsten ore was transferred from the Minerva Mine by truck to Delta, Utah and loaded into freight cars for reshipment to the Combined Metals Reduction Company Plant at Bauer, Utah. This shipment procedure was discontinued at the end of November 1954, and subsequent to this date the tungsten ore was transported from the Minerva Mine by truck to Pioche, Nevada and loaded into freight cars for reshipment to Bauer, Utah. There is very little difference between the freight and hauling charges via Delta, Utah and freight and hauling charges via Pioche, Nevada. The operator stated they had better control over shipments routed out of Pioche, Nevada. During November and December 1954, there was one lot of tungsten ore shipped from the Minerva Mine by trucks to the Minerals Engineering Company, Ely, Nevada. After a discussion with the Executive Officer and the U. S. Bureau of Mines, Examining Engineer, it was agreed

that the Bauer, Utah Plant of the Combined Metals Reduction Company, was the most logical plant to treat the ore from the Minerva Mine, during this period of operation, April 1954 to April 1955.

Commencing with the month of April 1955, the operator made arrangements to transfer all tungsten ore produced to the Stoper, Stoper and Allen Mill, located on Minerva Mining properties. Stoper, Stoper and Allen are the lessee's of the property, and now have the necessary mill equipment to treat tungsten ore, and produce tungsten concentrates. The tungsten concentrate 20 lb. units are shipped in sacks by trucks, on a consignment basis to C. W. Jones, Bishop, California, a distance of approximately 350 miles. Each consignment is settled separately, and supported by a Purchase Statement, which shows the base price of $61.25 per unit less penalties, with resulting net price per unit. The base prices and penalties are based on Government Schedules and Specifications, and the only other allowable deductions, are for sampling, assaying and trucking charge paid by consignee. The aforementioned Purchase Statement, which contains all necessary settlement data, is then the basis for the preparation of the Combined Metals Reduction Company settlement statement, issued to M.I.A. Mines Company, and royalty payment to the Government.

The settlement statements prepared by the Combined Metals Reduction Company, are not calculated on a 20 lb. unit price, but on a price per ton of dry tungsten concentrates, and the method of calculation, as taken from a single settlement sheet is illustrated as follows:

Combined Metals Reduction Company
Settlement Statement dated June 23, 1955, Lot No. 2

Base Price	$61.25
Pb Penalty	(.40)
Net Price	$60.85

WO_3 = 65.42 X $60.85 = $3,980.806 per dry ton

6.7665 dry tons at $3,980.806 =		$26,934.89
Deduct		
Sampling	$67.67	
Assaying	7.00	
Haulage	150.00	224.67
Net Sale		$26,710.22
Royalty at 5%		$ 1,335.51

The above net sale of $26,710.22 is in agreement with the amount shown on Purchase Statement submitted by C. W. Jones, which was calculated on a 20 lb. unit price.

Other than one shipment of tungsten ore to Minerals Engineering Company, Ely, Nevada, the settlement statements for Tungsten ore are based on Combined Metals Reduction Company "Custom Ore Schedule", which shows the following prices:

Grade of Ore	Price Per STU WO_3
Less than 0.299% WO_3	none
0.30 to 0.999% WO_3	$46.00
1.00 and higher % WO_3	$47.00
Treatment Charges	**Per Dry Ton**
Less than 50 tons per month	$8.00
More than 50 tons per month	$6.00

Sampling and assaying $10.00 per lot of ore

During the course of the audit, an examination was made of the Combined Metals Reduction Company, Bauer Plant ore production records, which shows the tons of crude tungsten ore milled each month. The settlement statements of the M.I.A. Mines Company were verified to this production record and no errors were discovered.

At the Caselton Plant Office, Pioche, Nevada, the operator maintains a record of ore and concentrate shipments, which includes copies of all settlement statements. During the audit a visit was made to the Caselton Plant Office and an examination was made of the aforementioned documents, which were found to be in order.

IV CONCLUSIONS

An analysis of the operator's production and sales of tungsten ore and tungsten concentrates, subject to DMEA Royalties, are as follows:

	Tungsten Ore	Tungsten Concentrates
Wet Weight	12,511,906 lbs	-0-
Dry Weight	12,212,106 lbs.	36,879 lbs.
Dry Weight	6,106.053 tons	18.4395 tons
Gross Value	$141,037.90	$72,960.70
Allowable Deductions	38,635.56	295.59
Net Value	$102,402.34	$72,665.11
Average Value Per Ton (Dry Weight)	$16.77	$3,940.731

For information purposes the cost per unit of tungsten concentrates, based on the above figures of 18.4395 dry tons and gross value of $72,960.70, can be calculated on an estimated basis as follows:

18.4395 Dry Tons x 65.06% WO_3 = 1,199.674 Units
$72,960.70 Gross Value divided by 1,199.674 Units = $60.82 Per Unit

Royalties Paid

	Net Sales	Rates	Royalty
Tungsten Ore	$102,402.34	1 1/2% to 5%	$4,811.64
Tungsten Concentrates	72,665.11	5%	3,633.25
Totals	$175,067.45		$8,444.89

A detail of royalty payments is filed as part of the audit work papers.

The audit has confirmed the accuracy and propriety of the royalty payments received by the Finance Officer, during the period January 27, 1953 to June 30, 1955. It has also determined that all indicated sales of tungsten ore and tungsten concentrates, subject to DMEA royalties under the exploration contract, for which settlement sheets have been released, have been properly accounted for.

George Mavor
George Mavor
Auditor

November 22, 1955

Check Sheet of Examining Engineer

Operator's Name M.I.A. Mines Co. (Minerva Tungsten Mine)

Address 218 Felt Bldg.,

Salt Lake City, Utah

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DEC - 1 1955

Exploration Contract No. Idm-E481 Docket No. DMEA-2688

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

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

Glenn G. Gentry
Mining Engineer

Date 9/27/55

82448

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

420 Custom House
555 Battery Street
San Francisco 11, California

RECEIVED
JAN 12 1956

January 3, 1956

Mr. O. F. Burton, Treasurer
M. I. A. Mines Company
218 Felt Building
Salt Lake City, Utah

Re: Idm-E481, DMEA-2688
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada

Dear Mr. Burton:

Enclosed herewith for your information and files, is copy of Second Royalty Audit Report covering the period January 27, 1953 to June 30, 1955.

Sincerely yours,

"(SIGNED) GEORGE MAVOR"

George Mavor
Auditor

Enclosure

Copy to: Jay L. Chambers

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

Re: Idm-E409, DMEA-2482
Raymond-Combined Mines Co.
and
Idm-E481, DMEA-2688
M.J.A. Mines Company
Royalty Audits

Dear George:

Receipt is acknowledged of your letter dated December 15, 1955, in which you furnished the information regarding the above-cited projects as requested in my letter of November 29, 1955.

In view of the above you are advised that the royalty audits covering these two contracts are acceptable and normal distribution may be effected.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

AMAlley/mm
December 21, 1955

Copy to: Docket - DMEA-2482
Docket - DMEA-2688
Admr. Reading File
Mr. Chambers

RECEIVED
DEC 16 1955

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

December 15, 1955

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

RE: Idm-E409, DMEA-2482
Raymond-Combined Mines Co.
IDM-E481, DMEA-2688
M.I.A. Mines Company
Royalty Audits

Dear Mr. Chambers:

Reference is made to your letter dated November 29, 1955, in connection with obtaining information on methods employed by Combined Metals Reduction Company, when purchasing ore from subject operators.

On December 7, 1955, I was in Reno and discussed the questions asked in your letter of November 29, 1955, both with Glenn G. Gentry, Examining Engineer, and S. Ricker, Executive Officer, and they were of the opinion that there was nothing irregular in the method employed by the Combined Metals Reduction Company, when purchasing ore from subject operators.

For your information I am attaching copies of purchase and consignments agreements with subject operators as follows:

Raymond Combined Mines Co.

(a) Purchase agreement dated March 1, 1952 between Combined Metals Reduction Company and Raymond-Combined Mines Co.

M.I.A. Mines Company

(b) Combined Metals Reduction Company Custom Ore Schedule dated August 1, 1954.

(c) Consignment agreement used when shipping concentrates to C. W. Jones.

(d) Purchase Statement used by C. W. Jones when settling concentrates.

As stated on page four of my royalty audit report dated November 15, 1955, for Raymond-Combined Mines Company, the accounting for the operation of the contract is handled by the Combined Metals Reduction Company, and in their general ledger account No. 40-250-7 Raymond Combined Mines Company reflects the cost of the contract, and account No. 40-168-201 Work Order Account - Deferred Expense reflects the revenues received from settlement statements together with the royalty paid to the Government.

The M. I. A. Mines Company have a complete set of accounting records, including a general ledger, and all transactions from the production and sale of ore is reflected therein, together with revenues from settlement statements and royalty payments to the Government.

The Combined Metals Reduction Company maintains a Record of Ore Purchased, and purchases made from subject operators were verified to this record.

I thought the enclosed agreements might be of some benefit to obtain a clearer picture of the methods employed by the Combined Metals Reduction Company, when purchasing ore from subject operator, however, if the explanation set forth above together with enclosures do not entirely give you the desired information, I would appreciate you listing in detail any additional information required, which I could obtain on my next visit to Salt Lake City.

Sincerely yours,

"(SIGNED) GEORGE MAVOR"

George Mavor
Auditor

Enclosure

Copy to: S. Ricker (w/encl.)

RECEIVED
DEC 16 1955

(ii)
1 of 4 pages

THIS AGREEMENT made in duplicate this 1st day of March, 1952, between COMBINED METALS REDUCTION COMPANY, a corporation, the "Buyer", and RAYMOND-COMBINED MINES, the "Shipper",

WITNESSETH:

Buyer agrees to purchase and Shipper agrees to sell ores produced by Shipper, in accordance with the terms and conditions herein stated, to-wit:

MATERIAL

The material covered by this agreement shall be all of the crude lead-zinc sulphide milling ores produced by the Shipper from the Raymond Ely Mine at Pioche, Nevada, that are suitable for treatment in the Buyer's mill at Pioche, and are of the same character as samples previously received by the Buyer and approved by the Buyer for treatment. Buyer reserves the right to refuse any ore tendered that is not similar in character to the samples received.

DELIVERY

F.O.B. Pioche, in not less than 50 ton lots up to 5000 tons per month. Any excess may be accepted or refused at Buyer's option. All shipments shall be consigned to Combined Metals Reduction Company, Pioche. The original bill of lading shall be mailed to Combined Metals Reduction Company, P. O. Box 150, Salt Lake City 10, Utah. There shall be no charge for sampling and unloading at the plant. Date of delivery means date of receipt of last car or bin of a lot at the Buyer's plant. Month of receipt means the calendar month in which the last car or bin of the lot is received at the plant.

SETTLEMENT

Settlements shall be made within ten (10) days after agreement of assays, and in accordance with variations in metal prices, freight charges (which will include Federal Tax) and labor costs, all as hereinafter stated.

When used herein, "Unit" shall mean 20 pounds avoirdupois; "Ounce" shall mean Troy ounce; and "Ton" shall mean short ton of 2000 pounds dry weight.

WEIGHING, SAMPLING
AND ASSAYING

Weighing and sampling shall be done at Buyer's Pioche plant at Buyer's expense with right of representation by Shipper, or at a custom sampler at the Shipper's expense.

Three pulps shall be prepared, one of which shall go to the Shipper (or its representative), one to the Buyer and one shall be held for umpire. Certificates of assay shall be exchanged. If the assays check within the limits of

variation herein stated, the average of the two assays shall govern settlement. If the assays do not check within the limits of variation, the third pulp shall be submitted to an umpire agreeable to both parties. Umpires shall be selected in rotation from a list mutually agreed upon, and the decision of such umpire shall be final if his assay falls between the other two assays. If the umpire's assay is above the higher assay or below the lower assay, then the assay closest to the umpire assay shall govern settlement. Cost of the umpire assay shall be borne by party whose assay is farthest from umpire's assay.

Limits of Variation in Assays

Gold :	Two one-hundredths (2/100) of an ounce
Silver:	Three tenths (3/10) of an ounce
Lead :	Three tenths (3/10) of one (1) percent
Zinc :	Four tenths (4/10) of one (1) percent
Copper:	Two tenths (2/10) of one (1) percent

TERM

This agreement shall be effective for a term of ten years beginning with the day and year first above written.

FIRES, STRIKES, ETC.

Neither party hereto shall be liable to the other for failure to perform under this agreement where such failure results from a cause beyond the control of the party, such as, but not limited to, strikes, fire, flood, explosion, act of God, war, civil commotion, act, regulation, order or request of any governmental authority, inability to obtain labor or materials or transportation.

PAYMENT FOR METALS

GOLD : Deduct 0.01 ounce. Pay for balance of gold content, as determined by fire assay, at $16.00 per ounce.

SILVER : Deduct 0.5 ounces. Pay for balance of silver content, as determined by fire assay, at 80% of the average of the Handy & Harman New York Silver quotation for the calendar week in which each lot is delivered at the plant, or at the realized mint price, whichever is higher. Silver must qualify for Government purchase and necessary affidavits must be furnished in order to be settled at the mint price.

LEAD : Deduct 0.8 units from the sulphide lead content. Pay for balance of the sulphide lead content, as determined by wet assay, at $1.75 per unit when the average E&MJ New York quotation for domestically refined lead sold to domestic consumers is 17 cents per pound for the week ending Wednesday preceding date of delivery. For each one cent increase in such price there shall be added to the unit payment 15 cents; and for each one cent decrease in such price there shall be deducted from the unit payment 15 cents. No pay for non-sulphide lead. Fractions in proportion.

ZINC : Deduct 1.2 units from the sulphide zinc content. Pay for balance of the sulphide zinc content, as determined by wet assay, at $1.50 per unit when the average E&MJ St. Louis quotation for domestic Prime Western Zinc sold to domestic consumers is 17.5 cents per pound for the week ending Wednesday preceding date of delivery. For each one cent increase in such price there shall be added to the unit payment 14 cents; and for each one cent decrease in such price there shall be deducted from the unit payment 14 cents. No pay for non-sulphide zinc. Fractions in proportion.

COPPER : Deduct 0.1 units. Pay for balance of copper content as lead.

MANGANESE : In the event Buyer produces from the ore a marketable manganese concentrate the Buyer will pay to Shipper the net recoverable value of the manganese after deduction of all costs of recovery and a reasonable profit.

OTHER METALS : No payments shall be made by Buyer to Shipper for any element contained in the ore, other than those specifically provided above, and such other element shall be the property of the Buyer; except for an element (other than iron and sulphur) recovered in a marketable concentrate with a content in excess of ten percent of said element, the Buyer will pay to Shipper the net recoverable value of said element after deduction of all costs of recovery and a reasonable profit.

DEDUCTIONS

BASE TREATMENT CHARGE : $4.25 per short dry ton.

LABOR : The above treatment charge is based on a flotation operator's wage of $13.18 per eight hour shift. For each $1.00 increase in such wage, there shall be added 30 cents per ton of ore; and for each $1.00 decrease there shall be deducted 30 cents per ton of ore. Fractions in proportion.

FREIGHT : The above treatment charge is based on the freight rates shown in the following tabulation. For each $1.00 increase in such rates, there shall be added to the base treatment charge the amount shown opposite such freight rate in Column 2. For each $1.00 decrease in such freight rates, there shall be deducted from the base treatment charge the amount shown opposite such freight rate in Column 2. Fractions in proportion.

	(1) Base Rate/Ton Including 3% Fed. Tax	(2) Increase or Decrease
Lead Bullion: International to New York, N. Y.	$23.85	3¢
Zinc Concentrates: Pioche to Black Eagle, Montana	8.56	15¢
Slab Zinc: Black Eagle to Chicago, Illinois	17.04	6¢

Twenty-five cents (25¢) per ton will be allowed for ore crushed at a custom sampler prior to shipment to the Buyer's plant.

TAXES : Federal and State taxes in respect to the ores shipped hereunder, or in respect to the production, extraction, sale, disposition, or transportation, returns or proceeds thereof which are in the nature of specific impositions on the business or products of Shipper, shall be payable by Shipper, and if collected from the Buyer shall be charged to and repaid by Shipper. Those taxes which are in the nature of impositions upon the business and products or income of Buyer shall be payable by Buyer.

This agreement cancels all previous agreements effective as of this date.

WITNESS the due execution hereof the day and year first above written.

COMBINED METALS REDUCTION COMPANY

/s/ E. H. Snyder
Buyer

RAYMOND-COMBINED MINES
By Executive Committee

/s/ Julian M. Bamburger
Shipper

(b)

RECEIVED
DEC 16 1955

COMBINED METALS REDUCTION COMPANY
218 FELT BUILDING
SALT LAKE CITY, UTAH

CUSTOM ORE SCHEDULE

PAYMENT:

Pay for 80% of the Tungsten Tri-Oxide (WO_3) content at the following prices -

Grade of Ore	Price per STU WO_3
Less than 0.299 % WO_3	None
0.30 to 0.999 % WO_3	$ 46.00
1.00 and higher % WO_3	$ 47.00

CHARGES:

Treatment	Per dry ton
Less than 50 tons per month	$ 8.00
More than 50 tons per month	$ 6.00

Sampling and assaying $10.00 per lot of ore.

Minimum moisture deduction 1.00%.

COMBINED METALS REDUCTION COMPANY reserves the right to change or cancel this schedule at any time and without notice.

CONDITIONS:

Combined Metals Reduction Company will purchase on a custom basis tungsten bearing ores of scheelite, or scheelite and powellite as the only tungsten minerals, and such ore must meet with the buyer's specifications. Purchases will be made only after a representative sample of the seller's ore has been metallurgically tested and approved for treatment in the buyer's plant. Ores which do not yield to the buyer's treatment can be refused at any time. Delivered ore which contains less than 0.29% WO_3 will not receive payment and such ore will become the property of the buyer as liquidating damages for the buyer's expense of assaying, sampling and handling, and such ore may be treated, comingled, or otherwise disposed of by the buyer.

Ore will not be accepted which will not pass through the buyer's 16 inch grizzly. Deliveries of ore will be accepted in bottom dump gondola railroad cars, or in the dump trucks, fob buyer's Bauer, Utah plant.

Payment will be made on the buyer's sample, weights, moisture determination and assays. A sample pulp will be furnished the shipper upon request.

August 1, 1954.

CONSIGNMENT OF TUNGSTEN ORE CONCENTRATES, to

C. W. Jones, Bishop, California; by

(C)

RECEIVED

DEC 16 1955

M. I. A. Mines Co. c/o C. M. R. Co. Pioche, Nevada Seller

Lot No. 2 Lbs. Gross Wt. 13,753 Approx. Net Wt. 13533

Mine (producing material)

Material delivered by R. L. BRITTAIN

Received in Warehouse by Ralph Brown May 18, 1955

The undersigned Consignor, consigns this material to C. W. Jones and authorizes said Consignee to sell and deduct from sales receipts any Transportation, Up-Grading, Sampling, Assaying, Mixing, Packaging, and other necessary charges to prepare and establish the material an acceptable market product.

Consignor (Owner or duly authorized Agent) affirms: (1) undisputed ownership of the Concentrate, and, in the event of claims arising against said Consignment, will pay the same promptly and defend Consigned against all liability connected with Consignor's onwership and/or authority to consign and sell; (2) that the material is Domestic Production; and (3) that the materila was produced in compliance with the Minimum Wage and Over-Time provisions of the Fair Labor Standards Act of 1938.

Should Consignment not prove economically marketable, due to quality or market conditions, Consignee will release the material upon the Consigher's paying accrued costs in the effort to prepare and establish the material a marketable product, and upon refund of any advance payments made by Consignee to Consignor.

Advance and final Payments to Consignor will be determined by Assay and Base Pay per Unit on date of final settlement, less any penalties and/or deductions. For any part of the Tungsten content sold from the Consignment, Consignee will pay:

(1) $ 61.25 per Unit WO_3, or (2) _____ per posted Schedule applying to Lots of less than 3 Tons of approximately 60% WO_3, each (1) or (2) less above-mentioned Deductions, and Penalties per Government Schedule and Specifications.

Orders to pay other persons will be limited to net balance due seller. Pay R. D. Wilkins for hauling $150.00

Advance Payments 5/18/55 $19,500.00

By: R. L. Brittain
Owner-Seller ~~and/or Agent~~, Consignor

C. W. Jones
C. W. Jones, Consignee-Buyer

RE-SETTLEMENT

RECEIVED
DEC 16 1955
103 South Warren St. • Phone 697
LUCKY, CALIFORNIA

(d)

PURCHASE STATEMENT, Tungsten Ore Concentrate

[illegible] 25 1955

M. I. A. MINES Co. c/o C. M. R. Co., PIOCHE, NEVADA

AVERAGED M. I. A. AND C. W. JONES Seller

Material 17,500 lbs. 2 Producer's Lot or Delivery Number.

Assay: Tungstic Oxide 65.00 % WO_3 $ _____ Penalty for under 60% WO_3

Phosphorous	.025	% P		P Penalty for Excess
Sulphur		% S		S " " "
Copper		% Cu		Cu " " "
Lead	.28	% Pb	.31	Pb " " "
Zinc	.16	% Zn	.90	Zn " " "
		%		" " "

$ 1.21 Total Deductions per Unit

Pay per Unit $ 61.25, less $ 1.21, Net pay per Unit 60.04

Total Units, WO_3: 443.375 @ $ 60.04 $ 26,620.24 26,620.24

Charges: Weight 250.00 Screening $ _____ $ _____

Upgrading $ _____, Sampling $ 67.67, Assaying $ 7.00 $ 224.67 224.67

Net to Seller → $ 26,395.57 26,395.57

Advance Payment:

May 16 - $19,500.00

May 26 - 7,210.22

$ 26,710.22 26,710.22

To Seller: Bal. Provisional _____ Final _____ Chk. No. _____ $ 314.65 314.65

Acceptance of Final Settlement Payment closes this Sales-Purchase Transaction. Seller Warrants unencumbered title and right to assign, sell and transfer to the undersigned Consignee and/or Buyer.

Overpaid

M. I. A. Mines Co.
Owner or Authorized Agent, Seller

C. W. JONES
Consignee and/or Buyer

NOTICE: On acceptance of final Settlement, please sign and return one copy to Consignee and/or Buyer.

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

DEC 19 1955

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

Re: Idm-2481, DMEA-2688
M.J.A. Mines Company
2nd Royalty Audit Report

Dear George:

Receipt is acknowledged of your letter dated December 13, 1955, with which you submitted rewritten page 5 applicable to Second Royalty Audit Report on the subject company.

The name of the company shown in the heading of the tabulation has been corrected by changing the word "Method" to "Metals" and the revised page has been placed in the copies of your audit report.

As previously advised acceptance of this report is being held in abeyance pending submission of the supplemental information as requested in the third paragraph of my letter of November 29, 1955, in reference to Contract No. Idm-2409, Docket No. DMEA-2482, Raymond-Combined Mines Company.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

CEFisher/wb
December 16, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

420 Custom House
555 Battery Street
San Francisco 11, California

RECEIVED
DEC 15 1955

December 13, 1955

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

Re: Idm-E481, DMEA-2688
M.I.A. Mines Company
2nd Royalty Audit Report

Dear Mr. Chambers:

In accordance with your letter dated December 2, 1955, you will find attached hereto, 2 copies of page 5 which has been rewritten for subject audit report, in order to clarify the method of calculating royalties.

Please substitute these pages in my audit report.

Sincerely yours,

George Mavor

George Mavor
Auditor

Inclosure

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

Re: Idm-E481, DMEA-2688
M. I. A. Mines Company

Dear Mr. Mavor:

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

Acceptance of this Report and Certificate is being held in abeyance pending submission of the supplemental information as requested in the third paragraph of my letter of November 29, 1955, in reference to Contract No. Idm-E409, Docket No. DMEA-2482, Raymond-Combined Mines Co.

There is, however, one point in this Audit Report which appears to require clarification. On page 4 the amount of $72,665.11 is shown for net sales of tungsten concentrates to C. W. Jones. This same figure also is stated on pages 6 and 7 as representing the value of concentrate sales. On page 5, however, in discussing the calculation of the royalty, the amount of $26,710.22 is shown for sales of concentrates.

Possibly this latter figure was used only as an illustration of the calculation and is an example of a single settlement sheet. If this is the case, a re-write of this page to clarify the point is suggested.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/ama
December 2, 1955

Copies to: Docket
Admr. Reading File
Mr. Chambers

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

JUL 18 1955

Memorandum

To: The Administrator, DMEA
Attention: G. C. Selfridge

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-2688 (Tungsten), M.I.A. Mines Company, Contract No. Idm-E481

In a memorandum to the Administrator dated June 23, a copy of which was sent to this office, Mr. Selfridge discusses the liability for royalties under the subject contract. He says:

> This is to cite an example which illustrates a possible weakness in special cases in our exploration contracts";

and winds up the memorandum with the following sentence:

> "It would seem under our present contracts that ore from any major discovery could be bought on a custom basis by a corporation formed solely for beneficiating it."

This last conclusion does not follow from the facts of the case Mr. Selfridge refers to, but even if it did this would not indicate a weakness in our exploration contracts. To be sure, our contract forms require the royalty to be paid on the gross proceeds from production sold, and this of course contemplates bonafide sales of the production. It would not add anything to the contract to provide expressly that the sales must be bonafide, or that the operator cannot sell the production to himself.

Should one of our operators, to avoid the higher royalty on concentrates, organize a corporation to do nothing but mill the ore which is subject to the Government's royalty, all of the stock of the new corporation being wholly owned by our operator, this probably would not be a

bonafide transaction, and the Government might well ignore it for the purpose of computing royalty on production. In other words, the Government might view any milling of ore under these circumstances as being done by the operator himself, in spite of the fact that the milling would be done in the name of the new corporation which was formed for that particular purpose.

On the other hand, an operator under a DMEA contract is not precluded from organizing a corporation for the purpose of going into the business of milling ore. Such a corporation could purchase the production which is subject to the Government's royalty along with other production, and the royalty would be computed on the purchase price of the ore regardless of the fact that the operator owns or has an interest in the corporation which does the milling. The principal concern of the Government is to see that the purchase price of the production upon which its royalty is based is the reasonable value of the production for this purpose.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

JLHofflund:gjb

Copy to: DMEA Docket
Sol. Docket
G. C. Selfridge
J. L. Hofflund (2)
J. D. Parriott
Chron. File

E-481

For Certificate of Deposit No. 3, dated July 19, 1955, giving royalty repayment of $1,230.39, see E-323.

SEXTUPLICATE

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

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

DEPOSIT NO.

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

$

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

SYMBOL NO.

_____
(Name and address of officer to be credited)

On account of—

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

LLOYD 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

M.I.A. Mines Co.
contract No. IDM-E481
docket 2688
Royalty pay't. $1,335.51

check on
Walker Bank & Trust Co.,
Salt Lake City, Utah
check No. 477, Vo. No. 477,
dtd. 6/24/55,
rec'd. 6/29/55

SEXTUPLICATE

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

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

DEPOSIT NO.
[illegible]

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

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

$ [illegible]

SYMBOL NO.
022

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

On account of—

[illegible] E-[illegible]

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

LLOYD H. SJOLANDER, FISCAL OFFICER
INTERIOR, BUREAU OF MINES, DEFENSE
MINERALS EXPLORATION 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.

JUN 6 1955
(Authorized signature)

FEDERAL RESERVE BANK OF SAN FRANCISCO
(Date of credit in Treasurer's account)

DEPOSITOR WILL RETAIN THIS COPY

M.I.A. Mines Co.,
Contract No. IDM-E481
docket No. 2688
Royalty pay't. $170.90

check on
Walker Bank & Trust Co.,
Salt Lake City, Utah
check No. 59869
Vo. No. D11017
dtd. 5/25/55
rec'd. 6/3/55

Copy - Wash. Office

SEXTUPLICATE

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

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

DEPOSIT NO.
[illegible]

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

$ [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)

[illegible] SCHLANDER, FISCAL OFFICER
INTERIOR, BUREAU OF MINES, [illegible]
MINERALS EXPLORATION [illegible]
[illegible] BATTERY STREET, ROOM [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.

MAY [illegible] 1955 (Authorized Signature)

(Date of credit in Treasurer's account)

DEPOSITOR WILL RETAIN THIS COPY

FEDERAL RESERVE BANK OF SAN FRANCISCO
TELLER

M.I.A. Mines Co.
Contract No. IDM-E481
docket 2688
Royalty pay't. $13.86

check on
Walker Bank & Trust Co.,
Salt Lake City, Utah
check No. 432, Vo. No. 432
dtd. 5/19/55
rec'd. 5/24/55

Copy for Wash Office

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

DEPOSIT NO.
[illegible]

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

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

$ 1,053.59

SYMBOL NO.
222

[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)

[illegible], FISCAL CENTER
[illegible], BUREAU OF MINES, DEPARTMENT
[illegible] INFORMATION ADMINISTRATION
[illegible] MISSION 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)
FEDERAL RESERVE BANK OF SAN FRANCISCO
TELLER

(Date of credit in Treasurer's account)

DEPOSITOR WILL RETAIN THIS COPY

SEXTUPLICATE

STANDARD FORM 208e (Formerly Cert. of Deposit, Form 6599). Promulgated August 1951 by Treasury Department, Fiscal Service

M.I.A. Mines Co.
Contract IDM-E481
docket 2688
Royalty Pay't.
$1,053.49

check on
Walker Bank & Trust Co.,
Salt Lake City, Utah
Check No. 406, Vo. No. 406,
dtd. 5/6/55, ~~xxxxx~~ Rec'd.
5/11/55

SEXTUPLICATE

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

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

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

DEPOSIT NO. [illegible]

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

$ [illegible]

SYMBOL NO. [illegible]

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

On account of—

[illegible]

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

[illegible]
[illegible] MINERALS EXPLORATION ALASKA
[illegible] MONTGOMERY 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

M.I.A. Mines Co.
IDM-E481
docket 2688
Royalty pay't. $174.33
check on
Walker Bank & Trust Co.,
Salt Lake City, Utah
check No. 59573, Vo. No.D10781
dtd. 4/27/55, rec'd. 5/2/55

E-481

For Certificate of Deposit No. 51, dated April 27, 1955, giving royalty repayment of $170.19, see E-369.

E-481

For Certificate of Deposit No. 48, dated April 18, 1955, giving royalty repayment of $210.37, see E-153.

work copy

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

DEPOSIT NO.

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

$ [illegible]

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

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

SYMBOL NO.

[illegible]

On account of—

[illegible]

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

LLOYD H. SIGLANDER, FISCAL OFFICER
INTERIOR, BUREAU OF MINES, [illegible]
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.

APR 1 1955

(Authorized signature)

[illegible] (Date of credit in Treasurer's account)

DEPOSITOR WILL RETAIN THIS COPY

YELLOW

SEXTUPLICATE

STANDARD FORM 209e (Formerly Cert. of Deposit, Form 659)
Promulgated August 1951 by Treasury Department, Fiscal Service.

M.I.A. Mines
Contract IDM-E481
docket 2688
Royalty Pay't. $142.84
check on
Walker Bank & Trust Co.,
Salt Lake City, Utah
check No. 59129
Vo. No. D10426
dated 3/28/55
rec'd 4/1/55

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

FIRST ROYALTY AUDIT CERTIFICATE

I have examined the records and sales documents pertaining to the sale of crude tungsten ore for the period August 14, 1954 to March 1, 1955, by:

M. I. A. Mines Company
a joint venture consisting of
Combined Metals Reduction Company
and American Zinc Company of Tennessee,
218 Felt Building
Salt Lake City, Utah

produced from the Minerva Tungsten Mine, White Pine County, Nevada, under the terms of Contract No. Idm-E481, Docket No. DMEA-2688.

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

The audit established total sales of crude tungsten ore for this period to be $85,029.91. Royalty due the U. S. Government at the contract rates of 1 1/2 to 5 percent is $3,943.01. The royalty due and paid is as follows:

Total Royalties Due	$3,943.01
Total Royalties Paid	3,943.01
Balance of Royalties Due	-0-

George Mavor
George Mavor
Auditor

April 20, 1955

FIRST ROYALTY AUDIT REPORT

I INTRODUCTION

On March 24 and 25, 1955, an audit of royalty payments received, was made for the period August 14, 1954 to March 1, 1955, covering tungsten ore produced and sold under Contract No. Idm-2481, Docket No. DMEA-2688, by:

M. I. A. Mines Company
a joint venture consisting of
Combined Metals Reduction Company
and American Zinc Company of Tennessee
218 Felt Building
Salt Lake City, Utah

covering a project of exploration for tungsten ore, located in White Pine County, Nevada and generally known as the Minerva Tungsten Mine.

The mining properties are reached by proceeding on highway 93, approximately 35 miles south of Ely, Nevada, then turn east on unnumbered gravel road 15 miles to mine site.

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

O. F. Burton, Treasurer
H. E. Swanson, Chief Clerk, Ore Settlement Dept.
O. Nordfelt, Accountant

Their cooperation and assistance greatly facilitated the audit.

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

II GENERAL INFORMATION

No certificate of discovery has been issued, however Article 8 (b) of the Amended Contract states that the producer shall pay the Government a royalty on all minerals mined or produced from the land, regardless of any certification of discovery or 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.

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

The land referred to in Article 2 of the contract consists of the following unpatented lode claims, all recorded in the White Pine County Recorder's Office, Ely, Nevada:

Claim	Book	Page
Silver Bell (easterly 1/2 of claim)	96	276
Silver Bell No. 1	96	277
Wedge (southerly 1/2 of claim)	134	207
Pot Pie No. 1 (southerly 1/2 of claim)	128	377

and that part of the West 1/2 of the Silver Bell claim that contributes ore from Objective Area No. 1 (see attached Map C-1107)

The contract was completed January 27, 1955, and the total cost of the contract, together with the Government 75% participation is as follows:

	Cost	Government Participation 75%
Cost of Contract	$165,512.67	$124,134.50

The sum of $3,943.01 has been received by the Finance Officer, covering royalty repayments on tungsten ore sales, made during the period August 14, 1954 to March 1, 1955. This leaves an unpaid balance of $120,191.49 due on the Government Loan.

III SCOPE OF AUDIT AND FINDINGS

The audit was limited to determining the accuracy and propriety of royalty repayments, received by the Finance Officer, covering royalty repayments on tungsten ore sales during the period August 14, 1954 to March 1, 1955, and a determination that all indicated sales of tungsten ore subject to royalty repayments under the exploration contract, for which settlement sheets had been released, have been properly accounted for.

The extent of the audit and the findings follows:

Conference with Examining Engineer

Conference with the Examining Engineer, U. S. Bureau of Mines,

during the audit disclosed the following:

Crude tungsten ore has been occasionally stockpiled at the mine, and at a later date has been transferred to the sorting plant adjacent to the mine and the resultant sorted product shipped to the Bauer, Utah plant of the Combined Metals Reduction Company, for treatment. The rejected crude ore from the sorting plant is stockpiled at the mine for possible treatment at a later date if considered economically advisable.

As the . I. A. Mines Company maintain their records on an accrual basis, it is the company's policy to estimate the value, at the end of each month for any crude tungsten ore, that was stockpiled at the mine, and set up the estimated inventory value in their books. The end of the month estimated inventory of crude tungsten ore is reversed during the succeeding month, therefore this estimated inventory has no direct bearing on the ore shipped from the mine to Bauer plant for treatment, or settlement statements on which royalties are based. The January 31, 1955 estimated inventory, was established as follows:

WO_3 0.40% x 80% at $46.00	=	$ 14.720
Less Treatment charge		6.000
Value per ton		$ 8.720
600.000 Dry Tons at $8.720	=	$5,232.00
Less: Freight, Hauling, Assay etc		4,118.46
Net Mining Revenues		$1,113.54
Less: Royalties		
Stopper & Allen	$24.56	
DMEA 1 1/2%	16.70	41.26
Net - Min. Rev. After Royalties		$1,072.28

The above estimated January 1955 inventory calculations were established for financial statement purposes only, and the figures were reversed during February 1955.

Other than one shipment of ore to Minerals Engineering Company, Ely, Nevada, the settlement statements are based on Combined Metals Reduction Company "Custom Ore Schedule", which shows the following prices:

Grade of Ore	Price per STU WO_3
Less than 0.299% WO_3	None
0.30 to 0.999% WO_3	$46.00
1.00 and higher % WO_3	47.00

Charges	
Treatment	Per dry ton
Less than 50 tons per month	$ 8.00
More than 50 tons per month	$ 6.00

Sampling and assaying $10.00 per lot of ore

A review of the ore production, selling and assay methods was made during the course of the audit, all of which was considered to be adequate, and this contention is further supported by "Check Sheet of Accompanying Engineer", which forms part of this audit report.

It was agreed that the operator was producing and shipping tungsten ore in a reasonably efficient manner to insure an adequate recovery.

Audit of Settlement Statements

A complete review was made of all settlement statements, and the following schedule prepared, which forms part of this report.

Schedule of Royalty Repayments

The Schedule of Royalty Repayments was prepared from the finance office records, and verified to the certificates of deposit, and the total royalty repayments for the period August 14, 1954 to March 1, 1954, in amount of $3,943.01, was in agreement with the finance office ledger account. This amount was also verified in detail to the operator's general ledger account No. 60-2-412-002 Development Cost. The verification of the settlement statements, included the calculations of gross lbs. shipped, less moisture, to obtain the net lbs. shipped, and verifying gross value calculations, together with the verification of deductible items, such as freight, haulage and assays, also the inspection of prices.

Audit of Operator's Records

The operator maintains a general ledger and subsidiary records for the exploration project activities, including the supporting records on royalty repayments to DMEA. A summary of the transactions pertaining to crude tungsten ore shipped from the Minerva Mine to the Combined Metals Reduction Company Plant at Bauer, Utah, including one lot shipped to Minerals Engineering Company, Ely, Nevada, during the period August 14, 1954 to March 1, 1955, is as follows:

18 lots shipped			
Set Tons		5,642.833	
Dry Tons		5,505.218	
Gross Value			$117,833.11
Less:			
Freight	$13,103.61		
Hauling - Truck	19,250.09		
Loading - cars	117.50		
Assaying & sampling	332.00		32,803.20
Net Subject to Royalty			$ 85,029.91
Royalties Paid to DMEA			$ 3,943.01

The above summary was compiled from settlement statements, detailed in audit work papers, which had been checked to the operator's general ledger accounts. The net amount of $85,029.91 subject to royalties, was verified to Mining Revenue Account, and the royalties paid in amount of $3,943.01 was verified to royalty payments charged to the Development Cost Account in the general ledger.

The Mining Revenue Account in the operator's ledger showed a total of $77,888.17 as compared with the amount of $85,029.91, subject to royalties as shown in this audit report. The difference of $7,141.74 represents trucking charges of $7,089.24 and car loading charges of $52.50 which had been paid direct by the M. I. A. Mines Company. The aforementioned charges were disallowed on lots 1, 2, 4, 5 and 6 when computing royalty settlements. This was due to the M. I. A. Mines Company paying the charges direct, whereas according to Title 32A-National Defense Appendex, DMLA Order - 1 Amended, Section 10 Repayment by operator, paragraph (c) states that only the buyer can deduct such charges from the settlement statement.

During the course of the audit, an examination was made of paid freight bills, and invoices covering trucking charges, loading cars and assaying.

When shipments of ore first started, the crude tungsten ore was transported from the Minerva Mine by truck to Delta, Utah and loaded into freight cars for reshipment to the Combined Metals Reduction Company Plant at Bauer, Utah. There was a carloading charge of $2.50 per car at Delta, Utah, which was paid to Bell Hill Mining Co., for use of loading ramp. This shipping procedure was discontinued at the end of November 1954, and during November and December 1954, one lot of crude tungsten ore was shipped from the Minerva Mine by trucks to the Minerals Engineering Company, Ely, Nevada for treatment and settlement. Other than this one lot of ore shipped to Ely, Nevada, all ore shipments continue to go forward to the Bauer, Utah Plant, however, the ore is presently being shipped from the Minerva Mine by trucks to Pioche, Nevada and loaded into freight cars for reshipment to Bauer, Utah. There is very little difference between the freight and hauling charges via Delta, Utah and freight and hauling charges via Pioche, Nevada. The operator stated they had better control over shipments routed out of Pioche, Nevada. After a discussion with the Executive Officer and the U. S. Bureau of Mines, Examining Engineer, it was agreed that the Bauer, Utah Plant of the Combined Metals Reduction Company, was the most logical plant to treat the ore from the Minerva Mine.

Assays were performed by Crismon and Nichols of Salt Lake City at $5.00 per lot, and umpire assays were performed by the Union Assay of Salt Lake City at $8.00 per lot. A sampling charge of $10.00 per lot was made by the Combined Metals Reduction Company, which was in accordance with their Custom Ore Price Schedule.

During the course of the audit, an examination was made of the Combined Metals Reduction Company, Mason Plant ore production records, which show the tons of crude tungsten ore milled each month. The settlement statements of the [illegible] Mines Company were verified to this production record and no errors were discovered.

At the Hawthorne Plant Office, Hawthorne, Nevada, the operator maintains a record of ore shipments, which include copies of bills of lading, freight car weight certificates, and copies of all settlement statements. During the audit a visit was made to the Hawthorne Plant Office and an examination was made of the aforementioned documents, which were found to be in order.

IV CONCLUSIONS

The audit has confirmed the accuracy and propriety of the royalty repayments received by the Finance Officer for the period August 14, 1954 to March 1, 1955. It has also determined that all indicated sales of crude tungsten ore subject to repayment royalties under the exploration contract, for which settlement statements have been released, have been properly accounted for.

In addition to royalty payments made to [illegible], the operator is also making royalty payments to Stopper, Stopper and Allen, owners of the property.

George Mavor
George Mavor
Auditor

April 2[illegible], 1955

SCHEDULE OF ROYALTY REPAYMENTS
N. I. A. MINES COMPANY
CONTRACT NO. IDM-2481, DOCKET NO. DMA-2688

CERTIFICATE OF DEPOSIT			SETTLEMENT SHEETS		
Date	No.	Amount	Date	No.	Amount
			MINERALS ENGINEERING COMPANY, ELY, NEVADA		
2-4-55	40	$326.80	1-31-55	73	$ 326.80
			COMBINED METALS REDUCTION COMPANY, SALT LAKE CITY, UTAH		
9-2-54	7	$652.27	8-14-54	1	$ 23.30
			8-14-54	2	-0-
			8-14-54	4	297.22
			8-14-54	5	20.24
			8-14-54	6	311.51
9-1?-54	9	511.64	8-30-54	7	185.45
			9-8-54	8	326.19
			ADJUSTING SETTLEMENT SHEETS 1, 2, 4, 5, 6, 7 and 8		
10-4-54	13	740.56	9-27-54	1	105.14
			9-27-54	2	7.15
			9-27-54	4	187.91
			9-27-54	5	93.75
			9-27-54	6	62.19
			9-27-54	7	(3.56)
			9-27-54	8	(2.03)
			9-15-54	9	290.01
10-19-54	16	119.95	10-11-54	12	119.95
12-14-54	29	1,531.98	Not dated	10	478.03
			10-21-54	13	18.95
			11-4-54	15	105.84
			11-30-54	16	12.09
			10-15-54	6-A	917.07
3-21-55	45	59.81	2-24-55	17	-0-
			2-14-55	18	43.17
			3-1-55	19	16.64
Total Comb. Metals Reduct. Company		$3,616.21			$3,616.21
Grand Total		$3,943.01			$3,943.01

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

Defense Minerals Administration
RECEIVED
APR 27 1955

Check Sheet of Accompanying Engineer

Operator's Name M. I. A. Mines Company

Address 218 Felt Building

Salt Lake City, Utah

Exploration Contract No. Idm-E481 Docket No. DMEA-2688

Date April 1, 1955

	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?	X	
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?	X	
4. Do you consider the assay controls in effect are adequate?	X	
5. Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6. Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA royalties?	X	

7. Comment on any item 2 to 6 if answer is No.

Glenn G. Gentry

Glenn G. Gentry
Mining Engineer

67958

Docket No. DMEA-2688 - Tungsten
M. I. A. Mines Co.
Minerva Tungsten Mine
White Pine County, Nevada
Contract No. Idm-E481

April 1, 1955

1. Crude, mine ore has occasionally been stockpiled at the mine and at a later date has been transferred to the sorting plant and the resultant sorted product shipped to the Bauer, Utah plant of the Combined Metals Reduction Co. for treatment. The rejected crude ore from the sorting plant is stockpiled at the mine for possible treatment at a later date if considered economically advisable.

Glenn G. Gentry
Mining Engineer

Defense Mineral
RECE
MAY 4 - 1955

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

420 Custom House
555 Battery Street
San Francisco 11, California

May 2, 1955

Mr. O. F. Burton, Treasurer
M. I. A. Mines Company
218 Felt Building
Salt Lake City, Utah

RE: Idm-E481, DMEA-2688
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada

Dear Mr. Burton:

Enclosed herewith for your information and files, is copy of First Royalty Audit Report, covering the period August 14, 1954 to March 1, 1955.

Sincerely yours,

"(SIGNED) GEORGE MAVOR"

George Mavor
Auditor

Enclosure

JAY L. CHAMBERS

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

APR 27 1955

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

Re: Royalty Audit
Contract No. Idm-E481
Docket DMEA-2688
M.I.A. Mines Company

Dear Mr. Mavor:

Receipt is acknowledged of your First Royalty Audit Report and Certificate covering the above-cited Exploration Project Contract.

The Report is accepted and may be distributed in the usual manner.

Sincerely yours,

Jay L. Chambers, Chief
Contract Administration
and Audit Division

WBorovies/wb
April 27, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

SEXTUPLICATE

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

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

DEPOSIT NO.
[illegible]

Deposited with [illegible]

(Name and location of depositary) (Date sent)

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

$ [illegible]

SYMBOL NO.
[illegible]

[illegible]

(Name and address of officer to be credited)

On account of— [illegible]

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

[illegible]

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

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

MAR 21 1955

(Authorized signature)

BANK OF AMERICA NT & SA SAN FRANCISCO

(Date of credit in Treasurer's account)

DEPOSITOR WILL RETAIN THIS COPY

M.I.A. Mines Co.
Contract IDM-E481
docket 2688
Royalty pay't. $59.81
check on
Walker Bank & Trust Co.
Vo. No. D10258, Check No.
58956, dtd. 3/14/55,
rec'd. 3/18/55

SEXTUPLICATE

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

Wash. on p. [illegible]

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

DEPOSIT NO.

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

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

$

SYMBOL NO.

_____
(Name and address of officer to be credited)

On account of—

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

LLOYD 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 to Treasurer's account)

DEPOSITOR WILL RETAIN THIS COPY

MIA Mining Co.
Contract IDM-E481, docket 2688
Royalty pay't.

check on (Combined Metals Red. Co)
Walker Bank & Trust Co.,
Salt Lake City, Utah
Check No. 299, Vo. No.299
dated 2/2/55
rec'd. 2/4/55

For Certificate of Deposit No. 29, dated December 14, 1954, giving royalty repayments of $936.02, $478.03, $105.84, and $12.09, see ~~E-147.~~

E-481

For Certificate of Deposit No. 16, dated October 19, 1954, giving royalty repayment of 119.95, see E-248.

For Certificate of Deposit No. 13, dated October 4, 1954, giving royalty repayment of $740.56, see E-424.

E-481

For Certificate of Deposit No. 9, dated September 17, 1954, giving royalty repayment of $511.64, see E-68.

NOV 12 1954

Mr. Spangler Ricker, Executive Officer
DMEA Field Team, Region III
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA 2688-Tungsten
M. I. A. Mines Company
Minerva Tungsten mine
White Pine County, Nevada
Contract No. Idm-8481

Dear Mr. Ricker:

Reference is made to the payment of royalty under the subject contract. We have received no settlement sheets covering shipments of tungsten ore by the referenced operator since those covering the first six lots. Our letter to Mr. Miller dated September 3, 1954, indicated an additional $456.14 was due in royalty on these shipments above the $652.27 already paid, because the buyer had deducted loading and trucking charges reportedly paid by the operator and, therefore, not properly deductible.

It would be appreciated if you would advise what action has been taken in this matter since Mr. Miller's letter of September 20, 1954, to Mr. H. E. Swanson, Chief Clerk, Ore Settlement Department, Combined Metals Reduction Company, and why we have not received settlement sheets covering the more recent royalty payments. According to our Audit Division, royalty payments through October 19 under the subject contract totaled $2,024.42.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

E. L. Newcomb

Member, Geological Survey

FARutledge/ls
11-10-54

cc: Adm. Read. File
R. W. Geehan, USBM
Thor Kilsgaard, USGS
Code 800

cc: Docket
FT, Reg. 3
Code 400
Oper. Comm.

SEXTUPLICATE

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

CER[redacted]TE OF DEPOSIT FOR CHECKING ACCOUN[redacted]

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], San Francisco, California
(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)

[illegible], FISCAL [illegible]
[illegible], BUREAU OF MINES, DEPARTMENT
MINERALS EXPLORATION ADMINISTRATION
[illegible] 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.

SEP [illegible] (Authorized signature)

(Date of credit in Treasurer's account)

DEPOSITOR WILL RETAIN THIS COPY

[illegible] RESERVE BANK OF SAN FRANCISCO
TELLER

Combined Metals Reduction Co.
Check #56495, Vo. No. D 7789
Walker Bank & Trust Co.,
Salt Lake City, Utah.

Dtd. 8/16/54
Rec'd. 8/31/54

Contr: # E-481 (Royalty Receipts)

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

RECEIVED
JUN - 6 1955

420 Custom House
555 Battery Street
San Francisco 11, California

June 2, 1955

Air Mail

Mr. O. F. Burton, Treasurer
M.I.A. Mines Company,
218 Felt Building
Salt Lake City, Utah

Re: Idm-E181, DMEA-2688
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada

Dear Mr. Burton:

Reference is made to copy of audit report dated April 20, 1955, for subject contract, which was recently mailed to you for your information and files.

Would you please make the following corrections in the above-mentioned report.

The last sentence of the second paragraph page 5 states that the agreement was dated June 23, 1953, which should read June 22, 1953. The third paragraph of Page 12, shows depreciation charges as $3,785.56, which should read $3,793.56, and page 23 shows the name of the General Superintendent as Paul Grimmell, which should read Paul Gessill.

These errors were inadvertently overlooked at the time the audit report was mailed to you.

Sincerely yours,

"(SIGNED) GEORGE MAVOR"
George Mavor
Auditor

COPY JAY L. CHAMBERS

APR 20 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

I have examined the records and transactions of:

M.I.A. Mines Company,
a joint venture consisting of
Combined Metals Reduction Company
and American Zinc Company of Tennessee
218 Felt Building
Salt Lake City, Utah

pertaining to Exploration Project Contract No. Idm-2481, Docket No. DMEA-2688, dated January 27, 1953, including Amendments No. 1, 2 and 3, and Amended Contract dated January 27, 1953, including Amendment No. 1, for the months of March 1953 to January 1955, inclusive, covering a project of exploration for tungsten, located in White Pine County, Nevada, commonly known as the Minerva Tungsten Mine.

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

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

Total cost as billed by contractor		$173,186.18
Less: Proceeds from property disposition		5,337.38
Net claimed costs		$167,243.80
Exceptions (see Audit Report for details)		
Disallowances	$23,359.61	
Less: Additional costs allowed	21,623.48	1,736.13
Total accepted costs		$165,512.67

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 the amount of One Hundred Twenty-Four Thousand One Hundred Thirty Four and 50/100 Dollars:

** $124,134.50 **

is valid and proper.

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

George Mavor
George Mavor
Auditor

April 20, 1955

APR 28 1955

I. INTRODUCTION

During the periods November 5 to 9, 1954, July 21 to 27, 1954 and March 1 to 4, 1955, a final audit (covering operations for the months of March 1953 to January 1955, inclusive) was made of the records and accounts pertaining to Exploration Project Contract No. Idm-5431, Docket No. DMCA-2508, dated January 27, 1953, including Amendments No. 1, 2 and 3, and Amended Contract dated January 27, 1953, including Amendment No. 1 with the:

M.I.A. Mines Company
a joint venture consisting of
Combined Metals Reduction Company
and
American Zinc Company of Tennessee,
218 Felt Building
Salt Lake City, Utah

covering a project for the exploration of tungsten, located in White Pine County, Nevada, commonly known as the Minerva Tungsten Mine.

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

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

Caselton Plant, Pioche, Nevada

Frank H. Anderson, Office Manager
Paul Bennett, General Superintendent

218 Felt Building, Salt Lake City, Utah

D. F. Burton, Treasurer
Clyde Stevenson, Accountant

Their cooperation and assistance greatly facilitated the audit.

This audit is based on the terms and estimated costs as set forth in Exhibit "A" of the Amended Contract, and Amendment No. 1.

[illegible] Accounting Records

The accounting records for this project are commingled with the Combined Metals Reduction Company operations at the Caselton Plant, Pioche, Nevada, however all charges to the exploration project can be readily identified by cost account classification numbers assigned to the operations of the M.I.A. Mines Company. At the end of each month the Caselton Plant Office prepares a series of journal vouchers covering the plant operations, which includes the M.I.A. Mines Company. These journal vouchers are then forwarded to the Combined Metals Reduction Company Office in Salt Lake City, Utah for further review and reconciliation of the monthly transactions involved, and subsequently entered in the general ledgers of the various enterprises.

A general ledger is maintained for the M.I.A. Mines Company at 213 Felt Building, Salt Lake City, Utah, and after the above referred to journal vouchers have been received and reconciled, then the items applicable to the exploration project are entered in the general ledger control account No. 412-11. The balances shown in this account were verified during the course of the audit and found to be in agreement with the "Totals to Date" columns of the Operator's Monthly Report and Voucher prepared on Form MF-104.

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

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

The operator also issues checks in payment of certain material purchases and sundry costs. These checks are drawn on the Walker Bank Company - M.I.A. Mines Company, Joint Venture Account. This is a separate bank account maintained for this project.

In addition to the payment of payrolls and furnishing material, the Combined Metals Reduction Company also bills the operator at the end of each month, for operating equipment rental, sampling and analysis, truck transportation, technical and accounting services.

Commencing with the month of February 1954, it was necessary for the operator to prorate certain expenses, due to dual operations, whereby costs could not be directly attributable to DMEA operations as there was no method of measuring diesel generated air or power and other surface operations. This procedure was allowable under the terms of the contract, and set forth on page 13, in Exhibit "A" of the Amended Contract. The method of distribution was based on a percentage of straight time hours for DMEA work to the total company and DMEA hours. A further explanation of this procedure is set forth under Item (2) Labor and Supervision in the narrative of this Report.

The costs of this contract are on an actual cost basis, including independent contracts for the months of March 1953 to May 1954, whereas from June 1954 to January 1955, the costs were charged to the project at agreed unit rates for work to be performed by the operator and stipulated in Amendment No. 1 of the Amended Contract.

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

III SCOPE OF AUDIT AND FINDING

The audit was limited to ascertaining the accuracy, propriety and validity of the costs as shown in the "Totals to Date" column of Form MF-104 Operator's Monthly Report and Voucher, for the month of January 1955. The extent of the audit and the findings under each of the "Items of Cost" follows:

(1a) Independent Contracts — $42 470.03

All charges under this category were verified to invoices, cancelled bank checks and contract terms. The audit also disclosed that the costs shown under this item on May 1954 MF-104, as compared to the costs properly chargeable, and allowable under the terms of the contract to be:

Silver Bell Mine

	Charged	Disallowed	Allowable
(a) Churn Drilling			
Drilling 1,350 ft. @ $5.00	$6,700.00		$6,700.00
(b) Rehabilitate Shaft and Construct Skip Pocket			
Rehabilitate Shaft $	$1,300.		
Construct Skip Pocket	500. 2,1[illegible]		2,300.00

Silver Bell Mine (Continued)

(c) Drifting					
Drifting 5[illegible] ft.	[illegible]	[illegible]			
Timbering 17 ft.	[illegible]	[illegible]	[illegible]		[illegible]
Drifting 11[illegible] ft.	[illegible]		[illegible]	[illegible]	
(d) Bulldozing					
Rental 47 hrs.	[illegible]	[illegible]			
Transportation		[illegible]	[illegible]		[illegible]
Checkline-Grief Mine					
(e) Diamond Drilling					
Drilling 1,11[illegible]	[illegible]	$3,496.50			
Drilling [illegible]	[illegible]	[illegible]			
Reaming [illegible]	1.75	[illegible]			
Cementing [illegible]		[illegible]	[illegible]		[illegible]
(f) Drifting					
Drifting [illegible]	[illegible]		[illegible]		[illegible]
Drifting [illegible]	[illegible]		[illegible]	[illegible]	
(g) Raising					
Raising [illegible]	[illegible]		[illegible]	[illegible]	
(h) Gray Track [illegible] Water Lines					
Completed [illegible]	.75	[illegible]			
Less Overage [illegible]	.75	[illegible]			
Maximum [illegible]	.75		[illegible]		[illegible]
(i) Straighten and Widen Adit					
Completed [illegible] cu.ft.	[illegible]				
Less Overage [illegible] cu.ft.	[illegible]	[illegible]			
Maximum [illegible] cu.ft.	[illegible]		[illegible]		[illegible]
Totals Independent Contracts			[illegible]		[illegible]

Item (c) for church drilling was performed by combined Metals Reduction Company, and the work was performed without any written agreement however the rate of [illegible] per foot was in accordance with contract terms and did not exceed the allowable maximum.

Item (d) for bulldozing was performed by combined Metals Reduction Company, and covered costs of access roads to church drill sites for drilling to objective [illegible] and [illegible] and were allowable under terms of the contract with an "allowable maximum" under stage I of [illegible] and stage II [illegible].

Item (e) for diamond drilling was performed by Howard H. Knightsen Contractor, in accordance with bid dated October 10, 1953, and did not exceed the rate of $5.00 per foot or the "allowable maximum" of $11,052.25 set forth in Amended Contract.

Item (b) (c) (f) (g) and (h) above, were performed in accordance with agreement dated June 22, 1953 between M.I.A. Mines Company and Centennial Development Company and the rates specified therein. Annex 1 of the original contract, which was the original quotation for work to be performed by Centennial Development Company, now becomes null and void, for the reason that all work was performed and paid under the conditions set forth in agreement dated June 23, 1953, and did not exceed the "allowable maximums" as specified in the Amended Contract.

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Item (i) for $1,800.00 covering cost of straightening and widening adit requires explanation as an acceptable cost of the contract, and after discussion with H. C. Miller, Executive Officer, it was his opinion the cost should be allowed, based on the following facts:

> "Due to gauge of battery tramner and mine cars available for the project, being 24" in place of 18" it was necessary to slab slightly more mine rock from the walls of the 1700 foot adit, that was estimated at time of application, when estimated amount was 3,000 cu. ft. Actually, 4,02[illegible] cu. ft. were slabbed off in widening and straightening the adit. The Centennial Development Company did the slabbing at a cost of .50 cents a cu. ft. or a total cost of $2,010.00. Contract allowed .50 cents for estimated 3,600 cu. ft. for the job or allowable maximum of $1,800.00. Therefore, operator absorbed the difference of $210.00. It was to the advantage of the Government that a 24" gauge track was used in lieu of 18" gauge track.

The disallowances shown above for drifting at Silver Bell Mine $3,405.00, drifting at Scheelite Mine, $1,890.00 and raising at Scheelite Chief Mine, $8,385.00, aggregating $13,680.50 covers costs charged to the contract on a footage basis during the months of February to May 1954, inclusive. This procedure did not conform to the contract covering work performed by the operator on a direct labor basis, as the contract states under footnote 4, Item (1) Independent Contracts of Exhibit "A", that any work performed by the operator would be charged on a cost basis. The actual labor costs for drifting and raising during the period February to May 1954, inclusive, are accounted for and discussed under Item (2) Labor and Supervision in the narrative of this Report.

(1b) Agreed Unit Rates — $43,143.91

Amendment No. 1 of the Amended Contract allowed certain work to be performed by the operator during the months of June 1954 to January 1955, inclusive, which can be accounted for as follows:

	Rate per Ft.	Charged Ft.	Charged Amt.	Disallowed Ft.	Disallowed Amt.	Allowable Ft.	Allowable Amt.
Diamond Drilling	$ 5.00	632.5	$ 3,162.50			632.5	$ 3,162.50
Drifting	35.00	1,115.7	41,219.50	62.0		1,177.7	41,219.50
Raising	35.00	67.5	2,362.50	45.73	1,600.59	21.77	761.91
Totals			$46,744.50		$1,600.59		$45,143.91

Under the terms of Amendment No. 1, the "allowable maximum" for raising was 21.77 feet at $35.00 per foot amounting to $761.91. The excess footage of 45.73 feet at $35.00, amounting to $1,600.59 has been disallowed.

The allocation of the work performed under Amendment No. 1, can be further identified as follows:

	Scheelite Chief Mine			Silver Bell Mine		Total	
	Rate per Ft.	Ft.	Amt.	Ft.	Amt.	Ft.	Amt.
Diamond Drilling	$ 5.00	632.5	$ 3,162.50			632.5	$ 3,162.50
Drifting	35.00	1,115.7	39,049.50	62.0	2,170.00	1,177.7	41,219.50
Raising	35.00	21.77	761.91			21.77	761.91
Totals			$42,973.91		$2,170.00		$45,143.91

(2) Labor and Supervision $21,031.77

The payroll records for the period March 1, 1953 to May 31, 1954 were examined, and during the course of the audit a substantial test of time cards and cancelled payroll checks was made. The audit also disclosed that the costs shown under this item on May 1954 MF-104, as compared to the costs properly chargeable, and allowable, under the terms of the contract to be:

Labor and Supervision				
Labor	Charged	Add'l Costs	Disallowed	Allowable
Labor - Topman Mech.	1,506.90	$	$	$ 1,506.90
Drifting - Silver Bell Mine				
Labor		2,903.42		2,903.42
Scheelite Chief Mine				
Labor		956.45		956.45
Raising - Scheelite Chief Mine				
Labor	883.35	14,500.87	6,789.22	8,685.00
Total Labor	$ 2,390.25	$18,450.74	$6,789.22	$14,051.77

	Charged	Add'l Costs	Disallowed	Allowable
Supervision				
R. H. Godbe-Engr. 284 da. @ 20.00	$5,680.00			$5,680.00
R. G. Lee -Engr. 8 da. @ 25.00	200.00			200.00
Total Supervision	$5,880.00	-0-	-0-	$5,880.00
Technical Services				
C. Blackbern, Engr. 6 da. @ 20.00	$ 120.00			$ 120.00
O. E. Schrader, Engr. 47 da. @ 20.00	940.00			940.00
K. Anderson, Engr. 2 da. @ 20.00	40.00			40.00
P. Gemmill, Geologist 21 da. @ 30.00	630.00		630.00	-0-
Total Technical Services	$1,730.00	-0-	$ 630.00	$1,100.00
Total Labor and Supervision	$10,000.25	$13,450.74	$7,419.22	$ 21,031.77

The labor for topman-mechanic in amount of $1,506.90 was an allowable cost of the contract, and payroll records were examined during the course of the audit for charges made to this labor classification.

The drifting and raising costs had been incorrectly charged to the contract on a footage basis for the months of February to May 1954 inclusive, and these footage costs have been disallowed under Item (1) Independent Contracts. The actual labor performed during the period mentioned is accounted for in the following:

1954	Drifting Silver Bell Mine	Drifting Scheelite Chief Mine	Raising Silver Bell Mine
January	$ -	$ -	$ 883.35
February	-	-	2,135.05
March	1,535.33	-	4,287.23
April	1,070.13	-	4,988.74
May	297.86	956.45	3,179.85
Total	$ 2,903.42	$ 956.45	$ 15,474.22

The drifting costs of $2,903.42 and $956.45 are included with Independent Contract costs of $13,000.00 and did not exceed the "allowable maximum" of 1034.8 ft. at $26.00 = $26,904.80, as allowed under stage 11 of the contract. However, the raising costs under stage I of the contract exceeded the "allowable maximum" of 290 ft. at $30.00 = $8,700.00 based on 289.5 ft. of completed drifting to May 31, 1954 and the disallowance is accounted for as follows:

Raising - Stage I

Direct Labor	$15,474.22
Less: Allowable Maximum 289.5 ft. @ $30.00	8,685.00
Amount Disallowed	$ 6,789.22

The hourly wage rates paid for labor were made in accordance with Union Contracts, between the Combined Metals Reduction Company and the United Steel Workers of America, C.I.O. Union. Most of the drifting labor was paid at an hourly rate, whereas part of the labor for raising was paid on a bonus contract footage basis. The hourly and footage rates were examined during the course of the audit. The Amended Contract calls for a two compartment raise, whereas the operator constructed a three compartment raise, however, the disallowance set forth above in amount of $5,739.22 would take care of the additional cost and no further exception was made.

The additional labor costs also had the effect of increasing the expenses prorated on a straight time hourly basis for the months of February, to May 1954 inclusive. The change in percentage rates are as follows:

	1954			
	Feb.	March	April	May
Old Rate	36%	59%	36%	31%
Revised Rate	51%	67%	52%	33%

The additional costs due to the increased rates are accounted for as follows:

Item No.	Description	Add'l Costs
(3)	Diesel Fuel-Power	278.49
(3)	Materials and Supplies	81.48
(4)	Rental Surface Equipment	78.00
(4)	Depreciation	206.32
(7)	Repairs to Equipment	152.87
(7)	Sampling and Analysis	15.12
(7)	Pickup Transportation	118.93
(7)	Heavy Materials	11.20
	Total additional costs	$ 942.41

The straight time hours were verified and the revised percentage rates checked. The additional costs are included and explained under each of the above "Items of Cost" in the narrative of this Report.

The cost of supervision in amount of $6,000.00 did not exceed the "allowable maximum" for one supervising engineer at $600.00 per month for 13 months or a total of $7,800.00. The cost of technical services $1,100.00 did not exceed the "allowable maximum" for one engineer at $100.00 per month for 13 months or a total of $1,300.00. The disallowance of $630.00 covering technical services rendered by P. Gemmill, exceeded the "allowable maximum" of employing one engineer at $100.00 per month, and after discussing with Mr. Gemmill it was agreed to withdraw all charges for his services.

(3) Operating Materials and Supplies $25,108.77

The following materials and supplies charged to the exploration project were obtained from the following sources:

Combined Metals Reduction Co. (Misc.Material)	$ 21,596.51
Centennial Development Co. (Drill Steel & Bits)	3,512.26
Total	$ 25,108.77

The audit disclosed that the costs shown under this item on the May 1954 MF-104, as compared to the costs properly chargeable, and allowable, under the terms of the contract to be:

	Charged	Add'l Costs	Less: Sale of Property	Allowable
Drill Steel & Bits	$ 4,674.14	$	$	$ 4,674.14
Timber, Incl. Ties	3,008.13			3,008.13
Explosives	46.54	1,305.50		1,352.04
Pipe	3,435.21		1,202.32	2,232.89
Track	4,458.34	*(363.34)	1,638.00	2,457.00
Diesel Fuel-Power	4,971.83	278.49		5,250.32
Vent tubing	1,780.10		534.03	1,246.07
Sub-Total	22,374.29	$ 1,220.65	$3,374.35	$20,220.59
Miscellaneous				
Conduit Wire & Cable	$ 3,493.60	$	1,397.44	2,096.16
Elec. Switch	199.46		59.84	139.62
Gas, Oil & Grease	970.53			970.53
Oxyg. & Accet.	136.60			136.60
Nuts, Bolts, Washers, etc.	1,463.79	81.48		1,545.27
Total Miscellaneous	$ 6,263.98	$ 81.48	$1,457.28	$ 4,888.18
Total Materials & Supplies	$28,638.27	$1,302.13	$4,831.63	$25,108.77

* Disallowed ($363.34)

The proceeds from sale of property listed above, totaling $4,831.63 can be accounted for as follows:

	Cost	Salvage Rate	Salvage Amount
39.0 Tons Rail	$ 4,095.00	40%	$ 1,638.00
4800 ft. 1" Pipe)			
2050 ft. 2" Pipe)	3,435.21	35%	1,202.32
2479 ft. 3" Pipe)			
2171 ft. 12" Ventube	1,780.10	30%	534.03
Power Cable, Wire, etc.	3,493.60	40%	1,397.44
Electric Switch	199.46	30%	59.84
Totals	$13,003.37		$ 4,831.63

As all of the above material was in place on the operator's mining property, it was more advantageous to the Government to accept the offer of $4,831.63, from the operator, rather than dismantle the property, for sale on a bid basis.

The offer of $4,831.63 was accepted by the Executive Officer under date of April 15, 1955, and waiver in settlement of property issued April 15, 1955.

The material and supplies obtained from the Combined Metals Reduction Company in amount of $21,596.51 listed above, were issued by requisitions drawn on the Caselton Plant storeroom. The Combined Metals Reduction Company accounting procedure for Material control is well organized and the system includes purchase orders, receiving reports and invoices, together with a systematic recording in stock record cards of all material movements. The storeroom also maintains a purchase order file by vendor's name and a purchase order master file by P.O. number which has all of the documents attached, which include the purchase orders, shipping notices, receiving reports, freight charges and invoices.

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

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

The material furnished in amount of $3,512.26 by Centennial Development Company was a necessary cost of operation and acceptable under the terms of the contract.

All of the above materials and supplies amounting to $25,158.77, were acceptable costs to the contract, and the only "allowable maximum" item was track in amount of $4,095.00, which was set forth in Exhibit "A" of the Amended Contract as follows:

Page 7	Stage 1	Mat'l & Supplies	12 tons at $105.00	$ 1,260.00
Page 9	Stage 2	Mat'l & Supplies	5 tons at $105.00	525.00
Page 7	Stage 1	Rehab. & Repairs	19 tons at $105.00	1,995.00
Page 8	Stage 2	Rehab. & Repairs	3 tons at $105.00	315.00
		Total "allowable maximum" track		$4,095.00

During the month of March 1953, the operator purchased track and only claimed the "allowable maximum" as follows:

30 Tons 30# Rail complete with splice bars and bolts	at $140.731	$4,221.93
Rental of Trucks, transporting rail from Caselton to Minerva Mine		139.50
Cost to operator		$4,361.43
Excess cost not claimed		266.43
"Allowable Maximum"		$4,095.00

All track purchased in amount of $4,095.00 was charged to Item (3) Materials and Supplies, in order to have the proper distribution and accountability of such material. During the month of May 1954, the operator included the cost of track in amount of $363.34 on the MF-104 in error, which has been disallowed due to exceeding the "allowable maximum" of $4,095.00 for track.

The additional cost of $1,305.50 for explosives, is an allowable cost of the contract for the reason that during the months of February to May 1954, inclusive, the operator had charged in error the cost of raising and drifting on a footage basis and therefore did not charge for the cost of explosives, however, as heretofore described, the operator performed this work, which has been adjusted to a labor basis under Item (2), Labor and Supervision, in this audit report, and therefore the cost of explosives is a proper charge to the contract. An examination of these powder costs was made during the course of the audit.

The additional cost for diesel fuel-power $278.49, and Miscellaneous supplies, $81.48 is an acceptable cost to the contract. These charges are adjustments covering expenses prorated between DMEA and company operations on a straight hourly basis and heretofore described. The adjustment was due to the disallowance of drifting and raising charged on a footage basis,

and substituting labor, as the work was performed by the operator. The additional straight time hours for this work had the effect of increasing the percentages for prorating the cost of diesel fuel-power and miscellaneous supplies chargeable to the DMEA project.

(4) Operating Equipment $4,993.56

All charges for operating equipment were examined and the rates, together with method of computing allowable charges, were verified to the contract, and the audit disclosed that the costs shown under this item on the May 1954 MF-104, as compared to the costs properly chargeable, and allowable, under the terms of the Amended Contract to be:

	Charged	Add'l Costs	Disallowed	Allowable
Rental	$ 1,278.00	$78.00	$156.00	$1,200.00
Depreciation	3,579.24	214.32		3,793.56
Totals	$ 4,857.24	$ 292.32	$156.00	$4,993.56

The rental charge of $1,200.00 covers rental of surface equipment at the Silver Bell Shaft and includes hoist house, headframe, bin, truck, cars, skips and miscellaneous equipment supplied by the operator at $300.00 per month for 4 months. The additional costs of $78.00 was brought about by the additional straight time hours which increased the percentages for distribution purposes as heretofore described, and the disallowance of $156.00 was made in order to adjust the total rental charge to 4 months at $300.00, which did not exceed the "allowable maximum" of $1,500.00 as set forth in Exhibit "A" of the Amended Contract.

3,793.56

The depreciation charges of $3,735.56 can be accounted for as follows:

Item	Deprec. Value	Rate 1/60 Per Mo.	No. of Mos.	Deprec.
1 - Battery Trammer	$6,900.00	$115.00	8 (a)	$ 912.00
1 - Compressor	7,146.00	119.00	11	1,309.00
10 - Mine Cars	1,200.00	20.00	8	160.00
3 - Mine Cars	360.00	6.00	6	36.00
1 - Diesel Elec.Gen.	2,400.00	40.00	10	440.00
1 - Fan	850.00	14.17	5	70.85
2 - 5HP Fans	720.00	12.00	(b)	78.00
1 - Diesel Elec. Gen.	5,154.52	85.91	10	859.10
1 - Gaso Drive Hoist	1,199.00	20.00	6	120.00
1 - Portable Joy Comp.	7,540.00	125.65	6	753.90
2 - Water Pres. Tank	600.00	10.00	7	70.00
				$4,808.85

Less: Depreciation charged to Company Operations based on percentage of Straight Time Hours:

February 1954	$ 252.74	
March 1954	231.95	
April 1954	362.06	
May	382.86	1,229.61
Total May 1954 MF-104		$ 1,579.24
Add: Additional Depreciation Costs for February to May 1954 inclusive, based on percentage of straight time hours, due to additional labor costs for same period, omitted in error by operator		214.32
Total allowable Depreciations		$ 3,783.56

Depreciation Explanations

(a) 1 - Battery Trammer 8 mos. @ $115.00	$920.00	
Charged by operator	912.00	
Difference not adjusted	$ 8.00	
(b) 2 - 5 HP Fans 6 mos. @ $12.00	$ 72.00	
1 - 5 HP Fan 1 mos. @ 6.00	6.00	
Total	$ 78.00	

A review of the operator's records, indicates the values used for depreciation purposes are fair market values.

(5) New Buildings, Improvements, etc. $1,838.30

A review of the charges under this classification, showed that the costs were comprised of the following items:

Labor Mechanics		$ 935.38
Board		364.00
Materials & Supplies		841.08
1 Compressor Building and 1 Water Tank		525.00
1 Fuel Tank 8 x 20		600.00
Total Cost		$3,315.96
Less: Overage not claimed $421.96		
Proceeds, sale of property	1,055.70	1,477.66
Net cost		$1,838.30

An examination of payroll records was made during the audit, covering labor charges in amount of $935.38. The board item of $364.00 represented the amount paid to Mrs. George M. Davis, Cook, during the period March 18 to 31, 1953, 13 days at $28.00 per day, covering the cost of cleaning up cabin,

furnishing cooking equipment and food for mechanics living at mine site, during initial rehabilitation period. The materials and supplies in amount of $841.08 were furnished from Caselton Plant storeroom by requisitions, and included such items as:

Lumber	$ 69.41
Corrugated Iron	61.70
Cement	65.55
Reinforced Mesh	34.10
Oxygen & Acetylene	18.70
Pipe	234.15
Gate Valves	42.39
Plug Valves	42.73
Nuts, Bolts, Washers, Nails, etc.	251.00
Total Mat'ls & Supplies	$ 841.08

The net cost of structures, claimed by the operator, did not exceed the "allowable maximum" of $3,350.00, as set forth in Exhibit "A" of the contract, and the cost of the structures, together with the proceeds from sale of property, can be accounted for as follows

	Claimed by Operator	Less: Salvage Rate	Salvage Amount	Net Claim by Operator
1 Fan House	$ 150.00	45%	$ 67.50	$ 82.50
1200 ft. Power Line	-0-	-	-	-0-
1 Compressor-Power Bldg.	1,500.00	35%	525.00	975.00
1 Fuel Tank	600.00	45%	270.00	330.00
1 Water Tank	644.00	30%	193.20	450.80
Totals	$2,894.00		$1,055.70	$ 1,838.30

The 1200 foot power line listed above, was not completed by the operator.

As all of the above buildings and equipment, were in place on the operator's mining property, it was more advantageous to the Government to accept the offer of $1,055.70 from the operator, rather than dismantle the property, for sale on a bid basis. The offer of $1,055.70 was accepted by the Executive Officer under the date of April 15, 1955, and waiver in settlement of property, issued April 15, 1955.

(7) Miscellaneous $17,926.27

The audit of miscellaneous charges included an examination of payrolls, invoices, requisitions, cancelled bank checks and other supporting data pertaining to payroll taxes, compensation insurance and transportation mileage charges.

The audit disclosed that the costs shown under this item on the May 1954 MF-104, as compared to the costs properly chargeable and allowable under the terms of the contract to be:

	Charged	Add'l Costs	Disallowed	Allowable
Repairs-Maintenance	$5,037.54	$ 152.87	$	$ 5,190.41
Sampling & Analysis	624.21	15.12		639.33
Payroll Taxes	322.03	383.90	6.60	699.33
Liability Insurance	735.67	532.93	33.36	1,235.24
Pickup Transportation	2,340.17	118.93		2,459.10
Road Maintenance-Winter	2,400.00			2,400.00
Heavy Mat'l. Transportation	674.85	11.20		686.05
Supplying Water	2,691.81			2,691.81
Accounting Services	2,025.00		100.00	1,925.00
Totals	$16,851.28	$1,214.95	$139.96	$ 17,926.27

The repairs and maintenance costs in amount of $5,215.41 are identified as follows:

Repair Item	Material
Compressor	$ 21.52
Air Hose	37.59
Mine Cars	60.26
Hoist	24.76
Air Drill	538.59
Ventube	102.47
Elec. Locomotive	62.02
Mucker	331.65
Diesel Elec. Generator	36.01
Repair Parts furnished by Centennial Development Co.	549.47
Other Miscellaneous Material	315.33
Total Material	$2,079.67
Add: Maintenance Labor	3,110.74
Total Repairs & Maint.	$5,190.41

The additional costs of $152.87 was brought about by the additional straight time hours, which increased the percentages for distribution purposes as heretofore described. During the course of the audit an examination was made of time cards and payrolls covering maintenance labor in amount of $3,110.74.

The sampling and analysis in amount of $639.33 can be accounted for as follows:

March 1953 to Jan. 1954 258 samples @ $2.00		$ 516.00
Feb. 1954 - 20 samples @ $2.00=	$40.00 x 36%	14.40
March 1954 - 13 samples @2.00=	26.00 x 59%	15.34
April 1954 - 17 samples @2.00=	34.00 x 36%	12.24
May 1954 - 40 samples @2.00 =	80.00 x 31%	24.80
387 Sample sacks		41.43
Total May 1954 MF-104		$ 624.21

	$ 624.21
Add: Add'l costs for Feb. to May 1954, inclusive, based on percentage of straight time hours, due to add'l labor costs for same period, omitted in error by operator	15.12
Total	$ 639.33

The charges for payroll taxes and compensation insurance were examined and the rate applicable to the operator's payroll were as follows:

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

Payroll taxes are exempt on any one employee earning over $3,600.00 for Federal Taxes, and $3,000.00 for State Taxes. During the period June to December 1953, the Combined Metals Reduction Company used an average payroll tax rate, which included exempt salaries as part of divisor, and the procedure had the result of reducing payroll tax rates during that period. The agreements for compensation insurance were examined during the course of the audit.

The additional payroll taxes $383.90 and Liability Insurance $532.93 was due to the additional labor for drifting and raising during the period of February to May 1954, and computed as follows:

		F/A Tax
Labor $10,407.21	3.3%	$343.44
Labor 1,254.31	3.226%	40.46
Total F/A Tax		$383.90
		Comp. Insurance
Labor $11,661.52	4.57%	$532.93

The disallowance of payroll taxes $6.60 and liability insurance $33.36 was applicable to the technical service disallowance of $630.00 and the accounting service disallowance of $100.00.

The pick-up truck transportation is made up as follows:

March 1953 to January 1954

Truck No. 20	640 miles	@ .09	$ 57.60
Truck No. 22	2080 miles	@ .09	187.20
Truck No. 44	1600 miles	@ .09	144.00
Truck No. 48	15200 miles	@ .09	1,368.00
Truck No. 53	160 miles	@ .09	14.40
J.Hulse-Private auto	765 miles	@ .09	68.35
Sub-total	20445		$ 1,840.05

Add: Proportion on s/t hourly basis

Feb.'54	2,696 miles	@ .09	$ 242.63x36%	87.35
Mch.'54	3,878 miles	@ .09	349.02x59%	205.92
Apr.'54	3,353 miles	@ .09	301.77x36%	108.64
May'54	3,520 miles	@ .09	316.80x31%	98.21
Total May 1954 (Redistribution of Costs)				$ 2,340.17

Add: Add'l costs for Feb. to May 1954 inclusive, based on percentage of s/t hours, due to add'l labor costs for same period, omitted in error by operator 118.93

Total allowable pick-up transportation $ 2,459.10

The above pick-up transporation costs were verified to monthly reports during the course of the audit.

The road maintenance for winter operations in amount of $2,400.00 was "an allowable maximum" as set forth in Exhibit "A" of the contract. The Combined Metals Reduction Company, billed the operator $400.00 each month, and a review of these charges are as follows:

Centennial Development Co. Invoices

Month	Inv. Date		Amount	
Nov. 1953	12-8-53	Rent of Crawler Tractor	400.00	
Dec. 1953	1-10-54	Rent of Crawler Tractor	400.00	
Jan. 1954	2-2-54	Rent of Crawler Tractor	400.00	$1,200.00

Combined Metals Reduction Co., Direct Charges

Feb. 1954	3-1-54	Rent of Tractor No. 3	400.00	
Mar. 1954	4-1-54	Rent of Tractor No. 3	400.00	
Apr. 1954	5-1-54	Rent of Tractor No. 3	400.00	1,200.00
Total cost of Winter Road Maintenance				$ 2,400.00

The Centennial Development Company charges for November and December 1953, and January 1954, were based on a verbal agreement with the Combined Metals Reduction Company, whereby the Centennial Development Company would furnish the crawler tractor at $400.00 per month, and the Combined Metals Reduction Company would furnish the labor, which would be reimbursed by Centennial Development Company. This labor amounted to 244 hours at $2.5625 per hour, totaling $625.25. During the months of February, March and April 1954, the Combined Metals Reduction Company Tractor No. 3 and the charges for the use of this tractor are as follows:

Rent of Tractor No. 3

133 hours at $6.50	$ 864.50
Cost of Tfr. Tractor. Caselton to Mine	126.00
Return Cost Tractor, Mine to Caselton	110.00
Standby Time	96.50
Total Rent of Tractor-3 months	$1,200.00

The 244 hours charged to Centennial Development Company, together with the above 133 hours for tractor No. 3, were verified to the time cards, and a complete examination was made of the remaining charges to road maintenance. After compiling the above costs, same were discussed with the Bureau of Mines, Examining Engineer, and the Executive Officer, and they were of the opinion that the cost of $2,400.00 was reasonable and necessary to perform the contract, therefore it was agreed that the $2,400.00 was an acceptable cost of the contract.

The heavy material transportation cost was made up of the following cost items.

Rented GMC Stake Truck, in lieu of mileage	23 hrs. at $3.00	84.00
Moving Garage onto Foundation at Minerva Mine		75.00
Hauling from Caselton to Minerva	9 loads at $25.00	325.00
Truck No. 18 960 miles @ .14		134.40
Add: Proportion on s/t hourly basis		
Feb.'54	320 miles @ .14 $44.80x36%	16.13
Mch.'54	160 miles @ .14 22.40x58%	26.43
May '54	480 miles @ .14 67.20x31%	13.89
Total May 1954 (Redist. of Costs)		$674.85
Add: Add'l costs for Feb. to May '54 inclusive, based on percentage of s/t hours, due to add'l costs for same period, omitted in error by operator		11.20
Total allowable Heavy Mat'l. Transp.		$686.05

The rental of Truck $84.00 and moving garage $75.00 was performed by outside trucking firms during March 1953, at the beginning of project operations. The cost of hauling heavy material, 13 loads at $25.00 per load, or a total of $325.00, was considered an acceptable cost of moving heavy material. In discussing these items with H. C. Miller, Executive Officer, it was concluded the type of transportation charged to the project costs, was performed in the interest of the Government, and are an acceptable cost of the project. The Amended Contract shows the estimated cost of transporting heavy supplies by company truck at .14¢ per mile as follows:

Stage 1	84.00 x 8 mos.	$672.00
Stage 2	84.00 x 5 mos.	420.00
Total		$1,092.00

The actual cost of transporting heavy material in amount of $636.05 is considerably less than the estimated amount of $1,092.00.

The cost of supplying water in amount of $2,691.01 was computed on the basis of $244.71 for 11 months from July 1953 to May 1954, and was allowable under the terms of the Amended Contract, which reads as follows:

Supplying Water to Project, Stage 1, 8 mos. @	$244.71	$ 1,957.65
Supplying Water to Project, Stage 2, 5 mos. @	244.71	1,223.55
Total		$ 3,181.20

The above amount of $3,181.20 was established by Amendment No. 1 of the Original Contract, and the justification stated:

> "Operator requested a change in his contract to permit him to drill a well to supply his exploration activities. Contract allows him $3,181.20 to haul water and with that amount of money he states he can drill a well and increase the efficiency of his operations. This Amendment allows the operator to use any practical method he desires for supplying water and does not restrict the method of hauling."

The Operator maintains a cost record of the water well which furnishes the water, and as of Jan. 31, 1955, the water well account showed a total cost of $6,581.98, which included the cost of drilling, pump, pipe and other well costs. In view of the above Amendment No. 1, it was the Executive Officer's opinion that the well costs as charged to the project in amount of $2,691.01 were reasonable and a necessary cost of the project, therefore no exception was taken to the method of furnishing water by the Operator.

The accounting service charge of $1,925.00 represents part time accounting service paid to the following employees of the Combined Metal Reduction Company.

March	1953	J. Argentos	150.00
April	1953	J. Argentos	-0-
May	1953	F.H.Anderson	50.00
June	1953	F.H.Anderson	75.00
7/1/53	5/30/54	"	
	11 mos.	$150.00	1,650.00
Total			$1,925.00

The above amount of $1,925.00 is within the "allowable maximum" of $1,950.00 as per Exhibit "A" of the Amended Contract. The disallowance of $100.00 was due to the operator charging $200.00 per month for December 1953 and January 1954, whereas the Amended Contract shows an "allowable maximum of $150.00 per month.

IV CONCLUSIONS AND RECOMMENDATIONS

The audit also disclosed that the status as of January 27, 1955, of "allowable maximum" under this contract was as follows:

Item	Maximum	Total Costs	Balance
STAGE I			
Independent Contracts			
Straighten & Widen Main Adits	$ 1,800.00	$ 1,800.00	$ -0-
Rehabilitate Main Adit	1,425.00	1,425.00	-0-
Drifting	19,850.00	19,850.00	-0-
Drift Timbering	420.00	-0-	420.00
2 Compartment Raise	8,700.00 (a)	8,685.00	15.00
Bulldozing	240.00	218.05	21.95
Churn Drilling	3,698.50	3,698.50	-0-
Diamond Drilling	11,052.25	3,781.97	7,270.28
Agreed Unit Rates			
Drift and/or Crosscut	$ 10,570.00	$ 10,570.00	$ -0-
Diamond Drilling	820.00	820.00	-0-
Raising	761.91	761.91	-0-
Personal Services			
Supervising Engineer	4,800.00	4,800.00	-0-
Engineer	800.00	800.00	-0-
Operating Material & Supplies			
Rail	1,995.00	1,197.00	798.00
Operating Equipment			
Equipment Rental	-0-	-0-	-0-
Depreciation	12,672.00	2,522.99	10,149.01
New Bldgs.Improvements, etc.			
Fan House	150.00	90.00	60.00
Power Line	456.00	-0-	456.00

Item	Maximum	Total Costs	Balance
Compressor, Power & Whse. Bldg.	$ 1,500.00	$ 1,050.00	$ 450.00
Fuel Tank incl. Installation	600.00	360.00	240.00
Water Tank incl. Installation	644.00	450.80	193.20
Miscellaneous			
Road Maintenance	2,400.00	2,400.00	-0-
Bookkeeping	1,200.00	1,200.00	-0-
STAGE II			
Independent Contracts	$	$	$
Rehabilitation of Shaft	1,800.00	1,800.00	-0-
Construction of Skip Pocket	500.00	500.00	-0-
Drifting	26,904.80 (b)	16,859.87	10,044.93
Drift Timber	200.00	68.00	132.00
Churn Drilling	3,001.50	3,001.50	-0-
Bulldozing	360.00	327.07	32.93
Agreed Unit Rates			
Drift and/or Crosscut	30,649.50	30,649.50	-0-
Diamond Drilling	2,342.50	2,342.50	-0-
Personal Services			
Supervising Engineer	3,000.00	1,080.00	1,920.00
Engineer	500.00	300.00	200.00
Operating Material & Supplies			
Rail	2,100.00	1,260.00	840.00
Operating Equipment			
Equipment Rental	1,500.00	1,200.00	300.00
Depreciation	6,037.00	1,270.57	4,766.43
Miscellaneous			
Bookkeeping	750.00	725.00	25.00

(a) The cost of $8,685.00 for 2 compartment raise, under Stage I, represents direct labor performed by operator.

(b) The cost of $16,859.87 for drifting, under Stage II, is made up of work performed by independent contractors $13,000.00 and direct labor of $3,859.87 performed by operator.

For further details on (a) and (b) listed above, see Item (2) Labor and Supervision in the narrative of this Report.

This audit has disclosed that all costs, as charged to this project, including the additional costs allowed and itemized under Items (2) Labor and Supervision, (3) Material and Supplies, (4) Operating Equipment and (7) Miscellaneous, with the exception of the disallowances itemized under Items (1) Independent Contracts, (2) Labor and Supervision, (3) Materials and Supplies, (4) Operating Equipment, (7) Miscellaneous and Salvage received from disposal of property, itemized under Items (3) Materials and Supplies and (6) New Buildings, Improvements, etc., of the preceding section of this Report, are reasonable and proper under the terms of the Amended Contract.

The adjustments between items of Costs, as shown in the January 1950 MF 104, the additional costs allowed, the recommended disallowances, proceeds from sale of property, and approved amounts, are summarized as follows:

	Totals Jan. MF 104	Distribution Corrected	Add'l Costs Allowed By Audit	Disallowed By Audit	Proceeds Sale of Property	Allowed By Audit
[1a] Independent Contracts						
Diamond Drilling	$ 6,944.47	$ 3,[illegible]		$	$	$ 3,[illegible]
Churn Drilling	6,[illegible]00.00	6,700.00				6,700.00
Straighten & Widen Adit	[illegible],800.00	[illegible],800.00				[illegible],800.00
Rehab. Silver Bell, Incl. Skip Pocket	2,300.00	2,300.00				2,300.00
Drifting	39,432.00	38,213.00		6,2[illegible].00		32,918.00
Raising	[illegible],863.3[illegible]	8,385.50		8,385.50		-0-
Lay Track Air & Water Lines	[illegible],425.00	[illegible],425.00				[illegible],425.00
Bulldozing	-0-	545.[illegible]2				545.[illegible]2
[1b] Agreed Unit Rates						
Diamond Drilling	-0-	3,[illegible]62.50				3,[illegible]62.50
Drifting	-0-	4[illegible],2[illegible]9.50				4[illegible],2[illegible]9.50
Raising	-0-	2,362.50		[illegible],600.50		[illegible]
[2] Labor and Supervision						
Labor	[illegible],500.00	2,390.25	18,450.74	6,786.22		4,0[illegible]
Supervision	6,420.00	5,860.00				5,860.00
Technical Services	[illegible],[illegible]00.00	[illegible],[illegible]30.00		630.00		[illegible],[illegible]00.00
Bookkeeping	2,025.00	-0-				-0-
[3] Operating Mat'ls & Supplies						
Drill Steel	4,384.8[illegible]	4,6[illegible]4.[illegible]4	[illegible],30[illegible].50			4,6[illegible]4.[illegible]4
Timber, Incl. Ties	2,332.[illegible]	3,008.[illegible]3				3,008.[illegible]3
Explosives	46.54	46.54	[illegible],308.50			[illegible],352.04
Pipe	[illegible],32[illegible].[illegible]0	3,435.2[illegible]			[illegible],202.32	2,232.89
Track	4,453.34	4,458.34		363.34	[illegible],835.00	2,46[illegible].00
Diesel Fuel-Power	4,9[illegible].83	4,971.83	2[illegible]8.49			5,250.32
Vent Tubing	[illegible],780.[illegible]0	1,780.[illegible]0			534.03	[illegible],246.07
Misc. Supplies	[illegible],407.4[illegible]	6,263.98	[illegible].46		[illegible],457.28	4,838.[illegible]8
[4] Operating Equipment						
Bulldozing and Transportation	[illegible]45.[illegible]2	-0-				-0-
Rental Surface Equip., Silver Bell	[illegible],2[illegible].00	[illegible],278.00	[illegible]8.00	56.00		[illegible],200.00
Depreciation	3,5[illegible]9.24	3,579.24	[illegible]24.32			3,793.56
[5] Initial Rehab. & Repairs	2,[illegible]03.95	-0-				-0-
[6] New Bldgs., Improvements, etc.	2,894.00	2,894.00			1,055.70	[illegible],838.30
[7] Miscellaneous						
Repairs to Equip. & Maint. Labor	5,[illegible]82.54	5,[illegible]37.54	[illegible]52.87			6,[illegible]90.4[illegible]
Sampling & Analysis	624.2[illegible]	624.2[illegible]	5,[illegible]2			639.33
Payroll Taxes	322.03	322.03	383.90	[illegible].60		699.33
Liability Insurance	735.[illegible]	735.67	532.93	33.36		[illegible],235.24
Pickup Transportation	2,384.00	2,340.[illegible]	[illegible]8.93			2,459.10
Road Maintenance-Winter	2,400.00	2,400.00				2,400.00
Heavy Mat'l. Transportation	-0-	674.85	[illegible].20			686.05
Supplying Water	3,32[illegible].[illegible]3	2,59[illegible].[illegible]8				2,59[illegible].[illegible]8
Bookkeeping	-0-	2,025.00		[illegible]00.00		[illegible],925.00
Office & Engr. Supplies	25.3[illegible]	-0-				-0-
Totals	$ [illegible]3,[illegible]3[illegible].[illegible]3	$ 73,[illegible]36.[illegible]3	$ 21,[illegible]23.45	$ 23,35[illegible].6[illegible]	$ 5,88[illegible].33	$ 65,5[illegible]2.6[illegible]

At the conclusion of the audit, the findings were discussed with Paul Grimmill, General Superintendent and Frank H. Anderson, Office Manager.

Grimmill

George Mavor

George Mavor
Auditor

April 20, 1955

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

RECEIVED
JUN - 6 1955

420 Custom House
555 Battery Street
San Francisco 11, California

June 2, 1955

Air Mail

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

Re: Idm-E481, DMEA-2688
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada

Dear Mr. Chambers:

Reference is made to the last paragraph of your letter dated May 25, 1955, in which you call my attention to a correction to be made on Page 5 of subject audit report dated April 20, 1955. This correction has been made and field copies changed.

Would you please make the following additional changes on your copies of audit report. The third paragraph of Page 12, shows depreciation charges as $3,785.56, which should read $3,793.56. Also Page 23 shows the name of the General Superintendent as Paul Grimmell which should read Paul Gemmill. I have made the necessary changes on all field copies.

Sincerely yours,

George Mavor

George Mavor
Auditor

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

Minerals Administration
RECEIVED

420 Custom House
555 Battery Street
San Francisco 11, California

May 3, 1955

Mr. O. F. Burton, Treasurer
M. I. A. Mines Company
218 Felt Building
Salt Lake City, Utah

RE: Idm-E481, DMEA-2688
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada

Dear Mr. Burton:

Enclosed herewith for your information and files, is copy of Final Audit Report pertaining to subject contract, covering the months of March 1953 to January 1955. Mr. Paul Gemmill and Mr. Frank H. Anderson may also be interested in reviewing this audit report.

The final amount due your company under this contract, is now being processed for payment.

Sincerely yours,

"(SIGNED) GEORGE MAVOR"

George Mavor
Auditor

Enclosure

Copy - Jay L. Chambers

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

MAY - 2 1955

AIR MAIL

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

Re: Idm-T481, DMEA-2688
M.I.A. Mines Company

Dear Mr. Mavor:

Receipt is acknowledged of your Audit Report and Certificate covering the above-cited Exploration Project Contract.

The Report is accepted and may be distributed in the usual manner.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
May 2, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

San Francisco, Calif.
April 29, 1955

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 29 1956

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

RE: MIA Mines Company
F-481, DMEA-2688
Final Audit

Dear Mr. Chambers:

Enclosed herewith is Final Audit Report for subject contract, which I trust you will find in order. It was necessary to have this report typed on the outside, due to shortage of typing help here in S. F.

I would appreciate your advising me to release subject audit report as soon as possible, in order to make final payment to operator. You could possibly advise me by airmail letter.

Sincerely yours
George Mavor
Auditor

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

APR 2 3 1955

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

Re: Idm-P481, Docket DMFA-2688
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada

Dear Mr. Mavor:

Reference is made to your letter of April 20, 1955, in reply to mine of April 12, 1955, in connection with M.I.A. Mines Company ore shipments.

It appears that I did not make my point clear. I was not interested in getting a copy of the contract between M.I.A. Mines and Stoper and Allen. The purpose of my letter was to have you check to see whether there was a closer mill which could be used by M.I.A. Mines Company.

I know the reason why Stoper and Allen get a larger amount for their royalty than we do. It is because they have a contract with M.I.A. Mines to allow deduction for freight to the closest mill only. I judge from your communications that the closest mill is not now in operation; therefore M.I.A. Mines must bear the freight themselves to the further point in the case of Stoper and Allen, but do not have to bear it in their contract with the Government.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb 4-26-55

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
APR 22 1955

420 Custom House
555 Battery Street
San Francisco 11, California

April 20, 1955

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

Re: Idm-E481, Docket DMEA-2688
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada

Dear Mr. Chambers:

Reference is made to your letter dated April 12, 1955 in connection with location of mill, upon which freight and shipping charges enter into the net settlement of ore shipments, upon which royalty payments are made under subject contract.

As requested in your letter of April 12, 1955, I discussed with the Executive Officer the question of shipping tungsten ore to the Combined Metals Reduction Company plant at Bauer, Utah, and I am attaching hereto copy of his letter, dated April 18, 1955, which I believe answers the questions asked in your letter.

You will note in the last paragraph of Mr. S. Ricker's letter, that he does not know the method of calculating the Stoper and Allen royalty; however, in H. E. Swanson's letter to me, dated April 1, 1955, he states that the royalty calculated for Stoper and Allen was based on a special royalty calculation, as required under their contract with Stoper and Allen. As the Government is not a party to the afore-mentioned contract, I do not believe we have the right to request a copy of same; however, please do let me have your opinion.

I have completed the rough draft of the royalty audit report, which will be typed and forwarded to you in a few days.

Sincerely yours,

George Mavor

George Mavor
Auditor

Attachment

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

DEPARTMENT
Defense Minerals
REC'D
APR 22 1955

1605 Evans Avenue
Reno, Nevada

April 18, 1955

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

Re: Idm-E480, DMEA-2688
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada

Dear Mr. Mavor:

Reference is made to Mr. Jay L. Chambers letter of April 12, 1955 to you relative to the processing of ores from the above referenced property.

The problem has been discussed several times with Mr. Glenn Gentry, our engineer who has been the inspector throughout the project. Under the circumstances existing in the area, we have mutually decided that the most logical plant to treat the ore from the Minerva mine is the Bauer, Utah plant of the Combined Metals Company.

The M.I.A. Mines Company has never had sufficient funds to erect a beneficiation plant of its own. In addition there has never been sufficient measured ore reserves to justify such a plant. The plant of the Combined Metals Company at Pioche cannot treat tungsten ores without considerable fundamental and expensive alterations. The custom plant at Ely, Nevada is in operation only intermittently and cannot be relied on for the acceptance of regular shipments and maximum extractions at consistant rates.

I do not know what the leasing arrangements are between the M. I. A. company and Stopper & Allen, but I am sure that they would explain the terms of the lease should you care to request the details.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

DISPOSAL OF GOVERNMENT'S INTEREST IN PROPERTY

(FORM A)

To: Combined Metals Reduction Co.,
(M. I. A. Mines Co.)
P. O. Box 150
Salt Lake City 10, Utah

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, for a valuable consideration hereby sells, assigns, transfers and sets over to you all of its right, title and interest in all property acquired under Exploration Project Contract Idmo-E481, Docket No. DMEA-2688, dated January 27, 1953.

Dated April 15, 1955 THE UNITED STATES OF AMERICA

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

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

APR - 4 1955

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

Re: Idm-1481, DMEA-2688
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nev.

Dear Mr. Mavor:

Reference is made to your letter of March 29, 1955, in regard to the above-cited project.

It appears that your explanation for the accepted cost of winter road maintenance is sufficient for its allowance in your audit.

In regard to the manner in which you should state the work done under Amendment No. 1, your suggestion is correct. Under Category 1, Independent Contracts should be listed as (1) a. and Agreed Unit Costs should be reported as (1) b.

I believe this should clear the way for final settlement of this contract.

Sincerely yours,

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
April 4, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

Defense Minerals Administration
RECEIVED
MAR 31 1955

420 Custom House
555 Battery Street
San Francisco 11, California

March 29, 1955

Air Mail

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

Re: Idm-P481, DMEA-2688
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada

Dear Mr. Chambers:

Reference is made to your letter dated March 10, 1955 in connection with the subject contract.

During my recent visit to the Combined Metals Reduction Company office at the Caselton Plant, Pioche, Nevada, I obtained the following details making up the $2,400.00 for winter road maintenance:

Centennial Development Co.

Month	Inv.Date		Amount	
Nov.1953	12-8-53	Rent of Crawler Tractor	$400.00	
Dec.1953	1-10-54	" " " "	400.00	
Jan.1954	2-2-54	" " " "	400.00	$1,200.00

Combined Metals Reduction Co.

Feb.1954	3-1-54	Rent of Tractor No. 3	$400.00	
Mar.1954	4-1-54	" " " " 3	400.00	
Apr.1954	5-1-54	" " " " 3	400.00	1,200.00

Total Cost of Winter Road Maintenance: $2,400.00

All of the above monthly charges aggregating $2,400.00 were billed by the Combined Metals Reduction Company to M.I.A. Mines Company, however, during November and December 1953 and January 1954, a verbal

agreement was made whereby the Centennial Development Company would furnish the crawler tractor at $400.00 per month and the Combined Metals Reduction Company would furnish the labor which would be reimbursed by Centennial Development Co. This labor amounted to 244 hours at $2.5625 per hour, totaling $625.25. During the months of February, March and April 1954 the Combined Metals Reduction Company furnished Tractor No. 3 and the charges for use of this tractor are as follows:

Rent of Tractor No. 3

133 hours at $6.50	$864.50
Cost of Trf. Tractor, Caselton to Mine	129.00
Return Cost Tractor, Mine to Caselton	110.00
Standby Time	96.50
Total Rent of Tractor - 3 months:	$1,200.00

The 244 hours charged to Centennial Development Company, together with the above 133 hours for tractor No. 3, were verified to time cards. After compiling the above costs, same were discussed with Mr. Glenn Gentry, Bureau of Mines engineer, and he was of the opinion that same were reasonable and necessary costs required to perform the contract and that the actual cost to the operator for road maintenance was far in excess of the $2,400.00 allowed under the contract. Trusting the foregoing explanation answers the query in your letter of March 10, 1955.

The following salvage values were established in which the Government has a 75% equity and were subject to further inspection by Mr. Glenn Gentry, Bureau of Mines engineer:

Materials and Supplies	Cost	Salvage Rate	Salvage Amount
39.0 Tons Rail	$4,095.00	40%	$1,638.00
4800 ft. 1" Pipe)			
2050 ft. 2" ")	3,435.21	35%	1,202.32
2479 ft. 3" ")			
2171 ft. 12" Ventube	1,780.10	30%	534.03
Power Cable, Wire, etc.	3,493.60	40%	1,397.44
Electric Switch	199.46	30%	59.84
Total M & S:	$13,003.37		$4,831.63

New Buildings, Improvements, etc.

1 Fan House	$ 150.00	40%	$ 60.00
1 Compressor-Power Bldg.	1,500.00	30%	450.00
1 Fuel Tank	600.00	40%	240.00
1 Water Tank	644.00	30%	193.20
Total New Bldgs.,etc.	$ 2,894.00		$ 943.20
Grand Total:	$15,897.37		$5,774.80

From the above you will note the Government will have a 75% equity in the amount of $5,774.80 and if this amount is agreed to by the Executive Officer, then the same would be reflected in total accepted costs of the Audit Certificate as follows:

Total cost as billed by contractor		$173,136.13
Less: Proceeds from property disposition		5,774.80
Net claimed costs		$167,361.33
Exceptions (see Audit Report for details):		
Disallowances:	$23,359.61	
Less: Additional costs allowed	21,623.48	1,736.13
Total accepted costs:		$165,625.20

Included in the amount of $23,359.61 for disallowances is the sum of $1,600.59 which was claimed by the operator on January 1955 MF-104 which exceeded the amount allowed for raising as shown under Amendment No. 1 of the amended contract as follows:

Claimed by Operator	
Raising 67.5 ft. at $35.00	$2,362.50
Allowed by Amendment No. 1	
Raising 21.77 ft. at $35.00	761.91
Disallowed:	$1,600.59

The total accepted cost listed above in amount of $165,625.20 means the Government's participation of 75% will amount to $124,218.90 and the present status of payments, pending final audit, is as follows:

	MF-104's			
	Cost	Government's 75% Participation	Withheld	Net to Operator
Paid to Sept.30,1954	* $147,823.09	$110,867.30	$ -0-	$110,867.30
Now being processed:				
Oct. 1954	6,525.00	4,893.75	-0-	4,893.75
Nov. 1954	4,950.00	3,712.50	-0-	3,712.50
Dec. 1954	7,400.00	5,550.00	1,800.00	3,750.00
Jan. 1955	6,302.50	4,726.88	4,726.88	-0-
Totals before adjustment	$173,000.59	$129,750.43	$6,526.88	$123,223.55
Less:				
Disallowances	$ 1,600.59	$ 1,200.44		
Sale of Property	5,774.80	4,331.09		
Total Deductions	$ 7,375.39	$ 5,531.53		
Accepted Costs:	$165,625.20	$124,218.90		
Amount due Operator - pending completion of Audit				995.35
Total Government participation 75%				$124,218.90

*Includes disallowance of $135.54.

Amendment No. 1 of the Amended Contract covers work performed by the operator at agreed unit rates. When preparing the final summary of allowable costs, should these agreed unit rates be combined with Independent Contract costs, or should they be shown as separate costs, in the following manner?

(1) Independent Contracts
(Items to be detailed)

Agreed Unit Rates
(Items to be detailed)

In connection with the foregoing contents of this letter, please let me know if the road maintenance explanation is satisfactory to you, if the method of presenting the total accepted costs for the audit certificate has your approval and your opinion in presenting the detail of agreed unit rates in the final summary of allowable costs when preparing audit report.

Sincerely yours,

"(SIGNED) GEORGE MAVOR"

George Mavor
Auditor

Copy to: Executive Officer, Region II
Finance Officer, Region II

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

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

APR 12 1955

Re: Idm-E481, DMEA-2688
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada

Dear Mr. Mavor:

Reference is made to my teletype of April 7, 1955, in regard to the basis for calculating royalty used by M.I.A. Mines Company on the above-cited contract.

It would seem to me that Spangler Ricker, the Executive Officer, should determine whether or not there was a closer mill to which M.I.A. could send its ores for processing which would reduce the freight charges considerably. Would you mind discussing this matter with the Executive Officer?

I note that one shipment carries a freight cost of only $1,969.70 plus tax, while another one cost an additional $2,014.20 plus tax. It is apparent that Stepper & Allen refuse to allow the M.I.A. Mines to charge freight beyond the location of the first processing mill.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
April 12, 1955

Copy to: Docket
Admr. Reading File
Mr. Martin
Mr. Chambers

Contract Adm. & Audit Division

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

Defense Minerals Exploration Admin.
1X4401(01) Revolving Fund, Defense Production Act, Interior (Allocated Working Fund to Office of the Secretary)

TELETYPE

APR - 7 1955

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

Reurlet to Swanson and his reply regarding royalty on Contract Idm-E481, Docket 2668, M.I.A. Mines Company. Do not issue certificate on royalty audit. Not satisfied with company methods. Letter follows.

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
April 7, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

Defense Minerals
APR 8 1955

420 Custom House
555 Battery Street
San Francisco 11, California

March 30, 1955

Mr. H. E. Swanson, Chief
Ore Settlement Department
Combined Metals Reduction Company
218 Felt Building
Salt Lake City 1, Utah

Re: Idm-E481, DMEA-2688
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada
Royalty Audit

Dear Mr. Swanson:

During my recent visit to your office I obtained the following figures covering the estimated accrued inventory of tungsten ore at the Minerva Mine as of January 31, 1955:

Net Tons	954.935
Dry Tons	943.000

Gross Value	$17,245.58
Less: Deductions, freight, etc.	6,977.10
Net Earnings	$10,268.48
Royalties Accrued, Stopper 5%	$773.70
DMEA 4%	410.74

You will note that the Stopper royalty at 5% does not equal the $773.70, therefore, would you please explain how you arrived at the amount of $773.70.

In addition, I neglected to obtain the net value per ton which was used when computing the gross value. I presume the calculations for this inventory could be assembled on one of your settlement sheets, starting in with the percentage of WO_3 and showing the other figures used to arrive at the net value per ton.

Your assistance in furnishing this information will be appreciated.

Sincerely yours,

George Mavor
Auditor

COPY TO: JAY L. CHAMBERS

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 4-6

REFERRED TO:

1. ~~[illegible]~~
2. ~~Mr. Rutledge~~
3. Mr. Chandlers
4.

FOR:

- ---------- Action
- ---------- Approval
- ---------- Comment
- ---------- Conference
- ---------- Consideration
- ---------- Filing
- ---------- Instructions
- ---------- Investigation
- ---------- Initials
- ---------- Mailing
- ---------- Previous correspondence
- ---------- Recommendation
- ---------- Record of ----------
- ---------- Referring to ----------
- ---------- Reply for signature of ----------
- ---------- Rewriting
- ---------- Signature
- ---------- Suggestions
- ---------- Your information

REMARKS: Does this mean anything to you?

JH

Check (X) before the items needing attention.

RODNEY E. ADAMS

Initials of sender.

GPO 16—63815-1

COMBINED METALS REDUCTION COMPANY
P. O. BOX 100
SALT LAKE CITY 10, UTAH

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 6 1955

April 1, 1955

Mr. George Mavor, Auditor
Defense Minerals Exploration Administration
420 Custom House
555 Battery Street
San Francisco 11, California

Dear Mr. Mavor:

I have your letter of March 30, 1955, regarding our estimated accrued inventory of tungsten ore at the Minerva Mine, as of January 31, 1955.

You stated that the Stopper royalty at 5% did not equal $773.70. You may recall that in our conversation we explained that when the ore was shipped to Combined Metals Reduction Co. it was necessary, due to our Stopper contract, to calculate a special lot to determine a royalty value. The $773.70, therefore, represents 5% of the net value on the special royalty calculation rather than 5% of the net value as shown in your letter.

Since your visit we have received an adjusted inventory figure as of January 31, 1955. We are therefore sending this information on to you rather than the figures you asked for. You will note that we have also included a lot statement showing how the Stopper royalty was computed.

I trust this information will be satisfactory to you.

Yours very truly,

H. E. Swanson

Chief Clerk
Ore Settlement Department

HES:rs

COPY TO: JAY L. CHAMBERS

FORM 65

MIA MINES COMPANY

[illegible]

Salt Lake City, Utah, ...

Pay MIA Mines Company

Ore Tungsten Crude C.M.R.Co. Lot No. 22-B Shipper's Lot No.

Received Date Class

Quotations Gold Silver Lead Zinc

Assays	WO_3	As	Pb	Zn	Fe	Ins.	CaO	S	Mn	Cu	NaPb	NaZn
C. M. R. Co.												
			Mine Inventory as of February 1, 1955									
Umpire												
Gross												
Settlement	.40											

Metal Payments		Per Ton
Gold	@	
Silver	@	
Lead	@	
Zinc	@	
WO_3 80%	@ 46.00	14.720
Gross Metal Value		14.720
Treatment Charge		6.000
Net Pay 600,000 Dry Tons @		8.720

Metallurgical Record

Sulphide Metal Content	Gross Metal Content	Gross Metal Pay

Treatment

			5,232	00
Freight @ 2.89 + 15%	2,014	24		
Fed. Freight Tax @ 3%	60	43		
Haulage @ 3.25	1,969	70		
Tax @ 3%	59	09		
Umpire				
Control				
Watching	5	00		
Sampling	10	00 ✓	4,119	46
Royalty Stopper. & Allen	24	56	1,113	54
Paid 12.28				
Prepaid 12.28				
D.ME.A. @ 1.5%	16	70		
Net Payment			1,072	28

Car Number	Weight
Wet Weight 1.0%	1,212,120
Dry Weight	1,200,000

Gold

Silver

Lead

Zinc

Copper

Treatment

Freight

Smelter Payment

Metal Loss

Margin @

Month

FORM 03

Salt Lake City, Utah,

Pay MIA Mines Company (Royalty Calculation)

Ore Tungsten Crude C.M.R.Co. Lot No. 22-B Shipper's Lot No. Class

Received Date Quotations Gold Silver Lead Zinc

Assays	~~MX~~ WO_3	Ag	Pb	Zn	Fe	Ins.	CaO	S	Mn	Cu	NaPb	NaZ
C. M. R. Co.												
			Mine Inventory as of February 1, 1955									
Umpire												
Gross												
Settlement	.40											

Metal Payments		Per Ton	Metallurgical Record: Sulphide Metal Content	Gross Metal Content	Gross Metal Pay		
Gold	@						
Silver	@						
Lead	@						
Zinc	@						
Copper WO_3 -.2	@ 61.00	12.200					
Gross Metal Value		12.200					
Treatment Charge		8.000					
Net Pay 600.00 Dry Tons @		4.200				2,520	00

Treatment			
Freight			
Fed. Freight Tax			
Haulage @ 3.25	1,969	70	
Tax	59	09	
Umpire			491 21
Control			
Watching			
Royalty Stopper, Stopper & Allen @ 5%	24	56	
Paid $12.28			
Prepaid 12.28			
Net Payment			

Car Number	Weight

Gold			
Silver			
Lead			
Zinc			
Copper			
Treatment			
Freight			
Smelter Payment			
Metal Loss			
Margin C			

Wet Weight

Dry Weight

Mach

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 6 1955

Recd 4/5

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

420 Custom House
555 Battery Street
San Francisco 11, California

March 31, 1955

Mr. S. Ricker, Executive Officer
Defense Minerals Exploration Administration
U. S. Bureau of Mines Rare and Precious
Metals Experiment Station
1605 Evans Avenue
Reno, Nevada

Re: Idm-E481, DMEA-2688
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada

Dear Mr. Ricker:

During my recent visit to the subject operator's Caselton Plant office, Pioche, Nevada, the following salvage values were established in which the Government has a 75% equity:

Materials and Supplies	Cost	Salvage Rate	Salvage Amount
39.0 Tons Rail	$4,095.00	40%	$1,638.00
4800 ft. 1" Pipe)			
2050 ft. 2" ")	3,435.21	35%	1,202.32
2479 ft. 3" ")			
2171 ft. 12" Ventube	1,780.10	30%	534.03
Power Cable, Wire, etc.	3,493.60	40%	1,397.44
Electric Switch	199.46	30%	59.84
Total Materials and Supplies:	$13,003.37		$4,831.63

New Buildings, Improvements, etc.,.

1 Fan House	$ 150.00	40%	$ 60.00
1 Compressor-Power Bldg.	1,500.00	30%	450.00
1 Fuel Tank	600.00	40%	240.00
1 Water Tank	644.00	30%	193.20
Total New Buildings, etc.,.	$ 2,894.00		$ 943.20
GRAND TOTAL:	$15,897.37		$5,774.83

The above property was to be inspected by Mr. Glenn G. Gentry and if he concurred in the salvage values then Mr. Frank H. Anderson, Office Manager at the Caselton Plant, was to prepare and submit a similar list on a bid basis for your approval.

Page 2

Normally three bids are obtained including the operator's bid covering the disposition of property in which the Government has an equity; however, as all of this material, buildings, and equipment are in place on the operator's mining property, it is more advantageous to the Government to accept a reasonable offer from the operator, rather than dismantle the property for sale on a bid basis.

After you have accepted the offer made by the operator for the property, you should issue a waiver prepared on Form "A" as described in DMEA Circular 30, Supplement No. 1.

Please keep me posted on what has transpired covering the disposition of the above-mentioned property, as I cannot complete my audit report until the salvage value of the property has been definitely settled.

Sincerely yours,

"(SIGNED) GEORGE MAVOR"

George Mavor
Auditor

COPY TO: JAY L. CHAMBERS

Noted JG

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

420 Custom House
555 Battery Street
San Francisco 11, California

March 31, 1955

Mr. S. Ricker, Executive Officer
Defense Minerals Exploration
Administration, Field Team Region II,
U. S. Bureau of Mines
Rare and Precious Metals Experiment Station
1605 Evans Avenue
Reno, Nevada

Re: Idm-E481, DMEA-2688
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada

Dear Mr. Ricker:

I am attaching hereto a distribution of footage units for Scheelite Chief Mine and Silver Bell Mine for work performed during the months of June 1954 to January 1955, and allowed under the terms of Amendment No. 1 of the subject Amended Contract.

The distribution of footage gains was taken from Form MF-104a and information set forth in the operator's narrative attached to Form MF-104a.

As I am using this footage information in my audit report, I would appreciate your having figures verified for the distribution of footage units, between Scheelite Chief Mine and Silver Bell Mine, and advise if correct.

Sincerely yours,

(SIGNED) GEORGE MAVOR

George Mavor
Auditor

Attachment

COPY TO: JAY L. CHAMBERS

Contract Ad[redacted]. & Audit Division

UNITED STATES Defense Minerals Exploration Admin.
DEPARTMENT OF THE INTERIOR 14X4401(01) Revolving Fund,
DEFENSE MINERALS EXPLORATION ADMINISTRATION Defense Production Act, Interior (Allocated
WASHINGTON 25 Working Fund to the Office of Secretary)

MAR 8 - 1955

TELETYPE

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

Upon receipt of amendment signed by operator you may authorize payment due, less $4,000.00 or $5,000.00 if approved by Ricker, on Contract E481, M.I.A. Mines.

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
March 8, 1955

Copy to: Docket - DMEA-2688
Admr. Reading File
Confirmation
Mr. Martin
Mr. Chambers

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

MAR 1 0 1955

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

Re: Idm-E481, DMEA-2688
M.I.A. Mines Company

Dear Mr. Mavor:

Reference is made to your letters of March 2 and March 4, 1955, in regard to the above-cited contract.

I believe my teletypes of March 8 and 9 will answer your letter of March 2. Under the provisions of those teletypes, approximately $6,000.00 would be withheld to cover liquidation of property, and provide a stimulant for the company to submit a final report on project findings.

In regard to the letter of March 4, your explanation of the water cost is accepted. It appears to me, however, that you have no evidence at all of the cost of road maintenance. The figure of $2,400.00 does seem reasonable, but the company should be able to support this figure by giving the number of days for bulldozing or other expenses related to road maintenance. Since the Combined Metals Reduction Company is, in effect, a part or whole owner of the M.I.A. Mines, a submission of a bill for this work with no supporting evidence is not sufficient to allow its payment.

Returning to your comments on the settlement of the inventory in your letter of March 2, it appears to me that this matter should be settled by the office of the Executive Officer for the Region.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChamber/wb
March 10, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

420 Custom House
555 Battery Street
San Francisco 11, California

March 2, 1955

Air Mail

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

Re: Idm-E481, DMEA-2688
M.I.A, Mines Company
Minerva Tungsten Mine
White Pine County, Nevada

Dear Mr. Chambers:

Reference is made to your letter dated February 21, 1955, and in accordance with your instructions only one audit report will be prepared for subject operator, which will be a final audit report. This report is still subject to delay due to the final disposition of property in which the Government has a 75 percent equity. A few of the larger material and supply items are detailed in the following summary.

Track	$ 4,095.00
Pipe	3,435.21
Vent Tubing	1,780.10
Wire and cable	3,493.60
Electric Switch	199.46
Timber incl. Ties	3,008.13
Other incl. expendables	13,928.90
Total M & S	$29,940.40

In discussing this inventory over the telephone last Monday with Glenn Gentry, the Examining Engineer in Reno, he stated that the operator was submitting an inventory, together with the final report along about March 1, 1955. It is my understanding that the operator wishes to retain this material, therefore, there will be no outside bids, however, I believe a complete listing should be made of all salvaged material at cost, and showing the salvage percentage and salvage amount agreed to between DMEA and operator for settlement purposes. This inventory could be prepared similar to the one made up for E-248 Mt. Wheeler Mines, Inc. and sent to you with my pencil written letter of May 6, 1953.

For discussion purposes, the total material listed above, excluding other material, amounts to $16,011.50, and a 40 percent salvage recovery would amount to $6,400.00 which would be credited to the cost of the contract.

Mr. O. F. Burton, Treasurer of M.I.A. Mines Company, phoned me today from Salt Lake City, and wanted to know if any unpaid vouchers could be processed. I told him we had not as yet received the Amendment to the Amended Contract, and we were not authorized to pay, so he stated he would wire you today for release of part of the funds due M.I.A. Mines Company. The unpaid vouchers are as follows:

	Cost
Oct. 1954	$ 6,525.00
Nov. 1954	4,950.00
Dec. 1954	7,400.00
Jan. 1955	6,302.50
Total	$ 25,277.50

Your comments on the method of settling the inventory, together with what should be paid to the operator will be appreciated.

Sincerely yours,

George Mavor

George Mavor
Auditor

25

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

Department of the Interior
Defense Minerals Administration
RECEIVED
MAR 9 - 1955

420 Custom House
555 Battery Street
San Francisco 11, California

March 4, 1955

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

RE: Idm-E481, DMEA-2688
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County,
Nevada

Air Mail

Dear Mr. Chambers:

With further reference to your letter dated February 21, 1955 in connection with your review of draft of final audit report for subject contract.

I wish to thank you for your comments on changes to be made, before submitting final audit report. There were two comments which apparently required further clarification as per paragraphs 1 and 2 on page 2 of your letter, pertaining to road maintenace and water costs, and I am quoting below the revised explanation of these costs which will be incorporated in my final audit report.

Road Maintenance

The road maintenance for winter operations in amount of $2,400.00 was performed by the Combined Metals Reduction Company, and was an allowable cost, and did not exceed the "Allowable maximum " of $2,400.00 as set forth in Exhibit "A" of the contract. A discussion with the Examining Engineer, U. S. Bureau of Mines, revealed that approximately 13 miles of road repair and improvement work was performed by the operator, and equipment used included a bulldozer, grader and dump truck, and required 1 to 3 men to operate this equipment. The examining Engineer pointed out that the cost to the operator for this work, was far in excess of the "allowable maximum" of $2,400.00. Therefore after further discussion with the Executive Officer it was agreed that the cost of $2,400.00 should be allowed.

Water Cost

The cost of supplying water in amount of $2,691.01 was computed on the basis of $244.71 for 11 months from July 1953 to May 1954, and was allowable under the terms of the Amended Contract, which reads as follows:

Supplying Water to Project, Stage 1, 8 mos. at $244.71		$1,957.65
" " " " " 2, 5 " " "		1,223.55
	Total	$3,181.20

The above amount of $3,181.20 was established by Amendment No. 1 of the Original Contract, and the justification stated:

> "Operator requested a change in his contract to permit him to drill a well to supply his exploration activities. Contract allows him $3,181.20 to haul water and with that amount of money he states he can drill a well and increase the efficiency of his operations. This amendment allows the operator to use any practical method he desires for supplying water and does not restrict the method of hauling."

The operator maintains a cost record of the water well which furnishes the water, and as of May 31, 1954 the water well account showed a cost of $6,581.98, which included the cost of drilling, pump, pipe and other well costs. In view of the above Amendment No. 1, it was the Executive Officer's opinion that the well costs as charged to the project in amount of $2,691.01 were reasonable and a necessary cost of the project, therefore no exception was taken to the method of furnishing water by the operator.

Trusting the above revised explanations clarifies the questions raised in your letter.

As of May 31, 1954, Item (1) Independent Contracts was comprised of the following costs:

Diamond Drilling	$3,781.97
Churn Drilling	6,700.00
Straighten & Widen Adit	1,800.00
Rehab. Silver Bell Inc. Ship Pocket	2,300.00
Drifting	32,918.00
Lay Track Air & Water Lines	1,425.00
Bulldozing	545.12

It is my understanding that Amendment No. 1 of the Amended Contract will show the following costs at agreed unit rates, covering

work performed by the operator.

Drifting	$41,219.50
Raising	2,362.50
Diamond Drilling	3,162.50

The above amounts are subject to verification with Amendment No. 1, however, would you kindly let me know if these agreed unit rate costs should be combined with the Independent Contract items, when preparing the final summary of allowable costs for the audit report.

Sincerely yours,

George Mavor

George Mavor
Auditor

File

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

420 Custom House
555 Battery Street
San Francisco 11, California

March 9, 1955

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

Re: Idm-E481, DMEA-2688
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada

Dear Mr. Ricker:

I am in receipt of two teletype messages dated March 8 and 9, 1955, from Mr. Jay L. Chambers, in regard to payment of subject operator's vouchers, which read as follows:

March 8, 1955

"Upon receipt of Amendment signed by operator you may authorize payment due less $4,000.00, or $5,000.00 if approved by Ricker, on Contract E-481, M.I.A. Mines."

March 9, 1955

"Since Combined Metals has a direct interest in the M.I.A. Mines contract, E481, DMEA-2688, advise withholding from payment additional $1,000.00 making a total of $6,000.00, until further evidence of cost of road maintenance is provided."

Under date of March 2, 1955 I wrote Mr. Jay L. Chambers in regard to payment of subject operator's vouchers, and I sent a copy of this letter to you for your information. You will note in this letter that I listed the following unpaid vouchers:

	Cost	Government Participation 75%
Oct. 1954	$ 6,525.00	$ 4,893.75
Nov. 1954	4,950.00	3,712.50
Dec. 1954	7,400.00	5,550.00
Jan. 1955	6,302.50	4,726.88
Total	$25,177.50	$18,883.13

In addition to the unpaid vouchers, I also called attention to the fact that the final payment could not be made until a final determination of all salvage material had been equitably agreed upon by DMEA and the operator. In order that you may be apprised of the total material and supplies in amount of $29,940.40, charged to the project during the months of March 1953 to May 1954, I am listing below the following details:

Salvage Material & Supplies	Cost
Timber, incl. Ties	$ 3,008.13
Pipe	3,435.12
Track	4,095.00
Vent Tubing	1,780.10
Conduit Wire & Cable	3,493.60
Electric Switch	199.46
Total Salvage Material & Supplies	$16,011.50
Other Material & Supplies	
Drill Steel & Bits	4,674.14
Explosives	1,352.04
Diesel Fuel - Power	5,250.32
Gas, Oil & Grease	970.53
Oxyg. & Accet.	136.60
Nuts, Bolts, Washers, etc.	1,545.27
Total Other Mat'l & Supplies	$13,928.90
Total Material & Supplies	$29,940.40

The above salvage material of $16,011.50 is only a tentative figure, pending final determination by DMEA and the operator. However, same has been set up for the purpose of trying to arrive at a satisfactory method of releasing some of the funds due the operator. Therefore, assuming that 40 percent of the $16,011.50 could be salvaged, this would amount to $6,404.60 and the Government's 75 percent equity would be $4,803.45, and this salvage would have to be credited back to the cost of the contract. This estimated credit of $6,404.60 would just about offset the January 1955 voucher of $6,302.50, therefore, consideration could be given to release the operator's vouchers based on the following recommended withholding amounts:

	Cost	75% Government Participation	Amount Withheld	Net to Operator
Oct. 1954	$ 6,525.00	$ 4,893.75	$	$ 4,893.75
Nov. 1954	4,950.00	3,712.50		3,712.50
Dec. 1954	7,400.00	5,550.00	1,000.00	4,550.00
Jan. 1955	6,302.50	4,726.88	4,726.88	.00
Totals	$25,177.50	$18,883.13	$ 5,726.88	$13,156.25

You may want to discuss the expected salvage recovery with Mr. Glenn Gentry before deciding upon the release of funds to the operator. After you have reached a decision, please notify the Finance Office the amount to be paid, sending a copy of your letter to me, for my information.

Sincerely yours,

"(SIGNED) GEORGE MAVOR"

George Mavor
Auditor

COPY TO: Jay L. Chambers

Department of the Interior

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

Defense Minerals Exploration Admin.
11X4401(01) Revolving Fund,
Defense Production Act, Interior (Allocated
Revolving Fund to the Office of Secretary)

MAR 9 - 1955

MR. SPANGLER RICKER, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION II
U. S. BUREAU OF MINES
RARE AND PRECIOUS METALS EXPERIMENT STATION
1605 EVANS AVENUE
RENO, NEVADA

RE CHAMBERS' TELEGRAM MARCH 8, 1955, M.I.A. CONTRACT IDM-E481, DOCKET DMEA-2688. ADVISE WITHHOLDING FROM PAYMENT ADDITIONAL $1,000.00, MAKING A TOTAL OF $6,000.00, UNTIL FURTHER EVIDENCE IS SUBMITTED FOR COST OF ROAD MAINTENANCE AND UNTIL FINAL OPERATOR'S REPORT RECEIVED.

George C. Selfridge
CHAIRMAN, OPERATING COMMITTEE

JLChambers/wb
March 9, 1955

Copy to: Docket
Admr. Reading File
Operating Committee
Confirmation
Mr. Martin
Mr. Chambers

Contract Adm. & Audit Division

UNITED STATES Defense Minerals Exploration Admin.
DEPARTMENT OF THE INTERIOR 14X4401(01) Revolving Fund,
DEFENSE MINERALS EXPLORATION ADMINISTRATION Defense Production Act, Interior (Allocated
WASHINGTON 25, D.C. Working Fund to the Office of Secretary)

TELETYPE

MAR 9 - 1955

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

Since Combined Metals has a direct interest in the M.I.A. Mines contract, E481, DMEA-2688, advise withholding from payment additional $1,000.00, making a total of $6,000.00, until further evidence of cost of road maintenance is provided.

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wh
March 9, 1955

Copy to: Docket
Admr. Reading File
Confirmation
Mr. Martin
Mr. Chambers

Contract Admin. & Audit Division

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

Defense Minerals Exploration Admin.
14X4401(01) Revolving Fund,
Defense Production Act, Interior (Allocated
Working Fund to the Office of Secretary)

MAR 8 - 1955

MR. SPANGLER RICKER, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION II
U. S. BUREAU OF MINES
RARE AND PRECIOUS METALS EXPERIMENT STATION
1605 EVANS AVENUE
RENO, NEVADA

OR $5,000.00

MAVOR SUGGESTS THAT $4,000.00/BE WITHHELD FROM M.I.A. MINES CONTRACT IDM-E481, DMEA-2688, PENDING MATERIAL AND EQUIPMENT SETTLEMENT. IF AGREEABLE TO YOU PAYMENT TO THE COMPANY, LESS $4,000.00, MAY BE AUTHORIZED UPON RECEIPT OF SIGNED AMENDMENT NOW PENDING.

(Signed) J. L. Chambers

JAY L. CHAMBERS, CHIEF
CONTRACT ADMINISTRATION
AND AUDIT DIVISION

JLChambers/wb
March 8, 1955

Copy to: Docket
Admr. Reading File
Mr. Martin
Mr. Chambers
Mr. Mavor
Confirmation

Contract Admin. & Audit Division

UNITED STATES Defense Minerals Exploration Admin.
DEPARTMENT OF THE INTERIOR 14X4401(01) Revolving Fund,
DEFENSE MINERALS EXPLORATION ADMINISTRATION Defense Production Act, Interior (Allocated
WASHINGTON 25, D. C. Working Fund to the Office of Secretary)

MAR 8 - 1955

MR. O. F. BURTON, TREASURER
COMBINED METALS REDUCTION COMPANY
P. O. BOX 150
SALT LAKE CITY 10, UTAH

E 481

REUR LETTER MARCH 4, 1955. MAVOR HAS BEEN NOTIFIED THAT UPON RECEIPT OF SIGNED AMENDMENT AUTHORIZING FINAL WORK TO BE PAID ON AGREED UNIT COST BASIS BALANCE DUE YOU WILL BE PAID LESS SUM FOR FINAL SETTLEMENT AS DETERMINED BY EXECUTIVE OFFICER.

(Signed) J. L. Chambers

JAY L. CHAMBERS, CHIEF
CONTRACT ADMINISTRATION
AND AUDIT DIVISION

JLChambers/wb
March 8, 1955

Copy to: Docket - DMEA-2688, E481
Admr. Reading File
Spangler Ricker, Region II
Mr. Martin
Mr. Mavor
Mr. Chambers

COMBINED METALS REDUCTION COMPANY

P. O. BOX 150

SALT LAKE CITY 10, UTAH

March 4, 1955

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 8 - 1955

Mr. Jay L. Chambers
Chief of Contract Administration
and Audit Division
DMEA Interior Building
Washington, D. C.

Dear Mr. Chambers: M.I.A. Mines File 119-1 DMEA No. 2688 - Contract No. Idm-E 481

Permit us to remind you that we have not received settlement checks for project expenditures during the months of October, November and December, 1954, and January, 1955, amounting to approximately $19,000.00. We talked with your traveling auditor, Mr. Mavor of San Francisco, about this and he advised us to contact your office as he had no authority to pass our reports for payment as Amendment No. 1 had not been received from Washington.

Up to February 1, 1955, the project expenditures exceeded the contract amount by $1,700.00, but since we are in much need of funds to liquidate purchases, we had in mind that you might consider authorizing Mr. Mavor to issue check in payment for the expenditures during the last three months of 1954 equal to $14,000.00. This will allow for necessary hold-back for the repurchase of tracking and tubing by the company. Mr. Mavor said according to his record, there is about 4,000 feet of track and 1,600 feet of tubing and we believe that about $4,000.00 retained would be more than ample to cover these items.

We will greatly appreciate any action taken by your office to release these funds to us. Our teletype number in Salt Lake is SU-85.

Very truly yours,

COMBINED METALS REDUCTION COMPANY

O. F. Burton,
Treasurer

OFB-ho

cc: Mr. E. H. Snyder
Mr. R. A. Young
Mr. W. J. Matthews, Jr.
Mr. R. L. Brittain
Mr. F. H. Anderson
Mr. A. C. Johnson - Reno, Nevada

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

FEB 21 1955

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

Re: Idm-E481, DMEA-2688
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada

Dear Mr. Mavor:

Reference is made to your letter of February 4, 1955, accompanied by preliminary audit report for the period March 1953 to May 1954.

You bring up the question as to whether an interim audit should be issued for this period and a report of review issued upon receipt of an amendment to the amended contract. I think it would be just as well to omit the interim report and to issue a final report upon receipt of the amendment, which is now being processed in the Washington Office.

The preliminary audit as submitted is satisfactory as a whole. I would like to call your attention to a few minor things which need to be adjusted.

On pages 4 and 6 under item (i) you state that the allowable maximum for straightening and widening the adit is 3,000 cu. ft. at 60 cents per cubic foot or a total of $1,800.00. It should be 3,600 cu. ft. at 50 cents per cubic foot or a total of $1,800.00.

On page 7, next to the last paragraph, you indicate that the labor for the top man mechanic is an allowable maximum. The contract does not make this item an allowable maximum.

On page 9, first paragraph, please insert the following after the fourth word: "due to the Operator's performing drifting and raising work on his own account rather than under a subcontract."

On page 13, second paragraph, the allowable maximum properly should be shown as $1,500.00 (5 months at $300.00 per month), and not $1,200.00 (4 months at $300.00 per month).

On page 19, third paragraph, there appears to be no statement as to your determination that the actual cost of road maintenance was $2,400.00 as claimed. It is true that the contract allowed $2,400 but the Operator must prove that he spent $2,400.00 for this work.

On page 21, paragraph one and two, you do not explain how you arrived at the cost of $244.71 per month for water. You did indicate, however, that this figure was on some basis of proration, and that the contract allowed this much. The item was an estimate, not a fixed cost. The question arises in my mind as to what part of the cost of drilling the well, purchase of pump and water main should be charged to exploration. Are these permanent improvements which the company will use after completion?

You probably would have found the above items when you reviewed your work before making the final report, but they are pointed out here to save you some time. There may be others which we have overlooked. A number of questions could be raised in regard to subcontract work done by the parent company. Generally, in cases of this kind we audit the records of the parent company. The engineers, however, believe that this is a very reasonable cost and I am inclined to go along with them on this point. However, I do think you should discuss the matter with the Executive Officer and get a statement from him on this point.

I am returning your preliminary report under separate cover.

In connection with this contract it has come to the attention of this Division that royalty repayments thereunder have been somewhat inconsistent insofar as the computations and deductions are concerned. Therefore it is desired that you schedule a royalty audit at your earliest convenience.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
February 21, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

420 Custom House
555 Battery Street
San Francisco 11, California

February 4, 1955

Air Mail

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

RE: Idm-E481, DMEA-2688
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada

Dear Mr. Chambers:

Reference is made to your letter dated December 2, 1954, in connection with Amended Contract and Audit Report for subject Contract, and in line with your request, I am forwarding by registered airmail for your review and information the rough draft of the audit report for the period March 1953 to May 1954. In addition I am submitting the following rough draft schedules, which I have prepared from the Amended Contract and my Audit Report as of May 31, 1954 together with subsequent costs to the completion date in January 1955.

Status of Contract Costs

Page 1. Summary of "Allowable Maximums" and Other costs for the period March 1953 to January 1955.

Page 2. "Allowable Maximums" detailed for the period March 1953 to May 1954.

Page 3. Other Costs for period March 1953 to May 1954.

Page 4. Summary of MF-104's Costs March 1953 to January 1955.

On page 1 of the above mentioned summary, you will note an unexpended balance of $45,143.91 as of May 31, 1954, and subsequent expenditures during the period June 1954 to January 1955 in amount of

$45,744.50, which results in excess expenditures of $1,600.59 and this amount is over the estimated cost of the contract, established at $171,400.00. The details shown on page 1 of the summary, making up the expenditures of $46,744.50 during the period June 1954 to January 1955 was prepared for the purpose of enabling the Washington Office to prepare the necessary Amendment to the Amended Contract.

Should we process for payment the MF-104's for October, November and December 1954, which have been held in abeyance, pending the Amendment to the Amended Contract as referred to above. If payment is authorized, this would leave the Month of January 1955 in amount of $6,302.50 unpaid, which would remain in this category until final audit.

I presume it will be in order to contemplate the issuance of a First Interim Audit Report for the period March 1953 to May 1954 based on the rough draft forwarded to you. Then the final audit report will be a Report of Review, based on the Amendment to the Amended Contract and agreed Unit rates.

Sincerely yours,

"(SIGNED) GEORGE MAVOR"

George Mavor
Auditor

AUG 24 1954

Mr. W. C. Miller
Executive Officer
DMTA Field Team, Region III
420 Custom House
555 Battery Street
San Francisco 11, California

Re: [illegible]-2088, Item-[illegible]
M. I. A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada

Dear Mr. Miller:

Inclosed herewith is check no. 56495, voucher no. D7789, dated August 18, 1954, issued by the Combined Metals Reduction Co., Salt Lake City, Utah, to cover royalty payments on the referenced Exploration Project Contract. Three copies of each of the applicable settlement sheets (Lots 1, 2, 4, 5, and 6) are attached thereto.

This check was mailed by the smelter to the Executive Officer, DMTA Field Team, Region IV, Denver, Colorado. It is suggested that you advise the Combined Metals Reduction Company as to the address that checks covering royalties under this contract should be forwarded.

The Washington copies of the settlement sheets have been retained and forwarded to the Iron and Ferro Alloys Division of the Administration.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Inclosures

EDTalbert/ama
August 24, 1954

Copy to: Combined Metals Reduction Co.
218 Felt Building
Salt Lake City, Utah
Mr. W. H. King, Exec. Off.
DMTA Field Team, Region IV

Mr. Martin
Docket
Adm. Read. File
Mr. Chambers

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

224 New Customhouse
Denver 2, Colorado

REGISTERED MAIL
August 18, 1954

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty-check and settlement sheets from Combined Metals Reduction Company covering Docket No. 2688, Contract No. Idm-E481

Today we received check in the amount of $652.27 and settlement sheets covering royalty payment on Docket Number 2688, Contract Number Idm-E481 from Combined Metals Reduction Company.

As this contract is not in our region, we are enclosing check in the amount of $652.27 together with attached settlement sheets so that you may forward them to the proper region.

W. H. King

W. H. King

Enclosures

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

DEC - 2 1954

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

Re: Docket No. DMEA-2688 (Tungsten)
M. I. A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada
Contract No. Ida-E481

Dear Mr. Mayor:

On November 29, 1954 the Administrator advised the Executive Officer of Region III to pay the June, July, August, and September 1954 vouchers (Form MF-104) submitted by the Operator of the above-cited project. These payments were to be provisional and subject to adjustment after audit.

Prior to the telegram the Administrator had signed Amendment No. 4 for submission to the Operator. The chief purpose of this amendment was to clarify the provisions of the contract. When the Operator has signed this amendment it is proposed that another amendment will be approved which will place the work on an agreed unit cost basis and probably extend the program somewhat. The date has not been decided at which the agreed unit cost will be effective. Before this decision can be made the Washington Office needs some information which you probably have or will have in your audit.

Therefore, I am requesting that when the Operator has signed Amendment No. 4 that you review your audit through May 31, using Amendment No. 4 as the basis for such a review and submit your audit as soon as possible to me. It will not be necessary to put the audit report in final formif in doing so it will unduly delay the receipt of it in Washington. After we have obtained the information from the audit it could be returned to you for final completion, if necessary.

Sincerely yours,

JLChambers/wb 12-2-54

(Signed) J. L. Chambers

Copy to: Docket
Admr. Reading File
Mr. Ricker, Region III
Mr. Martin
Mr. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Defense Minerals Administration
RECEIVED
MAY 3 1 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January 1955 Docket No. DMEA 2688 Contract No. IDM-E 481
Operator's Name M.I.A. Mines Company Minerals Tungsten
Address 218 Felt Building, Salt Lake City, Utah
Contract Amount, $171,400.00 Government Participation: 75 % Amount, $128,550.00

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 Contract: Diamond	825.00	6,119.47	6,944.47			
(Churn		6,700.00	6,700.00			
Drilling: Straighten & Widen Adit		1,800.00	1,800.00			
Rehab. Silver Bell Incline		2,300.00	2,300.00			
Skip Pocket	5,180.00	74,252.50	79,432.50			
Drifting	297.50	11,333.85	11,631.35			
Raising		1,425.00	1,425.00			
Lay Track, Air Water Line						
(2) Labor and Supervision:						
Labor 1/2 Topman		1,506.90	1,506.90			
Supervision		6,420.00	6,420.00			
Technical Services		1,190.00	1,190.00			
Bookkeeping		2,025.00	2,025.00			
(3) Operating Stores and Supplies:						
Drill Steel & Bits		4,394.88	4,394.88			
Timber (Incl. Ties)		2,332.71	2,332.71			
Explosives		46.54	46.54			
Pipe		1,326.70	1,326.70			
Track		4,458.34	4,458.34			
Diesel Fuel		4,971.83	4,971.83			
Vent Tubing		1,780.10	1,780.10			
Misc. Supplies		6,467.41	6,467.41			
(4) Operating Equipment:						
Rental - Bulldozer & Trans.		545.12	545.12			
Rental - Surf. Equip. Silver Bell		1,278.00	1,278.00			
Purchase		3,579.24	3,579.24			
Depreciation		2,803.95	2,803.95			
(5) Initial Rehabilitation and Repairs		2,894.00	2,894.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		5,062.54	5,062.54			
Sampling and Analysis		624.21	624.21			
Payroll Taxes		322.03	322.03			
Liability Insurance		735.67	735.67			
Pickup Transportation		2,384.06	2,384.06			
Road Maintenance - Winter		2,400.00	2,400.00			
(8) Contingencies (Specify):						
Haulage & Supplying Water		3,327.77	3,327.77			
Office & Eng. Supplies		25.81	25.81			
Loss Depreciation. Inc Final Audit.				6,087.00		
				1,014.00		
TOTALS	6,302.50	166,833.63	173,136.13			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 2/17/55 *Payee M.I.A. Mines Company
ORIGINAL SIGNED BY
Per O. F. BURTON Title Treasurer

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

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

(Instructions on reverse)

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

$ 910 95

Signature
(Authorized Certifying Officer)

Date Vou. No. SF-Dmea-31
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Ith-E481 in accordance with the terms of the contract.

Signature R. C. Johnson Title Supervising Mining Engineer Date Feb. 24, 1955.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Richter Title Executive Officer DMEA Field Team Region II Date February 25, 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAY 31 1955

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

Month of January 1955 Docket No. DMEA 2688 Contract No. DMS 421
Operator's Name U.I.A. Mines Company Minerals Tungsten
Address 218 Felt Building, Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Ft.	5,120.00	140.0	102,497.01	2,046.7	35.98		
Crosscutting								
Raising	Ft.	297.50	0.5	19,994.68	357.0	56.01		
Shafts								
Winzes								
Drilling: Core	Ft.	625.00	165.0	7,747.77	1,771.8	4.37		
Churn	Ft.			6,700.00	1,340.0	5.00		
Auger								
Supervision & Tech.				7,610.00				
Bookkeeping				2,025.00				
Sampling & Analysis				624.31				
Roads and Trails				2,945.22				
Taxes & Insurance				1,057.70				
Total Distributed Costs								Total Costs Authorized by Contract
Rental & Depreciation								
Operating Equipment				4,857.24				
Initial Rehabilitation and Repairs				6,531.37				
New Buildings, Improvements, etc.				2,894.00				
Transp. Men & Supplies				5,711.83				
Total Costs		6,302.50		173,136.23				

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 2/17/55 Operator U.I.A. Mines Company

Per ORIGINAL SIGNED O. F. BURTON Title Treasurer

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

(Instructions on reverse)

Remarks:

(For Government use only)

ACCOUNTS JUN 2 5 1955

INSTRUCTIONS

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

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

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

GPO 83-38475

DEPARTMENT OF
Defense Minerals
RECEIVED
MAY 31 1955

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

Administrative Audit Difference Statement

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

[redacted]
[redacted]
[redacted]

[redacted]

Gentlemen:

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]

[redacted]

[redacted]

[redacted]

[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

COMBINED METALS REDUCTION COMPANY

Minerva Tungsten Property- Narrative - January, 1955.

February 15, 1955

Mr. Paul Gemmill, Plant Manager

Reginald O. Lee

Dear Paul:

Progress under the Exploration Project Contract with Defense Mineral Exploration Administration during the month of January was as follows:

Exploration D.M.E.A.

Intermediate Sub-level - Map A-1614

The sub-level drift was advanced east on the fissure 38.0 feet during the month. The first 20 feet of advance following the fissure showed only a small amount of scheelite mineralization in the 10" wide quartz fissure.

An east dipping fault zone was encountered between 20 feet and 34 feet of advance, at 38 feet the face was in solid limestone and through the fault zone.

The throw of the fissure in this fault zone is probably to the south. If the fissure is not located in another 10 feet of drifting to the south east, a diamond drill hole will be extended out south.

The raise up from t is sub-level was advanced from 22.0 feet to 30.5 feet, where drill hole No. 13 showed some ore 50 feet above this level.

650 West Sub-level - Map A-1658

A cross-cut was driven south 48.0 feet from near the face of the 650 West Drift, coordinates N4210, E12240, to explore the footwall of the flat east dipping fault on this level. However, in 48 feet of cross-cutting limestone, little quartz drag with considerable amount of calcite was noted, but the fissure was not located. It is now evident that the flat dipping fault displaces the fissure much further than was first expected and that the footwall block of the fissure is north of the present face of the 650 west sub-level.

Three short diamond drill holes, No. 17, 79.0 feet long, No. 18, 43.0 feet long and No. 19, 43.0 feet long were drilled south in this 50 feet thick flat dipping fault zone to locate possible fault segments of the fissure. These holes showed a brecciated zone of limestone calcite and some quartz but only a minor amount of scheelite mineralization.

The next exploration work on this level should be to extend the 650 west drift to the north 80 feet to probable location of the fissure.

300 Level - Silver Bell - Map B-873

The Silver Bell 300 level drift was advanced 62.0 feet during the month. A steep dipping fault was encountered last May shortly before this heading was shut-down, with indications that the fissure was displaced to the north. When this heading was started up last month the drift was turned north and the fissure was cut at 30 feet of advance showing 20 inches of high grade ore assaying from 2% to 3% WO_3, for 32 feet of advance on the fissure.

The last 25 feet of advance is east of Churn Drill Hole No. 7, which showed good grade ore 37 feet above this level.

Summary of D.M.L.A. Exploration Footage for month of January, 1955

	L-Cutting Drifting	Raising	Drilling
Intermediate sub-level - Map A-1614	18.0'	8.5'	
650 West sub-level - Map A-1658	18.0'		
Diamond Drilling - Map A-1658			165.0'
300 Level Silver Bell - Map B-873	62.0'		
Total	148.0'	8.5'	165.0'

Production

Production for the month is estimated at 500 tons, of which 200 tons were shipped to Sauer Mill during the latter part of the month. The balance of the tonnage was transferred to stockpile at the mine and left in mine ore passes. Estimated assay value of the above tonnage is 0.75 WO_3.

Very truly yours,

Reginald G. Lee

Reginald G. Lee

COPY

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1954 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address 211 Salt Building, Salt Lake City, Utah
Contract Amount, $ 171,400.00 Government Participation: 75 % Amount, $ 125,550.00

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: Diamond Drill	302.50	5,236.97	5,539.47			
Drilling		6,700.00	6,700.00			
Straightening [illegible]		1,800.00	1,800.00			
Rehab. [illegible]		2,300.00	2,300.00			
Drifting	4,950.50	69,300.00	74,252.50			
Raising	2,005.00	9,328.85	11,333.85			
Lay track, air, water lines		1,425.00	1,425.00			
(2) Labor and Supervision:						
Labor 1/2 Topman		1,506.90	1,506.90			
Supervision		6,620.00	6,620.00			
Technical Services		1,190.00	1,190.00			
Engineering		2,025.00	2,025.00			
(3) Operating Materials and Supplies:						
Timber (incl. ties)		4,394.00	4,394.00			
Explosives		40.54	40.54			
Pipe		1,326.70	1,326.70			
Track		4,450.34	4,450.34			
Diesel Fuel		4,271.63	4,271.63			
Vent Tubing		1,760.10	1,760.10			
Misc. Supplies		6,667.41	6,667.41			
(4) Operating Equipment:						
Rental - Bulldozer & Truck		549.12	549.12			
Rental - Surface Equipment		1,278.00	1,278.00			
Depreciation		3,579.24	3,579.24			
(5) Initial Rehabilitation and Repairs		2,303.95	2,303.95			
(6) New Bldgs., Improvements, etc.		2,096.00	2,096.00			
(7) Miscellaneous: Maint. Labor		5,002.54	5,002.54			
Repairs to Equipment		624.21	624.21			
Sampling and Analysis		322.03	322.03			
Payroll Taxes		735.67	735.67			
Liability Insurance		2,304.06	2,304.06			
Pump transportation		2,400.00	2,400.00			
Road Maint. - Water						
(8) Miscellaneous (specify):						
Bunkhouse Supp. Water		3,327.77	3,327.77			
Office & Dry. Supplies		49.21	49.21			
TOTALS	7,400.00	159,298.09	166,698.09	7400.00	159,298.09	166,698.09

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

Date 1-13-55 *Payee U.S.A. Mine Company

Per ORIGINAL SIGNED BY O. F. BURTON Title Treasurer

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

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

(Instructions on reverse)

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

$5550.00
1800.00 - Withheld
$ 3750.00

Signature Leo H. Stolarski
Authorized Certifying Officer
(Authorized Certifying Officer)

Date MAR 29 1955 Vou. No. SF DMEA-28

(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 Mining Engineer Date January 21, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Ricker Title Executive Officer DMEA Field Team Region II Date January 24, 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

APR - 4 1955

Month of October 1954 Docket No. DMEA 300 Contract No. 20140 401
Operator's Name U.S. Vanadium Company Minerals Tungsten
Address 230 Felt Building, Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Ft.	4,952.50	111.5	97,257.01	2,022.7	50.04		
Crosscutting	Ft.	2,065.00	59.0	19,097.10	340.5	56.52		
Raising								
Shafts								
Winzes	Ft.	302.50	70.5	6,922.77	1,600.0	4.31		
Drilling: Core				6,700.00	1,340.0	5.00		
Churn								
Auger								
Stripping	Hrs.			7,615.00				
Trenching				2,035.00				
Test Pits				604.21				
Roads and Trails				2,945.22				
[illegible] & Insurance				1,071.70				
Total Distributed Costs		7400.00		144,838.99				Total Costs Authorized by Contract
Rental of Equipment				4,057.21				
Operating Equipment Purchased				6,532.37				
Initial Rehabilitation and Repairs				2,036.00				
New Buildings, Improvements, etc.				5,711.00				
Transp. Men and Supplies		7,400.00		166,633.57				
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 1-10-55 Operator U.S. Vanadium Company

ORIGINAL SIGNED BY

Per O. F. BURTON Title Operator

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)

Remarks:

(For Government use only)

INSTRUCTIONS

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

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

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

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION II
RECEIVED
1955 JAN 24 AM 9:05
SAN FRANCISCO, CALIFORNIA

GPO 83-38475

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

Defense Minerals Administration
RECEIVED
APR 4 1955

Administrative Audit Difference Statement

Date: March 29, 1955
Payee's
Reference: Contract IGm P-481
Docket DMEA 2688
Minerva Tungsten Mine

M.I.A. Mines Company
P.O. Box 150
Salt Lake City, Utah

Gentlemen:

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

Govt. Part. Amount Claimed $ 18,883.13 (Oct. Nov. Dec. & Jan.)

Difference $ 6,526.88 Withheld

Amount Approved $ 12,356.25

The reason for the difference was due to:

Explanation of Amounts Paid on the following MF-104 Vouchers

Month	Cost	75% Govt. Participation	Withheld	Net to Operator
Oct. 54	$6525.00	4893.75	-0-	$4893.75
Nov. 54	4950.00	3712.50	-0-	3712.50
Dec. 54	7400.00	5550.00	$1800.00	3750.00
Jan. 55	6302.50	4726.88	4726.88	-0-
	$25,177.50	$18,883.13	$6526.88	$12,356.25

The amount of $6,526.88 has been withheld pending completion of final audit of contract and the final determination of salvage value of Materials and Supplies and other equipment.

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

Very sincerely yours,

L. H. SJOLANDER

L. H. Sjolander
Budget and Finance Branch
Region II

COMBINED METALS REDUCTION COMPANY

Minerva Tungsten Property - Narrative - December, 1954.

January 10, 1955

Mr. Paul Connill, Plant Manager

Reginald G. Lee

Dear Paul:

Progress under the Exploration Project Contract with the Defense Mineral Exploration Administration during the month of December was as follows:

Exploration Projects.

Intermediate Sub-Level - Map A-1014

This sub-level was advanced east on the fissure 80.0 feet. Some spotty scheelite mineralization was found in this advance, but of too low grade to be classed as ore. The fissure varied in width from a few inches to 3 feet.

A raise was started, where the scheelite mineralization was too strongest, and advanced 22 feet. The scheelite showing continued up as far as the raise was driven which indicates that we are under the ore. This raise will be continued to a height of approximately 50 feet where diamond drill hole No. 13 cut some ore.

650 West Sub-Level - Map A-1058

After locating the fissure south of the 650 level drift by diamond drilling on 600 level and 650 level, a crosscut was driven out to cut the fissure. The ore is from 3 to 4 feet wide and of average grade. A flat east dipping fault cuts the fissure with only a few feet displacement at the point where the crosscut intersected the fissure.

Total drifting and crosscutting for the month on the 650 west sub-level amounted to 61.5 feet. Exploration and development of this new block of ore will be performed as rapidly as possible. The possibilities are favorable of developing an important block of ore with considerable tonnage to the west, as there are 600 feet to the nearest mine workings.

Silver Bell - Map 3-873

A raise following the fissure was driven up from the 300 level to the area where churn drill hole No. 6 showed commercial ore. Advance of this raise for the month amounted to 37.0 feet. The face of the raise showed 2 feet of average grade ore. However, it will be necessary to advance this raise another 25 feet to intersect the point where churn drill hole No. 6 showed the ore.

COMBINED METALS REDUCTION COMPANY

2 Jan. 10, 1955 Paul Gemill

Diamond Drilling - Map A-1653

Diamond drill hole No. 15, of which 13 feet was completed last month, was extended to a total distance of 63 feet. The hanging wall of the fissure was cut at 36 feet, the footwall at 42.5 feet. The drill core showed 4 feet of ore of which assays are not available yet, but is estimated to be of average grade or better.

Diamond drill hole No. 16 was drilled due south - zero dip from survey station #806 on 650 west sub-level. The hanging wall of the fissure was cut at 26.5 feet.

Total diamond drill footage for the month totalled 76.5 feet.

Summary of Exploration Footage for Month

	A-Cutting Drifting	Raising	Drilling
Intermediate sub-level - Map A-1614	80.0'	22.0'	
650 west sub-level - Map A-1658	61.5'		26.5'
Silver Bell - Map A-873		37.0'	
600 west sub-level - Map A-1653			50.0'
Total Exploration Footage	141.5'	59.0'	76.5'

COPY

Production

No ore was shipped during the month. About 600 tons averaging 0.65% WO_3 was mined and stored in outside ore bins and mine ore passes.

Very truly yours,

Reginald O. Lee

Reginald O. Lee

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION II
RECEIVED

1955 JAN 24 AM 9:05

SAN FRANCISCO, CALIFORNIA

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

Budget Bureau No. 42-R1036.5

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

Month of November, 1954 Docket No. DMEA 2688 Contract No. XDM-E 481
Operator's Name M.I.A. Mines Company Minerals
Address 218 Felt Building, Salt Lake City, Utah
Contract Amount, $ 171,400.00 Government Participation: 75% Amount, $ 128,550.00

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 Contracts: Short Form Drilling (Diamond)	645.00	5,091.97	5,736.97			
Drilling (Churn)		6,700.00	6,700.00			
Straighten & widen edit		1,800.00	1,800.00			
Rehab. Silver Bell Incline- Bulldozing skip pocket.		2,300.00	2,300.00			
Crosscutting Drifting	4,305.00	64,995.00	69,300.00			
Drifting Raising		9,268.85	9,268.85			
Lay Track, air, water Lines		1,425.00	1,425.00			
(2) Labor and Supervision:						
Labor 1/2 Topman		1,506.90	1,506.90			
Supervision		6,420.00	6,420.00			
Technical Services		1,190.00	1,190.00			
Bookkeeping		2,025.00	2,025.00			
(3) Operating Materials and Supplies: drill steel bits		4,394.88	4,394.88			
Timber (incl. ties)		2,332.71	2,332.71			
Explosives		46.54	46.54			
Pipe		1,326.70	1,326.70			
Track		4,458.34	4,458.34			
Diesel Fuel		4,971.83	4,971.83			
Vent Tubing		1,780.10	1,780.10			
Misc. Supplies		6,467.41	6,467.41			
(4) Operating Equipment:						
Rental - Bulldozer & Trans.		545.12	545.12			
Rental - Surface Equip. Silver Bell		1,278.00	1,278.00			
Purchase						
Depreciation		3,579.24	3,579.24			
(5) Initial Rehabilitation and Repairs		2,803.95	2,803.95			
(6) New Bldgs., Improvements, etc.		2,894.00	2,894.00			
(7) Miscellaneous:						
Repairs to Equipment & Maint. Lbr.		5,062.54	5,062.54			
Sampling and Analysis		624.21	624.21			
Payroll Taxes		322.03	322.03			
Liability Insurance		735.67	735.67			
Pickup Transportation		2,384.06	2,384.06			
Road Maintenance - Winter		2,400.00	2,400.00			
(8) Hauling and Supplying Water		3,327.77	3,327.77			
Office - Engineering Supplies		25.81	25.81			
TOTALS	4,950.00	154,483.63	159,433.63	4,950.00	154,348.09	159,298.09

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

Date 12-31-54 *Payee M.I.A. MINES COMPANY

ORIGINAL SIGNED BY

Per O. F. BURTON Title Treasurer

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

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

(Instructions on reverse)

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

$ 3712.50

Lloyd H. Stolender
Authorized Certifying Officer

Signature (Authorized Certifying Officer)

Date MAR 29 1955 Vou. No. SF-DMEA-28

(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. Kan-5481 in accordance with the terms of the contract.

Signature A. C. Johnson Title Mining Engineer Date Jan. 7, 1955

A. C. Johnson

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Ricker Title Executive Officer DMEA Field Team Region II Date January 10, 1955

S. Ricker

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1954 Docket No. DMEA 2688 Contract No. IDM-E 481

Operator's Name M.I.A. Mines Company Minerals

Address 218 Felt Building, Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Ft.	4,305.00	123.0	92,304.51	2,557.2	36.10		
Crosscutting								
Raising	Ft.			17,632.18	289.5	60.91		
Shafts								
Winzes								
Drilling: Core	Ft.	645.00	129.0	6,540.27	1,530.3	4.27		
Churn	Ft.			6,700.00	1,340.0	5.00		
Auger								
Supervision & Technical				7,610.00				
Bookkeeping				2,025.00				
Sampling & Analysis				624.21				
Roads and Trails				2,945.12				
Taxes & Insurance				1,057.70				
Total Distributed Costs								Total Costs Authorized by Contract
Rental & Depreciation				4,857.24				
Operating Equipment								
Initial Rehabilitation and Repairs				8,531.57				
New Buildings, Improvements, etc.				2,894.00				
Transporting Men & Supplies				5,711.83				
Total Costs		$4,950.00		$159,433.63				

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

Date 12-31-54 Operator M.I.A. MINES COMPANY

ORIGINAL SIGNED BY

Per O. E. BURTON Title Treasurer

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Minerva Tungsten Property - Narrative - November, 1954.

December 10, 1954

Mr. Paul Gemmill, Plant Manager

Reginald O. Lee

Dear Paul:

Progress under the Exploration Project Contract with the Defense Mineral Exploration Administration during the month of November was as follows:

Exploration D.M.E.A.

45-150 Raise Sub-Level - Map A-1614

Advance of this drift heading amounted to 123.0 feet for the month. At 93 feet of advance the fissure was cut and the additional 30 feet of advance was in the fissure. Width is from 2½ to 3 feet containing narrow streaks of scheelite mineralization but below shipping grade.

Drifting east on the fissure and raising up to the ore zone, as indicated in diamond drill hole D.D.H. No. 13, will continue as rapidly as possible.

Diamond Drilling - Map A-1653

For location see Map A-1633, D.D. Hole No. 14, course due north, ∠ 3 degree dip was drilled to a depth of 116.0 feet. All of this advance was in massive blue limestone.

D.D. Hole No. 15, course S30°W ∠ 3 degree dip was advanced 13 feet during the month. However, at this writing, the fissure has been cut at a depth of 36 feet. The next four feet showed good grade scheelite ore in the quartz fissure. The horizontal throw of this block west of the N-S fault by 43-240 Raise is about 70 feet south.

Total diamond drill footage for the month amounted to 129.0 feet.

The above constitutes all D.M.E.A. Exploration work performed during the month of November.

Company Development

Company development work was expanded on the 400 level and 300 level in the Silver Bell Mine, driving short connections for ore and waste passes, installing chutes and transfer pockets. These jobs are now complete and

production from the East 300 Level of the Silver Bell can be transferred to the surface through the Chief Adit.

Ore Shipments

Ore shipments from Minerva to Mineral Engineering mill at Ely (Baltimore Camas Mill) totalled 386.1 wet tons for the month of November. No other shipments were made. Other ore mined was stored in outside ore bins, mine chutes and ore passes.

Very truly yours,

Reginald G. Lee

Reginald G. Lee

Form MF-104 (Rev.)
(April 1953)

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

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

Month of October, 1954 Docket No. DMEA 2600 Contract No. DMEA 461
Operator's Name [illegible] Mines Company Minerals Tungsten
Address 213 Felt Building, Salt Lake City, Utah
Contract Amount, $ 171,400.00 Government Participation: 75 % Amount, $ 128,550.00

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: Diamond Chain	620.00	6,371.97	6,991.97			
Drilling: Burlington & Wing		6,700.00	6,700.00			
[illegible]		1,000.00	1,000.00			
[illegible] Roll Jackets		2,300.00	2,300.00			
[illegible]	5,705.00	59,290.00	64,995.00			
Drifting		9,260.85	9,260.85			
Lay track, air, water lines		1,625.00	1,625.00			
(2) Labor and Supervision: 1/2 [illegible]		1,506.90	1,506.90			
Labor		6,420.00	6,420.00			
Supervision		1,190.00	1,190.00			
Technical Services		2,025.00	2,025.00			
(3) Operating Materials and Supplies: [illegible] (Incl. [illegible])		4,324.00	4,324.00			
Timber		2,312.71	2,312.71			
Explosives		66.54	66.54			
Pipe		1,326.70	1,326.70			
Diesel Fuel		4,498.34	4,498.34			
Vent Tubing		4,771.03	4,771.03			
Misc. Supplies		1,700.10	1,700.10			
(4) Operating Equipment: [illegible] Hoper & Trans.		6,667.41	6,667.41			
Rental of [illegible] Silver Bell		545.12	545.12			
Purchase		1,278.00	1,278.00			
Depreciation		3,579.24	3,579.24			
(5) Initial Rehabilitation and Repairs		2,803.95	2,803.95			
(6) New Bldgs., Improvements, etc.		2,894.00	2,894.00			
(7) Miscellaneous: Maint. Labor		5,062.54	5,062.54			
Repairs to Equipment		624.21	624.21			
Sampling and Analysis		322.03	322.03			
Payroll Taxes		735.67	735.67			
Liability Insurance		2,304.06	2,304.06			
Road Maint. - Winter		2,400.00	2,400.00			
[illegible]						
(8) Contingencies (Supply): Water		3,327.77	3,327.77			
Off. & Sec. Supplies		85.01	85.01			
TOTALS	6,325.00	147,993.63	154,443.63	6,525.00	147,823.09	154,348.09

I certify that the above bill is correct and just and that payment therefor has not been received. 12-22-54 [illegible] Mines Company
Date _____ *Payee _____
Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$ 4893.25

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

Date MAR 29 1955 Vou. No. SF-DMEA-28
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature [illegible] Title Mining Methods Date Aug. 9, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: George M. Malloy, Jr. Research Mgr. Executive Officer

Signature [illegible] Title DMEA Field Team Date December 13, 1954

S. Micker Region III

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1954 Docket No. DMEA 2688 Contract No. IDM-E 481
Operator's Name MIA Mines Company Minerals Tungsten
Address 218 Felt Building, Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Ft.	5,705.00	163.0	87,999.51	2,434.2	36.15		
Crosscutting								
Raising	Ft.			17,632.18	289.5	60.91		
Shafts								
Winzes								
Drilling: Core	Ft.	820.00	164.0	5,895.27	1,401.3	4.21		
Churn	Ft.			6,700.00	1,340.0	5.00		
Supervision & Tech.				7,610.00				
Bookkeeping				2,025.00				
Sampling & Analysis				624.21				
Roads and Trails				2,945.12				
Taxes & Insurance				1,057.70				
Total Distributed Costs								Total Costs Authorized by Contract
Rental & Depr. Operating Equipment				4,857.24				
Initial Rehabilitation and Repairs				8,531.57				
New Buildings, Improvements, etc.				2,894.00				
Transp. men & supplies				5,711.83				
Total Costs		6,525.00		154,483.63				

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

Date 11-22-54 Operator MIA Mines Company

By [signature] Title Treasurer

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Minerva Tungsten Property - Narrative - October, 1954.

November 12, 1954

Paul Gemmill, Manager, Nevada Operations

Reginald G. Lee

Dear Paul:

Progress under the Exploration Project Contract with the Defense Mineral Exploration Administration during month of October was as follows:

EXPLORATION D.M.E.A.

45-150 Raise Sub-Level - Map A-1614

Advance in this drift amounted to 22.0 feet for the month. Rock section cut was all massive gray limestone. A diamond drill station was cut at 14 feet of advance.

Diamond Drilling - Map A-1614

Two diamond drill holes were extended out from the above mentioned drill station.

D.D.H. No. 12, bearing N50°E, ∠ 65° cut 4 feet of quartz and two narrow streaks of scheelite at 72 feet.

D.D.H. No. 13, bearing N50°E, ∠ 50° cut 4½ feet of quartz containing scheelite mineralization over a width of 21 inches at 60 feet.

Drifting was resumed to cut and drift east on the fissure.

650 Level East Drift - Map A-1660

Exploration advance on this level was 40 feet of drifting to the east on the fissure. Four feet of quartz was exposed over the entire advance but the scheelite mineralization was poor .

650 Level - West Drift - Map A-1653

Total advance for the month amounted to 103.0 feet. The west drift was extended to where the fissure is cut-off by a major N-S fault. A cross-cut was run to the south 57 feet to locate the faulted segment of the fissure. However, due to the broken-up and brecciated condition of the ground on the west side of this fault it was difficult even to recognize the fissure. Some indications that the fissure was cut at 34 feet of cross-cutting, where a small fissure fault showing a little quartz and a few specks of scheelite with about the same dip and strike as the fissure

proper, was noted and is being drifted on for a few rounds to see if it will open up in size. If the fissure is not found in a few more rounds, diamond drill holes will be extended out to locate the fissure.

500 Level East - Map 1660

This drift was advanced 18.0 feet during the month. Quartz with considerable amount of calcite but very little scheelite was noted throughout this advance. As this heading is near the fault cut in the 600 West Drift 50 feet below, no further advance will be made here until the fissure is located on the west side of the fault on the 600 level.

Total D.S.[illegible] Exploration as discussed in details above amounted to 163 feet of drifting and cross-cutting and 164 feet of diamond drilling for the month of October.

Development

Rehabilitation of the 500 foot level east of the 43-24[illegible] Raise required 250 man-shifts during month of October. This job is now completed and as soon as the ore and waste passes are completed to 300 level of the Silver Bell, production from the east 300 level area will start.

Production:

Shipment for the month totaled 663.3 wet tons or estimated 600 dry tons assaying about 0.71 WO_3.

Due to shortage of stoping area shipments were temporarily curtailed on October 19, until some ore production from the Silver Bell is forthcoming.

Very truly yours,

Reginald G. Lee

Reginald G. Lee

Form [redacted] Rev.)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Defense Minerals Administration
RECEIVED
DEC 3 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1954 Docket No. DMEA 2698 Contract No. 1021-5 281

Operator's Name MTA Mines Company Minerals Tungsten

Address 216 Felt Building, Salt Lake City, Utah

Contract Amount, $171,400.00 Government Participation: 75 % Amount, $128,550.00

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:						
(Diamond Churn Drilling		4,271.27	4,271.27			
Straighten & Widen Adit		6,700.00	6,700.00			
Rehab. Mill, Ball Mill		1,800.00	1,800.00			
Equipment Skip Pocket		2,300.00	2,300.00			
Drifting	1,715.00	57,575.00	59,290.00			
Raising		9,268.85	9,268.85			
Lay Track, Air, Water Lines		1,425.00	1,425.00			
(2) Labor and Supervision:						
Labor 1/2 Topman		1,506.90	1,506.90			
Supervision		6,420.00	6,420.00			
Technical Services		1,190.00	1,190.00			
Bookkeeping		2,025.00	2,025.00			
(3) Operating Materials and Supplies:						
Drill Steel & Bits		4,394.88	4,394.88			
Timber (incl. ties)		2,332.71	2,332.71			
Explosives		46.54	46.54			
Pipe		1,326.70	1,326.70			
Track		4,458.34	4,458.34			
Diesel Fuel		4,971.83	4,971.83			
Vent Tubing		1,780.10	1,780.10			
Misc. Supplies		6,467.41	6,467.41			
(4) Operating Equipment:						
Rentals - Bulldozer & Trans.		545.12	545.12			
Rental - Surf. Equip. Silver Ball		1,278.00	1,278.00			
Depreciation		3,579.24	3,579.24			
(5) Initial Rehabilitation and Repairs		2,803.95	2,803.95			
(6) New Bldgs., Improvements, etc.		2,894.00	2,894.00			
(7) Miscellaneous:						
Repairs to Equipment & Maint. Labor		5,062.54	5,062.54			
Sampling and Analysis		624.21	624.21			
Payroll Taxes		322.03	322.03			
Liability Insurance		735.67	735.67			
Pickup Transportation		2,384.06	2,384.06			
Road Maint. - Winter		2,400.00	2,400.00			
(8) Contingencies (Specify):						
Haulage & Supplying Water		3,327.77	3,327.77			
Office & Eng. Supplies		25.81	25.81			
TOTALS	1,715.00	146,243.63	147,958.63	1,715.00	146,108.09	147,823.09

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

Date 10-29-54 *Payee MTA Mines Company

Per ORIGINAL SIGNED BY O. F. BURTON Title Treasurer

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

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

(Instructions on reverse)

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

$1286.25

Signature _____ (Authorized Certifying Officer)

Date DEC 1 1954 Vou. No. 2F-DMEA-13

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Kan-B481 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Date Nov. 1, 1954.

A. C. Johnson

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Region III

Executive Officer

Signature H. C. Miller Title DMEA Field Team Date November 2, 1954

H. C. Miller for S. Richer 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 M-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Minerals Administration NOV 13 1954
RECEIVED
DEC - 6 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1954 Docket No. DMEA 2688 Contract No. IDM-E 481
Operator's Name MIA Mines Company Minerals Tungsten
Address 218 Felt Building, Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Ft.	1,715.00	49.0	82,294.51	2,271.2	36.23		
Crosscutting								
Raising	Ft.			17,632.18	289.5	60.91		
Shafts								
Winzes								
Drilling: Core	Ft.			5,075.27	1,237.3	4.10		
Churn	Ft.			6,700.00	1,340.0	5.00		
Auger								
Supervision & Technical				7,610.00				
Bookkeeping				2,025.00				
Sampling & Analysis				624.21				
Roads and Trails				2,945.12				
Taxes & Insurance				1,057.70				
Total Distributed Costs								Total Costs Authorized by Contract
Rental & Depr.								
Operating Equipment				4,857.24				
Initial Rehabilitation and Repairs				8,531.57				
New Buildings, Improvements, etc.				2,894.00				
Transp. men & supplies				5,711.83				
Total Costs		1,715.00		147,958.63				

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

Date 10-29-54 Operator MIA Mines Company

Per ORIGINAL SIGNED BY O. F. BURTON Title Treasurer

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Minerva Tungsten Property - Narrative - September, 1954.

October 12, 1954

Paul Gewmill, Manager, Nevada Operations

Reginald G. Lee

Re: Docket No. 2688
Contract No. 10-[illegible] 481

Dear Paul:

During the month of September, progress under the Exploration Project Contract with the Defense Mineral Exploration Administration was as follows:

Exploration - Scheelite Chief Mine

45-15D Raise Sub-level
This drift was advanced 39 feet in blue limestone in the footwall of the fissure. A diamond drill station will be cut at 52 feet. Short diamond drill holes (about 100 foot length) will be extended to cut the fissure at various points.

44-23D Raise - 650 West Drift
This drift was advanced 6 feet and stopped temporarely. Man-power was required to revamp the 500 foot level connecting the Scheelite Chief with the Silver Bell Mine.

44-23D Raise - 600 West Drift
This drift was started-up near the end of the month and advanced 4 feet in quartz with a streak of scheelite 5" wide on the footwall.

Total exploration footage for the month was 49.0 feet of drifting.

Development - Scheelite Chief & Silver Bell Mine

Two raises were driven and connected between 650 level and 600 level on east side of 44-23D Raise. Width of the ore averaged 24 inches, average grade 0.70% WO_3. The ore occur as small lenses in the quartz fissure, the quartz was 4 to 6 feet wide but the ore averaged only two feet in width.

Rehabilitating of the 500 foot level is progressing satisfactorily; by end of next month this work should near completion.

Production (Estimated)

754 dry tons were shipped to Bauer Mill during the month. Average assay value from truck grab-samples was 0.75% SO_3.

Very truly yours,

Reginald G. Lee

Reginald G. Lee

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Defense Minerals Administration
RECEIVED
DEC - 6 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1954 Docket No. DMEA 2600 Contract No. [illegible]
Operator's Name [illegible] Mines Company Minerals Tungsten
Address 210 Felt Building, Salt Lake City, Utah
Contract Amount, $ 171,400.00 Government Participation: 75 % Amount, $ 120,550.00

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: Diamond		4,271.97	4,271.97			
Drilling: Churn		6,700.00	6,700.00			
Straightened Bit		1,000.00	1,000.00			
Recovery						
Silver Bell Inc.		2,900.00	2,900.00			
Blasting Clip Pocket						
	7,182.00	50,393.00	57,575.00			
Drifting						
Raising		2,200.05	2,200.05			
Ing. Track, Air, Water Mines		1,635.00	1,635.00			
(2) Labor and Supervision:						
Labor 1/2 Topman		1,506.00	1,506.00			
Supervision		6,420.00	6,420.00			
		1,190.00	1,190.00			
Technical Services		2,025.00	2,025.00			
(3) Operating Matls. and Supplies: Bookkeeping						
Steel & Pipe		4,394.00	4,394.00			
Timber (incl. ties)		2,332.71	2,332.71			
		46.54	46.54			
Explosives		1,326.70	1,326.70			
Pipe		4,450.34	4,450.34			
Track						
Diesel Fuel		4,971.03	4,971.03			
Vent Tubing		1,780.10	1,780.10			
Misc. Supplies		6,467.41	6,467.41			
(4) Operating Equipment:						
Bulldozer & Trans.		545.12	545.12			
Rental - Surf. Equip.						
Furnace Silver Bell		1,270.00	1,270.00			
Depreciation		3,579.24	3,579.24			
(5) Initial Rehabilitation and Repairs		2,003.95	2,003.95			
(6) New Bldgs., Improvements, etc.		2,094.00	2,094.00			
(7) Miscellaneous:						
Repairs to Equipment		5,002.54	5,002.54			
Sampling and Analysis		624.21	624.21			
Payroll Taxes		322.03	322.03			
Liability Insurance		735.67	735.67			
Pickup Transportation		2,304.00	2,304.00			
Road Maint. - Winter		2,400.00	2,400.00			
(8) Contingencies (specify)						
Haulage & Supplying Water		3,037.77	3,037.77			
Office & Eng. Supplies		25.01	25.01			
	7,182.00	139,061.63	146,243.63			
TOTALS				7,182.00	138,926.09	146,108.09

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

Date 9/21/54 *Payee [illegible] Mines Company

ORIGINAL SIGNED BY
Per O. F. BURTON Title Treasurer

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

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

(Instructions on reverse)

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

$ 5386.50

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

Date Vou. No. SF-DMEA-13
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-D481 in accordance with the terms of the contract.

Signature R. C. Johnson Title Chief, Mining Div. Region III Date Sept. 24, 1954

R. C. Johnson

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date September 28, 1954

H. C. Miller

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MM-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 8 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of ~~September~~ August 1954 Docket No. DMEA 2068 Contract No. DMT-3 481

Operator's Name MIA Mines Company Minerals Tungsten

Address 218 Felt Building, Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Ft.	7,102.00	205.2	80,579.51	2,222.2	36.26		
Crosscutting								
Raising	Ft.			17,632.18	289.5	60.91		
Shafts								
Winzes								
Drilling: Core	Ft.			5,075.27	1,237.3	4.10		
Churn	Ft.			6,700.00	1,340.0	5.00		
Auger								
~~Supervision~~ Supervision & Tech.				7,610.00				
~~Assaying~~ Bookkeeping				2,025.00				
~~Sampling~~ Sampling & Analysis				624.21				
Roads and Trails				2,945.12				
Taxes & Insurance				1,057.70				
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment ~~Purchase~~ Rental & Repr.				4,857.24				
Initial Rehabilitation and Repairs				8,531.57				
New Buildings, Improvements, etc.				2,894.00				
Transp. men & supplies				5,711.03				
Total Costs		7,102.00		145,245.63				

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 9/21/54 Operator MIA Mines Company

Per ORIGINAL SIGNED BY O. F. BURTON Title Treasurer

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Minerva Tungsten Property - Narrative - August, 1954

September 14, 1954

Paul Oswalt, Manager, Nevada Operations

Reginald O. Lee

Docket No. 2688
Contract No. IDM-E 481

Dear Paul;

During the month of August, progress under the Exploration Project Contract with the Defense Mineral Exploration Administration was as follows:

Exploration - Scheelite Chief Mine

West Drift 550 Level - Objective Area 3 & 4

Advance in this drift amounted to 51.9 feet for the month. Several small east dipping faults were encountered which off-set the fissure to the north. As pointed out in last months report, the fissure in this area is filled mostly with calcite with only a small amount of quartz and an occasional crystal of scheelite.

East Drift 550 Level - Objective Area 3 & 4

This drift was advanced 55.0 feet during the month. About one half of this advance was in ore, the fissure being 4½ feet wide and the scheelite mineralization about 2 feet wide. Samples taken from muck pile of 25 feet of advance averaged 0.58% WO_3.

At the end of the month the fissure narrowed down to 15 inches with only small amount of scheelite showing. Before any further advance in this drift, some exploratory raising will be driven up following the ore as much as possible, to see what this ore amounts to above this level.

West Drift 600 Level - Objective Area 3 & 4

This drift was advanced 9.5 feet in quartz with small amount of scheelite.

East Drift 600 Level - Objective Area 3 & 4

A total advance of 87.8 feet in quartz 6 feet wide, with bands of scheelite mineralization from 3" to 18" wide that would pinch-out in one round and reappear again in the next round. Where the quartz vein is the widest there is definitely a footwall and hanging wall streak of scheelite mineralization. Near the present face the fissure splits into two streaks of quartz with limestone between. Only a few rounds of this advance was high enough in grade to go for shipping ore.

Silver Bell

No work was expanded in the Silver Bell during the month of August.

The above covers exploration work performed during the month of August.

Development Chief Mine

45-13C raise sub-level was advanced 25 feet during the month. A streak of ore 10" wide of good grade was followed out to the east.

A raise started last month was further advanced and double blasting was necessary in order to keep dilution to minimum.

Silver Bell

In order to open up the 43-24D Raise to handle production from the Silver Bell Mine, considerable dead-work is necessary to cut and fill for a track from the top of the 43-20D Raise to the east stope on the 500 foot level. This work is now in progress on two shifts.

East Everit Mine

Some surface mining was done during the month on the East Everit outcrops. About 25 tons assaying 1.0% WO_3 was trucked to the shipping bin at Minerva.

Very truly yours,

Reginald G. Lee

Reginald G. Lee

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

ACCOUNTS SEP 28 1954
DEC - 6 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1954 Docket No. DMEA 2688 Contract No. IDI-E 481
Operator's Name M.I.A. Mines Company Minerals Tungsten
Address 210 Felt Building, Salt Lake City, Utah
Contract Amount, $ 171,400.00 Government Participation: 75 % Amount, $ 128,550.00

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 Contract (Diamond		4,271.97	4,271.97			
Drilling (Cirra		6,700.00	6,700.00			
Straighten & widen adit		1,800.00	1,800.00			
Rehab. Silver Bell incline		2,300.00	2,300.00			
Indecent skip pocket	8,050.00	42,343.00	50,393.00			
Drifting		9,268.85	9,268.85			
Raising		1,425.00	1,425.00			
Lay Track, Air, Water Lines						
(2) Labor and Supervision:						
Labor 1/2 Topman		1,506.90	1,506.90			
Supervision		6,420.00	6,420.00			
Technical Services		1,190.00	1,190.00			
Bookkeeping		2,025.00	2,025.00			
(3) Operating Metals and Supplies:						
Drill Steel & Bits		4,394.88	4,394.88			
Timber (incl. ties)		2,332.71	2,332.71			
Explosives		46.54	46.54			
Pipe		1,326.70	1,326.70			
Track		4,458.34	4,458.34			
Diesel Fuel		4,971.83	4,971.83			
Vent Tubing		1,780.10	1,780.10			
Misc. Supplies		6,467.41	6,467.41			
(4) Operating Equipment:						
Rental Bulldozer & Trans.		545.12	545.12			
Rental Surf. Equip. Silver Bell		1,278.00	1,278.00			
Depreciation		3,579.24	3,579.24			
(5) Initial Rehabilitation and Repairs		2,803.95	2,803.95			
(6) New Bldgs., Improvements, etc.		2,894.00	2,894.00			
(7) Miscellaneous:						
Repairs to Equipment		5,062.54	5,062.54			
Sampling and Analysis		624.21	624.21			
Payroll Taxes		322.03	322.03			
Liability Insurance		735.67	735.67			
Pickup Transportation		2,384.06	2,384.06			
Road Maint. - Winter		2,400.00	2,400.00			
(8) Contingencies (specify):						
Haulage & Supplying Water		3,327.77	3,327.77			
Office & Eng. Supplies		25.81	25.81			
TOTALS	8,050.00	131,011.63	139,061.63	8,050.00	130,876.09	138,926.09

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

Date 8-30-54 *Payee M.I.A. Mines Company

ORIGINAL SIGNED BY
Per O. F. BURTON Title Treasurer

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

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

(Instructions on reverse)

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

$ 6037.50

Lloyd H. Stolander
Authorized Certifying Officer

Signature
(Authorized Certifying Officer)

Date DEC 1 1954 Vou. No. SF-DMEA-13

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E481 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div., Region III Date Sept. 3, 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 7, 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

ACCOUNTS SEP - 8 1954
DEC - 6 1954

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1954 Docket No. DMEA 2698 Contract No. IP-R 401
Operator's Name M.I.A. Mines Company Minerals Tungsten
Address 210 Felt Building, Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Ft.	8,050.00	230.0	73,397.51	2,017.0	36.39		
Crosscutting								
Raising	Ft.			17,632.10	289.5	60.91		
Shafts								
Winzes								
Drilling: Core	Ft.			5,075.27	1,237.3	4.10		
Churn	Ft.			6,700.00	1,340.0	5.00		
Auger								
Supervision & Tech.				7,610.00				
Bookkeeping				2,625.00				
Sampling & Analysis				624.71				
Roads and Trails				2,945.12				
Taxes & Insurance				1,057.70				
Total Distributed Costs								Total Costs Authorized by Contract
Rental & Depr.								
Operating Equipment				4,857.24				
Initial Rehabilitation and Repairs				8,531.57				
New Buildings, Improvements, etc.				2,894.00				
Transp. men & supplies				5,712.03				
Total Costs		8,050.00		139,061.03				

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

Date 8-30-54 Operator M.I.A. Mines Company

Per ORIGINAL SIGNED BY O. F. BURTON Title Treasurer

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

(Instructions on reverse)

Remarks:

(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

Minerva Tungsten Property - Narrative - July, 1954

August 18, 1954

Paul Gemmill, Manager Nevada Operations

R. O. Lee

Docket No. 2688
Contract No. IDM-X 481

Dear Paul:

During the month of July, progress under the Exploration Project Contract with the Defense Minerals Exploration Administration was as follows:

Exploration - Scheelite Chief Mine

West Drift 650 Level Objective Area 3 & 4

This drift was advanced 122.4 feet during the month of July. The fissure was intersected (from information obtained from the previous month diamond drilling), and drifted on to the west. No ore was encountered, the fissure is only from one to two feet wide and filled mostly with calcite, only a minor part of the fissure is quartz with a few spots of scheelite in the quartz.

East Drift 650 Level - Objective Area 3 & 4

Advance in this drift amounted to 92.1 feet for the month of July. All of this advance was on the fissure. Scheelite mineralization was spotty and irregular for the first 55 feet of advance, the last 37 feet of advance showed considerable improvement in the Scheelite mineralization with a series of areas fracturing in the footwall. Samples taken from the muck-pile of the last 30 feet of advance averaged 0.60% WO_3. Average width of the fissure is 5 feet in this area.

West Drift 600 Level - Objective Area 3 & 4

This drift was advanced 15.5 feet west of 43-24B Raise during the month of July. All of this advance was on the fissure. The scheelite mineralization follows the footwall and is about 10 inches wide the rest of 4 feet wide fissure is quartz.

Silver Bell Mine

No work was performed in the Silver Bell Mine during the month of July.

The above covers exploration work performed during the month of July.

Development Chief Mine

Development work in the Chief Mine consisted of driving a sub-level drift off the 45-14B raise to the east. This work was started near the close of the month and advanced 10 feet on the fissure.

Other development included raising and sub-level drifting in 44-16B on the east side of this ore block.

Stoping

During the later part of the month stoping was started in 44-16B block, about 175 tons of ore was mined from this block during the month.

Ore Shipments to Bauer Mill

Twelve railroad cars were shipped from Delta, Utah to Bauer Mill in the month of July. As 70% of this ore was mined from development faces, the grade is lower than average.

Dry Tons	Assay Value	Net Mine Value/Ton	Total
			$
812.244	0.63% WO_3	$ 9.13	7,414.90

General

During the month additional compressed air capacity of 375 cu. ft. diesel driven compressor was installed and put in operation.

A sorting plant with primary ore bin, belt feeder, washing screen and sorting belt in dark-room under ultra-violet lights, 50 ton shipping ore bin and waste disposal chute were also completed and put in operation.

Very truly yours,

Reginald G. Lee

Reginald G. Lee

Form [redacted]IF-3[redacted] (Rev.) [redacted]pril 19[redacted]

UNITED STATES
DEPA[redacted]MENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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: 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	[illegible]	[illegible]	[illegible]			
Drilling		[illegible]	[illegible]			
Bulldozing		[illegible]	[illegible]			
Grossing	[illegible]	[illegible]	[illegible]			
Drifting		[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
(2) Labor and Supervision:	[illegible]	[illegible]	[illegible]			
Labor		[illegible]	[illegible]			
Supervision		[illegible]	[illegible]			
Technical Services		[illegible]	[illegible]			
(3) Operating Materials and Supplies:		[illegible]	[illegible]			
Timber		[illegible]	[illegible]			
Explosives		[illegible]	[illegible]			
Pipe		[illegible]	[illegible]			
Track		[illegible]	[illegible]			
[illegible]		[illegible]	[illegible]			
(4) Operating Equipment:		[illegible]	[illegible]			
Rental		[illegible]	[illegible]			
Purchase		[illegible]	[illegible]			
Depreciation		[illegible]	[illegible]			
(5) Initial Rehabilitation and Repairs		[illegible]	[illegible]			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:		[illegible]	[illegible]			
Repairs to Equipment		[illegible]	[illegible]			
Sampling and Analysis		[illegible]	[illegible]			
Payroll Taxes		[illegible]	[illegible]			
Liability Insurance		[illegible]	[illegible]			
[illegible]		[illegible]	[illegible]			
(8) Contingencies (specify):	[illegible]	[illegible]	[illegible]			
[illegible]		[illegible]	[illegible]			
TOTALS	[illegible]	[illegible]	[illegible]	4,620.00	126,256.09	130,876.09

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

Date [illegible] *Payee [illegible]

ORIGINAL SIGNED BY

Per O. F. BURTON 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:

$3465 00

Signature [illegible]
(Authorized Certifying Officer)

Date DEC 1 1954 Vou. No. SF-DMEA-13

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMA-E481 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 M[illegible]-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

ACCOUNTS SEP 23 1954 DEPARTMENT OF THE INTERIOR Defense Minerals Administration RECEIVED DEC 6 1954

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 1954 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	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		
Crosscutting								
Raising	[illegible]			[illegible]	[illegible]	[illegible]		
Shafts								
Winzes								
Drilling: Core	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		
Churn	[illegible]			[illegible]	[illegible]	[illegible]		
Auger								
Stripping				[illegible]				
Trenching				[illegible]				
Test Pits				[illegible]				
Roads and Trails				[illegible]				
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased				[illegible]				
Initial Rehabilitation and Repairs				[illegible]				
New Buildings, Improvements, etc.				[illegible]				
Total Costs		[illegible]		[illegible]				

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

Date [illegible] Operator [illegible]

Per ORIGINAL SIGNED BY O. F. BURTON Title [illegible]

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)

Remarks:

(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

Minerva Tungsten Property - Narrative - June, 1954

August 4, 1954

Paul Gemmill, Manager Nevada Operations

R. C. Lee

Re: Docket No. 2688
Contract No. IBM-E 481

Dear Paul:

During the month of June progress under the Exploration Project Contract with the Defense Minerals Exploration Administration was as follows:

Exploration-Scheelite Chief Mine - Objective Area No. 4

The west drift on the 650 feet level off 43-24B Raise was advanced 55.0 feet in limestone. Faulting has displaced the chief fissure and it was necessary to locate fissure by diamond drilling. Two diamond drill holes, one 58 feet north and the other 40 feet south located the fissure south of the drift. Drifting was resumed to the south to cut the fissure at the end of the month.

The east drift off 43-24B Raise on the 650 foot level was advanced 51.0 feet on the fissure. The first 20 feet of this advance was mostly in quartz the last 31 feet showed spotty scheelite in the 5 feet wide quartz fissure, with a footwall high grade streak 8" to 10" wide.

The 600 feet level east drift was advanced 12 feet out from the 43-24B Raise following the fissure. The quartz showed a width of 7 feet with well defined footwall but obscure hanging wall. Scheelite mineralization was noted as very spotty across the width of the fissure.

Silver Bell Mine

No work was done in the Silver Bell Mine.

The above covers exploration work for the month of June.

Development in the Chief Mine

A two compartment raise was driven up from the slusher drift near the east end of the ore block in 44-16B. At a height of 55 feet above the slusher drift the ore and fissure pinches down to 2 feet in width. This block is ready for steping as soon as shipments are resumed to Bauer Mill. Present ore from development are being stock-piled at the mine.

Other development included a 20 feet incline raise in 45-158. Very little ore was encountered in this raise.

Stoping: No stoping of ore was done in the month of June.

Estimated tonnage mined from development and stock-piled during the month amounted to 970 tons with assay value of 0.69% WO_3.

Very truly yours,

Reginald G. Lee

Reginald G. Lee

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

420 Custom House
555 Battery Street
San Francisco 11, California

July 7, 1954

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

Re: Docket DMEA-2688 - Tungsten
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada
Contract Idm-E481

Dear Mr. Anderson:

Reference is made to your Operator's Monthly Report and Voucher prepared on Form MF-104 for the months of February, March, April and May 1954 wherein the following costs have been claimed on a unit rate basis:

Drifting - Silver Bell Mine

March 1954	57.0 ft. at	$30.00	$1,710.00
April 1954	46.5 ft. at	30.00	1,395.00
May 1954	10.0 ft. at	30.00	300.00
Total			$3,405.00

Drifting - Scheelite Chief Mine

May 1954	63.0 ft. at	$30.00	$1,890.00

Raising - Scheelite Chief Mine

Feb. 1954	42.5 ft. at	$31.00	$1,317.50
March 1954	135.0 ft. at	31.00	4,185.00
April 1954	66.5 ft. at	31.00	2,061.50
May 1954	26.5 ft. at	31.00	821.50
Total			$8,385.50

A review of the above charges, indicates the work was performed by M.I.A. Mines Company, and charged to the cost of the contract as work performed under Independent Contracts on a unit rate basis, therefore it appears that the costs have been incorrectly stated, as the procedure does not conform to Exhibit "A" of the Contract, page 3, Item (1) footnote 4, which reads as follows:

"The Operator may elect to do all or any part of the work under this category on Company account on an actual cost basis, in lieu of contract unit costs, and in such event, all schedules under Article 6(a) of the contract form are waived as to such work, provided that the actual costs for any item shall not exceed the allowable maximum specified for that item under this category".

From the above explanation, you will note that if the work is performed by the company, then only actual costs are allowable. It will therefore be necessary for you to ascertain the amount of labor applicable to the cost of the above described drifting and raising.

As I expect to be in Pioche, July 19, 1954 to make an interim audit, I would appreciate it if you could arrange to compile the required labor costs, in order that the necessary adjustment can be discussed during my visit.

Sincerely yours,

"(SIGNED) GEORGE MAVOR"

George Mavor
Auditor

Copy to: Jay L. Chambers

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

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

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

Month of May, 1954 Docket No. DMEA 2000 Contract No. DMEA 401
Operator's Name U.I.A. Mines Company Minerals Tungsten
Address 210 Felt Building, Salt Lake City, Utah
Contract Amount, $171,400.00 Government Participation: 75 % Amount, $120,550.00

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 (Diamond Churn)		2,701.77	2,701.77			
Shaftsinking & Winzing		8,700.00	8,700.00			
Building		1,000.00	1,000.00			
Rehab. Silver Bell Tunnel		2,300.00	2,300.00			
Crosscutting Drip Tunnel	2,190.00	36,123.00	38,313.00			
Drifting	621.50	9,447.35	9,268.85			
Lay track, Air, Water Lines		1,425.00	1,425.00			
(2) Labor and Supervision:						
Labor 1/2 Jobson	200.54	1,305.26	1,505.80			
Supervision	480.00	5,940.00	6,420.00			
Technical Services		1,190.00	1,190.00			
Bookkeeping	150.00	1,875.00	2,025.00			
(3) Operating Materials and Supplies:						
Timber (Incl. Pipe)	332.68	4,062.39	4,394.07			
Explosives	215.30	3,113.41	3,328.71			
Pipe		46.54	46.54			
Tracks Pool	76.91	1,249.79	1,326.70			
Vent Tubing	363.34	4,095.00	4,458.34			
Misc. Supplies	236.03	4,735.00	4,971.03			
		1,720.10	1,720.10			
	346.26	3,121.15	3,467.41			
(4) Operating Equipment: Trans. Rental		545.12	545.12			
Purchase	93.00	1,185.00	1,278.00			
Depreciation	102.07	2,396.37	2,579.24			
(5) Initial Rehabilitation and Repairs		2,000.95	2,000.95			
(6) New Bldgs., Improvements, etc.		2,094.00	2,094.00			
(7) Miscellaneous: Maintenance	550.63	4,511.91	5,062.54			
Repairs to Equipment	24.80	599.41	624.21			
Sampling and Analysis	41.25	880.78	922.03			
Payroll Taxes	57.77	677.90	735.67			
Liability Insurance	112.10	2,271.96	2,384.06			
Freight Transportation		2,400.00	2,400.00			
Road Maint. - Winter						
(8) Contingencies (Specify) Water Hauling & Supplying	244.71	3,083.06	3,327.77			
Cat. Eng. Supplies		25.01	25.01			
Less disallowance per DMEA Audit				-135.54		
TOTALS	6,762.49	119,493.14	126,255.63	6,626.95	119,629.14	126,256.09

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

Date June 24, 1954 *Payee U.I.A. Mines Company

Per A. F. Burton Title Treasurer

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

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

(Instructions on reverse)

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

$ 4970.21

Lloyd H. Sjolander
Authorized Certifying Officer

Signature
(Authorized Certifying Officer)

Date AUG 5 Vou. No. DMEA-4

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 1dm-E481 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Date June 30, 1954.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Region III

Signature H. G. Miller Title Executive Officer DMEA Field Team Date July 1, 1954

Region III

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

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]		
Crosscutting								
Raising	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		
Shafts								
Winzes								
Drilling: Core	[illegible]			[illegible]	[illegible]	[illegible]		
Churn	[illegible]			[illegible]	[illegible]	[illegible]		
Auger								
Stripping		[illegible]		[illegible]				
Trenching		[illegible]		[illegible]				
Test Pits		[illegible]		[illegible]				
Roads and Trails				[illegible]				
[illegible]		[illegible]		[illegible]				
Less Disallowance		-135.54		-135.54				TOTAL COSTS AUTHORIZED BY CONTRACT
TOTAL DISTRIBUTED COSTS		[illegible]		[illegible]				
Operating Equipment Purchased		[illegible]		[illegible]				
Initial Rehabilitation and Repairs				[illegible]				
New Buildings, Improvements, etc.		[illegible]		[illegible]				
[illegible]		[illegible]		[illegible]				
TOTAL COSTS		6,626.95		126,256.09				

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

Date [illegible] Operator [illegible]

Per O. F. Burston Title [illegible]
By. O. L. Mordfeldt

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

Administrative Audit Difference Statement

Date: August 17, 1954
Payee's
Reference: Docket No. DMEA 2688
Contract IDM E-481
N.I.A. Mines Minerva Tungsten Property

N.I.A. Mines Company
218 Felt Building
Salt Lake City, Utah

Gentlemen:

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

Amount Claimed	$ 6,762.49	(May MF-104)
Difference	$ 135.54	
Amount Approved	$ 6,626.95	

The reason for the difference was due to:

Disallowances per DMEA Audit Report for the period ending May 31, 1954.*

Disallowances	$21,759.02
Less Additional Costs	21,623.48
Net Disallowance	135.54

* Note: A copy of the audit report for the period ending May 31, 1954 which details the net disallowance of $135.54 will be forwarded.

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

COMBINED METALS REDUCTION COMPANY

Minerva Tungsten Property - Narrative - May, 1954

May 15, 1954

Paul Gemmill, Supt. Nevada Mines

R. G. Lee

Docket No. 2688
Contract No. 13b-k 481

Dear Paul:

During the month of May, progress under the Exploration Project Contract with the Defense Minerals Exploration Administration was as follows:

Exploration - Scheelite Chief Mine

The main raise (43-240) was advanced 26.5 feet during the month for a total advance of 289.5 feet. Timber advance in the raise for the month was 34.0 feet aggregating a total advance of 289.5 feet, at which point the raise joins the 5th level of the Silver Bell Mine.

The footwall of the quartz fissure was exposed in the hanging wall of the raise to the 5th level of the Silver Bell Mine. Further development of the quartz fissure from sub-levels to be driven easterly and westerly from the 43-240 raise will determine ore tonnage in objective area 4 of this Exploration Project.

After the raise (43-240) was connected with the 5th level of the Silver Bell, sub-level drifting was started westerly from the raise station at 6498 feet elevation described in last months report. This sub-level is shown on this month's progress map A-1645 as the 650 foot level. The west drift on this level should be considered the work listed under item (6) Objective Area 4. Step 1, Amendment No. 3, Docket No. DMEA - 2688. Advance for the month amounted to 61.0 feet. The first 25 feet of this advance was in the fissure with some scheelite mineralization, the last 36 feet being in fractured limestone. Several faults exist in this area. From previous drill hole information, the throw of the fissure is to the north, therefore, the 650 west sub-level drift was turned to the right.

The above covers the exploration work in the Scheelite Chief Mine for the month.

Development & Stoping - Scheelite Chief Mine

During the month ore mined from development and stoping in Objective Area I is estimated at 350 dry tons at an average assay value of 1.500% WO_3.

Exploration - Silver Bell Mine

Drifting east on the Silver Bell 300 feet level totaled 10 feet for the month. The quartz fissure with a small amount of scheelite mineralization is exposed in the face of the drift. No ore was produced from the drift rounds. Advance in this heading will be slow until air and water lines are connected with the Scheelite Chief Mine through the 43-248 Raise.

Development & Stoping - Silver Bell Mine

A small amount of stoping was done during the month; production was as follows:

Place	Estimated Tons	Estimated Assay Value
40-341	35	0.500% WO_3
40-340	25	0.500% WO_3
Total	60	0.500% WO_3

COPY

Minerva CBM #9 was completed at 295 feet, but evidently this hole intersected a fracture or fault in the fissure with only negative information.

The churn drilling program was terminated for the time being and the drill moved to Casselton.

Ore Shipments

Ore shipments to Combined Metals Reduction Co. plant at Garner, Utah was continued during the first half of the month.

Total dry tons shipped from Delta, Utah via Union Pacific Railroad during month of May is estimated as follows:

Place Produced	Dry Tons	Assay Value
Silver Bell	133.0	.500 % WO_3
Silver Bell	54.0	.640 % WO_3
Chief	350.0	1.500 % WO_3

COMBINED METALS REDUCTION COMPANY

3 May 15, 1954 Paul Gemmill

Dry weights and final assays are not available as yet for May production.

Distribution of cost for May as shown on the Operator's Monthly Report and Voucher follows:

				Cumulative Overage To Date $
Stage I				
Raise Advance - 26.5 feet @ $31.00		$ 821.50		278.00
Stage II				
Drift Advance - 73.0 feet @ $30.00		2,190.00		
			$3,011.50	
Labor and Supervision				
Supervision		$ 460.00		
Tapman (½ D. Dutton Time)		218.54		
Bookkeeper		180.00		75.00
			868.54	
Operating Materials and Supplies				
Stage I				
Diesel Fuel	$ 167.76			
Raise Timber 34.0 Ft. @ $6.43	219.30			
Oils, Greases, etc.	16.43			
Tools and Misc.	213.23			
Pipe	55.38			
Drill Steel	132.68			
Truck	319.30			2,051.59
		$1,304.28		
Stage II				
Diesel Fuel	$ 49.07			
Gasoline	11.36			
Pipe & Fittings	21.53			
Truck	73.84			
Tools & Misc.	95.24			
		$ 271.04		
			$1,575.32	
Operating Equipment				
Stage I				
100 KW Generator	$ 85.91			
G.M.C. Compressor	119.00			
15 KW Generator	40.00			

COPY

COMBINED METALS REDUCTION COMPANY

4 May 15, 1954 Paul Gemmill

				Cumulative Overage to date $
2 - 5 HP Fans	$ 12.00			
Battery Tamper	113.00			
10 Mine Cars	50.00			
Water Pressure Tank	5.00			
	$ 304.81			
DMAA @ 31%		$ 129.92		
Items II				
Surface Equipment	$ 300.00			79.00
Gasoline Hoist	28.00			
Joy Compressor	125.00			
Gasoline Fan	14.17			
Water Pressure Tank	5.00			
3 Mine Cars	5.00			
	$ 479.81			
DMAA @ 31%		$ 148.95		
			$ 278.87	

Rehabilitation and Repairs

None

New Buildings, Improvements, Installations

None

Miscellaneous

Supplying Water		$ 244.71		146.77
Repair Parts		155.10		
Maintenance Labor		395.53		
Assaying @ 31%		24.00		
Pickup Trucks				
#46 - 2,000 miles @ $0.09	$ 187.20			
#18 - 320 miles @ $0.14	44.80			
#20 - 480 miles @ $0.09	43.20			
#21 - 480 miles @ $0.09	43.20			
#53 - 480 miles @ $0.09 (R.Wagon)	43.20			
	$ 361.60			
DMAA @ 31%		$ 112.10		5.00
Payroll Taxes		41.15		
Liability Insurance		57.77		
			$1,031.26	
Total for Month of May			$6,762.48	$2,634.43

COPY

COMBINED METALS REDUCTION COMPANY

It is evident that an overage on certain items and an excess allowance for other items will show-up more and more as the project nears completion, due to variation in prices and variation in the rock characteristics and necessary changes in the operations.

A new requirement of the various items from actual operating data, which is now available, should be worked out and presented to proper government authorities for approval. The total estimated cost of the project would remain the same as before.

The following will show cost estimate to complete project and cost to date of the most important items:

Item	Allowed Expense $	June 1, 1954 Actual Expense $
Labor-Supervision - Consultants		
Bookkeeper	1,980.00	1,615.00
Supervising Engineer	7,000.00	6,430.00
Engineering	1,300.00	1,180.00
Teamsm	2,700.00	1,896.90
Liability Ins. & Payroll Tax	1,000.00	1,057.70
Operating Material & supplies		
Rails	4,095.00	4,440.14
Pipe	3,472.00	1,126.70
Timber	7,813.00	2,332.71
Diesel Fuel	5,746.00	4,971.83
Operating Equipment		
Silver Bell Surface Equipment	1,200.00	1,278.00
Depreciation 1/60 of present value	18,709.00	3,579.00
Repairs & Maintenance Labor	7,150.00	5,062.33
Transportation		
Co. Pickups and Trucks	2,379.00	2,384.06
Supplying Water	3,181.28	3,127.77
Road Maintenance (winter only)	1,400.00	2,400.00
Miscellaneous		
Assaying	450.00	424.21
Office Supplies	350.00	25.81
Rock Excavation		
Drifting and Crosscutting	55,857.00	38,213.00
Raising	8,990.00	9,268.00

COPY

COMBINED METALS REDUCTION COMPANY

Please note that all allowance for transportation is depleted, allowance for diesel fuel will be depleted soon and many others to follow that is absolutely essential for the advancement in any rock section.

Very truly yours,

Reynald G. Lee

Reginald G. Lee

RGL/ph

COPY

Form MF-164 (Rev.)
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

MAY 26 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1954 Docket No. DMEA 3603 Contract No. DMEA 401
Operator's Name M.I.A. Mines Company Minerals Tungsten
Address 210 Felt Building, Salt Lake City, Utah
Contract Amount, $171,400.00 Government Participation: 75 % Amount, $128,550.00

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: (Diamond Drilling Churn		3,701.87	3,701.87			
Drilling		6,700.00	6,700.00			
Crosscuts & winze adit		1,600.00	1,600.00			
Rehab. winze bell incl.		2,300.00	2,300.00			
Drifting	1,395.00	34,628.00	36,023.00			
Raising	2,061.50	6,385.85	8,447.35			
log trucks, air, water		1,425.00	1,425.00			
(2) Labor and Supervision: Lines						
Labor 1/2 Topman	170.39	1,097.97	1,268.36			
Supervision	500.00	5,440.00	5,940.00			
Technical Services		1,190.00	1,190.00			
Bookkeeping	150.00	1,725.00	1,875.00			
(3) Operating Mat'ls and Supplies: Fuel (incl. diesel)	573.60	3,489.60	4,063.20			
Timber (incl. ties)	610.35	1,503.06	2,113.41			
Explosives		46.54	46.54			
Pipe	13.23	1,236.56	1,249.79			
Track		4,095.00	4,095.00			
Diesel fuel	271.00	4,463.92	4,735.00			
Vent tubing		1,760.10	1,760.10			
Misc. Supplies	257.72	5,863.43	6,121.15			
(4) Operating Equipment: Bulldozer from		545.12	545.12			
Rental Surface equip.						
Purchase Silver Mill	108.00	1,077.00	1,185.00			
Depreciation	203.67	3,192.70	3,396.37			
(5) Initial Rehabilitation and Repairs		2,803.95	2,803.95			
(6) New Bldgs., Improvements, etc.	(421.06)	3,315.06	2,894.00			
(7) Miscellaneous: Maint. labor	359.22	4,152.69	4,511.91			
Repairs to Equipment	12.24	587.17	599.41			
Sampling and Analysis	35.42	245.36	280.78			
Payroll Taxes	49.05	628.85	677.90			
Liability Insurance						
Misc. transport.	108.64	2,163.32	2,271.96			
Road maint. - Winter	400.00	2,000.00	2,400.00			
(8) Contingencies (Specify): Haulage & water suppl.	244.71	2,888.35	3,083.06			
Office & eng. supplies		25.01	25.01			
TOTALS	7,102.76	112,526.38	119,629.14			

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

Date 5/13/54 *Payee M.I.A. Mines Company

ORIGINAL SIGNED BY

Per O. F. BURTON Title Treasurer

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

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

(Instructions on reverse)

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

$ 5327.07

Lloyd W. Sjolander
Authorized Certifying Officer

Signature (Authorized Certifying Officer)

Date JUN 2 1954 Vou. No. SF-DMEA-43

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-2461 in accordance with the terms of the contract.

Signature A. G. Johnson Title Chief, Mining Div. Region III Date May 24, 1954.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. G. Miller Title DMEA Field Team Executive Officer Region III Date May 26, 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 April 195 4 Docket No. DMEA 0000 Contract No. [illegible]
Operator's Name [illegible] Mines Company Minerals Tungsten
Address 210 Felt Building, Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Ft.	1,005.17	46.5	57,624.44	1,506.0	38.10		
Crosscutting								
Raising	Ft.	3,717.02	66.5	15,059.26	269.0	60.30		
Shafts								
Winzes								
Drilling: Core	Ft.			4,585.27	1,139.3	4.02		
Churn	Ft.			6,700.00	1,340.0	5.00		
Auger								
Supervision & Tech.		500.00		7,130.00				
Stripping								
Trenching		150.00		1,075.00				
Sampling & Analysis		12.24		599.41				
Test Pits								
Roads and Trails		400.00		2,945.12				
Taxes & Insurance		84.47		950.68				
Total Distributed Costs								Total Costs Authorized by Contract
Rental & Depr.		311.67		4,501.37				
Operating Equipment Purchased				6,531.57				
Initial Rehabilitation and Repairs		(421.90)		3,094.00				
New Buildings, Improvements, etc.		353.35		9,355.02				
Transp. Men & Supplies								
Total Costs		7,102.76		119,629.14				

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

Date 5-13-54 Operator U.I.A. Mines Company

Per ORIGINAL SIGNED BY O.F. BURTON Title Treasurer

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

COMBINED METALS REDUCTION COMPANY

Minerva Tungsten Property - Narrative - April, 1954

May 8, 1954

Paul Gemmill, General Supt. Nevada Mines

R. H. Godbe

Docket No. 2688
Contract No. 104-K 481

Dear Paul:

During the month of April, progress under the Exploration Project Contract with the Defense Minerals Exploration Administration was as follows:

Scheelite Chief Mine

The main raise (43-248) was advanced 66.5 feet during the month for a total advance of 263.0 feet. Timber advance in the raise was 83.0 feet for a total advance of 255.5 feet. As stated in the previous month's report, excavation work was started for a station in the hanging wall of the raise on March 29. This work was completed on April 15, and work then continued in advancing the raise proper. The sill elevation of the station is at 5,498 feet - or approximately 92 feet below the 5th level of the Silver Bell Mine. The raise broke through into the 5th level of the Silver Bell Mine on May 5. The connection was at the predetermined calculated position, and verifys the accuracy of underground surveys in both the Scheelite Chief and Silver Bell Mines, together with the established surface triangulation system. The footwall of the main quartz scheelite bearing fissure held quite consistently in the hanging wall of the raise and crossed the easterly corner on a near easterly strike. Irregular scheelite mineralization was noted on the footwall quartz throughout. Test holes into the fissure indicate a quartz width probably in excess of five feet. Although favorable scheelite mineralization was noted in the quartz footwall for about 100 feet above the raise station, The extent and grade of mineralization must await development of this block from the raise station. Present indications are that this block, defined in the Exploration Project as Objective Area 4, will develop a very substantial tonnage of ore in an assay range between 0.4% and possibly 1.0% of WO_3 content.

Work continued during the month in developing the ore located above the sub-level in the area defined as Objective Area 1. Production during April totaled 377 (16 cubic ft.) cars having a weighted average assay of 1.6386 WO_3. A slusher drift is being advanced easterly to undercut the ore. It has been found that the rake of the bottom of the ore sheet upward to the east is probably in excess of 20 degrees. A raise is currently

being advanced upward within the walls of the steeply dipping fissure (85° North) to locate the upper extremity of the ore. This work has proven a vertical extension of about 30 feet at this time.

Silver Bell Mine

Drift progress on the 300 level east heading totaled 46.5 feet for a total advance of 103.5 feet of the 167 feet requested in Amendment No. 3 to the contract. Work in this heading was suspended on April 23 due to necessity of hoisting ore for shipment to the Sauer Plant of the Combined Metals Reduction Co. This ore was being held in an old stope located west of the incline and between the 3rd and 4th levels. The fissure as exposed by the April advance showed a narrow quartz width (approx. one foot) with some azurite mineralization. No ore was obtained from drift rounds from this work.

Limited stoping was done in the Silver Bell Mine during the month. Production was as follows:

Place	Ore (30 cubic ft.)	% WO_3
40-34A	12	0.80
40-33B	21	0.45

Churn Drilling

Minerva CDM #8, located between CDM #3 and #4 was bottomed at a depth of 184 feet on April 16. The predetermined position of the hanging wall of the fissure was at a depth of 137 feet. This hole apparently missed the fissure on a fault gap, and negative information was obtained from the hole. A log of the hole is appended.

Minerva CDM #9 was collared at a position approximately 184 feet and S 79° E from Minerva CDM #7. Coordinates are as follows: N. 4,003.5 E. 13,776.8 and collar elevation 6,907.5. Without faulting the location of the hanging wall of the fissure is at an approximate depth of 170 feet. Any north-south faulting will lengthen the depth to the fissure. On May 1 the hole was at a depth of 130 feet and in limestone.

Both Minerva CDM #8 and #9 are being carried on N.I.A. Mines Company account.

COPY

COMBINED METALS REDUCTION COMPANY

3 May 8, 1954 Paul Gemmill

Ore Shipments

Shipments of ore to the Combined Metals Reduction Company plant at Bauer, Utah were started on April 24, 1954. The ore is being trucked to Delta, Utah (Harry Young Trucking Co.), and then via Union Pacific Railroad to destination, by the end of April, a total of seven carloads were enroute from Minerva. Of these five were from the Scheelite Chief Mine and the other two from the Silver Bell Mine. At this writing, May 8, a total of twelve carloads have been loaded out - seven Scheelite Chief and five Silver Bell. Weights and assays are not as yet available. Pertinent information concerning shipments will be made a part of future DMEA monthly reports.

Distribution of costs for April, as shown on the Operator's Monthly Report and Voucher, follows:

Independent Contracts

			Overage
Stage I			
Raise Advance - 66.5 feet @ $31.00		$ 2,061.50	
Stage II			
Drift Advance - 44.5 feet @ $30.00		1,334.00	
			$ 3,456.50
Labor and Supervision			
Supervision		$ 300.00	
Tepman (½ B.Betsen Time)		170.39	
Bookkeeping		150.00	
			820.39
Operating Materials and Supplies			
Stage I			
Diesel Fuel	$ 212.83		
Raise X Timber 83.0 Ft. @ $6.45	535.35		
Oils, Greases, etc.	25.65		
Tools and Misc.	22.00		
Pipe Fittings	13.40		
Drill Steel	573.60		
		$ 1,382.81	
Stage II			
Diesel Fuel	$ 39.15		
Gasoline	16.68		
Tiem	75.00		
Pipe 1"	13.23		

COPY

COMBINED METALS REDUCTION COMPANY

4 May 8, 1954 Paul Gessell

				Overage
Neoprene Hose 2½"	$ 150.28			
Oils, greases, etc.	34.72			
		$ 341.97		
			$ 1,726.88	

Operating Equipment

	Stage I			
100 KW Generator	$ 81.91			
G.M.C. Compressor	118.00			
15 KW Generator	40.00			
2 - 5 HP Fans	12.00			
Battery Trammer	113.00			
10 Mine Cars	20.00			
Water Pressure Tank	5.00			
	$ 394.91			
DMEA @ 36%		$ 142.17		

	Stage II			
Surface Equipment	$ 300.00			
Gasoline Heist	20.00			
Joy Compressor	125.00			
Gasoline Fan	14.17			
Water Pressure Tank	5.00			
3 Mine Cars	6.00			
	$ 470.81			
DMEA @ 36%		$ 169.50		
			$ 311.67	

Rehabilitation and Repairs

None

New Buildings, Improvements, Installations

Credit as per letter, copy appended, dated May 3, 1954 by Frank H. Ambersen, Office Manager to Mr. George Mavor, DMEA Auditor. $ (421.96) $421.96

Miscellaneous

Supplying Water	$ 244.71	
Repair Parts	106.42	
Maintenance Labor	252.80	
Assaying @ 16%	12.24	

COPY

COMBINED METALS REDUCTION COMPANY

S May 8, 1954 Paul Gemmill

					Overage
Road Maintenance			$ 400.00		
Pickup Trucks					
#46	1,920 Miles				
#20	480 "				
#22	160 "				
#38	160 "				
#44	160 "				
J. Hulse	473 "				
	3,353 Miles @ $.09 = 36%		108.64		
Payroll Taxes			35.42		
Liability Insurance			49.81		
				$ 1,209.28	
		TOTALS		$ 7,102.76	$ 421.96

Very truly yours,

R. M. Cooke

COPY

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March, 1954 Docket No. DMEA 2688 Contract No. IDU-E 481
Operator's Name M.I.A. Mines Company Minerals Tungsten
Address 218 Felt Building, Salt Lake City, Utah
Contract Amount, $171,400.00 Government Participation: 75 % Amount, $128,550.00

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 Contracts:						
Short Form (Diamond		3,781.97	3,781.97			
Drilling (Churn		6,700.00	6,700.00			
Straighten & Widen		1,800.00	1,800.00			
Rehab. Silver Bell		2,300.00	2,300.00			
Rehab. skip pocket						
Drifting	1,710.00	32,918.00	34,628.00			
Raising	4,185.00	2,200.85	6,385.85			
Lay track, air & water lines		1,425.00	1,425.00			
(2) Labor and Supervision:						
Labor 1/2 Topman	159.95	938.02	1,097.97			
Supervision	500.00	4,940.00	5,440.00			
Technical Services		1,190.00	1,190.00			
Bookkeeping	150.00	1,575.00	1,725.00			
(3) Operating Materials and Supplies:						
Drill Steel, Bits		3,488.60	3,488.60			
Timber (incl. ties)	830.12	672.94	1,503.06			
Explosives		46.54	46.54			
Pipe		1,236.56	1,236.56			
Track		4,095.00	4,095.00			
Diesel Fuel	436.63	4,026.39	4,463.02			
Vent Tubing	168.00	1,612.10	1,780.10			
Misc. Supplies	1,794.79	4,068.54	5,863.43			
(4) Operating Equipment:						
Rental Bulldzr & Trans.		545.12	545.12			
Rntl. Surface equip. Silver Bell	177.00	900.00	1,077.00			
Depreciation	333.78	2,858.92	3,192.70			
(5) Initial Rehabilitation and Repairs		2,803.95	2,803.95			
(6) New Bldgs., Improvements, etc.		3,315.96	3,315.96			
(7) Miscellaneous:						
Repairs to Equipment & maint. labor	420.88	3,731.81	4,152.69			
Sampling and Analysis	15.34	571.83	587.17			
Payroll Taxes	38.51	206.85	245.36			
Liability Insurance	53.33	575.52	628.85			
Pick-up Trans.	205.92	1,957.40	2,163.32			
Road Maint.-Winter	400.00	1,600.00	2,000.00			
(8) Contingencies (specify):						
Haulage & Supplying Water	271.14	2,567.21	2,838.35			
Office & Eng. Supp.		25.81	25.81			
TOTALS	11,850.39	100,675.99	112,526.38			

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

Date 4-29-54 *Payee M.I.A. Mines Company

By [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$8887.79

Lloyd H. Sjolander
Authorized Certifying Officer

Signature (Authorized Certifying Officer)

Date JUN 2 1954 Vou. No. SF-DMEA-43

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E481 in accordance with the terms of the contract.

Signature R. C. Johnson Title Chief, Mining Div. Region III Date May 7, 1954.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date May 11, 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

ACCOUNTS MAY 12 1954

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1954 Docket No. DMEA 2608 Contract No. III-B 481
Operator's Name M.I.A. Mines Company Minerals Tungsten
Address 218 Felt Building, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	1,920.11	57.0	55,619.27	1,549.5	35.89		
Crosscutting								
Raising	Ft.	7,785.26	135.0	12,141.44	196.5	61.79		
Shafts								
Winzes								
Drilling: Core	Ft.			4,585.27	1,139.3	4.02		
Churn	Ft.			6,700.00	1,340.0	5.00		
Auger								
Supervision & Tech.		500.00		6,630.00				
Stripping								
Bookkeeping		150.00		1,725.00				
Trenching								
Sampling & Analysis		15.34		587.17				
Test Pits								
Roads and Trails		400.00		2,545.12				
Taxes & Insurance		91.84		674.21				
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Rental & Depreciation								
Operating Equipment Rented		510.78		4,269.70				
Initial Rehabilitation and Repairs				8,531.57				
New Buildings, Improvements, etc.				3,315.96				
Transp. men & supplies		477.06		5,001.67				
TOTAL COSTS		11,850.39		112,526.38				

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 4-29-54 Operator M.I.A. Mines Company

By [signature] Title Treasurer

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Minerva Tungsten Property - Narrative - March, 1954

April 15, 1954

Paul Demmill, General Supt. Nevada Mines

R. N. Godbe

Docket No. 2688
Contract No. 10M-L 481

Dear Paul:

During the month of March, progress under the Exploration Project Contract with Defense Minerals Exploration Administration was as follows:

Scheelite Chief Mine

The main raise (43-24B) was advanced 135.0 feet during the month for a total advance of 196.5 feet. Timber advance in the raise was 128.7 feet for a total advance of 172.5 feet. On March 29 excavation work was started in the hanging wall of the raise to cut a station. This work afterward exposed the quartz-scheelite bearing fissure in the station proper. A quartz width of 5.5 feet is exposed along the easterly wall and low grade scheelite mineralization is present in this area. The sill elevation of the station is at 6,498 feet, or approximately 92 feet below the 5th level of the Silver Bell Mine. In Accordance with the prior agreement with the Defense Minerals Exploration Administration, the cost of stations are being carried by the M.I.A. Mines Company.

Work continued during the month in the ore located by diamond drilling above the sub-level and in the area defined in the exploration project as Objective Area 1. Development work during the month has proven the fissure to average approximately 4.5 to 5.0 feet in width in the productive ore horizon. Excellent assays have been consistently obtained from car samples taken from mined ore. Production during March totaled 154 (16 cubic ft.) cars having a weighted average assay of 2.167% WO_3.

Silver Bell Mine

Work resumed on March 1 in advancing the 300 level drift to the east. A total of 57.0 feet drift progress was made during the month on a one shift basis. A very brecciated quartz - limestone zone was penetrated and two rounds in this area exposed excellent sheelite

mineralization on all walls. One round here assayed 0.87% WO_3, and the next round assayed 1.38% WO_3. Additional rounds showed a marked decrease in mineralization; however the production totaled 107 (20 cubic ft.) cars having a weighted average assay of 0.597% WO_3. The fissure narrowed to approximately one foot toward the end of the month, and broken rock was being taken for waste due to dilution.

Churn Drilling

Minerva C.D.H. #8, located between C.D.H. #3 and #4, was advanced to a depth of 140 feet during March. Repeated motor trouble greatly hindered progress. The calculated position of the hanging wall of the fissure is at a depth of 137 feet. Coordination of the holes are as follows: No 4,270.5 E. 12,048.2 and the collar elevation is 6,733 feet. This hole is being carried on N.J.A. Mines Co. account.

Distribution of costs for March, as shown on the Operator's Monthly Report and Voucher, follows:

Independent Contracts

Stage I

Raise Advance - 135 feet @ $31.00		$ 4,185.00	
Stage II			
Drift Advance - 57 feet @ $30.00		1,710.00	
			$ 5,895.00

Labor and Supervision

Supervision		500.00	
Tepman (½ D. Dotson time)		159.95	
Bookkeeping		150.00	
			$ 809.95

Operating Materials and Supplies - Stage I

Diesel Fuel	$ 396.24	
Raise timber - 128.7 feet @ $6.45	830.12	
Oils, Greases, etc.	18.69	
Tools and Misc.	204.24	
Pipe fittings	5.10	
12" vent line	168.00	
Electric cable	1,489.50	
Sample sacks	7.54	
		3,119.43

Stage II

Diesel Fuel	$ 40.39			
Gasoline	69.72			
Rail, Spikes, Belts				39.75
		$ 110.11		
			$ 3,229.54	

Operating Equipment

Stage I

100 KW Generator	$ 85.91		
C.M.C. Compressor	119.00		
15 KW Generator	40.00		
2 - 5 H.P. Fans	12.00		
Battery Trammer	113.00		
10 Mine Cars	20.00		
Water Pressure Tank	5.00		
	$ 394.91		
DMEA @ 59%		$ 233.00	

Stage II

Surface equipment	$ 300.00		
Gasoline Hoist	20.00		
Joy Compressor	125.65		
Gasoline driven fan	14.17		
Water pressure tank	5.00		
3 Mine cars	6.00		
	$ 470.82		
DMEA @ 59%		$ 277.78	
			$ 510.78

Rehabilitation and Repairs

None

New Buildings, Improvements, Installations

None

Miscellaneous

Supplying water	$ 244.71	
Repair parts	63.99	
Maintenance Labor	356.89	
Assaying @ 59%	15.34	
Road Maintenance	400.00	

Pickup Trucks				
#46 -	1,440 miles			
#22 -	480 miles			
#20 -	160 miles			
#44 -	320 miles			
#53 -	800 miles			
J. Hulse -	678 miles			
	3,878 miles	@ $.09 @ 59%	$ 205.92	
Haulage Supplies				
#18 Truck - 320 miles		@ $.14 @ 59%	26.43	
Payroll Taxes			38.51	
Liability Insurance			33.33	
				$ 1,405.12
		TOTALS		$11,880.39 $9.75

Very truly yours,

R. H. Godbe

R. H. Godbe

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

APR 16 1954

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

Re: Idm-2481, DMEA-2688
M. I. A. Mines Company
White Pine County, Nevada

Dear Mr. Mavor:

Reference is made to your letter of April 2, 1954, in regard to certain provisions of the above-cited contract.

On page 2 of your letter you have a table, apparently furnished by the operator, which proposes to show that the operator saved the Government some $8600 on subcontracting the work under the estimated rates provided in Exhibit "A" of the contract. The fallacy of the operator's contentions is readily discernible if you will compare the provisions of Annex 1 to the provisions of the subcontract entered into June 22, 1953. It is true that some of the unit costs provided in the subcontract will be under the unit costs provided in Annex 1 and also in Exhibit "A". The provisions, however, in Annex 1 stipulate that the subcontractor will assume the costs of many items which are not covered in the costs provided for in the subcontract. Annex 1 is made a part of the contract and is the basis for the estimates made in Exhibit "A". Since Annex 1 provides for maximum costs for drifting, drilling, raising, bulldozing, etc., it will be your responsibility to add to the subcontract unit cost provision those items which were enumerated in Annex 1 and omitted in the subcontract and determine whether or not the maximum unit costs of the contract have been exceeded. This will not be an easy task but in my opinion it can be done.

I hope I have answered the points covered in your letter, but if you find additional information necessary, please write again pointing out in detail the points to be covered.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
April 15, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

April 2, 1954

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

Re: Idm-E481, DMEA-2688
M. I. A. Mines Company
White Pine County, Nevada

Dear Mr. Chambers:

Reference is made to your letter dated March 25, 1954, in connection with Centennial Development Company subcontract dated June 22, 1953, who are performing work for subject operator, and you infer that certain supplies, materials, repairs, etc., should be borne by the subcontractor, as these costs are probably included in unit prices of the subcontract rates.

A review of the MF-104's reveals that the Centennial Development Company billed the operator for materials and supplies used on the job as follows:

September 1953	$1,501.77
October 1953	406.77
November 1953	781.76
December 1953	-0-
January 1954	1,356.59
Total	$4,046.89

Of the above amount, $3,451.20 was for drill steel and bits, and the balance $595.69 was for repair parts and sundry materials, and the invoices were paid direct to the Centennial Development Company.

The diesel fuel oil used as per the MF-104 for January 1954, amounted to $4,211.19, and was cleared through the Combined Metals Reduction Company stores account, and charged to the operator.

You will note in the Centennial Development Company subcontract agreement dated June 22, 1953, under Article II(a), items 1 to 26 cover equipment, materials and supplies to be furnished by the operator, especially items 17, 18, 19, 24, and 25. The diesel fuel oil is mentioned in these items, however, the drill steel and bits are not specifically mentioned.

During my visit last November to the Combined Metals Reduction Company's office at Pioche, Nevada, I questioned the cost of drill steel and bits, etc., being charged to the cost of the project, and I was informed by both F. H. Anderson, Accountant, and R. H. Godbe, the Supervising Engineer, that the unit rates listed in the subcontract under Article I, a to g inclusive, did not include the cost of materials and supplies. They also pointed out that considerable savings had been effected by obtaining lower unit rates in the subcontract dated June 22, 1953, as compared to the unit rates listed under Independent Contracts in Exhibit "A" of the contract. These savings are accounted for as follows:

	Exhibit "A"		Subcontract		
	Rate	Amount	Rate	Amount	Savings
Stage 1 Drift 1200'	$25.00	$30,000.00	$20.00	$24,000.00	$6,000.00
Stage 1 Raise 450'	31.00	13,950.00	30.00	13,500.00	450.00
Stage 2 Drift 500'	30.00	15,000.00	26.00	13,000.00	2,000.00
Stage 1 Timber 120'	5.00	600.00	3.50	420.00	180.00
Stage 2 Timber 50'	5.00	250.00	4.00	200.00	50.00
		$59,800.00		$51,120.00	$8,680.00

During the course of our discussion, F. H. Anderson and R. H. Godbe called my attention to the fact that the following equipment was being furnished by the operator at no cost to the project:

Rental of Equipment

Mucking Machine 3 mos. at $150.00	$450.00

Depreciation

Equipment	Value	Rate			
Mucking Machine	$6,000.00	1/60	10 mos. at	$100.00	$1,000.00
Car Tfr. ?	498.59	1/60	10 mos. at	8.00	80.00
Jumbo	3,600.00	1/60	10 mos. at	60.00	600.00
Drilling Machine	2,400.00 ?	1/60	10 mos. at	40.00	400.00
Cost to 9/30/53 - No charge to Project					$2,530.00

It was intimated that a request for an amendment to the contract would be made for the use of the above equipment, to compensate for the savings made of $8,680.00 on reduced unit rates. Up to date no request has been received for this amendment.

I have cited the above savings to you, as this was in line with my discussion with the operator when I questioned the cost of drill steel and bits and other material furnished by the operator. It would therefore appear that the unit rates listed in the agreement dated June 22, 1953, with the Centennial Development Company do not include the cost of materials.

Sincerely yours,

George Mavor

George Mavor
Auditor

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

MAR 24 1954

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

Re: Idm-E481, DMEA-2688
M. I. A. Mines Company
White Pine County, Nevada

Dear Mr. Mavor:

I would like to call your attention to some of the recent MF-104's submitted by the Operator of the above-cited contract for reimbursement.

A large part of the work of this contract is carried on by the Centennial Development Company under a subcontract dated June 22, 1953. This subcontract provides for accomplishing much of the work on a unit basis. The unit price covers supplies, materials, repairs, etc.

An examination of the MF-104 submitted for January, 1954, discloses that the Operator has billed for a number of items which apparently should have been paid by the subcontractor as follows: drill steel and bits - $992.94. There are also a number of other items, such as, miscellaneous supplies - $401.17. In the December MF-104, the contractor billed for drill steel, diesel fuel and other items which may or may not be subject to reimbursement under the subcontract. You will also find items in the November MF-104 which are questionable. I would like for you to carefully scrutinize the Operator's MF-104 with the supplementary billing made by Combine Metals Reduction Company for further claims presented by the Operator which may not be allowable. Judging from this distance I think it might be a good idea to recheck this account carefully, since it is so easy for the Company to claim reimbursement for items covered under the subcontract. After reading my letter will you make a cursory check to see if I have raised a valid point.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JIChambers/wb
March 24, 1954

Copy to: Docket
Admr. Reading File
Mr. Martin
Mr. Chambers

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February 1954 Docket No. DMEA 2600 Contract No. [illegible]-401
Operator's Name [illegible] COMPANY Minerals Tungsten
Address 215 Felt Building, Salt Lake City, Utah
Contract Amount, $ 171,400.00 Government Participation: 75 % Amount, $ 128,550.00

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:		3,781.27	3,781.27			
Drilling		6,700.00	6,700.00			
Bulldozing		1,600.00	1,600.00			
Crosscutting		2,300.00	2,300.00			
Raising	1,017.50	32,918.00	32,918.00			
Lay Track, Repair & Water Lines		993.35	2,200.85			
(2) Labor and Supervision:		1,425.00	1,425.00			
Labor	100.14	709.00	930.02			
Supervision	500.00	4,440.00	4,940.00			
Technical Services		1,190.00	1,190.00			
(3) Operating Materials and Supplies:	150.00	1,425.00	1,575.00			
Timber	202.51	3,433.09	3,635.60			
Explosives	125.16	390.43	672.94			
Pipe		46.54	46.54			
Diesel Fuel		1,111.40	1,236.56			
Vent Tubing	(104.00)	4,095.00	4,095.00			
Misc. Supplies	270.50	4,211.19	4,096.39			
	115.20	4,313.00	4,612.10			
		3,953.44	4,068.64			
(4) Operating Equipment:						
Rental		545.12	545.12			
Purchase		900.00	900.00			
Depreciation	142.17	2,716.75	2,858.92			
(5) Initial Rehabilitation and Repairs		2,803.95	2,803.95			
(6) New Bldgs., Improvements, etc.		2,915.96	2,915.96			
(7) Miscellaneous:						
Labor	497.72	3,394.09	3,781.01			
Repairs to Equipment	14.40	557.43	571.83			
Sampling and Analysis	36.86	169.99	206.85			
Payroll Taxes	51.04	524.48	575.52			
Liability Insurance	87.35	1,870.05	1,957.40			
(8) Contingencies (specify):						
Food Exp. Winter	400.00	1,200.00	1,600.00			
Haul. & Supp. Water	260.84	2,306.37	2,567.21			
Off. & Eng. Supplies		25.81	25.81			
TOTALS	4,142.59	96,533.40	100,675.99			

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

Date 3/25/54 *Payee [illegible] COMPANY

Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$ 3106.94

Signature [illegible] (Authorized Certifying Officer) [illegible] Office

Date APR 8 1954 Vou. No. SF-DMEA-36

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E481 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div., Region III Date April 2, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date April 5, 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 February 1954 Docket No. DMEA 2000 Contract No. [illegible]
Operator's Name N.I.A. MINING COMPANY Minerals Tungsten
Address 210 Salt Building, Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Ft.			99,699.16	1,492.5	99.90		
Crosscutting								
Raising	Ft.	2,499.93	42.5	4,356.10	61.5	70.83		
Shafts								
Winzes								
Drilling: Core				4,535.27	1,129.0	4.02		
Churn				6,700.00	1,340.0	5.00		
Auger								
Supervision & Tech. Stripping		500.00		6,130.00				
Trenching Goldscaping		150.00		1,575.00				
Test Pits Surpl. & Analysis		14.49		571.83				
Roads and Trails		400.00		2,145.12				
Taxes & Insurance		87.99		922.37				
Total Distributed Costs								Total Costs Authorized by Contract
Rental & Repair		242.17		3,750.92				
Operating Equipment Purchased				8,531.57				
Initial Rehabilitation and Repairs				3,315.96				
New Buildings, Improvements, etc.								
Transp. Man & Supplies		340.19		4,524.61				
Total Costs		4,142.59		100,675.99				

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 3/25/54 Operator N.I.A. MINING COMPANY

Per [signature] Title Treasurer

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Minerva Tungsten Property - Narrative - February, 1954

March 9, 1954

Paul Gemmill, General Supt. Nevada Mines

R. H. Godbe

Docket No. 2688
Contract No. IDM-X 481

Dear Paul:

During the month of February, progress under the Exploration Project Contract with the Defense Minerals Administration was as follows:

Scheelite Chief Mine

Core drilling operations were discontinued on February 7 on completion of Minerva DDH #9 at a depth of 221.8 feet. The predetermined fissure location was at a projected position of approximately 175 feet. Limestone was penetrated throughout and a zone heavily mottled with calcite (170.9 to 175.5 feet) was interpreted as the "possible" fissure area. No scheelite was noted under mineral lamp investigation of the core. A log of the hole is appended.

The main raise (43-24D) was advanced 42.5 feet during the month for a total advance of 61.5 feet. Timber advance in the raise totaled 43.8 feet. Progress is shown on map A-1632, and a timber sketch complete with derivation of cost per linear foot of raise timber is included on map A-1633.

During the month an inclined raise entry (44-16A) was driven on the sub-level to the ore located in the fissure by diamond drilling. The position of this work is shown on map A-1614 appended. A total of 41 cars (16 cubic ft.) were taken for ore and gave a weighted average assay of 0.565% WO_3. This ore carried considerable dilution in exposing the ore face. A minable width of about four feet of excellent grade ore was exposed by this work and chute, manway, and requisite track installation with mine car were installed during the early part of March. This work is being carried forward on M.I.A. Mines Co. account.

Silver Bell Mine

Work at the Silver Bell mine was confined to establishing raise entries into the ore that was previously undercut in advancing the 300 level east drift. Map B-873 has been included to show the position of these raises.

A total of 48 cars giving a weighted average assay of 0.573% WO_3 was mined from 40-33B raise. The vein here is approximately 4.5 feet thick as exposed along the easterly wall of the raise. The vein tends to split into two seams to the west with a horse of limestone between. This limestone is about three feet thick as shown along the westerly wall of the raise.

The next raise entry, 40-33D, showed the ore thickness here to be narrow (approx. 2.5 feet), and this factor coupled with irregular tongues of porphyry caused much dilution. A total of 45 cars assayed only 0.065 WO_3. This work was stopped in favor of a 40-34A raise entry located about 25 feet easterly along the drift. The latter produced 51 cars assaying 0.921% WO_3.

Total Production from the Silver Bell Mine to March 1, 1954 follows:

Class	Location	Cars (20 cu. ft.)	% WO_3
I	41-27B stope	189	0.767
II	40-20B	134	0.170
II	Surface stockpile	236	0.074

All work undertaken at the Silver Bell Mine during the month of Feb. was for the account of M.I.A. Mines Co. drifting operations to the east on the 300 level were resumed on March 1.

Churn Drilling

Request for amendments to the contract covering modification fo work items was initiated by letter dated January 21, 1954. Under Proposal B, a 500 feet drift was requested to be driven westerly to Objective Areas 2 and 3 at a position in elevation below the favorable mineralization located in Minerva CDH #3 and possible at a position in elevation below the 5th level of the Silver Bell Mine. Minerva CDH #8, located on line and equal distance between Minerva CDH #3 and #4, was collared on February 13 to explore for favorable mineralization on the fissure at a lower elevation than defined by Minerva CDH #3. This hole was at a depth of 105 feet and in limestone at the end of February. The January 21 letter requested modification of remaining churn drill footage to drift and for raise footage equivalent, and for this reason the cost of Minerva CDH #8 is being carried by M.I.A. Mines Co.

Preparation of Copies

Until the month of February, 1954, work at the property was confined to exploration under contract with the Defense Minerals Exploration Administration. Page 11 of the contract states as follows:

"The Operator may elect to carry on simultaneously with the exploration work, development and production operations. In this event, the exploration work shall be carried on, as far as practicable, with equipment, materials, crews, and supervision separate and distinct from any other operations of the operator, in order to avoid confusing the costs under this contract with any other costs. However, to the extent economically practicable, equipment (such as compressor and hoist), incidental labor, and supervision used in development and production operations may be used also for exploration and the direct costs arising out of such use prorated between the operations, but the basis of such proration shall at all times be subject to the approval of the Government, and the costs resulting to the exploration project from such proration will be disallowed by the Government to the extent disapproved by the Government."

The following basis has been established for apportioning costs in accordance with the above:

1. A man-shift basis for company and DMEA operations; exclusive of maintenance labor, as carefully tabulated for all work at the property will be used in deriving a factor for apportionment of complimentary cost items.

2. Operating materials and supplies will be charged directly to company or DMEA operations in so far as practicable. Fuel requirements for generators, compressors, and hoist will be apportioned in accordance with the man-shift factor.

3. Supervision and engineering will be charged to the DMEA project on the basis of $300.00 per month. Present operations demand the services of a supervising engineer, foreman, and an engineer (part time).

4. Toppman-mechanic labor will be charged to the DMEA project on the basis that prior operations have dictated full use of one man in this capacity in carrying forward the work under the exploration project.

5. Bookkeeper - clerk part time, will be charged as at present on the basis of $150.00 per month. This is justified on the basis of work load requirements in this category.

Distribution of costs for February, as shown on the Operator's Monthly Report and Voucher, Follow:

Independent Contracts

	Stage I		Overhead
Raise Advance - 42.5 feet @ $31.00		$ 1,317.50	
Labor and Supervision			
Supervision	$ 500.00		
Tepman (½ D.Detman Time)	138.14		
Bookkeeping	150.00		
		$ 788.14	
Operating Materials and Supplies			
	Stage I		
Diesel Fuel - credit as per invoice	(184.80)		
Raise timber - 43.8 feet @ $6.45	282.51		
Rail, spikes, bolts			$ 114.45
12" vent tubing (300 ft.)	220.50		
Electric switchs	26.86		
Electric cable	52.50		
2" pipe (273 ft.)	111.93		
1" pipe (105 ft.)	13.13		
Tools and misc.	15.84		
		$ 636.37	
Operating Equipment			
	Stage I		
100 KW Generator	$ 85.91		
C.M.C. Compressor	119.00		
15 KW Generator	40.00		
2 - 5 HP Fans	12.00		
Battery Tramper	113.00		
10 Mine Cars	20.00		
Water Pressure Tank	5.00		
	$ 394.91		
DMLA @ 36% 04		$ 142.17	

Rehabilitation and Repairs

None

New Buildings, Improvements, Installations

None

Miscellaneous

Supplying Water		$ 244.71
Repair Parts		79.84
Maintenance Labor		328.68
Assaying # 366		14.40
Road Maintenance - Winter		400.00
Pickup Trucks		
#46 -	1,440 miles	
#38 -	160 miles	
#44 -	640 miles	
J.Nulse -	464 miles	
	2,696 miles * 5.09 * 36%	97.35

Haulage Supplies

#25 Truck - 320 miles * $.14 * 36%		16.13
Payroll Taxes		36.86
Liability Insurance		51.04
		$ 1,258.21
		$ 4,142.38 $ 114.45

Very truly yours,

R. H. Geibe

R. H. Geibe

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

MAR - 9 19

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January, 1954 Docket No. DMEA 2633 Contract No. DMI-3 401
Operator's Name M.I.A. MINES COMPANY Minerals Tungsten
Address 218 Felt Bldg., Salt Lake City, Utah
Contract Amount, $71,400.00 Government Participation 75 % Amount, $29,550.00

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 — Diamond	1,160.47	2,621.50	3,781.97			
Bulldozing — Churn		8,700.00	8,700.00			
Sinking — Hunter & Biden Adit		1,800.00	1,800.00			
Geological Mapping — Silver Bell Pat. Ext.						
Drifting — Incl. Skip Pocket		2,300.00	2,300.00			
Raising	4,069.00	28,849.00	32,918.00			
Dev trk, air, wtr. lines	883.35	1,425.00	2,308.35			
(2) Labor and Supervision:						
Labor 1/2 Topman	152.22	647.66	799.88			
Supervision	650.00	3,790.00	4,440.00			
Technical Services	240.00	950.00	1,190.00			
(3) Operating Materials and Supplies:	200.00	1,225.00	1,425.00			
Drill Stl. & Bits	992.94	2,495.66	3,488.60			
Timber (Incl. Ties)	16.38	374.05	390.43			
Explosives	46.54		46.54			
Pipe		1,111.40	1,111.40			
Track		4,095.00	4,095.00			
Diesel Fuel	1,131.60	3,079.59	4,211.19			
Vent Tubing	165.20	1,148.40	1,313.60			
Misc. Supplies	401.17	3,552.27	3,953.44			
(4) Operating Equipment:						
Rental — Bulldozer & Trans.		545.12	545.12			
Surf. Equip. Rental — Silver Bell	300.00	600.00	900.00			
Depreciation	415.73	2,301.02	2,716.75			
(5) Initial Rehabilitation and Repairs		2,803.95	2,803.95			
(6) New Bldgs., Improvements, etc.		3,315.96	3,315.96			
(7) Miscellaneous:						
Repairs to Equipment — Maint. Labor	870.64	2,453.45	3,324.09			
Sampling and Analysis	52.00	505.43	557.43			
Payroll Taxes	81.29	88.70	169.99			
Liability Insurance	112.58	411.90	524.48			
Pick-up Transp.	227.25	1,642.80	1,870.05			
Eq. Maint. — Winter	400.00	800.00	1,200.00			
(8) Overhead (Administrative Supervisory) — Water	311.91	1,994.46	2,306.37			
Office & Eng. Supplies	3.41	22.40	25.81			
TOTALS	12,883.68	83,649.72	96,533.40			

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

Date 2/24/54 *Payee M.I.A. MINES COMPANY

Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$ 96.62 76

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

Date MAR 12 1954 Vou. No. SF-DMEA-33

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E481 in accordance with the terms of the contract.

Signature George H. Holmes, Jr. Title Mining Methods Research Engineer Date March 4, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title DMEA Field Team Executive Officer Region III Date March 5, 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-194A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

MAR - 9 19

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1954 Docket No. DMEA 2688 Contract No. IDM-E 481

Operator's Name M.I.A. Mines Company Minerals Tungsten

Address 218 Felt Bldg., Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	6,480.60	156.5	53,699.16	1,492.5	35.98		
Crosscutting								
Raising	Ft.	1,856.25	* 19.0	1,856.25	19.0	97.70		
Shafts								
Winzes								
Drilling: Core		1,556.07	310.8	4,585.27	1,139.3	4.02		
Churn				6,700.00	1,340.0	5.00		
Auger								
Supervision & Tech.		890.00		5,630.00				
Bookkeeping		200.00		1,425.00				
Sampling & Analysis		52.00		557.43				
Roads and Trails		400.00		1,745.12				
Taxes & Insurance		193.87		694.47				
TOTAL DISTRIBUTED COSTS		11,628.79		76,892.70				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Rental & Deprec.		715.73		3,616.75				
Initial Rehabilitation and Repairs				8,531.57				
New Buildings, Improvements, etc.				3,315.96				
Transp. Men & Supplies		539.16		4,176.42				
TOTAL COSTS		12,883.68		96,533.40				

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

Date 2/24/54 Operator M.I.A. MINES COMPANY

Per [signature] Title Treasurer

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

REMARKS: * Includes operating labor, explosives, and drill steel & bits (on hand).

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

COMBINED METALS REDUCTION COMPANY

Minerva Tungsten Property - Narrative - January, 1954

February 12, 1954

Paul Gemmill, General Supt. Nevada Mines

R. H. Godbe

Docket No. 2688
Contract No. IDM-E 481

Dear Paul:

During the month of January, progress under the Exploration Project Contract with the Defense Minerals Exploration Administration as follows:

Scheelite Chief Adit

Core drilling operations were continued throughout the month with a total advance of 310.8 feet.

Minerva DDH #7 was at a depth of 69.0 feet at the end of December. On January 1 the AX holes was cemented and failed to seal a water course. The hole was then cased to 69', reduced to EX, and drilled to a bottom depth of 190.6 feet on January 15. The quartz fissure was penetrated between 173.1 and 180.5 feet. Scheelite mineralization occurred in the fissure zone, but assays of the split core were low. A log of the hole complete with assays is appended.

Drilling operations were temporarily suspended after completion of DDH #7 due to illness of the driller. On Jan. 20 the equipment was moved from the sub-level location to the main adit at a position approximately 300 feet from the original face. As described in previous reports, excellent scheelite values were penetrated in this area in advancing the adit. Minerva DDH #8 was aligned on a N55°E course with a zero inclination toward the projection of the fissure to drift elevation. Minor scheelite mineralization continued in the highly brecciated zone for 9.8 feet. This was followed by black limestone with calcite to 53.2 feet. A possible fissure zone with heavy calcite was penetrated from 53.2 to 81.1 feet. No scheelite was noted under a mineral lamp. The hole was bottomed on Jan. 26 in black limestone at a depth of 87.7 feet. A log of this hole is appended.

Minerva DDH #9 was collared on Jan. 27 at the same drill station. This hole was aligned on a due north course and -45° inclination toward the downward projection of the fissure. A water course was encountered at 58 feet and the hole was cased to 62 feet and continued EX. At 101 feet another water course was encountered and an unsuccessful attempt was made to cement it off. On Jan. 31 the EX hole was reamed from 62 to 88 feet and reaming operations continued in early February. Limestone was penetrated throughout with the fissure objective located at a depth of approximately 175 feet.

COPY

During January excavation was made for the main raise station near the face of the advanced Chief adit. The raise itself was advanced 19 feet from the chute mouth; and chutes were being installed at the end of the month. In accordance with the agreement with the government, costs of raise stations are being carried in M.I.A. Mines Co. account. A raise section of 5½' x 13' is being advanced on a S15°E course and plus 60° inclination. Map A-1632 has been prepared to show location of and monthly progress of the raise.

Silver Bell Mine

Drifting operations continued on the easterly drive on the 3rd level during the month. Approved drift progress totalled 156.5 feet. The faulted segment of the fissure was successfully located in the hanging wall of rhyolite porphyry filled fault zone area. Excellent scheelite mineralization was obtained in the quartz fissure with widths ranging from two to six feet. Car samples representative of two consecutive rounds in the best area assayed 1.0% and 0.9% WO_3 respectively. The fissure width narrowed to 6" in the face and broken limestone fragments in this area indicate a fault immediately ahead. Projection of the fissure from churn drill hole information shows a fissure offset in the order of 15 to 20 feet to the south to satisfy the position of the fissure at drift elevation in the CBM #6 - CBM #7 block.

On completion of the total drift footage of 500 feet on the 3rd level, a mutual agreement was reached between the Centennial Development Co., contractor, and the M.I.A. Mines Co. for cancellation of the contract agreement covering work at the property. Future work under the Exploration Project Contract will be carried forward by M.I.A. Mines Co. Operations at the Caselton property of the the Combined Metals Reduction Co. are in the process of curtailment, and required crews are being transferred to the Minerva operation.

Distribution of costs for January, as shown on the Operator's Monthly Report and Voucher, follows

Independent Contracts			Overage
Stage I			
Diamond Drilling - 310.8 feet @ $3.15	$ 979.02		
Reaming - 26 ft. @ $1.75	45.50		
Cementing and lost time due to lack of air or water	135.95		
		$1,160.47	
Operating Labor (Raising) - C.M.R. Co.		883.35	
Stage II			
Drift Footage 156½ ft. @ $26.00		4,069.00	
			$6,112.82

COMBINED METALS REDUCTION COMPANY

3 Feb. 12, 1954 Paul Gemmill

Labor and Supervision			
Supervision	$ 650.00		
Topman (½ D.Detson time)	152.22		
Bookkeeper-Clerk (part time)	200.00		
Engineer (part time)	240.00		
		$	$ 1,242.22
Operating Materials and Supplies			
Stage I			
-Combined Metals Reduction Co.-			
Explosives	$ 46.54		
Diesel Fuel	395.60		
-Centennial Development Co.-			
Drill steel and bits	926.36		
		$1,368.50	
Stage II			
-Combined Metals Reduction Co.-			
Oils,greases, gas, etc.	$ 35[illegible].85		
Ties	16.88		
12" Vent tubing	165.20		
Diesel fuel	736.00		
Rail, spikes, bolts			$ 4.08
Pipe fittings	.87		
Sample sacks	1.78		
Tools and misc.	42.67		
		$1,318.75	
-Centennial Development Co.-			
Drill steel and bits		66.58	
			$2,753.83
Operating Equipment			
Stage I			
G.M.C. Compresser		$ 119.00	
Stage II			
100KW Generator	$ 85.91		
15KW Generator	40.00		
3 Mine Cars	6.00		
Portable Joy compressor	125.65		
Ventilation Fan	14.17		
Water Pressure Tank	5.00		
Gasoline Driven Hoist	20.00		
Surface Equipment-Silver Bell	300.00		
		$ 596.73	
			$ 715.73

COPY

FORM 25

COMBINED METALS REDUCTION COMPANY

4 Feb. 12, 1954 Paul Gemmill

Rehabilitation and Repairs — Overage

None

New Buildings, Improvements, Installations

None

Miscellaneous

Supplying Water		$ 244.71	
Repair Parts - C.M.R. Co.		169.12	
Repair Parts - Cent. Dev. Co.		363.65	
Maintenance Labor		337.87	
Assaying		52.00	
Road Maintenance for winter		400.00	
Office & Engineering supplies		3.41	
Pickup Trucks			
#46	1,600 miles		
J. Hulse	445 miles		
#44	480 miles		
	2,525 miles @ $.09	227.25	
Haulage Supplies			
#18 Truck 480 miles @ $.14		67.20	
Payroll taxes		81.29	
Liability Insurance		112.58	
			$ 2,059.08
			$12,863.68

$ 4.08

COPY

Very truly yours,

R. H. Godbe

R. H. Godbe

FORM 25

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

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 9 1954

Month of December, 1953 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name U.I.A. Mines Company Minerals Tungsten
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $171,400.00 Government Participation: 75% Amount, $128,550.00

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 Contractors:						
Short Form: Drilling - Diamond	1,417.25	1,204.25	2,621.50			
Drilling - Churn		6,700.00	6,700.00			
Blasting - Jack Hammer		1,800.00	1,800.00			
Blasting - Silver Pell-Shot		2,300.00	2,300.00			
Drifting	6,399.00	22,450.00	28,849.00			
Dump truck, air, water lines		1,425.00	1,425.00			
(2) Labor and Supervision:						
Labor 1/2 Foreman	154.04	493.62	647.66			
Supervision	600.00	3,190.00	3,790.00			
Technical Services	300.00	650.00	950.00			
Bookkeeping	200.00	1,025.00	1,225.00			
(3) Operating Materials and Supplies:						
Steel Rods		2,495.66	2,495.66			
Timber and Lagging	58.62	315.43	374.05			
Explosives		1,148.40	1,148.40			
Vent Tubing		1,111.40	1,111.40			
Pipe		4,095.00	4,095.00			
Track		1,969.81	3,079.99			
Diesel Fuel	1,119.78	3,357.17	3,552.27			
Misc. Supplies	195.10					
(4) Operating Equipment:						
Rental Bulldozer & Shovel Hourly Rental		545.12	545.12			
Purchase - Hyster Hoist	300.00	300.00	600.00			
Depreciation	445.73	1,855.29	2,301.02			
(5) Initial Rehabilitation and Repairs		2,803.95	2,803.95			
(6) New Bldgs., Improvements, etc.		3,215.96	3,215.96			
(7) Miscellaneous:						
Repairs to Equipment	332.73	2,120.72	2,453.45			
Sampling and Analysis	56.00	449.43	505.43			
Payroll Taxes	16.66	72.04	88.70			
Liability Insurance	68.78	343.22	411.90			
Pickup Trans.	244.00	1,398.00	1,642.00			
Contraint - Winter	100.00	700.00	800.00			
Misc. Supplies - Water	267.11	2,727.35	1,994.46			
(8) Contingencies (specify):						
Off. & Eng. Supplies	3.41	18.99	22.40			
TOTALS	12,025.01	71,024.71	83,049.72			

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

Date January 21, 54 *Payee U.I.A. Mines Company

Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$9468.76

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

Date FEB 4 1954 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-E481 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Region III Date Jan. 28, 1954.

A. C. Johnson

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMA Field Team Region III Date February 1, 1954

H. C. Miller

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB - 9 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1953 Docket No. DMEA 2683 Contract No. [illegible] 401
Operator's Name M.I.A. Mines Company Minerals Tungsten
Address P. O. Box 150, Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	ft.	7,850.98	243.5	47,218.56	1,338.0	35.34		
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	ft.	1,824.92	446.2	3,029.20	823.9	3.66		
Churn	ft.			6,700.00	1,340	5.00		
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails		400.00		1,346.12				
Supervision & Tech.		350.00		4,340.00				
Bookkeeping		200.00		1,349.00				
Sampling & Analysis		36.00		93.43				
Taxes & Insurance		87.44		200.10				
Total Distributed Costs		11,397.37		65,263.91				Total Costs Authorized by Contract
Rental & Depr. Operating Equipment		715.73		2,901.02				
Initial Rehabilitation and Repairs				8,531.57				
New Buildings, Improvements, etc.				3,315.96				
Transp. Men & Supplies		511.91		3,637.26				
Total Costs		12,625.01		83,049.72				

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

Date 1/21/54 Operator M.I.A. Mines Company

Per [signature] Title Treasurer

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

GPO 83-38475

COMBINED METALS REDUCTION COMPANY

Minerva Tungsten Property - Narrative - December, 1953

January 6, 1954

Paul Gemmill, General Supt. Nevada Mines

R. H. Godbe

Docket No. 2688
Contract No. IDM-E 481

Dear Paul:

During the month of December, progress under the Exploration Project Contract with the Defense Minerals Exploration Administration was as follows:

Scheelite Chief Adit

Core drilling operations were continued throughout the month with a total advance of 446.2 feet.

Minerva DDH #3 was started on November 28 and was at a depth of 80.8 feet on December 1. As previously noted, the hole was designed to intersect the downward rake of the productive zone of the fissure to the west and below the lowest workings of the Silver Bell mine. The hole was bottomed on December 10 at a depth of 249.3 feet. Limestone was penetrated throughout with the exception of a narrow quartz-calcite fissure zone with minor scheelite mineralization from 26.9 to 29.4 feet. A log of the hole with assays is appended. Map A-1621 has been included to show the position and alignment of Minerva DDH #1, #2, and #3.

On completion of DDH #3, the drill was moved to the sub-level drift to explore for the fissure and favorable ore horizon designated in the Exploration Project as Objective Area 1. Previous drifting operations at the sub-level location had failed to locate the faulted segment of the fissure. Three shallow holes, Minerva DDH #4, 5, 6, were completed in this area during the month with excellent results. Minerva DDH #7 was collared on December 28 to explore for the favorable horizon in this block on its eastern extremity in the footwall of the "A" fault. Map A-1614 has been included to show the position and alignment of the drill holes in this area. Individual logs with assays of Minerva DDH #4, 5, and 6 are also included.

Minerva DDH #4 was located about 29 feet from the face of the advanced sub-level drift. The hole was aligned on a N 5° E bearing and a ∠ 5° inclination. Weakly mineralized quartz in a zone between 44 and 51 feet was interpreted to be the fissure at a point below the productive ore horizon.

FORM 25

Minerva DDH #5 was drilled from the same station and bearing alignment but with a ∠ 70° inclination. Favorable scheelite mineralization was obtained between 58 and 65 feet. A weighed average assay here gives 0.61% WO_3 for seven feet.

Minerva DDH #6 was collared at a position approximately 65 feet from the face of the drift. This hole was aligned on a N 15° E bearing and a ∠ 40° inclination. The fissure zone was penetrated between 23.4 and 33.3 feet. Excellent assays were obtained from 23.4 to 27.4 feet, and also 32.2 to 33.3 feet. A weakly mineralized limestone zone exists from 27.4 to 32.2 feet; however a weighed average assay over the 9.9 feet gives 1.20% WO_3.

Silver Bell Mine

Drifting operations continued on the easterly drive on the 3rd level during the month. A total of 243.5 drift feet progress was made by the contractor, and map B-873 is attached to show this work. A prominent N-S easterly dipping fault was encountered about 130 feet from the east edge of the incline. The fault zone required timber for 17 feet. The fissure was off-set to the south in the hanging wall block, and the drift penetrated the fissure in this block at a point approximately 200 feet from the incline. The drift was aligned on the strike of the fissure (N 70° E), and followed until the quartz width narrowed to a few inches. The heading was then stopped in favor of driving on a S 70° E bearing alignment toward the projection of the fissure in CDH #5 to drift elevation. At the end of the month, the drift heading was in a rhyolite porphyry filled fault zone. This fault unquestionably will off-set the fissure to the projected position to drift elevation in the next block, and the fissure should be encountered within the next few rounds.

A productive zone of about 30 feet along the strike of the fissure was undercut during the month. Three cut samples were taken at right angles to the fissure in this zone. Assay results were as follows:

Location	Length of Cut	% WO_3
Spad 305 ∠ 20'	4.0'	0.84
Spad 305 ∠ 31'	3.5'	0.34
Spad 305 ∠ 40'	3.5'	0.88

Diesel fuel, oil, and gasoline requirement costs for December are not included with this month's invoices due to closing of accounts prior to receipt of invoices from suppliers.

Distribution of costs for December, as shown on the Operator's Monthly Report and Voucher, follows:

COMBINED METALS REDUCTION COMPANY

3 January 6, 1954 Paul Gemmill, General Supt. Nevada Mines

Independent Contracts						Overage
		Stage I				
Diamond Drilling	416.9 ft.	@ $3.15	$ 1,313.23			
	29.3 ft.	@ $3.55	104.02			
				$ 1,417.25		
		Stage II				
Drift Footage	243.5 ft.	@ $26.00	$ 6,331.00			
Drift Timbered Sect.	17.0 ft.	@ $4.00	68.00			
				$ 6,399.00		
					$ 7,816.25	
Labor and Supervision						
Supervision			$ 680.00			
Topman (½ D. Botsem Time)			154.04			
Bookkeeper - Clerk (Part-time)			200.00			
Engineer (Part-time)			300.00			
					1,334.04	
Operating Materials and Supplies						
		Stage I				
-Combined Metals Reduction Company-						
Oils, greases, etc.			$ 175.76			
Diesel Fuel			1,115.78			
Sample sacks			16.67			
				1,308.21		
		Stage II				
Ties (100)			$ 58.62			
Rail, spikes, bolts						$ 310.67
Tools and misc.			2.67			
				61.29		
					1,369.50	
Operating Equipment						
		Stage I				
Compressor				119.00		
		Stage II				
100 Kw Generator			85.91			
15 Kw Generator			40.00			
3 Mine Cars			6.00			
Portable Joy Compressor			125.65			
Ventilation Fan			14.17			
Gasoline Driven Hoist			20.00			
Water Pressure Tank			5.00			
Surface Equipment - Silver Bell			300.00			
				596.73		
					715.73	

COPY

FORM 25

COMBINED METALS REDUCTION COMPANY

Rehabilitation and Repairs

None

New Buildings, Improvements, Installations

None

Miscellaneous

Supplying Water			$ 244.71
Repair Parts - C.M.R. Co.			146.89
Repair Parts - Centennial Dev. Co.			14.84
Maintenance Labor			171.00
Assaying			56.00
Road Maintenance for Winter			400.00
Office & Engineering Supplies			3.41
Pickup Trucks			
#46	2,080 miles		
J. Mulse	320 miles		
#44	320 miles		
	2,720 miles	@ $.09	244.80
Haulage Supplies			
#18 Truck	320 miles	@ $.14	32.40
Payroll Taxes			16.66
Liability Insurance			68.78
			$ 1,389.49

TOTALS	$12,625.01	$ 310.67

COPY

Very truly yours,

R. H. Godbe

R. H. Godbe

FORM 25

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1953 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $[illegible] Government Participation: 75 % Amount, $[illegible]

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:						
Diamond Drilling	1,[illegible]	6,[illegible]	[illegible]			
[illegible]	[illegible]	1,800.00	1,800.00			
Crosscutting	2,500.00		2,500.00			
Drifting	2,000.00	19,[illegible]	22,[illegible]			
[illegible]		1,[illegible]	1,[illegible]			
(2) Labor and Supervision:						
Labor	225.37	270.25	495.62			
Supervision	710.00	2,[illegible]	3,[illegible]			
Technical Services	400.00	[illegible]	[illegible]			
(3) Operating Metal and Supplies:	150.00	872.00	1,022.00			
Timber	[illegible]	1,[illegible]	2,[illegible]			
[illegible]	72.00	243.43	315.43			
Explosives	443.00	735.00	1,[illegible]			
Pipe	500.70	[illegible]	1,[illegible]			
Track		4,095.00	4,095.00			
[illegible] Tool	397.02	1,506.19	1,903.21			
Misc. Supplies	272.03	3,024.74	3,297.17			
(4) Operating Equipment & Rental		505.12	505.12			
[illegible]	300.00		300.00			
Depreciation	(534.71)	2,020.00	1,485.29			
(5) Initial Rehabilitation and Repairs	503.39	2,[illegible]	2,[illegible]			
(6) New Bldgs., Improvements, etc.		3,315.96	3,315.96			
(7) Miscellaneous:						
[illegible]	621.25	1,496.47	2,120.72			
Repairs to Equipment	16.00	493.49	509.49			
Sampling and Analysis	1.77	70.27	72.04			
Payroll Taxes	21.07	292.05	313.12			
Liability Insurance	273.50	1,124.40	1,398.00			
[illegible]	[illegible]		[illegible]			
[illegible]	919.71	1,097.64	1,[illegible]			
(8) Contingencies (specify):						
[illegible] Supplies	10.99		10.99			
Add: Disallowance Oct.				943.27		
MF 104 adjusted by operator Nov.	[illegible]	[illegible]	[illegible]			
TOTALS	[illegible]	[illegible]	[illegible]	13,152.63	57,872.08	71,024.71

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

Date 12/21/53 *Payee [illegible]

Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$9864.47

Signature [signature]
(Authorized Certifying Officer)

Date FEB 4 1954 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. 1dm-E481 in accordance with the terms of the contract.

Signature George H. Holmes, Jr. Title Mining Methods Research Engineer Date Dec. 28, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. Miller Title Executive Officer DMEA Field Team Region III Date 12/30/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 2 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1953 Docket No. DMEA 2098 Contract No. DE-[illegible] 401
Operator's Name N.I.A. MINES COMPANY Minerals Tungsten
Address P. O. Box 150, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	5,824.78	100.0	39,373.53	1,092.5	36.04		
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Ft.	1,204.25	382.3	1,204.25	382.3	3.15		
Churn	Ft.	391.50	70.3	6,700.00	1,340.0	5.00		
Auger								
Supervision Technical		1,120.00		3,760.00				
Sampling & Analysis		16.00		449.43				
Trenching								
Test Pits Bookkeeping		150.00		1,025.00				
Roads and Trails		400.00		945.12				
Taxes & Insurance		82.64		415.16				
Total Distributed Costs		9,179.37		53,877.54				Total Costs Authorized by Contract
Oct. Suspension adjusted		942.27						
Rental & Depreciation		(234.71)		2,185.29				
Operating Equipment Purchased		2,672.39		8,520.57				
Initial Rehabilitation and Repairs				3,315.96				
New Buildings, Improvements, etc.		593.91		3,125.35				
Trans. Lab & Supplies								
Total Costs		12,210.36		71,024.71				
		13,152.63						

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

Date 12/21/53 Operator N.I.A. MINES COMPANY

Per [signature] Title Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Minerva Tungsten Property - Narrative - November, 1953.

December 7, 1953

Paul Connill, General Supt. Nevada Mines

E. H. Cadbe

Docket No. 2468
Contract No. IDM-E 481

Dear Paul:

During the month of November, progress under the Exploration Project, Contract with the Defense Minerals Exploration Administration was as follows:

CHURN DRILLING

Minerva C.D.H. #7 was completed on November 17 at a measured depth of 243.3 feet. Drill progress for the month totalled 78.3 feet. The mineralized fissure was encountered at 195 feet. Excellent assay values were obtained in the 195-200 ft. run. In addition the 200-205 ft. run indicated probable ore with a 0.5% WO_3 assay. A probable fault zone was encountered below this area with several open cracks greatly hindering drill progress. A complete log of the hole with assays is appended. Churn drilling operations were suspended indefinitely on completion of this hole.

SCHEELITE CHIEF ADIT

Core drilling operations in the advanced adit were started November 8. Howard Knighton of Henderson, Nevada was awarded the core drilling contract on the basis of his bid, a copy of which is appended. A rate of $5.30 per foot was allowed in the contract with D.M.E.A. Rental of the compressor at the Scheelite Chief Mine together with operating supplies are justified on the basis of low price per foot as awarded to the contractor with compressed air and water being furnished at the drill.

Minerva D.D.H. #1 was aligned to intersect the downward projection of the fissure in the Silver Bell mine at a depth of about 70 feet. The hole was completed at a depth of 123.7 feet on November 13. Two "heavy" calcite zones were penetrated with the actual location of the fissure indefinite. No scheelite was observed in the core. A log of the hole is included.

Minerva D.D.H. #2 was started on November 14. This hole was aligned to intersect the fissure about 100 feet below the Silver Bell mine workings. A mineralized fissure zone was cut between 141.0 and 157.3 feet. Four distinct narrow bands of quartz showed scheelite mineralization, and assays were made of a split core portion in these areas. The hole was bottomed in limestone at a depth of 179.8 feet. Log of the hole with assays is appended.

Minerva D.D.H. #3 was collared on November 28 about 50 feet westerly in the adit from D.D.H. #2 . This hole was designed to intersect the downward rake of the fissure to the west and below the lowest workings of the Silver Bell mine. At the end of the month the hole was advanced 80.8 feet in limestone.

Two slab rounds and a full round were made into the ore showing encountered in driving the main adit. The present face shows several irregular areas up to one foot diameter carrying scheelite, and would be unquestionably classified as waste. Additional exploratory work in this area is warranted, however, to prospect for a a commercial ore body. Work in this area is being carried forward on company account.

SILVER BELL MINE

The contractor's drift crews were transferred to the rehabilitation of the inclined shaft in the Silver Bell mine after completing the main drive in the Scheelite Chief mine on October 31. This work was carried forward by the contractor under a work incentive agreement with the crew. The required surface plant provided at the expense of N. I. A. Mines Co., and drifting operations were started on the 3rd. level. At the end of November the drift had been advanced a measured 100 feet. Map N-873 is attached and shows this progress. The fissure thus far has proven to be very narrow-a quartz width of up to eight inches with scheelite mineralization. The strike of the fissure varies from N400 E to N500 E, and has a northerly dip of 45°. The "usual" fault pattern, with N-S east dipping faults effecting the vein in the hanging wall block to the south, has proven to be the case in advancing this drift. The drift is presently aligned toward the projection to drift elevation of the mineralized fissure in the block delineated by Minerva C.D.H. #6 and #7.

Distribution of costs for November, as shown on the Operator's Monthly Report and Vouchers, follows:

Independent Contracts

			Stages
Stage I			
Chasm Drilling 78.3 ft. @ $5.00	$ 391.50		
Diamond Drilling 362.3 ft. @ 3.15	1,204.25		
		$ 1,595.75	
Stage II			
Rehabilitation Silver Bell Incline	$ 1,800.00		$ 144.92
Skip pocket-3rd. level Silver Bell	800.00		73.31
Drift footage 100 ft. @ $26.00	2,600.00		
		4,900.00	
			$ 6,495.75

Labor and Supervision

Supervision	$ 710.00	
Tegnam (½ D. Dobson Time)	215.37	
Bookkeeper-Clerk(Part-time)	150.00	
Engineer (part-time)	400.00	
		1,475.37

Operating Materials and Supplies			Overage
Stage I			
- Combined Metals Reduction Company-			
Oils, greases, gas	$ 21.26		
2½" Neoprene hose	192.23		
Diesel Fuel	397.48		
Sample Sacks	11.92		
Tools and misc.	13.50		
		$ 636.33	
Stage II			
-Combined Metals Reduction Company-			
Oils, greases, gas	$ 116.32		
Tires (100)	75.00		
2½" Neoprene Hose	324.55		
Pipe Fittings	20.93		
12" Vent line (900 ft.)	413.00		
Tools and misc.	88.50		
		1,038.30	
-Centennial Development Company-			
Drill Steel and bits		680.54	
			$ 2,355.17
Operating Equipment			
Stage I			
Compressor	$ 119.00		
Adjustment-100 KW Generator (3 months)	(942.27)		
		(823.27)	
Stage II			
100 KW Generator (November)	$ 85.91		
15 KW Generator	40.00		
3 Mine Cars	6.00		
Portable Jay Compressor(210 cu. ft.)	125.44		
Ventilator Fan	8.00		
Gasoline driven hoist	30.00		
Water pressure tank	5.00		
Surface equipment-Silver Hall	300.00		
		1,388.56	
			(234.72)
Rehabilitation and Repairs			
Stage II			
Timber	$ 39.14		
Nail, spikes, bolts			201.14
Air line, water inlet to underground storage (2½" neoprene hose)	279.60		
Pipe fittings	22.35		
Misc. (300' 3/8" Cable)	42.30		
			383.39
New Buildings, Improvements, Installations			
None			

Miscellaneous

Supplying water	$	144.71
Repair parts-OMECo.		234.43
Repair parts-Centennial Dev.		91.22 ✓
Maintenance Labor		298.60
Assaying		16.00
Road Maintenance for winter		400.00
Office and engineering supplies		18.99
Pickup trucks		
46 1920 miles		
44 800 miles		
22 320 miles		
3040 miles @ $.09		273.60
Custom Haulage 2 loads		50.00
Custom haulage-compressor returned to Minerva after repairs		25.00
Payroll taxes		1.77
Liability insurance		81.07
		1,733.39
Totals	$ 12,210.36	$ 419.37

Very truly yours,

R. R. Godbe

COPY

Howard H. Knighten
615 California Ave.
Boulder City, Nevada
October 30, 1953

Mr. R. H. Godbe, Geologist
Combined Metals Reduction Company
Caselton Plant,
Pioche, Nevada

Dear Mr. Godbe:

In regard to your letter of September 26, 1953, an invitation to bid on the diamond core drill exploratory program at the Scheelite Chief Mine, Minerva Tungsten property, White Pine County, Nevada.

I would like to submit the accompanying bid for diamond drill work as described in your letter, on the following basis;

1. Drill stations to be located to give working room (5'x7' drift) to efficiently operate drill. 5 foot pull anticipated. Contractor to furnish drill equipment and labor.
2. Drilling AX upward holes to approximate depth of 200 feet. $3.15 per foot.
3. A minimum footage of approximately 1,200 feet guaranteed by the company.
4. If it necessary in some instances to drill deeper than the 200 feet estimated in the bid invitation, hole going 10% beyond the estimated depth of 200 feet- $3.55 per foot from 200 feet to 320 feet.
5. Holes reduced from AX to EX the same unit price of $3.15 per foot to completion. The raising and lowering of casing to be at contractors expense.
6. Reaming of hole from EX to AX for the purpose of regaining lost water and drill sludges after EX casing has been set, $1.75 per foot.
7. Air and water to be furnished by the company at the drill stations at no expense to contractor in sufficient quantity to adequately carry out drilling operations.
8. Diamond drill core and sludges to be properly taken care of by contractor in company furnished core boxes and sludge sacks.
9. Payment to contractor to be made monthly for footage on holes completed.

Living quarters and boarding house for single men to be available for drill crew at the going rate. Rate to be payed as the company designates.

Thanking you for the invitation to bid, I remain.

Yours very truly,

Signed Howard H. Knighten

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

JAN 26 1954

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

Re: Idm-E481, DMEA-2688
M. I. A. Mines Company
White Pine County, Nevada

Dear Mr. Mavor:

Reference is made to your letter of January 23, 1954 relative to the allowable maximums for rehabilitating an adit under the subject contract.

The explanation quoted in your letter appears to be satisfactory. This quotation, together with a reference to its source, should be incorporated in your Audit Report.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
January 26, 1954

Copy to : Docket
Admr. Reading File
Mr. Chambers

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

Defense Minerals Administration
RECEIVED
JAN 23 1954

January 23, 1954

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

Re: Idm-481, DMEA-2688
M.I.A. Mines Company
White Pine County, Nevada

Dear Mr. Chambers;

Reference is made to your letter dated January 14, 1954, in connection with Subject Operator's Audit Report and Certificate, which were returned for certain revisions.

I have discussed with Mr. H. C. Miller, Executive Officer, the question raised in paragraph 2 and 3 of your letter, pertaining to the cost of straightening and widening adit, with an allowable maximum of $1,800.00, and he is of the opinion no disallowance is involved, based on the following facts:

"Due to gauge of battery trammer and mine cars available for the project, being 24" in place of 18", it was necessary to slab slightly more mine rock from the walls of the 1700 foot adit, that was estimated at time of application, when estimated amount was 3,000 cu. ft. Actually 4,020 cu. ft. were slabbed off in widening and straightening the adit. The Company did the slabbing at a cost of .50 cents a cu. ft. or a total cost of $2,010.00, Contract allowed .60 cents for estimated 3,000 cu. ft. for the job or $1,800.00. Therefore Company absorbed the difference of $210.00. It was to the advantage of the Government that a 24" gauge track was used in lieu of 18" gauge track".

In view of the above opinion no further adjusted is contemplated.

On page two, third paragraph of your letter, the question of a further breakdown by items pertaining to New Buildings, Improvements etc. is discussed. I have written the operator for a complete analysis of the costs, and have explained the reason for requesting this information.

The remaining questions discussed in your letter can be readily corrected.

Sincerely yours

George Mavor

George Mavor, Auditor

~~Sincerely yours~~

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

JAN 14 1954

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

Re: Idm-E481, DMEA-2688
M.I.A. Mines Company
White Pine County, Nevada

Dear Mr. Mavor:

Returned herewith for certain revisions are the copies of the Audit Report and Certificate, covering the reference project, which were received with your Reference Slip dated January 5, 1954.

On pages 3 and 4 you have indicated the acceptance of the costs of straightening and widening the adit on the basis of a contract maximum of 3,000 cu. ft. @ $.60 per cu. ft., even though the unit costs to the Operator were only $.50 per cu. ft. The Government may not contribute to costs on a basis of unit prices in excess of those paid by the Operator. It should be noted, however, that the 3,000 cu. ft. was not a contractual allowable maximum, but was the estimated cu. ft. equivalent of a 1700 linear ft. allowable maximum.

Accordingly, the accepted costs properly should be determined on the basis of the cu. ft. of rock removed in rehabilitating not to exceed 1700 linear ft. of drift multiplied by the $.50 per cu. ft. actually paid by the Operator, but not exceeding the allowable maximum of $1,800.00 in total. I realize, of course, that it may not be possible to make an accurate determination of the cu. ft. properly chargeable, but I am sure that, with regional engineering assistance, you can arrive at a reasonable and equitable estimate.

On pages 6 and 9, in relating the expenses of Initial Rehabilitation and Repairs, you state that the entire costs of rail ($1,995.00) have been shown as a cost item under Operating Materials and Supplies, since that is where the Operator has listed it. However, since all of the remaining items (amounting to $2,284.46) also were used in <u>underground</u> rehabilitation, they, likewise, should be transferred to Operating Materials & Supplies. If you will refer to footnote 15 of the Audit Guide, a copy of which was forwarded to you by my memorandum of June 4, 1953, you will note that rehabilitation of shafts and underground workings are <u>not</u> to be included in the audit findings under the title of Initial Rehabilitation and Repairs. It is this Division's audit policy to reflect the distribution of costs in accordance with the definitions

shown in Article 6 of the long form contract and on the reverse of the Form MF-104 even though the items of costs may be improperly listed in the Exhibit "A".

On pages 7 and 9 the bulldozing costs are shown under Operating Equipment Rented. In this case the Exhibit "A" properly listed the item under Independent Contracts since the estimated costs include operator, fuel and oil, necessary supplies, repairs and replacement parts. You will note, also, that the Form MF-104 includes "Bulldozing" as a sub-item under (1) Independent Contracts.

On page 8 depreciation charges of $1,080.82 are shown for certain equipment, which in Exhibit "A" were listed as "To be rented" with a footnote that under certain circumstances these equipment items were to be charged on a monthly depreciation rate equal to 1/60 of the fair market value. The Audit Report should include a statement to substantiate that the "depreciation values" indicated therein are "fair market values". There also is a typographical error on the tenth line of this page where the amount is shown as $1,074.82.

On page 10 are listed the cost items included in the accepted costs of $3,315.96 applicable to New Buildings, Improvements, etc., which are indicated as being within the total allowable maximum of $3,350.00 for this category of costs. It should be noted that by the terms of Article 6(a)(6) of the contract, as well as by insertion of asterisks in the Exhibit "A", each of five specific items have allowable maximum limitations. Accordingly, the costs are for distribution to these specific items. Since your list of materials shows neither poles nor wire, it appears quite possible that one of the items, i. e. the power line @ $156.00, was not installed. If this is so, then even in total the allowable maximums have been exceeded.

On page 12, last line of third paragraph, there is a typographical error. The "1950" should be "1953".

On page 13 the acceptable costs are indicated as including truck mileage @ $.14/mile and supplying water @ $244.71/month, which are the estimated costs shown in Amendment No. 1. The Audit Report must indicate that these were, or at least were not in excess of, the actual costs to the Operator.

On page 15, the status of allowable maximums is incomplete. Since some of the work was performed concurrently and, possibly, the Operator did not keep sufficiently detailed cost distribution records, it may be impossible to show the status of all allowable maximums. However, if this is the case, the Audit Report should contain a justification for the omission of this information. But the status statement should contain as much information as practical to develop from your audit.

My review indicates that a complete statement of the status of allowable maximums would contain the following items:

Item	Allowable Maximum
Stage I	
Independent Contracts	$ 59,165.00
Rehabilitation Main Adit	1,800.00
Laying Track, Air & Water Lines	1,425.00
Drifting	30,000.00
Drift Timbering	600.00
Raising	13,950.00
Bulldozing	240.00
Churn Drilling	4,000.00
Diamond Drilling	7,150.00
(A) Labor, Supervision, Consultants	$ 10,133.00
Supervising Engineer	4,800.00
Engineer	800.00
Bookkeeper-Clerk	1,200.00
(B) Operating Materials & Supplies	$ 15,299.00
Rail	1,260.00
Equipment Rental & Depreciation	$ 12,672.00
Battery Trammer	1,840.00
Underground Rehabilitation Materials	$ 4,370.00
Rail	1,995.00
New Buildings, Improvements & Installations	$ 3,350.00
Fan House	150.00
Power Line	456.00
Compressor, Power & Warehouse Building	1,500.00
Fuel Tank (including installation)	600.00
Water Tank w/pipe (including installation)	644.00
(C) Miscellaneous	$ 10,255.20
Road Maintenance	2,400.00
Stage II	
Independent Contracts	$ 30,410.00
Rehabilitation of Shaft	1,800.00
Construction of Skip Pocket	500.00
Drifting	15,000.00
Drift Timbering	250.00
Raising	5,000.00
Churn Drilling	7,500.00
Bulldozing	360.00
(A) Labor, Supervision, Consultants	$ 6,333.00
Supervising Engineer	3,800.00
Engineer	500.00
Bookkeeper-Clerk	750.00

Item	Allowable Maximum
(B) Operating Materials & Supplies	$ 5,959.00
Rail	585.00
Equipment Rental & Depreciation	$ 7,297.00
Underground Rehabilitation Materials	$ 1,119.00
Rail	315.00
(C) Miscellaneous	$ 4,522.00
Total Costs — Stage I	$115,426.00
Stage II	55,974.00

(A) Includes Bookkeeper-Clerk (Accounting Services) properly distributed in audit summary to item (7) Miscellaneous.

(B) Excludes supplies and materials for underground work improperly listed in Exhibit "A" under item (5) Rehabilitation & Repairs.

(C) Excludes Bookkeeper-Clerk (Accounting Services) improperly listed in Exhibit "A" under item (2) Labor, Supervision & Consultants.

It is with regret that I find it necessary to return this Audit Report and Certificate for the indicated revisions, since it is a clearly written report indicating field work well done on a rather difficult contract. However, where the contract indicates "allowable maximums", even to the extreme involved in this instance, it is a part of our audit responsibility to show that none of the Government's contribution is to costs which, by the terms of Article 5 of the contract, are "for the sole account of the Operator".

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
January 13, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

NOV 25 1953

Mr. George Mayor
DMEA Auditor
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Idaho-1241, DMEA-2668
M. I. A. Mines Company
White Pine County, Nevada

Dear Mr. Mayor:

Reference is made to your letter of November 20, 1953, concerning the allowable costs for a Diesel-Electric Generator Set under the referenced Exploration Project Contract.

Footnote No. 10 in the Exhibit "A" of the Contract specifically states that if any of the equipment, listed as "to be rented", is furnished by the Operator, or an affiliated company, it is to be charged to the project on a monthly depreciation value which is equal to 1/60 of its fair market value, instead of the rental values listed.

Since the Combined Metals Reduction Company, which is definitely an affiliate of the Operator, is furnishing the Diesel-Electric Generator Set and billing the Operator on a rental basis, it appears that this footnote is for application. The method under which this affiliate has procured the equipment is of no concern in determining the project costs to which the Government will contribute.

Accordingly, it appears that the maximum monthly allowable cost for this item of equipment is $85.91 (1/60 of the affiliate's acquisition cost of $5,154.52) on a depreciation basis rather than the $400.00 per month on a rental basis.

Sincerely yours,

SIGNED

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/ama
November 24, 1953

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 23 1953

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

November 20, 1953

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

Re: Idm-E481, DMEA-2688
M. I. A. Mines Company

Dear Mr. Chambers:

Reference is made to Exhibit "A" of subject contract, wherein you will note on page 7, item (4) Operating Equipment, Stage 1, the following rental item:

1 Diesel-Electric Generator set,
220-440 volts, $400.00/mo., 8 months $3,200.00

The contract further states that if any of the equipment under this category is furnished by the M. I. A. Mines Company, or an affiliated company, it is to be charged to the contract on a monthly depreciation value which is equal to 1/60 of its fair market value, instead of the rental values listed.

The first charge made to the cost of the project for the rental of the diesel electric generator was for the month of August 1953, in amount of $400.00, and billed by the Combined Metals Reduction Company invoice dated August 31, 1953, with the following description:

DMEA Project 2688/MIA Mines Co.
Rental - purchase 100 KW Diesel Generator
set, 220-440 volts, Caterpillar D13000 as
specified Exhibit "A", Operating Equipment.
1 Month $400.00

Upon inquiry it developed that the Hub Basin Mining Company had a rental and option to purchase contract with the Paragon Equipment Company covering a Caterpillar Diesel Electric Set. The Hub Basin Mining Company wished to transfer its equity to the Combined Metals Reduction Company and the necessary legal steps were promulgated in

order to consummate the transaction, and in this connection you will find attached hereto the following copies of documents:

		Dated
(1)	Assignment by A. G. Thaning to The Ely National Bank	Sept. 11, 1953
(2)	Supplemental Agreement between Hub Basin Mining Company and Combined Metals Reduction Co.	Aug. 31, 1953
(3)	Paragon Equipment Company letter covering acceptance of terms by Combined Metals Reduction Co.	Aug. 20, 1953
(4)	Letter from The Ely National Bank to Combined Metals Reduction Co. pertaining to assignment of equipment	Sept. 12, 1953

A review of the above documents reveals that the Combined Metals Reduction Company will pay $5,154.52 for the diesel electric generator set, which can be accounted for as follows:

Due	Payments: Paragon Equipment Co.	Payments: Ely Nat'l Bank	Total
Sept. 1, 1953	$550.00	$150.00	$700.00
Oct. 1, 1953	550.00	150.00	700.00
Nov. 1, 1953	550.00	150.00	700.00
Dec. 1, 1953	550.00	150.00	700.00
Jan. 1, 1954	550.00	150.00	700.00
Feb. 1, 1954	523.12	131.40	654.52
	$3,273.12	$881.40	$4,154.52
Add: Initial payment to Hub Basin Mining Co. per agreement 8/31/53			1,000.00
Total cost of diesel electric generator set			$5,154.52

The DMEA contract covers a period of 15 months from January 27, 1953, to April 27, 1954, and the above equipment would be purchased within the life of the contract. If the $400.00 a month rental charge is acceptable, then the rental would be for a period of 8 months from August 1953 to March 1954, or a total of $3,200.00. Then the question would be, should

the Government contribute an additional $1,954.52 in order to have its equity equal to 75% of the total cost of the equipment amounting to $5,154.52.

Then there is another question as to the necessity of the Government participating in a rental purchase agreement which was not authorized by the contract. If the purchase of the equipment is not acceptable under the terms of the contract, then it would appear that depreciation would be charged at 1/60 per month, based on the cost of the diesel electric generator set amounting to $5,154.52.

Your advice on this subject will be appreciated.

Sincerely yours,

George Mayor

George Mayor
Auditor

Enclosures

J. C. KINNEAR, VICE PRES.
H. G. LATHROP, VICE PRES.
D. B. BATES, VICE PRES.

O. G. BATES, PRESIDENT

J. H. BIGGER, CASHIER
JOHN C. RYAN, ASST. CASHIER

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 23 1953

THE ELY NATIONAL BANK

ELY, NEVADA

September 12, 1953

Mr. O. F. Burton, Treasurer
Combined Metals Reduction Company
P. O. Box 150
Salt Lake City 10, Utah

Dear Mr. Burton:

In compliance with the instructions given in your letter of September 2, I enclose herewith supplemental agreement between yourselves and the Hub Basin Mining Company, signed by Alva G. Thaning, together with a copy of their lease agreement with Joseph M. Rosenberg, under which they were purchasing a Caterpillar Diesel Electric Set. On the reverse side of this copy we have prepared an assignment of interest and had it signed by Mr. Thaning for the partnership. You will also find enclosed a copy of the assignment by A. G. Thaning, for the Hub Basin Mining Company, to the Ely National Bank, Ely, Nevada.

On future payments, which start October 1, 1953, will you kindly make your checks in favor of The Ely National Bank for credit of the Hub Basin Mining Company loan.

Yours very truly,

H. G. Lathrop
Vice President

H
G
L/cof

Enclosures 3

SUPPLEMENTAL AGREEMENT
August 31, 1953

WHEREAS; The Hub Basin Mining Company a partnership of Hemet, California and Combined Metals Reduction Company a Utah Corporation made an agreement on July 30, 1953, covering the sale of its interest by said partnership to Combined Metals Reduction Company in a contract made with Paragon Equipment Company covering rental and option to purchase D-13000 Caterpillar Diesel direct connected to a 100 KW electric generator complete with control panel. Serial No. 384234.

WHEREAS; Combined Metals Reduction Company has paid to the Hub Basin Mining Company, one thousand dollars in compliance with said agreement of July 30, 1953, and said partnership has assigned all its interest to Combined Metals Reduction Company in the rental-purchase contract with Paragon Equipment Company.

NOW THEREFORE (1) Combined Metals Reduction Company agrees to pay to the Ely National Bank for account of said partnership the amounts set out at the times listed below:

September 1, 1953	$150.00
October 1, 1953	150.00
November 1, 1953	150.00
December 1, 1953	150.00
January 1, 1954	150.00
February 1, 1954	131.40

(2) and the Hub Basin Mining Company hereby releases to Combined Metals Reduction Company all its rights in said rental-purchase contract of every nature, and acknowledges the completion of the payments listed above will cover all payments due it under agreement of July 30, 1953 and matters related there-to.

Signed,

Hub Basin Mining Company

By Alva S. Fleming

Combined Metals Reduction Company

By [illegible]
President

CABLE: "PAREQUIP" LOS ANGELES
TELETYPE: L. A. 988

NORMANDY 1-2167
1-2168

PARAGON EQUIPMENT COMPANY

2960 MARSH STREET
LOS ANGELES 39, CALIF.

20 August 1953

Combined Metals Reduction Company,
P.O. Box 150,
Salt Lake City 10, Utah.
Attn: Mr. O.F. Burton,
Treasurer

--and--

Hub Basin Mines,
U.S. Tungsten Mining District,
Ely, Nevada.
Attn: Mr. Oliver P. Ensley,
Hemet, California.

Gentlemen:

This communication refers to one Caterpillar Diesel Electric Set, Serial 384234, our property leased by us to Hub Basin Mines.

We understand that Hub Basin Mines wishes to transfer its equity in this equipment to Combined Metals Reduction Company. To this we have no objection. However, in order to simplify this transaction, rather that re-write the existing contract between our firm and Hub Basin Mines, we suggest that Combined Metals Reduction Company continue to make payments on behalf of Hub Basin Mines directly to us. Upon conclusion of the payments outlined below, we guarantee to transfer title in the equipment directly to Combined Metals Reduction Company.

At this time, a balance of $2,618.50 is due us in order to complete the liquidation of the equipment. We agree to accept monthly payments of $550.00 per month commencing 1 September 1953 and each month thereafter to 1 January 1954, followed by a single payment of $523.12 on 1 February 1954, completing the transaction. This payment schedule is based upon application of the monthly rental at the rate of 80% application against balance due.

Due 1 Sept. 53	$550.00	of which 80% equity accruss, leaving net equity of	$440.00
Due 1 Oct. 53	$550.00	" " " " " " " " "	$440.00
Due 1 Nov. 53	$550.00	" " " " " " " " "	$440.00
Due 1 Dec. 53	$550.00	" " " " " " " " "	$440.00
Due 1 Jan. 54	$550.00	" " " " " " " " "	$440.00
Due 1 Feb. 54	$523.12	" " " " " " " " "	$418.50
		Total Equity Applicable	$2,618.50

At that time, in consideration of payments of the amounts specified at time due, title will be transferred.

Nothing herein is to be construed to relieve Hub Basin Mines of its responsibilities with respect to the equipment as specified in the contract between Paragon and Hub.

If this outline is satisfactory to Hub Basin Mines and to Combined Metals Reduction Co., please be kind enough to advise us of your acceptance in writing.

Very truly yours,

PARAGON EQUIPMENT CO.

Joseph M. Rosenberg

OZALIDS FOR:
A.G.Thaning-O.P.Ensley
Paul Gemmill
Frank Anderson
file (2)

ACCEPTED BY:

COMBINED METALS REDUCTION COMPANY

By O.F.Burton, Treasurer

ASSIGNMENT BY A. G. THANING

KNOW ALL MEN BY THESE PRESENTS: That I, the undersigned, A. G. THANING, for and on behalf of myself and my partner, MR. ENSLEY, the said partnership doing business under the name of HUB BASIN MINING COMPANY, A Partnership, do hereby assign to THE ELY NATIONAL BANK [illegible] security for a certain note made and executed under even date herewith in the amount of SIX HUNDRED EIGHTY-ONE 40/100- - - - Dollars, all of the payments which are to be made to the said THE ELY NATIONAL BANK for and on account of the HUB BASIN MINING COMPANY, under the terms of the Supplemental Agreement dated August 31, 1953 wherein payments are due by the COMBINED METALS REDUCTION COMPANY on October 1, 1953 in a sum of One Hundred Fifty Dollars ($150.00), November 1, 1953 in the sum of One Hundred Fifty Dollars ($150.00), December 1, 1953 in the sum of One Hundred Fifty Dollars ($150.00), January [illegible], 1954 in the sum of One Hundred Fifty Dollars ($150.00), and February 1, 1954 in the sum of One Hundred Thirty-one Dollars and Forty Cents ($131.40).

The undersigned hereby expressly authorize and direct the COMBINED METALS REDUCTION COMPANY to make each and all of the said payments to THE ELY NATIONAL BANK, at Ely, Nevada, and to draw all checks for all of said payments hereinabove referred to in the name of the said THE ELY NATIONAL BANK, and the undersigned further covenant that the payment made by the COMBINED METALS REDUCTION COMPANY to the said THE ELY NATIONAL BANK in accordance with the terms of this Assignment shall be a full and complete satisfaction of the indebtedness due from the COMBINED METALS REDUCTION COMPANY to the said undersigned, the said HUB BASIN MINING COMPANY and/or the undersigned's partner, MR. ENSLEY.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 23 1953

Dated this 1 day of September, 1953.

HUB BASIN MINING COMPANY

By _____

MR. ENSLEY

By _____

_____
A. G. Thaning

State of Nevada,
County of White Pine. } ss.

On this 11 day of _____, 1953, personally appeared before me, a Notary Public in and for said County and State, A. G. THANING, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

_____
Notary Public

My Commission Expires: _____

(2 and last)

Form MF-10f (Rev.) April 1952

Budget Bureau No. 42-R1036.4
Approval expires 6-30-54

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

ACCOUNTS DEC 8 1953

Month of October, 1953 Docket No. DMEA 2688 Contract No. IDM-E 481

Operator's Name M.I.A. Mines Co. Minerals Tungsten

Address 218 Felt Bldg., Salt Lake City, Utah

Contract Amount, $171,400.00 Government Participation: 75 % Amount, $128,550.00

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	1,105.00	5,203.50	6,308.50			
Straighten & Widen Adit		1,800.00	1,800.00			
Drifting	7,830.00	12,020.00	19,850.00			
Lay Trk, Air, Water Lines		1,425.00	1,425.00			
(2) Labor and Supervision:						
Labor - 1/2 Topman	227.50	50.75	278.25			
Supervision	500.00	1,900.00	2,400.00			
Technical Services	130.00	120.00	250.00			
Bookkeeping	150.00	725.00	875.00			
(3) Drill Stl. & Bits	358.96	1,446.16	1,805.12			
Timber		240.43	240.43			
Vent Tubing	82.60	652.80	735.40			
Pipe	15.12	589.50	604.62			
Track		4,095.00	4,095.00			
Diesel Fuel	397.44	1,168.75	1,566.19			
Misc. Supplies	200.93	2,884.01	3,084.94			
(4) Operating Equipment:						
Rental Bulldozer & Trans.		545.12	545.12			
Purchase Rental Contract	400.00	800.00	1,200.00	-1200.00	0	0
Depreciation	317.00	903.00	1,220.00			
(5) Initial Rehabilitation and Repairs	136.10	2,284.46	2,420.56			
(6) New Bldgs., Improvements, etc.		3,315.96	3,315.96			
(7) Miscellaneous:						
Repairs to Maint.	559.50	936.97	1,496.47			
Sampling and Analysis	212.00	221.43	443.43			
Payroll Taxes	(38.40)	108.67	70.27			
Liability Insurance	50.78	211.27	262.05			
Pick-up Transp.	125.20	999.20	1,124.40			
Haulage & Supplying Water	114.13	1,293.51	1,407.64			
(8) Contingencies (specify):						
Depreciation				857.73	0	857.73
TOTALS	12,873.86	45,940.49	58,814.35	$11,931.59	45,940.49	57,872.08

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

Date 12/2/53 *Payee M.I.A. Mines Co.

Per ORIGINAL SIGNED BY O. F. BURTON Title Treasurer

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

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

(Instructions on reverse)

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

$8948.69

Signature Merl H. Spencer, Authorized Certifying Officer (Authorized Certifying Officer)

Date DEC 30 1953 Vou. No. SF-DMEA-26

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E481 in accordance with the terms of the contract.

Signature George H. Holmes, Jr. Title Mining Methods Research Engr. Date Dec. 4, 1953.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Rieker for H. C. Miller Title Executive Officer DMEA Field Team Region III Date December 7, 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-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION ACCOUNTS DEC 8 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1953 Docket No. DMEA 2688 Contract No. IDM-E 481
Operator's Name M.I.A. Mines Co. Minerals Tungsten
Address P. O. Box 150, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	9,672.05	391.5	33,553.80	992.5	33.81		
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn	Ft.	1,105.00	221	6,303.50	1,261.7	5.00		
Auger								
Supervision								
Engineering & Technical		630.00		2,650.00				
Sample & Analysis		212.00		433.43				
Accounting Bookkeeping		150.00		875.00				
Roads and Trails				545.12				
Taxes & Insurance		12.38		332.32				
TOTAL DISTRIBUTED COSTS		11,781.43		44,698.17				TOTAL COSTS AUTHORIZED BY CONTRACT
Purchase Rental		600.00		1,200.00				
Depreciation		317.00		1,220.00				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		136.10		5,848.18				
New Buildings, Improvements, etc.				3,315.96				
Transp. Men & Supplies		239.33		2,532.04				
TOTAL COSTS		12,873.86		58,814.35				
		$11,031.59 -942.27		942.27			$57,872.08	

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

REMARKS:

Date 12/2/53 Operator M.I.A. Mines Co.

ORIGINAL SIGNED BY
Per O. F. BURTON Title Treasurer

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

Administrative Audit Difference Statement

Date: December 31, 1953
Payee's
Reference: Contract IDM-E 481
Docket DMEA 2688
M.I.A. Mines Company

M.I.A. Mines Company
218 Felt Bldg.
Salt Lake City, Utah

Gentlemen:

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

Amount Claimed	$	12,873.86
Difference	$	942.27
Amount Approved	$	11,931.59

The reason for the difference was due to:

$1200.00	Disallowed per Interim Audit (March 1, thru Sept. 30, 1953 and letter dated 12/1/53 signed by George Mavor.
357.73	Depriciation in lieu of Purchase Contract for the period August, September and October at $85.91 per month.
$942.27	Total amount disallowed.

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

COMBINED METALS REDUCTION COMPANY

Minerva Tungsten Property-Narrative-October, 1953

November 23, 1953

Paul Gemmill, General Supt. Nevada Mines

R. H. Godbe

Docket No. 2608
Contract No. IDM-E 481

Dear Paul:

During the month of October, progress under the Exploration Project Contract with the Defense Minerals Exploration Administration was as follows:

CHURN DRILLING

Minerva C.D.H. #6 was bottomed at 191 feet on October 13. As noted in last month's report, excellent scheelite values were obtained in the quartz fissure zone (165'-177½'); and low grade mineralization in both the hanging wall limestone (135'-165') and footwall limestone (177½' to bottom). A complete log of this hole with assays was appended to the September report.

Minerva C.D.H. #7 was collared on October 16. The location of this hole is as follows: Coordinates: N. 4,039.3 E. 13,594.8 Cellar elevation: 4,956.5. The hole penetrated 18 feet of wash and followed by blue limestone to a depth of 165 feet on October 31. This hole was afterward bottomed on November 17 at a measured depth of 243.3 feet. The mineralized fissure zone was encountered in the 195' - 200' run with excellent values. A probable fault zone was encountered between 200 and 220 feet. Several open cracks greatly hindered drill progress in this area. Very minor particles of scheelite were noted by mineral lamp in the drill cuttings below the "open crack" area. Assay results available at this time are as follows:

Depth	WO_3 - Unwashed Sludge	WO_3 - Washed
150-155	0.05	0.05
155-160	0.05	0.05
190-195	0.05	0.06
195-200	0.94	1.54

Churn drilling operations were suspended indefinitely on completion of Minerva C.D.H. #7. Results of drilling in the previously unexplored area to the east of the Silver Bell incline (Objective Area 6) indicates an extension of the known ore shoot for a strike length of about 575 feet. Assuming a vein dip of 45° to the north, an apparent vein strike of S84° E with minor faulting is indicated. The three churn drill holes (Minerva C.D.H. #5, #6, & #7) have all penetrated mineralization in the fissure above the 3rd. level of the Silver Bell mine. Drifting operations to the east on this level are currently under way.

FORM 25

SCHEELITE CHIEF ADIT

Drift progress for the month of October in the main drive toward Objective Area 4 totalled 290.5 feet. Total drift footage in this drive measured 845.5 feet. Approximately 850 feet was allocated for this work in the contract. The last round was mucked out on day shift of October 31. Reference is made to accompanying map A-1621 showing this progress. No additional mineralized zones were encountered in this work.

A total of 161 feet progress was made during the month in the sub-level drift (Objective Area 1). Work here has been suspended pending approval of requested amendments to the contract for diamond drilling exploration to locate the favorable ore horizon within the fissure, and afterward provide an entry.

Mr. Howard Knighton, core drilling contractor, of Henderson, Nevada was awarded the diamond drilling work in the Scheelite Chief adit. Knighton started moving his equipment to Minerva on November 4 and, following requisite preliminary work, started drilling operations on November 8. Minerva D.D.H. #1 was started at the following location: Coordinates: N. 4,326.3 E. 12,486.5 Collar elevation: 4,343.8 Course: N. 5° W Inclination: + 45°. This hole was aligned to intersect the downward projection of the fissure in the Silver Bell mine at a depth of about 70 feet. The hole was bottomed at 135.7 on November 16 with inconclusive results in regard to the fissure location. A heavy calcite zone was noted from 37-43½ feet. In addition a very silicified zone with much calcite was penetrated at 112.5 feet and continued to near the bottom of the hole. All other core would be classified as a mottled blue and/or black limestone. No scheelite mineralization was found under a mineral lamp. Minerva D.D.H. #2 was then started at the same drill location in the drift. This hole was aligned to intersect the favorable ore horizon in the fissure on the downward projection below the lowest workings of the Silver Bell mine. A transit tie has not been made as yet to this hole for coordinates. The hole was aligned on a S25° E course and an inclination of + 77°. At this writing the hole has been advanced about 100 ft. with the objective at approximately 150 feet.

SILVER BELL MINE

Upon completion of the drift work in the main drive in Scheelite Chief adit on October 31, the contractors' crew was transferred immediately to the prescribed rehabilitation job from the collar to the 3rd. level of the Silver Bell mine. The required surface plant was concurrently provided, as agreed to in the contract, at the sole expense of the M. I. A. Mines Company. Facilities provided include headframe, hoist house, gasoline driven hoist, skip(23 cubic ft. capacity for 30" gauge track), underground water storage (1,000 gal.), diesel fuel storage (600 gal.), gasoline storage, etc. Rehabilitation work including required preparatory excavation on the 3rd. level and skip loading pocket were completed by the contractor on November 18. Drifting operations to the east from the incline are currently under way.

Distribution of costs for October, as shown on the Operator's Monthly Report and Voucher, follows:

COMBINED METALS REDUCTION COMPANY

3 November 23, 1953 Paul Gemmill, General Supt. Nevada Mines

				Overhead
Independent Contracts				
Churn Drilling	221 feet @ $5.00	$ 1,105.00		
Drift Footage	391.5 feet @ 20.00	7,830.00		
			$ 8,935.00	
Labor and Supervision				
Superintendent		$ 500.00		
Foreman (½ D. Between Time)		227.50		
Bookkeeper-Clerk (Part Time)		150.00		
Engineers (Part Time)		130.00		
			$1,007.50	
Operating Materials & Supplies				
Stage I (Scheelite Chief)				
-Combined Metals Reduction Co.-				
Tools & Mine.	$78.65			
Mine Truck(Max. previously Exceeded)				236.00
Pipe Fittings	62.09			
12" Flexible Vent Line 100 ft.	82.60			
Diesel Fuel 2,160 gal.	377.44			
Oils, Greases, Compressor gas	52.79			
Sample Sacks	1.40			
		$ 688.97		
-Centennial Development Co.-				
Drill Steel and Bits		356.96		
Stage II (Silver Bell)				
-Combined Metals Reduction Co.-				
1" Pipe 120 ft.		15.12		
			$ 1,055.05	
Operating Equipment				
15 KW Diesel		$ 40.00		
2 Five H.P. Fans		12.00		
Water Pressure Tank		5.00		
10 Mine Cars		20.00		
Battery Trammer		115.00		
Battery Trammer(correction for July, Aug. Sept.)		6.00		
Compressor		119.00		
75 KW Diesel (purchase-rental with allowable max.)		400.00		
			$ 717.00	
Initial Rehabilitation and Repairs (Stage II)				
Mine Truck (max. previously exceeded)				216.82
1" Pipe 300 feet		$ 37.80		
Pipe Fittings		17.56		
Tools & Mine.		14.46		
Timber		66.28		
			$ 136.10	

COPY

FORM 25

COMBINED METALS REDUCTION COMPANY

4 November 23, 1953 Paul Cassill, General Supt. Nevada Mines

New Buildings, Improvements, etc.			Overage
None			
Miscellaneous			
Repair Parts - G. M. R. Co.		$ 169.18	
Repair Parts - Centennial Dev. Co.		47.81	
Maintenance Labor		317.51	
Assaying		212.00	
Pickup trucks			
#44 800 Miles @ .09	$72.00		
#44 (Correcting June Invoice)	10.00		
#22 320 Miles @ .09	28.80		
#53 160 Miles @ .09	14.40		
		125.20	
Custom Haulage 1 load		25.00	
Custom Haulage-Compressor to Cascalton for repairs		25.00	
Supplying Water		244.72	
Adjustment for overcharge for water (July-Aug.)		(155.56)	
Payroll Taxes		5.05	
Liability Insurance		40.95	
Payroll Taxes (Adjustment for April-September)		(43.45)	
Liability Ins. (Adjustment for April-September)		(9.77)	
		$ 1,023.21	
Totals		$ 12,873.86	$ 453.62

Very truly yours,

R. H. Godbe

R. H. Godbe

COPY

FORM 25

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS NOV 24 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1953 Docket No. DMEA 2688 Contract No. IDM-E 481
Operator's Name M.I.A. MINES COMPANY Minerals Tungsten
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $171,400.00 Government Participation: 75 % Amount, $128,550.00

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	1,205.00	3,998.50	5,203.50			
Straighten & Widen Adit		1,800.00	1,800.00			
Drifting	6,660.00	5,360.00	12,020.00			
Lay track, air, water lines		1,425.00	1,425.00			
(2) Labor and Supervision:						
Labor - 1/2 Topman	50.75		50.75			
Supervision	500.00	1,400.00	1,900.00			
Technical Services	150.00	695.00	845.00			
(3) Operating Mat'ls. and Supplies:						
Drill steel & bits	1,446.16		1,446.16			
Timber (Incl. ties)	119.50	120.93	240.43			
Vent tubing	326.40	326.40	652.80			
Pipe	192.72	396.78	589.50			
Track		4,095.00	4,095.00			
Power, diesel fuel, wire, switches	1,807.44	1,400.91	3,208.35			
Misc. Supplies	251.14	593.27	844.41			
(4) Operating Equipment:						
Rental Bulldozer & Transp.		545.12	545.12			
Purchase - Rental Contract	400.00	400.00	800.00			
Depreciation	309.00	594.00	903.00			
(5) Initial Rehabilitation and Repairs		2,284.46	2,284.46			
(6) New Bldgs., Improvements, etc.		3,315.96	3,315.96			
(7) Miscellaneous:						
Repairs Maint.	498.12	438.85	936.97			
Sampling and Analysis	52.00	169.43	221.43			
Payroll Taxes	19.38	89.29	108.67			
Liability Insurance	42.36	168.91	211.27			
Pick-up Transp.	188.40	810.80	999.20			
Haulage & Supplying water	294.71	998.80	1,293.51			
(8) Contingencies (specify):						
TOTALS	14,513.08	31,427.41	45,940.49			

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

Date Nov. 5, 1953 *Payee M.I.A. MINES COMPANY

Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$10,284.81

Signature [signature]
(Authorized Certifying Officer)

Date Vou. No. SF-DMCA-26
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E481 in accordance with the terms of the contract.

Signature George H. Holmes, Jr. Title Mining Methods Research Engr. Date Nov. 17, 1953.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date November 19, 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-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS NOV 24 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1953 Docket No. DMEA 2688 Contract No. IDM-E 481
Operator's Name M.I.A. MINES CO. Minerals Tungsten
Address P. O. Box 150, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	11,352.23	333	23,881.75	601	39.74		
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn	Ft.	1,205.00	241	5,203.50	1,040.7	5.00		
Auger								
Supervision &								
Technical		650.00		2,745.00				
Sample & Analysis		52.00		221.43				
Roads and Trails				545.12				
Taxes & Insurance		61.74		319.94				
TOTAL DISTRIBUTED COSTS		13,320.97		32,916.74				TOTAL COSTS AUTHORIZED BY CONTRACT
Purchase Rental		400.00		800.00				
Depreciation		309.00		903.00				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				5,712.08				
New Buildings, Improvements, etc.				3,315.96				
Trans. Men & Supplies		483.11		2,292.71				
TOTAL COSTS		14,513.08		45,940.49				

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

Date November 5,1953 Operator M.I.A. MINES COMPANY

Per [signature] Title Treasurer

REMARKS: Drifting "Units to Date" for August was erroneously listed as 186 feet. The correct figure is 268 feet with a unit cost of $46.75.

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

Minerva Tungsten Property-Narrative-September, 1953

October 23, 1953

Paul Bennill, General Supt. Nevada Mines

A. M. Gaebe

Docket No. 2668
Contract No. 1[illegible]-4 481

Dear Paul:

During the month of September, progress under the Exploration Project Contract with the Defense Minerals Exploration Administration was as follows:

DRILLING

Minerva D.D.H. #5 was at a depth of 60 feet at the end of August. The hole was completed at a measured depth of 166 feet on September 16. As previously described in the August report, the fissure was penetrated at 129 feet and passed through an undefined footwall zone between 145 and 155 feet. Under a mineral lamp, very definite scheelite mineralization was apparent, however assay results were low. The only assay of significance was from 135 to 137½ feet giving about 0.20% tungsten trioxide. A complete log of the hole with assays is appended.

On September 19 Minerva D.D.H. #6 was collared at elevation 5,932.6 about 92 feet easterly (N79°E) from D.D.H. #5. First scheelite mineralization was encountered in the 135-140 ft. run. Low grade mineralization continued to about 165 feet where the hanging wall of the main quartz fissure was penetrated. Excellent scheelite values were indicated in the quartz zone with the footwall located at about 177½ feet. Pertinent assay results follow:

Depth	% WO_3
135-140	0.11
140-162½	0.02 to 0.06
162½-165	0.09
165-170	0.02
170-172½	0.28
172½-175	1.40
175-177½	0.61
177½-180	0.08
180-190	0.02

The hole was at a depth of 135 feet at the end of September, and was completed at a depth of 191 feet on October 13.

Minerva D.D.H. #7 was located about 140 feet N80°E from D.D.H. #6, and drilling operations resumed on October 16.

SCHEELITE ORIAY MINE

Drift progress for the month of September in the main drive toward Objective Area 4 totalled 287 feet. Reference is made to map A-1618 showing this progress. As shown on the map, scheelite mineralization was encountered in a flat thrust fault zone early in the month. The area is highly brecciated with some silicification. Scheelite mineralization occurs for about 65 feet in the drift. One area for about 12 to 15 feet along the north wall and over the back indicates a probable ore zone. A six feet vertical cut (floor to 2 feet to back) assayed 0.65% WO_3; and a five foot horizontal cut across the back assayed 1.00% WO_3.

A total of 46 feet progress was made during the month in the sub-level drift being driven southeasterly toward Objective Area 1. This drift has been advanced through limestone in the hanging wall of the fault bounding the stope. October progress has advanced this drift to a total footage in excess of 100 feet. The faulted segment of the vein has not yet been reached. The contract agreement with the government calls for 100 feet of drift and a 50 foot raise to the mineralized zone. It is proposed to continue the drift as presently aligned to the vein and substitute drift equivalent footage for raise footage.

Indications are that the main drive of 850 feet will be completed by the contractor on or about November 1. Bid invitations have been forwarded and bids received from diamond drilling contractors for the drilling program outlined for the Scheelite Chief mine. Plans are being carried out at the present time to provide the needed surface plant at the Silver Ball mine. On completion of the main drive, the drift crews will be transferred to the rehabilitation job in the inclined shaft at the Silver Ball mine. The diamond drilling program can then be efficiently carried out in the advanced main drift adit.

Formal approval of the proposed modification of the contract to allow the company to provide water to the operation by means other than hauling has been received. This modification allows $244.71 per month for supplying water during the project. Actual water haulage costs for August totalled $290.00. The excess amount must be carried by M.I.A. Mines Company.

Distribution of costs for September, as shown on the Operator's Monthly Report and Voucher, follows. Invoices covering carbide-insert type steel for the drift work thus far have been received from the contractor, and are included this month.

Approximately 1600 additional gallons of diesel fuel was delivered during September and must be included in the October accounting due to bookkeeping entries.

				Overage
DEVELOPMENT CONTRACTS				
Churn Drilling	241 feet @ 5.00	$ 1,205.00		
Drift Footage	333 Feet @ 20.00	6,660.00		
			$ 7,865.00	
LABOR AND SUPERVISION				
Supervision		500.00		
Technical Services		150.00		
Topman (½ Mr. Dobson time)		50.75		
			700.75	
OPERATING MATERIALS AND SUPPLIES				
-Combined Metals Reduction Company-				
Tools and Mine.		145.85		
Timber		7.00		
Drill steel and bits		37.40		
Oils and Grease		58.89		
Ties 150 (4" x 6" x 38")		112.50		
Mine Track (max. previously exceeded)				148.50
Pipe Fittings		16.02		
Neoprene Hose 200 Feet		139.80		
1" Pipe 420 Feet		52.92		
12" Flexible Vent Line 400 Feet		326.40		
Diesel Fuel 2,160 Gal.		397.44		
#4-3 Cond. Cable (used) 1,410 ft.		1,410.00		564.00
Sample Sacks		7.40		
			2,711.68	
-Centennial Development Company-				
Drill Steel and Bits		1,408.76		
Mine Track (max. previously exceeded)				8.08
Tools and Mine.		22.98		
			1,431.74	
OPERATING EQUIPMENT				
15 KW Diesel		40.00		
Water Pressure Tank		5.00		
2 Five H.P. Fans		12.00		
10 Mine Cars		20.00		
Battery Trammer		113.00		
Compressor		119.00		
75 KW Diesel-purchase-rental with allowable max.		400.00		
			709.00	
REHABILITATION AND REPAIRS				
None				

Miscellaneous

Repair Parts - C. N. M. Co.			302.18	
Repair Parts-Centennial Dev. Co.			31.95	
Maintenance Labor-C. N. M. Co.			163.99	
Assaying 26 det. @ $2.00			52.00	
Pickup Trucks				
#22 480 Miles @ $.09	$ 43.20			
#46 1,280 Miles @ .09	115.20			
Centennial Pickup				
300 Miles @ $ .10	30.00			
			188.40	
Custom Haulage 2 Loads @ $25.00			50.00	
Supplying Water			244.71	
Payroll Taxes			19.38	
Liability Insurance			42.36	
				1,094.97
Totals			$ 14,513.08	$ 720.58

Very truly yours,

R. E. Wedbe

R. E. Wedbe

Form DMEA-104 (Rev.)
(April 1952)*

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

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

Month of August, 1953 Docket No. DMEA 2688 Contract No. Idm E 481
Operator's Name MIA MINES COMPANY Minerals Tungsten
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $ 171,400.00 Government Participation: 75 % Amount, $ 128,550.00

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	625.00	3,373.50	3,998.50			
Straighten & Widen Adit		1,800.00	1,800.00			
Crosscutting						
Drifting	5,360.00		5,360.00			
Lay Track, air, & Water Lines		1,425.00	1,425.00			
(2) Labor and Supervision:						
Labor						
Supervision	400.00	1,000.00	1,400.00			
Technical Services	150.00	545.00	695.00			
(3) Operating Mat'ls. and Supplies:						
Timber	68.43	52.50	120.93			
Vent Tubing		326.40	326.40			
Pipe	174.75	222.03	396.78			
Track		4,095.00	4,095.00			
Diesel Fuel	352.49	1,048.42	1,400.91			
Misc. Supplies	379.54	213.73	593.27			
(4) Operating Equipment:						
Dozer & Transportation		545.12	545.12			
Rental Contract	400.00		400.00			
Depreciation	297.00	297.00	594.00			
(5) Initial Rehabilitation and Repairs		2,284.46	2,284.46			
(6) New Bldgs., Improvements, etc.		3,315.96	3,315.96			
(7) Miscellaneous:						
Repairs & Maintenance	328.72	110.13	438.85			
Sampling and Analysis	120.23	49.20	169.43			
Payroll Taxes	18.43	70.86	89.29			
Liability Insurance	42.35	126.56	168.91			
Pickup Transportation	230.40	580.40	810.80			
Haulage	370.00	628.80	998.80			
(8) Contingencies (specify):						
TOTALS	9,317.34	22,110.07	31,427.41			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Sept. 30, 1953 Payee MIA MINES COMPANY
Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$6988.00

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

Date OCT 2 2 1953 Vou. No. SF-DMEA-222

(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-E481 in accordance with the terms of the contract.

Signature R. C. Johnson Title Chief, Mining Div., Region III Date Oct. 12, 1953.

A. C. Johnson

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date October 13, 1953

H. C. Miller

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form 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 OCT 14 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1953 Docket No. DMEA 2688 Contract No. Idm E 481
Operator's Name MIA MINES COMPANY Minerals Tungsten
Address P. O. Box 150, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft	6663.93	~~186~~ 268	12,529.52	~~186~~ 268	67.36		
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn	Ft	625.00	125	3,998.50	799.7	5.00		
Auger								
~~Sample~~ Sample & Analysis		120.23		169.43				
~~Taxes~~ Taxes & Ins.		60.78		258.20				
Test Pits								
Roads and Trails				545.12				
Supervision & Tech.		550.00		2,095.00				
TOTAL DISTRIBUTED COSTS		8019.94		19,595.77				TOTAL COSTS AUTHORIZED BY CONTRACT
Purchase, Rental		400.00		400.00				
Depreciation Operating Equipment Purchased		297.00		594.00				
Initial Rehabilitation and Repairs				5,712.08				
New Buildings, Improvements, etc.				3,315.96				
Trans. Men & Supplies		600.40		1,809.60				
TOTAL COSTS		9317.34		31,427.41				

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

Date Sept. 30, 1953 Operator MIA MINES COMPANY

By [signature] Title Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

COMBINED METALS REDUCTION COMPANY

Minerva Tungsten Property - Narrative - August, 1953

September 20, 1953

Paul Gemmill, General Supt. Nevada Mines

R. R. Cadbe

Docket No. 2688
Contract No. IDM-E 481

Dear Paul:

During the month of August, progress under the Exploration Project Contract with the Defense Minerals Exploration Administration was as follows:

Churn Drilling

Minerva C.D.H. #4 was at a depth of 180 feet at the end of July. This hole was completed at a depth of 245 feet on August 15. The hanging wall of the quartz fissure was encountered at 229 feet and the footwall at about 237 feet. The balance of the hole was in a light gray limestone. Definite scheelite mineralization was apparent in the fissure zone under a mineral lamp. Our assay results of the unwashed sludge gave a WO_3 content in the order of 0.05% to 0.07%. Assay results as determined by the U.S. Bureau of Mines are not as yet available. A complete log of the hole with assays is appended.

On completion of C.D.H. #4, the rig was moved to the area east of the Silver Ball incline, designated as Objective Area 6 in the Exploration Project Contract. Minerva C.D.H. #5 was collared on August 20 and was at a depth of 60 feet at the end of the month. A total of 25 feet of wash was penetrated and followed by limestone to 60 foot depth. This hole was afterward bottomed at a measured depth of 166 feet. The fissure was penetrated at 129 feet and passed through an indefinite footwall zone between 145 feet and 155 feet. The cuttings from 155 feet to the bottom were of a blue limestone with a little shale noted. Excellent scheelite mineralization was noted under a mineral lamp from 130 to 140 feet. Rapidly decreasing values were indicated at lower depths. A surveyed tie (transit-stadia) gives the following location of this hole:
Coordinates (N. 3,993.3 E. 13,350.3), Collar Elev. 6,920.6.

Minerva C.D.H. #6 has been started at the following location: Coordinates (N. 4,009.7 E. 13,441.1), Collar Elev. 6,932.6.

Scheelite Chief Adit

The Centennial Development Co., contractor, completed the rehabilitation of the main adit the first of August and commenced the main drive on this level on August 3. This drift alignment was made on a S 77° 38' E bearing. During the month the heading was advanced a total of 268 feet in a very hard, siliceous limestone. After a two week period the "throw-away" type Hiddiscah bits used with standard one and one eighth inch round steel had to be discarded in favor of carbide-insert type steel. A drill round

COMBINED METALS REDUCTION COMPANY

SHEET 2 DATE September 20, 1953 Emil Gemmill, Gen. Supt. Nevada Mines

averaging 27 holes using a burn cut with a large unloaded hole in the center has proven successful. The contractor has furnished all of its carbide-insert type steel and invoice for same has not been received or included in this month's figures.

Work was undertaken toward the end of August to rehabilitate the steeply inclined raise to the sub-level location of the 100 foot drive and probable raise to Objective Area 1.

Distribution of costs for August, as shown on the Operator's Monthly Report and Voucher follow. As previously noted, the cost of carbide-insert type steel is not included this month. In addition the following major items must be included in the September accounting due to bookkeeping entries:

1410 feet of used AWG #4 3 conductor cable
1500 gal. diesel fuel (delivered to property 8/26/53.)

Independent Contracts

Churn Drilling 125 feet @ $ 5.00 = $ 625.00		
Rehabilitate Schealite Chief Adit (straighten and widen)		
--allowable max. previously exceeded - 110 cu. ft. @ $ .50		$ 55.00
(Track, air, water lines) --allowable max. previously exceeded - 36 ft. @ $ .75		27.00
(Switches) --not allowed for in contract -		
4 switches @ $ 20.00 (July)		80.00
1 switch @ $ 20.00 (Aug.)		20.00
Note - An allowable maximum of $ 1,800.00 was given for straighting and widening of the adit in the contract. The July invoice from Centennial Development Co. totalled $2,010.00 (4,020 cu. ft. @ $ .50 per cu. ft.) The average was incorrectly listed as $612.00, or an excess of $402.00		(402.00)
Drifting (5' x 7' drift) 266 feet @ $ 20.00	$5,320.00	
		$ 5,985.00

Labor and Supervision

Supervision	$400.00	
Technical Services	150.00	
		$ 550.00

FORM 23

COMBINED METALS REDUCTION COMPANY

SHEET 3 DATE September 20, 1953 TO Paul Gemmill, Gen. Supt. Nevada Mines

			OVERAGE
Operating Materials and Supplies			
Mine track (max. previously exceeded)			$ 29.10
2½" neoprene hose 250 ft. @ .699	$174.75		
Drill steel and bits	148.09		
Timber	68.43		
Tools and misc. supplies	161.56		
Pipe fittings	88.45		
Diesel fuel 1,080 gal. .184	198.72		
Greases and oils	6.44		
Electric cable	127.75		
Electric switches	24.08		
		$ 975.21	
Operating Equipment			
Battery trammer complete with two 20 cell batteries, control panel, and M.G. set (1/60 x $6,900)	$113.00		
Compressor (1/60 x $7,146)	119.00		
10 mine cars (1/60 x $120 x 10)	20.00		
15 KW Diesel-Elec. Generator (1/60 x $2,400)	40.00		
Diesel-electric generator Caterpiller D-13000, purchase-rental (allowable max.)	400.00		
Water pressure tank	5.00		
		$ 697.00	
Rehabilitation and Repairs			
None			
New Buildings, Improvements, Installations			
None			
Miscellaneous			
Repair parts	$ 3.72		
Maintenance labor	325.00		
Assaying - August 14 @ $2.00	28.00		
Assaying-correction July invoice	75.00		
Sampling (sample sacks)	17.23		
Custom haulage 1 load @ $25.00	25.00		
Water haulage 69 loads @ $5.00	345.00		
Pickup trucks			
#22 960 Miles @ $ .09			
#46 1600 Miles @ $ .09			
-or 2,560 Miles @ $ .09	230.40		
Payroll taxes	18.43		
Liability insurance	42.35		
		$1,110.13	

FORM 23

COMBINED METALS REDUCTION COMPANY

SHEET 4 September 20, 1953 Paul Jewill, Gen. Supt. Nevada Mines

Totals	$ 9,317.34	($ 190.90)

Very truly yours,

R. E. Cobb

R. E. Cobb

COPY

FORM 23

Form M1-204 (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 SEP 14 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1953 Docket No. DMEA 2688 Contract No. DMEA 481
Operator's Name M. I. A. Mines Company Minerals Tungsten
Address 218 Felt Building, Salt Lake City, Utah
Contract Amount, $171,400.00 Government Participation: 75 % Amount, $128,550.00

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	915.00	2,458.50	3,373.50			
Straighten Timbering & Widen Adit.	1,800.00		1,800.00			
Crosscutting						
Drifting						
Lay Track, Air, & Water Lines	1,053.75	371.25	1,425.00			
(2) Labor and Supervision:						
Labor						
Supervision	360.00	640.00	1,000.00			
Technical Services	150.00	395.00	545.00			
(3) Operating Mat'ls. and Supplies:						
Timber (Ties)	52.50		52.50			
Vent Tubing	326.40		326.40			
Pipe	88.07	133.96	222.03			
Track		4,095.00	4,095.00			
Power Diesel Fuel	864.50	183.92	1,048.42			
Misc. Supplies	105.42	108.31	213.73			
(4) Operating Equipment:						
Rental Bulldozer & Trans.		545.12	545.12			
Purchase						
Depreciation	297.00		297.00			
(5) Initial Rehabilitation and Repairs	1,464.29	820.17	2,284.46			
(6) New Bldgs., Improvements, etc.		3,315.96	3,315.96			
(7) Miscellaneous:						
Repairs to Equipment	110.13		110.13			
Sampling and Analysis	32.40	16.80	49.20			
Payroll Taxes	14.28	56.58	70.86			
Liability Insurance	25.50	101.06	126.56			
Pick-up Trans.	201.60	378.80	580.40			
Haulage	375.00	253.80	628.80			
(8) Contingencies (specify):						
TOTALS	8,235.84	13,874.23	22,110.07			

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

Date Aug. 31, 1953 *Payee M. I. A. Mines Company

ORIGINAL SIGNED BY
Per O. R. ANTON Title Treasurer

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

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

(Instructions on reverse)

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

$6176.88

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

SEP 1953

Date 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. Idr-2481 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Region III Date Sept. 11, 1953.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Ricker for H. C. Miller Title Executive Officer DMEA Field Team Region III Date September 14, 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

ACCOUNTS SEP 14 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 195 3 Docket No. DMEA 2688 Contract No. TDM-E 481
Operator's Name M. I. A. Mines Company Minerals Tungsten
Address 218 Felt Building, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting		1,572.02		5,890.59				
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn		915.00	183	3,373.50	674.7	5.00		
Auger								
Equipment Depreciation		297.00		297.00				
Misc. Supplies		7.60		24.20				
Taxes & Ins.		39.78		197.42				
Roads and Trails				545.12				
Supervision & Technical		510.00		1,545.00				
TOTAL DISTRIBUTED COSTS		3,341.20		11,872.83				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		4,318.04		5,712.08				
New Buildings, Improvements, etc.				3,315.96				
Transportation Man &		576.60		1,209.20				
TOTAL COSTS Supplies		8,235.84		22,110.07				

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. 31, 1953 Operator M. I. A. Mines Company

ORIGINAL SIGNED BY
Per O. F. BITTON Title Treasurer

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Minerva Tungsten Property Narrative - July, 1953

August 10, 1953

Paul Gemmill, General Supt. Nevada Mines

R. H. Godbe

Docket No. DMEA 2688
Contract No IDM-E 481

Dear Paul:

During the month of July, progress under the Exploration Project Contract with the Defense Minerals Exploration Adminstration was as follows:

Churn Drilling

As noted in the June report, Minerva C.D.H. #3 was bottomed on July 8th at 127 feet and still within the quartz fissure zone. Minerva C.D.H. #4 (coordinates N. 4,313.1 E. 12,122.0; collar elevation 6,736.0) was collared on July 10 and was at a depth of 180 feet at the end of the month. This hole was designed to penetrate the hanging wall of the quartz fissure at about 250 feet. The hole thus far has drilled through 25 feet of wash and the balance limestone.

REHABILITATION - SCHEELITE CHIEF ADIT

The Centennial Development Company very nearly completed the rehabilitation of the Scheelite Chief adit during the month. Work included widening and straightening of the adit together with installation of 24" gauge track, water and air lines. A total of 4,020 cubic feet of rock in place was removed. The original estimate and "allowable" slabbing was for 3,000 cubic feet. The excess required was largely due to modification from 18" to 24" gauge track together with excavation for a battery charging station. Drift advance in the main heading was under way in early August.

Distribution of costs for July, as shown on the Operator's Monthly Report and Voucher follows:

Independent Contracts			Overage
Churn Drilling 183 feet @ $5.00	$915.00		
Rehabilitate Scheelite Chief Adit (straighten and widen)			
- allowable max 3,000 cu ft @ 60¢	1,800.00		
- excess overallowable 1,020 cubic feet @ 60¢			$ 612.00
(track, air water lines)			
- to allowable max 1,405 @ 75¢	1,053.75		
- excess over max 135 @ 75¢			101.25
		$3,768.75	

Labor and Supervision

Supervision	360.00	
Technical Services	150.00	
		$ 510.00

Operating Materials and Supplies

(Mine track (max. previously exceeded)			106.18
2½" neoprene hose 126 ft @ .699	88.07		
12" flexible vent tubing 400 ft @ .816	326.40		
Pipe Fittings	55.96		
Ties 70 @ $.75	52.50		
Diesel fuel 1,080 gal @ .184	198.72		
1,005 gal @ .189	189.95		
Electric switches & transformer	146.58		
#10 3 cond. wire 250 ft @ .337	84.25		
#8 3 cond wire 490 ft @ .500	245.00		
Tools and misc. supplies	49.46		
		1,436.89	

Operating Equipment

Battery trammer complete with two 20 cell batteries, control panel & MG set (1/60 x $6,900)	113.00	
Compressor (1/60 x $7,146)	119.00	
10 Mine cars (1/10 x $120 x 10)	20.00	
15 KW Diesel-Electric Gen. (1/60 x $2,400)	40.00	
Water pressure tank	5.00	
		297.00

Rehabilitation and Repairs

3" pipe 908 ft @ .764	693.31	
Ties 260 @ .750	195.00	
2½" Neoprene hose 824 ft @ .699	575.98	
		1,464.29

Miscellaneous

Repair parts	110.13
Sampling & analysis (sample sacks	7.40

Miscellaneous (continued)

Assays 50 @ .50	25.00		
Pickup truck 2,240 @ .09	201.60		
Custom Haulage	75.00		
Water haulage *			
60 loads @ $5.00	300.00		
Payroll Taxes	14.28		
Liability Insurance	25.50		
		$758.91	
Totals		$ 8,235.84	$ 819.43

*Contracted @ $5.00/800 gal load delivered to tank in lieu of ½ top man wages & mileage @ 14¢/mile in Co furnished water truck as per original estimate.

Very truly yours,

R. H. Godbe

R. H. Godbe

Form M[illegible]04 (Rev.)
(A[illegible]52)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-5[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS AUG 25 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1953 Docket No. DMEA 2688 Contract No. IDM-E 481
Operator's Name M. I. A. MINES COMPANY Minerals Tungsten
Address 218 Felt Building, Salt Lake City, Utah
Contract Amount, $171,400.00 Government Participation: 75 % Amount, $ 128,550.00

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	670.00	1,788.50	2,458.50			
Bulldozing						
Crosscutting						
Drifting						
Lay track, air & water	371.25		371.25			
(2) Labor and Supervision:						
Labor						
Supervision	200.00	440.00	640.00			
Technical Services	75.00	320.00	395.00			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe		133.96	133.96			
Track		4,095.00	4,095.00			
Power - Diesel fuel	183.92		183.92			
Misc. Supplies	18.70	89.61	108.31			
(4) Operating Equipment:						
Rental Bull dozer & transp.		545.12	545.12			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	597.86	222.31	820.17			
(6) New Bldgs., Improvements, etc.		3,315.96	3,315.96			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	9.40	7.40	16.80			
Payroll Taxes	7.70	48.88	56.58			
Liability Insurance	13.75	87.31	101.06			
Pick-up Transp.	90.80	288.00	378.80			
Haulage	94.80	159.00	253.80			
(8) Contingencies (specify):						
TOTALS	2,333.18	11,541.05	13,874.23			

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

Date Aug. 10, 1953 *Payee M. I. A. MINES COMPANY

ORIGINAL SIGNED BY
Per O. F. BURTON Title Treasurer

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

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

(Instructions on reverse)

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

$ 1749 88

Joe H. Splander
Authorized Certifying Officer
Signature (Authorized Certifying Officer)

Date AUG 25 1953 Vou. No. SF-DMCA-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. [illegible] in accordance with the terms of the contract.

Signature [illegible] Title Chief, Mining Div. Region III Date August 21, 1953.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 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 [illegible] 1014
(April 1952)

Budget Bureau No. [illegible]-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

ACCOUNTS AUG 25 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1953 Docket No. DMEA 2688 Contract No. IDM-E 481

Operator's Name M. I. A. MINES COMPANY Minerals Tungsten

Address 218 Felt Building, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting				4,318.57				
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn		670.00	134.0	2,458.50	491.7	5.00		
Auger								
Stripping								
Mine. Supplies		9.40		16.80				
Taxes & Ins.		21.45		157.64				
Roads and Trails				545.12				
Supervision & Technical		275.00		1,035.00				
TOTAL DISTRIBUTED COSTS		975.85		8,531.63				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		1,171.73		1,394.04				
New Buildings, Improvements, etc.				3,315.96				
Transportation Exp. & Supplies		185.60		632.60				
TOTAL COSTS		2,333.18		13,874.23				

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. 10, 1953 Operator M. I. A. Mines Company

ORIGINAL SIGNED BY
Per O. E. BIRTON Title Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Minerva Tungsten Property Narrative - June, 1953

August 2, 1953

Paul Gemmill, General Supt. Nevada Mines

R. H. Godbe

Docket No. DMEA 2688
Contract No. IDM-E 481

Dear Paul:

During the month of June, progress under the Exploration Project Contract with the Defense Minerals Exploration Administration was as follows:

Churn Drilling

Minerva C.D.H. #2 was completed on June 2nd at a depth of 90 feet. A Scheelite bearing mineralized zone was penetrated between 65 and 85 feet. Drill cuttings in this zone showed mostly blue gray limestone with some quartz and calcite. Definite scheelite mineralization was noted by mineral lamp observation, however assays for WO_3 content were all in the order of 0.1%. The complete log of the hole with assays is appended.

Minerva C.D.H. #2 was started on June 2nd. This hole was drilled through 67 feet of wash, 13 feet of limestone, and encountered the quartz fissure zone at 80 feet on June 13. At the end of the month, the bottom was at 124 feet and still drilling in hard quartz. The hole was later bottomed (July 8) at a depth of 127 feet after progress in the quartz zone came to a standstill. Scheelite mineralization occurred throughout the zone. One five foot run (85' - 90') assayed 0.76% WO_3. The next run (90' - 95') assayed 0.29% WO_3. All other assays were in the order of 0.10 or less. A complete log of this hole with assays is appended.

A triangulation net-work has been completed and accurate ties to the churn drill holes made. Approximate coordinates and collar elevation for C.D.H. #1 were previously forwarded. The correct coordinates and collar elevation for this hole are as follows:

	Coordinates	Collar Elevation
Minerva C.D.H. #1	N. 4,253.8 E.11,856.7	6,714.4

Independent Contracts

A contract agreement was completed with the Centenial Development Company, Eureka, Utah; and they commenced operations on June 22. At the end of the month a total of 495 feet of track, air and water line had been installed.

Distribution for costs for June, as shown in the Operator's Monthly Report and Voucher follows:

			Average
Independent Contracts			
Churn Drilling 134 feet @ $5.00	$670.00		
Rehabilitate Scheelite Chief Adit (track, air, water lines) 495 ft @ $0.75	371.25		
		$1,041.25	
Labor and Supervision			
Supervision	200.00		
Technical Services	75.00		
		275.00	
Operating Materials & Supplies			
Diesel fuel (1005 gal)	183.92		
Track (max. previously exceeded)			$ 36.25
Misc. supplies	18.70		
		202.62	
Operating Equipment			
None			
Initial Rehabilitation & Repairs			
Ties 500 @ $0.75	375.00		
Pipe 3" 168 feet @ .859	144.31		
Pipe fittings	78.55		
		597.86	
New Buildings, Improvements etc.			
None			
Miscellaneous			
Pickup truck 1120 miles @ $0.09	90.80		
Company truck (haulage) 320 miles @ $0.14	44.80		
Custom haulage	50.00		
Sampling & analysis	9.40		
Payroll taxes	7.70		
Liability Ins.	13.75		
		216.45	
Totals		$ 2,333.18	$ 36.25

Very truly yours,

R. H. Godbe

R. H. Godbe

RHG:zw

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

Budget Bureau No. 42-[illegible]036.3
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS JUL 14 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED JUL 20 1953

Month of May, 1953 Docket No. DMEA 2688 Contract No. Idme 481
Operator's Name MIA MINES COMPANY Minerals Tungsten
Address P. O. Box 150, Salt Lake City 10, Utah
Contract Amount, $ 171,400.00 Government Participation: 75 % Amount, $ 128,550.00

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	1,688.50	100.00	1,788.50			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision	140.00	300.00	440.00			
Technical Services	50.00	270.00	320.00			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe		133.96	133.96			
Track		4,095.00	4,095.00			
Misc. Supplies		89.61	89.61			
(4) Operating Equipment:						
Rental Dozer & Transp.		545.12	545.12			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		222.31	222.31			
(6) New Bldgs., Improvements, etc.		3,315.96	3,315.96			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		7.40	7.40			
Payroll Taxes	5.32	43.56	48.88			
Liability Insurance	9.50	77.81	87.31			
Pickup Transportation	43.20	244.80	288.00			
Haulage		159.00	159.00			
(8) Contingencies (specify):						
TOTALS	1,936.52	9,604.53	11,541.05			

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

Date June 25, 1953 Payee MIA MINES COMPANY

Per [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$ 1452.39

Signature [signature]
(Authorized Certifying Officer)

Date JUL 22 1953 Vou. No. SF-DMEA-3

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Region III Date July 10, 1953

H. C. Miller

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-101A
(April 1952)

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

ACCOUNTS JUL 14 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1953 Docket No. DMEA 2688 Contract No. Idm E 481
Operator's Name MIA MINES COMPANY Minerals Tungsten
Address P. O. Box 150, Salt Lake City 10, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting				4,318.57				
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn	Feet	1,688.50	337.7	1,788.50	357.7	5.00		
Auger								
Stripping								
Misc. Supplies				7.40				
Taxes & Ins.		14.82		136.19				
Roads and Trails				545.12				
Supervision & Technical		190.00		760.00				
TOTAL DISTRIBUTED COSTS		1,893.32		7,555.78				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				222.31				
New Buildings, Improvements, etc.				3,315.96				
Trans. Men & Supplies		43.20		447.00				
TOTAL COSTS		1,936.52		11,541.05				

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

Date June 25, 1953 Operator MIA MINES COMPANY

By [signature] Title Treasurer

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Minerva Tungsten Property, Narrative - May, 1953

June 10, 1953

Paul Gemmill, General Supt. Nevada Mines

R. H. Godbe

Docket No. DMEA 2688
Contract No. IDM-E 481

Dear Paul:

During the month of May, progress under the Exploration Project Contract with the Defense Minerals Exploration Administration was as follows:

Churn Drilling

Minerva C.D.H. #1 was completed on May 22nd at a depth of 277.7 feet. Advance during April totaled 20 feet and the balance of 257.7 feet was drilled during May. A hard quartz rib of 6" to 1' thickness was encountered at 25 feet. The assay of cuttings from 25' to 30' give 0.24% WO_3 indicating a well mineralized thin quartz rib at 25' to 26'. The "Chief" quartz fissure was not encountered in this hole. The complete log of the hole is appended.

Minerva C.D.H. #2, located S 18° E a distance of 80 feet from C.D.H. #1, was designated to intersect the fissure at shallow depth. The hole penetrated 60 feet of wash, 5 feet of blue limestone, and the quartz fissure at 65 feet. At the end of the month, the hole was at 80 feet and still within the fissure zone. Drill cuttings were taken at 2½ foot intervals from 70 to 80 feet, and all of the sludge was saved. Inspection of the washed sludge particles under a mineral lamp indicated definite scheelite mineralization throughout the fissure zone. Our assays for WO_3 content are as follows: 65' to 70' 0.10%, 70' to 72½' 0.10%, 72½' to 75' 0.08%, 75' to 77½' 0.11%, 77½' to 80' (assay not completed).

Distribution of costs for the month, as shown on the Operator's Monthly Report and Voucher follows:

Independent Contracts		
Churn Drilling -	337.7 Ft. @ $5.00/ft.	$ 1,688.50
Labor and Supervision		
Supervision and Technical Services		190.00
Operating Materials and Supplies		
None		--

Initial Rehabilitation and Repairs		
None		—
New Bldgs, Improvements, etc.		—
None		
Miscellaneous		
Payroll Taxes	$5.32	
Liability Insurance	9.50	
Pickup Transportation	43.20	58.02
	Total	$1,936.52

Very truly yours,

R. H. Godbe

RHG:zw

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

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

ACCOUNTS JUN 17 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April 1953 Docket No. DMEA 2688 Contract No. Idm E 481

Operator's Name MIA Mines Company Minerals Tungsten

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

Contract Amount, $ 171,400.00 Government Participation: 75 % Amount, $ 128,550.00

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	100.00		100.00			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision	100.00	200.00	300.00			
Technical Services		270.00	270.00			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe		133.96	133.96			
Track		4,095.00	4,095.00			
Misc. Supplies	89.61		89.61			
(4) Operating Equipment:						
Rental Dozer & Trans.	123.49	421.63	545.12			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		222.31	222.31			
(6) New Bldgs., Improvements, etc.		3,315.96	3,315.96			
(7) Miscellaneous:						
Repairs to Equipment	7.40		7.40			
Sampling and Analysis	2.80	40.76	43.56			
Payroll Taxes	5.00	72.81	77.81			
Liability Insurance	43.20	201.60	244.80			
Pick-up Trans.		159.00	159.00			
Haulage						
(8) Contingencies (specify):						
TOTALS	471.50	9,133.03	9,604.53			

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

Date May 27, 1953 *Payee MIA Mines Company

By [signature] Title Treasurer

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

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

(Instructions on reverse)

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

$ 353.63

Lloyd H. Sjolander
Authorized Certifying Officer

Signature
(Authorized Certifying Officer)

Date JUN 17 1953 Vou. No. 2F-DMEA-45

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Region III Date June 11, 1953

H. C. Miller

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MR-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

ACCOUNTS JUN 11 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1953 Docket No. DMEA 2688 Contract No. Ida E 481
Operator's Name MIA Mines Company Minerals Tungsten
Address P. O. Box 150, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting		89.61		4,319.57				
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn	Feet	100.00	20	100.00	20	5.00		
Auger								
Stripping								
~~Trenching~~ Misc. Supplies		7.40		7.40				
~~Test Pits~~ Taxes & Ins.		7.80		121.37				
Roads and Trails		123.49		545.12				
Supervision & Technical		100.00		570.00				
TOTAL DISTRIBUTED COSTS		428.30		5,662.46				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				222.31				
New Buildings, Improvements, etc.				3,315.76				
Trans. Mon & Supplies		43.20		403.80				
TOTAL COSTS		471.50		9,604.53				

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

Date May 27, 1953 Operator MIA Mines Company

Per [signature] Title Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

COMBINED METALS REDUCTION COMPANY

Minerva Tungsten Property, Narrative - April, 1953

May 12, 1953

Paul Gammill, General Supt. Nevada Mines

R. H. Godbe

Docket No. DMEA 2688
Contract No. IDM-E 481

Dear Paul:

During the month of April progress under the Exploration Project Contract with the Defense Minerals Exploration Administration was as follows:

Churn Drilling

Hole No.	Location	Advance	Log
Minerva CDH #1	Objective Areas 2&3	20 ft.	Wash

Bulldozer No. 4 was trucked back to Caselton from Minerva on April 2, 1953.

Field work was completed detailing the present drift outline of the Schulite Chief adit. Maps were prepared outlining the proposed modifications to widen and straighten the adit, in accordance with the provisions of the contract.

Items of material furnished included 90 feet of 1 1/8 inch round drill steel and 100 small sample bags for churn drill cuttings.

Distribution of costs for the month, as shown on the Operator's Monthly Report and Voucher is as follows:

Independent Contracts	
Churn Drilling - 20 ft. @ $5.00/ft.	$ 100.00
Labor and Supervision	
Supervision	100.00
Operating Materials and Supplies	
Drill Steel	89.61
Operating Equipment	
Rental Bulldozer and Transportation	123.49

COPY

COMBINED METALS REDUCTION COMPANY

2 May 12, 1953 Paul Gemmill

Initial Rehabilitation and Repairs
None

New Buildings, Improvements, Etc.
None

Miscellaneous

Sample Sacks	$ 7.40	
Payroll Taxes	2.80	
Liability Insurance	5.00	
Pick-up Transportation	43.20	$ 58.40
	Total	$ 471.50

Very truly yours,

R. H. Godbe

RHG/plh

COPY

FORM 25

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

Budget Bureau No. 40-R1036.3
Approval expires 6-30-53.

ACCOUNTS JUN 10 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March, 1953 Docket No. DMEA 2688 Contract No. Idm E 481
Operator's Name MIA Mines Company Minerals Tungsten
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $ 171,400.00 Government Participation: 75 % Amount, $ 128,550.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision	200.00		200.00			
Technical Services	270.00		270.00			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe	133.96		133.96			
Track	4,095.00		4,095.00			
(4) Operating Equipment:						
Rental Bulldozer & Trans.	421.63		421.63			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	222.31		222.31			
(6) New Bldgs., Improvements, etc.	3,315.96		3,315.96			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	40.76		40.76			
Liability Insurance	72.81		72.81			
Pick-up Transportation	201.60		201.60			
Haulage	159.00		159.00			
(8) Contingencies (specify):						
TOTALS	9,133.03		9,133.03			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date May 27, 1953 *Payee MIA Mines Company
Per [signature] Title Treasurer

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 6849.77
Signature [signature]
(Authorized Certifying Officer)
Date JUN 2 1953 Vou. No. SF-DMEA-45
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature [illegible] Johnson Title [illegible] Date [illegible] 8, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Region III Date June 10, 1953

H. C. Miller

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

ACCOUNTS JUN 10 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1953 Docket No. DMEA 2688 Contract No. Idm E 481
Operator's Name MIA Mines Company Minerals Tungsten
Address P. O. Box 150, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting		4,228.96		4,228.96				
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Taxes & Ins.		113.57		113.57				
Roads and Trails		421.63		421.63				
Supervision & Technical		470.00		470.00				
TOTAL DISTRIBUTED COSTS		5,234.16		5,234.16				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		222.31		222.31				
New Buildings, Improvements, etc.		3,315.96		3,315.96				
Trans. Men and Supplies		360.60		360.60				
TOTAL COSTS		9,133.03		9,133.03				

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

Date May 27, 1953 Operator MIA Mines Company

Per [signature] Title Treasurer

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

COMBINED METALS REDUCTION COMPANY

Minerva Tungsten Property, Narrative - March, 1953

May 21, 1953

Paul Gemmill, General Supt. Nevada Mines

R. H. Godbe

Dear Paul:

Formal approval of Exploration Project Contract No. DMA-E 481 with the Defense Minerals Exploration Administration was received. Approved estimated costs total $171,400. Government participation (75%) amounts to $128,550.

During the month the following items of preliminary work were completed:

1. The 18' x 24' compressor building was set on a cement foundation and partitioned for a small warehouse at one end.

2. A 360 cubic foot compressor unit (Ingersoll-Rand Mod. 75, driven by G.M.C. Diesel Motor Mod. 4031 S) was installed complete with air receiver and 3" air line to portal.

3. Water tank was installed complete with pipe, buried for winter weather.

4. Fuel tank was installed complete with lines for gravity flow to compressor engine and diesel power unit.

5. Fan house was installed complete with cement floor over churn drill hole to be used for mine ventilation.

6. Access roads were bulldozed to churn drill sites for drilling to Objective Areas 2,3, and 6.

Major items of operating materials and supplies delivered to the site include:

30 ton 30# rail (including splice bars and bolts)
3,045 feet 1" black pipe.

The following cost distribution is submitted for itemizing costs of supplies and work completed at Minerva during March, 1953, as shown on the Operator's Monthly Report and Voucher prepared for D.M.E.A.

COPY

COMBINED METALS REDUCTION COMPANY

In accordance with provisions of the Exploration Project Contract, an allowable maximum has been established for each specific catogory. Where this maximum has been exceeded, the amount is carried as an "overage" in the following detail.

			Overage
Independent Contracts			
None			
Labor and Supervision			
Supervision	200.00		
Technical Services	270.00		
		470.00	
Operating Materials and Supplies			
Pipe:			
1145 ft. 1 inch pipe	133.96	133.96	
Track:			
30 tons - 30 lb. rail	4,221.93		
Transportation rail	139.50		
	4,361.43		
Maximum allowable for rails	4,095.00	4,095.00	
Expended over maximum	266.43		266.43
Operating Equipment			
Rental Bulldozer and Transportation		421.63	
Initial Rehabilitation and Repairs			
Pipe - 1900 ft. 1 in.		222.31	
New Bldgs., Improvements, etc.			
Labor	1,349.88		
Supplies	841.08		
Compressor Bldg. & Water Tank	525.00		
Fuel Tank	600.00		
		3,315.96	
Miscellaneous			
Payroll Taxes	40.76		
Liability Insurance	72.81		
Pickup Transportation	201.60		
Haulage	159.00		
		474.17	
Totals		$9,133.03	$266.43

Very truly yours,

R. H. Godbe

RHG/plh

FORM 25

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

EXTRA COPY
O. M. E
RECEIVED MAY 27 1963
DATE May 21, 1963 CODE 800

Memorandum

To: Chief, Division of Field Operations, OME, Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: Docket No. 2688 (Tungsten)
M. I. A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada
Contract No. Idm-E481

Reference is made to your memorandum of November 30, 1962, requesting report of final field expiration inspection on the subject property.

A visit was made to the Minerva Tungsten Mine on May 10, 1963, to obtain information about the mine. The property is inactive, and as far as is known, there were no production during 1961, 1962, or 1963. It is owned by Combined Metals Reduction Co.

The fixtures and machinery from the five buildings on the property have been removed several years ago. A churn drill is on the property and is operated once a year to validate their assessment work.

Their primary objective in their drilling is to test the limestone beddings in the Pioche district.

A. NEALON

For: Paul V. Fillo

CC:

Chief, Division of Field Operations, OME, Washington, D. C.

APR 11 1963

N. I. A. Mines Company
P. O. Box 158
Salt Lake City, Utah

Re: DMEA-2646 (Tungsten)
N. I. A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada
Amended Contract Ida-P461

Gentlemen:

By the terms of the subject Amended Exploration Project Contract, as amended, and the certification of discovery or development dated July 18, 1955, all minerals mined or produced from January 27, 1953, to January 27, 1963, were subject to the Government's royalty as set forth in said amended 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 subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

George Fumich, Jr.

Director

MMerrithew/ma
4/10/63
cc: Director's Reading File
Region XI (2) w/ copy of Form 63 to Combined Metals Reduction Company dated 3/25/63
✓ CAAA Division
Docket
Code 500
Robert F. Stopper, Shoshone Post Office, Via Ely, White Pine Co., Nev.
Edward G. Stopper, c/o Robert F. Stopper
Martha R. Allen, " " "

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

To: M.I.A. Mines Company,
a joint venture consisting of:
Combined Metals Reduction Company and
American Zinc Company of Tennessee
218 Felt Building
Salt Lake City, Utah

Pursuant to the provisions of Amended Exploration Project Contract No. Idm-5481, dated January 27, 1953, as amended, (Docket No. DMEA 2688), 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 its lien thereon and on the land described in the contract, the Government considers and therefore certifies that a 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:

Tungsten, in the form of scheelite, occurs in ore shoots in quartz veins that cut through limestone of Middle Cambrian age. Drifting, crosscutting, raising, diamond drilling, and churn drilling have indicated a substantial quantity of tungsten ore.

THE UNITED STATES OF AMERICA

By O O Mitchell
Administrator, Defense Minerals
Exploration Administration

Dated: JUL 1 8 1955

: Docket
Code 400-Mr.Martin
Code 110-Mr.Johnson
Code 800-Mr.Chambers
Adm. Read. File
Field Team, Reg.2
Finance Officer
edge/ls
5

cc: C. A. Fredell, Act.Div
Thor Kiilsgaard, USGS
R. W. Geehan, USBM
Robt. Holliday, USB
Operating Committee
Mr. Robert F. Stopp
Mr. Edward G. Stopp
Martha R. Allen, l
RPS. GSA

JUL 19 1955

M. I. A. Mines Company
218 Felt Building
Salt Lake City, Utah

Re: Docket No. DMEA 2606-Tungsten
Minerva Tungsten Mine
White Pine County, Nevada
Contract No. Idm-2481 (Amended)

Gentlemen:

Transmitted herewith is a certification of discovery or development issued under the amended contract dated January 27, 1953.

By the terms of the Exploration Project Contract, the Amended Exploration Project Contract, and of the certification, all production from the lands described in the amended contract, as amended, from the date of the Exploration Project Contract is subject to the Government's percentage royalty as set forth in the amended contract until the sum of $124,134.50 is paid or until January 27, 1953, whichever occurs first.

Payments should be made to Mr. Spangler Rieker, Executive Officer, DMEA Field Team, Region II, 1605 Evans Avenue, Reno, Nevada. Checks should be payable to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward check direct to the Executive Officer. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges certified to be correct by the purchaser.

You are requested to notify Mr. Rieker of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for any extended period, please notify Mr. Rieker at 6-month intervals that no production has been made, when that is the case.

Sincerely yours,

C. O. Mittendorf

Administrator

FARutledge/ls
7/11/55

cc: Code 800-Mr. Chambers

Enclosure

cc: Docket
FT, Reg. 2
Thor Kiilsgaard, USGS

cc: Adm. Read. File
Operating Committee
R. W. Geehan, USBM
Robt. Holliday, USBM

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

100

JUL 19 1955

Mr. Lawrence A. Fredell, Acting Director
Materials Division
Emergency Procurement Service
General Services Administration
Washington 25, D. C.

Re: Contract No. DMA [illegible] - Tungsten
Calif. Mines Company
Reserve Tungsten Mine
Mono Mine County, Nevada
Contract No. DMA-171 (Amended)

Dear Mr. Fredell:

Enclosed is a copy of a certification of discovery or development for the above-noted project.

When we receive the final reports from the operator and Field Team, we shall supply such data as have accompanied the transmittal to the Materials Division, Emergency Procurement Service, of previous certifications.

Sincerely yours,

C. O. Mittendorf

Administrator

Attachments:
7-11-55
cc to: Locist
Code 100
Adm. Recd. File
Operating Comm.
Mr. Geohan, USGS
Holliday, USGS
Killegaard, USGS
Warren - Code 100
Johnson - Code 110

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

L.O

JUL 1 9 1955

Mr. Spangler Richer, Executive Officer
D.M.E. Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMA 2638 - Tungsten
M.L.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada
Contract No. 1Ds-1481 (Amended)

Dear Mr. Richer:

Enclosed are copies of a certification of discovery or development for the above-noted property and of related correspondence.

Please ascertain the correct addresses of the owners and forward their respective copies.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

Enclosure

APPROVED:

/s/ Robert W. Gaskan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

FAHutledge:fec 7-11-55
cc to: Docket
Code 100
Adm. Head. File
Operating Comm.
FT. RRG. II
Messrs. Johnson - Code 110
Chambers - Code 300
Gaskan, - USBM
Holliday - USBM
Kiilsgaard - USGS

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

JUL 22 1955

Mr. Robert F. Stopper
Shoshone Post Office
Via Ely, White Pine County,
Nevada

Re: Docket No. DMEA 2880 - Tungsten
[illegible] Mines Company
Minerva Tungsten Mine
White Pine County, Nevada
Contract No. [illegible] (Amended)

Dear Mr. Stopper:

Transmitted herewith for your information is a copy of the certification of discovery or development issued as a result of the exploration program under the above-referenced contract. The property as set forth in the contract was leased to [illegible] Mines Company by Robert F. Stopper, Edward [illegible] Stopper, and Martha R. Allen under a certain indenture dated January 26, 19[illegible]. Said property was also referred to in the "Owner's Consent to Lease" forms executed by the above lessors named above.

Also enclosed is a copy of our letter to [illegible] Mines Company.

Sincerely yours,

C. O. Mittendorf
Administrator

Enclosure

FAhutlodge:fcx
7-11-55

cc to: Docket
Code 100
Adm. Rsrd. File
Operating Comm.
FT. REG. IX
Messrs. Johnson - Code 110
Chambers - Code 800
Jackson, USGS
Holliday, USBM
Gillingsard, USGS

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

L.O

JUL 22 1955

Mrs. Martha E. Allen
c/o Robert F. Stepper
Shoshone Post Office
Via Ely, White Pine Co.,
Nevada

Re: Contract No. DMEA-[illegible]-638 - Tungsten
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada
Contract No. DMEA-[illegible] (Amended)

Dear Mrs. Allen:

Transmitted herewith for your information is a copy of the certification of discovery or development issued as a result of the exploration program under the above-referenced contract. The property as set forth in the contract was leased to M.I.A. Mines by Robert F. Stepper, Edward C. Stepper, and Martha E. Allen under a certain instrument dated January 26, 1952.

Also enclosed is a copy of our letter to M.I.A. Mines Company.

Sincerely yours,

C. O. Mittendorf

Administrator

FARUTLEDGE:Pac 7-11-55
cc to: Denver
Code 100
Adm. Asst. File
Operating Comm.
Pt. EFO. II
Assoc. Johnson - Code 110
Chambers - Code 300
Gresham, WRM
Halliday - [illegible]
Hillegaard - [illegible]

Enclosure

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

JUL 22 1955

Mr. Edward G. Stopper
c/o Robert F. Stopper
Ruby Post Office
Ely, White Pine County,
Nevada

Re: Contract No. [illegible] - Tungsten
M.I.A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada
Contract No. [illegible] (Amended)

Dear Mr. Stopper:

Transmitted herewith for your information is a copy of the certification of discovery or development issued as a result of the exploration program under the above-referenced contract. The property as set forth in the contract was leased to M.I.A. Mines Company by Robert F. Stopper, Edward G. Stopper, and Martin L. Allen under a certain indenture dated January 25, 19[illegible]. Said property was also referred to in the "Lessor's Consent to Lease" form executed by the same lessors named above.

Also enclosed is a copy of our letter to M.I.A. Mines Company.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

[illegible] 7-11-[illegible]
ce to: Contract
[illegible] 110
[illegible]
[illegible] Mining Corp.
[illegible]
Corp. [illegible]
[illegible]
[illegible]
[illegible] - [illegible] 800
Johnson - [illegible] 110

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

JUN 2 3 1956

[illegible]

To: Administrator, DMEA

From: George [illegible] Pulfrich
Special Assistant

Subject: Royalties
Docket No. [illegible]-2(W) - Tungsten
M.I.A. Mine Company
[illegible]
White Pine County, Nevada
Contract No. [illegible]

This is to cite an example which illustrates a possible weakness in special cases in our exploration contracts. The subject contract covers a joint venture consisting of Combined Metals Reduction Company and American Zinc Company of Tennessee. Royalties have been paid on both ore and concentrate.

Ore is shipped by M.I.A. Mines Company to the own mill of Combined Metals where it is purchased as custom ore. A settlement sheet dated May 19, 1956, shows that 1.33 per cent WO_3 ore is bought at 80 per cent of $47.00/unit or 59.68 per cent of the gross value at $63.0/unit. After milling charges, freight and hauling, and sampling are deducted, the Government receives a 5 per cent royalty on 4.06 per cent of the gross value of the ore calculated at $63.0/unit. In this particular case the Government received $170.90 and the lessors received $505.64, a ratio of 1:3.43, on a lease royalty of 10 per cent and under additional lease terms and restrictions.

A settlement sheet dated May 13, 1956, shows that M.I.A. Mines Company shipped 5.335 tons of 65.43 per cent WO_3 concentrate to Bishop, California, for which it was paid $1.25 a ton. This concentrate probably originated at the lessors' mill. After sampling and assaying charges were deducted, the Government received $1,067.35 in royalties while the lessors received $1,611.62, a ratio of 1:1.51, under the terms of their lease. While the settlement sheet shows that milling, sacks, and haulage amounted to $4,939.95, there are no data to indicate how many tons of ore were beneficiated to produce the 5.335 tons of concentrate.

The figures cited above raise the question whether one member of several holding a DMEA contract as an entity should be allowed to

purchase the mine ore on a custom basis and benefit by deductions which are not allowed to the entity. Under contracts such as The Hecla Mining Company, Docket No. DTFA-3406 (Lead-Zinc-Copper), Contract No. Idm-5738, should a significant discovery be made, the ore could be sold on a custom basis to the Bunkerhill and Sullivan Mining and Concentrating Company, thereby reducing the Government's royalty. Under this contract Bunkerhill contributes toward the exploration costs, thereby acquiring an interest in the property, but is not a party to the exploration contract.

It would seem under our present contracts that ore from any major discovery could be bought on a custom basis by a corporation formed solely for beneficiating it.

George C. Selfridge

George C. Selfridge

GCSelfridge/eaf
6/23/55
cc to: Docket
Admr. R. File
Messrs: J. L. Hofflund, Rm. 7351
Johnson
Chambers
Selfridge

Government's Copy

AMENDED
EXPLORATION PROJECT CONTRACT
M. I. A. MINES COMPANY
DOCKET NO. DMEA-2688

AMENDMENT NO. 1

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and the M. I. A. Mines Company, a joint venture consisting of Combined Metals Reduction Company and American Zinc Company of Tennessee are parties to Amended Exploration Project Contract Idm-E481 (Docket No. DMEA-2688) executed October 25, 1954, and effective January 27, 1953, (hereinafter called the "Contract"). The parties desire to formalize their previous informal agreements concerning changes in the locations of part of the exploration work and concerning the basis of payment for some of the work.

NOW THEREFORE, it is agreed that:

(1) Effective as of June 1, 1954, Exhibit "A" of the contract is amended as follows:

EXHIBIT "A"

Description of the Work

The work consists of two stages, which may be performed simultaneously. The Objective Areas, referred to below, are indicated on Map C-1107, attached to the Amended Contract, and Map B-877, attached hereto and made a part hereof. Map B-877 indicates all work performed beginning with June 1, 1954, except that the locations of the drill holes are not shown.

All work performed prior to June 1, 1954, is subject to the provisions for said work set forth in Exhibit "A" attached to the Amended Contract, and the Government will contribute to the actual costs of said work on the basis of the categories of costs set forth in said Exhibit "A".

All drifts, crosscuts, and raises driven after June 1, 1954, shall be timbered as necessary and shall have cross-sectional dimensions not less than 5 feet by 7 feet in the clear of timber.

Stage I

The work under this stage is divided into two phases.

PHASE 1

Phase 1 of this stage consists of that work set forth in Exhibit "A" of the Amended Contract that was completed prior to June 1, 1954, and is as follows:

(1) Purchase, transport to and install on surface a compressor, power and warehouse building; and provide and install one water tank and fuel tanks.

(2) Rehabilitate the main adit in the Scheelite Chief Mine, including laying track and installing air, water, and power lines. The adit shall be straightened and widened only to the extent necessary to complete the proposed exploration in an efficient and workmanlike manner.

(3) Objective Area 1

(a) Drive a drift 147 feet southeasterly on the intermediate level.

(b) Diamond drill not to exceed 709.5 feet in this objective area.

(4) Objective Areas 2 and 3

(a) Bulldoze the necessary roads to 4 churn-drill sites. Churn drill 4 holes to an aggregate total depth of 739.7 feet.

(b) Extend the main adit S. 80° E. for 275 feet.

(5) Objective Area 4

(a) Advance the main adit S. 80° E. an additional 570.5 feet.

(b) Diamond drill not to exceed 550.8 feet in this objective area.

(c) Drive a 2-compartment raise 289.5 feet.

PHASE 2

Phase 2 of this stage consists of that work performed beginning with June 1, 1954, and is as follows:

(1) Extend the sublevel drift off Raise 45-15D a distance of 302.0 feet in an easterly direction.

(2) Diamond drill two holes aggregating 164.0 feet.

(3) Raise approximately 22.0 feet from the sublevel drift under item (1) of this Phase 2.

Stage II

The work under this stage is divided into two phases.

PHASE 1

Phase 1 of this stage consists of that work set forth in Exhibit "A" of the Amended Contract that was completed prior to June 1, 1954, and is as follows:

(1) Erect headframe, bin, and hoist house, and lay necessary track on surface at Silver Bell shaft, all on Company account at no cost to the Government.

(2) Rehabilitate Silver Bell shaft to 3rd level, retimbering where necessary, including laying track, and installing air, water, and power lines.

(3) Install skip pocket on 3rd level of Silver Bell shaft.

(4) Objective Area 4

From the 650-foot sublevel off the Chief-Silver Bell raise, drift westerly 63.0 feet.

(5) Objective Area 5

Drift 200 feet easterly on the 3rd level of Silver Bell shaft.

(6) Objective Area 6

(a) Bulldoze the necessary roads to churn-drill sites. Churn-drill 3 holes aggregating 600.3 feet.

(b) Extend the 3rd level drift of the Silver Bell shaft an additional 413.5 feet.

PHASE 2

Phase 2 of this stage consists of that work performed beginning with June 1, 1954, and is as follows:

(1) Objective Areas 3 and 4

(a) On the 650-foot level of the Silver Bell mine, extend the level 345.8 feet in a westerly direction from Raise 43-24D.

(b) Diamond drill six holes aggregating 289.5 feet from the above workings.

(c) On the 650-foot level of the Silver Bell mine, extend the level 218.1 feet in an easterly direction from Raise 43-24D.

(d) On the 600-foot level of the Silver Bell mine drift westerly 132.0 feet from Raise 43-24D.

(e) On the 600-foot level of the Silver Bell mine drift easterly 99.8 feet from Raise 43-24D.

(f) Diamond drill two holes totaling 179.0 feet from the workings under (d) above.

(g) On the 500-foot level of the Silver Bell mine drift 18 feet westerly from Raise 43-24D.

(2) Objective Area 6

Extend the 3rd level drift of the Silver Bell mine easterly an additional 62.0 feet.

Estimated Costs of the Project

(Article 6 of the Contract form indicates items of cost that are maximum. Any additional maximum is indicated by an asterisk)

Actual Costs of Work set forth in Exhibit "A" of the Amended Contract that was completed prior to June 1, 1954

Costs of Phase 1, Stage I, subject to audit	$ 85,773.74*

Costs of Phase 1, Stage II, subject to audit	$ 40,482.35*	
		$126,256.09*

Fixed Unit Costs

The Government will contribute to the costs of the work requirements listed below on the basis of the fixed unit costs specified therefor, as they accrue, in lieu of actual costs. The fixed unit cost includes all costs of the work whatsoever, except that all buildings, fixtures, equipment, or other items to the cost of which the Government has contributed may be used in connection with the work performed after June 1, 1954, without charge to the Operator, but the cost of maintenance and repair of said property during the period of performance shall be borne solely by the Operator without contribution by the Government.

Stage I

PHASE 2

Drift and/or crosscut 302.0 feet @ $35.00/ft.	$ 10,570.00	
Diamond drill 164.0 feet @ $5.00/ft.	820.00	
Raise 21.77 feet @ $35.00/ft. extended to	761.91	
		$12,151.91

Stage II

PHASE 2

Drift and/or crosscut 875.7 feet @ $35.00/ft.	$ 30,649.50	
Diamond drill 468.5 feet @ $5.00/ft.	2,342.50	
		$32,992.00
		$45,143.91

SUMMARY

Estimated Cost of Stage I	$ 97,925.65*
Estimated Cost of Stage II	73,474.35*

Estimated Total Cost of Project	$171,400.00*
Government participation @ 75%	$128,550.00*

(2) Notwithstanding the provisions of Article 6 of the Contract form, the Government will contribute to the fixed unit costs set forth in Exhibit "A" in lieu of actual costs.

This amendment shall not be construed to increase the estimated total cost of the project nor the aggregate total amount which the Government may be required to contribute.

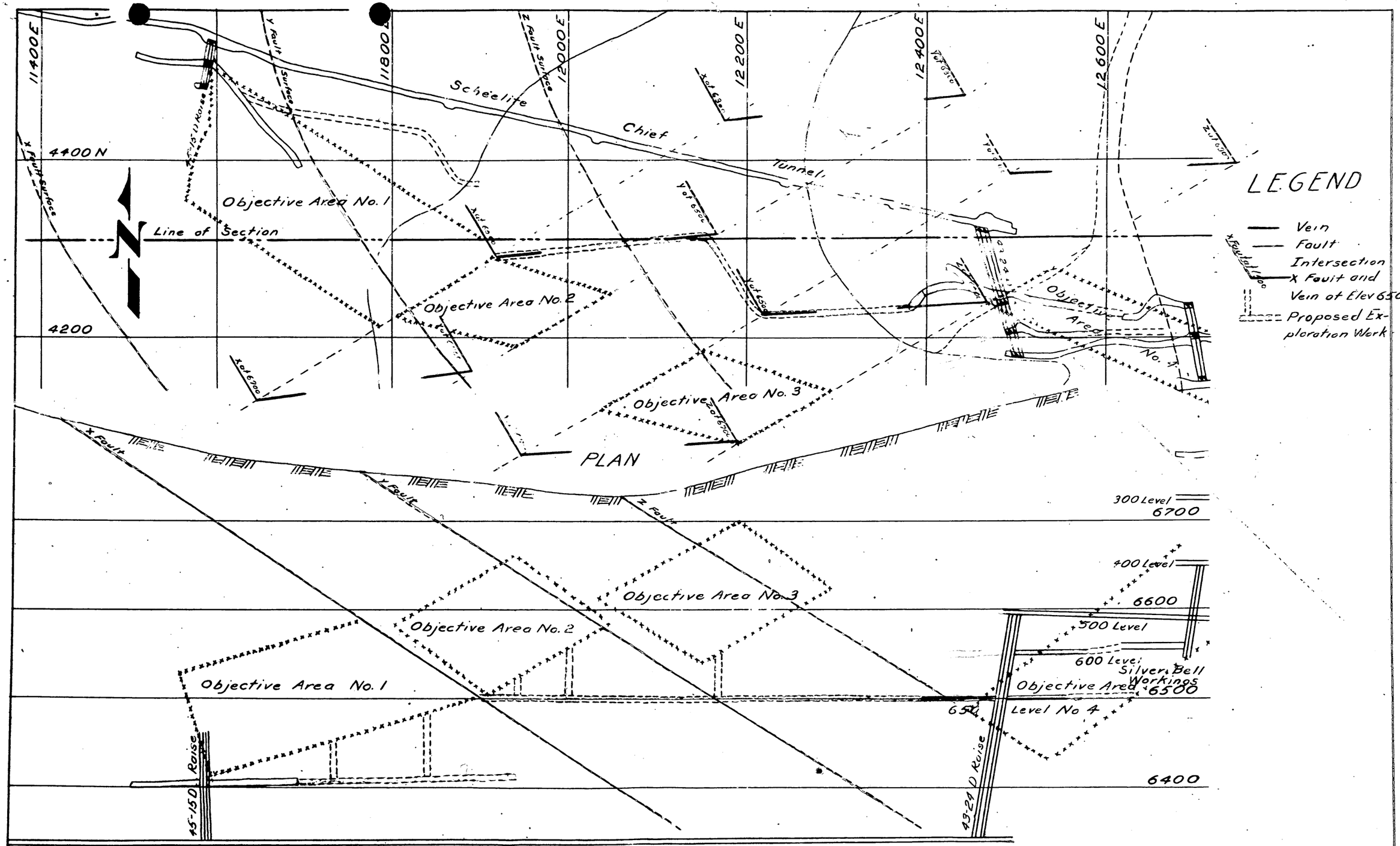
Executed this 2nd day of March, 1955.

THE UNITED STATES OF AMERICA

By O. Mittendorf
Administrator, Defense
Minerals Exploration
Administration

M. I. A. MINES COMPANY

By R. Snyder
Executive Committee



REFERENCES	Base Maps D.M. Lemmon U.S.G.S.	WORK	DRAWN Schrader	8-1-54	COMBINED METALS REDUCTION CO.
	C-1107		TRACED		Pioche, Nevada
			CHECKED R.G. Lee	8-2-54	
			APPROVED		

MINERVA TUNGSTEN PROPERTY
EXPLORATION PROPOSALS
Scheelite Chief and Silver Bell Mine Areas

SCALE 1" = 100'

B-877

FEB 15

Mr. Spangler Richer, Executive Officer
DMEA Field Team, Region II
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA 2688 - Tungsten
M. I. A. Mines Company
Minerva Tungsten mine
White Pine County, Nevada
Contract No. Idm-Ph81 (Amended)

Dear Mr. Richer:

Reference is made to the subject docket and the copies of the executed amended contract recently received from your office.

Through our oversight, no date of execution was inserted on the last page of the contract. Therefore it would be appreciated if you would have October 25, the date the Administrator signed, inserted on the three copies of the amended contract now in the field. These are the operator's copy, the Field Team's copy, and the Finance Officer's copy.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

APPROVED:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

FARutledge:fos
2-4-55
cc to: Docket
Code 400
Adm. Reading File
Operating Comm.
FT. REG.II
W. McInnis, USBM
T. H. Kiilsgaard, USGS
Mr. Chambers, Rm. 4448

Docket No. DMEA - 2688

Commodity Tungsten

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 481

Date of Contract or Amendment: Jan. 27, 1953

Name and Address of Operator:
M.I.A. Mines Company
210 Felt Bldg.
Salt Lake City, Utah

Amount of Government participation $ 128,550.00

Percent of Government participation 75 %

Region: 11 State: Nevada

Note: Please release $ 4,415.50

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

(Title)

Date Delivered to Bureau of Mines, Washington.

5/16/55

54458

Government's copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

FEB - 1 1955

MF-200
(Revised June 1954)

Docket No. DMEA - 2688

Commodity Tungsten

Contract No. Idm-E 481

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
AMENDED
EXPLORATION PROJECT CONTRACT[1]

It is agreed ~~this~~as of the 27th day of January, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] M. I. A. Mines Company, a joint venture consisting of Combined Metals Reduction Company and American Zinc Company of Tennessee,

whose mailing address is 218 Felt Building
Salt Lake City, Utah,

hereinafter called the "Operator," as follows: This contract amends and supersedes an earlier contract of the same date.

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and

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

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Nevada, County of White Pine, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of [5] in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6], [7] recorded in Book, page, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances:

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

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

of the land (lessor, seller, optionor, etc.), are attached, as follows: Owner's Consent to Lien of Robert F. Stopper, Edward G. Stopper, and Martha R. Allen

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of tungsten. The work to be performed is described in Exhibit "A." The Operator ~~xxxxxxxxxx~~ has ~~shall~~ commenced the work, and on or before January 27, 1955 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A."

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

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

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $171,400.00. The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $128,550.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

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

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

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

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

CATEGORY (2)—PERSONAL SERVICES.

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

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

Subcategory (c)—Labor.

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

CATEGORY (4)—OPERATING EQUIPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By .....
Administrator, Defense Minerals
Exploration Administration

M. I. A. MINES COMPANY
.....
(Operator)

By .....
Attorney Operating Committee

.....

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.

Oct 25, 1950

.....

[CORPORATE SEAL]

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

DEPARTMENT OF THE INTERIOR
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AMENDED EXPLORATION PROJECT CONTRACT
M. I. A. MINES COMPANY
DOCKET NO. DMEA-2688

ANNEX I

The land referred to in Article 2 of the contract consists of the following unpatented lode claims, all recorded in the White Pine County Recorder's Office, Ely, Nevada:

Claim	Book	Page
Silver Bell (easterly 1/2 of claim)	96	276
Silver Bell No. 1	96	277
Wedge (southerly 1/2 of claim)	134	207
Pot Pie No. 1 (southerly 1/2 of claim)	128	377

and that part of the West 1/2 of the Silver Bell claim that contributes ore from Objective Area No. 1 (see attached Map C-1107).

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
FEB - 1 1955

AMENDED EXPLORATION PROJECT CONTRACT
M. I. A. MINES COMPANY
DOCKET NO. DMEA-2688

EXHIBIT "A"

Description of the Work

The work consists of two stages, which may be performed simultaneously. The Objective Areas, referred to below, are indicated on Map C-1107, attached hereto.

Stage I

Time Schedule: 0 - 15 months

(1) Purchase, transport to and install on surface a compressor, power and warehouse building; and provide and install one water tank and fuel tanks.

(2) Rehabilitate the main adit in the Scheelite Chief Mine, including laying track and installing air, water, and power lines. The adit shall be straightened and widened only to the extent necessary to complete the proposed exploration in an efficient and workmanlike manner.

(3) Objective Area 1. Drive a drift[1] 147 feet southeasterly on the intermediate level. (See attached Map C-1112.)

Diamond drill not to exceed 709.5 feet from intermediate level "A" to locate mineralized zone in this Objective Area. The location, direction, attitude, and length of each hole are subject to the approval of the Government. (See attached Map C-1112.)

1/ The drifts, crosscuts, and raises shall be driven approximately 5' by 7' in the clear. However, the Operator, at his election, may drive larger drifts or crosscuts, and may drive 3-compartment raises, provided that the extra costs thereof shall be at the Operator's sole expense. In such event the basis of proration between Operator and Government shall at all times be subject to the approval of the Government, and costs involved in such proration will be disallowed by the Government to the extent that they are disapproved by the Government.

DEPARTMENT OF THE INTERIOR
Division of Minerals Administration

FEB - 1 1955

(4) Objective Areas 2 and 3.

Step 1 - Bulldoze the necessary roads to 4 churn-drill sites. Churn drill 4 holes to an aggregate total depth of 739.7 feet. The location, direction, attitude, and length of each hole shall be determined by the Operator, subject to the prior approval of the Government.

Step 2 - This step will depend upon the results of Step 1 under this item and shall be subject to the prior approval of the Government. Extend the main adit[2/] S. 80° E. direction for approximately 275 feet from its present face. (See attached Map C-1112.)

(5) Objective Area 4.

Step 1 - Advance the main adit [2/] S. 80° E. an additional 570.5 feet. (See attached Map C-1112.)

Step 2 - Diamond drill 2 holes, each approximately 200 feet in length, up to the Objective Area. The location, attitude, and length of each hole shall be determined by the Operator, subject to the prior approval of the Government.

Step 3 - This step will depend upon the results of Step 2 and is subject to the prior approval of the Government. Drive a 2-compartment raise [2/] approximately 290 feet to the Objective Area. (See attached Map C-1112.)

Step 4 - Explore the area below the favorable ore horizon drilled in Step 2 with 6 diamond drill holes with an aggregate length of approximately 900 feet. The location, attitude, and length of each hole shall be determined by the Operator, subject to the prior approval of the Government.

Stage II

Time Schedule: 15 - 21 Months

(1) Erect headframe, bin, and hoist house, and lay necessary track on surface at Silver Bell shaft, all on Company account at no cost to the Government.

2/ See footnote 1.

(2) Rehabilitate Silver Bell shaft to 3rd level, retimbering where necessary, including laying track, and installing air, water, and power lines.

(3) Install skip pocket on 3rd level of Silver Bell shaft.

(4) Objective Area 5. Drift 3/ 200 feet easterly on the 3rd level of Silver Bell shaft.

(5) Objective Area 6.

Step 1 - Bulldoze the necessary roads to churn-drill sites. Churn drill 3 holes aggregating approximately 600.3 feet in depth. The location, direction, attitude, and length of each hole shall be determined by the Operator subject to the prior approval of the Government.

Step 2 - This step will depend upon the results of Step 1 and is subject to the prior approval of the Government. Extend the 3rd level drift3/ of the Silver Bell shaft an additional 300 feet easterly.

Step 3 - This step will depend upon the results of Steps 1 and 2 and is subject to the prior approval of the Government. Extend the 3rd level drift3/ of the Silver Bell shaft an additional 150 feet easterly. (See attached Map C-1112.)

(6) Objective Area 4.

Step 1 - From the 6500-foot sublevel off the main Chief-Silver Bell raise, drift westerly approximately 200 feet.

Step 2 - This step will depend upon the results of Step 1 and the results of any diamond drilling under Steps 2 and 4 of item (5) Objective Area 4 under Stage I, and is subject to the prior approval of the Government.

Extend the 6500-foot sublevel drift westerly and/or crosscut an additional aggregate of approximately 184.8 feet.

3/ See footnote 1.

Estimated Costs of the Project

See Article 6 of the contract for statement of items that are maximum. Any additional maximums are indicated hereafter by asterisk.

The estimated cost of work to be performed under independent contracts, and the conditions under which it will be carried on, are based upon an "Agreement" dated June 22, 1953, by and between the M. I. A. Mines Company and the Centennial Development Company. A copy of this Agreement is contained in the Government's Docket No. DMEA-2688, and the Agreement is incorporated into this Exhibit "A" by reference for the purpose only of determining what the independent contractor must do and provide as distinguished from items to be furnished by the Operator.

Category (1) Independent Contracts 4/

Stage I	Schedule Charge
Straighten and widen main adit, 3600 cu. ft. of rock in place at $0.50/cu. ft.	$1,800.00
Rehabilitate main adit; lay track, install air, water, and ventilation pipes, 1900 ft. at $0.75/ft.	1,425.00
992.5 feet of drift at $20.00/ft.	19,850.00
120 feet of drift timbering at $3.50/ft.	420.00
290 feet of 2-compartment raise at $30.00/ft.	8,700.00

4/ The Operator may elect to do all or any part of the work under this category on Company account on an actual cost basis, in lieu of contract unit costs, provided that the actual costs for any item shall not exceed the maximum specified for that item under this category.

1 bulldozer, 20 hours at $12.00/hr. 5/	$ 240.00	
739.7 feet of churn drilling at $5.00/ft. 6/	3,698.50	
2,009.5 feet of diamond drilling at $5.50/ft. 6/	11,052.25	$47,185.75

Stage II Silver Bell

Rehabilitation of Silver Bell shaft to 3rd level. 7/	1,800.00	
Construction of skip pocket at 3rd level Silver Bell shaft, including all labor, supplies, materials, and all other costs	500.00	
1,034.8 feet of drift at $26.00/ft.	26,904.80	
50 feet of drift timbering at $4.00/ft.	200.00	
600.3 feet of churn drilling at $5.00/ft. 8/	3,001.50	
1 bulldozer, 30 hours at $12.00/hr. 9/	360.00	32,766.30

5/ The bulldozer costs include operator, fuel and oil, necessary supplies, repairs and replacement parts, and all costs.

6/ The costs of churn drilling and diamond drilling include labor and all machines and supplies necessary for the operation, and all other costs except water which will be furnished by the Operator.

7/ The requirement of Art. 4(b) for independent contracts on a unit-cost basis is waived as to this item.

8/ See footnote 6.

9/ See footnote 5.

Category (2) Personal Services

Stage I

(a) Supervision		
1 Supervising Engineer at $600.00/mo., 8 months	$ 4,800.00	
(b) Technical services		
1 Engineer, part time, at $100.00/mo., 8 months	800.00	
(c) Labor		
1 Topman, 1/2 day at $16.02/day, 8 months (includes overtime and fringe payments)	1,666.50	$ 7,266.50

Stage II

(a) Supervision		
1 Supervising Engineer at $600.00/mo., 5 months	3,000.00	
(b) Technical services		
1 Engineer, part time, at $100.00/mo., 5 months	500.00	
(c) Labor		
1 Topman, 1/2 day at $16.02/day, 5 months (includes overtime and fringe payments	1,041.50	4,541.50

Category (3) Operating Materials and Supplies

Stage I

Work Item (2)

19 tons of secondhand 30# rail at $105.00/ton 10/	$ 1,995.00*	
Pipe fittings	76.00	
760 ties at $0.75/each	570.00	
1,900 feet 1" black pipe at $0.12/ft.	228.00	
1,900 feet 3" black pipe at $0.74/ft.	1,406.00	
Drayage on pipe and fittings	95.00	$ 4,370.00

Work Items (3), (4), and (5)

12 tons of secondhand 30# rail at $105.00/ton 10/	1,260.00*	
1,700 feet of 1" black pipe at $0.12/ft.	204.00	
850 feet of 3" black pipe at $0.74/ft.	629.00	
850 feet of 2" black pipe at $0.50/ft.	425.00	
Pipe fittings	66.00	
1,800 feet of 12" flexible vent tubing at $0.82/ft.	1,476.00	
2,500 feet #4 - 3 conductor wire insulated for underground use at $1.00/ft.	2,500.00	

10/ Estimated cost includes fish plates, bolts, and spikes.

Electric switches and transformer	$ 185.00	
Fuel and oil, 26 days per month, 16 hours per day, 8 months	3,536.00	
Drill steel and bits	2,500.00	
Tools and miscellaneous supplies	300.00	
480 Ties at $0.75 each	360.00	
35,000 feet timber at $117.00/M 11/	4,095.00	
Core boxes	180.00	
Drayage on pipe and fittings	83.00	
Explosives	1,120.00	$18,919.00

Stage II

Work Item (2)

3 tons of secondhand 30# rail at $105.00/ton 12/	315.00*	
300 feet 1" black pipe at $0.12/ft.	36.00	
300 feet 2" black pipe at $0.50/ft.	150.00	
200 ties at $0.75 each	150.00	
4,000 feet of timber at $117.00/M 13/	468.00	1,119.00

11/ Timber cost includes the costs of trucking to mine and framing.

12/ See footnote 10.

13/ See footnote 11.

Work Items (3), (4), (5), and (6)

5 tons of secondhand 30# rail, at $105.00/ton 14/	$ 525.00 *	
900 feet of 1" black pipe at $0.12/ft.	108.00	
900 feet of 2" black pipe at $0.50/ft.	450.00	
Pipe fittings	37.00	
800 feet of 12" flexible vent tubing at $0.82/ft.	656.00	
400 feet #4 - 3 conductor wire insulated for underground use at $1.00/ft.	400.00	
Fuel and oil, 26 days per month, 16 hours per day, 5 months	2,210.00	
Drill steel and bits	2,100.00	
Tools and miscellaneous supplies	200.00	
200 ties at $0.75 each	150.00	
10,000 feet of timber at $117.00/M 15/	1,170.00	
Drayage on pipe and fittings	47.00	
Explosives	2,000.00	$10,053.00

14/ See footnote 10.

15/ See footnote 11.

Category (4) Operating Equipment

(a) Rental 16/

Stage I

1 Battery trammer, $230.00/mo., 8 months	$ 1,840.00*	
10 - 20 to 24 cubic foot mine cars, equipped for motor haulage, at $26.00 per car per month, 8 months	2,080.00	
1 Diesel-driven portable compressor at $505.00/month, 8 months	4,040.00	
1 Diesel-Electric Generator Set, 220-440 volts, at $400.00/mo., 8 months	3,200.00	
2 Ventilator fans at $17.00/each/ month, 8 months	272.00	
1 15-KW Diesel-Electric Generator set, 110-220 volts, at $150.00/mo., 8 months	1,200.00	
Water pressure tank, $5.00/mo., 8 months	40.00	$12,672.00

Stage II

3 - 20 to 24 cubic foot mine cars, equipped for motor haulage, at $26.00 per car per month, 4 months	312.00	
1 Diesel-driven, portable compressor at $505.00/month, 5 months	2,525.00	
1 Diesel-Electric Generator set, 220-440 volts, $400/mo., 5 months	2,000.00	
1 Ventilator fan at $17.00/mo., 5 months	85.00	

16/ If any of the equipment under this category is furnished by the M. I. A. Mines Company, or an affiliated company, it is to be charged to the contract on a monthly depreciation value which is equal to 1/60 of its fair market value, instead of the rental values listed.

1 15-KW Diesel-Electric Generator set, 110-220 volts, $150.00/mo., 5 months	$ 750.00	
1 Gasoline-driven hoist at $85.00/mo., 4 months	340.00	
Water pressure tank, $5.00/mo., 5 mos.	25.00	
Surface equipment at the Silver Bell shaft to be erected and to be supplied by the Operator, includes hoist house, headframe, bin, truck, cars, skip, and miscellaneous equipment, $300.00/mo., 5 months	1,500.00	$ 7,537.00

Category (5) Initial Rehabilitation and Repairs

None

Category (6) New Buildings, Fixtures, and Installations

Fan house at collar of churn drill hole	$ 150.00*	
1,200 feet of power line at $0.38/ft.	456.00*	
Compressor, power, and warehouse building (To be bought and moved to adit site)	1,500.00*	
Provide and install fuel tanks	600.00*	
Provide and install 7,000-gallon water tank with pipe buried for winter weather	644.00*	$ 3,350.00

Category (7) Miscellaneous

Stage I

Repair parts and maintenance of equipment $550.00/mo., 8 months 17/	$ 4,400.00	
Assays, $50.00/mo., 8 months	400.00	
Road maintenance for winter, $400.00/mo., 6 months	2,400.00*	
Office and engineering supplies	200.00	
Compensation, employer's liability insurance, payroll taxes, etc., 8 months	1,100.00	
Transportation by company pickup truck at $0.09/mile (includes operating cost), estimated 1,100 miles/month, $99.00/mo., 8 months 17/	792.00	
Transportation of heavy supplies by company truck at $0.14/mile (includes operating cost), estimated 600 miles/month, $84.00/mo., 8 months 17/	672.00	
Supplying water to project, 8 months at $244.71/mo.	1,957.65	
1 Bookkeeper-clerk, part time at $150.00/mo.*, 8 months*	1,200.00*	
Contingencies	1,181.80	$14,303.45

17/ The costs of repair, maintenance, and transportation are to be charged against the project only as incurred while the equipment is working on the project.

Stage II

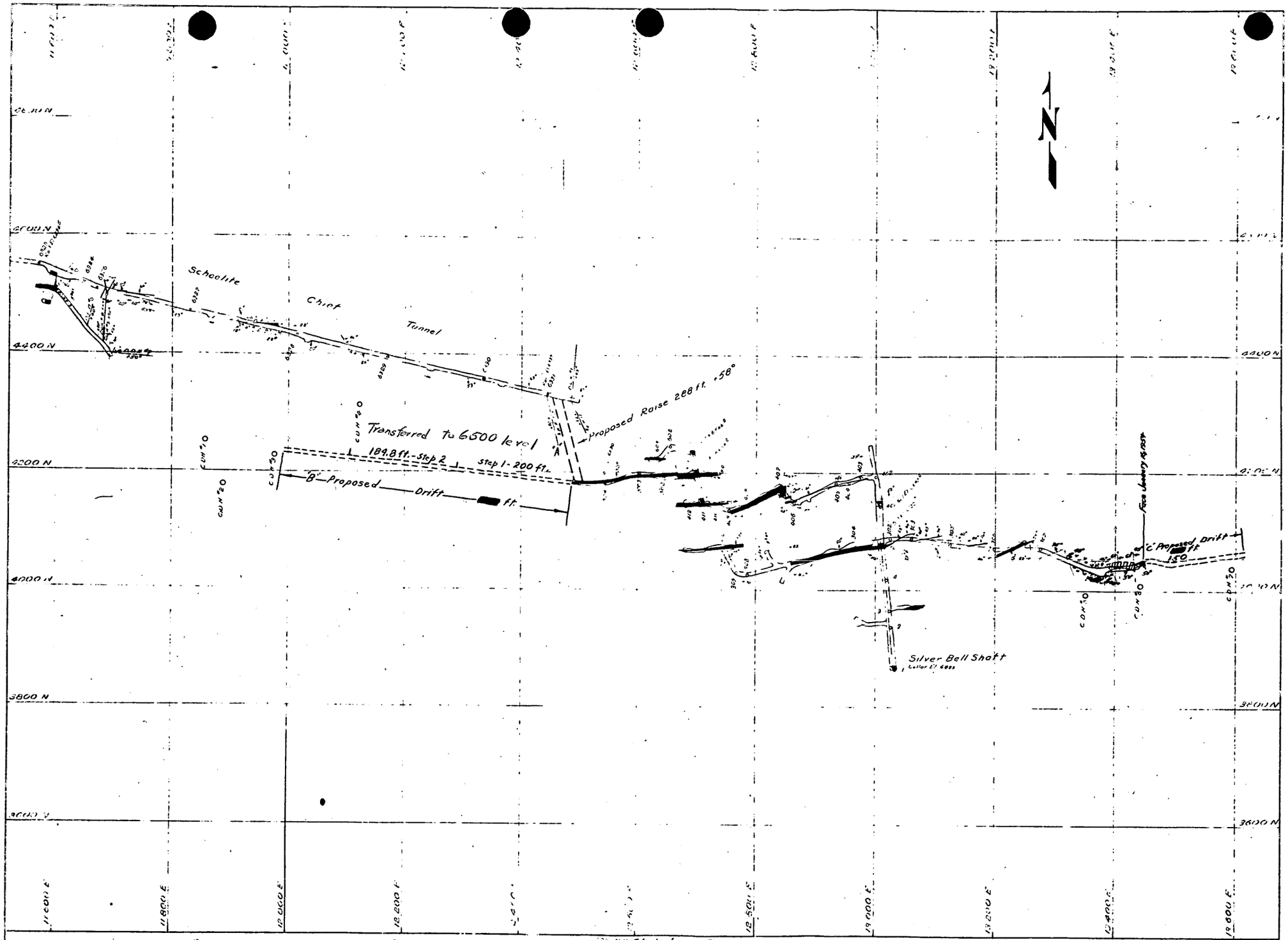
Repair parts and maintenance of equipment, $550.00/mo., 5 months 18/	$ 2,750.00	
Assays, $50.00/mo., 5 months	250.00	
Office and engineering supplies	125.00	
Compensation, employer's liability insurance, payroll taxes, etc., 5 months	700.00	
Transportation by company pickup truck at $0.09/mile (includes operating cost), estimated 1,100 miles/mo., $99.00/mo., 5 months 18/	495.00	
Transportation of heavy supplies by company truck at $0.14/mile (includes operating cost), estimated 600 miles/mo., $84.00/mo., 5 months 18/	420.00	
Supplying water to project, 5 months at $244.71/mo.	1,223.55	
1 Bookkeeper-clerk, part time, at $150.00/mo.*, 5 months*	750.00	
Contingencies	602.95	$ 7,316.50

18/ See footnote 17.

The Operator may elect to carry on simultaneously with the exploration work, development and production operations. In this event, the exploration work shall be carried on, as far as practicable, with equipment, materials, crews, and supervision separate and distinct from any other operations of the Operator, in order to avoid confusing the costs under this contract with any other costs. However, to the extent economically practicable, equipment (such as compressor and hoist), incidental labor, and supervision used in development and production operations may be used also for exploration, and the direct costs arising out of such use prorated between the operations, but the basis of such proration shall at all times be subject to the approval of the Government, and the costs resulting to the exploration project from such proration will be disallowed by the Government to the extent disapproved by the Government.

S U M M A R Y

Estimated Cost of Stage I	$108,066.70*	
Estimated Cost of Stage II	63,333.30*	
Estimated Total Cost of Project		$171,400.00
Government Participation @ 75%		$128,550.00



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DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Nevada, County of Lincoln, described as follows: 1/ Parts of contiguous unpatented lode mining claims situated in the Minerva Mining District, White Pine County, Nevada, more particularly described and recorded as follows:-

The easterly ½ of Silver Bell Lode - Book 96 - Page 276

All of Silver Bell #1 Lode - Book 96 - Page 277
The Southerly ½ of Wedge Lode - Book 134- Page 207
The Southerly ½ of Pot Pie #1 Lode - Book 128- Page 377

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ M.I.A. Mines Company, not incorporated, authorized to do business in Nevada.

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract or any amendment thereof shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production 3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

(OVER)

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions

The undersigned consents to all amendements of the contract. No changes.

Dated this 2nd day of November, 1954.

Robert F. Stopper [Seal]

Martha R. Allen [Seal]

Edward G. Stopper [Seal]

Government's Copy

Defense Minerals Administration
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EXPLORATION PROJECT CONTRACT
M. I. A. MINES COMPANY
DOCKET NO. DMEA-2688

AMENDMENT NO. 3

It is agreed this 23rd day of April, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and M. I. A. Mines Company, that Contract Idm-E481 (Docket No. DMEA-2688), dated January 27, 1953, as amended, is further amended, effective January 27, 1953, as follows:

1. Amendment No. 2 dated January 25, 1954, is cancelled and rescinded as of January 25, 1954.

2. Annex I, attached hereto and made a part hereof, is substituted for Article 9 of the contract form.

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

4. In Article 3 of the contract form, delete the period "15 months," and substitute the period "21 months."

5. In line 2 of Footnote 1/ of Exhibit "A" attached to the contract form, delete the word "over-all."

6. In Exhibit "A," under the heading "Description of the Work," under "Stage I":

(a) Item (3) Objective Area 1 is amended to read as follows:

Drive a drift 1/ 147 feet southeasterly on the intermediate level. (See Map C-1112 attached to this Amendment No. 3.)

Diamond drill not to exceed 709.5 feet from intermediate level A, to locate mineralized zone in this Objective Area. The location, direction, attitude, and length of each hole are subject to the approval of the Government.

1/ Footnote reference is to Footnote 1/ of Exhibit "A" attached to contract.

(b) Item (4) Objective Areas 2 and 3, Step 1, is amended to read as follows:

Step 1 - Bulldoze the necessary roads to 4 churn-drill sites. Churn drill 4 holes to an aggregate total depth of 739.7 feet. The location, direction, attitude, and length of each hole shall be determined by the Operator, subject to the prior approval of the Government.

(c) Item (4) Objective Areas 2 and 3, Step 2, is amended to read as follows:

Step 2 - This step will depend upon the results of Step 1 under this item and shall be subject to the prior approval of the Government. Extend the main adit in a S. 80° E. direction for approximately 275 feet from its present face. 1/

(d) Item (5) Objective Area 4, Step 1, is amended to read as follows:

Step 1 - Advance the main adit S. 80° E. an additional 570.5 feet. (See Map C-1112 attached to this Amendment No. 3.) 1/

(e) Item (5) Objective Area 4, Step 3, is amended to read as follows:

Step 3 - This step will depend upon the results of Step 2 and is subject to the prior approval of the Government. Drive a 2-compartment raise approximately 290 feet to the Objective Area. 1/

7. In Exhibit "A," under the heading "Description of the Work," under "Stage II":

(a) Item (4) Objective Area 5 is amended to read as follows:

Drift 200 feet easterly on the 3d level of Silver Bell shaft. 1/

1/ Footnote reference is to Footnote 1/ of Exhibit "A" attached to contract.

(b) Item (5) Objective Area 6, Step 1, is amended to read as follows:

Bulldoze the necessary roads to churn-drill sites. Churn drill 3 holes aggregating a total of 600.3 feet in depth. The location, direction, attitude, and length of each hole shall be determined by the Operator subject to the prior approval of the Government.

(c) Item (5) Objective Area 6, Step 2, is amended to read as follows:

Step 2 - This step will depend upon the results of Step 1 and is subject to the prior approval of the Government. Extend the 3d level drift of the Silver Bell shaft an additional 450 feet easterly. 1/

(d) The following new item of work is added:

Item (6) - Objective Area 4:

Step 1 - Extend the 5th level drift of the Silver Bell shaft approximately 200 feet westerly. 1/

Step 2 - This step will depend upon the results of Step 1 and the results of any diamond drilling under Steps 2 and 4 of item (5) Objective Area 4 and is subject to the prior approval of the Government. Extend the 5th level drift of the Silver Bell shaft and/or crosscut an additional aggregate of approximately 184.8 feet. 1/

8. In Exhibit "A," under the heading "Estimated Costs of the Project":

(a) Under the category "(1) Independent Contracts," under "Stage I":

1/ Footnote reference is to Footnote 1/ of Exhibit "A" attached to contract.

(1) Delete the item "1200 feet* 5' x 7' drift at $25.00/foot* - $30,000.00*"; and substitute the item "992.5 feet* of drift at $25.00/foot* - $24,812.50*."

(2) Delete the item "450 feet* of 2-compartment raise at $31.00/foot* - $13,950.00*"; and substitute the item "290 feet* of 2-compartment raise at $31.00/foot* - $8,990.00*."

(3) Delete the item "800 feet* of churn drilling at $5.00/foot* 6/ - $4,000.00*"; and substitute the item "739.7 feet* of churn drilling at $5.00/foot* 6/ - $3,698.50*."

(4) Delete the item "1300 feet* of diamond drilling at $5.50/foot* 6/ - $7,150.00*"; and substitute the item "2,009.5 feet* of diamond drilling at $5.50/foot* 6/ - $11,052.25*."

(5) Delete the subtotal "$59,165.00*" and substitute "$52,618.25*."

(b) Under the category "(1) Independent Contracts," under "Stage II":

(1) Delete the item "500 feet* of 5' x 7' drift at $30.00/foot* - $15,000.00*"; and substitute the item "1,034.8 feet* of drift at $30.00/foot* - $31,045.25*." (Rounded figure.)

(2) Delete the item "125 feet* of 2-compartment raise at $40.00/foot* - $5,000.00*."

(3) Delete the item "1500 feet* of churn drilling at $5.00/foot* 6/ - $7,500.00*"; and substitute the item "600.3 feet* of churn drilling at $5.00/foot* 6/ - $3,001.50*."

(4) Delete the subtotal "$30,410.00*" and substitute "$36,956.75*."

6/ Footnote reference is to footnote 6/ in Exhibit "A" attached to contract.

(c) Under the heading "Summary" (at the end of Exhibit "A"):

Delete the figures "$115,426.00*" and "$55,974.00*," respectively, and substitute the figures "$108,879.25*" and "$62,520.75*," respectively.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the amount of any item designated as "allowable maximum" which is not specifically changed in this amendment.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense
Minerals Exploration
Administration

M. I. A. MINES COMPANY

By _____

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 11 1954

EXPLORATION PROJECT CONTRACT
M. I. A. MINES COMPANY
DOCKET NO. DMEA-2688

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

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:

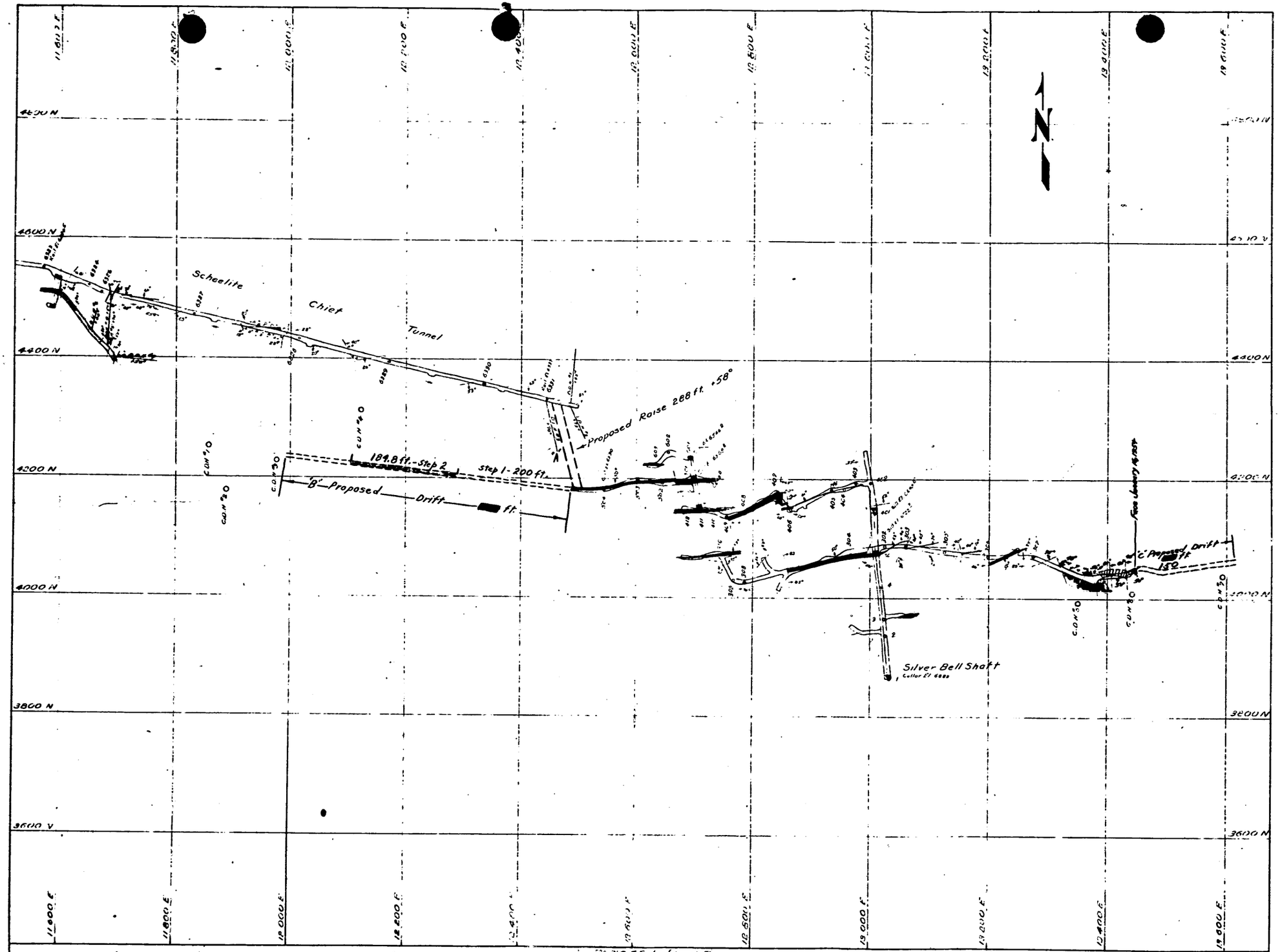
> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight 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.


Scheelite
Chief
Tunnel
Proposed Raise 288 ft. +58°
184.8 ft.-Step 2
Step 1-200 ft.
'B' Proposed Drift ft.
'C' Proposed Drift ft.
Face January 4, 1954
Silver Bell Shaft
Collar El. 6888
4600 N
4400 N
4200 N
4000 N
3800 N
3600 N
11600 E
11800 E
12000 E
12200 E
12400 E
12600 E
12800 E
13000 E
13200 E
13400 E
13600 E
N
REVISIONS
DRAWN O.E. Schroeder 1-14-54
TRACED
CHECKED R.H. Godbe 1-14-54
COMBINED METALS REDUCTION CO.
MINERVA TUNSTEN PROP
M.I.A. MINES
WHITE PINE CO. NEV.
COMPOSITE SILVER BELL AND EAST END SCHEELITE CHIEF MINE
SCALE 1" = 200'
C-1112

DEPARTMENT OF THE INTERIOR
Defense Materials Administration
RECEIVED
MAY 11 1954

AMENDMENT NO. 3

Docket No. DMEA-2688 Mineral Tungsten

Exploration Project Contract Idm-E481

Date of Contract January 27, 1953

Date of Amendment April 23, 1954

Operator M. I. A. Mines Company

JUSTIFICATION

Operations at the mine showed the need and desirability of cancelling and rescinding Amendment No. 2, and of changing the plan of work as has been outlined in Amendment No. 3. It was to the Government's as well as to the Operator's best interests that the above be done.

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

Government's copy

EXPLORATION PROJECT CONTRACT
M. I. A. MINES COMPANY
DOCKET NO. DMEA-2688

AMENDMENT NO. 2

It is agreed this 25th day of January, 1954, that Contract Idm-E481, Docket No. DMEA-2688, dated January 27, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and M. I. A. Mines Company, as amended, is further amended, effective November 21, 1953, as follows:

1. In Exhibit "A", under the heading "Description of the Work":

(a) Under Stage I, Item (3) Objective Area 1:

Delete "Drive a drift[1] 100 feet southeasterly on the intermediate level A"; and

Substitute "Drive a drift[1] 147 feet southeasterly on the intermediate level, then drift[1] 78 feet to a point indicated by proposed diamond drill holes and approved by the Government."

(b) Under Stage I, Item (3) Objective Area I, the following work is added:

"Diamond drill not to exceed 817.9 feet from intermediate level A, to locate mineralized zone in this Objective Area. The location, direction, attitude, and length of each hole is subject to the approval of the Government."

(c) Under Stage I, Item (4) Objective Areas 2 and 3, Step 2:

Delete "Crosscut southeasterly 250 feet"; and

Substitute "Crosscut southeasterly 125 feet."

(d) Under Stage II, Item 5, Objective Area 6, Step 1:

Delete "Churn drill 7 or 8 holes aggregating a total of approximately 1,500 feet in length"; and

Substitute "Churn drill 3 holes aggregating a total of 600.3 feet."

(e) In footnote "1/", delete the word "overall" appearing in the second line.

2. In Exhibit "A", under the heading "Estimated Costs of the Project":

(a) Under the category "Independent Contracts," under Stage I:

(1) Delete the item "1,300 feet* of diamond drilling at $5.50/foot*6/ - $7,150.00*"; and

Substitute "2,117.9 feet* of diamond drilling at $5.50/foot*6/ - $11,648.50*."

(2) Delete the subtotal "$59,165.00*"; and

Substitute the subtotal "$63,663.50*."

(b) Under the category "Independent Contracts," under Stage II:

(1) Delete the item "1,500 feet* of churn drilling at $5.00/foot*6/ - $7,500.00*"; and

Substitute "600.3 feet* of churn drilling at $5.00/foot*6/ - $3,001.50*."

(2) Delete the subtotal "$30,410.00*; and

Substitute the subtotal "$25,911.50*."

(c) Under the heading "Summary" (at the end of Exhibit "A"):

Delete the figures "$115,426.00*" and "55,974.00*"; and

Substitute the figures "$119,924.50*" and "51,475.50*," respectively.

3. Annex I, attached hereto, is substituted for Article 9 of the contract.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the amount of any item designated as "allowable maximum" which is not specifically changed in this amendment.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C O Mitteneory
Administrator, Defense Minerals
Exploration Administration

M. I. A. MINES COMPANY

By R Snyder

ANNEX I

The following provisions are in lieu of Article 9 :

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by this contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other amounts realized from the sale or other disposition of any such production (including any bonuses, premiums, allowances, or other benefits), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half ($1\frac{1}{2}$) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) percent of any such net amounts, plus one-half ($\frac{1}{2}$) 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 ($1\frac{1}{2}$) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed imposing any obligation on the Operator or the Operator's successor in rest to engage in any mining or production operations.

AMENDMENT NO. 2

Docket No. DMEA-2688 Mineral Tungsten

Exploration Project Contract Idm-E481

Date of Contract January 27, 1953

Date of Amendment January 25, 1954

Operator M. I. A. Mines Company

JUSTIFICATION

Operations under the contract to the time Amendment No. 2 was requested indicated the desirability of changing the exploration program and relocating some of the work to accomplish the best results. Our engineer and geologist concurred in the opinion that the operator's wishes were sound and should be approved by an amendment. Amendment No. 2, accordingly, was prepared as it was in the best interest of the Government to do so.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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1953
Government Copy

M. I. A. MINES COMPANY
EXPLORATION PROJECT CONTRACT IDM-E481
DOCKET NO. DMEA-2688

AMENDMENT NO. 1

Contract Idm-E481, dated January 27, 1953, Docket No. DMEA-2688, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and M. I. A. Mines Company, is amended as follows, effective July 1, 1953:

1. In Exhibit "A", Description of Work (2) Labor, Supervision, Consultants:

Under Stage I delete the item:

1 Topman at $16.02 per day, 8 months (includes overtime and fringe payments) $3,333.00

and substitute therefor:

1 Topman 1/2 day at $16.02 per day, 8 months (includes overtime and fringe payments) $1,666.50

Under Stage II delete the item:

1 Topman at $16.02 per day, 5 months (includes overtime and fringe payments) $2,083.00

and substitute therefor:

1 Topman 1/2 day at $16.02 per day, 5 months (includes overtime and fringe payments) $1,041.50

2. In Exhibit "A", Description of Work (7) Miscellaneous:

Under Stage I delete the item:

Transportation of water and heavy supplies by company truck at $0.14/mile (includes operating cost), estimated 860 miles/month, $120.40/mo., 8 months 13/ $963.20

and substitute therefor:

Transportation of heavy supplies by company truck at $0.14/mile (includes operating cost), estimated 600 miles/month, $84/mo., 8 months 13/

$672.00

Under Stage II delete the item:

Transportation of water and heavy supplies by company truck at $0.14/mile (includes operating cost), estimated 860 miles/mo., $120.40/mo., 5 months 14/

$602.00

and substitute therefor:

Transportation of heavy supplies by company truck at $0.14/ mile (includes operating cost), estimated 640 miles/mo., $64/mo., 5 months 14/ $320.00

3. Under (7) Miscellaneous:

Add the following item under Stage I:

Supplying water to project, 8 months at $244.71 per month $1,957.65

and under Stage II add:

Supplying water to project, 5 months at $244.71 per month $1,223.55

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the amount of any item designated as "allowable maximum."

Dated October 8, 1953

M. T. A. MINES COMPANY

By _____

THE UNITED STATES OF AMERICA

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1953

AMENDMENT NO. 1

Docket No. DMEA-2688 Mineral Tungsten

Exploration Project Contract Idm-E481

Date of Contract January 27, 1953

Date of Amendment October 8, 1953

Operator M. I. A. Mines Company

JUSTIFICATION

Operator requested a change in his contract to permit him to drill a water well for water to supply his exploration activities. Contract allows him $3161.20 to haul water and with that amount of money he states he can drill a well and increase the efficiency of his operations. This amendment allows the operator to use any practical method he desires for supplying water and does not restrict the method to hauling.

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 23 1953

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

November 20, 1953

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

Re: Idm-E481, DMEA-2688
M. I. A. Mines Company

Dear Mr. Chambers:

Attached hereto for your information and files is copy of agreement dated June 22, 1953, between M. I. A. Mines Company and Centennial Development Company, covering work to be performed under subject contract. This agreement reduces certain unit rates as set forth in Annex I of the contract.

Sincerely yours,

George Mavor

George Mavor
Auditor

Enclosure

DEPARTMENT [illegible]
Defense Mineral [illegible]
RECE[illegible]
NOV 23 1953

[illegible]

This Agreement made and entered into as of the 2nd day of June, 1953, by and between the F. I. A. [illegible] Corporation, not incorporated, authorized to do business in Nevada, party of the first part, hereinafter referred to as "Company", and the [illegible] Corporation, a [illegible] corporation, party of the second part, hereinafter referred to as "Contractor".

WITNESSETH:

The Company holds under agreement and lease certain mining property situated in Tonopah Mining District, County of Esmeralda, State of Nevada, and is desirous to have certain exploration work done in accordance with Exploration Project Contract Docket No. DMA 2048 and Contractor is qualified and willing to do said work upon the terms hereinafter stated.

NOW THEREFORE, for and in consideration of the sum of Ten Dollars ($10.00) to Contractor paid, receipt of which is hereby acknowledged, and of the agreements of the parties by them respectively to be kept and performed, it is hereby agreed as follows:

1. (a) CONTRACTOR agrees to rehabilitate the main haulageway of the Scheelite Chief mine, including straightening and widening as designated, laying track, and installing air and water lines; for which the Company will pay $.50 per cubic foot of rock in place removed to the waste dump and $.75 per lineal foot of completed track, air, and water line installation.

(b) CONTRACTOR AGREES to drive 5 x 7 ft. drifts clear and inside timber where needed in the Scheelite Chief mine on the vein alignment and at location designated by the Company and timber and as required; for which the Company will pay Twenty Dollars ($20.00) per lineal foot of drift advance and $3.50 per lineal foot for installation of Company furnished 6 x 8 foot sets on 5 foot centers.

(c) CONTRACTOR AGREES to drive the compartment (5 1/2 x 11 feet) and/or three compartment (5 1/2 x 11 feet) raises and install timber and chutes as specified in the Scheelite Chief mine at location and inclination designated

by the Company; for which the Company will pay Thirty Dollars (30.00) per lineal foot for 5 1/2 x 11 ft. rock section complete with timber installed, and Thirty-four dollars per lineal foot for 5 1/2 x 13 ft. rock section complete with timber installed.

(d) CONTRACTOR agrees to rehabilitate the inclined shaft at the Silver Bell Mine to the third level at direct labor and supervision costs plus a fixed fee of Fifteen Dollars (15.00) per shift.

(e) CONTRACTOR agrees to construct a sump pocket, including timbering, with an effective capacity of 15 cubic feet at the third level of the Silver Bell Mine for a flat price of Four Hundred Dollars ($400.00).

(f) CONTRACTOR agrees to drive 5 x 7 ft. drifts clear and inside timber where needed in the Silver Bell Mine to a maximum of 500 feet from the shaft on veining alignment and at location designated by the Company and timbered as required; for which the Company will pay Twenty-six Dollars (26.00) per lineal foot of drift advance and 14.00 per lineal foot for installation of Company furnished 6 x 6 feet sets on 5 foot centers.

(g) CONTRACTOR agrees to drive two compartment (5 1/2 x 11 feet) and/or three compartment (5 1/2 x 13 feet) raises and install timber and chutes as specified in the Silver Bell Mine at location and inclination designated by the Company; for which the Company will pay Thirty-eight Dollars (38.00) per lineal foot for 5 1/2 x 11 ft. rock section complete with timber installed, and Forty-two Dollar (42.00) per lineal foot for 5 1/2 x 13 feet rock section complete with timber installed.

11. (a) COMPANY agrees to provide for use in the development without cost to the Contractor:

1. One Gardner-Denver mucking machine Model 9.
2. One Sullivan mucking machine Model ML-3.
3. Ten mine cars.
4. Coppus fans, 5 HP, as needed for adequate ventilation.
5. One storage battery locomotive complete with charger.
6. One 360 cubic foot compressor (Ingersoll Rand Model 75, and Diesel Motor Model [illegible]), complete with air receiver and 3 inch air line to portal of re-vellite [illegible] adit.
7. Diesel Generator [illegible] - 15 KW.
8. One Sullivan [illegible].

9. One "Motor Feed" - Joy LM-6-A.

10. One drifter - Joy T300.

11. One drifter - Joy T350.

12. One stoper - Gardner-Denver K91.

13. One jackleg - Thor Model 63A.

14. One jackhammer - Thor Model 30.

15. Two jackhammers - Thor Model 75.

16. One jackhammer shell - Thor Model 75.

17. Mechanics and electricians' services and repair parts for repair and maintenance of all above equipment.

18. Rail and fittings, pipe and fittings, vent lines and accessories, timber, wedges, mills, as needed, all delivered at the portal as required by the Contractor.

19. Greases and oils for all equipment.

20. Air and water hoses for the headings.

21. Mine service hoists as required.

22. Power line to electric fans as required.

23. Operation of small tractor for ore removal as required.

24. Gasoline driven hoist (or equivalent) plus fuel for same, surface bin with dumping arrangement and skip at the collar of the Silver Dollar Incline.

25. Compressed air, drill water, and electric power as required including fuel and maintenance.

26. To drill to the Contractor at cost plus 10% use, supplies and shop service as he may require, but entirely at the Company's convenience.

XII (a) CONTRACTOR shall to supply or provide:

1. All labor and supervision, including insurance and payroll taxes, and housing and boarding of same.

2. Haul and dump waste or ore and maintain waste dump.

3. All explosives and blasting facilities.

4. Installation of fans and vent lines.

5. Operation of all surface plant equipment, including compressors, diesel electric generators, battery chargers, and hoists.

6. Small tools as required in drill headings.

(b) CONTRACTOR AGREES to commence work immediately and to continue at a rate of at least two machine shifts per day for no less than six days per week.

(c) CONTRACTOR AGREES to perform the work in an efficient and seamlike manner, and to conform with applicable rules and regulations governing safety and sanitation in mines.

(d) CONTRACTOR AGREES to provide labor and/or supervision, at Contractor's cost, for additional items of work as may be required in fulfilling the Company's Exploration Project Contract with the government.

(e) CONTRACTOR AGREES to co-ordinate its operations with any co-contractor to pump mine operations for maximum efficiency of both parties.

(f) CONTRACTOR AGREES to carry, at its expense, Workmen's Compensation and Occupational Disease Disability Compensation Insurance covering its employees, and before commencing any work under this agreement, to furnish Company with a certificate of the insurance carrier that Contractor is covered with Workmen's Compensation and Occupational Disease Disability Compensation Insurance, and an agreement of the insurance carrier that the policy or policies for such insurance will not be cancelled without first giving Company at least ten days' written notice of intention to cancel the same; to pay any taxes and/or make any deductions under the Federal Insurance Contributions Act, the Federal Unemployment Tax Act, and/or the Nevada Employment Security Act for which Contractor may become obligated, and to comply with the Nevada Act to Regulate Payment of Wages in Private Employment, the Fair Labor Standards Act of 1938 as amended, and all other laws, rules and regulations of any duly constituted

governmental authority affecting said work; and on request of Company, to furnish it supporting evidence of compliance with the requirements of this paragraph.

(g) CONTRACTOR AGREES to furnish Company, upon its request, satisfactory proof that all workmen employed by Contractor in the performance of the work covered by this Agreement have been fully paid and that all suppliers of equipment, tools, supplies, and power furnished by Contractor have been fully paid.

(h) CONTRACTOR AGREES to indemnify and save Company harmless against all claims made upon Company for or on account of any debt or expense incurred by Contractor, or claims for personal injury to or death of any person or injury to property of any person by reason of any act or omission of Contractor, its agents, or employees; and to assume and discharge all liability, claims and demands of whatsoever nature arising out of or based upon its operations under this Agreement.

IV IT IS MUTUALLY AGREED:

(a) That final payment to Contractor under this Agreement shall be based on plans, sections, and others data prepared by Company's engineers from original measurements and surveys made by Company's representative, in the presence of a representative of Contractor, of the drift and/or excavations, completed in accordance with the provisions of this Agreement; and said representative of Contractor and representative of Company shall approve and sign the original notes of such measurements at the time they are made. Payment for partially completed sections of the drift and/or raise or for sections where any work is improperly done (such as timbering inadequately blocked) or excessive track grade) shall be withheld until the regular payment date next following proper and final completion of the section. In the event of disagreement between the representative of Contractor and representative of Company as to the work completed, Contractor shall furnish Company with a memorandum,

in writing, stating the differences and Company shall investigate the facts and attempt to compose such difference, but in any event, the decision of the Company shall be final in determining payments to be made under this Agreement.

(b) That neither party to this Agreement shall be responsible for loss or damage arising from delays caused by strikes, fire, accidents, delays or carriers, suppliers of material, inability to obtain labor or supplies, cave-ins, or other causes beyond the reasonable control of either party, whether of the same kind or class as the causes specifically enumerated or not; but each party will exercise reasonable effort and diligence to avoid any such delays.

(c) In the event of the Company's failure, or temporary inability to provide agreed upon services or facilities, the Company will make reasonable payments to the Contractor for the direct costs incurred by him as the result of such failure. This does not apply to isolated breakdowns or breakdowns of short duration which can be reasonably expected.

(d) Payment for advance will be made not later than the tenth of the following month with no hold-back, except in the case of work improperly performed.

(e) That Company mine superintendent or engineer may inspect the workings at any time and direct Contractor as to direction of the drive and advise if work fails to meet contract specifications.

(f) That this Agreement is not assignable or transferable by Contractor or by operation of law.

V THE COMPANY reserves the right to terminate this Agreement by thirty (30) days written notice to the Contractor for:

(a) Failure to perform work in minerlike fashion or follow work specifications.

(b) Failure to maintain reasonable progress.

(c) Deterioration of economic conditions or suspension of Government aid.

VI THIS CONTRACT becomes null and void effective immediately should Defence Minerals Administrator fail to approve this sub-contracting of DMA Docket ~~[illegible]~~ 2688, in which case the Company will pay Contractor direct costs plus Twenty-five Dollars ($25.00) per day after drifting commenced until date of cancellation.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective proper officers thereunto duly authorized, as of the day and year first written above.

M. I. A. MINES COMPANY

Manager

CENTENNIAL DEVELOPMENT COMPANY

Sec-Treas

Docket No. [illegible] 2[illegible]

Commodity Tungsten

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 [illegible]

Date of Contract or Amendment: January 27, 1959

Name and Address of Operator:

M. I. A. Mines Company, Joint Venture,
of Combined Metals Reduction Co. and American Zinc Co. of Tenn.
228 Felt Bldg.,
Salt Lake City, Utah

Amount of Government participation $ 123,550.00

Percent of Government participation 75 %

Region: III State: Nevada

(Name)

J. L. Chambers,
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. Jan. 27, 1959 13908

I, R. K. Wall, certify that I am Assistant Secretary of American Zinc Company of Tennessee, a member of joint venture above named as Operator; that W. J. Matthews, Jr., who signed this contract in behalf of Operator, was then Secretary and Treasurer of said corporation; that said contract was by him duly signed in behalf of said corporation (and Operator) by authority of the governing body of said corporation, and is within the scope of its corporate powers.

R K Wall

I, C. M. Christensen, certify that I am Secretary of Combined Metals Reduction Company, a member of joint venture above named as Operator; that E. H. Snyder who signed this contract in behalf of Operator was then President of said corporation and a Member of the Executive Committee of the Operator; that said contract was by him duly signed in behalf of said corporation (and Operator) by authority of the governing body of said corporation, and is within the scope of its corporate powers.

C M Christensen

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

MAR 9 1953

DOCKET NO. DM 2688

COMMODITY Tungsten

Government's Copy
IDM-E 481

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

EXPLORATION PROJECT CONTRACT [1]

IT IS AGREED this 27th day of January, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] M. I. A. Mines Company, a joint venture consisting of Combined Metals Reduction Company and American Zinc Company of Tennessee, 218 Felt Building Salt Lake City, Utah

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 White Pine, described as follows: [3] The easterly one-half of Silver Bell claim, Book 96, Page 276; Silver Bell No. 1 claim, Book 96, Page 277; the southerly one-half of Wedge Claim, Book 134, Page 207; the southerly one-half of Pot Pie No. 1 claim, Book 128, Page 377; and that part of the West one-half of the Silver Bell claim that contributes ore from objective area No. 1, see (Map C-1107), attached hereto 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 liens, claims, or encumbrances, a consent of which by the holder is attached~~:

(b) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien 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] tungsten

in or upon the described land; and shall bring the project to completion within a period of 15 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 E[illegible] The estimated cost of any work to be performed under an independent contract is or shall be included in the [illegible] costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amou[illegible] per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall [illegible] maximums above which the Government will not contribute. Regardless of the provisions of any such independ[illegible]estimate of the Government will participate in the payments to the independent contractor only on account of work actually perf[illegible] 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.

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[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 $128,550, which is 75 percent of $171,400.00, 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 a 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.* ____________

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals Exploration Administration

M. I. A. Mines Company, a Joint Venture
(Operator)
COMBINED METALS REDUCTION COMPANY

By [signature] President
for Executive Committee

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.

AMERICAN ZINC COMPANY OF TENNESSEE
By [signature] W. F. Matthews Jr.,
SECRETARY & TREASURER.

[CORPORATE SEAL]

EXPLORATION PROJECT CONTRACT
M. I. A. Mines Company
DOCKET NO. DMEA-2688

EXHIBIT "A"

Description of the Work

The work consists of two stages, which may be performed simultaneously.

STAGE I

Time Schedule: 0 - 8 Months

(1) Purchase, transport to and install on surface a compressor, power and warehouse building; and provide and install one water tank and fuel tanks.

(2) Rehabilitate the main adit in the Scheelite Chief Mine, including laying track, and installing air, water, and power lines. The adit shall be straightened and widened only to the extent necessary to complete the proposed exploration in an efficient and workmanlike manner.

(3) Objective Area 1. Drive a drift[1] 100 feet southeasterly on the intermediate level A and drive a 2-compartment raise[1] 50 feet to the mineralized zone. (See Map C-1107 attached hereto.)

(4) Objective Areas 2 and 3.
Step 1 - Bulldoze the necessary roads to 4 churn drill sites. Churn drill 4 holes, each to an approximate depth of 200 feet. The location, attitude and length of each hole shall be determined by the Operator, subject to the prior approval of the Government.

1/ The drifts, crosscuts, and raises shall be driven approximately 5' x 7' over-all in the clear. However, the Operator, at his election, may drive larger drifts or crosscuts, and may drive 3-compartment raises, provided that the extra costs thereof shall be at the Operator's sole expense. In such event the basis of proration between Operator and Government shall, at all times be subject to the approval of the Government, and costs involved in such proration will be disallowed by the Government to the extent that they are disapproved by the Government.

Step 2 - This step will depend on the results of Step 1 and shall be subject to the prior approval of the Government. Extend, in a S. 80° E. direction, the main adit[2] for approximately 275 feet from its present face; crosscut southeasterly 250 feet;[2] and drive a 2-compartment raise[2] approximately 200 feet to the objective areas (See Map C-1107).

(5) Objective Area 4.

Step 1 - Advance the main adit[2] S. 80° E. approximately 575 feet additional (See Map C-1107).

Step 2 - Diamond drill 2 holes, each approximately 200 feet in length, up to the objective area. The location, attitude and length of each hole shall be determined by the Operator subject to the prior approval of the Government.

Step 3 - This step will depend on the results of Step 2 and shall be subject to the prior approval of the Government. Drive a 2-compartment raise[2] approximately 200 feet to the objective area.

Step 4 - Explore the area below the favorable ore horizon drilled in Step 2 with 6 diamond drill holes with a total aggregate length of approximately 900 feet. The location, attitude, and length of each hole shall be determined by the Operator, subject to the prior approval of the Government.

STAGE II

Time Schedule: 8 - 13 months

(1) Erect headframe, bin, and hoist house, and lay necessary track on surface at Silver Bell shaft, all on Company account, at no cost to the Government.

(2) Rehabilitate Silver Bell shaft to 3rd level, retimbering where necessary, including laying track, and installing air, water, and power lines.

(3) Install skip pocket on 3rd level of Silver Bell shaft.

(4) Objective Area 5. Drift[2] 200 feet easterly on 3rd level of Silver Bell shaft, and drive a 2-compartment raise[2] approximately 50 feet to the objective area.

2/ See footnote 1.

(5) Objective Area 6.

Step 1 - Bulldoze the necessary roads to churn drill sites. Churn drill 7 or 8 holes aggregating a total of approximately 1500 feet in length. The location, attitude, and length of each hole shall be determined by Operator, subject to prior approval of the Government.

Step 2 - This step will depend on the results of Step 1 and shall be subject to the prior approval of the Government. Extend the 3rd level drift 3/ of the Silver Bell shaft an additional 300 feet easterly, and drive a 2-compartment raise 3/ 75 feet to the objective area.

Estimated Costs of the Project
(*Indicates allowable maximum)

(1) Independent Contracts 4/

STAGE I

Rehabilitate, straighten, and widen main adit, 1700 feet* at $0.60/cubic foot* of rock in place (estimated 3,000 cu. ft.)	$ 1,800.00*
Lay track, install air, water, and ventilation pipes, 1900 ft.* at $0.75/foot*	1,425.00*
1200 feet* 5' x 7' drift at $25.00/foot*	30,000.00*
120 feet* of drift timbering at $5.00/foot*	600.00*

3/ See footnote 1.

4/ The Operator may elect to do all or any part of the work under this category on Company account on an actual cost basis, in lieu of contract unit costs, and in such event, all schedules under Article 6(a) of the contract form are waived as to such work, provided that the actual costs for any item shall not exceed the allowable maximum specified for that item under this category.

450 feet* of 2-compartment raise at $31.00/foot*	$13,950.00*	
1 bulldozer, 20 hours* at $12.00/hr.*5/	240.00*	
800 feet* of churn drilling at $5.00/foot*6/	4,000.00*	
1300 feet* of diamond drilling at $5.50/foot*6/	7,150.00*	$59,165.00*

STAGE II

Rehabilitation of Silver Bell shaft to 3rd level, 18 days* at $100.00/day*	1,800.00*	
Construction of skip pocket at 3rd level Silver Bell shaft, including all labor, supplies, materials and all other costs	500.00*	
500 feet* of 5' x 7' drift at $30.00/foot*	15,000.00*	
50 feet* of drift timbering at $5.00/foot*	250.00*	
125 feet* of 2-compartment raise at $40.00/foot*	5,000.00*	
1500 feet* of churn drilling at $5.00/foot*6/	7,500.00*	
1 bulldozer, 30 hours* at $12.00 per hour*5/	360.00*	$30,410.00*

NOTE: The estimated costs of the underground work and the conditions under which it will be carried on are based upon Annex I, made a part of this Exhibit, which is a letter dated August 20, 1952, from the Centennial Development Company, Inc., of Eureka, Utah, to the Combined Metals Reduction Company, Pioche, Nevada. In any case of conflict between the provisions in Annex I, and the provisions of the contract form and Exhibit "A", the contract form and Exhibit "A" shall prevail.

5/ The bulldozer costs include operator, fuel and oil, necessary supplies, repairs and replacement parts.

6/ The costs of churn and diamond drilling include labor, and all machines, and supplies necessary for the operation, except water, which will be furnished by the Operator.

(2) Labor, Supervision, Consultants

STAGE I

1 Supervising Engineer at $600.00/month,* 8 months*	$ 4,800.00*	
1 Topman at $16.02 per day, 8 months (includes overtime and fringe payments)	3,333.00	
1 Engineer, part time, at $100.00/month*, 8 months*	800.00*	
1 Bookkeeper-clerk, part time, at $150.00/month*, 8 months*	1,200.00*	$10,133.00*

STAGE II

1 Supervising Engineer at $600/month,* 5 months*	3,000.00*	
1 Topman at $16.02 per day, 5 months (includes overtime and fringe payments)	2,083.00	
1 Engineer, part time, at $100.00/month,* 5 months*	500.00*	
1 Bookkeeper-clerk, part time, at $150.00/month*, 5 months*	750.00*	6,333.00*

(3) Operating Materials and Supplies 7/

STAGE I

12 tons of secondhand 30# rail at $105.00/ton	1,260.00*
1700 feet of 1" black pipe at $0.12/foot	204.00
850 feet of 3" black pipe at $0.74/foot	629.00

7/ Any materials and supplies not included under this category are to be furnished by the independent contractors, except as otherwise provided in footnote 4.

850 feet of 2" black pipe at $0.50 per foot	$ 425.00	
Pipe fittings	66.00	
1,800 feet of 12" flexible vent tubing at $0.82 per foot	1,476.00	
2500 feet #4 - 3 conductor wire, insulated for underground, $1.00 per foot	2,500.00	
Electric switches and transformer	185.00	
Fuel and oil, 26 days per month, 16 hours per day, 8 months	3,536.00	
Tools and miscellaneous supplies	300.00	
480 Ties at $0.75 each	360.00	
35,000 feet timber at $117.00/M 8/	4,095.00	
Core boxes	180.00	
Drayage on pipe and fittings	83.00	$15,299.00*
STAGE II		
5 tons of secondhand 30# rail, at $105.00/ton	525.00*	
900 feet of 1" black pipe at $0.12/foot	108.00	
900 feet of 2" black pipe at $0.50 per foot	450.00	
Pipe fittings	37.00	
800 feet of 12" flexible vent tubing at $0.82 per foot	656.00	

8/ Timber cost includes the costs of trucking to mine, and framing.

400 feet #4 - 3 conductor wire insulated for underground, $1.00/foot	$ 400.00	
Fuel and oil, 26 days per month, 16 hours per day, 5 months	2,210.00	
Tools and miscellaneous supplies	200.00	
200 ties at $0.75 each	150.00	
10,000 feet of timber at $117.00/M 9/	1,170.00	
Drayage on pipe and fittings	47.00	$ 5,953.00*

(4) Operating Equipment

STAGE I

To be rented 10/

1 Battery trammer, $230.00/month, 8 months	1,840.00*	
10 - 20 to 24 cubic foot mine cars, equipped for motor haulage, at $26.00 per car per month, 8 months	2,080.00	
1 Diesel-driven portable compressor, at $505/mo./8 months	4,040.00	
1 Diesel-Electric Generator, set 220 - 440 volts, $400.00/mo., 8 months	3,200.00	
2 Ventilator fans at $17.00 each per month, 8 months	272.00	

9/ See footnote 8.

10/ If any of the equipment under this category is furnished by the M. I. A. Mines Company, or an affiliated company, it is to be charged to the contract on a monthly depreciation value which is equal to 1/60 of its fair market value, instead of the rental values listed.

1 - 15-KW Diesel-Electric Generator set 110 - 220 volts, at $150/mo., 8 months	$ 1,200.00	
Water pressure bank, $5.00/mo., 8 months	40.00	$12,672.00*

STAGE II

To be rented 11/

3-20 to 24 cubic foot mine cars, equipped for motor haulage, at $26.00 per car per month, 4 months	312.00	
1 Diesel-driven, portable compressor, at $505.00/mo., 5 months	2,525.00	
1 Diesel-Electric Generator set 220 - 440 volts, $400.00/mo., 5 months	2,000.00	
1 Ventilator fan at $17.00/mo. 5 months	85.00	
1 15-KW Diesel-Electric Generator set 110 - 220 volts, at $150.00/mo., 5 months	750.00	
1 Gasoline driven hoist at $85.00/mo., 4 months	340.00	
Water pressure bank, $5.00/mo., 5 months	25.00	
Surface equipment at the Silver Bell shaft to be erected and to be supplied by the Operator, includes hoist house, headframe, bin, truck, cars, skip, and miscellaneous equipment. $300.00/mo., 4 months	1,200.00	7,237.00*

11/ See footnote 10.

(5) Rehabilitation and Repairs

STAGE I

19 tons of secondhand 30# rail at $105.00 per ton 12/	$1,995.00*	
Pipe fittings	76.00	
760 ties at $0.75 each	570.00	
1900 ft. 1" black pipe at $0.12 per foot	228.00	
1900 ft. 3" black pipe at $0.74 per foot	1,406.00	
Drayage	95.00	$ 4,370.00*

STAGE II

3 tons of secondhand 30# rail at $105.00 per ton 12/	315.00*	
300 ft. 1" black pipe at $0.12 per foot	36.00	
300 ft. 2" black pipe at $0.50 per foot	150.00	
200 ties at $0.75 each	150.00	
4000 ft. of timber at $117.00/M y/	468.00	1,119.00*

(6) New Buildings, Improvements, Installations

STAGE I

Fan house at collar of churn drill hole	150.00*
1200 ft. of power line at $0.38 per foot	456.00*

12/ Price of rail includes fish plates, bolts, and spikes.

y/ See footnote 8.

Compressor, power, and warehouse (Building to be bought and moved to adit site)	$1,500.00*	
Provide and install fuel tanks	600.00*	
Provide and install 7,000 gallon water tank with pipe, buried for winter weather	644.00*	$ 3,350.00*

(7) Miscellaneous

STAGE I

Repair parts and maintenance of equipment $550/mo., 8 months 13/	4,400.00	
Assays, $50.00/mo., 8 months	400.00	
Road maintenance for winter, $400/mo., 6 months	2,400.00*	
Office and engineering supplies	200.00	
Compensation, employer's liability insurance, payroll taxes, etc., 8 months	1,100.00	
Transportation by company pickup truck at $0.09/mile (includes operating cost), estimated 1,100 miles/mo.,$99.00/mo., 8 months 13/	792.00	
Transportation of water and heavy supplies by company truck at $0.14/ mile (includes operating cost), estimated 860 miles/month, $120.40/mo., 8 months 13/	963.20	10,255.20*

13/ The costs of repair, maintenance, and transportation are to be charged against the project only as incurred while the equipment is working on the project.

STAGE II

Repair parts and maintenance of equipment $550.00/mo.,5 months 14/	$ 2,750.00	
Assays, $50.00/mo., 5 months	250.00	
Office and engineering supplies	125.00	
Compensation, employer's liability insurance, payroll taxes, etc., 5 months	700.00	
Transportation by company pickup truck at $0.09/mile (includes operating cost), estimated 1,100 miles/mo., $99.00/mo.,5 months 14/	495.00	
Transportation of water and heavy supplies by company truck at $0.14/ mile (includes operating cost), estimated 860 miles/mo., $120.40/ mo., 5 months 14/	602.00	$ 4,922.00*

(8) Contingencies

STAGE I 181.80

The Operator may elect to carry on simultaneously with the exploration work, development and production operations. In this event, the exploration work shall be carried on, as far as practicable, with equipment, materials, crews, and supervision separate and distinct from any other operations of the Operator, in order to avoid confusing the costs under this contract with any other costs. However, to the extent economically practicable, equipment (such as compressor and hoist), incidental labor, and supervision used in development and production operations may be used also for exploration, and the direct costs arising out of such use prorated between the operations, but the basis of such proration shall at all times be subject to the approval of the Government, and the costs resulting to the exploration project from such proration will be disallowed by the Government to the extent disapproved by the Government.

14/ See footnote 13.

S U M M A R Y

Estimated Cost of Stage I	$115,426.00*	
Estimated Cost of Stage II	55,974.00*	
Total Estimated Cost of Project		$171,400.00*
Government Participation @ 75%		$128,550.00*

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
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SAN FRANCISCO, CALIFORNIA

HAROLD B. SPENCER, PRESIDENT
JAMES QUIGLEY, VICE-PRESIDENT
ROBERT E. WATT, SEC'Y-TREASURER

ANNEX I

CENTENNIAL DEVELOPMENT COMPANY, INC.

MINING CONTRACTORS

EUREKA, UTAH

August 20, 1952

Combined Metals Reduction Company
Pioche,
Nevada

Gentlemen:

Under the conditions outlined below, we would quote the following prices for drifting, raising and miscellaneous contract work at your Minerva Tungsten property.

1. 5 x 7 Drift at Chief @ $25.00 per foot

2. Timbering of same with 6 x 8' sets on 5' centers @ $ 5.00 per foot

3. Rehabilitation of Chief tunnel
   (a) Laying of 18" gauge track and installation of air and water pipe @ $ .75 per foot
   (b) Widening and taking out corners @ $ .60 per Cu. Ft. of rock in place.

4. Raising in Chief Tunnel, including timbering and chutes as specified.
   (a) 5 1/2 x 11, two-compartment @ $31.00 per foot
   (b) 5 1/2 x 13, three-compartment @ $36.00 per foot

Our Company, as contractor, would provide and be responsible for the following items.

1. All labor, including insurance and payroll taxes, for the work, including hauling and dumping of waste or ore and maintenance of waste dump, and installation of track, pipe lines and timber as required.

2. Housing and boarding of said labor.

3. Explosives and blasting facilities, drill steel and bits, drilling machines and raise service hoists.

4. Repair and maintenance of all above items.

5. Installation only of fans and vent line.

Your Company, as Owner, would provide and be responsible for the following:

1. Compressed air, drilling water, electric power.

2. Battery tramming motor and mine cars.

3. Track, including ties, fittings and switches; air and water pipes; galvanized steel vent line; all delivered on portal dump.

4. Ventilating fan and power lead to same.

5. All timber, wedges and nails, including timber required for dump.

6. Operation of small tractor for snow removal.

In the case of the work at the Silver Bell I incline, bid prices and conditions would be as follows:

1. Rehabilitating shaft from collar to #3 or #4 Level, at Contractor's direct labor and supervision costs, including payroll insurance, taxes, and usual fringe benefits, plus a fixed fee of $20.00 per shift to cover camp and service expense, general overhead and profit. Extimated cost per shift would be $100.00.

2. Construction of skip pocket, including timbering, at ~~300~~ 750' level effective capacity of 150 cu. ft., at a flat price of $500.00

3. 5 x 7 drifting off shaft to a maximum distance of 500' from shaft, @ $30.00 per foot, with timbering, if required, @ $5.00 per foot.

4. Raising, including timbering and chutes

   (a) 5 1/2 x 11, two-compartment @ $40.00 per foot
   (b) 5 1/2 x 13, three-compartment @ $45.00 per foot

Contractor would provide all items as listed under the Chief drifting and raising conditions, plus hoisting labor.

Company would likewise provide as under the Chief work, less the battery tramming motor, but plus a gasoline driven hoist and a self-dumping skip and surface bin.

Contractor would carry on only one of the above projects at a time, and would work on a 2 shift per day, 6 days per week basis at all times. Estimated progress for drifting would be 300' per month; for raising 150' per month; for rehabilitation of Chief Tunnel, 3 weeks; for construction of loading pocket in Silver Bell I incline, 1 week; for rehabilitation of Silver Bell I incline to #3 level, 3 weeks.

We would be able to start work within 10 days after notice to proceed.

The above quotations are based on current wage scales and prices are subject to re-negociation in case of wage scale changes. We recently signed a one year contract with our union.

Very truly yours,

CENTENNIAL DEVELOPMENT COMPANY, Inc.

H. B. Spencer, President

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Nevada, County of Lincoln, described as follows:1/ Parts of contiguous unpatented lode mining claims situated in the Minerva Mining District, White Pine County, Nevada, more particularly described and recorded as follows:-

The easterly ½ of Silver Bell Lode	- Book	96	- Page 276
All of Silver Bell # 1 Lode	- "	96	" 277
The Southerly ½ of Wedge Lode	"	134	" 207
The Southerly ½ of Pot Pie # 1 Lode	"	128	" 377

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ M.I.A. Mines Company, not incorporated, authorized to do business in Nevada.

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and any amendment thereof and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof [redacted] there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, [redacted] or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract or any amendment thereof. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. The undersigned consents to all amendments of the contract.

Dated this _____ day of _____, 195___.

Robert T. Stopper [Seal]

Edward G. Stopper [Seal]

Martha R. Allen [Seal]

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 23 1953

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 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) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

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

(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, 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.

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.

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

February 3, 1953

Mr. S. S. Arentz
M. I. A. Mines Company
218 Felt Building
Salt Lake City 10, Utah

Re: Docket DMEA-2688 (Tungsten)
M. I. A. Mines Company
Minerva Tungsten Mine
White Pine County, Nevada

Dear Mr. Arentz:

We are enclosing the original and five copies of the above referenced Exploration contract signed by the Washington office for the Government, together with Exhibit "A" (12 pages), Map C-1107, Annex I and Owner's Consent to Lien.

If the terms and conditions of this contract are satisfactory to you, all six copies should be signed by a duly authorized official of the company. The copy marked Operator's Copy should then be retained in your office.

If any part of this contract does not have your approval then the original and all copies of the contract should be returned to this office, together with the proposed changes for consideration.

Please note that the following changes have been made in the costs as presented by you and finally arrived at in the accompanying contract:

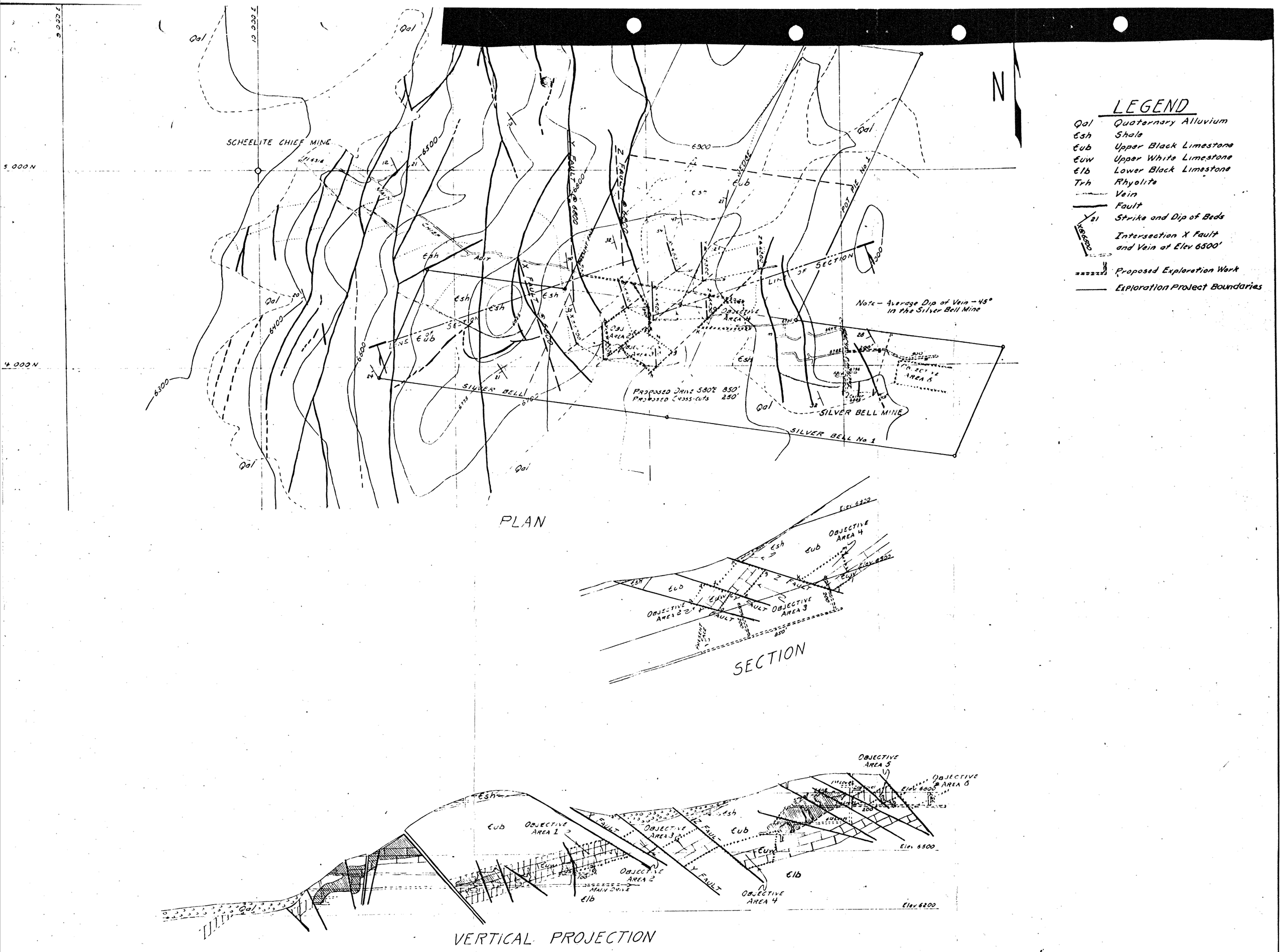
Applicant's cost	$190,940.00
Contract	171,400.00
Total deductions	$ 19,540.00
Foreman has been eliminated	$ 7,150.00
Raises, 2 compartment instead of 3 compartment	4,025.00
Raise stations	768.00
Power line eliminated from raises and 200 feet from end of drifts	1,200.00
Pipe line, 3-inch to 2-inch in raises on main adit and in Silver Bell work	$ 300.00

Diamond drilling, 1800 feet to 1300 feet, 500 feet @ $5.50/foot	275.00
Road maintenance	1,100.00
Battery trammer not used in Silver Bell	1,150.00
Maintenance of equipment, $8,175.00 to $7,150.00	1,025.00
Accounting, $3,637.00 to $2,275.00	1,362.00
Ventilation	400.00
Miscellaneous deduction	785.00
TOTAL	$ 19,540.00

Sincerely yours,

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

Enclosures



REVISIONS	REFERENCES: BASE MAPS – DM LEMMON U.S.G.S.	WORK: DRAWN R.H. GOODE 8-1-52; TRACED; CHECKED P. GEMMILL 8-5-52; APPROVED	COMBINED METALS REDUCTION CO. PIOCHE, NEVADA	MINERVA TUNGSTEN PROPERTY ~EXPLORATION PROPOSALS~ SCHEELITE CHIEF AND SILVER BELL MINE AREAS

SCALE 1" = 300'

C-1107

M.I.A. MINES COMPANY.

ORE PRODUCTION FOR STOPPER MILL AND CONCENTRATES PRODUCED

SUMMARIZED FROM COMPANY MONTHLY REPORTS
PREPARED BY R.L. BRITTHIN, MANAGER

1955	ORE PRODUCTION FOR STOPPER MILL TONS	% WO_3	MILLED AT STOPPER MILL TONS	% WO_3	MILL ORE INVENTORY TONS	% WO_3
FEB.	180.0	1.00				
DEC.	110.0	2.00				
MCH	60.0	1.25	186.5	1.56	72.5	—
APR	332.0	1.46	293.5	1.46	111.0	—
MAY	496.0	1.27	479	1.31	128.0	—
JUNE	1120.0	1.31	362.5	1.31	1855	—
ADJUSTING EST. PRODUCTION	111.0	—	-0-	—	111.0	—
	1396.0	—	1321.5	—	74.5	—
JULY	545.0	1.58	200.5	1.58	419.0	1.58
AUG	317.0	1.13	450.0	—	286.0	1.13
SEPT	308.0	1.25	424.0	—	230.0	1.25
OCT	362.0	1.10	272.0	—	320.0	1.10
NOV	313.0	1.05	349.0	—	344.0	1.05
DEC	490.0	1.10	578.5	—	255.5	1.10
1956						
JAN	452.0	0.94	606.5	—	108.0	0.94
FEB	426.0	1.00	416.5	—	117.5	1.00
MCH	549.5	0.75	457.0	—	210.0	0.75
APR	477.0	1.00	531.0	—	156.0	1.00
MAY	194.0	1.00	350.0	—	-0-	—
TOTALS	5956.5		5956.5	—	-0-	—

	ESTIMATED CONCENTRATE RECOVERY AT MILL DRY LBS	% WO_3	LBS WO_3		LOW GRADE STOCKPILE AT MINE PRODUCTION TONS	% WO_3	ON HAND TONS	% WO_3
	—	—	—				600	0.40
	—	—	—				600	0.40
	7056	66	4657				600	0.40
	10500	66	6930				600	0.40
	16016	66	10571		125	0.50	725	0.42
	11608	66	7661				725	0.42
	—	—	—				—	—
	45180	66	29819		125	0.50	725	0.42
	8949	66	5906				725	0.42
	12177	65	7915		235	0.40	960	0.41
	14367	65	9339		176	0.38	1,136	0.41
	8298	65	5394		157	0.41	1,293	0.40
	8897	65	5783				1,293	0.40
	14799	60-65 AVG 62½	9249				1,293	0.40
	11577	60	6946				1,293	0.40
	7756	60	4654				1,293	0.40
	7411	65	4817		27	0.40	1,320	0.40
	11375	65	7361				1,320	0.40
	11437	65	7434				1,320	0.40
TOTALS	162173	64.5	104617	= 5230.85 Units	720	0.40	1,320	0.40
LESS: INVENTORY MAY 14, 1956	250	65	163	= 8.15 Units				
TOTAL EST. CONCENTRATE PRODUCTION LOTS 1 TO 13	161923	64.5	104454	= 5222.70 Units				

NOTE:
METHOD OF CALCULATING MIXED LOTS

LOT NO. 10

	TONS BEFORE SORTING	TONS AFTER SORTING	% AFTER SORTING
OMER AREA	430	325 =	46.85 *
COMPANY AREA	473	380 =	53.15
TOTAL TONS	903	715 =	100.00

NOTE: SORTING LOSS IS 20% TO 30% DEPENDING ON TYPE OF ORE.

NOTE:
LOT NO 13 TO CSH IS ESTIMATED
~~IS ESTIMATED~~ AT $62.00 PER UNIT
FINAL SETTLEMENT NOT YET RECEIVED

SETTLEMENT OF CONCENTRATES SHIPPED

SHIPPED TO	LOT NO	UNITS	% WO_3	AMOUNT	Av. Price Per Unit	OMER 5% ROYALTY
C.W. JONES, BISHOP, CAL.	1	319.675	65.43	$21347.09	$61.057	$1067.35
" " "	2	442.644	65.42	26710.22	60.342	1335.51
" " "	3	407.303	64.35	24607.80	60.416	1230.39
" " "	4	564.547	66.355	32677.96	57.884	1633.90
" " "	5	555.514	65.14	31481.12	56.65	1574.06
" " "	6	413.783	67.31	24448.59	59.157	1222.43
" " "	7	367.380	66.44	21791.76	59.317	1089.59
" " "	7-5	12.573	69.88	655.11	52.132	32.76
" " "	8	190.982	65.89	11478.51	60.103	573.93
" " "	9	299.875	65.945	18003.81	60.038	FROM OLD STORES OF CO. NO OMER -0-
MINERALS ENGINEERING CO. SALT LAKE CITY	10	453.649	66.12	27239.36	60.045	*45% FROM OMER MILL ORE PRODUCTION 612.89
" " " "	11	364.631	64.28	21731.09	59.577	59% 641.07
GENERAL SERVICE ADMIN. SAN FRANCISCO	12	391.691	65.33	24254.11	61.925	87/27% 1061.12
" " " "	13	363.609	65.00	22543.20	62.00	1127.16
		5177.451	—	$309,068.13	59.677	$13201.16

* SHOULD BE 46.85% AND ROYALTY $632.08
DIFFERENCE $25.19 TOO SMALL TO ADJUST.

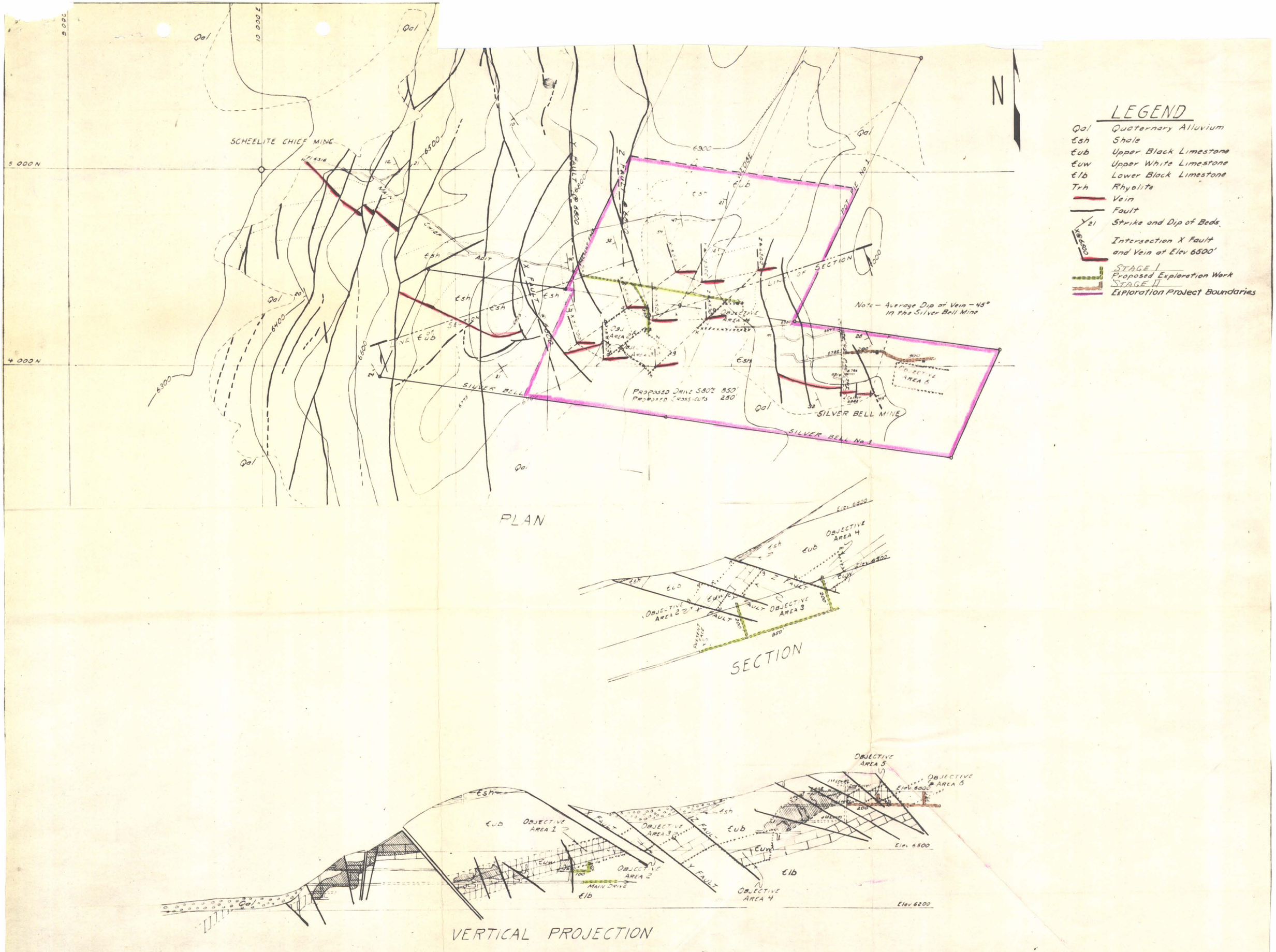
Copy of a work sheet, prepared by George Mavor, as forwarded by Exec. Office's ltr. 7/5/56 to Operating Committee.

EW

RECEIVED
JUL 9 - 1956

Indicated royalty agrees with Certificates of Deposit (in aggregate) except for non-receipt to date of C/D covering lot 13 and an excess of $5.00 on C/D covering lot 10.

EW
7/9/56



REVISIONS	REFERENCES: BASE MAPS – DM LEMMON U.S.G.S	WORK: DRAWN R H Godbe 8-1-52; TRACED; CHECKED P Gemmill 8-5-52; APPROVED	COMBINED METALS REDUCTION CO PIOCHE, NEVADA	MINERVA TUNGSTEN PROPERTY ~EXPLORATION PROPOSALS~ SCHEELITE CHIEF AND SILVER BELL MINE AREAS

SCALE 1" = 300'

C-1107