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

Budget Bureau No. 42-R1030.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED
JUN 16 1954

Month of April, 1954 Docket No. DMEA 3393 Contract No. [illegible]
Operator's Name Scaff, Reimer, Jones & Reimmiller Minerals Tungsten
Address P. O. Box 100, Gabbs, Nevada
Contract Amount, $7,440.00 Government Participation: 75 % Amount, $5,580.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY WSM		
	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 @ 24.00/foot	1,958.00	5,472.00	7,440.00	1,680.00	5,472.00	7,152.00
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
* Less Clearance of 12% per Final Report of Service						
TOTALS	1,958.00	5,472.00	7,440.00	1,680.00	5,472.00	7,152.00

"Sorry, Zero"

I certify that the above bill is correct and just and that payment therefor has not been received.
Date April 26, 1954 *Payee Scaff, Reimer, Jones & Reimmiller

Per H. Reimmiller Title Partner

*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:

$

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

Date 1954 Vou. No.
(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. 14m-E744 in accordance with the terms of the contract.

Signature Henry W. Jones Title Mining Engineer Date May 2, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Henry W. Jones Executive Officer DMEA Field Team

Signature S. Ricker Title Region II Date May 2, 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-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUN 16 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1955 Docket No. DMEA 3393 Contract No. Ida C 7bb
Operator's Name Schaff, Pedmar, Jones & Reinmiller Minerals Tungsten
Address P. O. Box 100, Gabbs, Nevada

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	feet	1,968.00	82	7,440.00	310	24.00	310	7440.00 ~~24.00~~
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails		*-288.00						
Total Distributed Costs		~~1,680.00~~	~~82~~	~~7,440.00~~				Total Costs Authorized by Contract
Less disallowance of 12%		1,680.00	70	7,152.00				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		~~1,680.00~~ 1,680.00		~~7,440.00~~ 7,152.00				7,440.00

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

Date April 28, 1955 Operator Schaff, Pedmar, Jones & Reinmiller

Per H. E. Reinmiller Title Partner

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)

Henry W. Jones

INSTRUCTIONS

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

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

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

GPO 872894

5/11 Letter

SCHAFF, BEDNAR, JONES & REINMILLER

P. O. BOX 100

GABBS, NEVADA

RECEIVED
JUN 16 1955

May 11, 1955

U. S. Dep't. of Interior
Defense Minerals Exploration Administration
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA - 3393 (Tungsten)
Contract No. Idm - 8744
Windup Claim, Mineral County, Nevada

Attention: Mr. S. Ricker

Dear Sir:

We have been advised by Mr. Henry Jones that we are 12 feet short of the 110 feet of drift work involved in Stage II of the above referenced contract.

Rather than move equipment back to the property we would prefer, and hereby request, that final settlement be made by deducting 12 feet of drift from footage turned in on the last monthly report which we submitted to you.

I shall submit a final narrative report to you the first of next week. In the meantime, we hope that you will expedite final payment by the government.

Yours very truly,
SHAFF, BEDNAR, JONES & REINMILLER

by: F W Reinmiller
F. W. Reinmiller, Partner

FWR/ww

COPY

SCHAFF, BEDNAR, JONES & REINMILLER
P. O. BOX 100
GABBS, NEVADA

RECEIVED
JUN 16 1955

April 28, 1955

Defense Minerals Exploration Administration
Department of the Interior
Region II
U. S. Bureau of Mines
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA 3393
Contract No. Idm 8744
Tungsten

Gentlemen:

During the period of April 2 to April 22, 1955, 82 feet of drift was driven on the contact at the Windup property. Some scattered scheelite mineralization was encountered but one of possible commercial grade was not found.

The footage driven this month completes the 310 feet covered in the contract and is sufficient to prove, in our opinion, that the property is of no value.

Respectfully submitted,
SCHAFF, BEDNAR, JONES & REINMILLER

by: F. W. Reinmiller

F. W. Reinmiller, Partner

FWR/w

COPY

402

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 25 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Memorandum

1605 Evans Avenue
Reno, Nevada

Date: April 22, 1955

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Operator's Monthly Progress Reports - Forms MF-104 and MF-104A

Attached are two copies of each of the subject report(s) received from the operator as listed below. These reports have been audited and passed to the Treasury for payment.

Contract No.	Operator	Report Dated	Period Covered
Idm-E744 DMEA-3393	Reinmiller Schaff, Bednar, Jones &/	4/13/55	March 1955
Idm-E747 DMEA-3407	Helmke, Thomas & Janssen	4/2/55	March 1955
Idm-E750 DMEA-3347	Idaho Maryland Mines Corp.	4/7/55	March 1955

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments

Copy to: H. C. Miller
R. M. Smith
File

MF-104

-104 (Rev.)
pril 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 March, 1955 Docket No. DMEA 3393 Contract No. Idm E714
Operator's Name Schaff, Bednar, Jones & Reinmiller Minerals Tungsten
Address P. O. Box 100, Gabbs, Nevada
Contract Amount, $7,440.00 Government Participation: 75 % Amount, $5,580.00

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 $24.00/foot	$984.00	$4,488.00	$5,472.00			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$984.00	$4,488.00	$5,472.00			

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

Date April 13, 1955 *Payee Schaff, Bednar, Jones & Reinmiller

Per H. Reinmiller Title Partner

*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:

$ 738 00

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

Date APR 21 1955 Vou. No. SF-DMEA-30

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E744 in accordance with the terms of the contract.

Signature Henry W. Jones Title Mining Engineer Date April 15, 1955

Henry W. Jones

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

Signature S. Ricker Title Region II Date April 15, 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.

-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1955 Docket No. DMEA 3393 Contract No. Ion E744

Operator's Name Scharf, Bednar, Jones & Reinmiller Minerals Tungsten

Address P. O. Box 100, Gabbs, Nevada

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	feet	$984.00	41	$5,472.00	228	$24.00	310	7,440.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$984.00	41	$5,472.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$984.00		$5,472.00				7,440.00

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

REMARKS:

Date April 13, 1955 Operator Scharf, Bednar, Jones & Reinmiller

Per F. W. Reinmiller Title Partner

F. W. Reinmiller

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)

Henry W. Jones

INSTRUCTIONS

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

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

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

GPO 872894

SCHAFF, BEDNAR, JONES & REINMILLER
P. O. BOX 100
GABBS, NEVADA

April 13, 1955

Defense Minerals Exploration Administration
Department of the Interior

Re: Docket No. DMEA 3393
Contract No. Idn 8714
Tungsten

Gentlemen:

Upon receipt of approval of work done through February, work was resumed on March 21 and 41 feet of drift was driven on the vein as of April 1, 1955. No commercial ore was encountered in the 41 feet of work.

Respectfully submitted,
SCHAFF, BEDNAR, JONES & REINMILLER

by: F. W. Reinmiller
F. W. Reinmiller, Partner

FWR/w

Tell FT that we approve close supervision, and not paying for unnecessary work, but in this case the contract allowed approx 200'; the contact is something that may be easier to recognize and outline now that a few rounds have been taken out of the limestone; FT has the advantage of seeing the work itself, but we think we should tell them how it looks to us from here.

FEJ made his note without having the benefit of the report by Jones - March 10

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 3·31

REFERRED TO:

1. ~~110~~
2. 400
3.
4.

FOR:

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

REMARKS: 2 1045
Jan & Feb, 1955
Eng. too exacting. Operator
probably wanted to be sure
he had cut through contact

Check (X) before the items needing attention.

ROBERT E. ADAMS

Initials of sender.

GPO 16—63815-1

Engineer too exacting - Operator probably wanted to be sure he had cut through contact

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 February, 1955 Docket No. DMEA 3393 Contract No. Idm 8744
Operator's Name Schaff, Weiner, Jones & Reinmiller Minerals Tungsten
Address P. O. Box 100, Cobbs, Nevada
Contract Amount, $7,440.00 Government Participation: 75 % Amount, $5,580.00

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 $24.00/foot	$2,904.00	$1,728.00	$4,632.00	2760.00	1728.00	4488.00
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$2,904.00	$1,728.00	$4,632.00	2760.00	1728.00	4488.00

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

Date February 28, 1955 Schaff, Weiner, Jones & Reinmiller
Payee

D. W. Reinmiller
Per D. W. Reinmiller Title Partner

*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.

See January M. 2104 (Instructions on reverse)
for Narrative Report covering Jan. & Feb.

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

$ 2070.00

Signature
(Authorized Certifying Officer)

Date MAR 22 1955 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-E744 in accordance with the terms of the contract.

Signature Henry W. Jones Title Mining Engineer Date March 10, 1955

Henry W. Jones

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Richer Title Executive Officer, DMEA Field Team Region II Date March 10, 1955

S. Richer

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 31 1955

Month of February 1955 Docket No. DMEA 3393 Contract No. [illegible]
Operator's Name Schaff, Bodner, Jones & Reinmiller Minerals Tungsten
Address P. O. Box 100, Caliente, Nevada

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Feet	2,904.00	115	1,632.00	193	24.00	320	24.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2,904.00	115	1,632.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Less Disallowance		-144.00		-144.00				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$2760.00	115	$1488.00				

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

Date February 28, 1955 Operator Schaff, Bodner, Jones & Reinmiller

Per F. W. Reinmiller Title Partner

F. W. Reinmiller

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
MAR 31 1955

Administrative Audit Difference Statement

Date: March 22, 1955
Payee's
Reference: Docket DMFA-3393
Windup Claim, Mineral County, Nevada
Contract No. Idm- E 744

Schaff, Bednar, Jones & Reinmiller
P.O. Box 100
Gabbs, Nevada

Gentlemen:

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

Amount Claimed	$	2904.00 Feb. MF-104
Difference	$	144.00
Amount Approved	$	2760.00

The reason for the difference was due to: crosscut being extended too far beyond the sought for contact. The visiting Engineer recommends the payment of 187 feet under State I of the contract. A total of 193 feet " Units to Date" is claimed on Forms MF-104 covering January and February, 1955. As this is 6 feet over the footage approved by the Engineer a disallowance has been made on the February MF-104 of 6 feet at $24.00 a foot or $144.00. Your copy of February Voucher should be corrected as follows:

Approved Monthly Total	Approved Totals to Date
$2760.00	$4488.00

In preparing the MF-104 Form please do not fill in the Amount Approved, or the Voucher Number portion of the form. That is for the use of this office.

A Check in the amount of $3366.00 covering January and February will reach you in a few days.

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

Very sincerely yours,

L. H. SJOLANDER

L. H. Sjolander
~~XXXXXX~~ Budget and Finance Branch
Region ~~XXXX~~ II

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 31 1955

Month of January, 1955 Docket No. DMEA 3393 Contract No. Idm 8744

Operator's Name Schaff, Bednar Jones & Reinmiller Minerals Tungsten

Address P. O. Box 100 Gabbs, Nevada

Contract Amount, $7,440.00 Government Participation: 75 % Amount, $5,580.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY WBM: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting @ $24.00/foot	$1,728.00	-0-	$1,728.00			
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1,728.00	-0-	$1,728.00			

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

Date 2/14/55 *Payee Schaff, Bednar Jones & Reinmiller

Per F. W. Reinmiller Title Partner

*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:

$ 2,296.00

Signature [illegible] (Authorized Certifying Officer)

Date MAR 22 1955 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-E744 in accordance with the terms of the contract.

Signature A. C. Johnson Title Supervising Mining Engineer Date Region II

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date 3/4/55

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1181
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS MAR 14 1955 DEPT. OF INTERIOR
MAR 31 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1955 Docket No. DMEA 3393 Contract No. Idm 2744
Operator's Name Schaff, Bednar Jones & Reinmiller Minerals Tungsten
Address P. O. Box 100 Gabbs, Nevada

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Feet	1,728.00	72	1,728.00	72	24.00	210	24.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1,728.00	72	1,728.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1,728.00	72	1,728.00				

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

Date February 14, 1955 Operator Schaff, Bednar Jones & Reinmiller

Per F. W. Reinmiller Title Partner

F. W. Reinmiller

REMARKS: During January we cleaned out drift, laid track & pipe, and drove 72 feet of drift in accordance with work outlined in DMEA contract. We expect to have phase I completed by March 1, 1955.

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

(Instructions on reverse)

(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

RECEIVED

SCHAFF, BEDNAR, JONES & REINMILLER
P. O. BOX 100
GABBS, NEVADA

February 28, 1955

Defense Minerals Exploration Administration
Department of the Interior

Re: Docket No. DMEA 3393
Contract No. Idx E744
Tungsten

Gentlemen:

The work in January consisted of mobilization, installation of track and pipe, and driving 72' of drift in volcanic tuff. The work in February consisted of extension of the drift an additional 121', or a total footage of 193' for the two months.

At 178', the contact was encountered and some scheelite is present. The mineralization at this point was not sampled as it does not appear of commercial grade. At this point numerous slips were observed and the vein material appears to be ground up and fragmented.

It is our opinion that the drift will encounter ore when it is farther East and more nearly under the ore shoot as evidenced in the two inclined shafts.

Respectfully submitted,
SCHAFF, BEDNAR, JONES & REINMILLER

by: F. W. Reinmiller

F. W. Reinmiller, Partner

February 9, 1956

MEMORANDUM

To: Administrator, DMEA

From: Iron and Ferro-Alloys Division, DMEA

Subject: General Summary of Contract and Results Obtained
Docket No. DMEA 3393 - Tungsten
Schaff, Bedner, Jones and Reinmiller
Windup claim
Mineral County, Nevada
Contract No. Idm-E/44

Operator: Schaff, Bedner, Jones and Reinmiller, c/o F. W. Reinmiller, P. O. Box 100, Gabbs, Nevada

Operator's property rights:

The property consists of one unpatented lode mining claim, the Windup, situated in sec. 8, T. 7 N., R. 34 E., M. D. B. and M., approximately three miles west of Luning, Nevada, and recorded in Book 14 of Mining Locations, at pages 20 and 21, in the Auditor's and Recorder's office, Hawthorne, Mineral County, Nevada. An undivided one half (1/2) interest in the claim is owned by Mrs. Schuyler Schaff, the other one half interest by H. O. Jones, Joe Bedner and F. W. Reinmiller.

Contract: (a) Executed December 7, 1954.
(b) Completion period: Work to start on or before January 10, 1955, and to be completed on or before September 1, 1955.
(c) Work authorized:

Stage I.	Drive 200 feet of drift and/or crosscut, at $24.00/foot	$4,800.00
Stage II.	Drive 110 feet of drift and/or crosscut, at $24.00/foot	$2,640.00
	Total estimated cost of program	$7,440.00
	Government's participation at 75%	$5,580.00

(d) Work completed:

187 feet of crosscutting at $24.00/foot	$4,488.00
111 feet of drifting at $24.00/ft.	$2,664.00
Total accepted cost of progress	$7,152.00
Government participation at 75%	$5,364.00

The Final Report of the Field Team was received on July 12, 1955. The Operator's Final Report has not been received.
Audits: A review in lieu of final audit was received on June 3, 1955.
Comments and Recommendations:

The project was established to explore for tungsten in the Windup claim in Mineral County, Nevada. The Field Team reported that tungsten ore discovered in the drift was too narrow and too low grade to be commercial, but that the drift did not adequately explore the target area. No reserve of minable tungsten ore was discovered by project work. A reserve of 500 tons of indicated ore and 900 tons of inferred ore, average assay of both classes 0.9 percent WO_3, had been discovered by work done in two shallow inclined shafts prior to the start of this project, and might be transported through the drift and crosscut driven under project work, but there is doubt whether mineralization of the width and grade exposed in the old workings can be economically mined on such a flat dip. Certification as a development is not considered warranted.

It is recommended that the Operator's last Monthly Narrative Report, for April 1955, be accepted in lieu of the Operator's Final Report, that the contract be closed out without certification, and that no "closing letter" be sent to the Operator because of his failure, despite repeated requests, to submit an Operator's Final Report.

SPHolt/fec
2-9-56
cc to: Docket
Code 400
Adm. Read. File
W. Chamberlain, Rm. 4454

W. S. Martin, Chief
Iron and Ferro-Alloys Division

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

400

1605 Evans Avenue
Reno, Nevada

January 3, 1956

Memorandum

W3a

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3393 (Tungsten)
Schaff, Bednar, Jones, and Reinmiller
Windup Claim
Mineral County, Nevada
Contract No. Idm-E744

Reference is made to your letter of December 19, 1955 regarding the Operating Committee's decision that a Certificate of Discovery should not be issued on subject property.

I believe your decision as set forth in your letter of July 28, 1955 was well founded and that a Certificate of Discovery should not be issued. We agree with you that the Operator's Final Report should be waived.

S. Ricker

SRicker:gh
cc: R. S.Smith
Finance Off., Reg. II
Geo. Mavor
File

400

cc: Docket
Code 400
Oper. Comm.
Adm. Read. File
T. Kiilsgaard, USGS
R. W. Holliday, USBM
FT, Reg. 2

DEC 19 1955

SPHolt/ls
12/16/55

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

Re: Docket No. DMEA 3393 - Tungsten
Schaff, Bednar, Jones, and
Reinmiller
Windup Claim
Mineral County, Nevada
Contract No. Idm-E744

Dear Mr. Ricker:

Reference is made to the captioned docket and to the letter dated May 11, 1955, addressed to your office by the Operator, stating that a final narrative report would be submitted within a week.

Reference is also made to our letter to you dated July 28, 1955, stating that no certification would be made. We now enclose copies of a memorandum dated October 5, 1955, to W. S. Martin from Ned E. Nelson, Geological Survey, wherein he concurred with the recommendation of the Field Team for certification, without having available at that time a copy of our same letter to you. Consequently, we would appreciate your comments on our finding that certification was not justified.

If your latest information causes you to concur with us, submission of the Operator's final report should be waived. Otherwise, please advise the Operator that his final report has not been received here and request that it be forwarded at his earliest convenience.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Enclosures

APPROVED:

/s/ Robert W. Gephart
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

400

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

RECEIVED
OCT 7 - 1955

October 5, 1955

Re: DMEA 3393, Idaho 744
Schaff, Bednar, et al.
Windup Claim
Mineral Co., Nevada
$7,440.00 - Tungsten

WSM

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team Final report.

Two hundred and ninety-eight feet of drifting costing $7,152.00 was completed out of 310 feet set up to cost $7,440.00.

The work was done along a contact between limestone and underlying tuff searching for a downward extension of a scheelite ore body shown to occur in two 60-foot shafts whose bottoms are 140 feet up dip from the adit level. The extension was probably found, but it is lower grade, narrower and due to faulting less regular than shown at the shafts which are 80 feet apart. The drifting did not follow the vein far enough to determine its character at the adit level.

No ore was shipped and no royalty accrued. Since the adit will probably be used when the ore in the shafts (estimated at 500 tons indicated and 900 tons inferred of 0.9% WO_3) is mined, a certificate of discovery is recommended by the examiners and the Field Team.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

NENelson:iml
G-10/5/55
cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
R. Holliday, 3513

400

JUL 2 8 1955

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

Re: Docket No. DMEA 3393 - Tungsten
Schaff, Rudner, Jones, and
Reinmiller
Winding claims
Mineral County, Nevada
Contract No. Ida-5/54

Dear Mr. Richer:

Reference is made to the Field Team's final report on the results obtained under the subject contract and the recommendation contained therein that the project be certified as a development from which production may be made.

We agree that no discovery has resulted from the exploration program. In addition, as the DMEA workings do not connect with any of the old workings and there is doubt whether mineralization of the width and grade exposed in the old workings can be economically mined on such a flat dip, certification as a development is not considered warranted. Consequently we do not intend to certify.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

APPROVED:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

FARutledge/fcc/lz
7/25/55
cc to: Docket
Code 400
Adm. Read. File
Operating Comm.
FT. REG. II
R. W. Holliday, USBM
T. H. Kiilsgaard, USGS

400

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

RECEIVED
JUL 12 1955

1605 Evans Avenue
Reno, Nevada

July 8, 1955

VSM

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3393 - Tungsten
Schaff, Bednar, Jones, and Reinmiller
Windup Claim
Mineral County, Nevada
Contract No. Idm-E744

Attached are four copies of our final report on above subject contract by Roscoe M. Smith, Geological Survey and H. W. Jones, Bureau of Mines in which it is recommended that the project be certified as a development from which production may be made.

Roscoe Smith and I concur in the recommendation as set forth in the report.

S. Ricker

Attach.

SRicker:gh
cc: R. M. Smith, USGS
H. C. Miller
Finance Officer, Reg. II
File

Forwarded by
DMEA Operating Committee
7-15-55

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

RECEIVED
JUL 1 2 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION II

FINAL REPORT

DMEA-3393, Contract Idm-E744 (Tungsten)
Schaff, Bednar, Jones & Reinmiller
Windup Claim, Mineral County, Nevada

by

Henry W. Jones
Mining Engineer
U. S. Bureau of Mines

Roscoe M. Smith
Geologist
U. S. Geological Survey

July 1, 1955

Released by
DMEA
7-15-55

CONTENTS

RECEIVED
JUL 1 1955

	Page
Introduction	1
Summary	1
Conclusions and Recommendations	1
Location, Accessibility, Local Facilities	2
Property, History, Production	2
The DMEA Project	3
Geologic Setting	4
Ore Deposits	5
Sampling	6
Ore Reserves	6

ILLUSTRATIONS

Figure 1. Location map

Figure 2. Geologic map

INTRODUCTION

The Windup claim, Mineral County, Nevada, was explored by a partnership of Schaff, Bednar, Jones and Reimmiller, Box 100, Gabbs, Nevada in cooperation with the Defense Minerals Exploration Administration, docket DMEA 3393, under contract No. Idm-E744 dated December 7, 1954. Work was started January 19, 1955 and completed April 22, 1955. A final examination was made May 9, 1955 by Henry W. Jones, Bureau of Mines, and June 22, 1955 by R. M. Smith, Geological Survey.

SUMMARY

The purpose of the project was to explore the downward continuation of a scheelite deposit that is revealed in two 60-foot inclined shafts along a contact of limestone and tuff. A crosscut adit was extended 187 feet to cut the contact and a drift was driven 111 feet along the contact. Tungsten ore discovered in the drift was too narrow and too low grade to be commercial, but the drift did not adequately explore the target area, and the ore reserves are unchanged by the work. All the funds provided under the contract have been expended and the operators have stopped work and removed all equipment. They do not plan to do additional exploration.

CONCLUSIONS AND RECOMMENDATIONS

Production from the existing showings on the adit level is not economically feasible. The work showed that the target is of limited size but as the reserves are unchanged additional exploration is warranted. Because the reserves may be extracted through this level within ten years, we recommend that the project be certified as a development from which production may be made.

LOCATION, ACCESSIBILITY, LOCAL FACILITIES

The Windup tungsten claim is in sec. 8, T. 7 N., R. 34 E., MDB&M, Mineral County, Nevada, in the Garfield Hills at an altitude of about 5,500 feet. It is reached by following an unimproved desert road westward from a point 0.2 miles north of the town of Luning, 3.5 miles up a progressively steep desert wash to the mine. The property is accessible by car at all times except for infrequent intervals when the road is closed by snowfall.

The climate is arid with hot summers and moderate winters. Labor is available to a small extent in Hawthorne 29 miles distant. Water for mine use is hauled from Luning. Power, telephone, mail service and rail transportation is also available at Luning. Lumber, supplies and accessory mining material must be obtained from Hawthorne.

PROPERTY, HISTORY, PRODUCTION

The property consists of one claim, the Windup, previously owned jointly by C. E. Robinson of Babbitt, Nevada, and Mrs. Schuyler Schaff, 1412 Westfield Avenue, Reno, Nevada. On September 8, 1953, R. O. Jones, Joe Bednar, and F. W. Reinmiller, partners, Gabbs, Nevada obtained a quit claim deed from C. E. Robinson for his half interest.

The mine workings consist of two shallow inclined shafts in an unsafe condition that follow down the dip of the contact from near the brow of a small hill. One is 70 feet deep on a 32° slope, the other is 60 feet deep on a 21° slope, and an adit driven from the bottom of the gully, 85 feet in elevation below the shafts. DMEA work extended the 170-foot adit an additional 187 feet to and just

east

? east

beyond the relatively flat contact, thence west under the shafts for an additional 111 feet.

It is not known when the previous exploration work was done. Most of the ore shipped was obtained by the sinking operations; however, a considerable amount was stoped to the surface from the east side of the East shaft. In August-September 1953 the shaft dumps were shipped to the Sinkey Tungsten mill at Sodaville, Nevada. Records of the 374-ton shipment indicate the head samples analysed 0.45 percent WO_3.

There is no current production from any part of the mine.

THE DMEA PROJECT

The work was justified by the size and grade of the ore shoot exposed in the two inclined shafts. The project consisted of two stages:

Stage I: Extend the adit on the claim by crosscutting and/or drifting approximately 200 feet to intersect the downward extension of the mineralized limestone-tuff contact.

Stage II: Contingent upon the results of Stage I, drift 110 feet along the mineralized contact.

Work was started by Joe Bednar, partner, on January 19, 1955 with use of his mining equipment and portable compressor. A 4-foot rock shelf at the face had to be removed and was consequently allowed for. A N. 45° E. bearing was taken for the nearest vein intersection and driven for 194 feet, to and through the tuff-limestone contact. It was considered by the visiting engineer that an excessive amount of unnecessary work was completed beyond the contact and payments should be made on an allowable 187 feet of crosscutting. A slab round

was placed to the east along the contact at 175 feet, showing what was considered fair scheelite indications over a 1.5 foot width. Based on the scheelite showings, approval for the second stage was given the operators to drift westerly towards the downward extension at the shaft ore zone. Difficulty was immediately encountered in the ravelly ground and irregular faulted contact, and necessitated some timber sets. The contact was followed for 111 feet, showing only occasional scheelite mineralization, too disseminated and sparse to sample. Due to a mistake in measurement by the operator a total of 298 feet of the 310 feet allowed under the contract was completed.

The operator, Joe Bednar, was considered to be an exceptionally efficient and practical miner. The small errors noted in measurement were inadvertent and in no way reflect on his competency.

Total approved cost of the project: 310 feet at $24.00/ft.	$ 7,440.00
Units completed 298 feet	$ 7,152.00
Government's share of the cost.	$ 5,364.00
Government's share unexpended	$ 216.00

There was no production from the mine during operations and the Government is not entitled to royalties.

GEOLOGIC SETTING

The Garfield Hills in the vicinity of the Windup claim are composed of a thick sequence of Triassic and Jurassic metasedimentary and meta-volcanic rocks that have been extensively folded into east trending folds, cut by thrust faults, intruded by granodiorite of Jurassic age, and cut by normal faults of Tertiary age.

The metamorphic rocks have been subdivided into three formations. In order of youngest to oldest these are:

		Thickness Feet
Dunlap formation	- limestone, sandstone, sandy tuff, greenstone	5,000
- unconformity		
Luning formation	- slate containing an interbedded limestone member	5,000
Excelsior formation	- greenstone, chert and tuff	4,000

The granodiorite is not exposed in the mine area but is inferred to lie at a shallow depth. Only one small outcrop of aplite is revealed at the surface.

Several thrust faults cut the stratified rock in this region and the tungsten and copper minerals of the Windup mine occur along one of these faults. Normal faults dating from Tertiary to Recent displace all the rocks including the mineralized thrust fault contacts.

ORE DEPOSITS

Scheelite occurs disseminated in limestone along and near a contact between limestone and underlying tuff. The contact strikes east and dips 20° to 30° north. An ore shoot ranges from 12 to 36 inches in width and has been explored for about 70 feet along the strike and 70 feet down the dip. Small and scattered occurrences of scheelite were found for a strike length of 370 feet, but only one ore shoot, which was explored by the two inclined shafts (fig. 2), is of minable width or grade. Malachite and azurite stain much of the wall rock along the mineralized contact.

Under the IMEA contract a segment of the mineralized contact about 35 feet long was explored on the adit level. Here scheelite occurs in blocks of limestone within the contact zone in lenses 6 to 18 inches wide that averaged .2 percent WO_3. The mineralized contact is cut by a north dipping normal fault and exploration along this fault has not proceeded far enough to cut the faulted continuation of the mineralized contact. The inferred position of this faulted continuation is shown on figure 2.

SAMPLING

Sample No.	Width-ft.	% WO_3	Location
147	0.8	0.15	Brecciated zone. Fine grained scheelite associated with Cu stain at contact. Taken at 175' pt.
148	1.6	0.21	Face drift at crosscut-drift intersection. Gouge and brecciated rock, Fe and Cu stain.

ORE RESERVES

In their report of examination Trengove and Shaws (IMEA-3393, September 30, 1954, p. 6) estimated ore reserves 500 tons of indicated ore and 700 tons of inferred ore averaging 0.9 percent WO_3 in the block between and down the dip from the existing inclined shafts. The exploratory work did not test enough of the mineralized contact to determine whether or not these reserves actually exist. Because the target area was not reached the reserve estimate remains the same as at the start of the program.

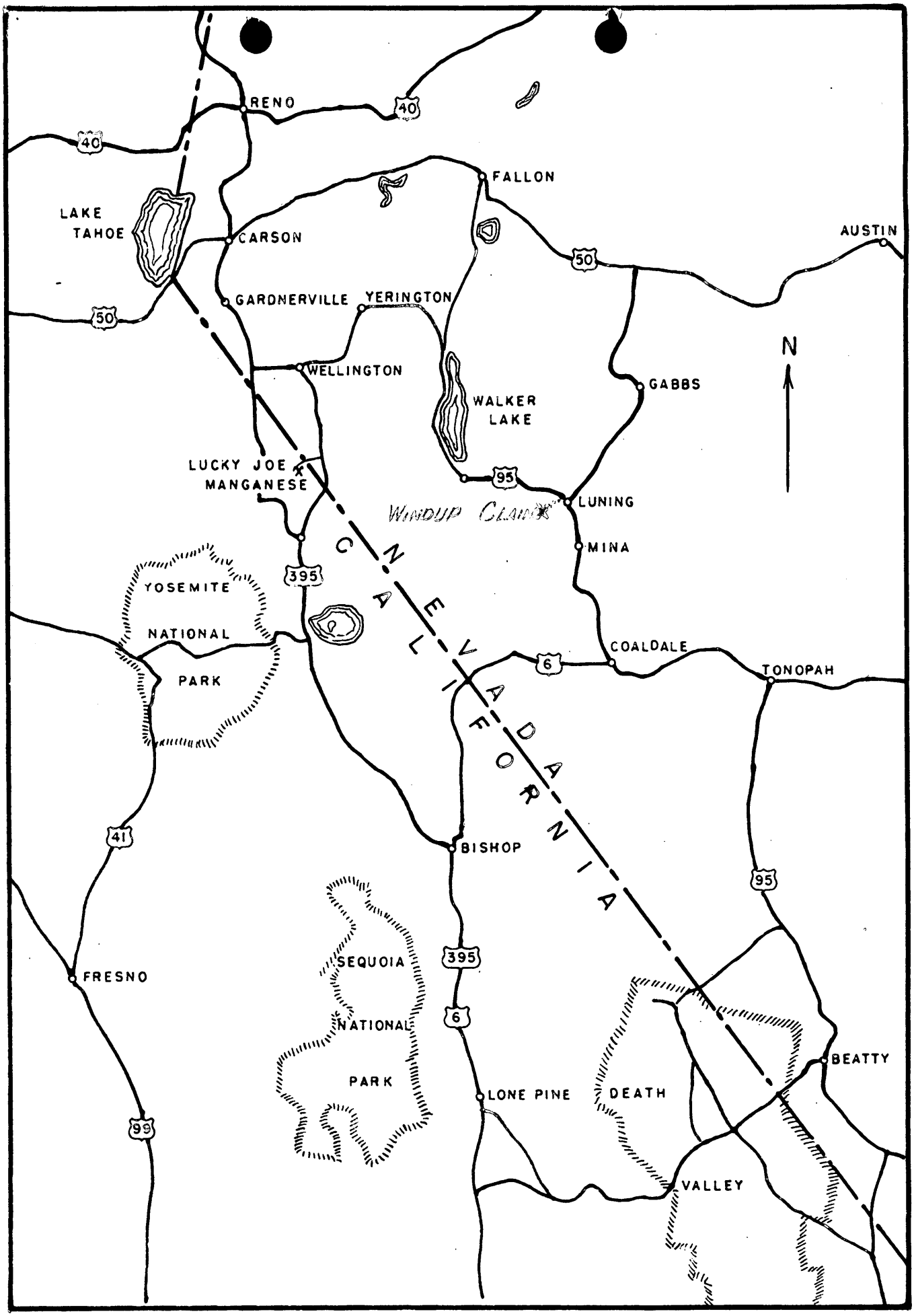


Figure 1. Location map.

400

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

RECEIVED
JUN - 3 1955

I have reviewed the Monthly Reports of:

Schaff, Bednar, Jones and Reinmiller,
a Partnership composed of Mrs. Schuyler
Schaff, 1412 Westfield Ave., Reno, Nevada;
Joe Bednar, Gabbs, Nevada; R. O. Jones,
Gabbs, Nevada; and F. W. Reinmiller, Box 100,
Gabbs, Nevada.
c/o F. W. Reinmiller, Box 100,
Gabbs, Nevada

pertaining to Exploration Project Contract No. Idm-E744, Docket No. DMEA-3393, for the months of January 1955 to April 1955, covering a project for the exploration of tungsten, on property known as Windup Claim, located in Mineral County, Nevada.

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

This review was made in lieu of a final audit of the Operator's accounts and records for the following reason:

> All of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

Total cost as billed by contractor	$7,440.00
Exceptions (schedule attached)	
This audit	288.00
Total Accepted Cost	$7,152.00

The contract calls for a 75 per cent participation of exploration expenses by the United States Government. Therefore, payments to the contractor by the Government in amount of Five Thousand Three Hundred Sixty-Four and 0/100 Dollars:

** $5,364.00 **

is considered valid and proper, provided that the Regional Executive Officer, the Administrator or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

George Mayer

George Mayer
Auditor

May 31, 1955

SCHEDULE OF EXCEPTIONS

Schaff, Bednar, Jones and Reinmiller	DMEA-3393	Idm-E7kk
Claimed by operator, April 1955 MF-10k		
Drifting and Crosscutting - Total 310' at $24.00		$7,440.00
Should have been		
Drifting and Crosscutting - Total 298' at $24.00		7,152.00
Total Exception	12' at $24.00	$ 288.00

The above exception was in accordance with letter dated May 13, 1955, from S. Risher to L. Sjelander, which confirmed the measurements taken by Bureau of Mines Engineer of 298 feet for drifting and crosscutting.

400

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 5 - 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region II

1605 Evans Avenue
Reno, Nevada

Date: May 2, 1955

Memorandum

WBM

To: Operating Committee, DMEA, Interior Bldg., Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -
Docket DMEA 3393

Contract Idm-E 744

Commodity Tungsten

Operator - Schaff, Bednar, Jones and Reinmiller

Property - Windup Claim, Mineral County, Nevada

By Henry W. Jones

Dated May 2, 1955

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

Attachments

Copy to: R. M. Smith--USGS (w/copy of report)
Finance Officer, Region II (w/copy of report)
File

Minerals Administration
RECEIVED

INTERIM REPORT

Docket No.: DMEA-3393 - Tungsten May 2, 1955

Name and address of Operator: Schaff, Bednar, Jones and Reinmiller
Box 100, Gabbs, Nevada

Name and location of property: Windup Claim, Mineral Co., Nevada, approximately 5 miles south of Luning

Contract No.: Idm-E744

SUMMARY AND CONCLUSIONS

The Windup claim was visited on April 15, 1955 to determine the amount of work completed under terms of the DMEA exploration contract. Work was resumed after a short lay-off while awaiting the Government's written approval to continue the Stage II part of the program.

The drift was advanced 89 feet to the southeast along the limestone-tuff contact. Occasional sparse scheelite mineralization was observed but none of commercial value has been encountered. About 34 feet of additional drifting remained to complete the 310 feet allotted under Stage I and Stage II of the contract.

WORK COMPLETED

The mine was visited in company with Joe Bednar, partner, on April 15, 1955. Work was resumed on the contract about ten days after the previous visit of March 1, 1955, after approval of Stage II to the program. The drift was swung sharply to the southwest for 28 feet following a faulted segment of the contact. The structure then re-

sumed its normal N. 80° E. strike and 40° north dip. The drift was driven an additional 89 feet for a total of 92 feet drift advance and 187 feet crosscut advance. Total footage used to date is 276 feet of the allotted 310 feet. The marking copper carbonate stain that follows the limestone-tuff contact was more distinct near the face, presumably indicating a less fractured condition of the surrounding rocks. Scheelite specks were noted occasionally within the stain area, however were too disseminated to be worth sampling.

COMMENTS

The only scheelite showing of consequence noted along the drift was encountered where the crosscut first struck the contact. Further drifting to the southeast failed to show any but minor specks at scattered locations.

The Operators are of the opion that if commercial tungsten mineralization is not encountered within the 34 feet of drifting remaining under contract, work at the mine will concluded.

Henry W. Jones
Henry W. Jones
Mining Engineer

400

APR - 5 1955

Mr. Spangler Richey, Executive Officer
DMEA Field Team, Region II
1695 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA 3393 - Tungsten
Schaff, Rohner, Jones, and
Rehnstiller
Mining claims
Elmoral County, Nevada
Contract No. [illegible]

Dear Mr. Richey:

Reference is made to the subject docket and the deletion made on the operator's monthly report and voucher for February 1955.

We appreciate the close supervision the Field Team is giving the DMEA projects and agree that unnecessary work should not be paid for. However where the mineralized project requires unavoidably to intersect a target followed by drifting along the target, that target may often not be readily identifiable or the gradation between the mineralized and nonmineralized rock may not be sharp. To insure that the full width of the mineralization has been exposed in such cases, it is often necessary or at least prudent to crosscut a round or two more than the absolute minimum if such footages are allowable within the months set forth in the contract.

We realize that the field representatives are also aware of this problem, and we recognize that they are in a better position than we are to judge when work is unnecessary and should not be allowed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

J. H. Hedges

Director, Bureau of Mines

Thor H. Kiilsgaard

Director, Geological Survey

FMRutledge:fvc 4-4-55
cc to: Docket
Code 400
Admr. Reading File
Operating Comm.
FT. REG. II
Messrs. Holliday, USBM
Kiilsgaard, USGS

400

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region ~~III~~ II

420 Custom House
555 Battery Street
San Francisco 11, California

3393

Date: March 15, 1955

Memorandum

To: Operating Committee, DMEA, Interior Bldg., Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region ~~III~~ II

Subject: Interim Inspection Report

WBM

Attached are four copies of Interim Report on -

Docket DMEA 3393

Contract Idm-E 744

Commodity Tungsten

Operator - Schaff, Bodmer, Jones & Reinmiller

Property - Windup Claim, Mineral County, Nevada

By Henry W. Jones

Dated March 10, 1955

Executive Officer,
DMEA Field Team, Region ~~III~~ II

Attachments

Copy to: R. M. Smith--USGS (with copy of report)
Finance Officer, Region ~~III~~ (with copy of report)
II

INTERIM REPORT

Docket No.: DMEA-3393 (Tungsten) March 10, 1955

Name and address of operator: Schaff, Bednar, Jones & Reinmiller
Box 100
Gabbs, Nevada

Name and location of property: Windup Claim, Mineral County, Nevada, approximately 5 miles south of Luning.

Contract No.: Idm-E744

SUMMARY AND CONCLUSIONS

The Windup claim was inspected on March 1, 1955 to determine the extent of work completed under terms of the DMEA exploration loan. Work consisted of extending the crosscut an additional 88 feet to and beyond the limestone tuff contact for a total crosscut advance of 194 feet. A 6-foot slab round was placed along the contact to the east for a 3-foot advance. Total footage claimed on the date of inspection, therefore, is 197 feet. Intermittent lenses of scheelite ore occur in the fault contact associated with copper carbonates.

Work through stage 1 of the program progressed in a very efficient and satisfactory manner.

RECOMMENDATIONS

The visiting engineer considered that through neglect of the operating supervisor, the crosscut was extended too far beyond the sought for contact. It is, therefore, recommended that 10 feet of the measured 197 feet be disallowed and payments made on 187 feet.

It is also recommended that because of favorable scheelite showings noted along the contact, additional work is warranted and written approval be given the operators for stage 2 of the program.

WORK COMPLETED

The Windup claim was visited in company with Joe Bednar (partner) on March 1, 1955. The slab round along the mineralized contact had been blasted the night previous and mucking was in progress.

The heading was advanced an additional 88 feet on the N. 45° E. bearing for a total advance of 194 feet. A copper stained seam containing an occasional grain of scheelite was encountered and followed from 146 feet to its intersection with the main structure. At 175 feet, the main limestone-tuff contact was intersected. The intervening fault gouge contained copper stain and a varying width, 6 to 18 inches, of fine grained scheelite estimated at 1.0 to 1.5 percent WO_3. The adit continued through the contact zone and into barren limestone along the same heading for an additional 10 feet. The last round was a 6-foot slab round placed along the strike (N. 85° E) of the contact and measured an additional 3-foot advance.

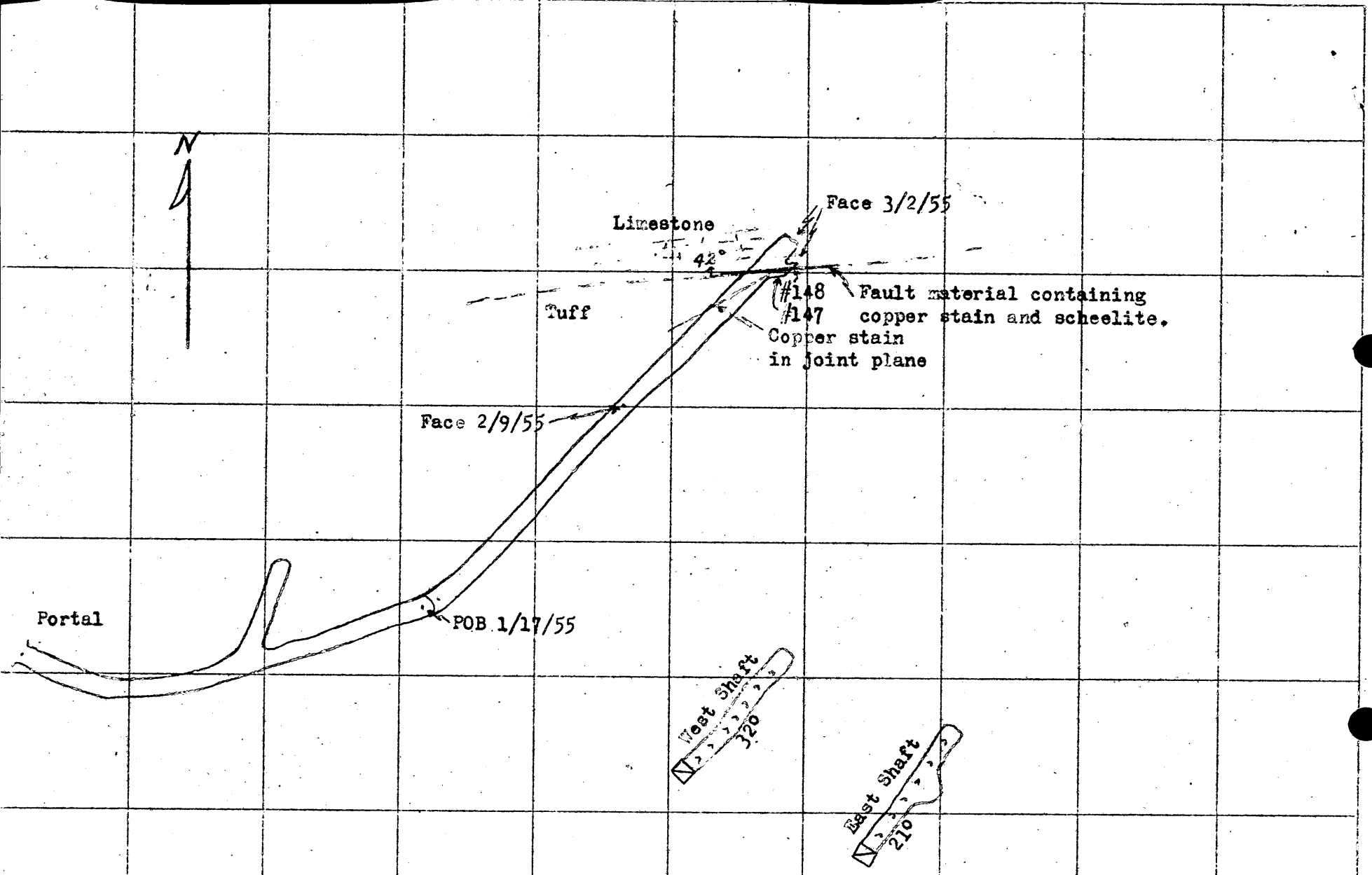
At the conclusion of the mucking, all work was to be temporarily concluded pending the favorable consideration of stage 2 part of the program.

Two samples were taken of the scheelite mineralization in the fault gouge. Results have not yet been received.

COMMENTS

Inasmuch as the operators assumed the Stage I part of the program was completed, and there would be a time lag prior to granting Stage II, the compressor, air hammer, and hoses were being removed from the mine to prevent them from being stolen.

Henry W. Jones
Henry W. Jones
Mining Engineer



PLAN MAP: WINDUP MINING CLAIM ID#-3680

Showing Face and Sample Locations

Scale: 1" = ~~30~~ 50

400

1605 Evans Avenue
Reno, Nevada

March 10, 1955

W Say

Mr. F. W. Reinmiller
Schaff, Bednar, Jones, & Reinmiller
P. O. Box 100
Gabbs, Nevada

Re: Docket No. DMEA-3393 (Tungsten)
Schaff, Bednar, Jones, & Reinmiller
Windup Claim, Mineral County, Nev.
Contract No. Idm-E744

Dear Mr. Reinmiller:

Permission is hereby granted by the Government in accordance with Exhibit "A" Stage II of the above referenced contract for you to proceed with 110 feet of drifting and/or crosscutting to further explore the limestone-tuff contact. The work should follow the contact in an easterly direction.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:gh
cc: H. C. Miller
Lloyd Sjolander - Finance
R. M. Smith
DMEA Operating Committee Wash., D.C. (2)
File

400

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region ~~III~~ II

420 Custom House
555 Battery Street
San Francisco 11, California

Date: February 23, 1955

Memorandum

WSM

To: Operating Committee, DMEA, Interior Bldg., Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -

Docket DMEA - 3393

Contract Idm-E 74b

Commodity Tungsten

Operator - Schaff, Bednar, Jones, & Reinmiller

Property - Windup Claim
Mineral County, Nevada

By H. K. Starer, Geologist

Dated February 21, 1955

Executive Officer,
DMEA Field Team, Region ~~III~~ II

Attachments

Copy to: R. M. Smith--USGS (with copy of report)
Finance Officer, Region ~~III~~ II (with copy of report)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Mineral Deposits Branch
1 Homewood Place
Menlo Park, California

February 21, 1955

Re Docket No 3393
Contract Idm E 744

Memorandum

To: S. Hicker, Executive Officer, DMEA Field Team, Region II

From: H. K. Stager, Geologist, U. S. Geological Survey

Subject: Interim Inspection Report of the Windup Claim, Mineral County, Nevada

The following paragraph on geology is to be included with the interim inspection report, dated February 15, 1955 and prepared by Henry W. Jones, for the Windup Claim, Mineral County, Nevada:

GEOLOGY

The entire 106 feet of advance in the adit at the Windup claim has been driven in the light tan to brown volcanic tuff of the lower Jurassic Dunlap formation. The bearing of the adit has been shifted 15 degrees to the north from the original bearing in order to cut the contact at a point closer to the starting point of the DMEA work. This shift is justified on geologic grounds and should permit a greater length of ore zone to be explored with the footage allowed under the contract by reducing the amount of crosscutting required to reach the contact. The scheelite- and copper-bearing tactite layer at the contact of the tuff and the overlying limestone bed had not yet been reached at the time of the interim inspection. It is inferred, by projection of the contact from exposures in the inclined shafts 85 feet above the adit level, that this tactite layer will be encountered within the next 50 feet. The contact dips into the hill at a low angle (21 to 32 degrees) and must continue in depth at about the same dip, as the next canyon to the north is in limestone at an altitude lower than the adit level. When the contact is reached by the adit a drift will be run to the east along the contact to determine the grade and continuity of the scheelite-bearing material.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

400
RECEIVED
FEB 21 1955

Office of
Executive Officer
DMEA Field Team
Region ~~XXX~~ II

420 Custom House
555 Battery Street
San Francisco 11, California

Date: February 17, 1955

Memorandum

To: Operating Committee, DMEA, Interior Bldg., Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region ~~XXX~~ II

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -
Docket DMEA - 3393

Contract Idm-E 744

Commodity Tungsten

Operator - Schaff, Bednar, Jones, & Reinmiller

Property - Windup Claim
Mineral County, Nevada

By Henry W. Jones, Mining Engineer

Dated February 15, 1955

Executive Officer,
DMEA Field Team, Region ~~XXX~~ II

Attachments

Copy to: R. M. Smith--USGS (with copy of report)
Finance Officer, Region ~~XXX~~ II (with copy of report)

INTERIM REPORT

Docket No.: DMEA-3393 (Tungsten) February 15, 1955

Name and address of operator: F. W. Reimmiller
Box 160
Gabbs, Nevada

Name and location of property: Windup Claim, Mineral County, Nev., approximately 5 miles south of Luning.

Contract No.: Idm-E744

SUMMARY AND CONCLUSIONS

The Windup claim was inspected on February 9, 1955 to determine if work had been done under terms of the DMEA exploration contract. It was learned that the compressor was installed and work started two days after the previous visit; the starting date was, therefore, set at January 19, 1955. Measurements taken from a pre-established point indicate the crosscut was advanced a total distance of 106 feet on a N45°E bearing. There was no change in character of the rock and no mineralization encountered in the new heading.

Work is progressing in a rapid and efficient manner with no unusual difficulties being encountered.

WORK COMPLETED

The Windup claim was visited in company with M. K. Stager, USGS, in order to determine if any advance had been made under the terms of the DMEA contract.

It was found that work had started immediately after the previous visit of Jan. 17, 1955, or on Jan. 19, 1955 under direction of Mr. Bednar (one of the partners). A rock shelf left by the previous operations was blasted to start on a flat face and the crosscut was swung 15 degrees to the left on a N45°E bearing. Crosscut advance was measured at 106 feet, all within a slightly brecciated volcanic tuff. No mineralization was encountered.

Three men are employed at the mine, including Bednar, working on a one shift round in round out basis. Drilling is being done by means of a jackhamer mounted on an air jackleg. Approximately 16 holes drilled to a 5-foot depth are used to a round. The footage pulled each round averages 5.3 feet. Mucking is done by hand into a 15 cubic foot mine car.

OTHER INFORMATION

The surrounding mine workings were examined by the visiting engineer and geologist. Possibilities exist that the ore bearing structure does not extend to the depth of the present driven adit, and if it does, it tends to flatten with depth. During a visit on the following evening with F. W. Reinmiller, it was discussed with him that perhaps some long drill holes should be extended from the back of the adit, on company account, if mineralization is not encountered within the next 60 feet. The drill holes would establish the horizon of mineralization if they exist and further exploration programs could be planned from the data obtained.

Henry W. Jones

Henry W. Jones
Mining Engineer

400

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 4 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region ~~III~~ II

420 Custom House
555 Battery Street
San Francisco 11, California

Date: January 31, 1955

Memorandum

To: Operating Committee, DMEA, Interior Bldg., Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region ~~III~~ II

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -
Docket DMEA - 3393

Contract Idm-E 744

Commodity Tungsten

Operator - Schaff, Sedgwr, Jones, & Reinmiller

Property - Windup Claim
Mineral County, Nevada

By Henry W. Jones, Mining Engineer

Dated January 27, 1955

Executive Officer,
DMEA Field Team, Region ~~III~~ II

Attachments

Copy to: R. M. Smith--USGS (with copy of report)
Finance Officer, Region ~~III~~ II (with copy of report)

Bureau of Mines
Bureau of Mines Administration
RECEIVED

INTERIM REPORT

Docket No.: DMEA-3393 (Tungsten) January 27, 1955

Name and address of operator: F. W. Reinmiller,
Box 100
Gabbs, Nevada

Name and location of property: Windup claim, Mineral County, Nev., approximately 5 miles south of Luning.

Contract No.: Idm-E744

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The Windup claim was visited on January 17, 1955 inorder to become acquainted with the mine workings and to determine if work had started under terms of the DMEA contract. Official date of starting was to be January 10, 1955.

Severe winter storms hampered preparations with a consequent lack of progress. No units of work had been ~~done~~ completed to date under the contract, but some work had been done. It is recommended that the starting date be advanced to January 31, 1955. See no need to advance starting date; laying rail & installing pipe should satisfy requirement that work be started by 1/10/55

WSM

COMMENTS

The visit to the Windup claim was made on January 17, 1955 during a heavy snowfall, consequently, no one was at the mine. During the course of the inspection, the visiting engineer marked a point on the tunnel wall, 29 feet back from the existing face, from which all future measurements will be taken.

It was noted that 12-pound rail had been laid from the dump

to near the face. The necessary water and air lines were laid awaiting a compressor.

Mr. Bednar, one of the partners, was interviewed at Lenning, Nevada. He stated that work was delayed pending obtaining a suitable vehicle to pull the small gyro-flo compressor from Lenning to the mine.

Henry W. Jones
Henry W. Jones
Mining Engineer

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

402

RECEIVED
DEC 27 1954

420 Custom House
555 Battery Street
San Francisco 11, California

December 20, 1954

Mr. P. A. Reinmiller
Schaff, Bednar, Jones and Reinmiller
P. O. Box 130
Gabbs, Nevada

RE: Docket No. DMEA-3393 (Tungsten)
Schaff, Bednar, Jones and Reinmiller
Windup Claim
Mineral County, Nevada
Contract No. Idm-5744

Dear Mr. Reinmiller:

We are enclosing the original and five copies of the above subject exploration contract signed by the Administrator, Defense Minerals Exploration Administration, for the Government, together with Annex I (1 page), Exhibit "A" (1 page), and one map (Figure 2).

If the terms and conditions of this proposed contract are satisfactory to you, all six copies should be signed by you and your partners. You should then retain the copy marked "Operator's Copy" and return the original and other four copies to this office.

If any part of this contract does not have your approval, the original and all copies are to be returned to this office with your proposed changes.

Sincerely yours,

S. RICKER

S. Ricker
Executive Officer
DMEA Field Team, Region III

Enclosures

Copy to: DMEA-Washington, D.C.
A. C. Johnson, Reno
R. M. Smith-USGS

DEC - 7 1954

Mr. Spencer Richey, Executive Officer
DMEA Field Team, Region III
400 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA 3393 - Tungsten
Schaff, Rohner, Jones, and
Rotenfisher
Mining claim
Elko County, Nevada

Dear Mr. Richey:

Enclosed are the original and five copies of a proposed contract for an exploration program on the above-referenced property, signed by the Administrator for the Government, together with Annex I (1 page), Exhibit "A" (1 page), and one map.

If the terms and conditions of this proposed contract are satisfactory to you and the Operator, all six copies should be signed and the usual distribution made.

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

Under Article 3, the starting date has been left blank and is to be filled in when the contract is signed by the Operator.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosure

APPROVED:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

FARutledge:fmc 11-29-54
cc to: Docket
Code 400
Adm. Reading File
Operating Comm.
FT. RSO, III
R. W. Graham, USBM
Thor H. Kiilsgaard, USGS

400

DEC - 7 1954

Hon. Clifton Young
House of Representatives
Washington 25, D. C.

My dear Mr. Young:

This will acknowledge receipt of your letter of November 29, 1954, inquiring about the status of an application submitted by Schaff, Bedner, Jones, and Reinmiller, of Gabbs, Nevada, for exploration assistance on the Windup claim, Mineral County, Nevada, our docket No. DMEA 3393.

We are glad to report that a contract covering a project to cost $7,440.00, of which the Government's contribution will be $5,580.00, is being transmitted to the applicants for execution.

If we can be of any further service in this matter, please advise us.

Sincerely yours,

C. O. Mittendorf

Administrator

cc: Docket
Adm. Read. File
Oper. Committee
Code 400
Field Team, Region 3
R. W. Geehan, USBM
Thor Kiilsgaard, USGS

WSMartin/lx
12/3/54

400

NOV 24 1954

Mr. F. W. Reinmiller
Schaff, Bednar, Jones, & Reinmiller
P. O. Box 100
Gabbs, Nevada

Re: Docket No. DMEA 3393-Tungsten
Windup claim
Mineral County, Nevada

Dear Mr. Reinmiller:

This will acknowledge your letters of September 27 and November 18, 1954, regarding the status of the above-docketed application for exploration assistance.

We regret that we were unable to answer your inquiry of September 27 sooner, but there were several differences of opinion on the merits of the requested exploration. These have now been resolved, and a draft of a proposed exploration contract is being processed.

We will advise you promptly when a final decision is made.

Sincerely yours,

C. O. Mittendorf

Administrator

CC: Docket
Adm. Read. File
Oper. Comm.
Field Team, Reg. 3
R. W. Geehan, USBM
Thor Kiilsgaard, USGS
Code 400

FARutledge/ls
11-23-54

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

Schaff, Bednar, Jones, and Reinmiller
c/o Mr. F. W. Reinmiller
P. O. Box 100
Gabbs, Nevada

Re: Docket No. DMEA 3393 - Tungsten
Windup claim
Mineral County, Nevada

Gentlemen:

This will acknowledge Mr. Reinmiller's letter of September 27, 1954, with regard to the status of the above-docketed application for exploration assistance. Your application and other data available to us in Washington concerning the referenced property have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, although noting the occurrence of tungsten mineralization on your property, indicates to us that the probability of disclosing minable tungsten ore reserves by your proposed program is not sufficiently promising to justify Government participation. Under these circumstances, we regret to advise you that your application is denied.

We wish to thank you for your interest in the Defense Minerals Exploration Program and for bringing this property to our attention.

Sincerely yours,

Administrator

400

Nov. 19, 1954

MEMORANDUM

To: Acting Assistant Solicitor, Defense Minerals

From: Iron and Ferro-Alloys Division, DMEA

Subject: Preparation of proposed contract
Docket No. DMEA 3393 - Tungsten
Schaff, Bedner, Jones, and Reinmiller
Windup claim
Mineral County, Nevada

Transmitted herewith are the copies of the map referred to in our memorandum of November 16, 1954.

F.A. Rutledge, Acting Chief
Iron and Ferro-Alloys Division

Attachment

cc to: Docket
Code 400
Adm. Reading File

November 16, 1954

MEMORANDUM

To: Acting Assistant Solicitor, Defense Minerals

From: Chief, Iron and Ferro-Alloys Division, DMEA

Subject: Preparation of proposed contract
Docket No. DMEA 5393 - Tungsten
Schaff, Rodney, Jones, and Rehmeiller
Windy claim
Mineral County, Nevada

Transmitted herewith is a rough draft of a proposed contract for your use in preparing the final draft.

Copies of the map referred to therein are being prepared and will be forwarded for attachment to the proposed contract later.

F. A. Rutledge, Acting Chief
Iron and Ferro-Alloys Division

FARutledge:fec
11-16-54
cc to: Docket
Code 400
Adm. Reading File

MF-200A
(Revised June 1954)

Docket No. DMEA 3393

Commodity Tungsten

Contract No. Idm-E

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this ..... day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Schaff, Bednar, Jones, and Reinmiller - A Partnership composed of Mrs. Schuyler Schaff, 1112 Westfield Ave., Reno, Nevada; Joe Bednar, Gabbs, Nevada; R. O. Jones, Gabbs, Nevada; and R. W. Reinmiller, Box 11, Gabbs, Nevada.,
whose mailing address is .....,
hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), 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 Mineral, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] owner of [5] entire interest in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] location notice, [7] recorded in Book 14, page 20 - 21, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

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

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] 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."

16—70618-1

(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 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(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 on or before ..... shall commence the work, and on or before September 1, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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) *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.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $7,440.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $5,580.00: *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. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(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. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine 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.

(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 a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit 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 the unit costs thereof.

(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 7. *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 6) 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 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 (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 8. *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 the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further 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 the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and 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 8 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 9. *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 10. *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 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

.....
(Operator)

By .....

By .....

.....

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
SCHAFF, BEDNAR, JONES, AND REIBMILLER
DOCKET NO. DMSA 3393

ANNEX I

The land referred to in Article 2 of the Contract consists of the unpatented Windup mining claim, located approximately three (3) miles west of Luning, Nevada, as recorded in Mining Locations, pages 20 and 21, Book 14, on file in the Auditors and Recorders Office, Hawthorne, Mineral County, Nevada.

EXPLORATION PROJECT CONTRACT
SCHAFF, BEDNAR, JONES, AND REIDMILLER
DOCKET NO. DMEA 3393

EXHIBIT "A"

Description of the Work

The objective of this project is the exploration for tungsten on the Windup unpatented lode mining claim.

The work consists of two stages and is substantially indicated on the attached map entitled: "Fig. 2, Geologic map of the Windup mining claim, Mineral County, Nevada."

All drifts and crosscuts shall be timbered as necessary and shall be not less than 4 feet by 7 feet in the clear.

Representative samples shall be taken of all mineralized ground encountered. Each sample shall be divided into at least two parts, one of which is to go to the Field Team and the other to the Operator.

Stage I

Extend the adit on the Windup claim by crosscutting and/or drifting 200 feet to intersect the downward extension of the mineralized limestone-tuff contact.

Stage II

The work under Stage II is to depend upon the results achieved under Stage I and is to be undertaken only if warranted in the opinion of the Government and written approval given.

Drift and/or crosscut an additional 110 feet to further explore the limestone-tuff contact.

ESTIMATED COSTS OF PROJECT

AGREED UNIT COSTS

Drift and/or crosscut 310 feet @ $24.00/ft.	$7,440.00
TOTAL AGREED UNIT COSTS	$7,440.00
GOVERNMENT PARTICIPATION @ 75%	$5,580.00

Interior Department

Defense Minerals Exploration Adm.

14Y14.02(01) Revolving Fund,

Defense Production Act, Interior
(Allocated Working Fund to the Office of the Secretary)

TELETYPE

NOV 9 - 1954

Spangler Nicker, Executive Officer, DMEA Field Team, Region 3, San Francisco, California

Recourt October 14, 1954, Docket DMEA 3393, Schaff, Bedner, Jones, and Reinmiller, Windup claims. Please teletype Field Team's conclusions.

George C. Selfridge

Chairman, Operating Committee

FABrtledge:fec
11-8-54
cc to: Docket
Code 400
FT. Reg. 3 - Confirmation
Oper. Comm.
Adm. Reading File
R. W. Gaehan, USBM
Thor H. Kiilsgaard, USGS

Interior Department
Defense Minerals Exploration
Administrator
14X4401(01) Revolving Fund,
Defense Production Act, Interior
(Allocated Working Fund to
the Office of the Secretary)

OCT 14 1954

TELETYPE

To: H. C. Miller, Executive Officer, DMEA Field Team, Region 3,
San Francisco, California

Reference is made to Docket DMEA 3393, Schaff, Bedmar, Jones, and Reinmiller, Windup claims. We believe limited amount of exploration may be warranted. Would Field Team concur with an exploration program consisting of 310 feet of drifting and/or crosscutting at unit price of $24 a foot as suggested by applicant.

George C. Selfridge
Chairman, Operating Committee

cc; DOCKET
CODE 400
FIELD TEAM, REG. 3 - Confirmation
OPER. COMM.
ADMIN. READ. FILE
R. W. GEEHAN, USBM
THOR KIILSGAARD, USGS

F&Rutledge/ls
10-14-54

402

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

October 12, 1954

Memorandum

To: Mr. W. S. Martin, Chief, Iron and Ferro Alloys Division, Defense Minerals Exploration Administration

From: Thor N. Killingsord, U. S. Geological Survey

Subject: DMEA Docket 3393, Tungsten, Windup property, Mineral County, Nevada

I have examined the Field Team report on the subject property, noting that denial of the application has been recommended.

I cannot concur with the recommendation for denial and suggest instead that either a contract be approved to do the proposed work, or that the field be asked to present further evidence which could be used to deny the application. On the basis of evidence already presented, DMEA would have little justification to deny this application.

The applicant proposes to explore the deposit by extending an existing adit 180 feet to crosscut the vein, then to drift northeast on the vein 90 feet, and from a point in the drift to raise 85 feet to connect with the west shaft. This project, costing an estimated $10,377.00 would explore that block of ground lying between the two shafts and extending from the outcrop to the adit level.

The Field Team report notes that scheelite is scattered along the limestone-tuff contact for 370 feet, but only between the two inclined shafts is ore continuous and of minable grade. The report also notes the vein has a minable width of 18 inches between the two shafts, and that 4 samples taken in this area averaged .85% WO_3. It is pointed out, however, that a more representative sample of the ore is the hand sample of 0.45% WO_3 of 37½ tons taken from the shafts and treated at the Sodaville mill.

As presented, the facts indicate that this vein warrants further exploration. The scattering of scheelite along 370 feet of outcrop is indicative of considerable mineralization, certainly more than is found at the outcrop of many tungsten producing mines. Further, it would be most unusual to locate a shaft on either end of the only minable ore body as this report would imply; the stope

shown on the map on the east side of the east shaft, coupled with the remark in the report that considerable ore was mined from this east stope, suggests that the ore body is more extensive. While a bulk sample of 0.43% WO_3 is not high grade, this represents unsorted dump tonnage that was unquestionably diluted by overbreakage in the shaft. Quite probably, tonnage from mining operations would be somewhat above this grade, and could be closer to the average of 0.89% WO_3, as suggested by the samples. Finally, the report mentions an indicated and inferred tonnage aggregating 1200 tons, which, at 100 percent recovery and at $63.00 per unit, would have a gross value of $68,000. Such recovery is impossible; however, similar ore from the White Horse property, DMEA Docket 3362, milled at Gardnerville, Nevada, assayed 0.32 percent WO_3 and mill recovery of WO_3 from this ore is quoted at 90 percent. If comparable recovery could be made from Windup ore, the gross value of the ore would still be appreciable and certainly enough to justify further exploration. In most DMEA tungsten contracts there are no reserves at all on the property to be explored when the project is started.

If further correspondence is had with the Field Team on this application, it is suggested that they contact the applicant and inquire about a more extended project. Such work might be done on a stage basis. On the basis of the evidence in hand the vein would appear to warrant more than the proposed 90 feet of drifting. Such drifting might be done by turning the proposed crosscut more to the north, to reach the vein at less distance, and then by drifting beyond the present proposed eastern limit.

Thor H. Kiilsgaard

THKiilsgaard:hlm
G-10/12/54

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
R. W. Geehan, 3513

October 6, 1954

MEMORANDUM

To: Administrator, DMEA

From: Chief, Iron and Ferro-Alloys Division

Subject: Denial of exploration assistance in the amount of $10,377.00
Docket No. DMEA 3393 - Tungsten
Schaff, Bedner, Jones, and Reinmiller
Windup claim
Mineral County, Nevada

The denial of the subject application by this Division is based on the following information:

1. The Applicants proposed an exploration program consisting of extending a low level adit to the mineralized contact followed by drifting along the mineralized contact for approximately 90 feet and raising to connect with the bottom of the west shaft.

2. Tungsten mineralization on the Windup claim appears to be localized in limestone along a limestone-tuff contact that has been shattered by minor subsidiary movement related to thrust faulting. The scheelite mineralization is scattered along the contact for 370 feet, but is continuous only between the two inclined shafts, 70 feet apart. Here also the mineralized zone approaches minable width, ranging from 12 to 36 inches in width and averaging 18 inches. Dip of the mineralized contact in this area is from 20° to 30° but it is inferred that the deposit will steepen to about 50°.

3. Two samples were taken by the examining field team from each of the two inclined shafts. An arithmetical average of the four samples is 0.895 percent WO_3. However the mineralization is spotty, and the head sample containing 0.45 percent WO_3 representing 374 tons of ore (from the two inclined shafts and the small stope from the East shaft) that was shipped to the Sodaville mill during 1953 is considered more reliable.

4. The examining field team's estimate of ore reserves follows:

Indicated	500 tons @ 0.895 percent WO_3
Inferred	700 tons @ 0.895 percent WO_3
Total	1,200 tons @ 0.895 percent WO_3 or 1,074 units

5. Using these ore reserves, the Field Team calculated the gross value of the deposit to be $68,000.00, an estimate that can only be based on 100 percent recovery and $63.00 per unit.

6. The Field Team concluded that with the total reserves in the subject deposit having a gross value of $68,000.00, offhand an exploration program costing $10,377.00 should be approved. However, due to the limited extent of mineralization along the strike and the narrow width of the deposit, which will cause considerable dilution in mining, the Field Team concurred with the examining field team in their recommendations for denial.

7. The Commodity Divisions of the Bureau of Mines and Geological Survey do not concur in the denial.

W. S. Martin, Chief
Iron and Ferro-Alloys Division

FARUTIEDGE:foc
10-6-54
cc to: Docket
Code 400
Adm. Reading File
Operating Committee

400

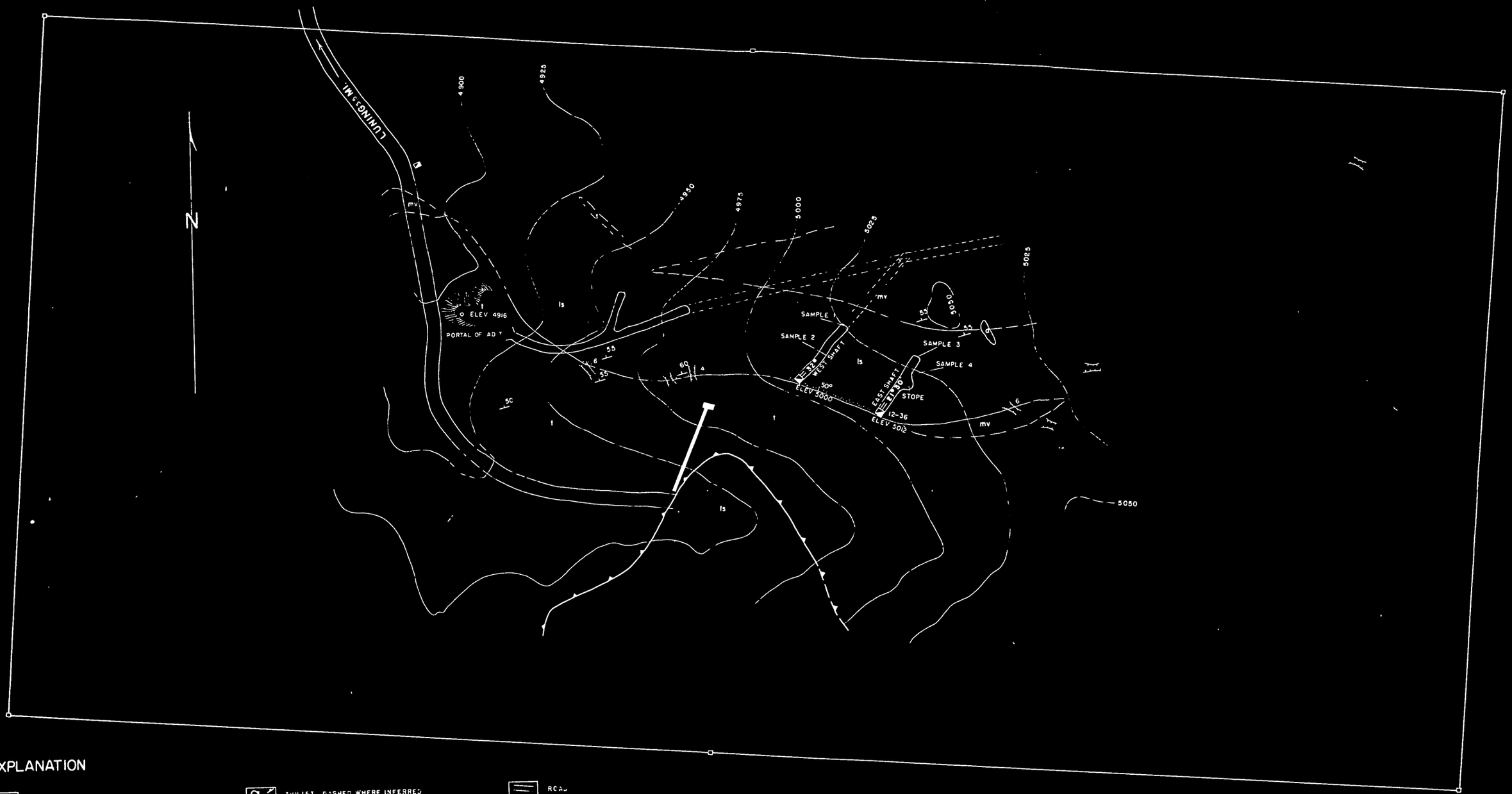
Pencil note on DMEA 3393

I think we need a special turn-down letter on this.

There seems to be no question as to some minable tungsten reserves---it is the quantity that leads to rejection.

It might be worth the exploration proposed.

/s/ R.W.G.



EXPLANATION

- LIMESTONE
- TUFF
- METAVOLCANIC
- APLITE
- ORE, WIDTH GIVEN IN INCHES
- CONTACT, DASHED WHERE INFERRED
- THRUST, DASHED WHERE INFERRED
- STRIKE AND DIP, DIP GIVEN IN DEGREES
- SHAFT
- INCLINED SHAFT, INCLINATION GIVEN IN DEGREES
- TRENCH
- ADIT
- ROAD
- ORE BIN AND CHUTE
- PROPOSED EXPLORATION, DRIFT AND RAISE

Planimetric Base Furnished By Claim Owners

Topography By R. G. Reeves and F. R. Shawe

FIG. 2

GEOLOGIC MAP OF THE WINDUP MINING CLAIM

MINERAL COUNTY, NEVADA

Scale – 1" = 50'

0 25 50 100

Contour interval 25'

Geology By R. G. Reeves, F. R. Shawe,

402

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

OCT - 4 1954

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

October 1, 1954

Air Mail

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA-2393 - Tungsten
Schaff, Sechar, Jones, and Reinmiller
Winduo Claim
Mineral County, Nevada

Reference is to your letter dated July 14, 1954, requesting a field examination of the subject property.

Attached are four copies of an examination report entitled "DMEA-2393, Winduo Mine, Mineral County, Nevada, (Tungsten)" by Russell E. Grengove, Mining Engineer, U. S. Bureau of Mines, and Fred Shawe, Geologist, U. S. Geological Survey, dated September 30, 1954.

According to the report, the total reserves in the subject deposit have a gross value of $68,000.00. As the cost of the Applicant's proposed exploration is $10,377.00, it would seem offhand that the loan should be approved. The ore varies in width from 6 to 36 inches and will average 18 inches in width between the east and west shafts. This block of ground might possibly contain 500 tons of indicated ore of an average grade of 0.895 per cent WO_3. In addition there is probably another 700 tons of inferred ore to the adit level. However, due to the limited extent of mineralization along the strike and the narrow width, which will cause considerable dilution in mining the ore, the examining engineer and geologist have recommended that the loan be denied. Mr. Smith and I concur with their recommendation.

Reviewed by
DMEA OPERATING COMMITTEE
10-8-54
(date)

W. E. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: Roscoe Smith, DMEA
A. C. Johnson, Reno

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

Minerals Administration
RECEIVED
OCT - 4 1954

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMEA-1191, Window Mine

Mineral County, Nevada

(Tungsten)

Russell R. Trengove, Mining Engineer
U. S. Bureau of Mines

Fred Shane, Geologist
U. S. Geological Survey

September 30, 1954

Reviewed by
DMEA OPERATING COMMITTEE
10-8-54
(date)

EXAMINATION REPORT

-3393 (Tungsten)

Docket

OCT - 4 1954

of applicant: F. W. Reimmiller
Box 100
Gabbs, Nev.

tion of property: Windup Mine, 3.5 miles west of Luning, Mineral County, Nev.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

ngineer of the Bureau of Mines and two geologists of the al Survey made a joint examination of the Windup tungsten mine ay 1954. The property is situated about 3.5 miles west of Luning, Nev. (fig. 1). The purpose of the examination was to determine if the geological conditions and the grade of mineralization were favorable to justify approval of an application for a Government loan. The total estimated cost of the applicant's proposed exploration is $10,377.00.

The application is dated June 11, 1954. The work proposed comprises the cleaning up of the present adit and driving the adit an additional 180 feet, crosscutting to find the vein, drifting 90 feet on the vein and raising 85 feet on the vein to connect into the bottom of the west shaft.

The Windup tungsten prospect is in interbedded limestone, tuff, and metavolcanic rock of the Dunlap formation, and is on the north limb of an overturned anticline. The limestone contains small pods of tactite. Scheelite is localized in limestone along a limestone-tuff contact that is shattered by minor subsidiary movement related to thrust faulting.

Ore ranges in width from 6 to 36 inches. Between the east and west shafts, where a minable width of ore is present, the ore is from 12 to 36 inches wide, averaging 18 inches wide. This block of ground contains 500 tons of indicated ore of an average 0.895% WO_3 content. In addition, there is 700 tons of inferred ore of the same grade above the level of the proposed adit.

Because of the small amount of indicated ore, the limited extent of mineralization along the strike, and the narrow width of mineralization which will cause considerable dilution when being mined, it is recommended that the loan be denied.

INTRODUCTION

An application for a Government loan under sec. 202 of the Defense Production Act of 1950 was made by F. W. Reinmiller of Gabbs, Nev., June 11, 1954. An engineer of the Bureau of Mines and two geologists of the Geological Survey examined the property in July 1954. They were accompanied by the applicant F. W. Reinmiller of Gabbs, Nev.

HISTORY, OWNERSHIP AND PRODUCTION

The applicant was unable to furnish any information on the history of the property which consists of only one claim. The owners were C. E. Robinson of Babbitt, Nevada and Mrs. Schuyler Schaff, 1412 Westfield Avenue, Reno, Nev. On Sept. 8, 1953, R. O. Jones, Joe Bednar and F. W. Reinmiller, partners, Gabbs, Nev., obtained a quit claim deed from C. E. Robinson of his one-half interest in the property.

There are no mining or exploration operations being conducted on the property at present but the old workings are accessible. The most

recent production was during the period August 21, 1952 to October 17, 1953 when a dump was shipped to the Sinkey tungsten mill at Sodaville. The applicant stated that 130 tons were shipped at that time. Assuming a 65% recovery in the mill and a net settlement rate of $36.00 after milling, the applicant figures that the dump apparently contained about 0.6% WO_3. The dump was loaded out with a skip loader and no attempt was made to sort the ore.

However, the Sodaville mill records show that the heads of 374 tons shipped by Robinson analyzed 0.45% WO_3.

LOCATION AND PHYSICAL FEATURES

The Windup tungsten deposit is in sec. 8, T. 7 N., R. 34 E. at an elevation of about 5500 feet. The property (fig. 1) can be reached by following a rough truck trail westward, from a point on the northwestern limits of the town of Luning, Nevada to the mine, 3.5 miles distant. The road is on an upgrade over wash material the entire distance. Small dump trucks would be required to haul the ore, the ore dumped at Luning and reloaded for transportation by larger trucks to concentrators near Gabbs, Nev. Luning is on a branch line of the Southern Pacific Railroad.

Climate in the area is semi-arid with hot summers and moderate winters. Precipitation is relatively light and occurs mostly as snow, with occasional showers during the fall and winter months. Sagebrush and varieties of desert grass constitute practically the only vegetation near the property. No water is available in the immediate vicinity. Water for mine use would have to be transported from Luning. No

transmitted power is available. There are no housing facilities or any buildings or equipment on the property. Miners would be available at Hawthorne, 29 miles distant.

MINE WORKINGS

The mine workings (fig. 2) consists of two inclined shafts in a very unsafe condition and one adit in good condition except for the need of cleanup operations. Both inclined shafts are on the vein structure. One is 70 feet deep on a 32° slope, the other is 60 feet deep on a 21° slope. The 170-feet of adit is in the footwall. In addition to the ore produced by the sinking operations, considerable ore was obtained by stoping on the east side of the East shaft. Four samples (fig. 2) taken by the Bureau engineer averaged 0.79% WO_3 and 1.8 feet in width. Because of the spotty nature of the mineralization, the results of the sampling should not be taken too seriously. The head sample of the 374 tons treated at the Sodaville mill, averaging 0.45% WO_3, is considered more reliable. The geological conditions are unfavorable for extensions of the deposits, and the staking of additional claims is thought to be unwise.

GEOLOGY

The Garfield hills, in the vicinity of the Windup tungsten prospect, are composed of a thick sequence of Triassic and Jurassic[1] sedimentary

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[1] Ferguson, H. G. and Muller, S. W., Structural Geology of the Hawthorne and Tonopah Quadrangles, Nevada: U.S.G.S., P.P. 216, 1949.

and volcanic rocks. The oldest rock exposed is the Mid-Triassic Kwalaxier formation, composed of greenstone. Overlying the Kwalaxier formation is the Upper-Triassic Luning formation consisting of a lower slate member, a middle limestone member, and an upper slate member. The youngest of the stratified rocks is the Jurassic Dunlop formation composed of interbedded and interfingered limestone, dolomite, sandstone, sandy tuff, and meta-volcanic rock. Intruding all of the older formations is late Jurassic granodiorite.

The Luning and Dunlop rocks are extensively folded into east trending anticlines and synclines. Several major thrust faults, some contemporaneous and some post-folding displace all of the stratified units, but do not displace the granodiorite. Normal faults, dating from the Tertiary to recent, displace all rocks and pre-existing structures. (Ferguson and Muller, pp. 17-25; plates 1 & 2; fig. 3).

The Windup tungsten prospect is in interbedded limestone, tuff, and metavolcanic rock of the Dunlop formation, and is on the north limb of an overturned anticline. The anticline is broken and a small thrust fault is developed (fig. 2). Minor movement, subsidiary to the thrust faulting, has taken place along the interbed faces between limestone and tuff beds.

The rocks of the immediate area show much evidence of the presence of an underlying intrusive body, though only one small patch of aplite crops out on the property. The limestone has small pods of tactite in it. The tuff contains much secondary pyrite, which on the surface is oxidized to red hematite. Massive red hematite crops out in the gulch just north of the tungsten deposit.

ORE DEPOSITS AND ORE RESERVES

Scheelite, the only tungsten mineral seen, was deposited along a limestone-tuff contact that was shattered by minor subsidiary movement probably related to the thrust faulting. Mineralizing solutions emanating from an underlying granitic body filtered through this shattered rock, and deposited scheelite in the limestone (hanging wall) at the limestone-tuff contact. Apparently a sharp roll in the thrust caused increased fracturing of the limestone and consequent localization of scheelite between the east and west shafts. (Fig. 2). There is a sharp roll in the ore deposit exposed in both inclined shafts opposite to the roll in the thrust. This roll causes the ore to flatten to 20°-30° between the lower parts of the two shafts.

Scheelite is scattered along the limestone-tuff contact for 370 feet, but only between the two inclined shafts is the ore continuous and of minable width. Between these two shafts, the ore ranges from 12 to 36 inches in width and will average about 18 inches. An average of 4 samples cut across the exposed width of ore (fig. 2) gave an average WO_3 content of .895%.

Assuming an average width of ore of 18 inches, the block of ground between the two inclined shafts (70 feet along strike, 70 feet down dip in the west shaft, and 60 feet down dip in the east shaft) contains 6800 cubic feet or 500 tons of indicated ore. Assuming a like width and length of ore extending to the altitude of the adit level, (60 feet down an average dip of the contact, 30°) an additional 9400 cubic feet or 700 tons of the same grade of ore can be inferred.

No other ore deposits are inferred on the property.

SAMPLING

The analyses of the samples taken from the property are as follows:

Sample No.	% WO_3	% Mo
1	1.27	*0.01
2	0.43	*0.01
3	0.81	0.07
4	1.07	*0.01
Average	.895	

* Less than

PROPOSED EXPLORATION

The applicants have proposed extending the adit 180 feet, cross-cutting to find the downward extension of the limestone-tuff contact, drifting 90 feet on the vein, and raising 85 feet to the bottom of the west shaft. It is inferred that the ore deposit will steepen to about 50° below the east and west shafts, that the limestone-tuff contact probably will be encountered in less than 180 feet, and that no cross-cutting will be needed to find the vein.

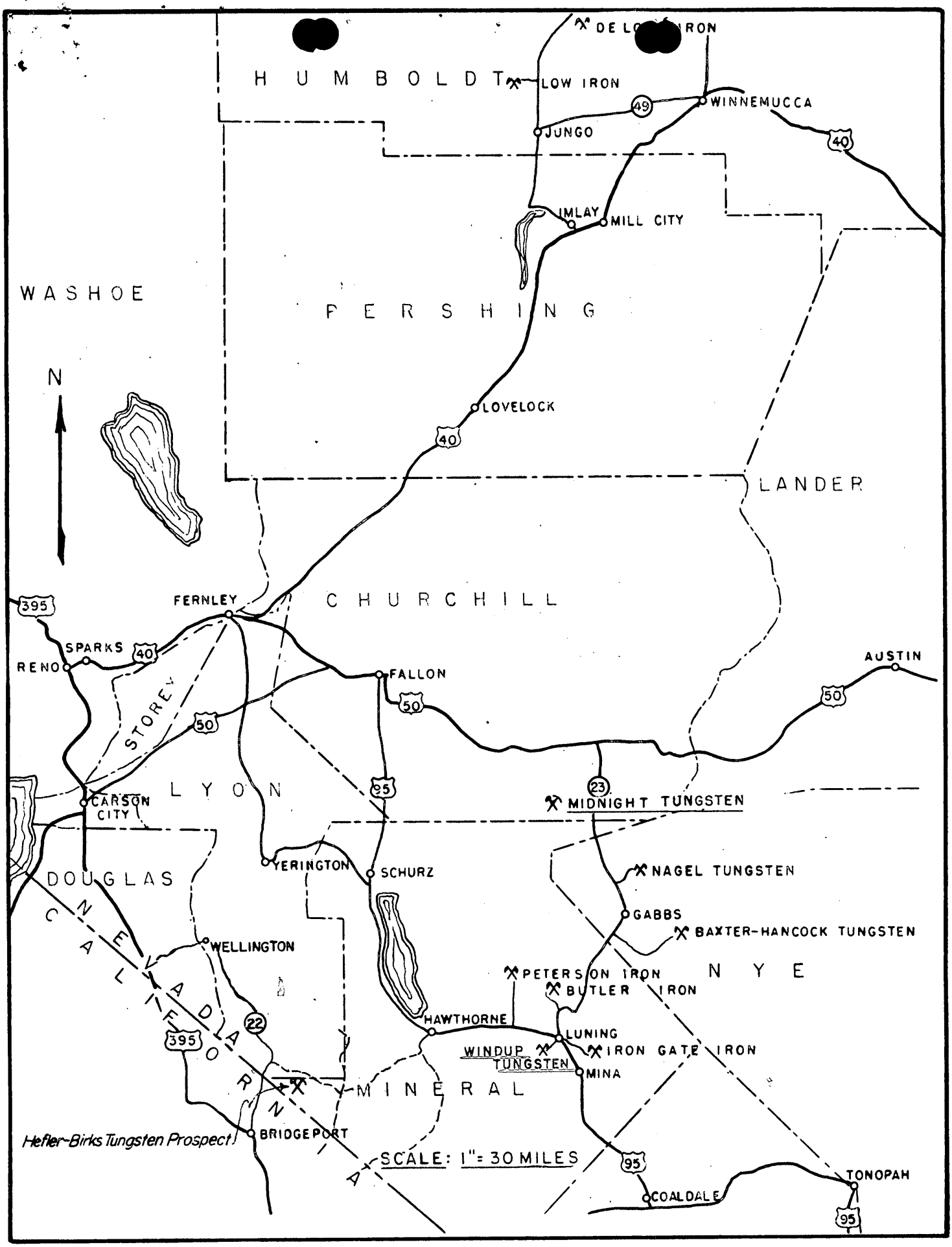


FIGURE 1. LOCATION MAP.

Interior Department

400

Defense Minerals Exploration Adm.
14X4401(01) Revolving Fund,
Defense Production Act,
Interior (Allocated Working Fund to the
Office of the Secretary)

XXXXXXXXXXXXXXXXXXXXXXXX

T E L E T Y P E

SEP 29 1954

TO: H. C. Miller, Executive Officer, DMEA Field Team, Region III,
San Francisco, California

Please advise when we may expect Field Team report on Docket DMEA 3393, Schaff, Bednar, Jones, and Reinmiller, Windup claim, Mineral County, Nevada. Information needed to answer inquiry regarding status.

George C. Selfridge

Chairman, Operating Committee

FARUTLEDGE:foc
9-29-54
cc to: Docket
Code 400
Adm. Reading File
Operating Comm.
FT. REG. III - CONFIRMATION
R. W. Geehan, USBM
Thor H. Hilsgaard, USGS

JUL 14 1954

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
420 Customhouse Building
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA 3393 - Tungsten
Schaff, Bedner, Jones, and
Reinmiller
Windup claim
Mineral County, Nevada

Dear Mr. Miller:

The subject application for exploration assistance is being referred to your office for a field examination of the property.

If the results of the Field Team examination indicate an exploration program is warranted, the possibility that the exploration program may benefit adjacent claims and that more land should be included should be investigated.

Two copies of a relevant memorandum dated July 7, 1954, by E. L. Newcomb, Geological Survey, are enclosed for your information.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Enclosure

FARutledge:foc
7-13-54
cc to: Docket
Code 400
Adm. Reading File
Operating Comm.
FT. Reg. 3
R. W. Geehan, USBM
T. P. Thayer, USGS

APPROVED:

J. H. Hedges
Member, Bureau of Mines

D. M. Larrabee
Member, Geological Survey

JUL 14 1954

Schaff, Bechar, Jones, and Reinmiller
c/o Mr. F. W. Reinmiller
P. O. Box 100
Gabbs, Nevada

Re: Docket No. DMEA 3393 - Tungsten
Windup claim
Mineral County, Nevada

Gentlemen:

The above-docketed application for exploration assistance for tungsten has been reviewed by the Iron and Ferro-Alloys Division of the Defense Minerals Exploration Administration and referred to Mr. H. C. Miller, Executive Officer, DMEA Field Team, Region III, 420 Customhouse Building, 555 Battery Street, San Francisco 11, California, for a field examination of the property.

Any assistance that you can render the members of the Field Team will be appreciated.

Sincerely yours,

C. O. Mittenderf

Administrator

FARUTLEDGE:foc
7-13-54
cc to: Docket
Code 400
Adm. Reading File
Operating Comm.
FT. Reg. 3
R. W. Geehan, USBM
T. P. Thayer, USGS

IN REPLY REFER TO:

400

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

July 7, 1954

Memorandum

Re: IMEA-3393
Windup Mine
Mineral County, Nev.
$10,377
Tungsten

To: Mr. W. S. Martin, IMEA

From: E. L. Newcomb, USGS

Subject: Recommendation for field referral

The applicant proposes to drift and crosscut 310 feet and to drive an 85 foot raise in a mineralized vein which occurs along a rhyolite-limestone contact.

The old workings, two inclined shafts and an adit, are reported to be accessible.

There has been no recent production, though the applicant states that 130 tons of dump material were shipped in 1952 which may have averaged about 0.6 percent WO_3.

We do not have any available information on this property, but it is located in an area of known tungsten mineralization. A number of tungsten prospects and mines occur nearby.

I recommend this application be referred to the field team for an examination.

E. L. Newcomb
Geologist

14. Exhibit E (question 23-c)*

a) Is it applicable?_____

b) Sufficient data?_____

c) Reasonable?_____

d) Field check needed?_____

15. In your judgment, can the proposed work be done in the proposed time?_____

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question?_____

Reviewed by:_____

Date_____

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

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

January 5, 1955

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3393 - Tungsten
Schaff, Bednar, Jones, and Reinmiller
Windup Claim
Mineral County, Nevada
Contract No. Idm-E744

Reference is made to Mr. George C. Selfridge's letter of December 7, 1954, transmitting to this office the original and five copies of subject contract.

The contract has been executed on the part of the Operator and one copy retained by him. Attached are the original and two copies for your office. Distribution has been made of the Field Team and Finance Officer's copies.

S. Ricker

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments

Copy to: A. C. Johnson, Reno (With copy of contract)
Finance Officer, Region II (With copy of contract)
Roscoe Smith, USGS
George Mavor

Di[illegible]sion Copy
HCRubin:gjb 11/24/54

[illegible] Administration
RECEIVED
[illegible]

MF-200A
(Revised June 1954)

Docket No. DMEA 3393

Commodity Tungsten

Contract No. Idm-E 744

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 7 day of December, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Schaff, Bedner, Jones, and Reinmiller - A Partnership composed of Mrs. Schuyler Schaff, 1412 Westfield Ave., Reno, Nevada; Joe Bedner, Gabbs, Nevada; R.O. Jones, Gabbs, Nevada; and F. W. Reinmiller, Box 100, Gabbs, Nevada.,
whose mailing address is c/o F. W. Reinmiller, Box 100
Gabbs, Nevada,
hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), 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 Mineral, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the[4] owner of[5] the entire interest in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a[6] location notice, [7] recorded in Book 14, page 20 - 21, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

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

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] 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."

(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 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(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 on or before January 10, 1955 shall commence the work, and on or before September 1, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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) *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.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $7,440.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $5,530.00: *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. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(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. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine 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.

(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 a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit 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 the unit costs thereof.

(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 7. *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 6) 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 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 (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 8. *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 the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further 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 the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and 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 8 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 9. *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 10. *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 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By [illegible]
Administrator, Defense Minerals Exploration Administration

Rubin
Hoffman
Martin
Rutledge
Chandler
Lefforge

SCHAFF, BEDNAR, JONES AND REINMILLER
(Operator)

By Mrs. Schuyler Schaff (Partner)

By Joe Bednar (Partner)

By [illegible] (Partner)

By [illegible] (Partner)

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

Bureau of Land Management
RECEIVED
APR 16 1979

EXPLORATION PROJECT CONTRACT
SCHAFF, BEDNAR, JONES, AND NEIDMILLER
DOCKET NO. DNEA-3393

ANNEX I

The land referred to in Article 2 of the Contract consists of the unpatented Windup mining claim, located approximately three (3) miles west of Luning, Nevada, and described as recorded in Book 14 of Mining Locations at pages 20 and 21, on file in the Auditors and Recorders Office, Hawthorne, Mineral County, Nevada.

EXPLORATION PROJECT CONTRACT
SCHAFF, BEDNAR, JONES, AND REINMILLER
DOCKET NO. DMEA-3393

EXHIBIT "A"

Description of the Work

The work consists of two stages and is substantially indicated on the attached map entitled: "Fig. 2, Geologic map of the Windup mining claim, Mineral County, Nevada."

All drifts and crosscuts shall be timbered as necessary and shall be not less than 4 feet by 7 feet in the clear of timber.

Representative samples shall be taken of all mineralized ground encountered. Each sample shall be divided into at least two parts, one of which shall be furnished to the Government.

Not to exceed an aggregate of 310 feet of drifting and crosscutting shall be performed under this contract.

Stage I

Extend the adit on the Windup claim by crosscutting and/or drifting approximately 200 feet to intersect the downward extension of the mineralized limestone-tuff contact.

Stage II

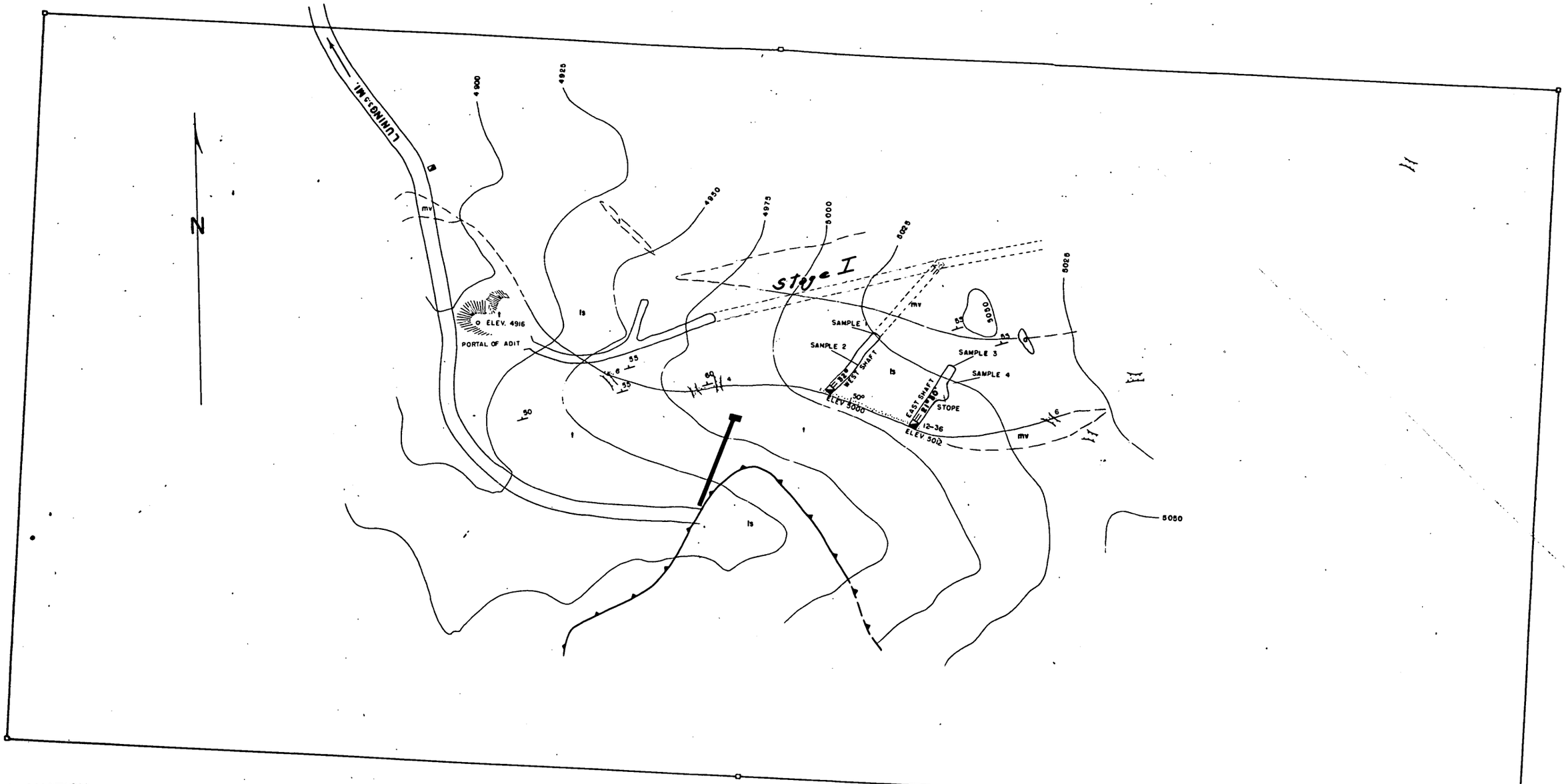
If, in the opinion of the Government, based upon the results of Stage I, further work is warranted and the written approval of the Government is given in advance, Stage II shall be undertaken.

Stage II consists of drifting and/or crosscutting approximately 110 feet to further explore the limestone-tuff contact.

ESTIMATED COSTS OF PROJECT

FIXED UNIT COSTS

Drift and/or crosscut 310 feet @ $24.00/ft.	$7,440.00
Estimated Total Cost of Project	$7,440.00
Government Participation @ 75%	$5,580.00



EXPLANATION

- LIMESTONE
- TUFF
- METAVOLCANIC
- APLITE
- ORE, WIDTH GIVEN IN INCHES
- CONTACT, DASHED WHERE INFERRED
- THRUST, DASHED WHERE INFERRED
- STRIKE AND DIP, DIP GIVEN IN DEGREES
- SHAFT
- INCLINED SHAFT, INCLINATION GIVEN IN DEGREES
- TRENCH
- ADIT
- ROAD
- ORE BIN AND CHUTE
- PROPOSED EXPLORATION, DRIFT AND RAISE

Planimetric Base Furnished By Claim Owners

Topography By R. G. Reeves and F. R. Shawe

FIG. 2

GEOLOGIC MAP OF THE WINDUP MINING CLAIM

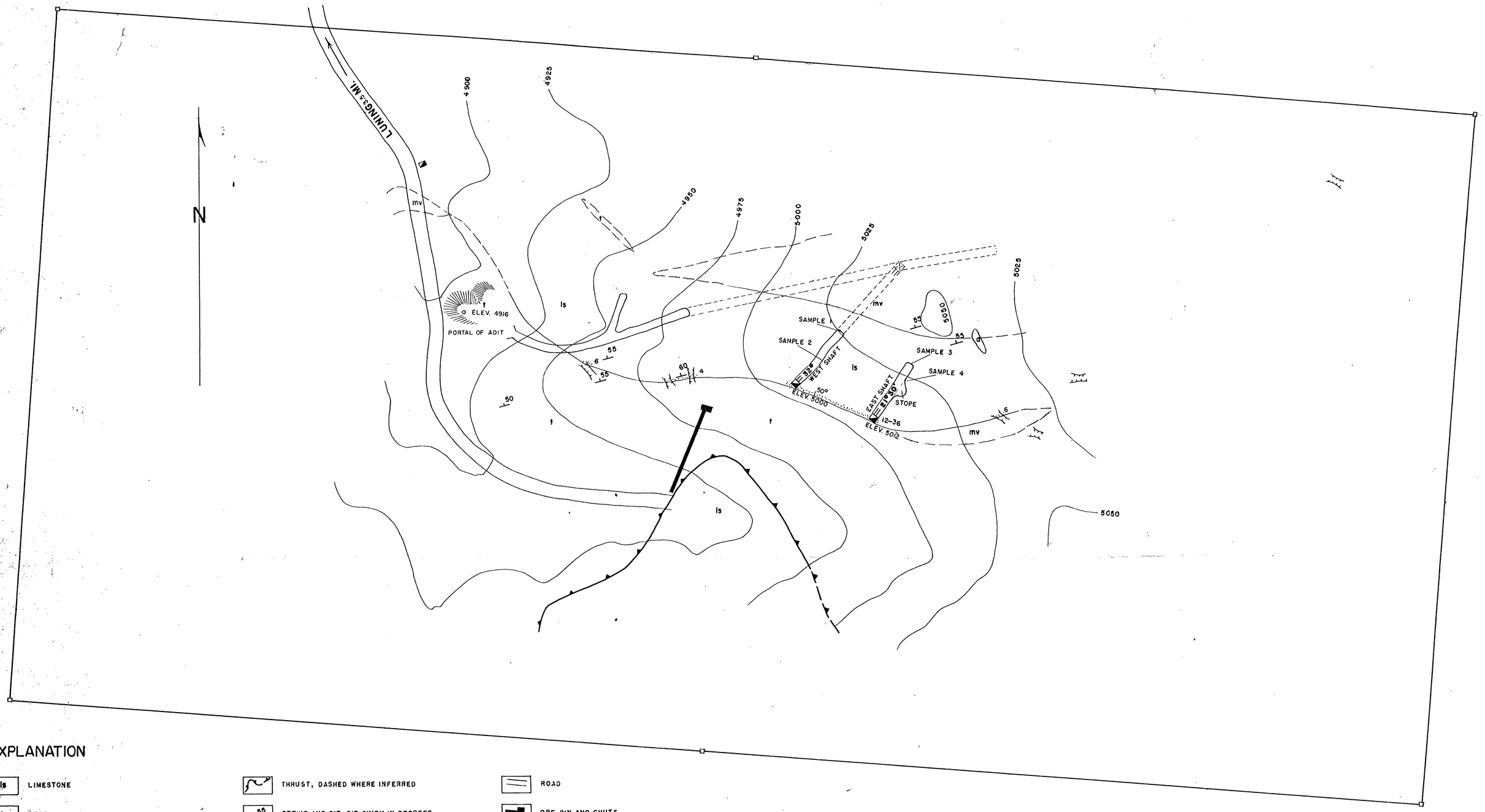
MINERAL COUNTY, NEVADA

Scale — 1" = 100'

0 25 50 100

Contour interval 25'

Geology By R. G. Reeves, F. R. Shawe,



EXPLANATION

- ls — LIMESTONE
- t — TUFF
- mv — METAVOLCANIC
- a — APLITE
- 12-30 — ORE, WIDTH GIVEN IN INCHES
- CONTACT, DASHED WHERE INFERRED
- THRUST, DASHED WHERE INFERRED
- 135 — STRIKE AND DIP, DIP GIVEN IN DEGREES
- SHAFT
- 32 — INCLINED SHAFT, INCLINATION GIVEN IN DEGREES
- TRENCH
- ADIT
- ROAD
- ORE BIN AND CHUTE
- PROPOSED EXPLORATION, DRIFT AND RAISE

FIG. 2

GEOLOGIC MAP OF THE WINDUP MINING CLAIM

MINERAL COUNTY, NEVADA

Scale — 1" = 50'

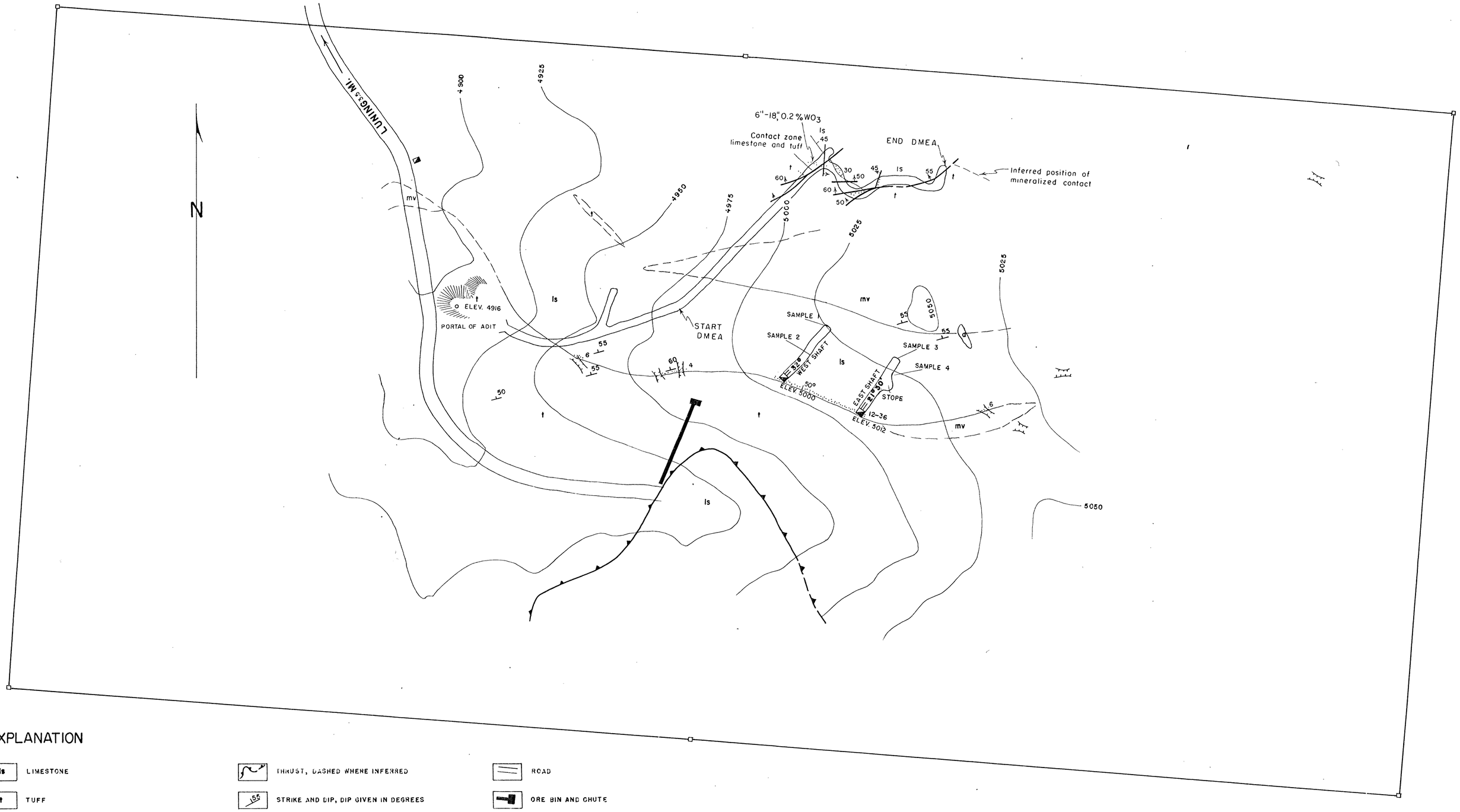
0 25 50 100

Contour interval 25'

Planimetric Base Furnished By Claim Owners

Topography By R. G. Reeves and F. R. Shawe

Geology By R. G. Reeves, F. R. Shawe,



EXPLANATION

- ls — LIMESTONE
- t — TUFF
- mv — METAVOLCANIC
- a — APLITE
- 12-30 — SCHEELITE ORE, WIDTH GIVEN IN INCHES
- CONTACT, DASHED WHERE INFERRED
- THRUST, DASHED WHERE INFERRED
- 55 — STRIKE AND DIP, DIP GIVEN IN DEGREES
- SHAFT
- 50 — INCLINED SHAFT, INCLINATION GIVEN IN DEGREES
- TRENCH
- ADIT
- ROAD
- ORE BIN AND CHUTE

FIG. 2

GEOLOGIC MAP OF THE WINDUP MINING CLAIM

MINERAL COUNTY, NEVADA

Scale — 1" = 50'

0 25 50 100

Contour interval 25'

Planimetric Base Furnished By Claim Owners

Topography By R. G. Reeves and F. R. Shawe

Geology By R. G. Reeves, F. R. Shawe,
Additions by R. M. Smith, 1955