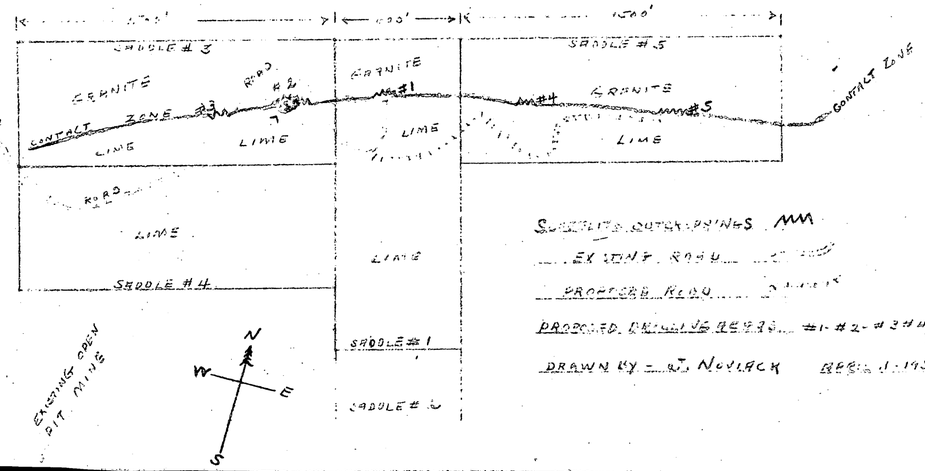
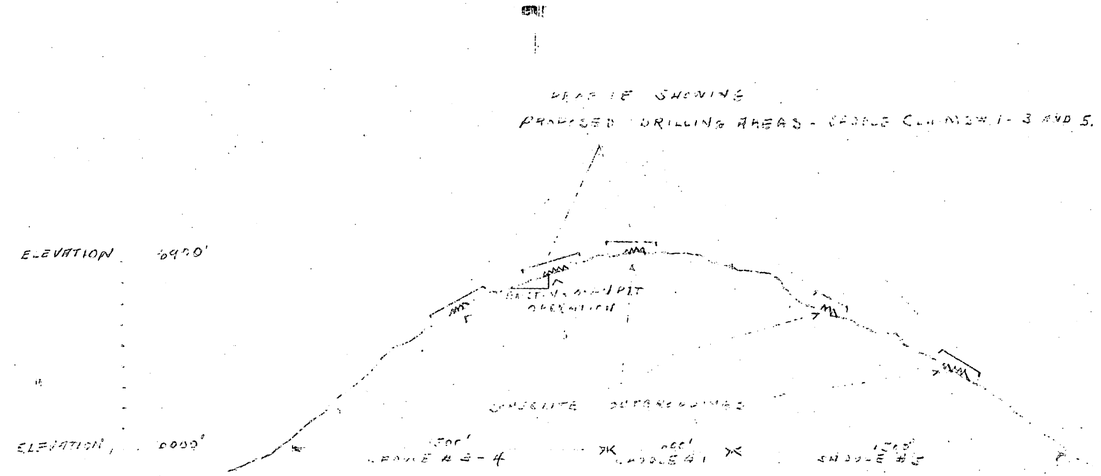
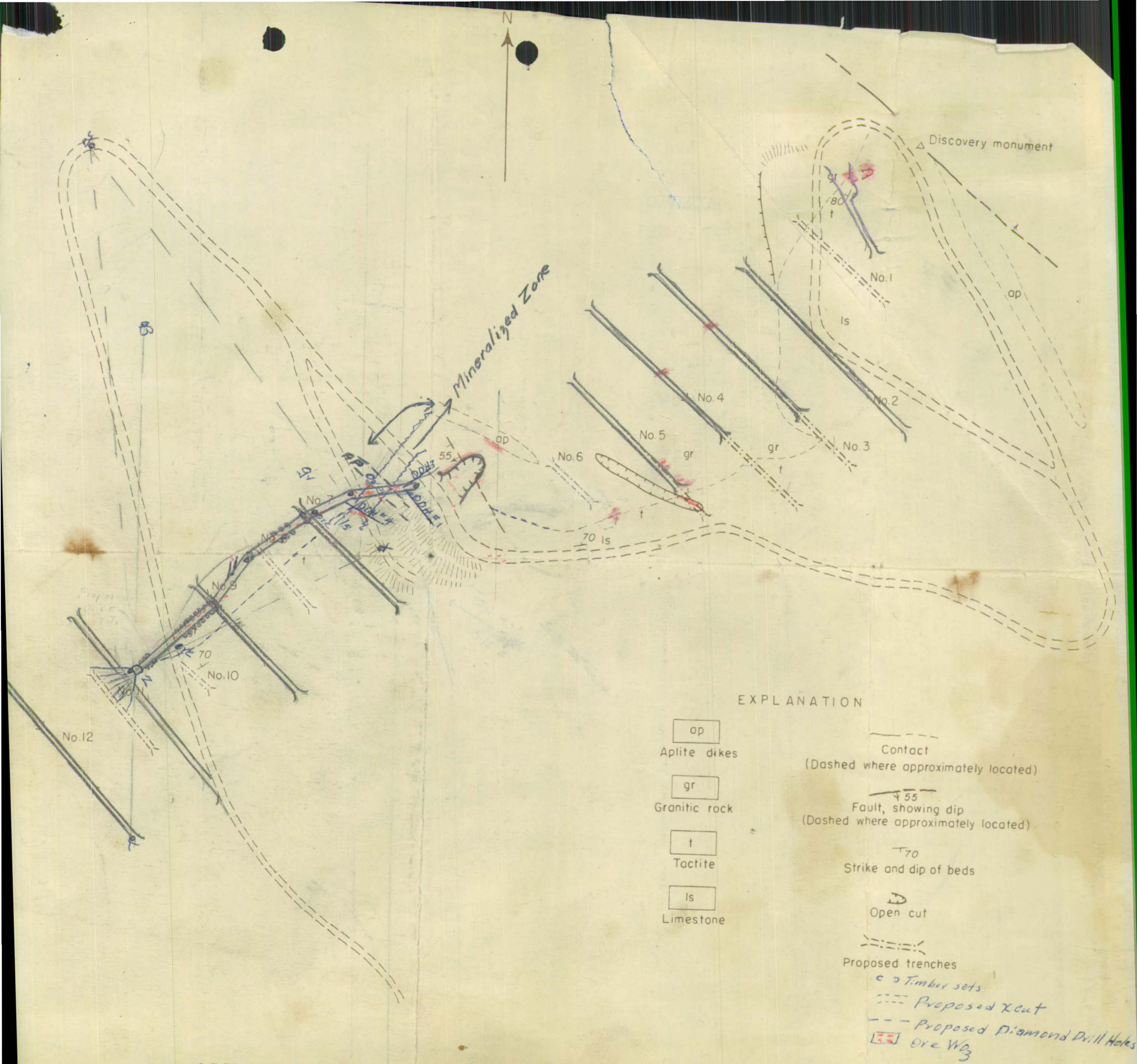
SADDLE GROUP OF MINING CLAIMS

HUMBOLDT COUNTY, NEVADA







GEOLOGIC SKETCH MAP OF THE SADDLE TUNGSTEN MINE
HUMBOLDT COUNTY, NEVADA

Figure

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SEP 19 1956

DMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE E-871 DMEA NO. 3782

Application (Denied
(Withdrawn
(After disposition, delete items not applicable)

Contract (Terminated - not Certified
(Cancelled
(Terminated - (Certified)
(Royalty Agreement

This is the official contract file containing all official records of the project. The records contained in the files are checked and are arranged in this order:

Left Side

Interim Royalty Audits
✓ Reports of Royalty Review
✓ Certification of Discovery
Certificate of Audit (Final)
Interim Audit(s)
✓ Report of Review
Termination Notice or Agreement
Recision Notice
✓ Assignment of Contract
✓ Contract Amendments (latest on top)
✓ Contract with all exhibits and annexes
Owner's Consent to Lien
Subordination Agreement
Leases and assignments of leases
✓ Application and attachments
(3) Envelope for maps

Right Side

✓ Project summary
Work completed analysis
✓ All other material is filed in chronological order with correspondence including the following reports as checked:

✓ Final Field Team Report (Tab)
✓ Operator's Final Report
(2R) ✓ Interim Reports
(2R) ✓ Operator's monthly reports and all attachments (latest on top)
✓ On-site Exam Report(s) (Tab)
(4) Settlement Sheets

When the volume of records is expected to warrant additional folders, or when convenience of reference warrants separate folders for certain records, they should be set up in this order:

Left Side

Folder No. 2: (In chron. order) Interim Summary Reports by W. O. Engineers

Right Side

Operator's Semi-Annual Report for Certified Project, Field Team Interim Reports, Operator's Monthly Report with transmittal, narrative, maps, and Field Team review.

Folder No. 3: Maps (Use pocket folder or envelope. Fold maps with title block out and show reference to related document or correspondence.)

Folder No. 4: Settlement Sheets

Folder No. 5: Drill Logs

9776

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Ida-8871, Docket DMEA-3782 (tungsten), dated September 14, 1955, with

J. Noviack and J. F. Barnes
1395 Mark Twain Avenue
Reno, Nevada
and their assignee
Apollo Mines, Inc.
c/o Bible and McDonald
Gazette Building
Reno, Nevada

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Saddle Mine located in Humboldt County, Nevada, during the period January 1, 1959, through May 23, 1962.

A certification of discovery or development was issued on January 30, 1957, and, in accordance with Article 7 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated September 6, 1956, indicated accepted costs under the exploration contract amounting to $12,997.00 with the Government's contribution on a 75 percent basis being $9,747.56.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through December 31, 1958. The royalty account as of December 31, 1958, was:

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

As of May 23, 1962, the royalty account of this project was found to be:

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

June 11, 1962

E. D. Talbert, OME Auditor

Idm-3871 Apollo Mines, Inc., Assignee DMEA-3782

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all mineral production from the Saddle Nos. 1 through 5 unpatented lode mining claims located three miles north of Sentinel Peak. At the time the contract was executed the Operators were owners of the claims.

On the basis of an October 5, 1955, Letter of Intent to enter into a lease and option to purchase agreement with Apollo Mines, Inc., the Government consented on November 4, 1955, to the assignment of the contract to Apollo without releasing the Operator-Assignor from any of the provisions of the contract. An Agreement for Lease and Option was executed on March 1, 1956.

Work under the contract was completed on July 20, 1956, and the Operator-Assignee terminated its lease on August 1, 1956. No ores were produced during the exploration work. Examinations of the property and inquiries have found that the property has remained inactive since July 1956 through the period covered by this review. The Operator-Assignor advised in a May 23, 1962, reply to inquiry on MME Form 63 that neither production nor change in possessory status has occurred.

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

(1) The files contain no evidence of production from the property under the contract during the period covered by this review; and

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

MAY 27 1959
O.M.E.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files and records of the OME Field Team, Region II, pertaining to Contract No. Idm-E871, Docket No. DMEA-3782 (Tungsten), dated September 14, 1955, including Amendment No. 1, with

Apollo Mines, Inc., Assignee
c/o Bible and McDonald
Gazette Building
Reno, Nevada

for the purpose of determining the amount of royalties due the U. S. Government on sales of tungsten from property known as the Saddle Mine, located in Humboldt County, Nevada, during the period September 14, 1955 to December 31, 1958.

A certification of discovery or development was issued on January 30, 1957 and accordingly royalty is payable on all production from the land described in Article 2 and Annex I of the contract, for a maximum period of 10 years from date of contract. A Report of Review dated September 6, 1956, indicated acceptable costs under the exploration contract amounted to $12,997.00 with the Government's contribution on a 75 percent basis, being $9,747.56.

No royalties have been paid to date in connection with this contract.

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

(a) According to the Field Team's Semi-Annual Report of Certified Projects for the period July 1, 1958 to December 31, 1958, there was no production during the period covered by this review.

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

George Mavor

May 21, 1959

George Mavor, OME Auditor

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/29	Holt	400
1/29	Martin	400
1-30	Chamberlain	800
		140
		USGS
	Lamb	USBM
	Nelson	130
		Lamb
	Selford	130
1/30		110
	Mitteudorf	100
1/31	C	220

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

To: Apollo Mines, Inc., Assignee of J. Noviack and J. F. Barnes
c/o Bible and McDonald
Gazette Building
Reno, Nevada

Pursuant to the provisions of Exploration Project Contract No. Idm-E871, executed September 14, 1955, (Docket No. DMEA 3782), as amended, hereinafter called the "Contract", between J. Noviack and J. F. Barnes, a partnership, and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that a discovery or development from which production may be made has resulted from the exploration.

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

Trenching and adit-drifting on the Saddle claims have made more accessible tungsten ore occurring as scheelite-bearing tactite at and near a contact between granitic rock and sedimentary limestones and shales.

THE UNITED STATES OF AMERICA

Dated: JAN 30 1957

By O. Mitteudorf
Administrator, Defense Minerals
Exploration Administration

SPHolt:am 1-15-57
1-29-57

cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT REG II
Messrs. Lamb - Rm. 3608
R. Holliday, USBM
T. Kiilsgaard, USGS

cc to: Finance Office
Audit Division
Mr. Johnson
Mr. Fredell, GSA
Messrs. J. Noviack and J. F. Barnes

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DMEA Form 7
(12-56)

Kiilsgaard

OFFICIAL FILE COPY

Date	Surname	Code
1/15	Holt	400
1/23	Martin	400
1-23	Chamberlin	400
1-24	Rutledge	140 USGS
1/28	Holliday	USBM
		130

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

To: Apollo Mines, Inc., Assignee of J. Noviack and J. F. ~~Barnes~~
c/o Bible and McDonald
Gazette Building
Reno, Nevada

Lamb
130
110
100
220

Pursuant to the provisions of Exploration Project Contract No. Idm-E871, executed September 14, 1955, (Docket No. DMEA 3782), as amended, hereinafter called the "Contract", between J. Noviack and J. F. Barnes, a partnership, and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that a discovery or development from which production may be made has resulted from the exploration.

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

Trenching and adit-drifting on the Saddle claims have indicated a substantial quantity of tungsten, occurring as scheelite in tactite along and near a contact between granitic rock and limestone and shale.

THE UNITED STATES OF AMERICA

Dated:_____

By_____
Administrator, Defense Minerals
Exploration Administration

SPHolt:am 1-15-57
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT. REG II
Mr. Lamb - Rm. 3608
Mr. Holliday, USBM
Mr. Kiilsgaard, USGS
Finance Office
~~Code 800~~ Audit Div

Code 110 — Mr. Johnson
Mr. Fredell, GSA
Messrs. J. Noviack and J. F. Barnes

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

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REPORT OF REVIEW

I have examined the Monthly Reports of:

Apollo Mines, Inc., Assignee
(for J. Noviask and J. F. Barnes)
c/o Bible and McDonald
Gazette Building
Reno, Nevada

pertaining to Exploration Project Contract No. Idm-2071, Docket No. DMEA-3782, including Amendment No. 1, for the months of October 1955 to July 1956, inclusive, covering a project for the exploration of tungsten, on property, known as the Saddle Mine, located in Humboldt County, Nevada.

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

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

All of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit 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	$14,162.50
Exceptions (Schedule attached)	
This audit	1,165.50
Total Accepted Cost	$12,997.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Nine Thousand Seven Hundred Forty Seven and 56/100 Dollars:

75% = 9,747.75
overpayment - .19
9,747.56

** $9,747.56 **

is considered valid and proper, provided 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.

September 6, 1956

George Maver
George Maver
Auditor

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SCHEDULE OF EXCEPTIONS

Apollo Mines, Inc., Assignee
for J. Moviack and J. F. Barnes — MMSA-3782 — Xdm-8871

July 1956 - voucher, prepared
on Form MF-104

Claimed by operator 78 feet of Drifting at $31.50 per ft.	$2,457.00
Should have claimed 41 feet of Drifting at $31.50 per ft.	1,291.50
Amount Disallowed	$1,165.50

Note:

	Cost	75% Paid
The July 1956, MF-104 paid by Gov't	$2,457.00	$1,842.75
Should have paid	1,291.50	968.63
Overpayment refunded by operator	$1,165.50	$ 874.12

The operator actually refunded $874.31 or $0.19 too much, which has been absorbed in the cost to the Government, and included with the certified cost of $9,747.56 as shown in Report of Review.

Docket copy

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JAN 30 1956

ASSIGNMENT OF CONTRACT

WHEREAS, J. Noviack and J. F. Barnes, a partnership (hereinafter called the "Assignor"), entered into Exploration Project Contract Idm-E871 (Docket No. DMEA-3782), dated September 14, 1955 (hereinafter called the "Contract"); and

WHEREAS, Apollo Mines, Inc., a Nevada corporation (hereinafter called the "Assignee"), has acquired the right of possession to the land which is the subject of the Contract and the Assignee desires to perform the work under the Contract;

NOW THEREFORE, effective September 14, 1955, the Assignor, subject to acceptance by the Assignee and the consent of the Government, in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration received from the Assignee, does hereby assign, transfer, and convey to the Assignee all of its right, title, and interest in the Contract.

The Assignor consents to all future amendments and assignments of the Contract and waives notice thereof, and hereby releases the Government from any and all claims arising out of the Contract.

Dated this 9 day of DECEMBER, 1955.

J. Noviack Partner
J. Noviack

J. F. Barnes Partner
J. F. Barnes

ASSIGNEE'S ACCEPTANCE

The Assignee, Apollo Mines, Inc., hereby accepts the above assignment and agrees to be bound by the terms,

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JAN 30 1956

provisions, and conditions of the Contract.

Dated this 15 day of December 1955.

APOLLO MINES, INC.

By J. G. Allen Pres
W. J. Rossi Sec

I, W. J. Rossi, certify that I am the Secretary of the corporation named herein; that J. G. Allen who signed this instrument on behalf of the corporation, was then President of said corporation; that said instrument 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.

W. J. Rossi [Corporate Seal]

GOVERNMENT'S CONSENT

The Government, this 4th day of November, 1955, hereby consents to the above Assignment without releasing the Assignor, J. Noviack and J. F. Barnes, from any of the terms, provisions, and conditions of the Contract.

THE UNITED STATES OF AMERICA

By Frank P. Johnson
ACTING Administrator, Defense
Minerals Exploration
Administration

Robin
Lawyer
Appl. Sol. Off.

Talbot
Martin
Holt
Selbondge

"DOCKET COPY"

13

AMENDMENT NO. 1
to
EXPLORATION PROJECT CONTRACT Idm-E871
Dated September 14, 1955
Docket No. DMEA-3782
between
THE UNITED STATES OF AMERICA
and
APOLLO MINES, INC., ASSIGNEE OF
J. NOVIACK and J. F. BARNES

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MAR 19 1956

It is agreed this 6th day of March, 1956 that the Contract be amended as follows:

(1) Work under this Contract shall be suspended during the period beginning November 6, 1955, and ending not later than May 1, 1956.

(2) The Government shall not contribute to any costs incurred by the Operator during the period of suspension or to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

(3) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

(4) The time fixed for the completion of the work is extended to September 1, 1956.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

APOLLO MINES, INC.

By J. Allen Ross

By R. J. Rossi Sec

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MAR 19 1956

AMENDMENT NO. 1

DMEA-
Docket No. 3782

Mineral Tungsten

Exploration Project Contract Idm-E871

Date of Contract 9/14/55

Date of Amendment 3/6/56

Operator Apollo Mines, Inc., Assignee of J. Noviack & J. F. Barnes

JUSTIFICATION

It was necessary to suspend operations due to the excessive costs caused by the severe winter conditions in the area.

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

Docket copy

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OCT 6 - 1955

MF-200A
(Revised June 1954)

Docket No. DMEA - 3102

Commodity Tungsten

Contract No. Idm-E 871

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

It is agreed this SEP 14 1955 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] J. Noviack and J. F. Barnes, a partnership,

whose mailing address is 1395 Mark Twain Avenue
Reno, 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 3 maps, Figures 1, 2, and 3.

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 Humboldt, 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 notices, [7] recorded in Book See Image I, 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: none

[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 Nov. 1- 1955 shall commence the work, and on or before July 1, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work, except as otherwise provided in Exhibit "A" as to stages of 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 $14,500.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $10,800.00: *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

NOVIACK AND BARNES
(Operator)

By C. J. Mittendorf
Administrator, Defense Minerals
Exploration Administration

By Novack (Partner)

By J. F. Barnes (Partner)

Appd. Sol. Off.

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

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EXPLORATION PROJECT CONTRACT
MOVIAGE AND BARNES
DOCKET NO. DMSA-3782

ANNEX X

The land referred to in Article 2 of the contract is described as follows:

Five unpatented lode mining claims, the location notices of which are recorded in the County Courthouse at Winnemucca, Humboldt County, Nevada, as follows:

Name	Book	Page
Saddle No. 1	5	549
Saddle No. 2	6	92
Saddle No. 3		149
Saddle No. 4		143
Saddle No. 5		

The claims are located on and near the 7,000-foot summit of an eastern branch of the Pine Forest Mountains, about three miles north of Sentinel Peak. They are near the headwaters of Leonard Creek, Humboldt County, Nevada, in an unsurveyed area, with no known mining districts.

The location of the Saddle mine is indicated on map, Figure 1, attached hereto.

Map, Figure 2, attached, shows Saddle Nos. 1 to 5 claims.

EXPLORATION PROJECT CONTRACT
MOVIACK AND BARNES
DOCKET NO. DMEA-3782

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EXHIBIT "A"

Description of the Work

The project consists of bulldozer trenching, with D-7 Caterpillar or equivalent, and drifting. The work shall be confined to the west slope of the mountain between the No. 1, or summit outcrop, and the lowermost, or No. 3 outcrop. The work is indicated in plan and section on the attached map, Figure 3.

All mineralized ground encountered shall be sampled and assayed for tungsten. Each sample shall be divided into at least two parts, one of which shall be furnished to the Government.

The work is divided into two successive stages, as indicated below. The Operator shall perform Stage I, and shall perform so much of Stage II as the Government approves in writing in advance, based upon the results of Stage I.

Stage I

Stage I consists of excavating 12 trenches,[1] spaced at approximately 75-foot intervals between the No. 1 and No. 3 outcrops across the contact area, and aggregating 900 feet of trenching, to test the continuity and grade of the outcrops. All trenches shall penetrate bedrock not less than 1 foot on the uphill side, using a router on the dozer blade, and drilling and blasting the harder rock shelves if necessary.

Stage II

This stage consists of 400 feet of drifting from the No. 3 outcrop, to and slightly beyond the downward extension of the main No. 2 outcrop. The drift shall be timbered as necessary, and shall be not less than 5 feet by 7 feet in the clear.

Fixed Unit Costs

Stage I

Bulldozing, 98 hours @ $12.50/hr.	$1,225.00
Drilling and blasting bedrock, as necessary, in 12 trenches, @ $31.25/each trench	375.00

1/ Each trench shall be not less than 75 feet long and 12 feet wide.

24 samples @ $5.00/each sample	$ 120.00	
Estimated total cost of Stage I		$ 1,720.00
Stage II		
400 feet of drift @ $31.50/ft.	12,600.00	
40 samples @ $5.00/each sample	200.00	
Estimated total cost of Stage II		12,800.00
Estimated total cost of project		$14,520.00
Government participation @ 75%		$10,890.00

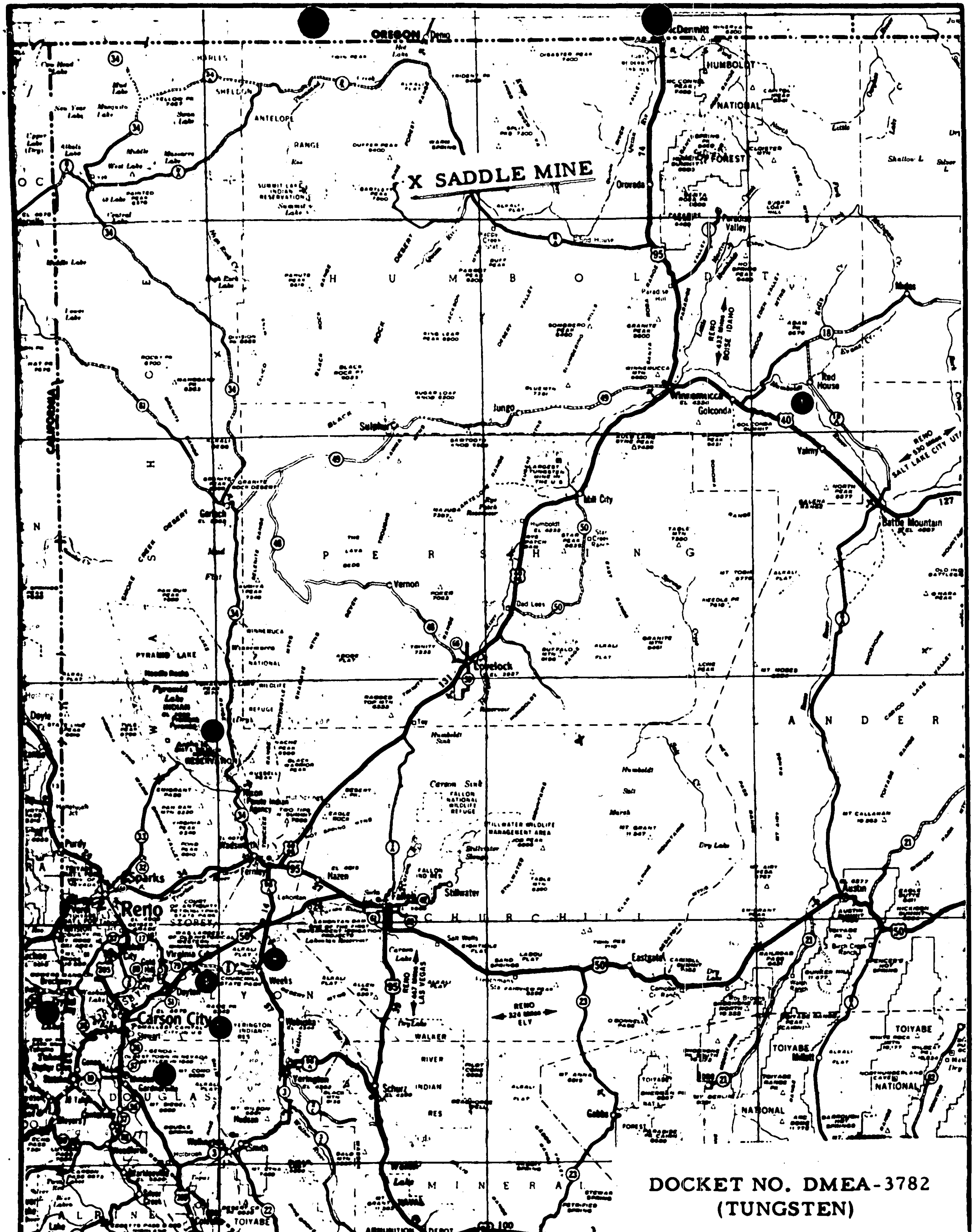

FIG. 1. LOCATION MAP NEVADA

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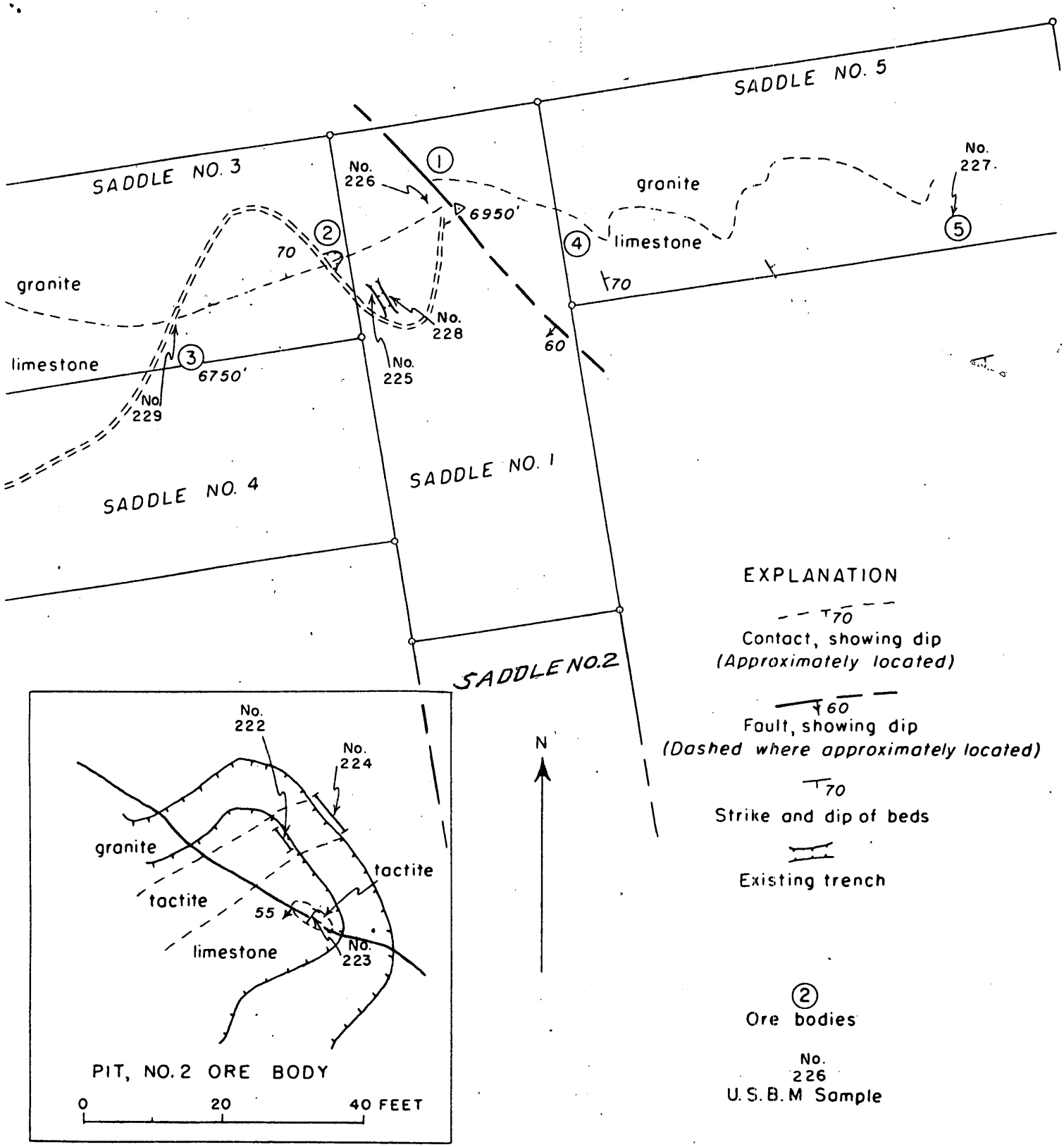

SKETCH MAP SADDLE TUNGSTEN MINE SHOWING LOCATION OF EXPLORATION TRENCHES AND U.S.B.M. SAMPLES
HUMBOLDT COUNTY, NEVADA

Figure 2

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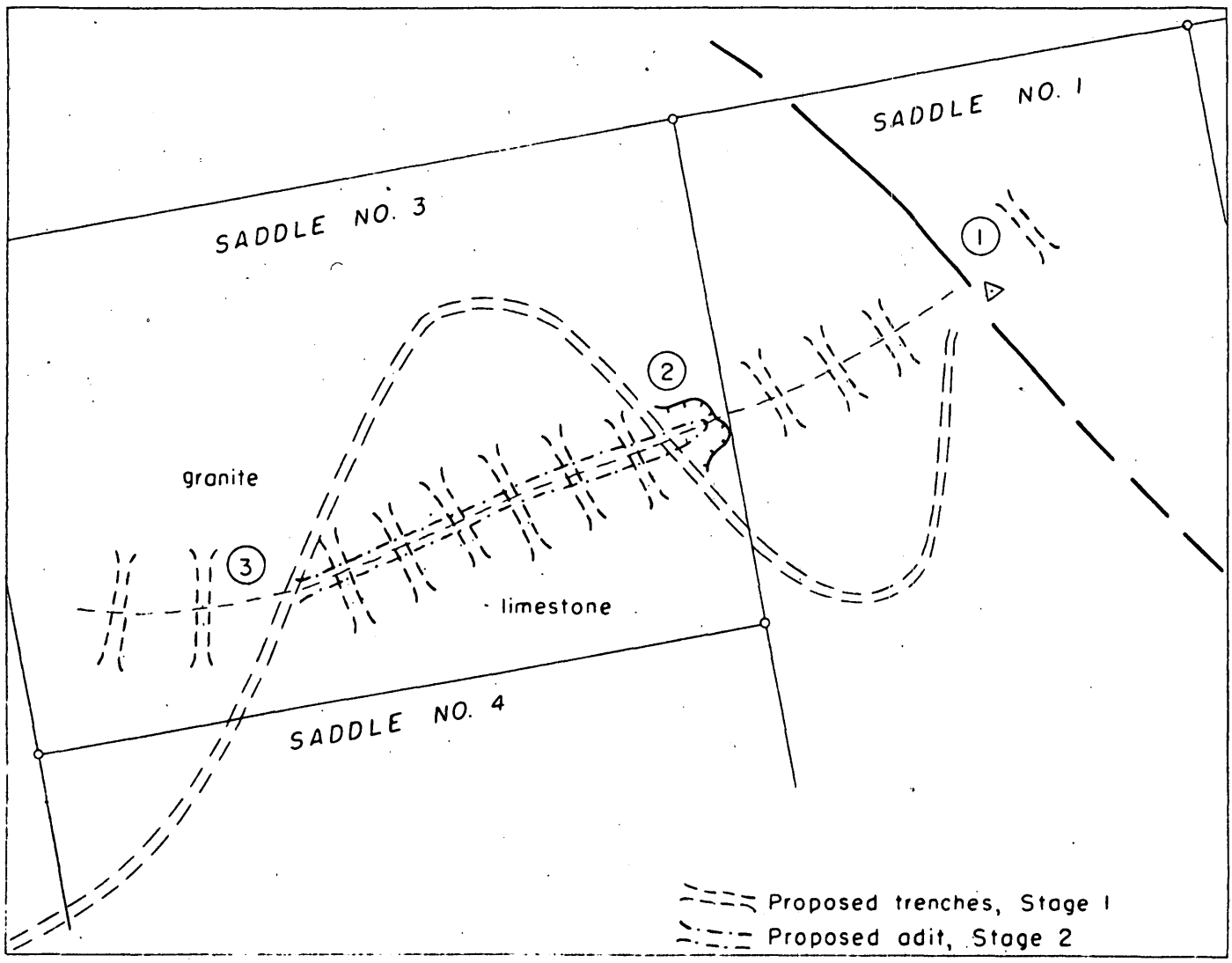
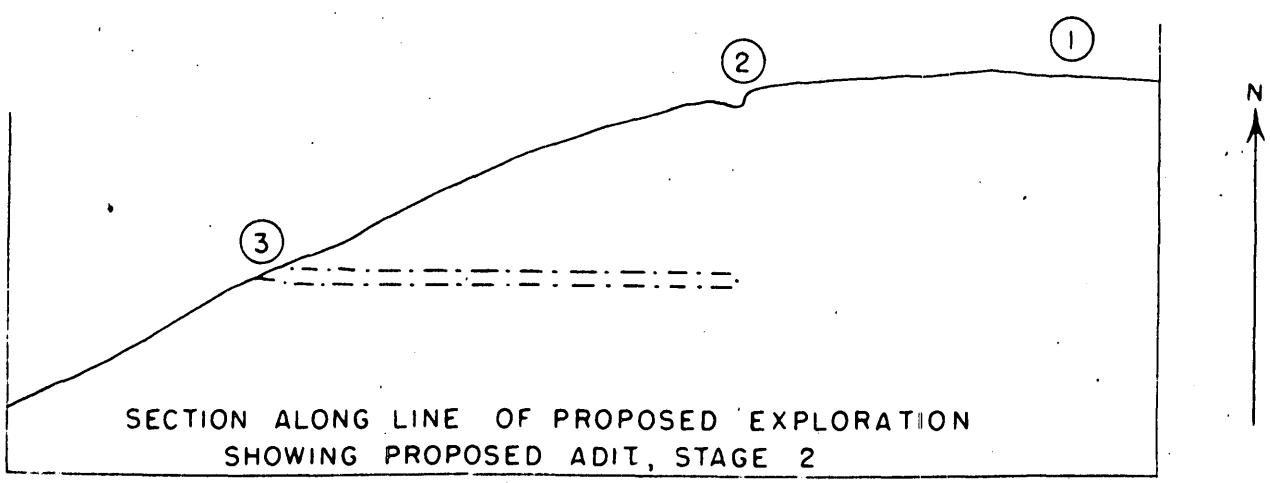
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3782
(TUNGSTEN)





PROPOSED EXPLORATION, SADDLE TUNGSTEN MINE
HUMBOLDT COUNTY, NEVADA

200 0 200 400 FEET

Figure 3

RECEIVED
OCT 6 - 1955

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
APR 20 1955

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. 3782
Metal or Mineral Tungsten
Date Received 4-20-55
Estimated Cost $5,700
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: J.Noviack and J.F.Barnes /A Partnership
Please direct all correspondence to J.Noviack, 1395 Mark Twain Ave.
J Noviack, 1395 Mark Twain, Reno, Nevada / Reno, Nev.
J.F. Barnes, Alturas, Calif.

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners. as above

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Saddle Mining Claims #1, #2, #3, #4 and #5. Unpatented mining claims, located 3 miles east of Leonard Creek and 3 miles north of Sentinal Peak, Humboldt County, Nev.

(*b*) State any mine name by which the property is known. Saddle Mines

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Owners

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it None

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. Book 5, Page 549, Book 6, Pages 92, 149, and 243, Humboldt County, Nevada Records, Winnemucca, Nevada

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Tungsten

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within 30 days and be completed within 90 months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? Yes

(*b*) How do you propose to furnish your share of the costs? In cash, or cash and Equipment depreciation, and our own labor and services.

[X] Money [X] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated April 16th, 1955

J.Noviack and J.F.Barnes
(Applicant)

By J.Noviack

J.F.Barnes

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.

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

DEPT OF THE INTERIOR
Bureau of Mines Administration
APR 20 1955

Information Supplemental to Form MF-103, D.M.E.A.

4. Physical description - (a) Saddle Mines are now being worked and developed by "open pit" mining methods. This operation was started Jan. 7th 1955, at a point designated as Number 2, (scheelite outcropping) in attached sketch. Tractor, dozer, air compressor, truck loading chutes, drilling and lesser equipment are being used in this operation. Our interest in the property is that of owners. The present mining operation is being carried on by H.K.Keene, Winnemucca, Nev. under a percentage contract. Excellent access to the property is available , via roads built by ourselves, connecting property with County maintained road as shown on map at Leonard Creek.

(b) In extending a "face" toward outcropping #2, from a point approximately 150' below or downhill, veins of shipping ore ranging from .4% to .63% have been encountered, mined and shipped to Getchell Mill near Winnemucca, Nev. These are not assay values but actual mill return percentages. Assay samples taken across veins have shown from 1.2 to 2.6%. Approximately 200 tons have been shipped to Getchell Mill. Ore reserves have not been determined, other than "face" vein exposures, indicatin possibility of considerable tonnage.

(c) Geological features embrace a huge granite-lime contact zone, extending across Claims #1, #3, and #5, a distance of over 3,600 feet. A tactite vein or vein of altered material containing scheelite, including some garnet and epidote, appears to exist, at unknown depth, from outcropping #3, on S.W. side of hill to outcropping #5 on east side of hill, as shown in sketches. Five prominent outcroppings, and two or three lesser ones, show good width and values on the surface, and it is to prove the extent and values of this vein at depth that we desire to conduct a core drilling exploration project.

(d) Mine is located 95 miles from Winnemucca, Nev. and 140 miles from Getchell Mill (custom mill). Road from Getchel Mill through Winnemucca to Quinn River Crossing, a distance of 113 miles is excellent paved highway. From Quinn River Crossing to Leonard Creek ranch a distance of 20 miles the road is good, graded and gravelled County Road. The remaining 7 miles to the mine is good graded road. Best and nearest supply points are Denio, Nev., 57 miles and Winnemucca, Nev. 100 miles.

(e) Manpower, materials, supplies and mining equipment are available at Winnemucca. Hotel accomodations, residence, food and fuels are available at Denio. Bunk house and boarding facilities are available at mine. Water is available at and adjacent to mine. Deisel, but no electric power are available at mine.

5. (a) The exploration project. - This proposed project embrace only Tungsten (scheelite).

(b) It is proposed to core drill the property in those areas indicated in attached sketches, and to sufficient depth, to enable us to more accurately determine reserves and grade. We contemplate installation of a suitable mill, if and when ore reserves are more definitely determined.

(d) Our experience covers several years of various mining and prospecting. It is proposed however that supervision be done by John Uhalde, Mining Engineer of Reno, Nev. whom we feel best qualified in a project of this type.

6. Estimate of costs. - See schedule attached.

7. (b) Participation of costs. We propose to furnish our share of costs of the project, either in cash, or by labor and depreciation of equipment necessary for project, or by a combination of both, or in such manner as will best fit the requirements of this particular case.

Dated April 16th 1955

Signed J Noviack
J.Noviack

J.F. Barnes
J.F. Barnes

Address: J Noviack, 1395 Mark Twain, Reno, Nev. (phone 2-4950)
J F Barnes, Alturas, Calif.

ESTIMATE OF COSTS

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 20 1955

Core Drilling, 1,000 feet @ $5.00 per foot		$5,000.00
Sampling	50 samples @ $4.00	200.00
Supervision		500.00
Accounting		100.00
		$5,700.00

Note: We have a firm bid from Palmer & Decker, Drilling Contractors, Bishop, Calif. all-inclusive, except sampling, supervision, and accounting, 1,000' @ #6.50 per foot. We have reason to ~~xxxxxxxxxxxx~~ believe however, that we can accomplish the work at a substantial saving under this figure.

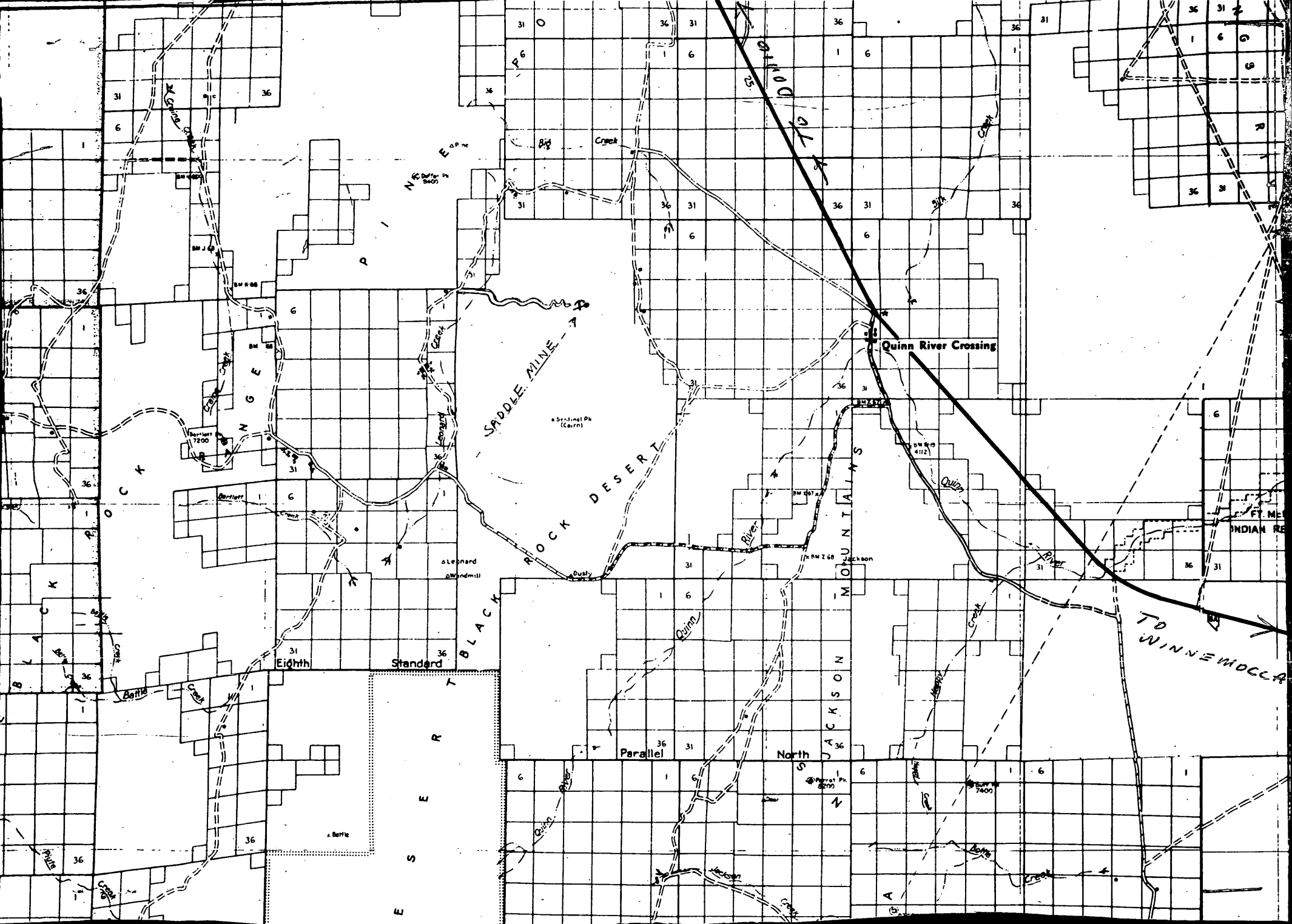
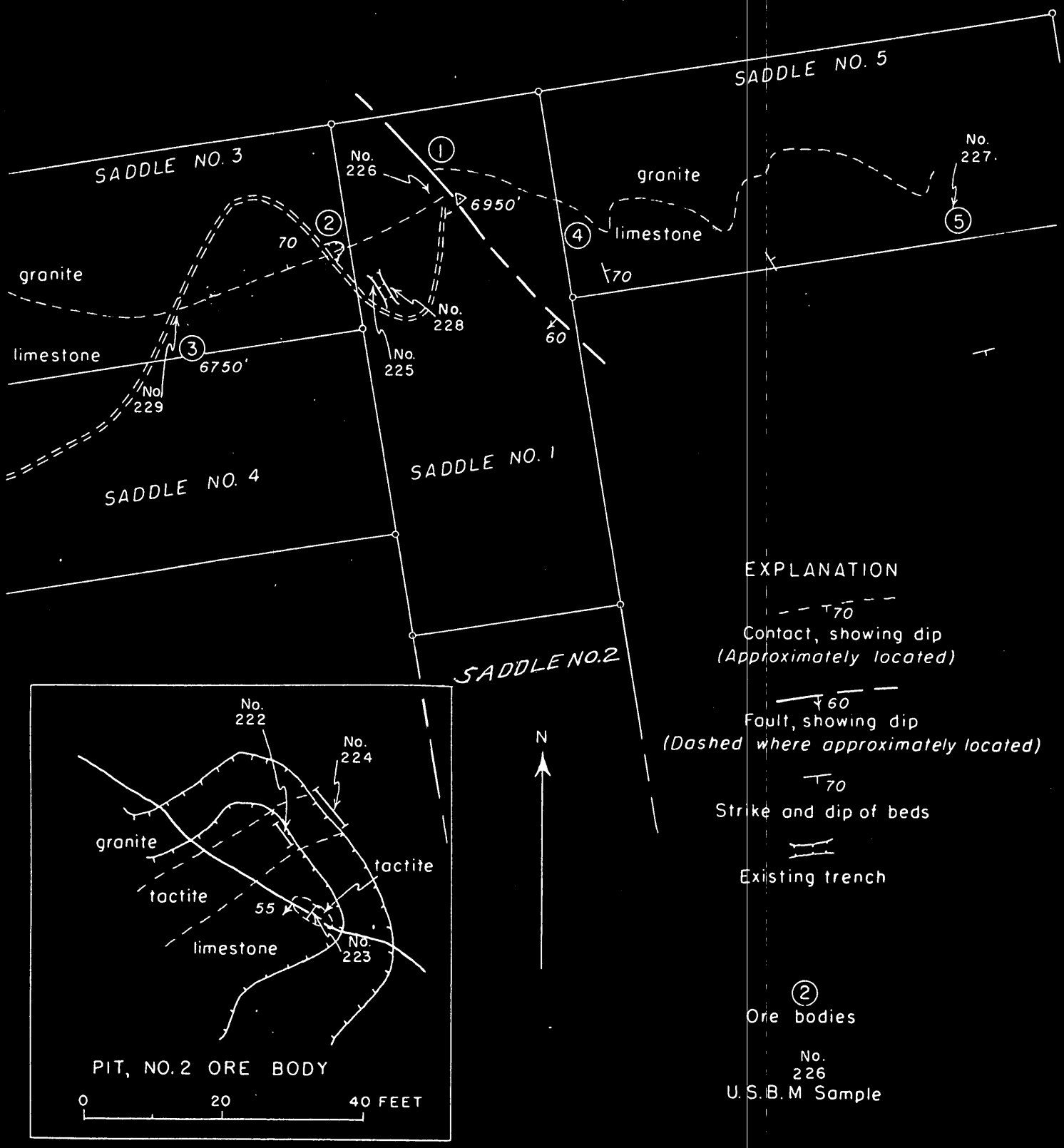

Quinn River Crossing
SADDLE MINE
BLACK ROCK DESERT
BLACK ROCK RANGE
PINE
JACKSON MOUNTAINS
Eighth
Standard
Parallel
North
Quinn
River
Big
Creek
Leonard
Bartlett
Battle
Jackson
Dusty
Sentinel Pk (Cairn)
Windmill
Perrot Pk.
TO WINNEMUCCA
FT. ME
INDIAN RE

FIG. 1. LOCATION MAP NEVADA

UNITED STATES DEPARTMENT THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3782
(TUNGSTEN)

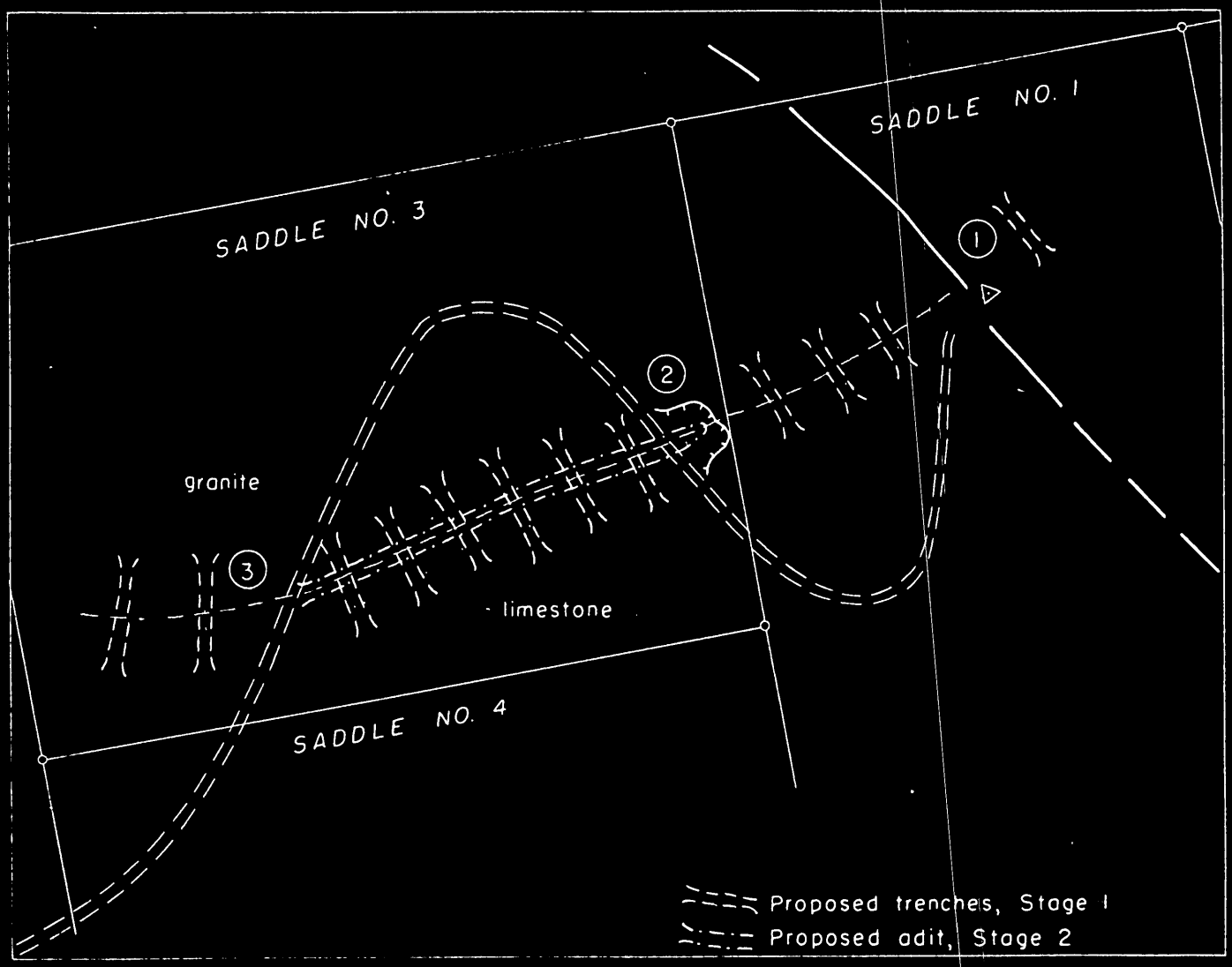


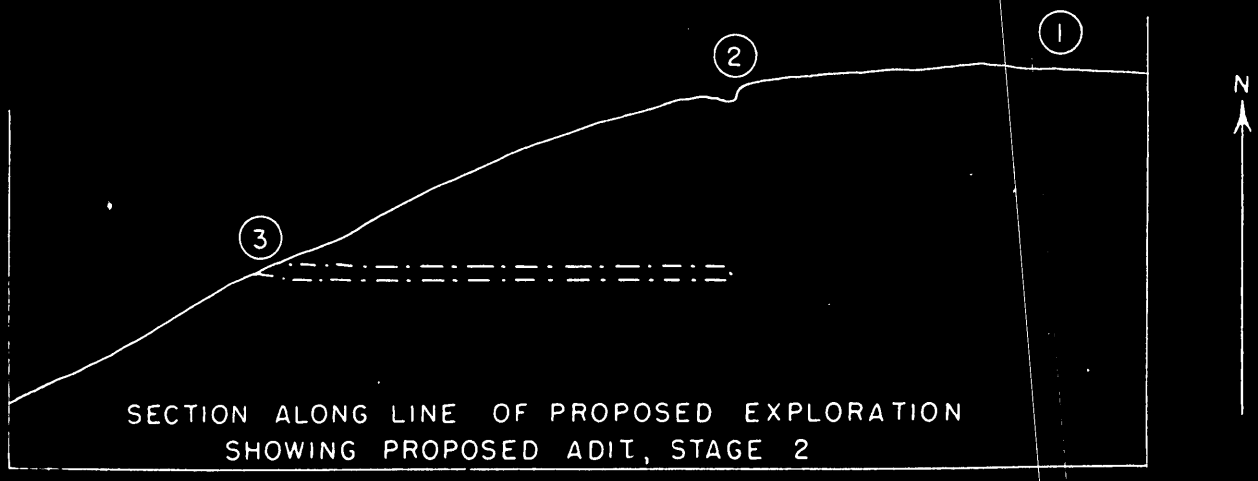
SKETCH MAP SADDLE TUNGSTEN MINE SHOWING LOCATION OF EXPLORATION TRENCHES AND U.S.B.M. SAMPLES
HUMBOLDT COUNTY, NEVADA

Figure 2

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3782
(TUNGSTEN)





PROPOSED EXPLORATION, SADDLE TUNGSTEN MINE
HUMBOLDT COUNTY, NEVADA

200 0 200 400 FEET

Figure 3

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/9	Holt	400
1/23	Martin	400 120
		110
		100

January 9, 1957

MEMORANDUM

To: Administrator, DMEA

From: Iron and Ferro-Alloys Division, DMEA

Subject: General Summary of Contract and Results Obtained
Docket No. DMEA 3782 - Tungsten
Apollo Mines, Inc., Assignee of J. Noviack and J. F. Barnes
Saddle Mine
Humboldt County, Nevada
Contract No. Idm-E871

Lamb
Nelson

Operator: Apollo Mines, Inc., Assignee of J. Noviack and J. F. Barnes, care Bible and McDonald, Gazette Building, Reno, Nevada.

Operator's Property Rights:

The Operator controls, by lease from the owners, J. Noviack and J. F. Barnes, 1395 Mark Twain Avenue, Reno, Nevada, five unpatented lode mining claims, situated about 98 miles by road northwest of Winnemucca, Nevada. The claims are on and near the 7,000-foot summit of an eastern branch of the Pine Forest mountains, about three miles north of Sentinel Peak, near the headwaters of Leonard Creek, in an unsurveyed area, with no known mining districts, in Humboldt County, Nevada. The claims are recorded in the Humboldt County Courthouse at Winnemucca, Nevada, as follows:

Name of Claim	Recorded Book No.	Recorded Page No.
Saddle No. 1	5	549
Saddle No. 2		92
Saddle No. 3	6	149
Saddle No. 4		243
Saddle No. 5		

Contract:

(a) Executed September 14, 1955

(b) Completion period: Work to be commenced on or before November 1, 1955 and to be completed, (except for the provision of the contract regarding prior written approval of the Government for work under Stage II), on or before July 1, 1956.

8623

Contract: (Cont'd)

(c) Work authorized:

FIXED UNIT COSTS

Stage I

Bulldozing 98 hours in 12 trenches, @ $12.50/hr.	$1,225.00	
Drilling and blasting bedrock in 12 trenches, as necessary, @ $31.25/each trench	375.00	
Assaying 24 samples for WO_3, @ $5.00/spl.	120.00	
Total estimated cost Stage I		$1,720.00

Stage II
(Only so much work to be done as is approved in writing, in advance, by the Government, based on results of Stage I work)

Drifting 400 feet @ $31.50/ft.	$12,600.00	
Assaying 40 samples for WO_3 @ $5.00/spl.	200.00	
Total estimated cost Stage II		$12,800.00
Estimated total cost of the project		14,520.00
Government participation @ 75 percent		10,890.00

Amendment No. 1, executed March 6, 1956, authorized suspension of work under the contract beginning November 6, 1955 and ending not later than May 1, 1956, and extended the time for completion of the work to September 1, 1956. The contract was assigned on December 9, 1955 by J. Noviack and J. F. Barnes to Apollo Mines, Inc.

(d) Work completed:

Bulldozing, 98 hours in 10 trenches, @ $12.50/hr.	$1,225.00	
Drilling and blasting in 10 trenches, @ $31.25/each	312.50	
Assaying, 5 samples for WO_3 @ $5.00/spl.	25.00	
Drifting, 363 feet @ $31.50/ft.	11,434.50	
Total accepted cost of the contract		$12,997.00
Government participation @ 75 percent		9,747.56

Work under the contract was completed July 20, 1956.

Audits: A review in lieu of final audit, dated September 6, 1956, was received September 10, 1956.

Reports: The Operator's Final Report, dated September 10, 1956, was forwarded to this office by the Field Team on September 17, 1956. The Final Report of the Field Team was received November 15, 1956.

Past Production:

The Operator reports that prior to the date of the contract 250 tons of ore, average grade 0.47 percent WO_3, were shipped from an open cut on the property.

Present Production:

No ore was produced during the life of the contract and no royalties are due the Government, as of November 13, 1956.

Certification:

As recommended by the Field Team, a certification of discovery or development was issued by this office on _____, _____.

Comment: The project consisted of work on the Saddle group of claims to explore for tungsten which occurs as concentrations of scheelite in tactite along and near a contact between granitic rock and limestone and shale. Tungsten ore discovered by project work was estimated by the Field Team as 200 tons of indicated and 2,600 tons of inferred ore, total 2,800 tons, average grade 0.59 percent tungsten trioxide (WO_3).

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

SPHolt:am
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	120
		110
		220

MAR 3 1966

Messrs. J. Mavinak and
J. F. Barnes
Box 624
Alturas, California

Re: MMMA-3782 (Tungsten)
J. Mavinak and J. F. Barnes
Apollo Mines, Inc., Assignee
Saddle Mine
Humboldt County, Nevada
Contract 14s-2371

Gentlemen:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated January 30, 1957, all minerals mined or produced from September 14, 1955, to September 14, 1965, were subject to the Government's royalty as set forth in said contract.

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

Sincerely yours,

(Signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Reading
Region II w/cy of incoming 63
Branch of Budget and Finance
Apollo Mines, Inc. 120M
MMerrithew/mm (3/3/66)

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	120
		110
		220

Apollo Mines, Inc.
c/o Bible and McDonald
Gazette Building
Reno, Nevada

Re: DMA-3782 (Tungsten)
J. Novisck and J. F. Barnes
Apollo Mines, Inc., Assignee
Saddle Mine
Humboldt County, Nevada
Contract Ida-8871

Gentlemen:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Assignment of the Contract executed by J. Novisck and J. F. Barnes on December 9, 1955, and accepted by your company on December 15, 1955.

Sincerely yours,

(Signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
Region II
Branch of Budget and Finance
120M

MMerrithew/mm (3/3/66)

23263

IN REPLY REFER TO:

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

JAN 11 1966

Messrs. J. Noviack and
J. F. Barnes
Box 624
Alturas, California

OFFICIAL COPY

Re: DMEA-3782 (Tungsten)
J. Noviack and J. F. Barnes
Apollo Mines, Inc., Assignee
Saddle Mine
Humboldt County, Nevada
Contract Idm-E871

Gentlemen:

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

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

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

DMEA-3782
Idm-E871

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. ~~Since~~ From December 1964, to September 14, 1965, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [ ] No [X]

2. ~~Since~~ From December 1964, to September 14, 1965, has there been any production from the land subject to the contract? Yes [ ] No [X]

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name J.Noviack & J.F.Barnes Title Owners

Address P.O.Box 624 Date 2-22-66
Alturas, Calif.

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

December 10, 1964

Messrs. J. Noviack and
J. F. Barnes
Box 624
Alturas, California

Re: DMEA-3782 (Tungsten)
J. Noviack and J. F. Barnes
Apollo Mines, Inc., Assignee
Saddle Mine
Humbolt County, Nevada
Contract Idm-E871

Gentlemen:

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

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

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 29 1964

DATE	INITIALS	CODE
12/30		800
12-31		100
12/30		~~110~~
1/5		120
		~~120~~

MME Form 63
Revised 3-62

DMEA-3782
Idm-E871

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

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

2. Since March 1964, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name J.Noviack & J.F.Barnes Title Owners

Address Box 624, Alturas, Calif. Date 12-23-64

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

February 20, 1964

Re: DMEA-3782 (Tungsten)
J. Noviack and J. F. Barnes
Apollo Mines, Inc., Assignee
Saddle Mine
Humbolt County, Nevada
Contract Idm-E871

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Messrs. J. Noviack and
J. F. Barnes
Box 624
Alturas, California

Gentlemen:

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

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

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E
RECEIVED M. 16 1964

DATE	INITIALS	
3/16		8.00
		100
3/16		1.10
	Returned	5.00
		2.30

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since May 23, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since May 23, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location. NONE

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

3. Since through workings (see of contract)? Yes ☐ No ☒

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

Disposition of Material	Quantity	Value

Submitted by:

Name J.F. BARNES J. NOVIACK Title OWNERS

Address BOX 624 ALTURAS, CALIF Date 3-10-64

4511

#1-INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee

☐ Show address where delivered

(Additional charges required for these services)

RETURN RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED	ADDRESS WHERE DELIVERED *(only if requested in item #1)*
3-10-84	

C55—16—71548-4 GPO

3782

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT ~~OF POSTAGE~~, $300

ALTURAS
MAR 6 U
PM
1964
CALIF.

POSTMARK OF DELIVERING OFFICE

INSTRUCTIONS: Fill in items below and complete #1 on other side, when applicable. Moisten gummed ends and attach to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

REGISTERED NO.	NAME OF SENDER
598191	DEPT OF INTR (MIN EXPL)
CERTIFIED NO.	STREET AND NO. OR P. O. BOX
	18 th C.N.W.
INSURED NO.	CITY, ZONE AND STATE
	WASH 25,D.C.

POD Form 3811 Jan. 1958

C55—16—71548·4

Grinwald

520

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

November 13, 1963

Re: [illegible]-3732 (Tungsten)
J. Novlack and J. F. Barnes
Apollo Mines, Inc., Assignee
Saddle Mine
Humbolt County, Nevada
Contract I6m-5071

Messrs. J. Novlack and
J. F. Barnes
Box 624
Alturas, California

Gentlemen:

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

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

Sincerely yours,

s/F. M. Murphy

F. M. Murphy, Acting Chief
Division of Minerals

Replied with registered mail

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since May 23, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. Since May 23, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☐

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

	Quantity	Value
_____		
_____	_____	_____

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

Type	Quantity		Estimated Grade	Location
Ore	_____	Tons	_____	_____
Concentrates	_____	Tons	_____	_____
Other	_____	Tons	_____	_____

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

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

Disposition of Material	Quantity	Value
_____	_____	_____

Submitted by:

Name _____ Title _____

Address _____ Date _____

4511

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 19 1962

DATE	INITIALS	CODE
6/19	gla	500
		220

555 Battery Street
San Francisco 11, California

June 15, 1962

Memorandum

To: Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: DMEA-3782 (Tungsten)
Apollo Mines, Inc., Assignee
Saddle Mine
Humboldt County, Nevada
Contract Idm-E 871

Enclosed is the original of a Report of Royalty Review covering the subject contract. This office concurs in the facts as stated in the Report of Royalty Review.

PAUL V. FILLO

Paul V. Fillo

Enclosure

Copy to: Contract Administration & Audit Division, OME, Washington, D. C.
Chief, Division of Field Operations, OME, Washington, D. C.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

JUN 1 1 1962

Memorandum

To: Acting Field Officer, Region II

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

Subject: DMEA-3782 (Tungsten)
Apollo Mines, Inc., Assignee
Saddle Mine
Humboldt County, Nevada
Contract Idm-8371

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

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.; and

(b) One copy for your files.

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

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

Enclosures

EDTalbert/ama 6-11-62

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

43683

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

MAY 9 1962

Re: DMEA-3782 (Tungsten)
J. Noviack & J. F. Barnes
Apollo Mines, Inc., Assignee
Saddle Mine
Humbolt County, Nevada
Contract Idm-E871

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 28 1962

DATE	INITIALS	CODE
5/28		800
5/		100
5/28	on hand	110
		~~500~~
5/21		500
"		580
		220

Messrs. J. Noviack and ~~F. E.~~ J.F Barnes
1395 Mark Twain Avenue
Reno, Nevada

Gentlemen:

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

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

Sincerely yours,

Willis R. Griswold

Willis R. Griswold, Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since January 1, 1959 , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since January 1, 1959 , has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name J.F.Barnes J.Noviack Title Owners

Address Box 624 Alturas, Calif. Date 5-23-62

J. F. Barnes

J. Noviack

4511

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

March 23, 1962

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 27 1962

DATE	INITIALS	
3/27	[illegible]	800
3/28	[illegible]	500
"	~~Hoff~~ S.O.H	500
		220

Memorandum

To: Chief, Division of Field Operations, OME
Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: DMEA-3782 (Tungsten)
Apollo Mines, Inc., Assignee
Saddle Mine
Humboldt County, Nevada
Contract Idm-E871

With reference to your memorandum of March 19, 1962, enclosed is a copy of the semi-annual report for July 1 to December 31, 1958.

We are unable to locate the semi-annual report for January 1 to June 30, 1958, but will continue to search for this report.

Our files show the last examination was made during the period of July 1 to December 31, 1958.

To our knowledge, there has been no change in ownership.

Paul V. Fillo

Paul V. Fillo

effective 7/1/65
Form 63

Semi-Annual Report

on

Certified projects for period: 7/1/58-12/31/58

Inactive since last report

Commodity	Docket No.	Contract No.	Operator
Copper	DMA-69X	Idm-E 153	Marshall Mining Company
Corundum-Andalusite	DMEA-2512	Idm-E 457	Corunda Corporation
Fluorspar	DMEA-1398	Idm-E 727	Kaiser Aluminum & Chem. Co.
Iron	DMEA-2833	Idm-E 665	Bloomer Iron Corporation
Lead-Zinc-Copper	DMEA-2257	Idm-E 442	Walker Corporation
Lead-Zinc	DMEA-420A	Idm-E 10	Bristol Silver Mines Co.
Lead-Zinc	DMEA-2309	Idm-E 295	Comet Mines, Inc.
Lead-Zinc	DMEA-1943	Idm-E 302	United Minerals Corporation
Lead-Zinc	DMEA-1949	Idm-E 322	United Minerals Corporation
Lead-Zinc	DMA-65X	Idm-E 404	Ely Valley Mines Company
Lead-Zinc	DMEA-2482	Idm-E 409	Raymond Combined Mines Co.
Lead-Zinc	DMEA-3428	Idm-E 774	Mt. Wheeler Mines, Inc.
Manganese	DMEA-3478	Idm-E 793	Peterson, Lowe, Bush, Campbell
Manganese	DMEA-1954	Idm-E911	Owl Springs Company
Mercury	DMEA-3541	Idm-E 766	Oceanic - leased to M. J. Blagden
Tungsten	DMA-229X	Idm-E 136	Cherry Creek Tungsten Mining Co. - sold to: American Pipe Co.
Tungsten	DMEA-2002	Idm-E 248	Mt. Wheeler Mines, Inc.
Tungsten	DMA-351X	Idm-E 323	Northfield Mines, Inc.
Tungsten	DMEA-2580	Idm-E 491	M.I.A. Mines Company
Tungsten	DMEA-2001	Idm-E 505	Metallics Unlimited
Tungsten	DMEA-2925	Idm-E 521	Fred M. Anderson, et al. Property - sold to: Robt. N. Avery.
Tungsten	DMEA-2820	Idm-E 554	Garnet Tungsten Mining Co. - leased to: Union Carbide Nuclear Co. (Knowles Bros., Antigua)
Tungsten	DMEA-3283	Idm-E 600	Lory M. Frost, dba Y-4 Mining Co.
Tungsten	DMEA-3253	Idm-E601	Incline Mining Company
Tungsten	DMEA-3194	Idm-E 713	William C. Morrison & Sons - Restaked by: S. F. Merrill.

Inactive certified projects since last report, continued:

Commodity	Lectot No.	Contract No.	Operator
Tungsten	DMEA-3147	Idm-E 750	Idaho Maryland Mines Corp.
Tungsten	DMEA-3512	Idm-E 779	Wah Chang Mining Corporation
Tungsten	DMEA-3609	Idm-E 787	T.N.T., Inc.
Tungsten	DMEA-3637	Idm-E 788	El Capitan Mining Company
Tungsten	DMEA-3641	Idm-E 853	Helmar Mining & Milling Co., Inc.
Tungsten	DMEA-3702	Idm-E 871	Novack and J.F. Barnes - (Apollo Mines, Inc., Assignee) - reverted back to owners.
Tungsten	DMEA-3659	Idm-E 905	Obelisk Mining Company
Tungsten	DMEA-4165	Idm-E 961	Kennecott, Inc., Assignee
Tungsten	DMEA-4240	Idm-E 979	Cordero Mining Co., Assignee
Uranium	DMEA-4191	Idm-E 990	Cose Uranium Company
Zinc-Copper	DMEA-1219K	Idm-E 187	The Glidden Company
Zinc-Copper	DMEA-2493	Idm-E 331	Copper Hill Mine Venture

M Form 7
) 58)

OFFICIAL FILE COPY

Date	Surname	Code
3/19	[illegible]	20
		225

MAR 19 1962

Memorandum

To: Acting Field Officer, Region II

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

Subject: DMEA-3782 (Tungsten)
Apollo Mines, Inc., Assignee
Saddle Mine
Humboldt County, Nevada
Contract Idm-E871

According to the Washington office files the last examination of the property under the subject contract was on December 31, 1957. The semi-annual report on this examination states "no change", indicating no activity on the property since completion of the exploration work on July 20, 1956.

A Report of Royalty Review issued by George Mavor on May 21, 1959, refers to a semi-annual report for July 1 to December 31, 1958. However, neither this reportnor one for the prior six months can be located in the Washington files.

Your advice will be appreciated as to whether your regional files disclose (1) any subsequent examinations of the property or inquiries on the Operator-Assignee or the Operator-Assignor, (2) if so, the findings, and (3) any change in ownership or lease of the property since abandonment by the Operator-Assignee.

EDTalbert/cac
March 19, 1962

cc: Director's reading file
Contract Admin. & Audit Div.

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/28	Alley	800
5/28	G	220
5/29	WSM	400

MAY 28 1959

Memorandum

To: Mr. George Mavor, OME Auditor

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

Subject: Docket No. DMEA-3782 (Tungsten)
Apollo Mines, Inc., Assignee
Contract No. Idm-E871

Your Report of Royalty Review on the above-cited contract is acceptable and normal distribution is authorized.

AMAlley/ama
May 28, 1959

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

43683

SEMI-ANNUAL REPORTS OF CERTIFIED PROJECTS

Reporting Period 7/1/57-12/31/57 Date of Examination 12/31/57

Operator J. Noviack and J. F. Barnes (Apollo Mines, Inc., Assignee)
Reverted back to owners.

Mine Name Saddle Mine

County and State Humboldt County, Nevada

Docket Number and Commodity DMEA-3782 (Tungsten)

Contract Number Idm-E 871

2/4 C 220
WSM 400

Date of Contract

Date of Certification

Expiration Date of Royalty Payments

NO CHANGE

Total Amount of Contract

Total Expenditures under Contract

Amount of Government Participation at %

Royalty Payments this Period

Previous Royalty Payments

Total Royalty Payments to Date

Percent Government Participation Repaid

NO CHANGE

Royalty Due on Production to Date

Royalty Remarks:

DMEA-3782 Idm-E 871

	Tons	Analysis
Original Estimate of DMEA Reserves (Field Team Final Report) Mines ☐ Survey ☐ Joint ☐		
Revised Estimate of DMEA Reserves (Field Team) Mines ☐ Survey ☐ Joint ☐	NO CHANGE	
Increase of Reserves by work performed subsequent to DMEA project work		
Production DMEA ore (This Period)		
(Previous)		
(To date)		
Operator's ore found subsequent to DMEA work (This period)	NO CHANGE	
(Previous)		
(To date)		

Percent Revised Reserves mined _____

Investment Data

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

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

NO CHANGE

Facilities

Mine Plant		Mill		Roads	
Description	Cost	Description	Cost	Description	Cost

Remarks

NO CHANGE

Signed _____ (Engineer)
FOR: Henry W. Jones

DMEA Form 18
Feb. 58

D[redacted]NSE MINERALS EXPLORATION ADMIN[redacted]RATION

ANALYSIS OF SEMIANNUAL REPORT OF CERTIFIED PROJECT

Prepare in duplicate. File original in Official Docket. Send copy

To: Statistics Branch (Code 210)

From: Division of **Iron and Ferro-Alloys**

Report Period		
1.1-6.30.57		
DMEA No.	Operator	Contract No.
3782	**Apollo Mines, Inc. (was Noviack and Barnes)**	**Idm-E871**

ORE ESTIMATES

	Tons	Analysis
DMEA	2,800	0.59 % WO_3
Operator to date	None	
Total	2800	0.59 " "
Production to date	None	
Ore in ground	2,800	0.59 " "

INVESTMENT **None reported**

Type	Size		Feet	Cost
Shafts				
Winzes				
Drifts and Crosscuts				
Raises				
Drilling	Type			
Rehabilitation	Description			

FACILITIES

Mine Plant		
Mill		
Roads		

REMARKS

"No further work was completed after termination of the DMEA contract".

Prepared by Stephen P. Holt Date 3.12.58

Carbon to W. Chamberlain

31398

SEMI-ANNUAL REPORTS OF CERTIFIED PROJECTS

Reporting Period 1/1/57 - 6/30/57 Date of Examination 6/30/57

Operator J. Noviack and J. F. Barnes (Apollo Mines, Inc., Assignee)

Mine Name Saddle Mine

County and State Humboldt County, Nevada

Docket Number and Commodity DMEA-3782 (Tungsten)

Contract Number Idm-E 871

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 5 1957

DATE	INITIALS	CODE
8/5	CBM	160
8/9	WSM	400

Date of Contract 9/14/55

Date of Certification 1/30/57

Expiration Date of Royalty Payments 9/14/65

Total Amount of Contract $14,520.00

Total Expenditures under Contract $12,997.00

Amount of Government Participation at 75% $9,747.56

Royalty Payments this Period None

Previous Royalty Payments None

Total Royalty Payments to Date None

Percent Government Participation Repaid None

Royalty Due on Production to Date None

Royalty Remarks: No production.

Apollo Mines, Inc. (Assignee) Saddle Mine DMEA-3782 Idm-E 871

	Tons	Analysis
ginal Estimate of DMEA serves (Field Team Final Report) Mines [ ] Survey [ ] Joint [X]	2,800	0.59% WO_3
evised Estimate of DMEA eserves (Field Team) Mines [ ] Survey [ ] Joint [X]	No change	
Increase of Reserves by work performed subsequent to DMEA project work	None	
Production DMEA ore (This period)	None	
(Previous)	None	
(To date)	None	
Operator's ore found subsequent to DMEA work (This period)	None	
(Previous)	None	
(To date)	None	

Percent Revised Reserves mined None

Investment Data

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

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

Facilities

Mine Plant		Mill		Roads	
Description	Cost	Description	Cost	Description	Cost

Remarks

No further work was completed after termination of DMEA contract.

Signed Henry W. Jones (Engineer)
Henry W. Jones

orm 7
56)

OFFICIAL FILE COPY

Date	Surname	Code
1/15	Ho G	400
1/23	Martin	400
1-23	Chambers	800
1-24	Schwalenger	140
1/30	Selfridge	130
"	Johnson	110
	Mittendorf	100
		220
	Kilsgaard	
	Lamb	

Apollo Mines, Inc., Assignee of
J. Noviack and J. F. Barnes
c/o Bible and McDonald
Gazette Building
Reno, Nevada

JAN 31 1957

Re: Docket No. DMEA 3782-Tungsten
Saddle Mine
Humboldt County, Nevada
Contract No. Idm-E871

Gentlemen:

Enclosed is a certification of discovery or development which covers all the land described in Article 2 of the contract.

By the terms of the Exploration Project Contract, as amended, and of the certification all minerals mined or produced from September 14, 1955 to September 14, 1965 are subject to the Government's percentage royalty as set forth in the contract until the sum of $9,747.56 is paid.

Payments should be made to Mr. Spangler Bicker, Executive Officer, DMEA Field Team, Region II, 1605 Evans Avenue, Reno, Nevada. Checks should be made to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct royalties from the amount due on each shipment and forward check direct to the Executive Officer. Royalty payments to the Government should be accompanied by suitable evidence, such as settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the charge certified to be correct by the purchaser.

You are requested to notify Mr. Bicker of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for any extended period, please notify Mr. Bicker at 6-month intervals that no production has been made, when that is the case.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosure

cc to: FT REG II
J. Noviack and
J. F. Barnes

cc to: Oper. Committee
Mr. Johnson
F. D. Lamb, USBM
R. W. Holliday, USBM
T. H. Kilsgaard, USGS

SPHolt:am 1-15-57
cc to: Docket
Code 400
Code 800
Admr. Read. File

RGS

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/16	Holt	400
1/23	Martin	400
1-23		140
1-30	Chambers	800
1/30	Selfridge	130
"	Johnson	110
	Whitehead	~~100~~ 220

JAN 31 1957

Messrs. J. Noviack and J. F. Barnes
1395 Mark Twain Avenue
Reno, Nevada

Re: Docket No. DMEA 3782 - Tungsten
Saddle Mine
Humboldt County, Nevada
Contract No. Idm-E871

Kilsgaard
Lamb

Gentlemen:

Enclosed for your information is a copy of the certification of discovery or development issued as a result of the exploration program under the above-referenced contract. The property as set forth in the contract was leased to Apollo Mines, Inc., by J. Noviack and J. F. Barnes under a certain indenture dated March 1, 1956. The same property was also referred to in an Assignment of Contract, dated December 9, 1955, from J. Noviack and J. F. Barnes to Apollo Mines, Inc.

Also enclosed is copy of a letter to Apollo Mines, Inc.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosures

SPHolt:am 1-16-57
cc to: Docket
Code 400
Code 800
Admin. Read. File
Oper. Comm.
FT REG II
Messrs. F. D. Lamb, USBM
T. Kiilsgaard, USGS
R. Holliday, USBM

R.G.S.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/15	Holt	400
1/23	Martin	400
		140
1-30	Chandler	800
1/30	Selfridge	130
"	Johnson	110
"	Mittendorf	100
		220

JAN 31 1957

Mr. Clarence A. Fredell, Acting Director
Technical Services Division
Defense Materials Service
General Services Administration
7th and D Streets, S. W.
Washington 25, D. C.

Re: Docket No. DMEA 3782 - Tungsten
Apollo Mines, Inc., Assignee of
J. Noviack and J. F. Barnes
Saddle Mine
Humboldt County, Nevada
Contract No. Idm-E871

Kilsgaard
Lamb

cc to: Mr. Holliday, USBM
Mr. Kilsgaard, USGS

Dear Mr. Fredell:

Enclosed is a copy of a certification of discovery or development issued under the subject contract.

Contract No. Idm-E871 for the exploration of the Saddle Mine tungsten deposits was executed September 14, 1955. Expenditures up to $14,520.00 were authorized by the contract, of which the Government's share at 75 percent was $10,890.00. The cost of the work completed was $12,997.00, of which the Government's share was $9,747.56.

The object of the exploration program was to test the possible tungsten occurrences along and near a contact between granitic rock and limestone and shale. The program employed bulldozer trenching transverse to the contact and adit drifting along the contact to explore the mineralized zone.

The contract allowed $14,520.00 to excavate 12 bulldozer trenches and to drive 400 feet of adit drift.

Work completed comprised 98 hours of bulldozer trenching in 10 trenches and 363 feet of adit drift.

Tungsten ore discovered by project work was estimated by the Field Team as 200 tons of indicated and 2,600 tons of inferred ore, total 2,800 tons, average grade 0.59 percent tungsten trioxide (WO_3).

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

cc to: Admr. Read. File
Oper. Comm.
FT REG II
Mr. Lamb, USBM

SPHolt:am 1-16-57
cc to: Docket
Code 400
Code 800
Code 110

8623

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

RECEIVED
DEC 17 1956
D.M.E.A.

1605 Evans Avenue
Reno, Nevada

December 14, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA 3782 - Tungsten
Apollo Mines, Inc., Assignee of
J. Noviack and J. F. Barnes
Saddle Mine
Humboldt County, Nevada
Contract No. Idm-E871
(Your letter December 11, 1956)

Final Report (Operator's) on above subject should be dated September 10, 1956.

S. Ricker

400
DOCKET
SURNAME
Holt
Martin
Selfridge
Johnson
Mittendorf

DEC 11 1956

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

Re: Docket No. DMEA 3782 - Tungsten
Apollo Mines, Inc., Assignee of
J. Noviack and J. F. Barnes
Saddle Mine
Humboldt County, Nevada
Contract No. Idm-3371

Dear Mr. Hicker:

Reference is made to your memorandum of September 17, 1956, transmitting copies of the Operator's Final Report on the above-subject contract. The report is not dated, and does not carry a date stamp or other notation to indicate when it was received in the Field Office.

As the date of receipt of each Operator's Final Report effects the date by which certification, if appropriate, must be completed for the corresponding project, it will be appreciated if you will advise us when this report was received in your office.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

APPROVED:

Frank D. Lamb (FDL)
Member, Bureau of Mines

Thor H. Kiilsgaard (THK)
Member, Geological Survey

SPHolt:am 12-7-56
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT. REG. II
Messrs. R. Holliday, USBM
T. H. Kiilsgaard, USGS

R.G.S.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Washington 25, D. C.

RECEIVED
DEC 3 1956
D.M.E.A.

Date November 30, 1956

DMEA Docket No. 3782
DMEA Contract No. Idm-E871
Commodity Tungsten
Name of applicant J. Noviack & J. F. Barnes
Name of property Apollo Mines, Inc., assignee
Location of property Saddle Mine, Humboldt Co., Nev.
Estimated cost of project

Memorandum

To: W. S. Martin, Chief, Iron and Ferroalloys Division DMEA
Through: Asst. Chief, Br. of Ferrous Metals & Ferroalloys

From: R. W. Holliday, Commodity Specialist, Br. of Ferrous Metals & Ferroalloys

Subject: Review of Final Report
(Application, Field Team Report, etc.)

1. Date of subject document: 11/13/56. 2. Date received by reviewer: 11/30/56.
3. Prior reports on this property known to reviewer: Yes [ ] No [x]
4. Prior reports on nearby properties known to reviewer: Yes [ ] No [x]
5. Information available on past production: Yes [ ] No [x]
6. Other pertinent factors known to reviewer: Yes [ ] No [x]
7. Explain items marked yes above:

8. Factors needing special consideration:
a. Location [ ]
b. Ownership [ ]
c. Evidence of mineralization [ ]
d. Geology [ ]
e. Proposed exploration method [ ]
f. Alternate exploration method [ ]
g. Costs [ ]
h. [ ]

9. Action advised:
a. Obtain information from applicant [ ]
b. Refer to Field Team [ ]
c. Denial [ ]
d. Agree with Field Team [x]
i. Consult with Mr. _____ at _____ AEC office.
e. Disagree with Field Team [ ]
f. Suggest alternate plan [ ]
g. Request another examination [ ]
h. Approval [ ]

10. Remarks: (Use back of page if necessary)

R. W. Holliday

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

IN REPLY REFER TO:

RECEIVED NOV 28 1956 D.M.E.A.

November 27, 1956

Re: DMEA 3782, Idm-E871
J. Noviack and J. F. Barnes
Saddle Mine
Humboldt County, Nevada
$14,520.00 - Tungsten

Memorandum

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

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

Subject: Review of Field Team Final Report

The contract approved the expenditure of $14,520.00 in the exploration of a 2,000-foot tactite zone of which $12,997.00 was expended. Work done under the contract consists of bulldozing, rock trenching, drifting (400 feet), and sampling.

Three ore zones were explored, resulting in the definition and partial definition of the following tonnages:

ORE RESERVES TABLE

Area	Tons Indicated	Tons Inferred	Tons Total	Grade, % WO_3
No. 1	None	None	None	------
No. 2 northwest body	200	800	1,000	0.50
southeast body	None	1,800	1,800	0.63
No. 3*	None	200	200	0.13*
Totals:	200	2,600	2,800	0.59 (1,650 units)

*Submarginal - not included in total or average.

The examiners and Field Team recommend that a certificate of discovery be issued.

I concur with that recommendation.

N. E. Nelson

N. E. Nelson

ACTION ON INTERIM
OR FINAL FIELD TEAM REPORT

Date 11/19

Referred to:

1. ~~Mr. Mittendorf~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. Docket Control Mails and Files
5. _____ Division
6. Docket Control Mails and Files

Note comments in report regarding:

1. Certification Recommendation
2. Reserve Data
3.
4.

and take appropriate action.

- - - - - - - -

Action taken by Division:

Robert E. Adams

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

RECEIVED NOV 15 1956 D.M.E.A.

1605 Evans Avenue
Reno, Nevada

November 13, 1956

Memorandum

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

From: Acting Executive Officer, DMEA Field Team,
Region II

Subject: Docket No. DMEA-3782 (Tungsten)
J. Noviack and J. F. Barnes
Apollo Mines, Inc., assignee
Saddle Mine, Humboldt County, Nevada
Contract Idm-E 871

Enclosed are four copies of the Final Report by Henry W. Jones, USBM, and R. G. Reeves, USGS, in which it is recommended that a certificate of discovery be issued.

As a result of the work, about 200 tons of ore was indicated and about 2600 tons can be inferred. The ore averages 0.6 percent WO_3. In addition to this discovery, a development was made from which production may logically be expected.

Mr. Ricker and I agree that a certificate of discovery should be issued.

Roscoe M. Smith

Roscoe M. Smith

Encls.

Reviewed by
DMEA OPERATING COMMITTEE
11-19-56
(date)

FINAL F.T. 1st

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

RECEIVED
NOV 15 1956
D.M.E.A.

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION II

FINAL REPORT

DMEA-3782, Idm-E871 (Tungsten)
J. Noviack and J. F. Barnes
Apollo Mines, Inc., assignee
Saddle mine
Humboldt County, Nevada

by

H. W. Jones
U. S. Bureau of Mines

R. G. Reeves
U. S. Geological Survey

November 13, 1956

Reviewed by
DMEA OPERATING COMMITTEE
11-19-56

RECEIVED
NOV 15 1956
D.M.E.A.

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Conclusions and Recommendations 2

Location, Accessibility, and Local Facilities 3

Property and Development. 4

The DMEA Project 5

Geology. 6

Ore Deposits 8

Sampling 9

Ore Reserves 11

ILLUSTRATIONS

Figure 1. . . . . Location map

2. . . . . Sketch map showing trenches and samples

3. . . . . Geologic map

4 . . . . . Mine map

RECEIVED
NOV 15 1956
D.M.E.A.

INTRODUCTION

The Saddle mine, Humboldt County, Nevada, was explored by J. Noviack and J. F. Barnes, owners, 1395 Mark Twain Avenue, Reno, Nevada; and by Apollo Mines, Inc., c/o Bible and McDonald, Gazette Building, Reno, Nevada, in cooperation with the Defense Minerals Exploration Administration, docket DMEA-3782, contract Idm-E871 dated September 14, 1955.

Scheelite in commercial grade and quantity along 2,000 feet of contact between granite and limestone indicated the possibility of substantial tonnages of tungsten ore and provided justification for the exploration program.

Stage I trenching started October 23 and was completed November 8, 1955. The project was recessed, and the contract re-assigned, during the winter. Stage II drifting started May 14 and was completed July 20, 1956. An examination to evaluate the completed program was made on August 14, 1956 by Henry W. Jones, U. S. Bureau of Mines, and R. G. Reeves, U. S. Geological Survey.

SUMMARY

Scheelite-bearing tactite along a contact between granite and limestone was explored by trenches and a drift adit. The

bulldozer trenches established the location and trend of the granite-limestone contact, which was then explored by a drift adit that terminated under the ore body exposed in the pit. Some irregularly distributed scheelite-bearing tactite was encountered in the drift, but most of the contact zone was barren. The explored part of the contact zone contains about 200 tons of indicated ore and 2,600 tons of inferred ore.

CONCLUSIONS AND RECOMMENDATIONS

Scheelite ore of adequate grade and quantity for a small commercial enterprise is present in the No. 2 pit and warrants a raise from the drift for ease in selective mining. This raise would also explore the intermediate zone for extensions of the surface ore body. The drift constitutes a development from which production may be made.

Additional surface exploration is warranted on small scheelite showings uncovered in No. 5 trench, but these showings are not of sufficient size for additional DMEA assistance.

As a result of Government assistance the ore in the No. 2 pit is more accessible, and it is recommended that a certificate of discovery be issued. No further Government assistance is recommended.

No ore was produced during the life of the contract and no royalties are due the Government.

LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

The Saddle mining claims are in T. 43 N., R. 30 E., projected, on and near the 7,000-foot summit of an eastern branch of the Pine Forest mountains, about three miles north of Sentinal Peak near the headwaters of Leonard Creek, Humboldt County, Nevada (fig. 1). The area is unsurveyed. The property is 98 miles by road northwest of Winnemucca; it is reached by traveling north from Winnemucca on U. S. Highway 95 for 31 miles, then west on State Highway 8-A for 28 miles. Turn left (west) on the graveled county road and follow the main part 28 miles to the Leonard Creek Ranch. Turn right (north) just beyond the ranch house and follow the unimproved road up Leonard Creek, past an abandoned gold placer deposit, for 11 miles to the mine camp. The mine is about one mile above camp. During winter months snow makes the area's higher altitudes relatively inaccessible except with 4-wheel drive vehicles. Water is available for domestic and mine use at the campsite. Necessary mine equipment, lumber, and supplies can be obtained in Winnemucca or in Reno.

PROPERTY AND DEVELOPMENT

Tactite outcroppings were discovered in May 1954 by Barnes and Noviack and five contiguous claims were staked. K. K. Keene and associates of Alturas, California, leased the property and mined and shipped about 250 tons of 0.48 percent scheelite ore from the No. 2 pit. They gave up their lease in 1955.

Prior to the DMEA work claim development consisted of a steep access road, a small test pit at the summit, a smaller test pit at the present drift portal, and the No. 2 pit, approximately 20 feet wide and 30 feet long, which exposed a 15-foot face.

A lease and option agreement was executed October 1, 1955 between the owners and Apollo Mines, Inc., a Nevada corporation, who completed the second stage of the DMEA work. The lease was dropped August 1, 1956 and the property reverted to the owners.

The property consists of the Saddle Nos. 1, 2, 3, 4, and 5 claims held by location by Barnes and Noviack. The claims are described and recorded in the Humboldt County courthouse, Winnemucca, Nevada.

THE DMEA PROJECT

Work outlined under the terms of the exploration contract (Stage I) was to consist of excavating 12 trenches, having an aggregate length of 900 feet, across the contact at 75-foot intervals between the uppermost No. 1 and the lowermost No. 3 exposures. The trenches were to penetrate bedrock not less than 1 foot on the uphill side. Stage II was to start at the successful conclusion of the trenching operation, and was to comprise 400 feet of drifting from the No. 3 exposure and slightly beyond the downward extension of the main No. 2 exposure.

Trenching along sites designated by the Government started October 23, 1955, and ten trenches were completed by November 8, 1955 for an aggregate length of 1,641 feet and an average uphill depth of 3.5 feet. Trenches 6 and 8 were not excavated because more useful data were obtained by lengthening and deepening the other trenches.

Favorable showings of scheelite were noted in trenches 3, 4, 5, 7, and 10 which indicated a definite scheelite-bearing zone along the contact; therefore, Stage II was approved. Apollo Mines, Inc. had acquired the property under lease and option and the contract was accordingly assigned to them.

Amendment No. 1 was approved, permitting recess of work during the winter months, beginning November 6, 1955 and ending not later than May 1, 1956. The completion date was extended from July 1, 1956 to September 1, 1956.

An attempt was made to start operations on the date set, but snow and mud prohibited access until May 14, 1956. Drifting started at the designated location. Scheelite was encountered at 20 feet from the portal and minor amounts persisted to 92 feet. At 100 feet the drift was turned to the left to follow the contact more closely, and then turned back along the approximate projected position of the surface showings. An aplite dike was cut at 310 feet. Scheelite occurred on both sides of the dike.

The drift was driven a total distance of 363 feet. Three short diamond drill holes were drilled on company account from the face, but these did not discover any additional mineralized zones.

Work was terminated about July 20, 1956.

Expenditures

	Allowed costs	Actual costs
Total approved cost		$14,520.00
Bulldozing, 98 hrs. @ $12.50/hr.	$1,225.00	$1,225.00
Drilling and blasting of trenches	375.00	312.50
Sampling, 64 samples @ $5.00/ea.	320.00	25.00
Drifting, 400 ft. @ $31.50/ft.	12,600.00	11,434.50
Total amount expended		$12,997.00
Government's share of cost		9,747.56
Government's share unexpended		1,142.44

No ore, subject to royalties, has been produced to date.

No equipment was purchased under the DMEA contract.

GEOLOGY

The Saddle mine is in an area of high relief where soil cover is generally less than two feet thick and exposures of bedrock are numerous. The area is underlain by sedimentary rocks that have been intruded and metamorphosed by granitic rocks.

The sedimentary rocks are limestone, shaly limestone, and shale, which are tentatively correlated with the Natchez Pass formation of upper Middle Triassic age on the basis of faunal evidence (Willden, C. Ronald, oral communication). The sedimentary rocks are several thousand feet thick. The limestone is blue to blue-gray, and the shale is light buff. Along the contact with the granitic rock, and in places up to 1,000 feet from the contact, the sedimentary rocks have been thermally metamorphosed to a blocky, fine-grained hornfels. The shaly rocks have been converted to a quartz-mica feldspar rock that is in places schistose.

The granitic rock is a coarse-grained equigranular quartz monzonite or granodiorite. A fine-grained border facies, containing a noticeably higher proportion of ferromagnesian minerals, has been developed along the contact.

Tactite consisting of dark brown to green garnet, epidote, quartz, and feldspars is sporadically distributed along the contact, and along fractures or faults near the contact.

The sedimentary rocks are folded and contorted, and cut by a northwest-trending, southwest-dipping fault system. A major fault

of that system cuts across the saddle on the range crest, at the discovery monument of the Saddle No. 1 claim (fig. 3). West of this fault, the general trend of the sedimentary rocks is northeasterly, with a steep south to vertical dip; local variations to northerly strike and flat westerly dips are common. East of the Saddle fault, the rocks are tightly folded into steep southerly-plunging folds.

West of the fault, the contact between the granite and sedimentary rocks is nearly straight, with a trend of N 60° - 70° E, and dip of 60° - 70° N. In the drift adit the contact is irregular in detail, and offset by faults of the major northeast-trending fault system. East of the Saddle fault, the contact is irregular. On both sides of the Saddle fault, apophyses of granite extend hundreds of feet into the sedimentary rocks.

ORE DEPOSITS

The tungsten ore bodies are concentrations of scheelite in tactite along and near the contact between the granitic rock and the sedimentary rocks. Some of the scheelite fluoresces with a slight yellowish tinge, but the Mo:WO_3 ratios of samples submitted for analyses were from 1:25 to 1:100. Pyrite and secondary copper minerals, mainly malachite, occur along with the scheelite. Gangue minerals are mainly epidote, quartz, calcite, feldspars, and garnet. Grade of the ore varies from 1.74 percent to about 0.3 percent WO_3.

Three ore zones are exposed from the crest of the range westward for about 800 feet. The upper or No. 1 ore zone (fig. 2) is 2 to 10 feet wide and is intermittently exposed for a length of 100 feet and to a depth of 3 to 5 feet. The middle or No. 2 area (fig. 2) contains two parallel ore bodies (fig. 3). The northwestern one is about 50 feet long and from 3 to 20 feet wide and averages 5 feet wide. The southeastern one is 150 feet long, 1-1/2 to 5 feet wide and averages 3 feet wide. Both are cut off on the west by a northwest-trending fault. The lower or westernmost ore body is exposed at the adit portal and in the road cut. It is about 100 feet long and 2 feet wide.

Several small, discontinuous ore bodies are found along the irregular contact east of the Discovery fault. These ore bodies have not been explored and in most cases their attitudes could not be observed. The easternmost and most prominent of these, No. 5 (fig. 2), trends easterly and appears to dip flatly to the north into the hill.

SAMPLING

The three samples that were taken in the No. 2 pit represent as nearly as possible the average grade of minable ore. Assay results and descriptions are as follows:

Sample No.	Width, feet	% Mo	% WO_3	Description
222	4.5	0.03	0.72	Dark silicious fine-grained tactite. No. 2 pit
223	2.0	<0.01	0.01	Slight tactite in hornfels, footwall side small cross vein. No 2 pit
224	10.0	0.01	0.42	Light tactite streaks in softer hornfels, scheelite throughout. No 2 pit
225	1.4	0.04	1.74	Tactite hornfels in silicified limestone.
226	6.0	0.01	0.22	Green epidote streaks, banded tactite adjoining granite.
227	grab	0.02	0.30	General sample of tactite outcrops claim.
228	1.5	0.01	0.47	Tactite in hornfels, banded.
229	1.2	0.01	0.41	Hard massive garnetized tactite.

Results of samples of scheelite-bearing zones in the bulldozed trenches and underground workings taken wherever scheelite was prominent are as follows:

Sample No.	Width, feet	% WO_3	Description
272	2.0	<0.01	Mineralized area, Trench No. 3.
273	5.0	0.30	Mineralized area, Trench No. 5.
274	3.0	0.06	Mineralized area, Trench No. 7.
275	5.0	0.32	Mineralized area, Trench No. 10.
331	4.0	0.02	Across back at 45-ft. point in drift.
332	3.0	0.02	Mineralization associated with small cross fault 74-ft. point drift.
347	3.0	0.26	West side aplite dike in drift quite lenticular.

Sample No.	Width, feet	% WO_3	Description
348	5.0	0.01	South wall 318-323 ft. point of drift.
349	4.5	0.02	Across back at 82-ft. point of drift.
350	3.5	0.03	North wall cross fault, check on No. 332.
351	3.5	0.18	Across back 48-ft. point of drift.

ORE RESERVES

Except for about 150 tons at the No. 2 pit, there are no measured reserves. As a result of DMEA exploration, areas 1 and 3 (fig. 2) were found to contain no reserves of ore grade. Area 3 contains, in a zone 100 feet long, 2 feet wide, and 25 feet deep, about 200 tons of scheelite-bearing tactite with a weighted average of 0.13 percent WO_3.

The northwest ore body of area No. 2 contains 200 tons of indicated ore in a zone 50 feet long, averaging 5 feet wide, and extending 10 feet below the exposures; and 800 tons of inferred ore in a zone 50 feet long, 5 feet wide, and extending from the bottom of the indicated ore (10 feet below exposures) to 50 feet. The weighted average grade of the ore in the northwest ore body is 0.5 percent WO_3.

The southeast ore body of area No. 2 contains 1,800 tons of inferred ore in a zone 150 feet long, 3 feet wide, and 50 feet deep. The weighted average grade of the ore body is 0.63 percent WO_3.

ORE RESERVES TABLE

Area	Tons Indicated	Tons Inferred	Tons Total	Grade, % WO_3
No. 1	None	None	None	------
No. 2 northwest body	200	800	1,000	0.50
southeast body	None	1,800	1,800	0.63
No. 3*	None	200	200	0.13*
Totals:	200	2,600	2,800	0.59 (1,650 units)

*Submarginal - not included in total or average.

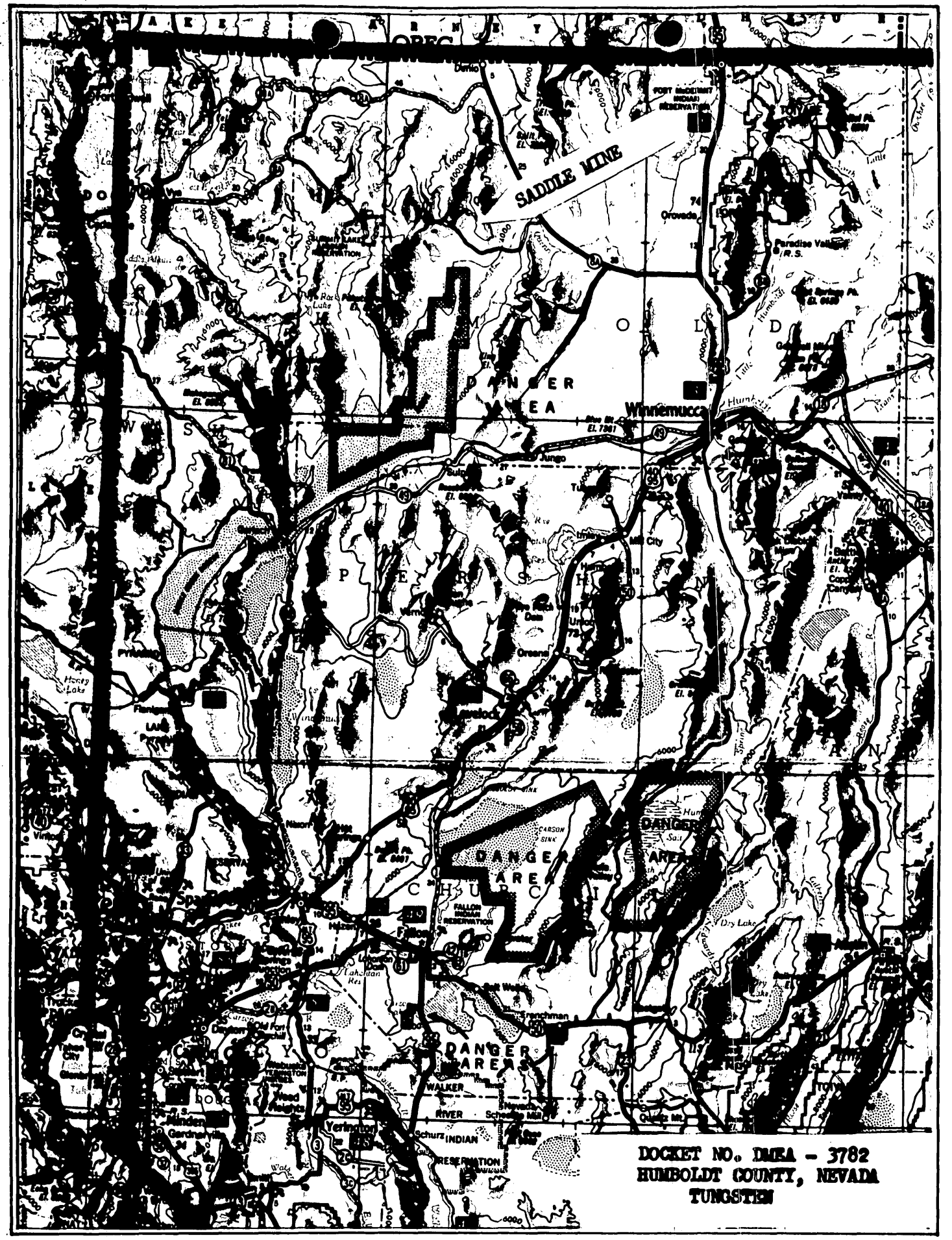
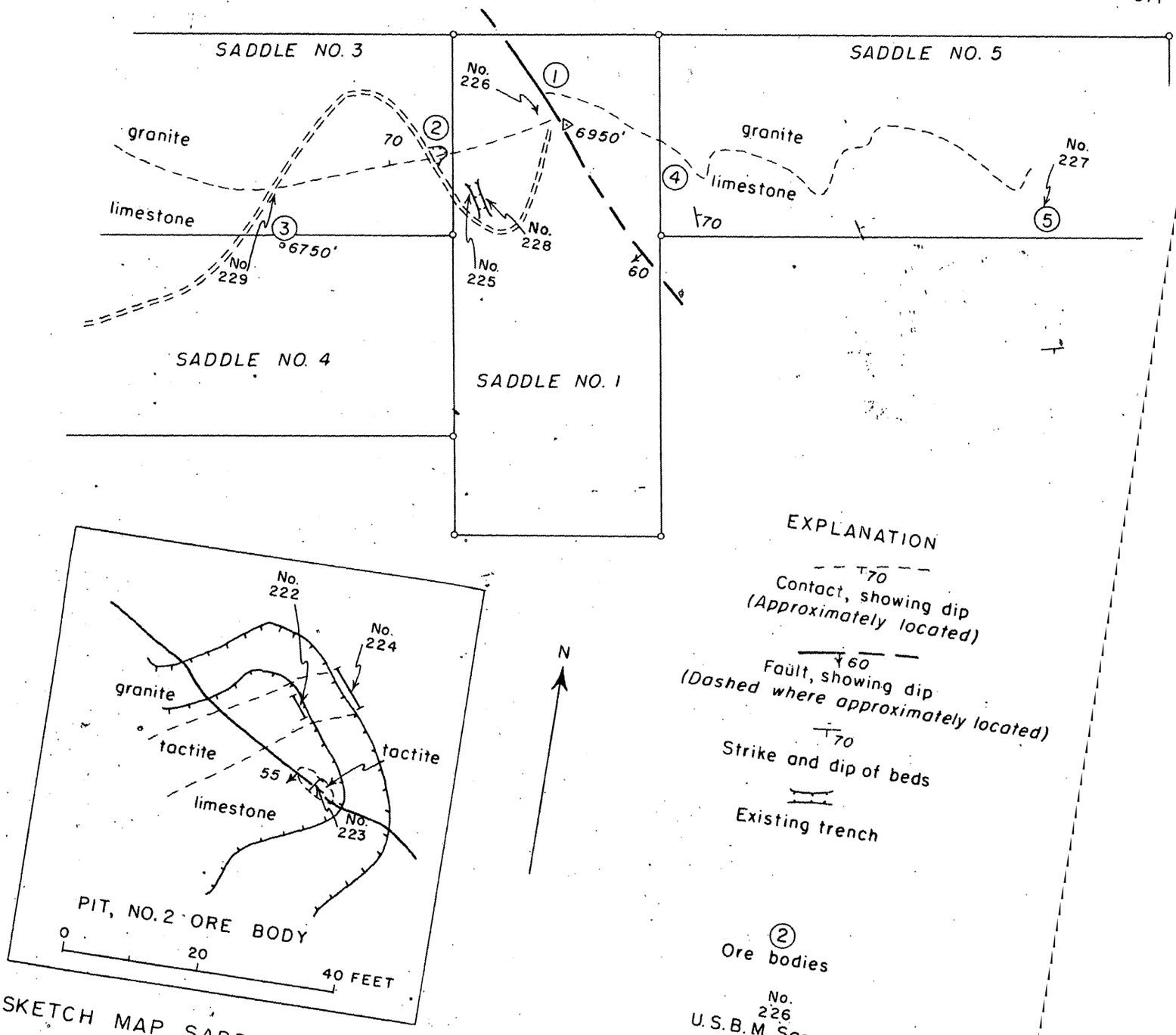


Figure I LOCATION MAP NEVADA

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3782
(TUNGSTEN)
Idm E-871



SKETCH MAP SADDLE TUNGSTEN MINE SHOWING LOCATION OF EXPLORATION TRENCHES AND U.S.B.M. SAMPLES
HUMBOLDT COUNTY, NEVADA

Figure 2

DMEA

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

RECEIVED
SEP 19 1956

1605 Evans Avenue
Reno, Nevada

September 17, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3782 (Tungsten)
Apollo Mines, Inc.
J. Noviak and J. F. Barnes
Saddle Mine, Humboldt County, Nevada
Contract No. Idm-E871

Attached are four copies of the Operator's final report on subject contract.

S. Ricker

Attach.

BUREAU OF MINES
WASHINGTON, D. C.

SEP 19 8 29 AM '56

FINAL REPORT

APOLLO MINES - SADDLE MOUNTAIN
Tungsten DMEA - 2782
Idm - E-871

The Apollo Mines drifted 363 feet along a very prominent granite lime contact.

This contact showed WO_3 mineralization on the surface and 250 tons of .47% WO_3 were shipped from an open cut. (See Map)

Our objective was to determine size, continuity and grade at depth.

Apollo's ultimate goal was a combined milling and mining project.

Drifting along the contact required heavy timbering.

The granite hanging wall is shattered by cross faulting and thrust faulting.

The lime foot wall is highly metamorphased, shaley, and tends to slab.

The tactite bearing scheelite appears in disconnected zones and drags due to excessive faulting.

Summary and Conclusions:

We reached our objective, the aplite dike and the mineralization below the open pit.

The ore zone appears to be 12' thick; our work proved an approximate width of 35' and a length of 94.6'.

Our assays on this zone were based on a 100lb. composite sample. Sample as is across the zone ran 0.11% WO_3-screened to minus one inch = 0.17% WO_3.

Sample selected by lamp across 18" for full length along aplite dike ran 0.41% WO_3.

The zone is not of sufficient size or grade for company operation.

It has been our experience in similiar ground the dilution would be approximately 30%.

The property has some salvage value on a lessor lessee arrangement based on lamp sorting.

We drilled to determine parallel structure, see map DDH#1.

DDH#4 was to determine possible enrichment of the mineralized zone. The lamping of the ore section appeared to be less than 0.2%WO_3.

We have left rail and timber in place and will abandon the property to the owners for probable lessor arrangements.

JOHN H. UHALDE, Superintendent
for APOLLO MINES, INC.

Docket

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

SEP 12 1956

Mr. George Meyer
DMEA Auditor
420 Custom House
555 Battery Street
San Francisco 55, California

AIR MAIL

Re: Docket No. DMEA-3782 (Tungsten)
Apollo Mines, Inc., Assignee of
J. Novinck & T. F. Barnes
Saddle Mine, Humboldt County, Nevada
Contract No. Idn-2871

Dear George:

It appears from the contents of your letter of September 7, 1956, in reply to mine of August 29, 1956, regarding your Report of Review on the referenced project, that possibly you may have considered my letter to be in the nature of a criticism or even a reprimand. I wish to assure you that such was not the intent.

The fact that the DMEA docket indicates release of the Report of Review prior to the Field Team's final inspection of the project and a verification of the number of units of work actually performed was brought to my attention by another Division. I assured the Division that it was audit policy to release a Report of Review or an Audit Certificate only after verification, by consultation with the Executive Officer or examining engineer or by reference to Field Team reports, that the specific units of work allowed had actually been performed.

It was the primary purpose of my letter to bring the matter to your attention and afford you an opportunity to place in the record by your reply that this policy was followed. The fourth paragraph of my letter states it is assumed that you followed the established policy. I also assumed that the Field Team had erred in confirming to you the number of units of work completed. The Executive Officer's memorandum of August 24, 1956, to which you refer as an explanation, states only that the Operator made a mistake in his claim.

The secondary purpose of my letter was to call your attention, and through you the attention of the Executive Officer and the Finance Officer, to certain prescribed procedures which possibly were not being fully complied with in Region II. It was for this purpose that I furnished the references in the antepenultimate paragraph of my letter.

R.G.

In your latest letter you state that the final voucher was "approved for payment" by the Executive Officer and signed by the examining engineer "as being correct". It should be noted that the certificate signed by the engineer and approved by the Executive Officer certifies only "that to the best of my knowledge and belief the contractor *** is operating *** in accordance with the terms of the contract." This is rather a negative sort of a certification which is interpreted to merely mean, because it ordinarily is made prior to inspection of the project, that they have no reason to believe that operations are other than in accordance with the contract. (See section 8 of Operating Committee Memorandum No. 11, dated October 17, 1952.)

Inasmuch as this certification is not specific it is not acceptable for audit purposes in determining the number of units of work performed. That is the reason that the documents, on which a Report of Review is based (see page 57 of audit manual), include the engineer's inspection reports. It is also the reason that one of the justifications in the prescribed Report of Review format (see item J on page 66, 69 and 70 of audit manual) is left blank.

Actually, as your office is not located adjacent to the Executive Officer, you are in a position comparable to this Division's relation to Region I, Alaska District, Region IV and Region V. Our procedure in issuing Reports of Review for these regions is normally based on verification of the work performed by reference to the Field Team's final reports; however, if preparation of such reports is delayed, the Executive Officers normally advise us by memorandum or letter of the specific number of units of work satisfactorily completed. Likewise, if the final reports are not sufficiently specific for audit purposes or differ from the Operator's claim, the matter is settled by correspondence.

I hope the foregoing will be of assistance to you in clarifying the problem. A copy of this letter is being sent to Mr. Ricker for his information.

Best regards,

(Signed) E. D. Talbert

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

EDTalbert/wb
September 12, 1956

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

Docket copy
Talbert

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

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

AUG 20 1956
AIR MAIL

Re: Docket No. DMEA-3782 (Tungsten)
Apollo Mines, Inc., Assignee of
J. Maviank & T. F. Barnes
Saddle Mine, Humboldt County, Nevada
Contract No. Idm-2871

Dear Mr. Meyer:

On August 6, 1956, you prepared (and presumably released to the Executive Officer and the Finance Officer in accordance with the authority delegated to you by the last paragraph on page 72 of the audit procedure manual) a Report of Review in lieu of a final audit covering the referenced project.

The Washington copies of this Report of Review were distributed promptly upon receipt. Subsequently, copies were received of the final MF-104 indicating aggregate payments to the Operator of $20,621.87, which amount was in agreement with the amount certified by you to be valid and proper for payment. Accordingly, the cost records on this project were considered closed.

There has now been brought to the attention of this Division a copy of a memorandum dated August 24, 1956, addressed to the Finance Officer by the Executive Officer, transmitting a check in the amount of $874.31 as a refund of an overpayment made to the Operator. The indications are that 37 feet of drifting at $31.50 claimed by the Operator was not actually performed (and, if this is so, the refund correctly should be $874.13).

It is assumed that, in reviews covering short form contracts, you are determining the specific number of units of work performed by examination of the engineer's inspection reports as required by the first paragraph on page 67 of the audit manual; therefore, the issuance of this incorrect Report of Review is not understood. An explanation is requested with the submission of the Washington copies of a "Revised Report of Review".

Further examination of the files on this contract indicates that the Finance Officer certified the final payment prior to the issuance of your Report of Review. It is suggested that you call the attention of the Finance Officer to the fact that a certifying officer is relieved of responsibility only if final payment is made in accordance with an Audit Certificate or a Report of Review issued by an

auditor representative of this Division. This policy is set forth in Section 1 of DMEA Circular 19, Supplement No. 4 dated October 9, 1952.

Also, it is noted in this case, as well as others, that no amount was withheld from the payment of the final MF-104 to insure the rendition by the Operator of a final engineering and geological report. This, of course, is not the responsibility of an auditor and the issuance of a Report of Review or Audit Certificate should not be withheld for such reason (except in a very few instances where the contract specifically provides funds for such report preparation).

It is suggested, however, that you review the following references and then discuss them with the Executive Officer and the Finance Officer so that proper procedures may be instituted to protect the Government's interest:

(a) Operating Committee Memorandum No. 11, October 17, 1952 (Section 2, in particular)
(b) Operating Committee Memorandum No. 20, June 22, 1953
(c) Special Notice, Operating Committee Minutes No. 219, May 22, 1953 (paragraph 2)
(d) Special Notice, Operating Committee Minutes No. 374, September 30, 1955 (paragraphs 2 and 3)
(e) Article 5, Forms MF-200 and MF-200A, Revised June 1954 (clause starting with "Provided")

For this purpose two copies of this letter are being sent to Mr. Rieker.

As a matter of information in connection with this matter, the common practice of other DMEA regions is to withhold from $200 to $500 in the payment of a final MF-104 (or the last MF-104 submitted prior to a recess).

I further suggest that you discuss this matter with Mr. Chambers during his next week's visit to your office.

Sincerely yours,

(Signed) E. D. Talbert

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

EDTalbert/wb
August 29, 1956

Copy to: Docket
Admr. Reading File
Mr. Rieker (2)
Mr. Chambers
Mr. Martin

Tilbert says we do not have to answer. They will check refund when it comes up

File

S.J.H.
8/28/56

400

1605 Evans Avenue
Reno, Nevada

Aug. 24, 1956

Memorandum

To: Mr. Lloyd Sjolander, Finance Office, Region II

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3782 (Tungsten)
Apollo Mines, Inc., Assignee of
J. Noviack & T. F. Barnes
Saddle Mine, Humboldt County, Nevada

Owing to an error in the calculation of footage paid to the Operator covered by his MF-104, MF-104A forms for July, we are enclosing his check No. 126 on the Nevada Bank of Commerce for $874.31 to the order of the Defense Minerals Exploration Administration.

The actual total footage of advance of drift at the time of reaching objective and cessation of work was 363 feet at $31.50 per foot. The total cost, therefore, under the drifting item on MF-104A form should be $11,434.50.

This error was apparently caused somewhere along the line, on the assumption that the cost of the required timbering could be converted into drifting that had not been done. In the meantime, Mr. Mavor had been advised to complete the audit according to the July MF-104 form as presented by the Operator.

Very truly yours,

RECEIVED
AUG 27 1956

S. Ricker

Encl.

cc: Opr. Com., DMEA, Interior Bldg., Wash., D.C.

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

RECEIVED
AUG 1 0 1956

1605 Evans Avenue
Reno, Nevada

Aug. 8, 1956

Mr. J. Noviack
Box 532
Alturas, California

Re: Docket No. DMEA-3782 (Tungsten)
J. Noviack and J. F. Barnes
Saddle Mine
Humboldt County, Nevada
Contract No. Idm-E871

Dear Mr. Noviack:

Our engineer and geologist expect to make the final inspection of the above-referenced property on Tuesday, August 14. They will probably arrive at the Mine on Monday evening, August 13.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:ft
cc: Opr. Com., DMEA, Wash., D.C. (2)
Finance Off., Region II
R. M. Smith
Geo. Mavor
File

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
AUG - 8 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1956 Docket No. DMEA 3782 Contract No. IDM - E871
Operator's Name Apollo Mines, Inc. Minerals Tungsten
Address 304 Gazette Building, Reno, Nevada
Contract Amount, $ 14,520.00 Government Participation: 75% Amount, $ 10,890.00

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 - Blasting	0	312.50	312.50			
Bulldozing		1,225.00	1,225.00			
Crosscutting	2,457.	10,143.00	12,600.00			
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	0	25.00	25.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2,457.	11,705.50	14,162.50			

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

Date 20 July 1956 *Payee APOLLO MINES, INC.

Per [signature] Title Supervisor

*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:

$ 1842.75

Signature [signature]
(Authorized Certifying Officer)

Date AUG 2 1956 Vou. No. SF-Dmea-4

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E871 in accordance with the terms of the contract.

Signature Henry W. Jones Title Mining Engineer Date 7/24/56

Henry W. Jones

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Ricker Title Executive Officer Date 7/24/56

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.

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED
AUG - 8 1956

Month of July 1956 Docket No. DMEA _____ Contract No. Idm-E871
Operator's Name Apollo Mines, Inc. Minerals Tungsten
Address 304 Gazette Building, Reno, 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	Ft 78	2,457.	78	12,600.00	400	31.50	400	31.50
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping - Blasting	Tr 0	0	0	312.50	10	31.25	10	31.25
Trenching	Ar 0	0	0	1,225.00	98	12.59	98	12.50
Test Pits								
Roads and Trails								
Sampling	Sdg 0	0	0	25.00	5	25.00	64	5.00
TOTAL DISTRIBUTED COSTS		2,457.00	78	14,162.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,457.00	78	14,162.50				16,520.00

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 20 July, 1956 Operator Apollo Mines, Inc.

Per [signature] Title Supervisor

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

REMARKS:

(Instructions on reverse)

(For Government use only)

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

RECEIVED
AUG - 8 1956

OPERATORS' NARRATIVE REPORT

- for -

JULY, 1956

The Apollo Mines, Inc. has completed 400 feet of drifting at the Saddle Tungsten Mine.

The mineralized zone was cut in three places. The zone appears to be approximately 12 feet thick and intermittent along the contact. The scheelite is scattered and contains considerable molybdenum. The zone is not commercial at present day prices.

The drift definitely reached our objective (see map). We intersected the mineralization below the open cut from which the original shipments were made. The Aplite Dike (and the quartz vein) were intersected.

To make sure we were not paralleling a zone of commercial scheelite, we diamond drilled on our own account (see map). This drilling proved we were on the same zone. What map?

SUMMARY AND CONCLUSIONS

The drifting proved the contact to be mineralized to the depth of the level. Heavy shearing and faulting scatters the mineralization. Therefore, even though impressive in size, and persistent to depth, the zone is not commercial.

COPY

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

RECEIVED
JUL 6 - 1956

1605 Evans Avenue
Reno, Nevada

July 3, 1956

Apollo Mines, Inc.
c/o Bible and McDonald
Gazette Bldg.
Reno, Nevada

Re: Docket No. DMEA-3782 (Tungsten)
Apollo Mines, Inc., assignee of
J. Noviak & J. F. Barnes
Saddle Mine, Humboldt County, Nevada
Contract No. Idm-E871

Gentlemen:

Amendment No. 1 of referenced contract required the Operator to resume work not later than May 1, 1956. Since resumption of operations was delayed by storm conditions, this will serve as official notice that the Government will not declare the Operator in default on account of delay in resumption of operations until May 14, 1956.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:gh
cc: Opr. Com., DMEA, Wash., D.C.
Finance Off., Reg. II
Geo. Mavor
R. M. Smith
File

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

Budget Bureau No. 42-R1036.5

RECEIVED JUL 25 1956

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

Month of June, 1956 Docket No. DMEA 3782 Contract No. Idm-E871
Operator's Name Apollo Mines, Inc Minerals Tungsten
Address 304 Gazette Building, Reno, Nevada
Contract Amount, $14,520.00 Government Participation: 75% Amount, $ 10,890.00

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 Blasting	0	312.50	312.50			
Bulldozing	0	1,225.00	1,225.00			
Crosscutting						
Drifting	6,583.50	3,559.50	10,143.00			
(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	0	25.00	25.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	6,583.50	5,122.00	11,705.50			

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

Date June 20 1956 *Payee APOLLO MINES, INC.

Per John H. Whalde Title Supervisor

*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:

$ 4937 63

Signature [illegible] (Authorized Certifying Officer)

Date [illegible] Vou. No. SF-Dm ca-1

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E871 in accordance with the terms of the contract.

Signature Henry W. Jones Title Mining Engineer Date 7/2/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Ricker Title Executive Officer Date 7/2/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DMEA MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED JUL 25 1956

Month of June 195 6 Docket No. DMEA 3782 Contract No. Idm-E871

Operator's Name Apollo Mines, Inc. Minerals Tungsten

Address 304 Gazette Building, Reno, 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	ft 209	6,583.50	209	10,143.00	322	31.50	400	31.50
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping & Blasting	trench	0	0	312.50	10	31.25	10	31.26
Trenching	hr 0	0	0	1,225.00	98	12.50	98	12.50
Test Pits								
Roads and Trails								
Sampling	sample	0	0	25.00	5	25.00	64	5.00
TOTAL DISTRIBUTED COSTS		6,583.50	209	11,705.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		6,583.50	209	11,705.50				14,520.00

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 June 20, 1956 Operator APOLLO MINES, INC.

Per John H. Wheeldon Title Supervisor

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

RECEIVED
JUL 25 1956

OPERATORS' NARRATIVE REPORT

- for -

JUNE, 1956

THE APOLLO MINES, INC. completed 209 feet of drifting at the SADDLE TUNGSTEN MINE. The granite-lime contact was followed for some 57 feet. Heavy faulting shifted the contact and the drift cut 80 feet of granite.

The heading came back to the main granite-lime contact.

We followed this contact for 53 feet when we intersected a reverse fault. After penetrating the reverse fault, the ground appears more in place and we are getting occasional scheelite mineralization.

No unusual circumstances were encountered in the work.

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

140

Indritz
Dwyer 6/26/56
Martin
Chambers
Selfridge
Kipnis
Mattuedorf

JUN 29 1956

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

Re: Docket No. DMEA-3782 (Tungsten)
Apollo Mines, Inc., assignee of
J. Novisk & J. F. Barnes
Saddle Mine, Humboldt County, Nevada
Contract No. Idm-2871

Dear Mr. Ricker:

Your May 1956 Region II report for the project mentioned above states: "Operations were started on the second phase of the contract May 14. Storm conditions delayed the start of operations."

Amendment No. 1 of the contract required the Operator to resume work not later than May 1, 1956. However, since the resumption of operations was delayed by storm conditions, the Government will not declare the Operator in default on account of the delay to May 14. It would be appreciated if you would please so advise the Operator.

Sincerely yours,

George C. Selfridge

APPROVED:

Chairman, Operating Committee (GCS)

P. F. Yopes (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

WS Martin/
PIndritz/wog 6/26/56
Copy to: DMEA Docket
Adm. Reading File
Operating Com.
THKiilsgaard, USGS
RWHolliday, USBM
WSMartin
RPDwyer
PIndritz
Pending
Chron.

R.C.

June 19, 1956

Re: DMEA 3782, Noviack & Barnes

Amend. 1 suspended work from 11/6/55 to May 1, 1956. The Region 2 monthly report for May indicated that work was resumed on May 14 under this contract----wherefore, Operator did not meet requirements of Amendment No. 1. So should FT amendment the amendment, er what???

ls

Martin

Re: Docket No. DMEA-3782, Tungsten
Apollo Mines, Inc., assignee of
Noviack & Barnes
Saddle Mine, Humboldt Co., Nevada
Contract No. Idm-E871

Dear Mr. Ricker:

~~According to~~ Your May 1956 Region II report for the ~~subject~~ mentioned above project states: "Operations were started on the second phase of the contract May 14. Storm conditions delayed the start of operations."

~~Please advise the Operator that his resumption of work on May 14, 1956, constitutes substantial compliance with the intent of Amendment~~ Amendment No. 1 of the ~~subject~~ contract required the Operator to resume work not later than May 1, 1956. However, since delayed by storm conditions, ~~which delayed~~ the resumption of operations was the Government will not declare the Operator in default on account of the delay to May 14. It would be appreciated if you would please so advise the Operator.

~~Sincerely yours,~~

~~Chairman, Operating Committee~~

WSMartin/ls
6/20/56

Sincerely yours
Chrmn, Op. Comm

RECEIVED
JUN 21 1956
ASSOC. SOLICITOR
MINERAL RESOURCES

RECEIVED
JUN 21 1956

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 6/19/56

Memorandum

To: Operating Committee, DMEA, Interior Bldg., Wash., D.C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Interim Inspection Report

Attached are four copies of Interim Report on

Docket No. DMEA-3782

Contract No. Idm-E871

Commodity Tungsten

Operator Apollo Mines, Inc.

Property Saddle Mine, Humboldt County, Nevada

By R. G. Reeves, USGS
Henry W. Jones, USBM

Dated 6/19/56

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

INTERIM REPORT

DMEA-3782 (Tungsten) June 19, 1956
Apollo Mines, Inc. Assignee of J. Noviack and J. F. Barnes
Saddle Mine
Humboldt County, Nevada
Contract No. Idm-E871

RECEIVED
JUN 21 1956

The Saddle Mine was visited June 5, 1956 to inspect the work completed under Stage II of the contract.

The applicants and the Apollo Mines, Inc., a Nevada corporation, drew up an agreement of lease and option, dated March 1, 1956 in which the DMEA loan was reassigned. The Stage II part of the work is under the continued supervision of John H. Uhalde of Reno, Nevada.

The second stage started May 14, 1956 as soon as weather conditions permitted from a previously picked adit portal site at the No. 10 trench. The adit was advanced 126 feet N. 49° E in unconsolidated tactite material paralleling the contact (Figs. I-1 and I-2). Timber was required from the portal for 20 feet and from 49 feet to the face. The scheelite -bearing tactite was first encountered in the hanging wall of a fault that strikes N 65° E and dips 65° N (Fig. I-2) about 20 feet from the portal. Cross fractures containing one inch of gouge or less, spaced 2 to 5 feet apart, striking N 65° W and dipping 80° N, appear to have controlled the mineralization. A prominent N 45° W fault, dipping 80° SW and having 2 to 3 feet of gouge, offsets the contact. No scheelite has been found northeast of this fault.

Three samples were taken of the mineralized section, but results of assays are not yet available.

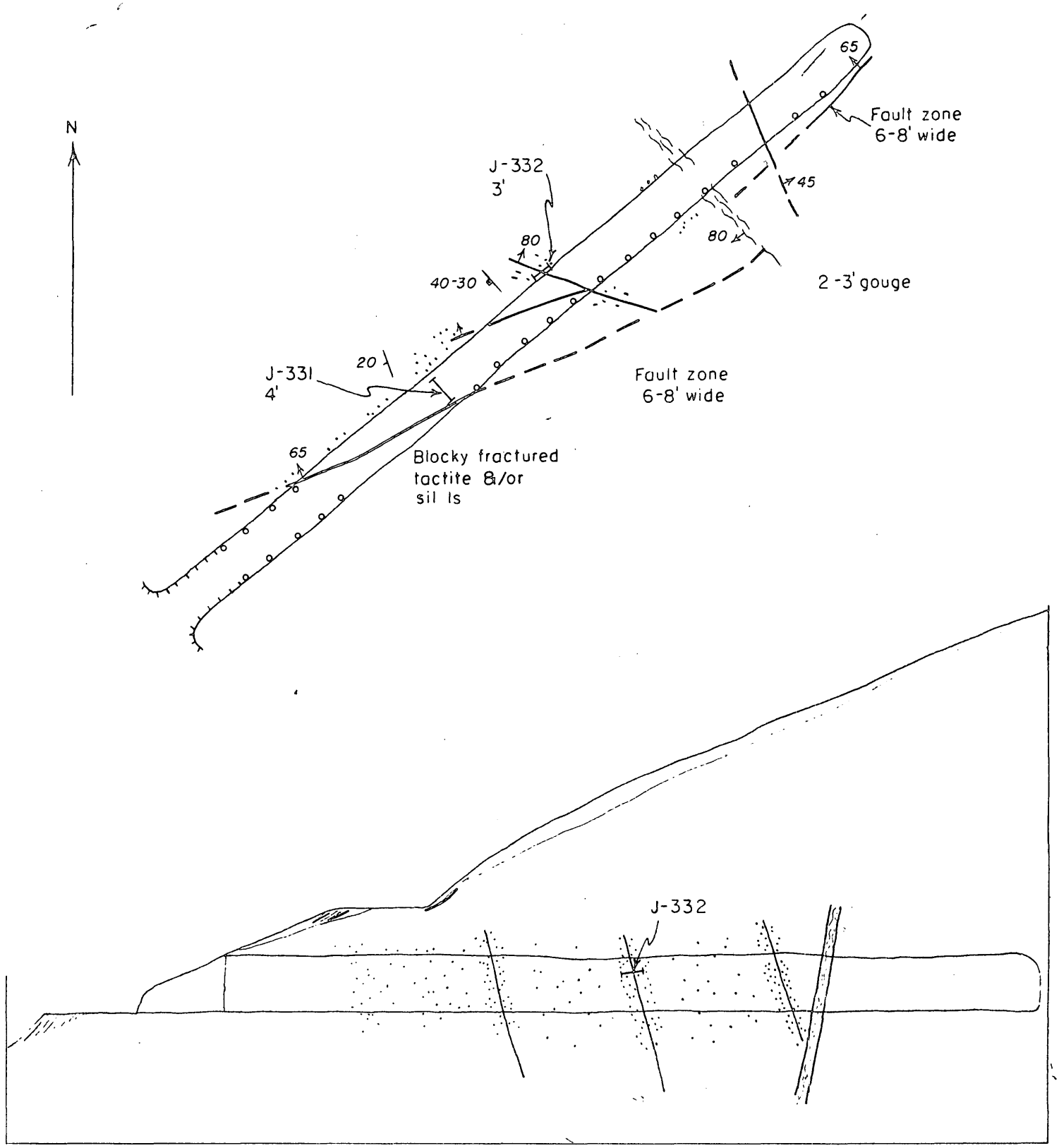
According to the operator, the next round following the inspection was in granite. This indicates an offset in the contact between the metasedimentary rocks and granite to the south or an apophysis of granite cutting into the metasedimentary rocks. Both variations in direction of the main contact and apophysis are common where the contact is well exposed, several hundred feet farther east. It was agreed by the field team and the operator that the adit direction should be changed to follow the contact.

R. G. Reeves
U. S. Geological Survey

Henry W. Jones
U. S. Bureau of Mines

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3782
Idm E-871
(TUNGSTEN)



SECTION THROUGH EXPLORATION ADIT

SADDLE TUNGSTEN MINE, HUMBOLDT COUNTY, NEVADA

20 0 20 40 Feet

Figure I-2

RECEIVED
JUN 21 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Memorandum

1605 Evans Avenue
Reno, Nevada

Date: 6/26/56

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 report(s) have been audited and passed to the Treasury for payment.

Contract No.	Operator	Report Dated	Period Covered
Idm-E871 DMEA-3782	Apollo Mines, Inc.	6/4/56	May 1956

RECEIVED
JUN 28 1956

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

Attach.

cc: Regional Office
R. M. Smith
File

Form [redacted]F-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

JUN 28 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May 1956 Docket No. DMEA 3782 Contract No. Idm E871
Operator's Name Apollo Mines, Inc. Minerals Tungsten
Address 304 Gazette Building, Reno, Nev
Contract Amount, $ 14,520.00 Government Participation 75 % Amount, $ 10,890.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
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Explosives						
Pipe						
Track						
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(5) Initial Rehabilitation and Repairs						
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(7) Miscellaneous:						
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Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3,559.50	1,562.50	5,122.00			

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

Date June 4, 1956 Payee APOLLO MINES, INC.

Per John H. Whalde Title Supervisor

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RECEIVED JUN 28 1956

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(Instructions on reverse)

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

$ 2669.62

Lloyd H. Sjolander
Authorized Certifying Officer

Signature (Authorized Certifying Officer)

JUN 22 1956

Date Vou. No. SF-DMEA-37

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E871 in accordance with the terms of the contract.

Signature Henry W. Jones Title Mining Engineer Date 6/7/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Roscoe M. Smith Title Acting Executive Officer Date 6/7/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1956 Docket No. DMEA 3782 Contract No. Idm-E871
Operator's Name Apollo Mines, Inc. Minerals Tungsten
Address 304 Gazette Building, Reno, 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	113	3559.50	113	3559.50	113	31.50	400	31.50
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping - Blasting	0	0	0	312.50	10	31.25	10	31.25
Trenching	0	0	0	1,225.00	98	12.50	98	12.50
Test Pits								
Roads and Trails								
Sampling	0	0	0	25.00	5	25.00	64	5.00
Total Distributed Costs		3559.50	113	5,122.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		3559.50	113	5,122.00				14,520.00

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 June 4, 1956 Operator APOLLO MINES, INC.

Per John H. Wheeler Title Supervisor

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

OPERATORS' NARRATIVE REPORT
for
MAY, 1956

The Apollo Mines, Inc. completed 113 feet of drifting on the contact at the Saddle Tungsten Mine.

At seventy (70) feet, the main contact was intersected. Scheelite-bearing tactite was exposed along the contact a distance of 15 feet, when the contact broke to the west of the drift heading.

Samples were sent on the mineralized zone. From lampings, the scheelite appears to be about 6' thick and commercial in grade.

Cross faulting, dipping to the west caused the shifting of the contact out of the present face, a temporary and expected occurrence.

This faulting requires heavy timbering.

No unusual circumstances were encountered in the work.

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

RECEIVED
APR 16 1956

1605 Evans Avenue
Reno, Nevada

April 13, 1956

Apollo Mines, Inc.
c/o Bible and McDonald
Gazette Bldg.
Reno, Nevada

Re: Docket No. DMEA-3782 (Tungsten)
Apollo Mines Inc., assignee of
J. Noviak & J. F. Barnes
Saddle Mines, Humboldt Co., Nevada
Contract No. Idm-E871

Gentlemen:

This will confirm the Government's verbal approval to your Mr. John Uhalde to proceed with Stage II of referenced contract as set forth in Exhibit "A" attached to said contract.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:gh
cc: Opr. Com., DMEA, Wash., D. C.
Geo. Mavor
Finance Off., Reg. II
R. M. Smith
File

DMEA

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

RECEIVED
APR 16 1956

1605 Evans Avenue
Reno, Nevada

April 13, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3782 (Tungsten)
Apollo Mines, Inc., assignee of
J. Noviak & J. F. Barnes
Saddle Mine, Humboldt County, Nevada
Contract No. Idm-E871

Reference is made to your letter of March 1, 1956 relative to subject contract.

Attached are three copies of Agreement which I trust are in order and will replace the Operator's original "Letter of Intent".

S. Ricker

Attach.

4-18-56 Legal says okay
Copies returned to Miss Curlin
as per Request.

3782

A G R E E M E N T

THIS AGREEMENT, made and entered into this 1st day of March, 1956 by and between J. NOVIACK and FRED BARNES hereinafter called parties of the first part and APOLLO MINES, INC., a Nevada corporation, hereinafter called parties of the second part.

W I T N E S S E T H:

WHEREAS, the parties of the first part are the owners of certain unpatented mining claims known as Saddle No. 1 to No. 5 inclusive, located in Humboldt County, State of Nevada, approximately 90 miles northwest of Winnemucca, Nevada, and

WHEREAS, the parties of the second part are desirous of entering into a lease and option to purchase the said claims.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

1. That the parties of the second part will pay as a purchase price for the claims hereinabove referred to the sum of $150,000.00 to be payable as follows:

a). $200.00 per month payable not later than the first day of each and every month commencing with the first day of October, 1955, plus 10% of the net smelter returns and/or 10% of any mill returns less the milling and trucking charges. It being understood that the $200.00 per month and the 10% from ore shipments are to be paid for a period of ten years commencing on the first day of October, 1955, and is to be included as payments on the purchase price and in the event the party of the second part determine at that time to conduct mining operation, they will then pay to the party of the first part the sum of $10,000.00 per year, less any royalties paid, until the lease and option to purchase is fully paid, satisfied, and discharged.

BIBLE & McDONALD
ATTORNEYS AT LAW
GAZETTE BUILDING
RENO, NEVADA

2. It is further understood and agreed by the parties hereto that the parties of the first part have assigned to the party of the second part a DMEA Loan, Docket No. 3782, Contract No. Idm-E-871, the amount of approximately $15,000.00, said assignment heretofore being approved by the DMEA; the above referred to loan is to be considered by the parties concerned to be in two parts:

a). Approximately $1500.00 which has heretofore been allocated for the purpose of stripping certain areas on the claims with a bulldozer and the balance of approximately $13,000.00 to be used to accomplish a 400 foot drift which is phase 2;

The party of the second part as the assignee of said assignment will be the recipient of any monies reimbursed for the DMEA's participation in said loan.

3. It is understood and agreed by the parties hereto that in the event the DMEA are of the opinion that further expenditures, after the drift has been accomplished, would not be justified, the party of the second part will have the option to consider this agreement null and void with no further obligation on their part of make any further payments to the parties of the first part. Any monies paid to the parties of the first part prior to that time will be retained by them as and for rental, but any monies paid as a result of the DMEA's participation in said loan shall be retained by the parties of the second part.

4. That in the event John H. Uhalde, the Engineer and Superintendent for Apollo Mines, Inc. determines that the party of the second part should not proceed any further after the tunnel project has been completed, the party of the second part shall give the parties of the first part a written notice terminating this agreement, without obligation, and can at that time remove any and all machinery and/or equipment that they may have installed on the premises, save and except any equipment, such as rails, pipe, timber in

BIBLE & McDONALD
ATTORNEYS AT LAW
GAZETTE BUILDING
RENO, NEVADA

place that may become subject to the distribution and under the control of DMEA for disposal. The parties of the first part shall retain as rental all money paid them pursuant to the contract.

5. That the party of the second part will carry all necessary industrial accident insurance and any other liabilities contingent to a mining operation and save harmless the parties of the first part from any liability of any kind whatsoever.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement the day and year first above written.

J. NOVIACK

FRED BARNES

Parties of the first part.

APOLLO MINES, INC., a Nevada corporation

BY

BIBLE & McDONALD
ATTORNEYS AT LAW
GAZETTE BUILDING
RENO, NEVADA

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

RECEIVED
MAR 19 1956

1605 Evans Avenue
Reno, Nevada

March 16, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3782 (Tungsten)
Apollo Mines, Inc., Assignee of
J. Noviack and J. F. Barnes
Saddle Mine
Humboldt County, Nevada
Contract No. Idm-E871

Reference is made to your letter of March 1, 1956 relative to an amendment to subject contract.

Attached are the original and two copies of amendment No. 1 in which operations are suspended from November 6, 1955, ending not later than May 1, 1956, and completion of work extended to September 1, 1956. The remaining copies have been distributed in the usual manner.

S. Ricker

Attach.

BUREAU OF MINES
WASHINGTON, D. C.

MAR 19 8 39 AM '56

Form 6-95

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REFERENCE SLIP

DATE 3/7/56

REFERRED TO:

1. DMEA, Wash., D.C.
2.
3.
4.

FOR:

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

Dont destroy

REMARKS: Docket No. DMEA-3782 (Tungsten Contract No. Idm-E871 Apollo Mines, Inc. Please destroy copies of letter dated March 6 on the above subject.

Check (X) before the items needing attention.

SRicker *Initials of sender.*

GPO 16—51162-1

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

RECEIVED
MAR 12 1956

1605 Evans Avenue
Reno, Nevada

March 7, 1956

Apollo Mines, Inc.,
c/o Bible and McDonald
Gazette Bldg.
Reno, Nevada

Re: Docket No. DMEA-3782 (Tungsten)
Apollo Mines, Inc., Assignee of
J. Noviack & J. F. Barnes
Saddle Mine, Humboldt County, Nevada
Contract No. Idm-E871

Gentlemen:

We are enclosing the original and five copies of a proposed Amendment No. 1 to above referenced exploration contract signed by the Executive Officer, Defense Minerals Exploration Administration, Region II, for the Government.

If the terms and conditions of the proposed amendment are satisfactory to you, all six copies should be signed by your firm. The copy marked "Operator's Copy" should be retained by you, and the original and the other four copies should be returned to this office.

If any part of this amendment does not meet with your approval, the original and all copies should be returned to this office with your suggested changes.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

Encl.
SRicker:gh

cc: Opr. Com., DMEA, Wash., D.C.
Finance Off., Reg. II
R. M. Smith
Geo. Mavor
File

BUREAU OF MINES
WASHINGTON, D. C.
MAR 9 1 24 PM '56

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

1605 Evans Avenue
Reno, Nevada

March 6, 1956

J. Noviack and J. F. Barnes
c/o Bible and McDonald
Appollo Mines, Inc.
Gazette Bldg.
Reno, Nevada

Re: Docket No. DMEA-3782 (Tungsten)
J. Noviack & J. F. Barnes
Saddle Mine
Humboldt County, Nevada
Contract No. Idm-E871

Dear Mr. Noviack:

We are enclosing the original and five copies of a proposed Amendment No. 1 to above referenced exploration contract signed by the Executive Officer, Defense Minerals Exploration Administration, Region II, for the Government.

If the terms and conditions of the proposed amendment are satisfactory to you, all six copies should be signed by your firm. The copy marked "Operator's Copy" should be retained by you, and the original and the other four copies should be returned to this office.

If any part of this amendment does not meet with your approval, the original and all copies should be returned to this office with your suggested changes.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

Encl.
SRicker:gh

cc: Opr. Com., DMEA, Wash., D.C.
Finance Off., Reg. II
Geo. Mavor
R. M. Smith
File

DOCKET
SURNAME

Holt
Newton
Selfridge
Yopes
Kiilsgaard

400

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

MAR - 1 1956

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

Re: Docket No. DMEA 3782 - Tungsten
J. Noviack and J. F. Barnes
Saddle Mine
Humboldt County, Nevada
Contract No. Idm-E871

Dear Mr. Ricker:

Reference is made to your letter of January 26, 1956, transmitting signed copies of a proposed assignment of subject contract, and to your letter of November 16, 1955, advising the Operator that his "Letter of Intent", dated October 5, 1955, should be replaced by a further and more detailed contract.

Unless you have already received this contract, please again request that the Operator submit it.

We considered asking what action you had taken on the recommendation in Mr. Jones' Interim Inspection Report of December 15, 1955, that the beginning of Stage II work on the above subject be authorized. We note, however, from your January 1956 report on DMEA activities in Region II, that work on the subject project has been suspended and will be resumed in the Spring of 1956, and assume that the matter of authorization for Stage II work will be taken care of before that time.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JB)

APPROVED:

P. F. Yopes (JB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JB)
Member, Geological Survey

SPHOLT:fec 2/28/56
cc to: Docket
Code 400
Adm. Read. File
Operating Comm.
FT. REG. II
Messrs. R. W. Holliday, USBM
Thor H. Kiilsgaard, USGS

P.S. Please determine the starting date and duration of the work suspension, and prepare an amendment allowing such recess. If the recess lasts so long that an extension of the royalty period is appropriate, the amendment will be prepared here for your signature upon advice from you.

P.G.S.

Hold this a while longer, give the F.T. a chance to get in rebuttal.

from Holliday B. of M.
1.16.56 Rec. memo dated 1.11.56, approves and stops.

S.
1.13.56

$\frac{200 \times 20 \times 3}{10}$ 600

200

$\frac{80 \times 4 \times 2}{10}$ 640

320

$\frac{150 \times 60 \times 3}{10}$ 2700

2

1700

900

1500

$\frac{400 \times 50 \times 5}{10}$ 10000

5000

5000

1520

2) 6100

3050

31,500 %
20,01

315

2,830

173
648

173

1944
2592

27864

31,500) 27864.0 (9
3

31,500 × 0.8 = 2520

189000

S P H
1.13.56

D R A F T

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

Re: Docket No. DMEA 3782 - Tungsten
J. Noviack and J. F. Barnes
Saddle Mine
Humboldt County, Nevada

Dear Mr. Ricker:

Reference is made to Henry W. Jones' Interim Inspection Report, dated December 15, 1955, on the above-subject property.

In that report Mr. Jones states that further exploration is warranted by the results of Stage I work, and recommends that driving of the 400 foot adit, allowed in Stage II of the contract, be authorized. He also recommends that payment for 900 feet of trenching (Stage I) be allowed.

Review of files here does not indicate what action has been taken on the above recommendations, nor do we have any MF-104 reports showing progress on the project.

Information as to the present status of this contract will be appreciated.

Sincerely yours,

APPROVED:

Chairman, Operating Committee

Member, Bureau of Mines

Member, Geological Survey

Not used, see Region II Monthly Report Jan. 1956, p. 31 Docket No. 3782

S.P.H. 2.10.56

R 2n Ea

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

RECEIVED
JAN 30 1956

1605 Evans Avenue
Reno, Nevada

January 26, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3782 (Tungsten)
J. Noviack and J. F. Barnes
Saddle Mine
Humboldt County, Nevada
Contract No. Idm-E871

Reference is made to your letter of November 7, 1955 in which you transmitted the original and 6 copies of a proposed assignment of subject contract and to your letter January 4, 1956 requesting information on status of assignment.

The assignment has been executed by the Operator and the original and two copies are being returned herewith. The remaining copies have been distributed in the customary manner.

We have not yet received the final contract replacing the Letter of Intent with the Operator-Assignor.

S. Ricker

Encl.

BUREAU OF MINES
WASHINGTON, D. C.
JAN 30 9 53 AM '56

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

January 11, 1956

WSay

Memorandum

To: Chief, Iron & Ferroalloys Division-DMEA
Through: Chief, Branch of Ferrous Metals & Ferroalloys

From: Commodity Specialist-Tungsten

Subject: Interim Report
Docket No. DMEA-3782
Saddle Mine
Leonard Creek Area
Humboldt County, Nevada
J. Noviack and J. F. Barnes
1395 Mark Twain Avenue
Reno, Nevada
$14,600-Tungsten

Only retained ...

Subject report recommends that on the basis of Stage I results, Stage II of the program be approved and drifting start from a point just below the road at No. 3 outcrop.

Although mineralization appears to be somewhat spotty, there appears to be sufficient favorable evidence to justify Stage II.

I concur with the recommendation of the Field Team examiners that Stage II be authorized

R W Holliday
R. W. Holliday

Copy to: Mr. Geehan
Mr. Holliday
Docket No. 3782 file
F I L E S

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

1605 Evans Avenue
Reno, Nevada

January 11, 1956

J. Noviack & J. F. Barnes
c/o Bible and McDonald
Appollo Mines, Inc.
Gazette Bldg.
Reno, Nevada

Re: Docket No. DMEA-3782 (Tungsten)
J. Noviack & J. F. Barnes
Saddle Mine
Humboldt County, Nevada
Contract No. Idm-E871

Dear Mr. Noviack:

Reference is made to our letter of November 16, 1955 in which we enclosed the original and 6 copies of a proposed assignment of contract by the above referenced operators to the Appollo Mines, Inc.

Will you please return all copies of the assignment agreement whether executed or not at your earliest convenience. We would also appreciate having copies of the final contract replacing the "Letter of Intent" between the Assignor and Assignee.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:gh
cc: Opr. Com., DMEA, Wash., D. C.
Finance Office, Reg. II
Geo. Mavor
R. O., Reg. Ox II
R. M. Smith
File

400

Holt
Martin
Selfridge
Johnson
Mittenberg

JAN 4 1956

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

Re: Docket No. DMEA 3782 - Tungsten
J. Noviack and J. F. Barnes
Saddle Mine
Humboldt County, Nevada
Contract No. Idm-8871

Dear Mr. Ricker:

Reference is made to the subject docket, our letter to you of November 7, 1955, transmitting six copies of a proposed assignment of contract by the above-referenced Operator, and your letter of November 16, 1955, forwarding the agreement to the Operator.

Unless you have already received a reply from the Operator, please again request the return of all copies of the agreement, whether signed or not signed. The Operator should also be reminded that we require copies of the final contract replacing his "Letter of Intent" with the Operator-Assignor.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

APPROVED:

/s/ Robert W. Geehem (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

SPHOLT:foc 1-3-56
cc to: Docket
Code 400
Adm. Read. File
Operating Comm.
FT. REG. II
Messrs. Holliday, USBM
Kiilsgaard, USGS

DMEA

RECEIVED
DEC 23 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 12/20/55

Memorandum

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 3782

Contract Idm-E 871

Commodity Tungsten

Operator - J. Noviack and J. F. Barnes

Property - Saddle Mine, Humboldt Co., Nev.

By Henry W. Jones

Dated 12/15/55

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

RECEIVED
DEC 23 1955

INTERIM REPORT

Docket No.: DMEA-3782 December 15, 1955

Name and location of property: Saddle Mine
Leonard Creek Area
Humboldt County, Nevada

Name and address of operator: J. Noviack and J. F. Barnes (partners)
1395 Mark Twain Avenue
Reno, Nevada

Contract No.: Idm-E871

The Saddle tungsten property was examined on November 9, 1955, accompanied by J. Noviack and F. W. Barnes, to evaluate the results of Stage I surface trenching and, if warranted by Stage I results, to select the portal site and bearing of the Stage II adit.

Further exploration is warranted by the results of Stage I trenching. It is, therefore, recommended that the 400-foot adit, allowed for in Stage II, be authorized. The suggested location of the adit portal and the adit bearing is shown in figure 1.

Stage I called for 12 trenches spaced 75 feet apart and aggregating 900 feet in length. Only 10 trenches were completed; however, the total length of the completed trenches is over 1500 feet, and it is recommended that payment for 900 feet of trenching be allowed. Completion of the two omitted trenches would not materially increase the information about the deposit.

Scheelite-bearing tactite was cut in 6 of the 10 trenches. The scheelite-bearing tactite exposed in trench 5 is about 5 feet wide and contains 0.30 percent WO_3; that in trench 10 is also about 5 feet wide and contains 0.32 percent WO_3. Material exposed in trench 3 assayed less than 0.01 percent WO_3, and that in trench 7 assayed 0.06 percent WO_3. Material exposed in trenches 2 and 11 were not sampled because of narrow widths and apparent low grade when lamped. The scheelite-bearing tactite zones trend northeast and are offset by several faults with displacements up to 150 feet. At least two parallel zones occur in the northeastern part of the deposit, between No. 1 and No. 2 bodies. One main zone occurs between No. 2 and No. 3 bodies.

Remnants of a basic flow or sill that overlie the sedimentary rocks were cut in the southeastern part of trench 7; trenches 9 and 12 were all in the basic flow or sill rock.

The trenching resulted in modification of the geologic map. The contact between the granitic and sedimentary rocks is farther northwest. The contact is irregular in detail, and tongues and isolated masses of granite crop out several hundred feet southeast of the inferred location of the contact.

Results of samples are as follows:

Sample No.	Description	%, WO_3
BM-272	2 feet across mineralized zone, trench 3	0.01*

Sample No.	Description	%, WO_3
BM-273	5 feet across mineralized zone trench 5	0.30
BM-274	3 feet across mineralized zone, trench 7	0.06
BM-275	5 feet across mineralized zone, trench 10	0.32
BM-225	1.5 feet across mineralized zone in small cut near trench 7	1.74

R. G. Reeves
Geologist

Henry W. Jones
Mining Engineer

12-6-55

Hold till we see what happens to the MP 104. The work completed seems "to constitute substantial compliance with the contract" and if an amendment is required we could concur

3782

ACTION ON EXAMINER'S
OR FINAL FIELD TEAM REPORT

Date 11-28

Referred to:

4. ~~1. Mr. Mittendorf~~
~~2. Mr. Johnson~~
~~3. Mr. Chambers~~
5. ~~4. Docket Control Mails and Files~~
6. ~~5. Gen Tens Affairs~~ Division
7. ~~6.~~ Docket Control Mails and Files

Note comments in report regarding:

1. Possible assessment needed to pay for
2. all of Stage I
3. Open positions changed.
4.

and take appropriate action.

- - - - -

Action taken by Division:

Initials

2 In Ea

RECEIVED
NOV 28 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 11-23-55

Memorandum

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 ~~3637~~ 3782

Contract Idm-E 871

Commodity Tungsten

Operator - J. Noviack and J. F. Barnes

Property - Saddle Mine, Humboldt Co., Nev.

By Henry W. Jones

Dated 11/22/55

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

BUREAU OF MINES
WASHINGTON, D. C.
Nov 28 9 55 AM '55

RECEIVED
NOV 28 1955

INTERIM REPORT

Docket No. : DMEA-~~637~~ 782 (Tungsten) November 22, 1955

Name and address of operator: J. Noviack and J. F. Barnes (partners)
1395 Mark Twain Avenue
Reno, Nevada

Name and location of property: Saddle Mine
Leanord Creek Area
Humboldt County, Nevada

Contract No.: Idm-E871

As the bulldozing operations, comprising the Stage I part of the contract was completed November 9, 1955, an examination of the Saddle Mine was made by H. W. Jones, Bureau of Mines and R. G. Reeves, Geological Survey on November 9 and 10.

Bulldozing on Trench 1 had started October 23, 1955, using a D-8 Cat with a blade router. An attempt was made to use smaller bulldozer with an angle blade but mechanical difficulties forced work to be completed with the larger, straight blade Cat. Ten trenches were excavated for an aggregate length of 1,641 feet along the previously marked trench sites, or 741 feet in excess of that required under the contract terms. Average depth of the uphill side of the trench was 3.5 feet.

Trench 6 and Trench 8 were not excavated because more pertinent data was obtained by deepening the existing trenches.

As a result of bulldozer work, favorable scheelite showings were noted in Trenches 3, 4, 5, 7 and 10, indicating a relatively definite

mineralized zone along the strike of the structure.

Inasmuch as an excess amount of bulldozer work was completed and satisfactory results obtained without work being done on Trenches 6 and 8, payment should be made to the full amount on the Stage 1 bulldozing, or $1,225.00.

It is recommended that Stage II part of the program be approved and drifting start from a mutually agreed on point just below the road at No. 3 outcrop.

Four samples were taken by the field team of scheelite showings exposed by the trenches. Assay results have not yet been received.

Henry W. Jones

Henry W. Jones
Mining Engineer

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

RECEIVED
NOV 18 1955

1605 Evans Avenue
Reno, Nevada

November 16, 1955

J. Noviack and J. F. Barnes
c/o Bible and McDonald
Appollo Mines, Inc.
Gazette Bldg.,
Reno, Nevada

Re: Docket No. DMEA-3782 (Tungsten)
J. Noviack and J. F. Barnes
Saddle Mine
Humboldt County, Nevada
Contract No. Idm-E871

Dear Mr. Noviack:

Enclosed are the original and 6 copies of a proposed assignment of contract by the above referenced operators to the Appollo Mines, Inc. with the Government's consent clause signed by the Administrator for the Government.

If the terms and conditions of this proposed assignment are satisfactory to you and the Assignor, all copies should be signed and the original and four copies should be returned to this office. The Assignee and Assignor copies are for your files.

If any part of the proposed assignment does not have either your approval or that of the Assignor, the original and all six copies should be returned to this office with your suggested changes.

The Assignee's present interest in the land is based upon a letter agreement ("Letter of Intent") dated October 5, 1955, with the Operator-Assignor. This agreement provides that the parties will reduce their understanding to a further and more detailed contract. Accordingly, a copy of such agreement should be furnished to the Government, for legal review when such agreement is executed.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

cc: Opr. Committee, DMEA
Wash., DC
Finance Off, Reg. II
Geo. Mavor, Auditor, DMEA
R. M. Smith
H. C. Miller
File

SRicker:gh

Encl.

DOCKET
400 SURNAME
Holt
Martin
Talbot
Kilsgaard
Holliday
Selfridge
Johnson

NOV - 7 1955

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

Re: Assignment of Contract
Docket No. DMEA 3782 - Tungsten
J. Novinck and J. F. Burnes
Saddle Mine
Humboldt County, Nevada
Contract No. Idm-8571

Dear Mr. Richer:

Enclosed are the original and 6 copies of a proposed assignment of contract by the above-referenced operators, with the Government's Consent clause signed by the Administrator for the Government. Two extra copies of the assignment are enclosed for the use of the Field Team.

If the terms and conditions of this proposed assignment are satisfactory to you, the Assignor-Operator, and the Assignee, all copies should be signed and the usual distribution made.

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

It should be noted that the Assignee's present interest in the land is based upon a letter agreement ("Letter of Intent") dated October 5, 1955, with the Operator-Assignor. This agreement provides that the parties will reduce their understanding to a further and more detailed final contract. Accordingly, a copy of such agreement should be furnished to the Government, for legal review when such agreement is executed; however, the Government's consent to the assignment should not be conditioned upon the prior receipt of said final contract.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosure

APPROVED:

/s/ Robert W. Gechen

Bureau of Mines

Ivor H. Kilsgaard

Geological Survey

cc: Operating Comm.
FT. REG. II
Messrs. Holliday, USBM
Kilsgaard, USGS

SPHOLT:fec
cc to: Docket
Code 400
Adm. Read. File

11/4/55

R.C.S.

Rutm

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

NOV - 2 1955

Memorandum

To: The Administrator, DMEA
Attention: Chief, Iron and Ferro-Alloys Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Preparation of Assignment
Docket No. DMEA-3782 (Tungsten)
J. Noviakk and J. F. Barnes

As requested in Mr. Martin's memorandum dated October 25, we have prepared the attached assignment of contract.

It was noted that the Assignee's present interest in the land is based upon a letter agreement ("letter of intent") dated October 5, 1955, with the Operator-Assignor. This agreement provides that the parties will reduce their understanding to a further and more detailed final contract. Accordingly, a copy of such agreement should be furnished to the Government, for legal review, when such agreement is executed; however, the Government's consent to the assignment should not be conditioned upon the prior receipt of said final contract.

Robert P. Dwyer

Robert P. Dwyer

Attachment

HCRubin/wog
10/31/55

Copies to: DMEA Docket
Sol. Docket
W.S.Martin (2)
G.C.Selfridge
R.P.Dwyer
H.C.Rubin
Chron.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
APR 11 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1955 Docket No. DMEA 3782 Contract No. 1dm-E871
Operator's Name Apollo Mines Inc. Minerals Tungsten
Address 304 Gazette Building, Reno, Nevada
Contract Amount, $14,520.00 Government Participation: 75 % Amount, $10,890.00

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 & Blasting	312.50	Ø	312.50			
Bulldozing	1225.00	Ø	1225.00			
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	25.00		25.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1562.50		1562.50			

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

Date 3/8/56 *Payee Apollo Mines, Inc.

Per _____ Title Supervisor

*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:

$1171.87

Signature _____
(Authorized Certifying Officer)

Date APR 6 1956 Vou. No. SF-DMEA-31

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E871 in accordance with the terms of the contract.

Signature Henry W. Jones Title Mining Engineer Date 3/22/56

Henry W. Jones

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Ricker Title Executive Officer Date 3/22/56

S. Ricker

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED
APR 11 1956

Month of Oct. 1955 Docket No. DMEA 2702 Contract No. [illegible]
Operator's Name Apollo Mines, Inc. Minerals Tungsten
Address 201 Gazette Building, Reno, 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	ft.	-	-	-	-		400	21.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core (& Blasting)	Trench	312.00		312.00	10		13	31.25
Churn								
Auger								
Stripping								
Trenching (Bulldozer)	hr.	1225.00	98	1225.00	98	12.50	98	12.50
Test Pits								
Roads and Trails								
Sampling	Sample	25.00	5	25.00			64	5.00
TOTAL DISTRIBUTED COSTS		1562.50						TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1562.50		1562.50				10,520.00

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 March 8, 1956 Operator Apollo Mines, Inc.

Per [signature] Title Supervisor

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

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APR 11 1956

OPERATORS' NARRATIVE REPORT FOR

OCTOBER, 1955

The Apollo Mines finished Phase I of this D M E A Contract on the Saddle Tungsten Mine.

It was necessary to blast and deepen all trenches to expose the WO_3 mineralization along the strike contact. This deepening forced us to a length of over 200' per trench. Therefore, we trenched No. 9 where the WO_3 was exposed by a road cut and No. 6 where previous open pit showed WO_3.

We completed 10 each trenches 6' deep 200' long and 12' wide.

The trenching definitely proved continuity of WO_3 mineralization for a distance of 900' plus along the contact. See sample sheet attached. This shows of mineralization definitely warrants the continuance of Phase II of the Contract. ? where is Sample sheet

No unusual circumstances were encountered in the work.

The delay in submitting the forms for money was due to acceptance of all letters of agreements and its Board Meeting of Apollo Mines.

COPY

DOCKET
Surname:
Martin

October 25, 1955

MEMORANDUM

To: Acting Assistant Solicitor, Defense Minerals

From: Iron and Ferro-Alloys Division, DMEA

Subject: Preparation of assignment
Docket No. DMEA 3782 - Tungsten
J. Noviack and J. F. Barnes
Saddle Mine
Humboldt County, Nevada
Contract No. Idm-E871

It will be appreciated if you will prepare the necessary assignment for the subject contract, as requested in the correspondence enclosed with the attached letter of October 19, 1955, from the Executive Officer, DMEA Field Team, Region II.

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

Attachments

cc: Docket
Code 400

WSMartin/ls

DMEA

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

RECEIVED
OCT 21 1955

1605 Evans Avenue
Reno, Nevada

October 19, 1955

MEMORANDUM

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3782 (Tungsten)
J. Noviack and J. F. Barnes
Saddle Mine
Humboldt County, Nevada
Contract No. Idm-E871

Relative to above subject, we are attaching two copies of an Assignment request, dated October 5, 1955, from Robert L. McDonald of the law offices of Bible & McDonald for the Apollo Mines, Inc., and a copy of letter of Intent from Robert L. McDonald for Apollo Mines, Inc. to Messrs. J. Noviack and Fred Barnes.

Also attached are two copies of letter dated October 5, 1955 to me from the present operators, J. Noviack and J. F. Barnes, requesting that the subject contract be assigned to the Apollo Mines, Inc.

We can see no objection to making this assignment. The contract work will be in charge of Mr. John Uhalde, a mining engineer experienced in tungsten mining operations.

S. Ricker

Attach.

OCT 21 0 34 PM '55

LAW OFFICES
BIBLE & McDONALD
GAZETTE BUILDING
RENO, NEVADA

ALAN BIBLE
ROBERT L. McDONALD

RECEIVED
OCT 21 1955

October 5, 1955

Mr. E. Spangler Ricker,
United States Bureau of Mines Building,
Reno, Nevada.

Dear Mr. Ricker:

Complying with the request of J. Noviack and Fred Barnes, the applicants and principals on DMEA Loan, Docket No. 3782 and Contract No. Idm- E-871, we enclose herewith, in duplicate, a Letter of Intent, outlining the provisions of a Lease and Option to Purchase Agreement for the mining claims covered by the DMEA Loan.

It is our intention to accept the Assignment of the above mentioned Exploration Contract.

Yours very truly,

Robert L. McDonald

ROBERT L. McDONALD
for APOLLO MINES, INC.

JAL;H
Enc. - 2

Reno, Nevada

October 5th 1955

REPLY TO	NOTES
S. Ricker	
ANSWERED	

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

RECEIVED
OCT 21 1955

Dear Mr Ricker:

With reference to Contract No. Idm-E871, Docket No. DMEA - 3782, it is our desire to assign this contract to Appolo Mines, Inc. of Reno, Nevada, who have taken over our properties under lease.

Will you kindly provide for us the necessary permission to complete assignment.

Very truly yours,

J.Noviack Partner

J.F.Barnes Partner

JN/

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
OCT 12 1955

Office of
Executive Officer
DMEA Field Team
Region II

1605 Evans Avenue
Reno, Nevada

10/10/55

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Interim Inspection Report

Attached are the original and three copies of an Interim Report on:

Docket No. DMEA- ~~3637~~ 3782

Contract No. Idm-E 871

Commodity Tungsten

Operator J. Noviack and J. F. Barnes

Property Saddle mine, Humboldt Co., Nev.

By Henry W. Jones

Dated 10/7/55

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

Attachments 4

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

BUREAU OF MINES
WASHINGTON, D.C.
OCT 12 8 40 AM '55

RECEIVED
OCT 12 1955

INTERIM REPORT

Docket No.: DMEA-~~3637~~ 3782 (Tungsten)

October 7, 1955

Name and address of operator: J. Noviack and J. F. Barnes (Partners)
1395 Mark Twin Avenue
Reno, Nevada

Name and location of property: Saddle Mine
Leonard Creek Area
Humboldt County, Nevada

Contract No.: Idm-E871

Field inspection was made on September 28, 1955 in company with R. G. Reeves of the U. S. Geological Survey. Messrs. Noviack and Barnes were also present.

The 12 trench sites outlined under Stage I of the contract were laid out at the most suitable location and marked with tall wooden stakes.

The Operator's examined a copy of the contract and approved the different phases. Due to previous commitments, they were unable to travel to Reno and sign the contract until sometime in the first week of October 1955. (Contract has since been executed).

Henry W. Jones
Mining Engineer

RECEIVED
OCT 21 1955

October 5, 1955

Messrs. J. Noviack and Fred Barnes
1395 Mark Twain,
Reno, Nevada.

Gentlemen: LETTER OF INTENT

Pursuant to our many discussions with the view of entering into a Lease and Option to Purchase Agreement for the acquisition of certain unpatented mining claims, now owned by yourselves, known as Saddle No. 1 to 5 incl. located in Humboldt County, State of Nevada, approximately 90 miles northwest of Winnemmuca, Nevada.

As you know, the undersigned is acting on behalf of other interests and a Nevada corporation is now in the process of being formed for the purpose of entering into the proposed Lease and Option to Purchase Agreement and in the event this is accomplished, the corporation will conduct the actual mining exploration and/or development work.

It is understood that you have secured a DMEA Loan, Docket No. 3782, Contract No. Idm-E-871 Exploration Loan in the amount of approximately $15,000, more or less, and that yourself and/or your assignee will participate to the extent of twenty five percent (25%) of this loan either in cash and/or in equipment, etc.

Now, therefore, the undersigned is authorized to submit the following for your acceptance with the understanding that the terms and conditions related herein will be reduced to Contract form embodying the following provisions:

I.

Purchase Price = $150,000, payable over a period of approximately 25 years, beginning with October 1, 1955, as follows:

> $200.00 per month on the first day of each month to J. Noviack and Fred Barnes, plus ten percent (10%) of the net smelter returns and/or any returns from any Governmental Agencies.

II.

It is understood that the $200 per month and the ten percent (10%) from any ore shipments are to be paid for ten years from October 1, 1955 and is to be included as payments on the purchase price, then in the event the undersigned's principal shall elect to conduct the mining operations, they shall then pay a minimum of $10,000 each year, less any royalties until the Lease and Option to Purchase is fully satisfied and discharged.

III.

It is anticipated that this assignment of the above mentioned DMEA Loan to the undersigned principal, the Apollo Mines, Inc, will be agreed to by the Governmental Agencies and it is further understood that the above mentioned loan is to be considered in two parts, as follows:

A). Approximately $1500, more or less, is to be allocated within the next ten days for the purpose of stripping certain areas on the claims with the bulldozer in order that a final determination will be made by the engineers of the DMEA as to whether or not there is sufficient showing of tungsten mineralization to further justify expending the balance of the said loan of approximately $13,000 on the mining property herein referred to.

IV.

The undersigned will advance forthwith the entire cost of the above-mentioned stripping operation with the understanding that the assignment of the said loan contract is agreed to by DMEA and that the Apollo Mines, Inc. will be reimbursed the percentage of the said $1500 to the extent of the DMEA's participation.

V.

That if and in the event the DMEA feel that further expenditures would not be justified, based on their opinion and findings of the stripping operation then, and in that event, the Apollo Mines, Inc. withdraws its offer to enter into said Purchase Contract and that the original monthly payment heretofore made to J. Noviack and Fred Barnes shall be retained by them but the amount of the DMEA's participation of said loan shall be paid to Apollo Mines, Inc.

VI.

If and in the event the DMEA feels that the approximate 400 foot cross-cut and/or tunnel shall be driven, then the undersigned principal, Apollo Mines, Inc. does guarantee to expend the amount of applicant's participation thereunder until the project is completed.

VII.

When and after the tunnel project has been completed, then the undersigned's principal, Apollo Mines, Inc. may conduct exploration and/or development or mining on its own account subject to the terms of the Lease and Option Contract hereinbefore and hereinafter mentioned and in the event they should elect not to proceed any further, then they shall give Sellers a written notice terminating the Contract and the Apollo Mines, Inc. shall be permitted to remove any

and all machinery and/or equipment that they may have installed on the premises, save and except any equipment, such as rails, etc. that may become subject to the disposition and under the control of DMEA for disposal, and the Sellers, J. Noviack and Fred Barnes, shall retain as rental all monies paid them under the contract by Apollo Mines, Inc.

VIII.

It is understood between the parties hereto that John H. Uhalde will be in charge of the work contemplated hereunder and will represent the Apollo Mines, Inc. for that purpose, subject to the further order of the Apollo Mines, Inc. or John H. Uhalde personally.

IX.

In consideration of the sum of $200 this day paid to J. Noviack and Fred Barnes, the receipt of which is hereby acknowledged, they do hereby agree to the terms and conditions of the Lease and Option to Purchase Agreement, as hereinabove outlined, and the parties hereto realize that all of the provisions that will be in the final contract are not set forth herein but that the substance of the terms are, and that in the event any changes or modifications are to be made before the final contract is drawn, such changes or modifications can be made by an exchange of letters between the parties hereto.

Respectfully submitted,

ACCEPTED:

J. Noviack

Fred Barnes

ROBERT H. McDONALD for
APOLLO MINES, INC.
a Nevada Corporation

COPY

10 m Ea

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

RECEIVED
OCT 6 - 1955

1605 Evans Avenue
Reno, Nevada

October 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-3782 - Tungsten
J. Noviack and J. F. Barnes
Saddle Mine
Humboldt County, Nevada
Contract No. Idm-E871

Reference is made to your letter of September 14, 1955 transmitting the original and five copies of the subject contract.

The contract has been executed on the part of the Operator and one copy retained by him for his files. Distribution has been made of Finance Office and Field Team copies, and the original and two remaining copies are being returned to you herewith.

H. K. Keene and Associates no longer have a lease on the property, and J. Noviack and J. F. Barnes are the sole owners as partners.

S. Ricker

Attach.

DOCKET SURNAME
Holt
Chapman
Talbot
Holliday
Martin
Selfridge
Fellman

400

SEP 1 4 1955

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

Re: Docket No. DMEA 3782 - Tungsten
J. Moviack and J. F. Barnes
Saddle Mine
Humboldt County, California

Dear Mr. Ricker:

Enclosed are the original and five copies of a proposed contract for an exploration program by the above-referenced applicant, signed by the Administrator for the Government, together with Exhibit "A" (2 pages), Annex I (1 page) and 3 maps.

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

Please note the enclosed memorandum from the Acting Assistant Solicitor. He states that the Field Team report speaks of the property having been leased in January 1955, to H. K. Keene and Associates. Prior to the execution of the contract the validity and terms of the Keene lease should be examined, and determination made that the terms of said lease do not conflict with the proposed contract.

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 (SAB)

SPHOLT:foc
9-1-55
cc to: Docket
Code 400
Adm. Read. File
Operating Comm.
FT. REG. II
Messrs. Holliday, USBM
Killsgaard, USGS

Enclosure

APPROVED:

P. F. Yopes
Member, Bureau of Mines (SAB)

/s/ N. E. Nelson (SAB)
Member, Geological Survey

R.C.S.

Proposed change, Exhibit"A"

Docket DMEA - 3782
Contract Idm- - -
Noviak & Barnes

Fixed Unit Costs

Stage I

Bulldozing 98 hours @ $12.50/hr.	$ 1,225.00
Drilling and blasting bedrock, as necessary, in 12 trenches @ ~~$31.50~~ 31.25/each trench	375.00
24 samples @ $5.00/each sample	120.00
Estimated total cost of Stage I	$ 1,720.00

12) 375 (31.25
36
15
12
30
24
60

EXPLORATION PROJECT CONTRACT
NOVIACK AND BARNES
DOCKET NO. DMEA-3782

EXHIBIT "A"

Description of the Work

The project consists of bulldozer trenching, with D-7 Caterpillar or equivalent, and drifting. The work shall be confined to the west slope of the mountain between the No. 1, or summit outcrop, and the lowermost, or No. 3 outcrop. The work is indicated in plan and section on the attached map, Figure 3.

All mineralized ground encountered shall be sampled and assayed for tungsten. Each sample shall be divided into at least two parts, one of which shall be furnished to the Government.

The work is divided into two successive stages, as indicated below. The Operator shall perform Stage I, and shall perform so much of Stage II as the Government approves in writing in advance, based upon the results of Stage I.

Stage I

Stage I consists of excavating 12 trenches,[1] spaced at approximately 75-foot intervals between the No. 1 and No. 3 outcrops across the contact area, and aggregating 900 feet of trenching, to test the continuity and grade of the outcrops. All trenches shall penetrate bedrock not less than 1 foot on the uphill side, using a router on the dozer blade, and drilling and blasting the harder rock shelves if necessary.

Stage II

This stage consists of 400 feet of drifting from the No. 3 outcrop, to and slightly beyond the downward extension of the main No. 2 outcrop. The drift shall be timbered as necessary, and shall be not less than 5 feet by 7 feet in the clear.

Fixed Unit Costs

Stage I

Bulldozing [illegible] hours @ $12.50/hr. $ 1,~~600~~.00 225.00

1/ Each trench shall be not less than 75 feet long and 12 feet wide.

Remite

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

September 6, 1955

Memorandum

To: Chief, Iron and Ferroalloys Division - DMEA
Through: Chief, Branch of ~~Ferrous~~ Metals & Ferroalloys

From: Commodity Specialist

Subject: Docket No. DMEA 3782 - Tungsten
Transmittal of Contract for $14,520. Aid for Exploration by Trenching and Drifting.

This appears to have good possibilities, and I concur in the decision to transmit the contract.

Wilmer McInnis

Wilmer McInnis

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

AUG 31 1955

Memorandum

To: The Administrator, DMEA
Attention: Mr. Chapman

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3782, Noviack and Burnes (Tungsten)

As requested in a memorandum dated August 16 from Mr. Chapman, we have prepared the attached contract.

The application states that the applicant owns the land and that there are no liens, etc. We have, therefore, drafted the contract to so recite. The Field Team's report, however, speaks of the property having been leased to H. K. Keene and associates in January 1955. Accordingly, prior to execution of the contract, the applicant's ownership of the land should be verified. If it is disclosed that applicant does not in fact own the land, Consent to Lien of the owner is required prior to execution of the contract.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments

HCRubin/emd
Copy to: DMEA Docket
Solicitor's docket
W. S. Martin (2)
J. L. Hofflund
H. C. Rubin
chron.

400

8/23/55

MEMO for File: Docket DMEA 3782 - Tungsten
J. Noviack & J. F. Barnes

Mr. Bell in Senator Bible's office telephoned to inquire as to status of application, and requested that we notify his office if and when ~~an appl~~ a contract is approved and sent to the Field Team.

L. Scott

WSM phoned Mr. Bell on 9-21-55.

DOCKET
Surname
Holt
Chapman
Halliday

Acting Assistant Solicitor, DMEA August 16, 1955

Iron and Ferro-Alloys Division, DMEA

Review and preparation of contract
Docket No. DMEA 3782, Tungsten
J. Noviak and J. F. Barnes, Saddle Mine
Humboldt County, Nevada

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

Thos. L. Chapman, Acting Chief
Iron and Ferro-Alloys Division

Attachment

cc: Docket
Code 400

SPHolt/ls

DRAFT

MF-200A
(Revised June 1954)

Docket No. DMEA 3782

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] J. Novlak and J. F. Barnes

whose mailing address is 1395 Mark Twain Avenue, Reno, 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 Humboldt, 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 notices, [7] recorded in Book 5 & 6, page 549, 92, 149, 243, 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: None

[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."

Draft

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 July 1, 1956 (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 $14,420 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $10,890: *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

J. Noviak and J. F. Barnes
(Operator)

By Administrator, Defense Minerals Exploration Administration

By .....

.....

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

.....

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
J. NOVIAK and J. F. BARNES
DOCKET NO. DMEA 3782

ANNEX I

The land referred to in Article 2 of the Contract is described as follows:

Five unpatented lode mining claims, the location notices of which are recorded in the County Courthouse at Winnemucca, Humboldt County, Nevada, as follows:

Name	Book	Page
Saddle No. 1	5	549
Saddle No. 2	6	92
Saddle No. 3		149
Saddle No. 4		243
Saddle No. 5		

The claims are located on and near the 7,000-foot summit of an eastern branch of the Pine Forest Mountains, about three miles north of Sentinal Peak. They are near the headqaters of Leonard Creek, Humboldt County, Nevada, in an unsurveyed area, with no known mining districts.

The location of the Saddle mine is indicated on map, Figure 1, attached hereto.

Figure 2, map, also attached, shows Saddle Nos. 1 to 5 claims.

EXPLORATION PROJECT CONTRACT
J. NOVIAK and J. F. BARNES
DOCKET NO. DMEA-3782

EXHIBIT "A"

Description of the Work

The maps attached to and made a part of the contract are as follows:

Fig. 1. Map showing location of the property in Humboldt County, Nevada.

Fig. 2. Map showing location of the claims, present workings, and U. S. B. M. samples.

Fig. 3. Map showing proposed exploration, in plan and section.

Proposed Work:

A 2 stage bulldozer trenching and drifting program, work to be confined to the west slope of the mountain between the No. 1, or summit outcrop, and the lowermost, or No. 3 outcrop, (See Fig. 3), as follows:

Stage I to consist of excavating 12 trenches spaced at approximately 75-foot intervals between the No. 1 and No. 3 outcrops across the contact area to test the continuity and grade. All trenches to penetrate bedrock as much as 1 foot on the uphill side, using a router on the dozer blade, drilling and blasting the harder rock shelves if necessary, the final depth to be subject to the supervising engineer's discretion.

Stage II to be entered into, with the prior written approval of the Government, if the Field Team finds the tungsten ore exposed in Stage I work to be of commercial interest. This Stage II to consist of 400 feet of drifting from the No. 3 outcrop, to and slightly beyond the downward extension of the main No. 2 outcrop.

All mineralized ground encountered shall be sampled and assayed for tungsten. Each sample shall be divided into at least two parts, one of which shall be furnished to the Government.

Estimated Costs of the Program

Fixed Unit Costs[1]

Stage I --

Bulldoze with a D-7 Caterpillar or equivalent, 12 trenches at locations shown (Fig. 3) for a total of 900 feet. Each trench to penetrate bedrock for 1 foot by 12 feet wide by 75 feet long, dependent upon conditions. Trenches to be sampled where warranted for a total of 24 samples.

Bulldozing 128 hrs. @ $12.50/hr.	$ 1,600.	
24 samples @ $5./each	120.	
Total estimated cost of Stage II		$1,720.

Stage II -

Dependent on results of Stage I. Drive 400 feet of drift 5 ft. X 7 ft. in clear, timbered where necessary, along the contact from No. 3 outcrop as shown (Fig. 3). Drift to be sampled where warranted for a total of 40 samples.

400 feet @ $31.50/ft.	$12,600.	
40 samples @ $5./each	200.	
Total estimated cost Stage II		12,800.
Total estimated cost of program		$14,520.
Government participation at 75%		$10,890.

1/ The completed work constitutes the unit.

IN REPLY REFER TO:

Docket

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

RECEIVED
AUG - 1 1955

July 29, 1955

Re: DMEA 3782
J. Noviack & J. F. Barnes
Saddle Mine
Humboldt Co., Nev.
$5,700 increased to $14,600
Tungsten

WSM

Memorandum

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

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

Subject: Review of Field Team report

The application asked for $5,700 to do diamond drilling. The examiners like the prospect, and propose a two stage bulldozer trenching and drifting program. The cost of the alternate work is estimated at $14,520.00.

I concur with the acceptance recommendation of the Field Team.

N. E. Nelson

N. E. Nelson

Copy retained 400

DMEA

Docket

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

1605 Evans Avenue
Reno, Nevada

July 14, 1955

Memorandum

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

WGM

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3782 - Tungsten
J. Noviak and J. F. Barnes
Saddle Mines
Humboldt County, Nevada

Pursuant to your letter of May 6, 1955 on above subject docket, we are attaching four copies of a report by Henry W. Jones, Bureau of Mines and Robert G. Reeves, Geological Survey, in which an exploration project at a total cost of $14,600.00 is recommended.

The applicant requested only a $5,700.00 program. Ore bodies of good width, length, and grade are exposed along a contact that presents a favorable setting for 800 feet along the strike and several hundred feet in depth. This potential for an appreciable sized mine justifies the larger exploration program.

Roscoe Smith and I concur in the conclusion in the report and recommend that an exploration contract be executed with the applicant.

S. Ricker

Attach.

M. site explor

Reviewed by
DMEA OPERATING COMMITTEE
7-25-55
(date)

BUREAU OF MINES
WASHINGTON, D. C.
JUL 18 12 45 PM '55

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION II

APPLICATION REPORT

DMEA-3782 (Tungsten)
J. Noviak and J. F. Barnes
Saddle Mines, Humboldt County, Nevada

by

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

Robert G. Reeves
Geologist
U. S. Geological Survey

July 12, 1955

Reviewed by
DMEA OPERATION COMMITTEE
7-25-55
(date)

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ILLUSTRATIONS

Figure 1. Location map

2. Sketch map, Saddle Tungsten Mine, showing location of exploration trenches and U.S.B.M. samples, Humboldt County, Nevada.

3. Proposed exploration, Saddle Tungsten Mine, Humboldt County, Nevada.

INTRODUCTION

An application for Governmental assistance was received from J. Noviack and J. F. Barnes, 1395 Mark Twain Avenue, Reno, Nevada, by the Defense Minerals Exploration Administration. A request was made for $5,700 to explore the Saddle mines property, Humboldt County, Nevada for tungsten minerals by a diamond drilling program.

A field examination was requested by the Operating Committee, and was made by R. G. Reeves of the Geological Survey on May 22-23, 1955 and by Henry W. Jones, Bureau of Mines, on May 25-26, 1955. The applicants accompanied the geologist and engineer on the examination. A geological map was made and eight samples were taken of the ore-bearing sections.

No previous mine exploration work or examinations are known to have been made.

CONCLUSIONS AND RECOMMENDATIONS

The geologist and engineer are in agreement that the mine has considerable merit and exploration assistance should be given to determine the continuity of the ore exposures. However, a diamond drilling program would be of little exploration value because of the discontinuous nature of the deposit. A two stage trenching and drifting exploration project was set up entailing a total cost of $14,620.00, that was subsequently agreed to by the applicant.

It is recommended that the DMEA enter into a contract with the applicants to explore the Saddle mines by the revised trenching and drifting program.

LOCATION, ACCESSIBILITY, LOCAL RESOURCES

The Saddle mining claims are situated on and near the 7,000 foot summit of an eastern branch of the Pine Forest Mountains, about three miles north of Sentinel Peak. They are located near the headwaters of Leonard Creek, Humboldt County, Nevada. The area is unsurveyed and has no known mining districts. The property is reached from Winnemucca, Nevada by travelling north on highway U.S. 95 31 miles, then left on State highway 8A for 28 miles. Turn left on the gravelled county road and follow the main travelled part 28 miles to the Leonard Creek Ranch. Turn right, just beyond the ranch house, and follow the unimproved road up Leonard Creek and past an abandoned placer gold mine for 11 miles to the mine camp. The mine is situated about one mile above camp.

Snows make the area's higher elevations relatively inaccessible by automobile during winter months. Jeeps and four-wheel drive trucks were used during the past winter. There is no timber immediately obtainable for mine usage. Water is available for domestic and mine use at the campsite. The necessary mine equipment, lumber and supplies must be obtained in Winnemucca, Nevada, about 100 miles distant. All gasoline and fuel oil most also be trucked in from Winnemucca.

HISTORY AND PRODUCTION

There was some gold reportedly discovered on the property in the 1880's, however the previous ownership or production is not known. The tactite outcroppings were discovered in May 1954 by the present

owners while on a prospecting trip. Only the assessment work was completed until it was leased to H. K. Keene and associates in the early part of January 1955. Open pit mining is currently being conducted in the No. 2 outcrop. Settlement sheet records to date indicate about 170 tons of scheelite ore averaging 0.48 percent WO_3 were shipped to the Getchell Mill at Redhouse, Nevada, with an additional 60 tons shipped on which returns have not yet been received.

PROPERTY AND OWNERSHIP

The property consists of a group of five adjoining lode claims held by location by the applicants. The claims consist of Saddle No. 1, No. 2, No. 3, No. 4, and No. 5, described and recorded in Book 5, page 549, Book 6, pages 92, 149 and 243, respectively, in the Humboldt County courthouse at Winnemucca, Nevada. All claims are reported to be included in the exploration project contract.

The applicants do not follow the mining profession but consider themselves amateur prospectors. The work, if approved, will be supervised by a qualified engineer, John Uhalde, of Reno, Nevada. Mr. J. Noviack is a retired merchant of Alturas, Calif. Mr. J. F. Barnes is a sign painter in Alturas. Both men appear very sincere and reportedly capable of furnishing their part of the costs with cash or equipment, or a combination of both.

DEVELOPMENT

The mine is developed at the No. 2 outcrop by a short open cut about 20 feet wide, 30 feet long, and showing a vertical 18 foot face. The tactite is exposed over a 10 foot width on the northwestern

side of the pit. Additional shallow bulldozing was completed near and above the pit, and on the summit at the No. 1 outcrop. The small No. 3 outcrop exposed furthest downhill was discovered in the road leading to the summit. Additional outcrops were noted on the eastern flank of the mountain but no work has been done on them.

The mine equipment on the property is owned by the lessees and consists of a D-7 dozer caterpillar, a small Oliver crawler dozer, Ingersoll Rand 155 c.f.m. compressor, jackhammer and assorted hoses, a 4-wheel drive 5-ton GMC truck, and a ½-ton pickup truck. Ore is handled with the Oliver tractor to a small wooden ore shoot constructed to discharge into the truck on a ramp below.

Housing facilities consist of a 14 ft. x 14 ft. shack constructed at a spring one mile below the mine. The lessees live in housetrailers at a nearby campsite.

GENERAL GEOLOGY

The Saddle tungsten prospect is in an area of high relief, on the crest of the Pine Forest Mountains. Soil cover is generally less than two feet thick and exposures of bedrock are numerous. The area is underlain by limestone, shaly limestone, and shale of upper Paleozoic age that has been intruded and metamorphosed by late Mesozoic or early Tertiary granite. The metasedimentary rocks are at least several thousand feet thick. In the western part of the area they strike easterly, transverse to the range, and dip steeply south to vertical. Near the center of the area the rocks are cut by a northwest trending, southwest dipping fault; east of the fault the sedimentary rocks are folded, strike north and dip vertical.

West of the fault the contact between the granite and sedimentary rocks is nearly straight, with a trend of N. 60°-70° E. and dip of 60°-70° N. It is exposed along the strike by outcrops, road cuts, and pits for about 800 feet. The sedimentary rocks have been hornfelsized as much as 1,000 feet from the granite. Along the contact a zone of tactite from 25 to 200 feet wide contains local concentrations of scheelite.

East of the northwest trending fault the contact between the granite and the sedimentary rocks is irregular. Here, the granite has invaded almost pure limestone, and there is little metamorphism except for recrystallization of the limestone.

ORE DEPOSITS

The tungsten ore bodies are concentrations of scheelite in tactite along the contact between the granite and the sedimentary rocks.

The ore mineral is scheelite. Some fluoresce with a slight yellow tinge but the Mo/WO_3 ratios of samples submitted for analysis were from 1:25 to 1:100. Gangue minerals are mainly epidote, quartz, calcite and feldspars. A weighted average of seven DMEA samples is 0.46 percent WO_3, and the average of 170 tons of ore shipped was 0.482 percent WO_3.

Three ore bodies are exposed from the crest of the range westward for about 800 feet. The upper (No. 1) ore body is 2 to 10 feet wide and is intermittently exposed for a length of 100 feet and to a depth of 3 to 5 feet. In the middle (No. 2), and largest, ore body the higher grade scheelite-bearing zone is from 2 to 6 feet wide, 50 to 100 feet along the strike, and has been exposed for 15 feet down the

dip. From 1 to 3 feet of lower grade material is found on the sides of the higher grade zone. The ore body locally widens to as much as 20 feet where cut by cross faults. The lower or westernmost (No. 3) ore body is exposed in the road cut where it is 1.3 feet wide. Except for the exposure in the road cut, it is concealed by overburden and no work has been done. Several small, discontinuous ore bodies are found along the irregular contact east of the northwest trending fault. These ore bodies have not been explored and in most cases their attitudes cannot be determined. The easternmost and most prominent of these (No. 5) trends easterly and appears to dip flatly to the north into the hill.

SAMPLING

A series of eight ore samples were taken at locations indicated on the accompanying map, Figure 2, and represent as nearly as possible the average grade of minable ore available. Assay results and descriptions are as follows:

Sample No.	Width Ft.	% Mo	% WO_3	Description
222	4.5	0.03	0.72	Dark silicious fine grained tactite.
223	2.0	*0.01	0.01	Slight tactite in hornfels, footwall side small cross vein.
224	10.0	0.01	0.42	Light tactite streaks in softer hornfels, scheelite throughout.
225	1.4	0.04	1.74	Tactite hornfels in silicified limestone.
226	6.0	0.01	0.22	Green epidote streaks, banded tactite adjoining granite.
227	Grab	0.02	0.30	Gen. sample of tactite outcrops No.5 claim.
228	1.5	0.01	0.47	Tactite in hornfels, banded.
229	1.2	0.01	0.41	Hard massive garnetized tactite.

*less than

ORE RESERVES

About 400 tons of ore containing 0.5 percent WO_3 is indicated in ore bodies 1 and 2. Ore is exposed up the hillside for more than 100 feet vertically, and is therefore inferred to extend to a depth of 100 feet in ore bodies 1 and 2. The length of each ore body considered to be 200 feet, the width of ore to be 5 feet, and projected to a depth of 100 feet, the bodies contain 200,000 cubic feet. Using a factor of 12 cubic feet per ton, the amount of inferred ore is 16,500 tons.

PROPOSED EXPLORATION

The applicants have proposed a rather indefinite diamond drilling program to explore favorable surface exposures of scheelite at depth by 1,000 feet of drill holes. Total cost was estimated at $5,700.00. Because of the lack of tactite exposures between the outcrops and because of the known discontinuous nature of tactite ore bodies, it was agreed by the engineer and geologist that a drilling program would be of little value at this property. Therefore, a two stage bulldozer trenching and drifting program was proposed as an alternate and was subsequently agreed to by the applicants. Work would be confined to the west slope of the mountain between the No. 1 or summit outcrop and the lowermost No. 3 outcrop.

The trenches are to be spaced at 75 foot intervals between the No. 1 and No. 3 outcrops across the contact area to test the continuity and grade. All trenches would penetrate bedrock as much as 1 foot on the uphill side, using a router on the dozer blade, and drilling

and blasting the harder rock shelves if necessary, but the final depth is to be subject to the supervising engineer's discretion. The estimated time for Stage I is two weeks. If the Field Team deemed the scheelite exposed in Stage I to be of commercial interest, then Stage II would be entered into, with the prior written approval of the Government. This stage would consist of 400 feet of drifting from the No. 3 outcrop, to and slightly beyond the downward extension of the main No. 2 outcrop. The allotted time for completion of Stage II would be five months.

The recommended work program and costs are itemized as follows:

Description of work

Stage I -- Bulldoze with a D-7 caterpillar or equivalent, 12 trenches at locations shown (Fig. 2) for a total of 900 feet. Each trench to penetrate bedrock for 1 foot by 12 feet wide by 75 feet long, dependent upon conditions. Trenches to be sampled where warranted for a total of 24 samples.

Total cost Stage I . . . . . $ 1,720.00

Stage II-- Dependent on results of Stage I. Drive 400 feet of drift, 5 ft. x 7 ft. in clear, timbered where necessary, along the contact from No. 3 outcrop.

400 ft. at $32/ft. $12,800.00

Total cost $14,520.00

Government participation at 75% $10,890.00

Equipment

	Value	Depr./month	
D-7 caterpillar bulldozer	$15,000	300 x 1 month	$300.00
155 c.f.m. I. R. compressor	3,500	58 x 5 mos.	290.00
Jackhammer, jackleg and hoses	600	10 x 5 mos.	50.00
Truck, 5-ton GMC 4-wheel drive	4,000	66 x 5 = 330(pt.time)	115.00
Pickup truck, ½-ton Ford	1,200	20 x 5 mos.	100.00
		Total depreciation	$855.00

Exploration costs

Work to be contracted to the lessees.

Stage I -- (Two week completion time)

Use of D-7 bulldozer and operator for 12 - 8 hr. days at $100/day	$ 1,200.00
Part time miner to drill and blast shallow holes. Use of compressor and hammer	400.00
24 samples at $5 (to be assayed for WO_3)	120.00
Total	$ 1,720.00

Stage II

Drive 400 feet of crosscut 5 ft. x 7 ft. size. Av. 4'/shift.
100 working days (approx.)

1 miner at $2.25/hr.....	$1,950.00	
1 mucker at $1.75/hr....	1,730.00	$ 3,680.00
Supervisor at $500/mo. for 5 months		2,500.00
Labor extras 18.9%; payroll tax (3.3%), Nev. State compensation (11.0%), liability ins. (4.57%).		695.52
Explosives -- powder, fuse, caps, at $4/ft.		1,600.00
Drill steel and bits at $2/ft.		800.00
Equipment depreciation.		855.00
Diesel fuel - 20 g.p.d. at $18.		360.00
Lubricants at 25¢/ft.		100.00
Ties		210.00
Supply, 7¢/mile round trip 200 miles to Winnemucca at $14/wk. for 20 wks.		280.00
Miscellaneous, shovels, picks		350.00
Sampling - 40 samples at $5		200.00
Contingencies 10%		1,163.05
Total.		$12,793.57
Rounded to		$12,800.00

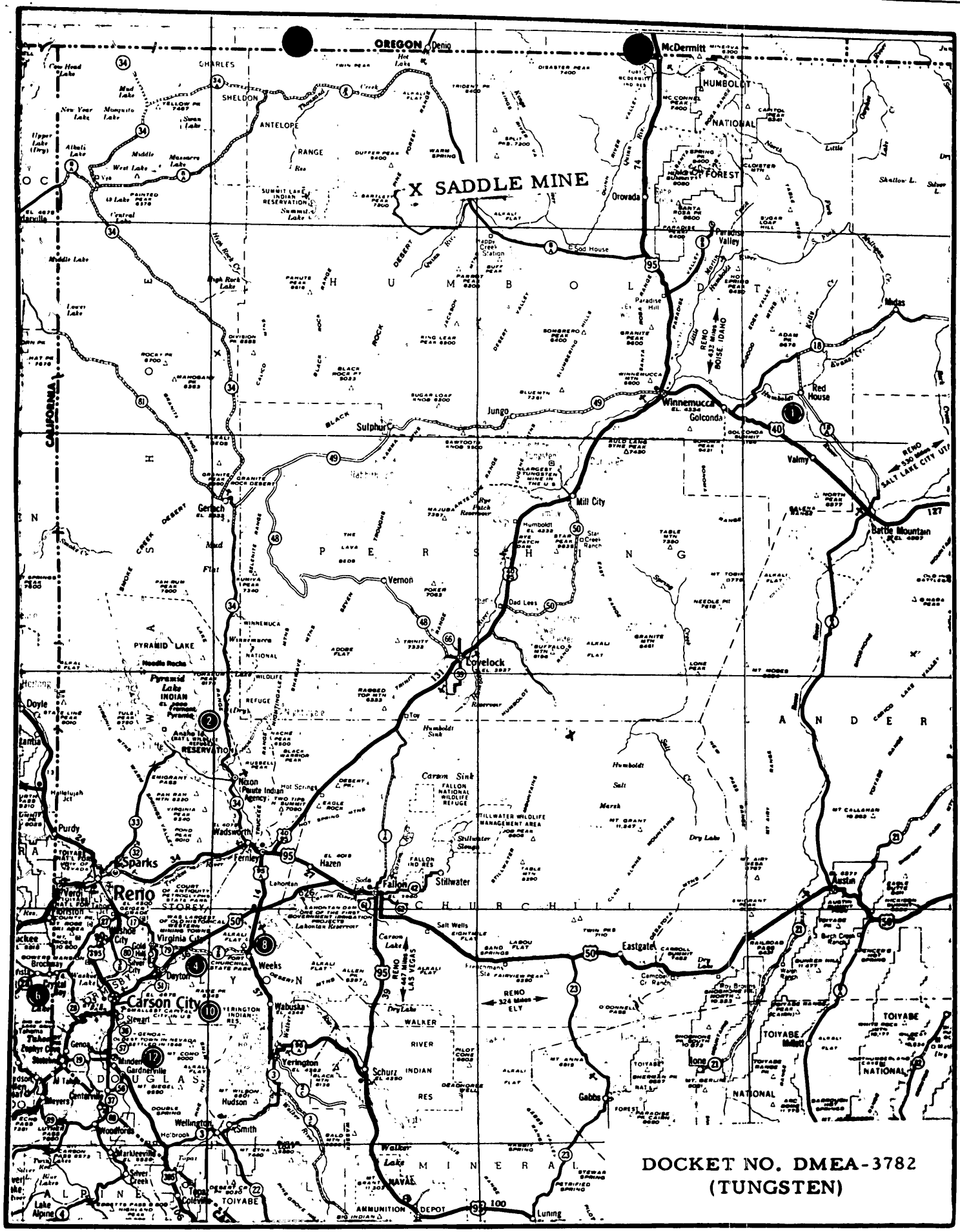

FIG. 1. LOCATION MAP NEVADA

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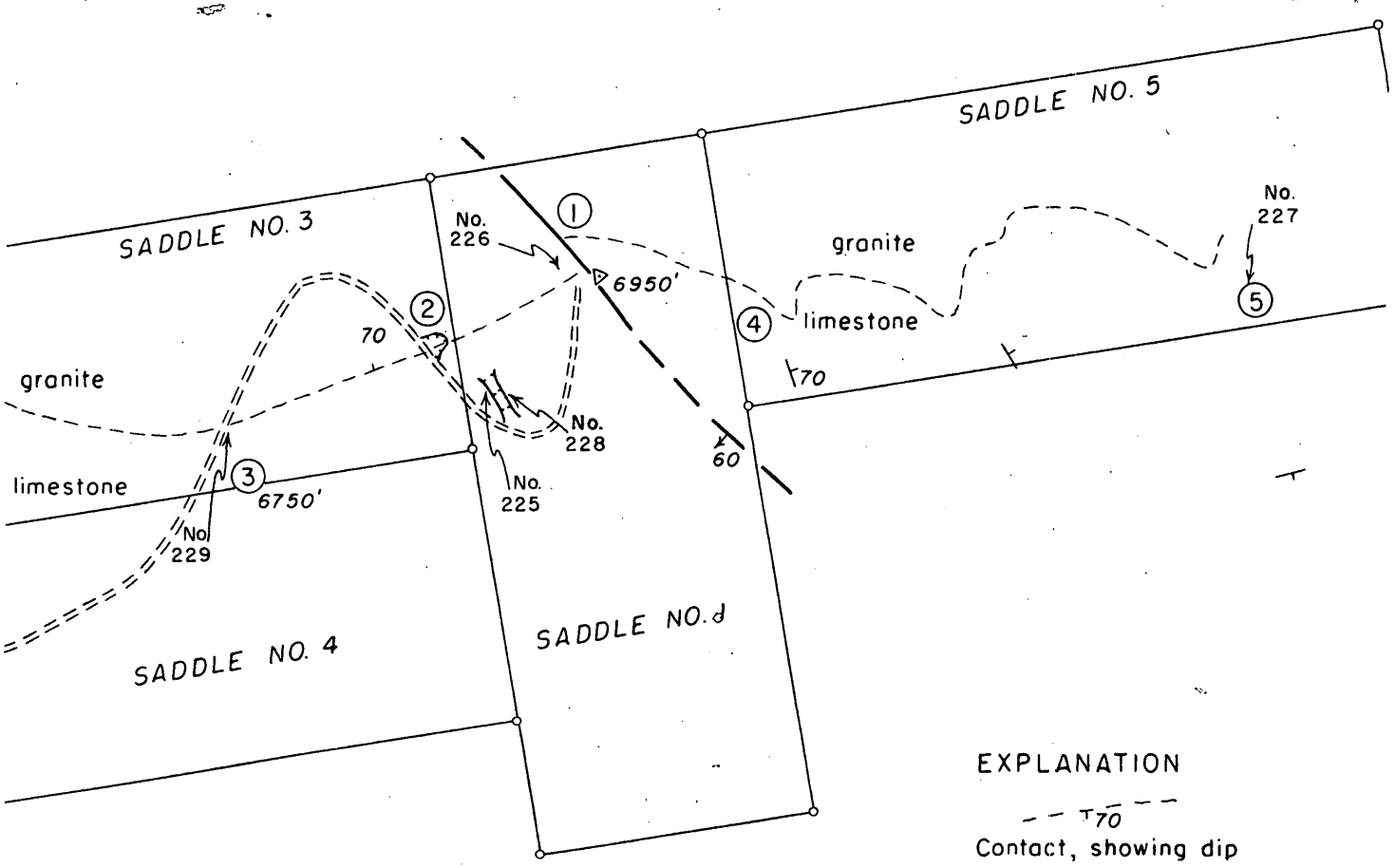

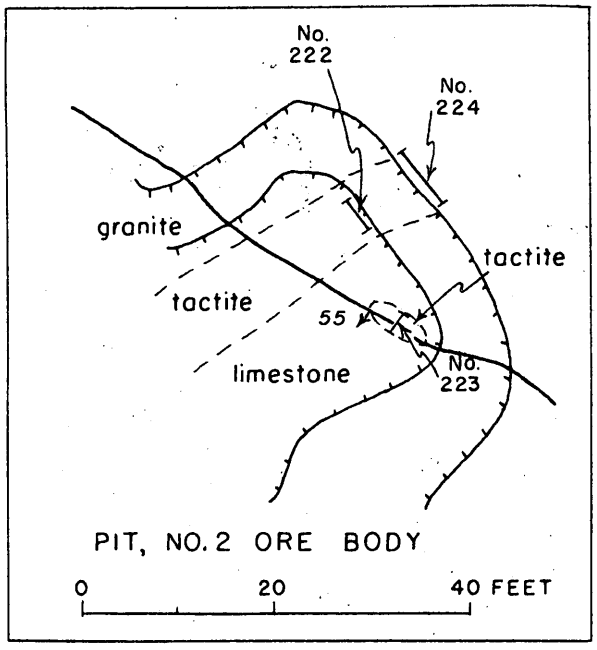

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EXPLANATION

70
Contact, showing dip
(Approximately located)

60
Fault, showing dip
(Dashed where approximately located)

70
Strike and dip of beds

Existing trench

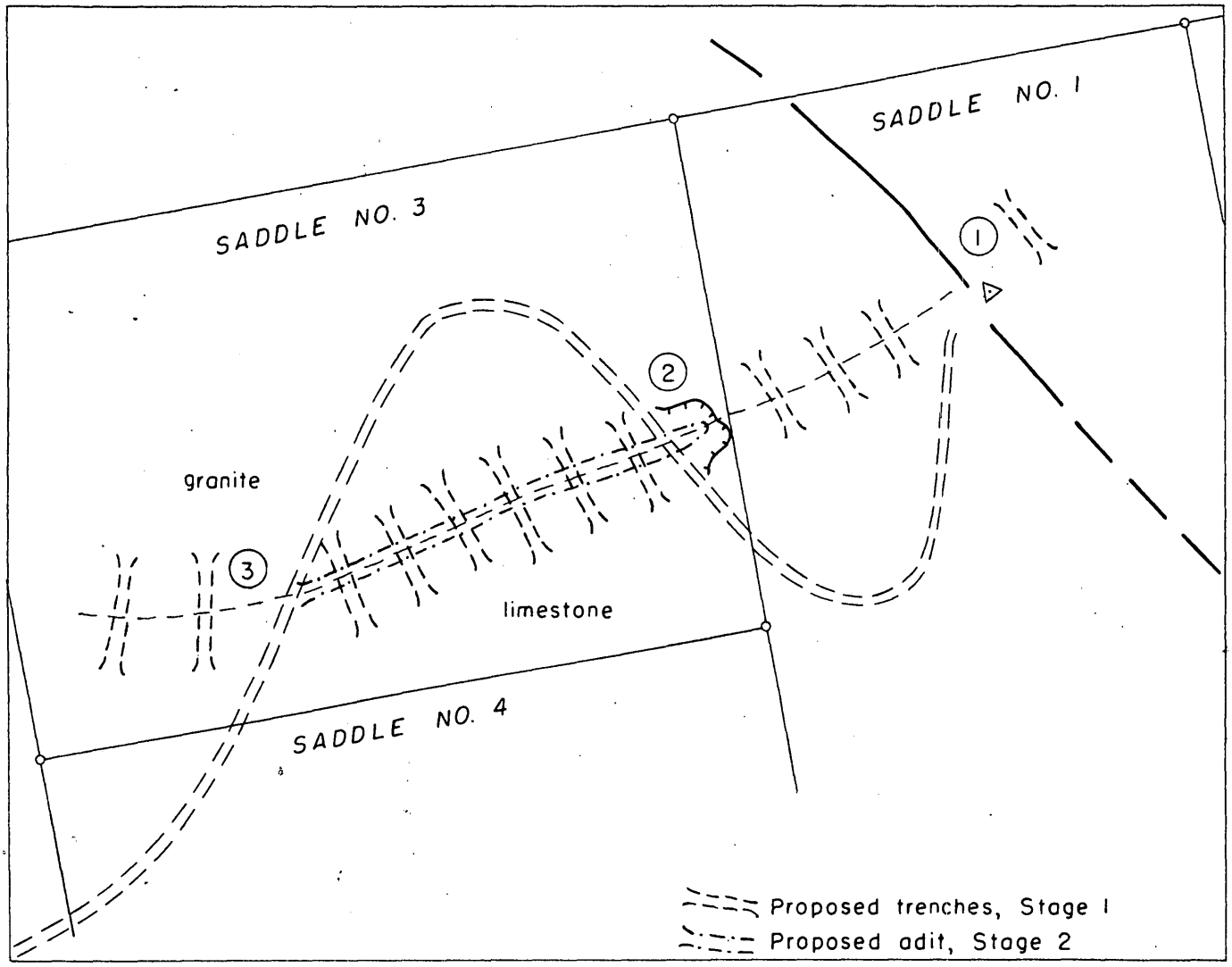
2
Ore bodies

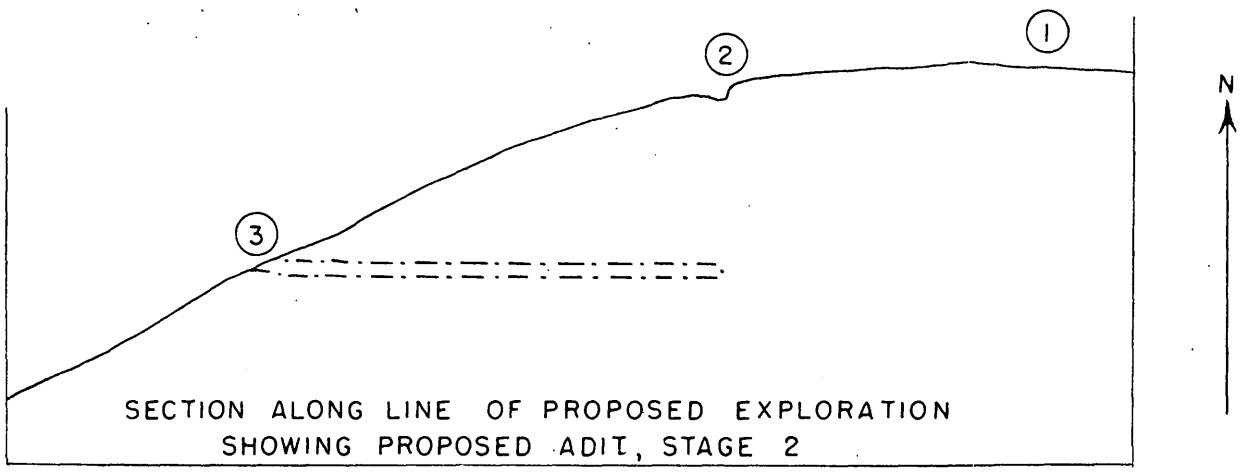
No. 226
U.S.B.M Sample

SKETCH MAP SADDLE TUNGSTEN MINE SHOWING LOCATION OF EXPLORATION TRENCHES AND U.S.B.M. SAMPLES
HUMBOLDT COUNTY, NEVADA

0 400 800 1200 FEET

Figure 2





PROPOSED EXPLORATION, SADDLE TUNGSTEN MINE
HUMBOLDT COUNTY, NEVADA

200 0 200 400 FEET

Figure 7

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DOCKET
SURNAME
Chapman
Martin
Crawford
Trace

400

MAY - 6 1955

Messrs. J. Novisk and J. F. Barnes
1395 Mark Twain
Reno, Nevada

Re: Docket No. DMEA 3762 - Tungsten
Saddle Mines
Humboldt County, Nevada

Gentlemen:

The above docketed application for exploration assistance for tungsten ores has been reviewed by the Iron and Ferro-Alloys Division of the Defense Minerals Exploration Administration and referred to Mr. Spangler Ricker, Executive Officer, DMEA Field Team, Region II, 1605 Evans Avenue, Reno, Nevada for a field examination of the property.

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

Sincerely yours,

Frank E. Johnson

ACTING Administrator

TLChapman/fec
5-5-55
cc to: Docket
Code 400
Adm. Reading File
Operating Comm.
FT. REG. II
Messrs. Robert Holliday, USBM
Thor H. Kiilsgaard, USGS

P.C.G.

DOCKET
SURNAME
400 Chapman
Martin
Holliday
Crawford

May 6, 1955

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

Re: Docket No. DMEA 3782 - Tungsten
J. Novisk and J. F. Barnes
Saddle Mines
Humboldt County, Nevada

Dear Mr. Richer:

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

Two copies of a relevant memorandum dated May 2, 1955, by E. L. Newcomb, Geological Survey, are enclosed for your information.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (HB)

Enclosure

TLCHAPMAN:foc
5-5-55
cc to: Docket
Code 400
Adm. Reading File
Operating Comm.
FT. REG. II
Messrs. Holliday, USBM
Kiilsgaard, USGS

APPROVED:

John E. Crawford (HB)
Member, Bureau of Mines

/s/ R. D. Trace (HB)
Member, Geological Survey

R.C.L.

Docket

IN REPLY REFER TO:

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

May 2, 1955

Copy retained 200

Re: DMEA-3782
J. Noviack & J. F. Barnes
(Saddle Mines)
Humboldt Co., Nev.
$5,700 - Tungsten

Memorandum

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

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of application

The operator has proposed to further explore favorable surface exposures of tungsten mineralization by core drilling a total of 1,000 feet. The apparent length of the favorable structure along a limestone-granite contact indicates drilling beneath surface showings is warranted.

At the present time the mining operations are conducted by open pit methods, and it is reported about 200 tons of 0.4 to 0.63 percent WO_3 have been shipped to the Getchell mill at Winnemucca. Although the sample assays (1.2 to 2.6 percent WO_3) and the ore shipments are not verified by attached certificates on our copy of the application, the information is of some significance in our estimate of the possible merits of the property for DMEA assistance.

We do not have any pertinent data applicable to the Saddle claims; however, the property is located in an area of known tungsten mineralization.

I recommend the application be referred to the Field Team for an examination.

E. L. Newcomb

E. L. Newcomb

Copy retained 200

April 20, 1955
Subject: DMEA 3782
Re: Exploration Assistance
Saddle Mines

Messrs. J. Novlack
and J. F. Barnes
1395 Mark Twain
Reno, Nevada

Gentlemen:

The receipt of your application dated April 16, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3782 and referred to the Iron and Ferro-Alloys Division.

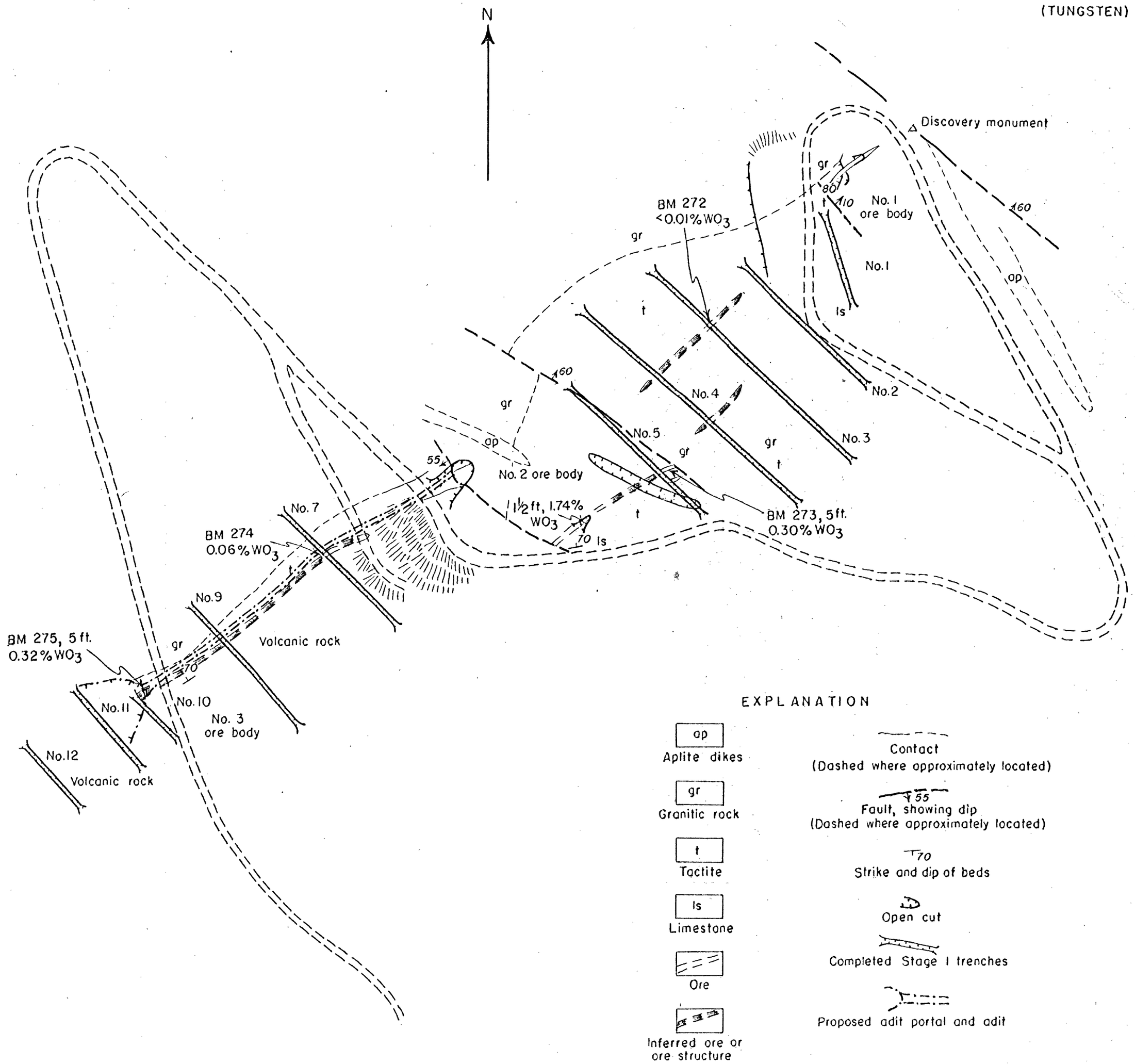
Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3/2782
Idm E-871
(TUNGSTEN)



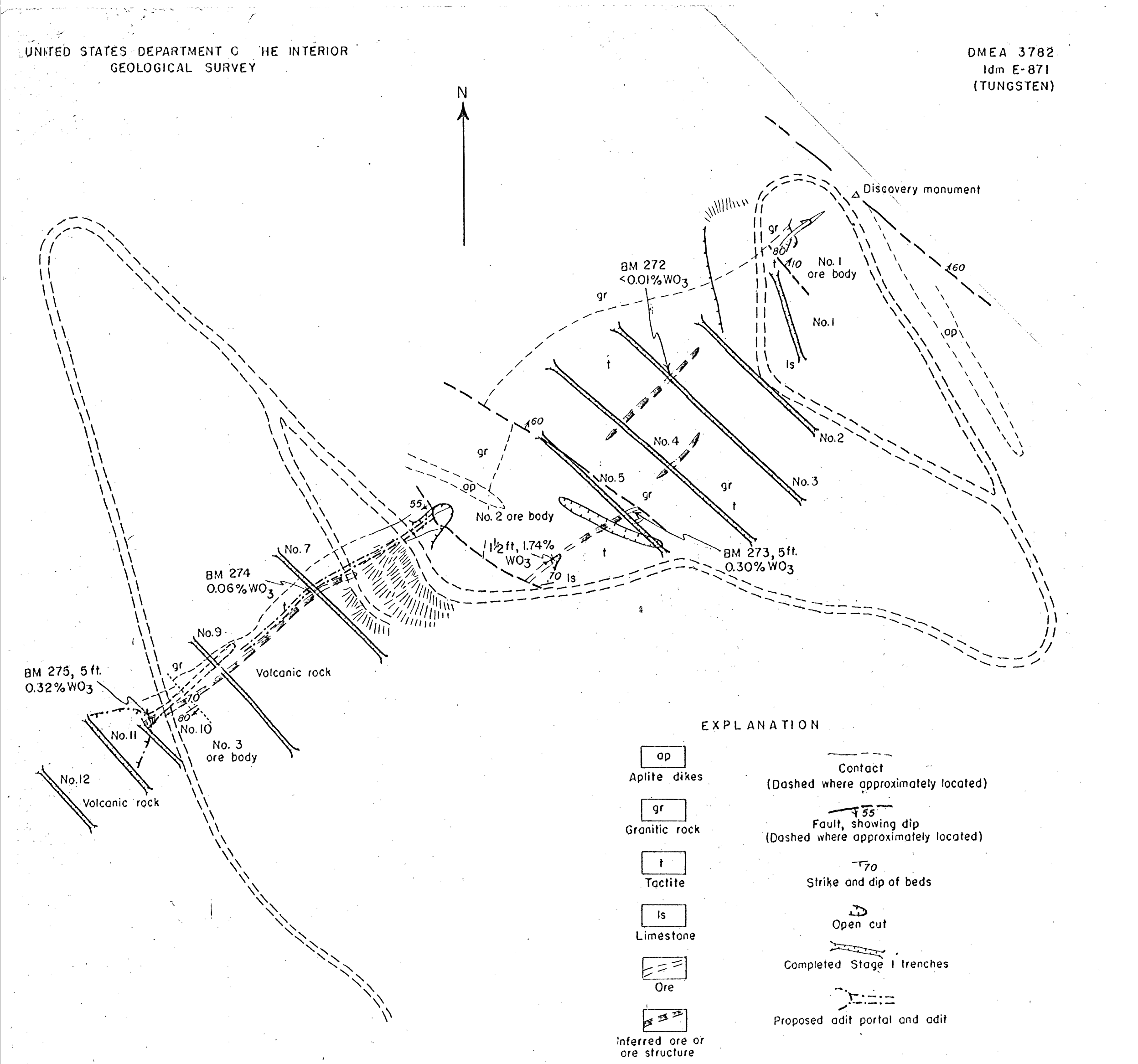
GEOLOGIC SKETCH MAP OF THE SADDLE TUNGSTEN MINE
HUMBOLDT COUNTY, NEVADA

100 0 100 200 Feet

Figure 1

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3782
Idm E-871
(TUNGSTEN)

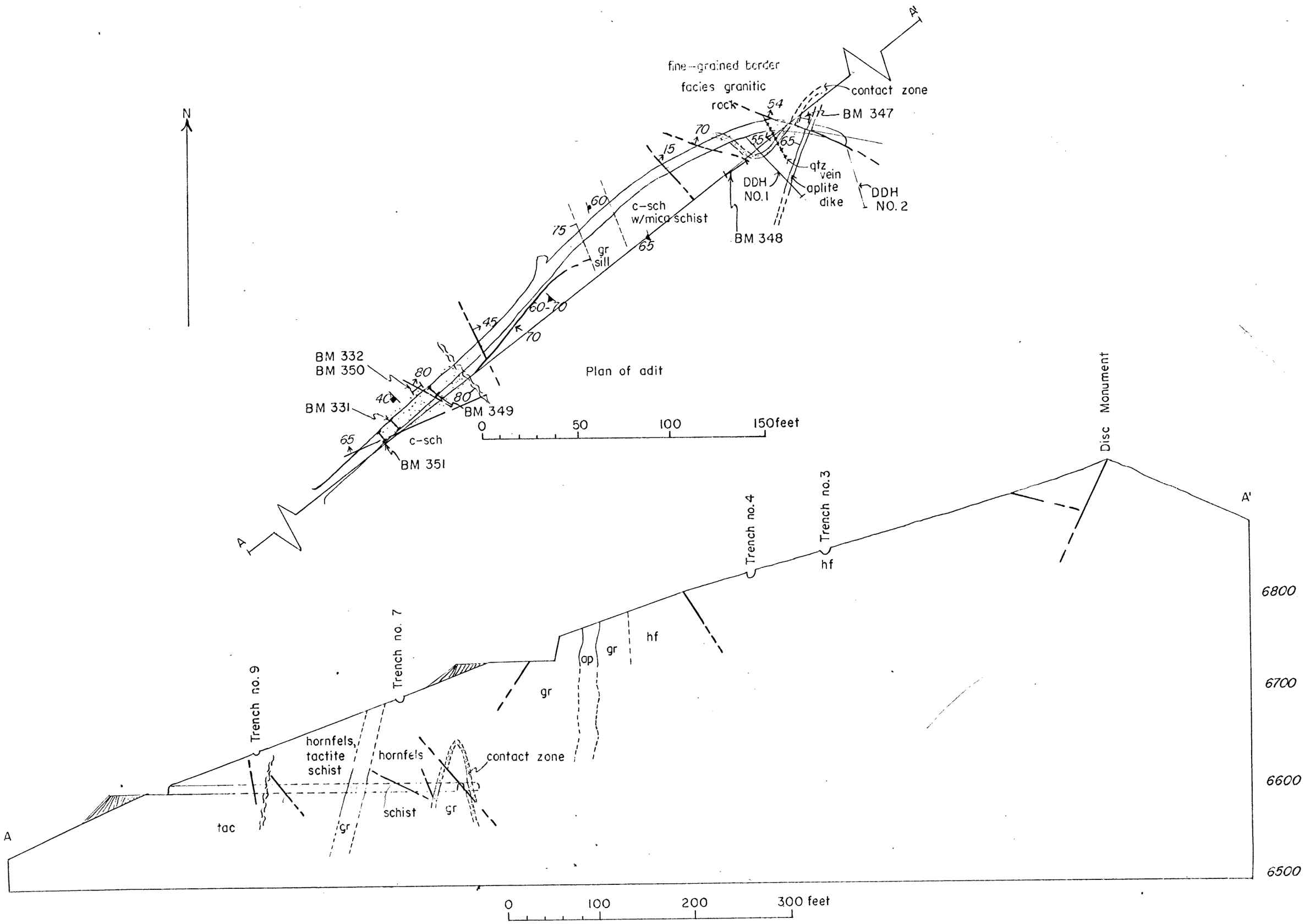


GEOLOGIC SKETCH MAP OF THE SADDLE TUNGSTEN MINE
HUMBOLDT COUNTY, NEVADA

Figure I-1

UNITED STATES DEPARTM T OF INTERIOR
GEOLOGICAL SURVEY

DME A 3782
IDM E-871
(TUNGSTEN)



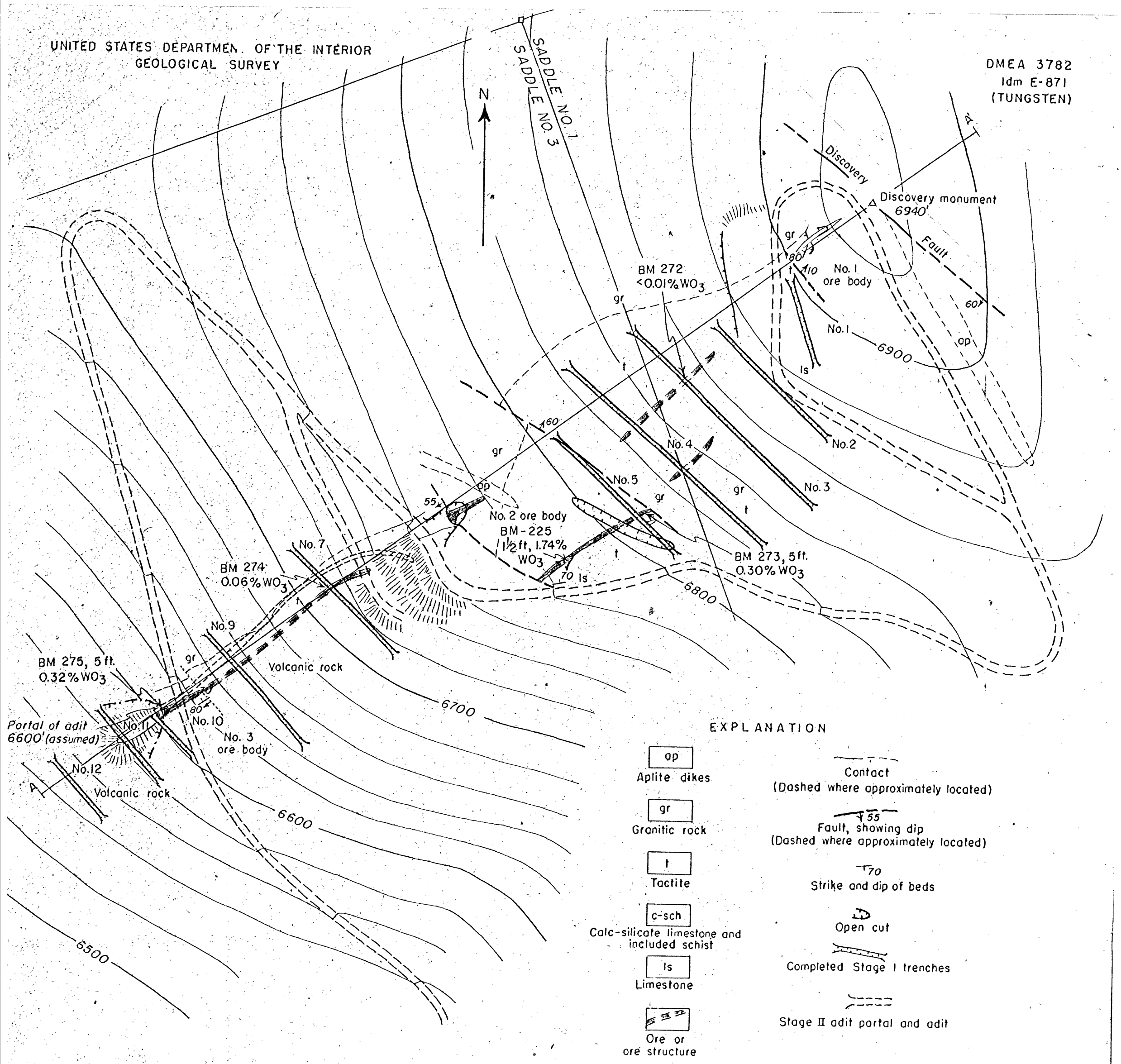
SADDLE TUNGSTEN MINE

HUMBOLDT CO, NEVADA

Figure 4

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3782
Idm E-871
(TUNGSTEN)



GEOLOGIC SKETCH MAP OF THE SADDLE TUNGSTEN MINE
HUMBOLDT COUNTY, NEVADA

Figure 3