OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REVISED REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Combined Metals Reduction Company
P. O. Box 150
Salt Lake City, Utah

a party to the Southpaw Joint Venture, pertaining to Exploration Project Contract Idm-81161, DMEA No. 4813, including Amendments Nos. 1, 2, 3, 4, and 5, for May 1958 to May 1959, inclusive, covering a manganese project on the Southpaw Claims, Lincoln County, Nevada.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, confirmation of work performed by reference to Field Team reports and correspondence, 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 reason that:

> All of the acceptable costs were under a contract provision for contribution by the Government on the basis of fixed unit costs of work performed.

The findings of this review are stated in the following summary:

Total cost billed by Operator		$7,870.00
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total acceptable cost		$7,870.00

The contract calls for a 75 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments as follows are valid and proper:

Payable on audited claim	$5,902.50
Paid to date	5,547.50
Balance due Operator	$ 355.00

E. D. Talbert, OME Auditor

April 25, 1960

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

EXTRA COPY O. M. E RECEIVED MAY 6 1960		
DATE	INITIALS	CODE
		800

May 4, 1960

Mr. A. C. Merrill, Treasurer
Combined Metals Reduction Company
P. O. Box 150
Salt Lake City, Utah

Re: Docket No. DMEA-4813 (Manganese)
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada
Contract No. Idm-E 1161

Dear Mr. Merrill:

Reference is made to our letter of April 18, 1960 enclosing a Report of Review in lieu of a final audit of the subject contract.

However, the review amounts noted as paid to the operator and due the operator were later found by the OME auditor to be in error.

Therefore, the original review has been corrected by the enclosed "Revised Report of Review", dated April 25, 1960, in which the Field Team concurs with the facts stated therein.

We hope that you have not been inconvenienced by our error.

Very truly yours,

Glenn G. Gentry
Acting OME Field Officer
Region XI

Attachment

Copy to: Operating Committee, OME
E. D. Talbert, Washington, D. C.
OME File

APR 26 1960

Memorandum

To: William G. Gentry, Acting Field Officer, Region II

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

Subject: Docket No. OMSA-4813 (Manganese)
Combined Metals Reduction Company
Southpaw Claims
Lincoln County, Nevada
Contract No. Idm-81161

The Department's Fiscal Section has called this Division's attention to certain erroneous statements in the April 8, 1960, Report of Review on the subject contract. The amount paid to date was overstated, and the balance due the Operator was understated, by $299.00, the amount of a suspense account holdback on the September-October 1958 MF-104.

Attached are two copies of a Revised Report of Review dated April 25, 1960. Please forward one copy to the Operator. The other copy is for your files. The original has been forwarded to the Fiscal Section.

This error on the part of this Division is sincerely regretted.

Attachments

EDTalbert/aaa
April 26, 1960

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Talbert
Mr. Rothrock, Room 7354, Interior

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

Revised REPORT OF REVIEW

I have reviewed the Monthly Reports of

Combined Metals Reduction Company
P. O. Box 150
Salt Lake City, Utah

a party to the Southpaw Joint Venture, pertaining to Exploration Project Contract Idm-H1161, DMEA No. 4813, including Amendments Nos. 1, 2, 3, 4, and 5, for May 1958 to May 1959, inclusive, covering a manganese project on the Southpaw Claims, Lincoln County, Nevada.

My review included an examination of the Monthly Reports (Forms MP-104) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, confirmation of work performed by reference to Field Team reports and correspondence, 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 reason that:

All of the acceptable costs were under a contract provision for contribution by the Government on the basis of fixed unit costs of work performed.

The findings of this review are stated in the following summary:

Total cost billed by Operator		$7,870.00
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total acceptable cost		$7,870.00

The contract calls for a 75 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments as follows are valid and proper:

Payable on audited claim	$5,902.50	
Paid to date	~~$5,787.50~~	5547.50
Balance due Operator	$ ~~115.00~~	355.00

E. D. Tolbert

E. D. Tolbert, GMR Auditor

April 6, 1960

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 21 1960

DATE		
4-21	gad	vvo 800

April 18, 1960

Mr. A. C. Merrill, Treasurer
Combined Metals Reduction Company
P. O. Box 150
Salt Lake City, Utah

Re: Docket No. DMEA-4813 (Manganese)
Southpaw Joint Venture
Southpaw claims
Lincoln County, Nevada
Contract No. Idm-E 1161

Dear Mr. Merrill:

Attached is your copy of a Report of Review in lieu of a final audit of the subject contract, signed by E. D. Talbert, OME Auditor.

The Field Team concur with the facts stated therein.

Very truly yours,

Glenn G. Gentry
Acting OME Field Officer
Region II

Attachment

Copy to: Fiscal Section
Contract Administration and Audit Division
H. K. Stager, U.S.G.S.
A. C. Johnson, Reno, Nevada
OME File

APR 8 1960

Memorandum

To: Executive Officer, OMM Field Team, Region II

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

Subject: Docket No. DMEA-4813 (Manganese)
Combined Metals Reduction Company
Southpaw Claims
Lincoln County, Nevada
Contract No. IAm-8141

As requested by your April 6 memorandum a Report of Review, in lieu of a final audit, has been prepared for the subject project. The original and two copies of the report, together with the original of the Operator's Final (April-May 1959) MR-104, are attached.

If you concur with the facts as stated in this report, please make the distribution authorized by section 4 of OMM Circular 2, dated February 17, 1960. If for any reason you do not concur, please return the original and both copies of the Report of Review to this Division with your comments.

Attachments

EDTalbert/ama
April 8, 1960

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Talbert
Mr. Rathrock, Room 7354, Interior

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

OFFICIAL FILE COPY O. M. E. RECEIVED APR 8 1960		
DATE	INITIALS	CODE
4-8	gad	VVO
		~~[illegible]~~
		500

April 6, 1960

Memorandum

To: Contract Administration and Audit Division, OME

From: Executive Officer, OME Field Team, Region II

Subject: Docket No. DMEA-4813 (Manganese)
Combined Metals Reduction Company
Southpaw Joint Venture - Southpaw Claims
Lincoln County, Nevada
Contract No. Idm-E 1161

Work under the subject contract was terminated effective July 1, 1959 by an agreement dated December 15, 1959.

The number of units of work completed by the operator and accepted by the Field Team as confirming to contract specifications were:

Bulldozing access roads	168 hours
Churn drilling	665 feet
Percussion drilling	255 "
Diamond drilling	51 "
Rotary drilling	26 "
Casing of drill holes	225 "
Lost casing in drill holes	45 "
Samples assayed for Mn.	19

An acceptable final engineering and geological report was received from the operator on December 1, 1959.

A Report of Review, in lieu of a final audit, is in order and requested. For this purpose, the original copies of the final (April-May 1959) MF104 and MF104A, together with the supporting documentation are attached.

W. F. Dietrich

W. F. Dietrich

Attachments

Copy to: Operating Committee, OME
A. C. Johnson, Reno, Nevada
H. K. Stager, U.S.G.S.
OME File

March 29 1960

Memorandum

To: Executive Officer, OME Field Team, Region II
/s/ C. E. Fisher for

From: E. B. Talbert, Acting Chief
Contract Administration and Audit Division

Subject: Proposed visit of C. E. Fisher to Region II

Thanks for your memorandum dated March 23, 1960. Mr. Fisher will contact Mr. Walker Monday morning April 18, 1960, for the purpose of performing the cost audit.

If, in your opinion, the salvage offer by Shasta Minerals & Chemical Company, Contract Idm-E1066, Docket DMSA-4072, is acceptable to the Government, it is suggested that you proceed in the manner outlined in DMSA Circular 39, January 28, 1953, as supplemented. Section 2(a) of Acting Secretary of the Interior Order No. 2836, September 22, 1953, as paragraphed by OME Operating Committee Memorandum No. 1, dated September 30, 1953, delegates to Executive Officers authority to "approve in writing of the sale and join in the sale for the joint account of the Operator and the Government" within limitations not exceeded in this instance.

An amount sufficient to cover the Government's share of the value of salvage, possible audit disallowances, and value of engineering reports and maps required under the terms of the contract should have been withheld from payment. (See Questions and Answers Nos. 20 and 21 of Memorandum No. 8, June 25, 1952, and Special Notice in Minutes of Operating Committee No. 219, May 22, 1953.) Apparently, the balance due to Shasta Minerals as the Government's share of exploration costs will be found by the audit to be substantially less than the offer for the salvage so that the net result will be a determination of a balance due to the Government.

There are returned herewith the original and three copies of the MF-104 and original and two copies of the MF-104A, together with attachments, relating to February 1960 exploration work by Shasta Minerals which you sent to the Fiscal Section with memorandum dated March 15, 1960. One copy of the MF-104A has been retained in line with provisions of Special Notice in Minutes of Operating Committee No. 192, dated March 20, 1953. Upon receipt of Mr. Fisher's audit report and certificate forms MF-104 and MF-104A should be submitted to the Fiscal Section for handling in accordance with the procedure prescribed by OME Circular 1 and Section 4 of OME Circular 2.

I have also secured from the Fiscal Section and am returning herewith the forms MF-104 and MF-104A (except for one copy of form MF-104A) pertaining to the following contracts:

Combined Metals Reduction Co. - April/May 1959, Idm-E1161, DMRA-4813
Whitton Corporation - February 1960, Idm-E1212, DMRA-4924

These vouchers should be handled in the manner prescribed in OME Circular 2; that is, if the work is terminated or completed request for cost review should be made in the manner provided.

Mr. Fisher's time in San Francisco will be limited. He will complete the cost audit report pertaining to Shasta Minerals, arrange for disposition of audit work-paper files now in the custody of the authorized Certifying Officer, and make royalty reviews as deemed appropriate. It is not intended that he should make cost reviews. Thus, he will not review the contracts with New Idria Mining and Chemical Company, Idm-E1137, DMRA-4654, and John M. Shalde, Idm-E1083, DMRA-4428, which should be handled in accordance with the procedure set forth in OME Circulars 1 and 2.

Attachments

CEFisher/ams
March 29, 1960

Copy to: Docket
Director's Reading File
CA & A Division - E1161
Mr. Fisher

Form 7-1 (Rev. 1-
(Aug 1962)

Budget Bureau No. 42-R1036.4

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

MAY 5 1960

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April - May, 1959 Docket No. DMEA 4813 Contract No. Idm-X 1161
Operator's Name Combined Metals Reduction Co. Mineral Manganese
Address P. O. Box 150 Salt Lake City, Utah
Contract Amount, $ 12,852.00 Government Participation: 75 % Amount, $ 9,639.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	140.00	4845.00	4,985.00			
Bulldozing		2352.00	2,352.00			
[redacted] Casing		450.00	450.00			
[redacted] Lost Casing		45.00	45.00			
(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						
Payroll Taxes		38.00	38.00			
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	140.00	7730.00	7,870.00	140.00	7,730.00	7,870.00

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

Date ..... *Payee .....

Per ..... Title .....

When a v[redacted] name of a company or corporation, the name of the person writing company [redacted] capacity in which he signs, must appear. For example: "John Company[redacted] president," as the case may be.

NOT[redacted] number it is a criminal offense to make a willfully [redacted] of the United States as to any matter within its [redacted]tion.

(See instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
105.00 this Ven.
250.00 Nov. Bal.
$ 355.00

355.00

Signature .....
(Authorized Certifying Officer)

Date 5/5/60 Ven. No. 1653
(Use 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. ..... in accordance with the terms of the contract.

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title Acting Exec. Ofcr. Date June 23, 1959

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 operation 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 [illegible] other than that used under items (5) and (6).

Under [illegible] types of operating equipment expe[illegible] and depreciation. [illegible] expen[illegible] 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). Tax, 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 $[illegible]. 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 description [illegible] such as drilling, building, construction, [illegible] etc., [illegible] the "Monthly Total" amount due. "[illegible] Amount", and "Totals to Date" [illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April & May 1950 | Docket No. DMEA 4613 | Contract No. IDMEX 1161

Operator's Name: Combined Metals Reduction Co. | Minerals: Manganese

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

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	APPROVED BY CONTRACT UNITS	APPROVED BY CONTRACT UNIT COSTS
Drifting								
Crosscutting								
Stoping								
Raising								
Winzing								
Drilling: Rotary	Feet			130.00	26.0 ✓	5.00		
Core	Feet	140.00	28.0	255.00	51.0 ✓	5.00		
Churn	Feet			3325.00	665.0 ✓	5.00	1000	9,000.00
Percussion	Feet			1275.00	255.0 ✓	5.00		
[illegible]	Feet			450.00	225.0 ✓	2.00	600	1,200.00
[illegible] Raising	Feet			45.00	45.0 ✓	1.00	200	200.00
[illegible] & Trails	Hours			2352.00		14.00	150	2,100.00
Surveying				38.00		2.00	50	100.00
Total Distributed Costs		140.00		7870.00				Total Costs Authorized By Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
Buildings, Improvements, etc.								
Total Costs		140.00						12,002.00

The undersigned company, and the officials 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..... Operator.....

Per.....Title.....

COMBINED METALS REDUCTION COMPANY

P. O. BOX 180

SALT LAKE CITY 10, UTAH

June 9, 1959

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

Docket DMEA 4813
Contract No. [illegible]
Southern Saint Vasquez

Dear Mr. Ricker:

Attached are original and four copies of WP104 and 1[illegible] reports for the months of April & May, 1959.

	Division of Expenditures		
	Total	Joint Venture	DMEA
Contract amount	$12,852.00	$3,213.00	$9,639.00
Spent to 12-1-58	7,730.00	1,932.50	5,797.50
Spent months of April & May	140.00	35.00	105.00
Total spent to 6-1-59	7,870.00	1,967.50	5,902.50
Contract balance 6-1-59	$ 4,982.00	$1,245.50	$3,736.50

Also enclosed are:

(a) Narrative report of progress.
(b) Copies of invoice.
(c) Sketch 1720 chrom drill hole #11.

Very truly yours,

COMBINED METALS REDUCTION COMPANY

A. C. Merrill, Controller

[illegible]

[illegible] Ricker (4)
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]
[illegible] Martin, Sr., 1204 Westwood Drive, Las Vegas, Nevada
File 119-1C

[redacted]

[redacted]

DMEA Drilling Project - Southern Mine DMEA #0013 - Manganese

June 1, 1950

Mr. Paul Cornill, General Manager

Reginald G. Lee

Dear Paul:

Core drilling in DMEA drill hole No. 11 at the Southern Manganese Mine was resumed on April 27th, 1950.

This drill hole was down to 93.0 feet of depth in latter part of November, 1949 when all available water supply froze up.

No difficulty was experienced to reach the bottom of the drill hole. The core from 95 feet to 122 feet was a light gray dolomitic limestone showing a little coating of manganese in fractures at 120 feet. The Eureka Quartzite was encountered at 122 feet and extended to 123 feet in the quartzite. Attached is print of log and location of drill hole No. 11.

Very truly yours,

Reginald G. Lee

INVOICE

COMBINED METALS REDUCTION COMPANY

CASELTON PLANT **PIOCHE, NEVADA**

June 1, 1959

To:

DMEA Project Docket No. 4813
Contract No. Idm-E 1161
(Manganese)

Core Drilling during month of April and May 1959 at Southpaw Mine, Lincoln County, Nevada

24.0 feet of Core Drilling @ $5.00/ft.	$ 140.00
Total for month of April and May 1959	$ 140.00

Approved: _____

_____

Certified True Copy:

_____

Form MF-10[illegible] (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

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

FEB 8 1959 O.M.E.

Month of November, 195 8 Docket No. DMEA [illegible] Contract No. Idm-E 1161
Operator's Name Combined Metals Reduction Company Minerals Manganese
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $12,852.00 Government Participation: 75 % Amount, $9,639.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	625.00	4220.00	4845.00			
Bulldozing		2352.00	2352.00			
Crosscutting	150.00	300.00	450.00			
Drifting Lost Casing	35.00	10.00	45.00			
(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	24.00	14.00	38.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	834.00	6896.00	7,730.00			

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

Date Jan. 7-1959 *Payee COMBINED METALS REDUCTION COMPANY

Per A. C. Murrill Title Treasurer

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

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

$ 625.50

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

Date JAN 2 0 1959 Vou. No. SF-DMEA-20

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1161 in accordance with the terms of the contract.

Signature Glenn G. Gentry Title Mining Engineer Date Jan. 12, 1959

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Ricker Title Executive Officer Date Jan. 12, 1959

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

FEB 2 1959 OME

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

Month of November 8

Idm-E 1161

Operator's Name Combined Metals Reduction Company

Contract No.

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

Minerals Manganese

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
~~Wells~~ Rotary	Feet			130.00	26.0	5.00		
Drilling: Core	Feet	115.00	23	115.00	23.0	5.00	1800	9,000.00
Churn	Feet	150.00	30	3325.00	665.0	5.00		
~~Auger~~ Percussion	Feet	360.00	72	1275.00	255.0	5.00		
~~Stripping~~ Casing	Feet	150.00	75	450.00	225.0	2.00	600	1,200.00
~~Trenching~~ Lost Casing	Feet	35.00	35	45.00	45.0	1.00	200	200.00
Test Pits								
Roads and Trails	Hours			2352.00	168.0	14.00	168	2,352.00
Assaying		24.0	12	38.00	19	2.00	50	100.00
TOTAL DISTRIBUTED COSTS		834.00		7,730.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		834.00		7,730.00				12,852.00

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 Jan. 7-1959 Operator COMBINED METALS REDUCTION COMPANY

Per A C Merrill Title Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

Gilmer G Gentry

INSTRUCTIONS

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

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

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

GPO 872894

COMBINED METALS REDUCTION COMPANY

P. O. BOX 150

SALT LAKE CITY 10, UTAH

January 7, 1959

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

Docket DMEA 4813
Contract No. Idm-E1161 Manganese
Southpaw Joint Venture

Dear Mr. Ricker:

Attached are original and four copies of MF104 and 104A reports for the month of November, 1958.

	Division of Expenditures		
	Total	Joint Venture	DMEA
Contract amount	$12,852.00	$3,213.00	$9,639.00
Spent to 11-1-58	6,896.00	1,724.00	5,172.00
Spent month of Nov., 1958	834.00	208.50	625.50
Total spent to 12-1-58	7,730.00	1,932.50	5,797.50
Contract balance 12-1-58	$ 5,122.00	$1,280.50	$3,841.50

Also enclosed are:

(a) Narrative report of progress.
(b) Copies of invoice.
(c) Sketch A1714A location.
(d) Sketch A1718 churn drill hole #4.
(e) Sketch 1720 churn drill hole #11.
(f) Sketch C1125 Southpaw mine.

Very truly yours,

COMBINED METALS REDUCTION COMPANY

A. C. Merrill

A. C. Merrill, Treasurer

ACM:b

cc: S. Ricker (4)
E. H. Snyder
Paul Gemmill
R. G. Lee
H. E. Swanson
P. W. Duffin, Sr., 1204 Westwood Drive, Las Vegas, Nevada
File 119-1C

COMBINED METALS REDUCTION COMPANY

D. M. E. A. Drilling Program - Southpaw Mine -DMEA Project 4813- Month of November, 1958
December 23, 1958

Mr. Paul Gemmill, General Manager

Reginald G. Lee

Dear Paul:

The DMEA Exploration Drilling Project at Southpaw Manganese mine made and advance of 125 feet during the first 27 days of the month.

No. 4 Churn Drill Hole was completed at 215 feet of depth. The Eureka Quartzite was encountered at 204 feet. No manganese mineralization was found in this drill hole. The contact of the Bly Spring Dolomite and the Eureka Quartzite was abrupt, no alteration or manganese mineralization was noted.

Drill Hole No. 11, location shown on Map C-1125, was started with a large percussion wagon drill rig. At 72 feet of depth the drill cuttings showed a considerable amount of moisture present. At this point the percussion drilling was stopped in favor of core drilling, using AX bit. The drill hole was extended to 95 feet of depth when all available water supply froze up. Compressed air was tried as a substitute for water in removing the fine cutting from the core bit, but this did not work, due to the moist condition of the ground.

The nearest supply of water is Hiko, about 21 miles away, and all up grade haul on rough dirt road.

A supply of water near the mine will not be available before spring, at which time No. 11 Drill Hole will be completed to the quartzite contact. Drilling during the winter months is not practical due to cold weather and deep snow in the canyon where the Southpaw Mine is located.

Very truly yours,

Reginald G. Lee

Reginald G. Lee

INVOICE

COMBINED METALS REDUCTION COMPANY
P. O. BOX 150
SALT LAKE CITY, UTAH
December 1, 1958

To:
D.M.E.A Project Docket DMEA 4313
Contract No. Idm-B 1161 (Manganese)

Exploration drilling during month of November 1st to 27th inclusive.

125 feet of drilling	$5.00	-	$ 625.00
75 feet of casing	2.00	-	150.00
35 feet of lost casing	1.00	-	35.00
12 Manganese determinations	2.00	-	24.00
Total for Month of November, 1958 (November 1st to 27th inclusive)			$ 834.00

Approved:

N. E. Swanson

Paul Hammill

Certified True Copy:

Reginald G. Lee

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
1605 Evans Avenue
Reno, Nevada

EXTRA COPY
O. M. E.
RECEIVED JAN 27 1959
DATE | INITIALS | CODE
800

Jan. 23, 1959

Memorandum

To: Lloyd Sjolander, Finance Officer, Region II

From: Executive Officer, OME Field Team, Region II

Subject: Docket No. DMEA-4813 (Manganese
Contract No. Idm-E 1161
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada

Subject contract has been recessed until April 27, 1959. The enclosed MF-104, MF-104A vouchers for November should be paid but the $250.00, withheld from the September-October 1958, should be retained by the Government until you are advised that contract has been reactivated on or before April 27, 1959.

S. RICKER

S. Ricker

Attachments

SRicker:ft
cc: Opr. Com., OME, Wash., D.C.
GeoMavor
RMSmith
File
Chron

BUREAU OF MINES
WASHINGTON, D. C.

JAN 26 10 13 AM '59

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

DEC 17 1958 D.M.E.

Month of Sept. - Oct., 1958 Docket No. DMEA 4813 Contract No. IDM-E 1161
Operator's Name Combined Metals Reduction Company Minerals Manganese
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $12,852.00 Government Participation: 75% Amount, $ 9,639.00

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	1520.00	2700.00	4220.00			
Bulldozing	252.00	2100.00	2352.00			
~~xxxxxxx~~ Crosscutting Casing	180.00	120.00	300.00			
~~xxxxx~~ Drifting Lost Casing		10.00	10.00			
(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		14.00	14.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1952.00	4944.00	6896.00			

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

Date NOV 21 1958 *Payee COMBINED METALS REDUCTION COMPANY

Per A C Merrill Title Treas

*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: 1464.00 - 75% - 250.00 - Withheld

$ 1214.00

Frances S. Morton
Authorized Certifying Officer

Signature
(Authorized Certifying Officer)

Date DEC 22 1958 Vou. No. SF-DmCa-18

(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-E116 in accordance with the terms of the contract.

Signature Glenn G. Gentry Title Mining Engineer Date Nov. 24, 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Ricker Title Executive Officer Date Nov. 24, 1958

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-T04A
(April 1962)

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 Sept.-Oct 8 Docket No. 4813 IDM-E 1161

Operator's Name Combined Metals Reduction Company DMEA Contract No.

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

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes xxxRotary	feet	130.00	26.0	130.00	2600	5.00	(	
Drilling: Core	feet	475.00	95.0	3175.00	635.0	5.00	(1800	9,000.00
Churn Percussion	feet	915.00	183.0	915.00	183.0	5.00	(	
Casinging	feet	180.00	90.0	300.00	150.0	2.00	600	1,200.00
Stripping Lost Casing	feet			10.00	10.0	1.00	200	200.00
Trenching								
Test Pits	hours	252.00	18.0	2352.00	168.0	14.00	168	2,352.00
Roads Trails				14.00	7	2.00	50	100.00
TOTAL DISTRIBUTED COSTS		1952.00		6896.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1952.00		6896.00				12,852.00

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 NOV 21 1958 Operator COMBINED METALS REDUCTION COMPANY

Per A C Merrill Title Treas.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

Filmer G. Gunter

INSTRUCTIONS

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

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

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

GPO 872894

COMBINED METALS REDUCTION COMPANY

D.M.E.A. Drilling Program - Southpaw Mine - DMEA Project 4-13

November 14, 1948

Mr. Paul Gemmill, General Manager

Reginald G. Lee

Dear Paul:

During the month of September, all road building was completed and the D-8 Bull-dozer returned to Castleton.

Churn Drilling showed no advance during September. Churn drill hole No. 4 encountered a shear or fault zone at 90 feet of depth. The Churn Drill Tools deflected off to the side following a crack at the bottom of the hole and hung up. All efforts to jar the tools loose failed.

After breaking the drill cable and using a second set of tools, to drill by the lost tools, the drill hole was straightened and the lost tools recovered. During the month of October this drill hole was advanced from 90 feet to 185 feet, all in a dark dolomitic limestone.

A favorable responce to a request that other types of drilling be approved by the Government, prompted us to hire a rotary drill rig with experienced driller. After one week of drilling, it was found that the dolomitic limestone formation at Southpaw is much too hard for rotary drilling using a tri-cone bit.

A large percussion wagon drill with sectional drill rods and tungsten carbide bit was tried on shorter drill holes and found to be successful in drilling this formation as well as recovering cuttings for samples every five feet. The limitation of depth with this type of drilling is the removal of cuttings. The deepest hole drilled was 72 feet, when quartzite was encountered, but probably 80 to 100 feet would be the maximum. However, a small core drill using AX rods would be able to continue the drill hole to much greater depth.

No manganese ore was encountered in any of the drill holes completed during this period.

Very truly yours,

Reginald G. Lee

Reginald G. Lee

FORM 25

I N V O I C E

CONSOLIDATED METALS REDUCTION COMPANY
P. O. BOX 150
SALT LAKE CITY, UTAH

To:

U.S.A.E.C. Project Docket No. A 4813 (Manganese
Contract No. [illegible] 1161

Road Building and Drilling During Month of September and October, 1958
at Southpaw Mine, Lincoln County, Nevada

304.0 feet of drilling @ $5.00		$1,520.00
18.0 hours of Bull-Dozing @ $14.00		252.00
90.0 feet of Casing @ $2.00		180.00
Total for Months of September and October 1958		$1,952.00

APPROVED:

[signature]

W. E. Swenson

Certified True Copy:

[signature]

COMBINED METALS REDUCTION COMPANY

P. O. BOX 150

SALT LAKE CITY 10, UTAH

November 21, 1958

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

Docket DMEA 4813
Contract No. Idm-E1161 Manganese
Southpaw Joint Venture

Dear Mr. Ricker:

Attached are original and four copies of MF104 and 104A reports for the months of September and October, 1958.

	Division of Expenditures		
	Total	Joint Venture	DMEA
Contract amount	$12,852.00	$3,213.00	$9,639.00
Spent to 9-1-58	4,944.00	1,236.00	3,708.00
Spent months of Sept. & Oct, 1958	1,952.00	488.00	1,464.00
Total spent to 11-1-58	6,896.00	1,724.00	5,172.00
Contract balance 11-1-58	$ 5,956.00	$1,489.00	$4,467.00

Also enclosed are:

(a) Narrative report of progress.
(b) Copies of invoice.
(c) Sketch A1714A location.
(d) Sketch A1718 churn drill hole #4.

Very truly yours,

COMBINED METALS REDUCTION COMPANY

A. C. Merrill

A. C. Merrill,
Treasurer

ACM:b

cc - S. Ricker (4)
E. H. Snyder
Paul Gemmill
R. G. Lee
H. E. Swanson
P. W. Duffin, Sr., 1204 Westwood Drive, Las Vegas, Nevada
File 119-1C

DEPT. OF INTERIOR
BUREAU OF MINES
REGION II
RECEIVED

1972 NOV 21 AM 10:20

RENO, NEVADA

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

Budget Bureau No. 42-R1036.5

COPY

RECEIVED SEP 26 1958 DMEA

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

Month of August, 1958 Docket No. DMEA 4813 Contract No. Idm-E 1161
Operator's Name Combined Metals Reduction Company Minerals Manganese
Address P. O. Box 150 Salt Lake City, Utah
Contract Amount, $ 12,852.00 Government Participation: 75 % Amount, $ 9,639.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	450.00	2250.00	2700.00			
Bulldozing	1428.00	672.00	2100.00			
Casing		120.00	120.00			
Lost Casing		10.00	10.00			
(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		14.00	14.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1878.00	3066.00	4944.00			

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

Date SEP 12 1958 *Payee COMBINED METALS REDUCTION COMPANY

Per [signature] Title Treas

*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:

$ 1408.50

Signature
(Authorized Certifying Officer)

Date SEP 22 1958 Vou. No. SF-DmCa-7

(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-E116 in accordance with the terms of the contract.

Signature Glenn G. Gentry Title Mining Engineer Date Sept. 15, 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Ricker Title Executive Officer Date Sept. 15, 1958

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 1962)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED SEP 26 1958

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1958 Docket No. DMEA 4813 Contract No. Idm-E 1161

Operator's Name Combined Metals Reduction Company Minerals Manganese

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

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn	Feet	450.00	90.0	2700.00	540.0	5.00	1800	9000.00
Casing	Feet			120.00	60.0	2.00	600	1200.00
Lost Casing				10.00	10.0	1.00	200	200.00
Trenching								
Test Pits								
Roads and Trails	Hours	1428.00	102.0	2100.00	150.0	14.00	168	2352.00
Assaying				14.00	7	2.00	50	100.00
TOTAL DISTRIBUTED COSTS		1878.00		4944.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1878.00		4944.00				12852.00

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:

SEP 12 1958

Date Operator COMBINED METALS REDUCTION COMPANY

Per [signature] Title Pres.

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

(Instructions on reverse)

(For Government use only)

[signature]

INSTRUCTIONS

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

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

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

GPO 872894

COMBINED METALS REDUCTION CO.

INTER-OFFICE CORRESPONDENCE

Subject DMEA Churn Drilling Program - Southpaw Mine - DMEA Project # 4813 - Manganese

Date September 9, 1958

To Mr. Paul Gemmill, General Manager

From Reginald G. Lee

Dear Paul:

Churn Drilling and Road Building under DMEA Project #4813 at the Southpaw Manganese Mine was active during the entire month of August.

Churn Drill Hole No. 4, located about 225 feet westerly of D.D.H. No. 3, was started and advanced 90 feet during the month. All of this advance was in a dark fractured dolomite. At 90 feet of depth the tools stuck. In attempting to free them the cable broke.

If the tools are not recovered in two or three shifts, an attempt will be made to drill down alongside them.

The D-8 Cat and Dozer was at the Mine during the entire month. Sufficient roads and drill sites have been built and cleared off, to accomodate nearly all drill locations expected to be drilled during the life of the Project.

Very truly yours,

Reginald G. Lee

Reginald G. Lee

INVOICE

COMBINED METALS RESOURCES COMPANY
Pioche, Nevada
September 1, 1958

TO:

DMEA Project Docket DMEA 4211 (Manganese)
Contract No. Idm-E 1161

Churn drilling and road building during month of August 1958 at Southpaw Mine, Lincoln County, Nevada.

90 feet of Churn Drilling @ $5.00/ft.	$ 450.00
102 hrs. of road building using D-8 Cat & dozer @ $14.00/hr.	1428.00
Total for month of August	$ 1878.00

APPROVED:

W. E. Swanson

Certified True Copy:

Reginald B. Lee

A 1714-a

REFERENCES

COMBINED METALS REDUCTION CO.
SALT LAKE CITY, UTAH

DMEA Drilling Program , Southpaw Mine
Docket No. DMEA-4813, Contract No. Idm-E 1161
Lincoln County, Nevada (Manganese)

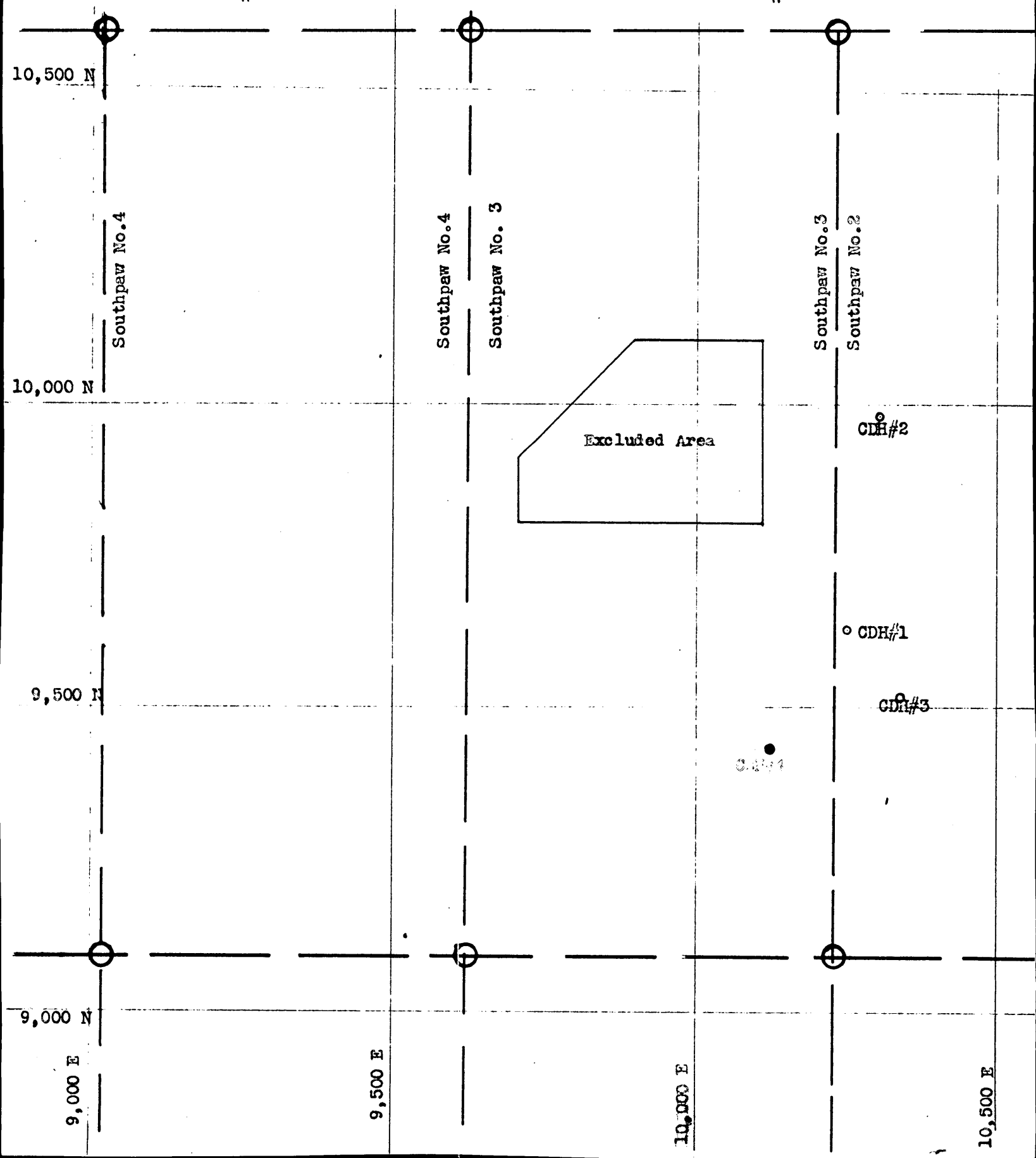
August 7, 1958 19

MADE BY RGL

TRACED BY

CHECKED BY

SCALE 1"= 200'



EXTRA COPY
D M E A
RECEIVED SEP 26 1958

DATE	INITIALS	CODE

A 1718

REFERENCES

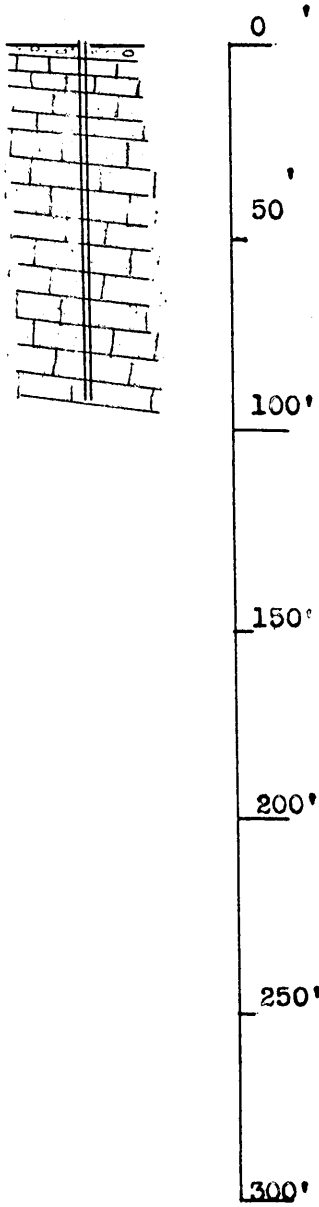
COMBINED METALS REDUCTION CO.

DMEA Drilling Project, Southpaw Mine
Churn Drill Hole No. 4, Docket No. DMEA No. 4813
Contract No. Idm-E 1161, Lincoln County, Nevada

September 8, 1958

MADE BY
TRACED BY
CHECKED BY
SCALE 1" = 50'

Coordinates: 9,432.00 N
10,125.00 E
Elevation 7,069.00'
Location: Southpaw No. 3
Hole Started: August 4, 1958
Hole Completed:
Depth:
Driller:



Log of Hole

0	-	8	Overburden
8	-	45	Blue dolomite and limestone
45	-	90	Dark fractured dolomite, hard to medium hard.

EXTRA COPY
DMEA
RECEIVED SEP 26 1958

DATE	INITIALS	CODE

COMBINED METALS REDUCTION COMPANY

P. O. BOX 150

SALT LAKE CITY 10, UTAH

September 12, 1958

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

Docket DMEA 4813
Contract No. Idm-E1161 Manganese
Southpaw Joint Venture

Dear Mr. Ricker:

Attached are original and four copies of MF104 and 104A reports for the month of August, 1958.

	Division of Expenditures		
	Total	Joint Venture	DMEA
Contract amount	$12,852.00	$3,213.00	$9,639.00
Spent to 8-1-58	3,066.00	766.50	2,299.50
Spent month of August, 1958	1,878.00	469.50	1,408.50
Total spent to 9-1-58	4,944.00	1,236.00	3,708.00
Contract balance 9-1-58	$ 7,908.00	$1,977.00	$5,931.00

Also enclosed are:

(a) Narrative report of progress.
(b) Copies of invoice.
(c) Sketch A1714A location.
(d) Sketch A1718 churn drill hole #4.

Very truly yours,

O. F. Burton
Treasurer

OFB:rs

cc - S. Ricker (4)
E. H. Snyder
Paul Gemmill
R. G. Lee
H. E. Swanson
P. W. Duffin, Sr., 1204 Westwood Drive, Las Vegas, Nevada
File 119-1C

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED SEP 8 1958

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1958 Docket No. DMEA 4813 Contract No. dm-L 1161
Operator's Name Combined Metals Reduction Company Mineral Manganese
Address P. O. Box 150, Salt Lake City, Utah
Contract Amount, $2,852.00 Government Participation: 75 % Amount, 9,639.00

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	470.00	1,780.00	2,250.00			
Bulldozing	672.00	None	672.00			
Crosscutting						
~~xxxxx~~ Casing	120.00	None	120.00			
Lost Casing	10.00	None	10.00			
(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	14.00	None	14.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1,286.00	1,780.00	3,066.00			

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

Date SEP 18 1958 *Payee COMBINED METALS REDUCTION COMPANY

Per [signature] Title Secy

*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:

$ 964.50

Frances S. Horton
Authorized Certifying Officer

Signature
(Authorized Certifying Officer)

Date 1958 Vou. No. SF-DMEA-3

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tdm E 1161 in accordance with the terms of the contract.

Signature John A. Keane Title Mining Engineer Date Aug. 21, 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date 8/22/58

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED SEP 8 1958 D.M.E.A.

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

Month of July 195 8 Docket No. DMEA 4813 Contract No. Idm-E 1161

Operator's Name Combined Metals Reduction Company Minerals Manganese

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

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn	Feet	470.00	94.0	2250.00	450.0	5.00	1800	9,000.00
Auger								
~~Stopping~~ Casing	Feet	120.00	60.0	120.00	60.0	2.00	600	1,200.00
~~Timbering~~ Lost Casing	Feet	10.00	10.0	10.00	10.0	1.00	200	200.00
Test Pits								
Roads and Trails	Hours	672.00	48.0	672.00	48.0	14.00	168	2,352.00
Assaying		14.00	7.0	14.00	7.0	2.00	50	100.00
TOTAL DISTRIBUTED COSTS		1286.00		3066.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1286.00		3066.00				12,852.00

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 AUG 18 1958 Operator COMBINED METALS REDUCTION COMPANY

Per [signature] Title [illegible]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

John A. Warne

INSTRUCTIONS

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

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

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

GPO 872894

COMBINED METALS REDUCTION COMPANY

P. O. BOX 150

SALT LAKE CITY 10, UTAH

August 18, 1958

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

Docket DMEA 4813
Contract No. Idm-E1161 Manganese
Southpaw Joint Venture

Dear Mr. Ricker:

Attached are original and four copies of MF104 and 104A reports for the month of July, 1958:

	Division of Expenditures		
	Total	Joint Venture	DMEA
Contract amount	$12,852.00	$3,213.00	$9,639.00
Spent to 7-1-58	1,780.00	445.00	1,335.00
Spent month of July, 1958	1,286.00	321.50	964.50
Total spent to 8-1-58	3,066.00	766.50	2,299.50
Contract balance 8-1-58	$ 9,786.00	$2,446.50	$7,339.50

Also enclosed are:

(a) Narrative report of progress.
(b) Copies of invoice.
(c) Sketch A1714A location
(d) Sketch A1716 churn drill hole #2.
(e) Sketch A1717 churn drill hole #3.

Very truly yours,

O. F. Burton
Treasurer

OFB:rs

cc - S. Ricker (4)
E. H. Snyder
Paul Gemmill
R. G. Lee
H. E. Swanson
P. W. Duffin, Sr., 1204 Westwood Drive, Las Vegas, Nevada
File 119-1C

COMBINED METALS REDUCTION CO.

INTER-OFFICE CORRESPONDENCE

Subject DMEA Churn Drilling Program - Southpaw Mine - DMEA Project No. 4813 Manganese

Date August 10, 1958

To Paul Gemmill, General Manager

From Reginald G. Lee

Month of June 1958

Churn Drilling under DMEA Project Docket No. DMEA 4813 was active on one shift during the entire month of June.

Churn Drill Hole No. 2 was completed at 84 feet of depth, the Eureka Quartzite being cut at 75 feet. A small amount of manganese stain was noted in the drill cuttings at 65 to 70 feet of depth.

Churn Drill HoleNo. 3, down 75 feet as of July 1st, was located 140 feet southeast of Churn Drill Hole No. 1, specifically to obtain information as to the width of the downfaulted block located by No. 1 drill hole. Dark gray to black dolomite is the predominant rock in the drill holes to date.

During the month of July a D-8 Cat and dozer will be available for road building to drill sites west and north of the mine workings. It is expected that some of these holes will be about 350 feet deep.

Hard slick fault surfaces dipping at steep angles have caused considerable slow-down in drilling footage.

Three days were lost during the month due to breakdown of water pump on drilling engine and breaking of drill jars.

Month of July 1958

During the month of July, the Southpaw DMEA Churn Drilling Project went forward with average drilling progess of 5.6 feet per 8 hour shift, including moving and down time.

Churn Drill Hole No. 3 was completed at 169 feet of depth. Drill footage advance for the month was 94 feet, from 75 to 169 feet.

Dark dolomite limestone was drilled through from 20 feet to 135 feet. At 135 feet manganese stain was noted in the cuttings. From 145 feet to 155 feet low grade stringers of manganese were cut. From 155 feet to 162 feet the contact (may be a fault contact) of Ely Spring dolomite and Eureka Quartzite containing considerable clay and fault gouge was drilled through.

COMBINED METALS REDUCTION COMPANY

SHEET 2 DATE 8-10-58 TO Paul Gemmill

This clay and gouge material showed manganese. However, the assay results were not encouraging.

C.D.H.	Sample	Feet from-to	% Mn
No. 3	Washed cuttings	135 - 140	0.20
"	" "	140 - 145	0.15
"	" "	145 - 150	0.15
"	" "	150 - 155	Tr
"	" "	155 - 160	Tr
"	" "	157 - 162	Tr
"	Unwashed clay	160 - 162	0.40

The poor assay results indicate that the Manganese is only a stain or colorizer at the contact.

A D-8 bulldozer was transported to the mine during the last half of the month. Roads and drillsites have been prepared South-West and North-West of the mine area, but 100 feet out of the excluded area, as specified in the DMEA contract.

Drill Hole No. 4 is located at approximate coordinates N 9442, E 10130.

The Eureka Quartzite sould be cut at about 200 feet.

Very truly yours

Reginald G. Lee

Reginald G. Lee

INVOICE

COMBINED METALS REDUCTION COMPANY
Pioche, Nevada
August 1, 1958

TO:

DMEA Project Docket No. DMEA 4813 (Manganese)
Contract No. Idm-E 1161

Churn Drilling during month of June 1958, Churn Drilling and Road Building during month of July 1958, at Southpaw Mine, Lincoln County, Nevada.

Month of June 1958

166.0 feet of Churn Drilling @ $5.00/ft	$ 830.00
Total for June 1958	830.00

Month of July 1958

94.0 feet of Churn Drilling @ $5.00/ft	470.00
60.0 feet of casing in drill holes @ $2.00/ft	120.00
10.0 feet of lost casing @ $1.00/ft	10.00
7 manganese assays @ $2.00	14.00
48 hours of road building and drill site clearance @ $14.00/hr	672.00
Total for July 1958	1,286.00
Total cost for June and July	$ 2,116.00

APPROVED:

W. E. Swanson

Certified True Copy:

Reginald F. Lee

A 1714-a

REFERENCES

COMBINED METALS REDUCTION CO.
SALT LAKE CITY, UTAH

DMEA Drilling Program , Southpaw Mine
Docket No. DMEA-4813, Contract No. Idm-E 1161
Lincoln County, Nevada (Manganese)

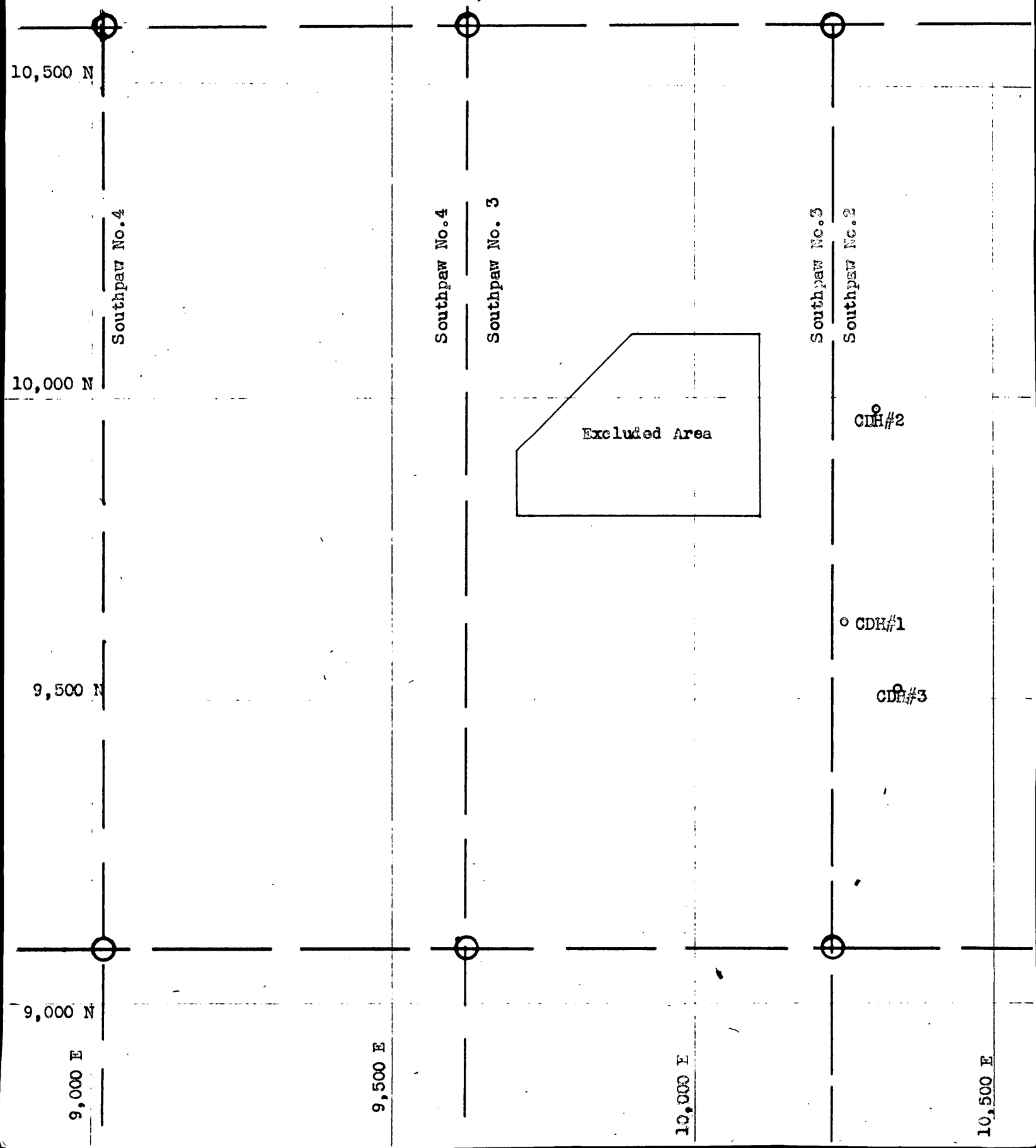
August 7, 1958 19

MADE BY RGL

TRACED BY

CHECKED BY

SCALE 1" = 200'



[illegible] 17, 1968

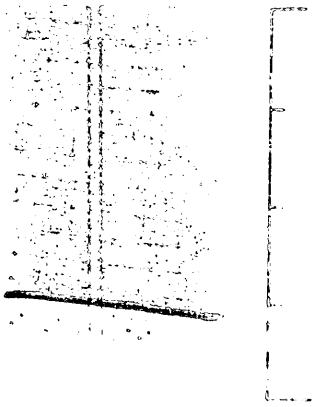
[illegible]

[illegible]

[illegible]

[illegible] Lincoln County, Nevada

Coordinates: [illegible]
[illegible]
Elevation [illegible]
Location [illegible] No. 3
Date Started [illegible] 1968
Date Completed [illegible] 1968
Depth [illegible] feet
Drillers [illegible]



Log of Hole

[illegible] - [illegible] [illegible] and limestone
[illegible] - [illegible] [illegible]
[illegible] - [illegible] [illegible], [illegible]
[illegible] - [illegible] [illegible], [illegible] [illegible]
[illegible] - [illegible] [illegible] (Depth)

A 1717

REFERENCES

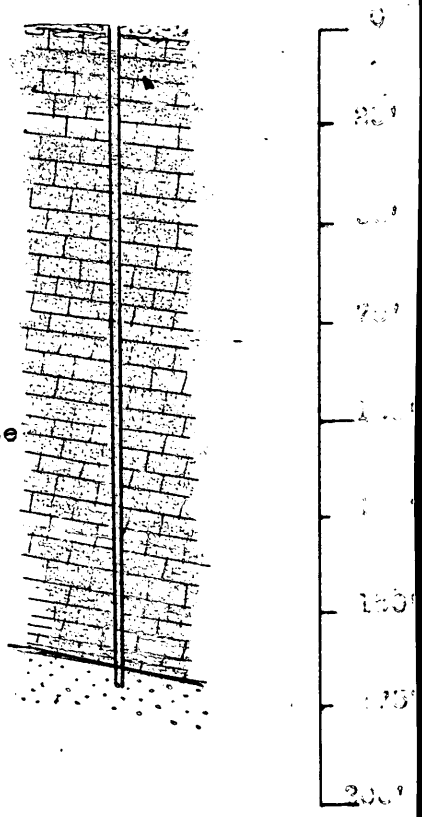
COMBINED METALS REDUCTION CO.

DMEA Drilling Project, Southpaw Mine
Churn Drill Hole No. 3 ,Docket No. DMEA- 4813
Contract No. Idm-E 1161, Lincoln County, Nevada

July 17, 1958 19

MADE BY RGL
TRACED BY
CHECKED BY
SCALE 1" = 50'

Coordinates: 9,547.00 N
10,330.00 E
Elevation: 7,019.00'
Location: Southpaw No. 2
Hole Started June 18, 1958
Hole Completed: July 29, 1958
Depth : 169.0 feet
Driller: M. J. Fullerton



Log of Hole

0	- 20	Wash
20	- 50	Dark Gray Dolomite and Limestone
50	- 65	Gray Dolomite
65	- 75	Dark Dolomite
75	- 105	Dark-Gray dolometic Limestone
105	- 115	Light Gray Limestone and calcite
115	- 145	Dark- Gray Dolometic Limestone and some calcite
145	- 155	Gray Dolometic Limestone containing Manganese
155	- 165	Clay and gouge at contact of limestone and Eurika Quartzite. Manganese stain throughout.
165	- 169	Mostly quartzite, Dark-Brown to White.

REGIONAL FILE COPY
DMEA
RECEIVED SEP 8 1959

DATE		CODE

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED SEPT 8 1958 D.M.E.A.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1958 Docket No. DMEA 4813 Contract No. Idm - E 1161
Operator's Name Combined Metals Reduction Company Minerals Manganese
Address P.O. Box 150, Salt Lake City, Utah
Contract Amount, $12,852.00 Government Participation: 75% Amount, $ 9,639.00

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	830.00	950.00	1,780.00			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	830.00	950.00	1,780.00			

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

Date OCT 8 1958 *Payee COMBINED METALS REDUCTION COMPANY

By [signature] Title Treas

*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:

$ 622.50

Frances S. Horton
Signature Authorized Certifying Officer
(Authorized Certifying Officer)

Date 1958 Vou. No. SF-DMCA-

(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. DMEA E 1141 in accordance with the terms of the contract.

Signature John S. Warne Title Mining Engineer Date Aug. 21, 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date 8/22/58

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED SEP 8 1958 D.M.E.A.

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

Month of June 1958 Docket No. DMEA 4813 Contract No. Idm-E 1161
Operator's Name Combined Metals Reduction Company Minerals Manganese
Address P. O. Box 150, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn	Feet	830.00	166.0	1,780.00	356.0	5.00	1800	9,000.00
Auger								
~~Stripping~~ Casing						2.00	600	1,200.00
~~Trenching~~ Lost Casing						1.00	200	200.00
Test Pits								
Roads and Trails						14.00	168 Hrs.	2,352.00
Assaying						2.00	50	100.00
TOTAL DISTRIBUTED COSTS		830.00	166.0	1,780.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								12,852.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		830.00	166.0	1,780.00				

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 AUG 18 1958 Operator COMBINED METALS REDUCTION COMPANY

Per [signature] Title [illegible]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

John A. Wasne

INSTRUCTIONS

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

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

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

GPO 872894

COMBINED METALS REDUCTION COMPANY

P. O. BOX 150

SALT LAKE CITY 10, UTAH

August 18, 1958

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

Docket DMEA 4813
Contract No. Idm-E1161 Manganese
Southpaw Joint Venture

Dear Mr. Ricker:

Attached are original and four copies of corrected MF104 and 104A reports for the month of June, 1958:

	Division of Expenditures		
	Total	Joint Venture	DMEA
Contract amount	$12,852.00	$3,213.00	$9,639.00
Spent to 6-1-58	950.00	237.50	712.50
Spent month of June, 1958	830.00	207.50	622.50
Total spent to 7-1-58	1,780.00	445.00	1,335.00
Contract balance 7-1-58	$11,072.00	$2,768.00	$8,304.00

Also enclosed are:

(a) Narrative report of progress.
(b) Copies of invoice.
(c) Sketch A1714 location.
(d) Sketch A1716 churn drill hole #2.
(e) Sketch A1717 churn drill hole #3.

Very truly yours,

O. F. Burton
Treasurer

OFB:rs

cc - S. Ricker (4)
E. H. Snyder
Paul Gemmill
R. G. Lee
H. E. Swanson
P. W. Duffin, Sr., 1204 Westwood Drive, Las Vegas, Nevada
File 119-1C

COMBINED METALS REDUCTION COMPANY

DMEA Churn Drilling Program - Southpaw Mine - DMEA Project No. 4813 Manganese

August 10, 1958

Paul Gemmill, General Manager

Reginald G. Lee

Month of June 1958

Churn Drilling under DMEA Project Docket No. DMEA 4813 was active on one shift during the entire month of June.

Churn Drill Hole No. 2 was completed at 84 feet of depth, the Eureka Quartzite being cut at 75 feet. A small amount of manganese stain was noted in the drill cuttings at 65 to 70 feet of depth.

Churn Drill HoleNo. 3, down 75 feet as of July 1st, was located 140 feet southeast of Churn Drill Hole No. 1, specifically to obtain information as to the width of the downfaulted block located by No. 1 drill hole. Dark gray to black dolomite is the predominant rock in the drill holes to date.

During the month of July a D-8 Cat and dozer will be available for road building to drill sites west and north of the mine workings. It is expected that some of these holes will be about 350 feet deep.

Hard slick fault surfaces dipping at steep angles have caused considerable slow-down in drilling footage.

Three days were lost during the month due to breakdown of water pump on drilling engine and breaking of drill jars.

Month of July 1958

During the month of July, the Southpaw DMEA Churn Drilling Project went forward with average drilling progess of 5.6 feet per 8 hour shift, including moving and down time.

Churn Drill Hole No. 3 was completed at 169 feet of depth. Drill footage advance for the month was 94 feet, from 75 to 169 feet.

Dark dolomite limestone was drilled through from 20 feet to 135 feet. At 135 feet manganese stain was noted in the cuttings. From 145 feet to 155 feet low grade stringers of manganese were cut. From 155 feet to 162 feet the contact (may be a fault contact) of Ely Spring dolomite and Eureka Quartzite containing considerable clay and fault gouge was drilled through.

COPY

COMBINED METALS REDUCTION COMPANY

2 8-10-58 Paul Gemmill

SHEET DATE TO

This clay and gouge material showed manganese. However, the assay results were not encouraging.

C.D.H.	Sample	Feet from-to	% Mn
No. 3	Washed cuttings	135 - 140	0.20
"	" "	140 - 145	0.15
"	" "	145 - 150	0.15
"	" "	150 - 155	Tr
"	" "	155 - 160	Tr
"	" "	157 - 162	Tr
"	Unwashed clay	160 - 162	0.40

The poor assay results indicate that the Manganese is only a stain or colorizer at the contact.

A D-8 bulldozer was transported to the mine during the last half of the month. Roads and drillsites have been prepared South-West and North-West of the mine area, but 100 feet out of the excluded area, as specified in the BMEA contract.

Drill Hole No. 4 is located at approximate coordinates N 9442, E 10130.

The Eureka Quartzite could be cut at about 200 feet.

COPY

Very truly yours

Reginald G. Lee

Reginald G. Lee

FORM 23

INVOICE

COMBINED METALS REDUCTION COMPANY
Pioche, Nevada
August 1, 1958

TO:

DMEA Project Docket No. DMEA 4813 (Manganese)
Contract No. Idm-M 1161

Churn Drilling during month of June 1958, Churn Drilling and Road Building during month of July 1958, at Southpaw Mine, Lincoln County, Nevada.

Month of June 1958

166.0 feet of Churn Drilling @ $5.00/ft	$ 830.00
Total for June 1958	830.00

Month of July 1958

94.0 feet of Churn Drilling @ $5.00/ft	470.00
60.0 feet of casing in drill holes @ $2.00/ft	120.00
10.0 feet of lost casing @ $1.00/ft	10.00
7 manganese assays @ $2.00	14.00
48 hours of road building and drill site clearance @ $14.00/hr	672.00
Total for July 1958	1,286.00
Total cost for June and July	$ 2,116.00

APPROVED:

W. E. Swanson

Certified True Copy:

Reginald G. Lee

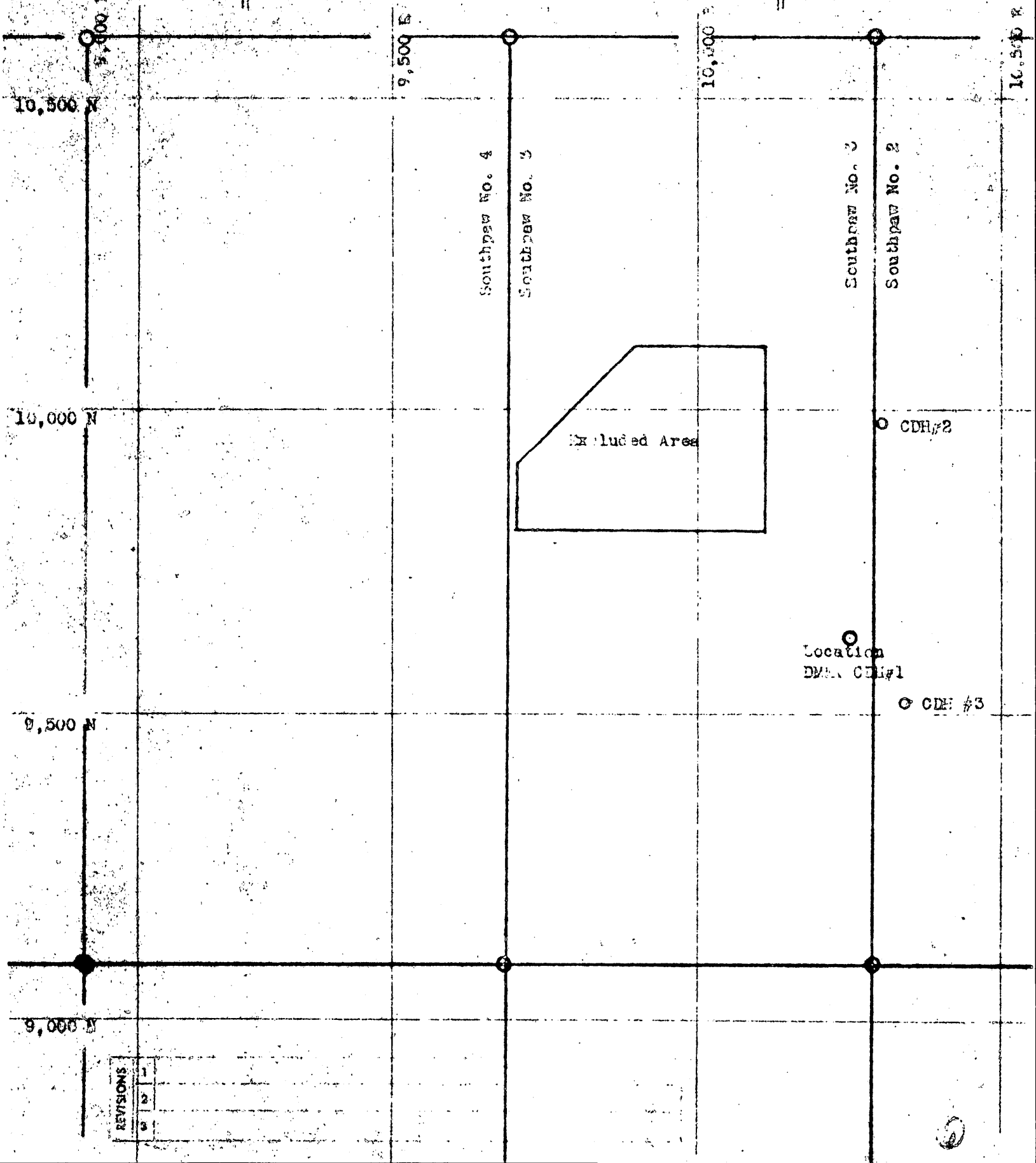
A 1714

REFERENCES

COMBINED METALS REDUCTION CO
SALT LAKE CITY, UTAH

D.M.E.A. Drilling Project, Southpaw Mine
Docket No. DMEA-4813, Contract No. Idm-F 1161
Lincoln County, Nevada (Manganese)

June 9, 1958 19
MADE BY RGL
TRACED BY
CHECKED BY
SCALE 1" = 200'



REVISIONS
1
2
3

DMEA
RECEIVED SEP 8 1958

DATE	INITIALS	CODE

AUG 1958

A 1716

REFERENCES

COMBINED METALS REDUCTION CO.

~~DMEA Drilling Project, Southpaw Mine~~
ChurnDrill Hole No. 2, Docket No. DMEA- 4813
Contract No. Idm-E 1161, Lincoln County, Nevada

July 17, 1958

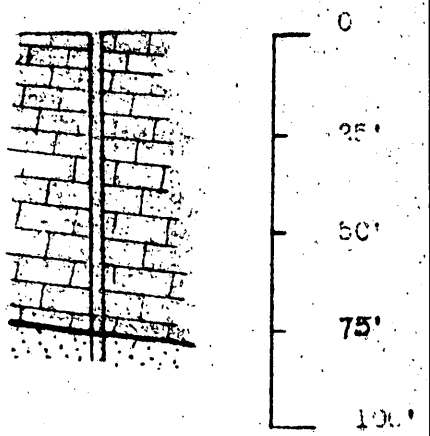
MADE BY RGL

TRACED BY

CHECKED BY

SCALE 1" = 50'

Coordinates, 9,980.00 N
10,296.00 E
Elevation 7,000.00'
Location Southpaw No. 2
Hole Started June 6, 1958
Hole Completed June 13, 1958
Depth 84 feet
Driller M. J. Fullerton



Log of Hole

0	-	20	Dark-Gray Dolomite and Linestone
20	-	40	Dark-Gray Dolomite
40	-	60	Silicified Dolomite, Hard
60	-	75	Dark Dolomite, some manganese stain
75	-	84	Quartzite (Eurika)

A 1717

REFERENCES

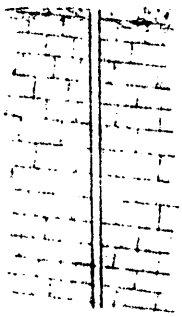
COMBINED METALS REDUCTION CO.

DMEA Drilling Project, Southpaw Mine
Churn Drill Hole No. 3 ,Docket No. DMEA- 4813
Contract No. Idm-E 1161, Lincoln County, Nevada

July 17, 1958

MADE BY RGL
TRACED BY
CHECKED BY
SCALE 1" = 50'

Coordinates: 9,547.00 N
10,330.00 E
Elevation: 7,019.00'
Location: Southpaw No. 2
Hole Started June 18, 1958
Hole Completed:
Depth :
Driller: M. J. Fullerton



Log of Hole

0	-	20	Wash
20	-	50	Dark Gray Dolomite and Limestone
50	-	65	Gray Dolomite
65	-	75	Dark Dolomite

6

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

Budget Bureau No. 42-R1036.5

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

RECEIVED 28 1958

Month of May, 1958 Docket No. DMEA 4813 Contract No. Idm-E 1161
Operator's Name Combined Metals Reduction Company Minerals Manganese
Address P. O. Box 150 Salt Lake City, Utah
Contract Amount, $ 12,852.00 Government Participation: 75 % Amount, $ 9,639.00

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	950.00	None	950.00			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	950.00	None	950.00			

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

Date JUN 18 1958 *Payee COMBINED METALS REDUCTION COMPANY

Per [signature] Title Treas.

*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:

$ 712.50

Frances S. Horton
Authorized Certifying Officer

Signature [signature]
(Authorized Certifying Officer)

Date JUN 7 1958 Vou. No. SF-DMEA-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-E1161 in accordance with the terms of the contract.

Signature Glenn G. Gentry Title Mining Engineer Date June 23, 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Ricker Title Executive Officer Date June 23, 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1958 Docket No. DMEA 4813 Contract No. Idm-E 1161
Operator's Name Combined Metals Reduction Company Minerals Manganese
Address P. O. Box 150 Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn	Feet	950.00	190.0	950.00	190.0	5.00	1800	9,000.00
Auger								
Stripping Casing						2.00	600	1,200.00
Trenching Lost Casing						1.00	200	200.00
Test Pits								
Roads and Trails						14.00	168 hrs.	2,352.00
Assaying						2.00	50	100.00
TOTAL DISTRIBUTED COSTS		950.00		950.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								12,852.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		950.00		950.00				

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 JUN 18 1958 Operator COMBINED METALS REDUCTION COMPANY

Per [signature] Title Treas.

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

(Instructions on reverse)

(For Government use only)

[signature]

INSTRUCTIONS

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

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

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

GPO 872894

COMBINED METALS REDUCTION COMPANY

Southpaw Mine Churn Drilling

June 13, 1958

Mr. Paul Gemmill, General Manager

Reginald G. Lee

Churn Drilling under DMEA Project Docket No. DMEA 4813, Contract No. Idm-N 1181, was commenced on May 1, 1958 and continued throughout the entire month.

DMEA Churn Drill Hole No. 1, located at Coordinates 9,630N 10,250E, was advanced 190.0 feet during the month. The first 125 feet of this advance was through massive limestone, the last 65 feet was in a massive dark dolomite. Some faulting and hard slick walls was encountered at 20 and 55 feet of depth.

At this writing the drill hole is completed. The Eureka Quartzite was encountered at 192 feet, the hole was continued to 197 feet, or 5 feet into the quartzite.

No manganese mineralization was found in this drill hole, but some valuable information was obtained relative to faulting and a down-thrown block in this area. Additional drill holes will delineate the various fault blocks.

COPY

Very truly yours

Reginald G. Lee

Reginald G. Lee

RGL/abh

COMBINED METALS REDUCTION COMPANY
Fiochs, Nevada
June 1, 1958

TO:

DMEA Project Docket No. DMEA 4813

Churn Drilling during month of May 1958 at Southpaw Mine.

190.0 feet of Churn Drilling @ $5.00/ft	$950.00
Total for month of May 1958	$950.00

APPROVED:

W. E. Swanson

Certified True Copy:

Raymond S. Lee

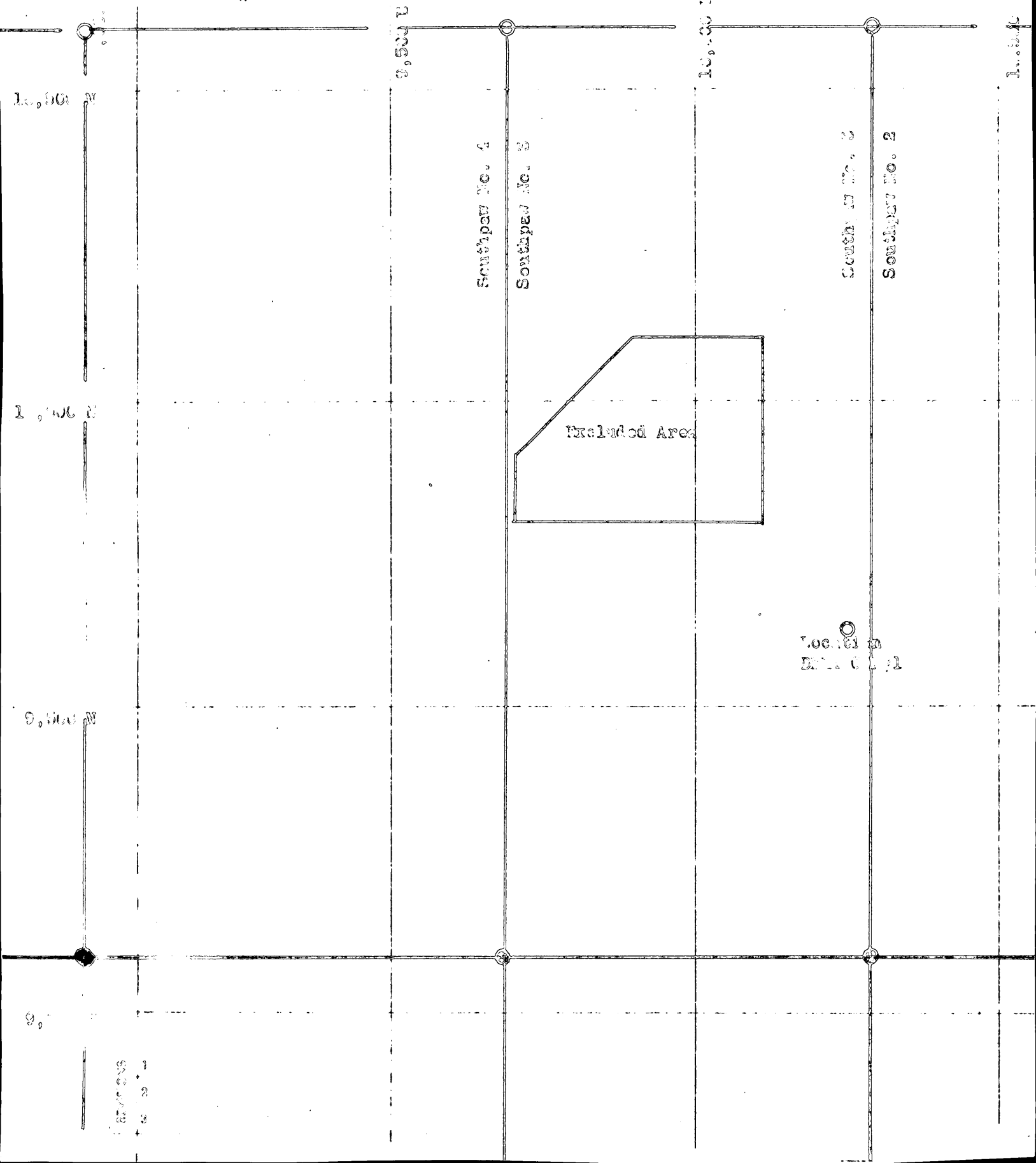
A . 1714

COMBINED METALS REDUCTION CO
SALT LAKE CITY, UTAH

June 9, 1950

Drilling Project, Southern Line
Locator No. DM -281 , Contract No. IdL- 1161
Lincoln County, Nevada (Manganese)

1" = 200'



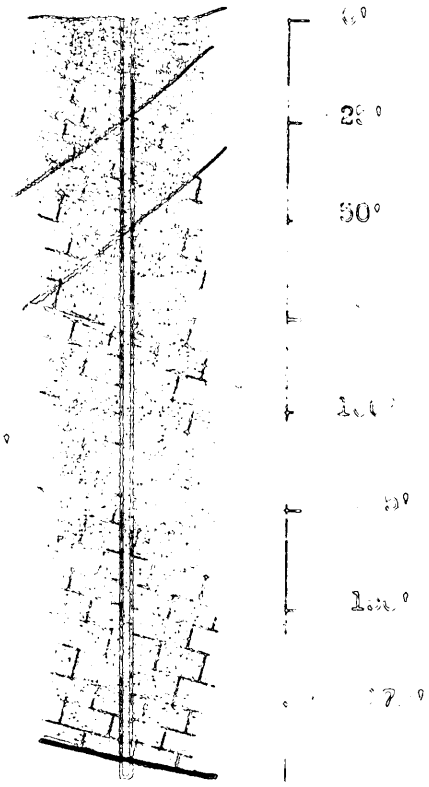
1715

COMBINED METALS REDUCTION CO.
SALT LAKE CITY, UTAH

June [illegible], 1958

DMA Drilling Project, Southern Pine
Churn Drill Hole No. 1, Docket No. DMA- 4813
Contract No. IC -[illegible] 1151, Lincoln County, Nevada

Coordinates: [illegible], 130. 0 N
[illegible], 5[illegible] 10 E
Elevation: [illegible], 15[illegible]
Location : Southern [illegible] 3 Claim
Hole Started: May 1, 1958
Hole Completed: June [illegible], 1958
Hole Size : 8" at collar
Depth: 1[illegible]7 feet
Driller: [illegible] J. Fullerton
Helper:



LOG OF HOLE

[illegible] - 4	Wash
4 - 13	Blue limestone, thick bedded, massive
13 - 22	Fault, limestone
22 - 50	Blue dark limestone, hard, massive
50 - 55	Fault, limestone
55 - 125	Dark limestone, softer, massive, hard zones at [illegible]
125 - 165	Dark dolomite, water at 165'
165 - 180	Dark dolomite, fractured, quite hard
180 - 192	Dolomite and clay, contact
192 - 197	Quartzite, aureola surrounding

COMBINED METALS REDUCTION COMPANY

P. O. BOX 150

SALT LAKE CITY 10, UTAH

June 18, 1958

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

Dear Mr. Ricker:

Docket DMEA 4813
Contract No. Idm-E1161 Manganese
Southpaw Joint Venture

Attached are original and four copies of MF104 and 104A for the month of May, 1958:

	Division of Expenditures		
	Total	Joint Venture	DMEA
Contract amount	$12,852.00	$3,213.00	$9,639.00
May, 1958 expenditures	950.00	237.50	712.50
Contract balance June 1, 1958	$11,902.00	$2,975.50	$8,926.50

Also enclosed are:

(a) Narrative report of progress.
(b) Copies of invoice.
(c) Sketch A1714 location.
(d) Sketch A1715 churn drill hole #1.

Very truly yours,

O. F. Burton
Treasurer

OFB:rs

cc - S. Ricker (4)
E. H. Snyder
Paul Gemmill
R. G. Lee
H. E. Swanson
P. W. Duffin, Sr., 1204 Westwood Drive, Las Vegas, Nevada
File 119-1C

JUN 7 1960

[redacted]

Re: [redacted]

[redacted]

[redacted] for work on your uranium exploration contract with the Commission.

We sincerely regret that the work performed did not result in a [redacted] of discovery or development under the provisions of the contract. In the absence of such qualification, the Commission [redacted] the [redacted] the property subject to the contract or any future production therefrom. We, therefore, are [redacted] our [redacted] on this project. Your [redacted] however, is called to the provisions of the contract which [redacted] the operator to keep and preserve certain records for the period indicated.

We appreciate your interest and participation in the [redacted] exploration program.

Sincerely yours,

George C. Selfridge

Acting Director

GCSelf:/gbs
5-25-60

cc to: Director's Reading File
GSA Division
Region II (2)
Market
Grupe
Code 500

Mrs. Ora Stewart Tuttle
5813 Franklin, Las Vegas, Nevada

Mr. LaVern J. Stewart
Route #4, Nampa, Idaho

Mr. Ray (Dick) Arnold
407½ E. Lucke, Farmington, New Mexico

Audit's Copy

EXPLORATION PROJECT CONTRACT
SOUTH PAW JOINT VENTURE
DOCKET NO. DMEA-4813

AMENDMENT NO. 5 AND TERMINATION AGREEMENT

WHEREAS, the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Southpaw Joint Venture, hereinafter referred to as the "Operator," entered into a certain Exploration Project Contract No. Idm-K1161, (Docket No. DMEA-4813), dated December 27, 1957, as amended, hereinafter referred to as the "Contract," and

WHEREAS, the parties executed Amendment No. 3 to the said contract, dated November 14, 1958, but by mutual mistake did not provide therein for the payment of the costs for percussion drilling; and

WHEREAS, the Operator has satisfactorily completed certain exploratory drilling by percussion drill;

NOW THEREFORE, it is agreed that:

(1) The third paragraph of Exhibit "A," as revised by Amendment No. 3, dated November 14, 1958, is further amended to include percussion drilling under the same terms and conditions as provided in Amendment No. 3.

(2) The Termination Agreement dated August 28, 1959, is hereby revoked.

(3) The Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated effective July 1, 1959.

(4) The Government will contribute only to the fixed unit costs of work performed prior to said effective date.

(5) The Operator shall promptly perform all winding up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

(6) All rights of the Government concerning certification of discovery or development, percentage royalty and liens to secure the payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayment, are hereby preserved.

(7) The Operator hereby releases and agrees to save the Government harmless from all claims and demands under or arising out of said Contract, except as otherwise provided in this Amendment and Termination Agreement.

IN WITNESS WHEREOF, these parties have executed this agreement this 15th day of December, 1959.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Director, Office of
Minerals Exploration

SOUTHPAW JOINT VENTURE

By Paul Kennedy

Title Mgr. of Joint Venture
for Combined Metals Red. Co., partner

~~COMBINED METALS REDUCTION COMPANY~~

P.W. Duffin Sr.
P. W. Duffin, Sr., partner

Audit's Copy

EXPLORATION PROJECT CONTRACT
SOUTHPAW JOINT VENTURE
DOCKET NO. DMSA-4013

TERMINATION AGREEMENT

It is agreed this 28th day of August, 1969, between the United States of America acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the Government and Southpaw Joint Venture, hereinafter referred to as the Operator, that Exploration Project Contract No. Ind-2116A (Docket No. DMSA-4013) dated December 27, 1967 as amended, hereinafter referred to as the Contract, that:

1. Effective July 1, 1969, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the fixed unit costs of work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided for in this termination agreement.

5. All rights of the Government provided for in this Contract with respect to audits, maintenance of records, certification of discoveries or developments, percentage royalty and claims for its payment and recovery of any overpayment, are preserved.

IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By George C. Selfridge
Acting Director Office of
Minerals Exploration

SOUTHPAW JOINT VENTURE

By _____

Title _____

COMBINED METALS REDUCTION COMPANY

By _____
General Manager

P. W. Duffin Sr
P. W. DUFFIN, SR.

OFFICIAL FILE COPY
Audit's copy
O. M. E.
RECEIVED JAN 27 1959

DATE	INITIALS	CODE

EXPLORATION PROJECT CONTRACT
SOUTHPAW JOINT VENTURE
DOCKET NO. DMEA-4813

AMENDMENT NO. 4

It is agreed this 6th day of January, 1959, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Southpaw Joint Venture, hereinafter referred to as the "Operator," that Exploration Project Contract No. Idm-K1161 (Docket No. DMEA-4813), dated December 27, 1957, as amended, hereinafter referred to as the "Contract," is further amended effective November 27, 1958, as follows:

1. (a) Work under the Contract shall be suspended during the period beginning November 27, 1958, and ending not later than April 27, 1959.

(b) The Government will 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 work.

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

2. The date fixed in Amendment No. 2 for completion of the work is extended from November 27, 1958, to September 27, 1959.

3. The maximum period for royalty payments and the lien to secure the payment thereof, provided for in the Contract, is further extended from eleven (11) years to twelve (12) years from the date of Contract.

4. It is the essence of this Contract that the work be resumed before the termination of the period here fixed for suspension and be completed before the termination of the period here fixed for completion; and if not so resumed and completed in the manner required by the Contract, the following provisions shall thereupon become effective:

(a) The Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated as follows:

(i) effective November 27, 1958, if the work has not been resumed on or before April 27, 1959.

(ii) effective September 27, 1959, if the work is resumed on or before April 27, 1959, but is not completed on or before September 27, 1959.

(b) The Government shall contribute only to the fixed unit costs of work performed prior to the relevant effective date set forth in 4(a) above.

(c) The Operator shall promptly perform all winding up and settlement actions provided for in the Contract including the rendering of the final report and final account.

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government the royalty on production provided for in the Contract, in the same manner and amount, for the full period of time provided for in the Contract (as amended herein), as if certification of discovery or development had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the Contract with respect to certification of discovery or development, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayment, are hereby preserved.

(e) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the Contract, except as otherwise provided in this Amendment No. 4.

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 quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By George C. Selfridge
ACTING Director, Office of Minerals Exploration

SOUTHPAW JOINT VENTURE

By [illegible]

Title Manager

JUSTIFICATION

EXPLORATION PROJECT CONTRACT
SOUTHPAW JOINT VENTURE
DOCKET NO. DMEA 4813

The Operator by letter of November 14, 1958, requested a recess in contract work for a period beginning November 27, 1958, and ending April 27, 1959, and also requested that the completion period for contract work be extended to September 30, 1959. The request was based on the difficulty of keeping roads open during the season of deep snow.

The Field Team memorandum of November 17, 1958, transmitted the Operator's request, noted that the mine had been a good producer (17,334 tons, averaging 32 to 40 % Mn, value $630, 312 at railroad shipping point prior to the date of the contract) estimated that the remainder of the exploration work authorized by the contract has a good possibility of again putting the mine on a productive basis and recommended that the Operator's request be granted.

Evidence in the docket confirms the conclusions of the Operator regarding operating conditions in winter, and supports the Field Team's belief in the geologic possibilities of the remaining exploration work.

Amendment No. 4 has, therefore, been prepared to grant a recess or suspension in project work from November 27, 1958, to April 27, 1959, to extend the completion date to September 27, 1959, and to extend the royalty repayment period from 11 years to 12 years.

A "pseudo-certification" has been included, to become effective if work is not resumed before the end of the recess, or if resumed but not completed before the completion date as extended.

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 4 1958

Audit's copy

DATE	INITIALS	CODE
12/4	J-9.	225
		800

EXPLORATION PROJECT CONTRACT
SOUTHPAW JOINT VENTURE
DOCKET NO. DMEA-4813

AMENDMENT NO. 3

It is agreed this 14th day of November, 1958, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government", and Southpaw Joint Venture, hereinafter referred to as the "Operator", that Exploration Project Contract No. Idm-E1161 (Docket No. DMEA-4813), dated December 27, 1957, as amended, is further amended effective September 30, 1958, as follows:

1. In Annex I, the area described as "EXCEPTED LAND" (shown on Figure 2 as "Excluded Land") and excepted from the land and royalty provisions of the contract, is hereby added to the land referred to in Article 2 of the Contract and made subject to the land and royalty provisions of the Contract.

2. The third paragraph of Exhibit A is revised to read:

> "Drill 12 holes, with churn, rotary, or diamond drill, an average depth of 150 feet each, not exceeding an aggregate of 1,800 feet. Churn drill holes shall be started at not less than 8-inch diameters and shall be finished at not less than 4-inch diameters. Diamond drill holes shall be not less than AX size. Holes shall be reamed and cased or cemented and redrilled as necessary.

3. In Exhibit A, page 2, footnote 2, third line, the words "inside or" are deleted; and in Figures 2 and 3 the words "Excluded Area" and the boundary lines designating that area are deleted.

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 quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Director, Office of Minerals Exploration

SOUTHPAW JOINT VENTURE

By Paul Summill

Title Manager

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
1605 Evans Avenue
Reno, Nevada

EXTRA COPY
O. M. E.
RECEIVED DEC 4 1958

DATE	INITIALS	CODE

Dec. 1, 1958

Memorandum

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

From: Executive Officer, OME Field Team, Region II

Subject: Docket No. DMEA-4813 (Manganese)
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada
Contract No. Idm-E 1161

Enclosed are the Government's and Audit copies of Amendment No.3 to subject contract, executed by the Operator. The remaining copies have been distributed in the usual manner.

S. Ricker

Attachments

Exploration Project Contract
Southpaw Joint Venture
Docket No. DMEA 4813

Amendment No. 3

Justification

The Operator, by letter of September 19, 1958, requested and the Field Team, in its letter of September 24 transmitting the Operator's request recommended, that authorization be granted to substitute rotary and/or diamond core drilling, at the same price per foot, for the churn drilling provided for in the contract.

The Operator also requested and the Field Team recommended that a portion of the funds allocated for drilling be diverted to permit drifting and crosscutting on the lower level of the mine, followed by underground diamond drilling from the new face of the drift or crosscut, for the purpose of exploring possible southeasterly extensions of the mineralized zone.

This Division considers that on the basis of present knowledge, the possible extensions of the mineralized area can be explored more quickly, and at less cost to the Government, by drilling from the surface. Results of such drilling may be used to determine whether or not crosscutting and underground drilling is then justified.

The Operator also offered to add the land formerly excluded from the land and royalty terms of the contract to that covered by Article 2 and Annex I.

This Amendment No. 3 authorizes the substitution of rotary and/or diamond core drilling for the churn drilling provided in the contract, and adds the area formerly excluded from the contract to the lands covered by Article 2 and Annex I of the contract.

Audit's copy

EXPLORATION PROJECT CONTRACT
SOUTHPAW JOINT VENTURE
DOCKET NO. DMEA-4813

AMENDMENT NO. 2

It is agreed this 18th day of July, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and the Southpaw Joint Venture, that Exploration Project Contract No. Idm-E1161 (Docket No. DMEA-4813), dated December 27, 1957, as amended, is further amended as follows:

1. In Article 3 the date fixed for completion of the work is further extended from July 27, 1958 (Amendment No. 1) to November 27, 1958.

2. In Article 6(b)(2) the maximum period for payment of royalty and the liens to secure the payment thereof is extended from ten (10) years to eleven (11) years from the date of the Contract.

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 quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

SOUTHPAW JOINT VENTURE

By [illegible]

Title Manager

BUREAU OF ARMS
WASHINGTON, D. C.
AUG 4 9 37 AM '58

JUSTIFICATION

Weather conditions and an accumulation of snow caused an unavoidable delay in starting the work.

Audit copy

OFFICIAL FILE COPY
DMEA
RECEIVED APR 11 1958

AMENDMENT NO. 1

EXPLORATION PROJECT CONTRACT IDM-E 1161
Dated December 27, 1957
DOCKET NO. DMEA-4813
between
THE UNITED STATES OF AMERICA
and
THE SOUTHPAW JOINT VENTURE, A Joint Venture comprised of Combined Metals Reduction Company, a Utah Corporation, and P. W. Duffin, Sr., an individual.

It is agreed this 26th day of March, 1958 that the contract be amended as follows:

1. Under Article 1, the words "The Operator shall begin the work on or before April 15, 1958, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 6 months from the date of the contract" shall be changed to read:

"The Operator shall begin the work on or before May 15, 1958, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 7 months from the date of the contract."

This amendment shall not be construed to increase the estimated 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 quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

SOUTHPAW JOINT VENTURE

By _____
Combined Metals Reduction Co.

By P. W. Duffin Sr.
P. W. Duffin, Sr.

AMENDMENT NO. 1

Docket No. DMEA-4313 Mineral Manganese

Exploration Project Contract Mn-E 1161

Date of Contract Dec. 27, 1957

Date of Amendment March 26, 1958

Operator Southpaw Joint Venture

JUSTIFICATION

Weather conditions and accumulation of snow have caused an unavoidable delay in starting the work.

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

MME Form 14
Sept. 1958

No. 11

Contract No. Idm-E) 1161
~~14-23~~)

Docket No. DMEA) 4813
~~MME~~)

Date of Action ~~April 14, 1960~~
Terminated contract

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OBLIGATION DOCUMENT

To: Chief, Accounts Section, Finance Branch, Bureau of Mines

From: Director, Division of Operations Control and Statistics

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor:

Southpaw Joint Venture
c/o Combined Metals Reduction Co.
218 Felt Building
Salt Lake City 10, Utah

Date of Contract	Region	State	Commodity
December 27, 1957	II	Nevada	Manganese

	Reserve	Obligation
Prior Amount	0	$9,639.00
Increase	0	0
Decrease	0	3,736.50
Revised Amount	0	$5,902.50

Remarks:

cc: 800
210

43244

DMEA Form 14

Contract No. Idm-E 1161

Docket No. 4813

Executed contract

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
December 27, 1957	II	Nevada	Manganese

Name and Address of Operator: Southpaw Joint Venture
c/o Combined Metals Reduction Co.
218 Felt Building
Salt Lake City 10, Utah

	Reserve	Obligation
Prior Amount	9,639.00	0
Increase	0	9,639.00
Decrease	9,639.00	0
Revised Amount	0	9,639.00

Remarks:

(Name)
Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date delivered to Bureau of Mines, Washington 1/21/58

22845

Audit copy

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DMEA
RECEIVED JAN 20 1958
DATE | CODE
800

MF-200A
(Rev. April 1956)

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

DMEA No.	*Commodity*	*Contract No. Idm–E*	*County*	*State*
4813	Manganese	1161	Lincoln	Nevada

It is agreed 27 DEC 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Southpaw Joint Venture, a joint venture comprised of Combined Metals Reduction Company, a Utah Corporation, and P. W. Duffin, Sr., an individual

whose mailing address is Care of Combined Metals Reduction Company 218 Felt Building, Salt Lake City 10, Utah
hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) 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 Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before April 15-1958, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 6 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $12,852.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $9,639.00, in accordance with the provisions of Articles 4 and 5.

(c) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: Interests of lessors

(b) 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: Consents to Lien and Subordination Agreements of lessors

(c) 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. 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. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(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 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 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. 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 will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *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 all pertinent books, documents, papers, and records of the Operator.

(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 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), 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 (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling, 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, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(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 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 7. *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 Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *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 the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *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 10. *Changes and added provisions.*—

.....

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.....

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Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. O. Mitterdorf
Administrator, Defense Minerals
Exploration Administration

SOUTHPAW JOINT VENTURE
(Operator)

Combined Metals Reduction Co.
By Paul Gemmill
~~By~~ Title General Manager

P. W. Duffin Sr.
P. W. Duffin, Sr.

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

O. F. Burton

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

EXPLORATION PROJECT CONTRACT
SOUTHPAW JOINT VENTURE
DOCKET NO. DMEA-4813

ANNEX I

The land referred to in Article 2 of the Contract form, and outlined on the attached Figure 2, consists of three unpatented lode mining claims, the notices of location of which are filed in the official records of Lincoln County, Nevada, as follows:

Claim name	Book No.	Page No.
South Paw No. 2	M-1	64
South Paw No. 3	M-1	143
South Paw No. 4	M-1	9

The claims are located in the Irish Mountain Mining District, Lincoln County, Nevada, and the descriptions in said Notices of Location are incorporated herein by reference.

The following described area, shown on Figure 2, is excepted from the land and the royalty provisions of the Contract:

EXCEPTED LAND

Beginning at corner No. 1, coordinates 10,100N - 10,100E, thence due west 200 feet to corner No. 2 at coordinates 10,100N - 9,900E, thence south 45 degrees west, 285 feet to corner No. 3 at coordinates 9,900N - 9,700E, thence due south 100 feet along coordinate 9,700E to coordinate 9,800N to corner 4, thence due east 400 feet along coordinate 9,800N to coordinate 10,100E to corner No. 5, thence due north 300 feet along coordinate 10,100E to corner No. 1, the point of beginning.

Revised for Amend No. 4

* * * * * * * * * * * * * * * * * * * *

The Operator represents and undertakes that it is in possession with the right to possession for the purposes of this Contract pursuant to an Agreement dated August 9, 1950, between the owners, Ray Arnold, Ora Stewart Tuttle, and La Vern Stewart, and A. W. Bush and P. W. Duffin, Sr. A. W. Bush assigned his rights to P. W. Duffin, Sr., and in a "Supplemental Agreement" dated September 12, 1951, the owners acknowledged the assignment and excused P. W. Duffin, Sr., from the purchase option provisions of the Agreement.

MF-205
(Combines and supercedes MF-[illegible] and MF-203)
June 1956

For Government's Use Only
EXPL[illegible]TION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 1163
Contract Date 07 DEC 1957

RECEIVED JAN 20 1958 D.M.E.A.

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Lincoln, State of Nevada, described as follows: 2/

Unpatented contiguous lode mining claims as follows: Southpaw No. 2 recorded in Book M-1, Page 64, Southpaw No. 3 recorded in Book M-1, Page 143, Southpaw No. 4 recorded in Book N-1, Page 9, official records of said county. Excluding present mine workings as shown on Map D-1240 on Southpaw No. 3.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this _____ day of 27 DEC 1957, 195__.

X Ora Stewart Tuttle	[Seal]	2013 Franklin Ave Las Vegas Nev.	[Address]
X LaVon J. Stewart	[Seal]	R.F.D. Route 4, Nampa, Ida	[Address]
X Ray Arnold	[Seal]	Pioche, Nevada	[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

COPY

EXPLORATION PROJECT CONTRACT
SOUTHPAW JOINT VENTURE
DOCKET NO. DMEA-4813

EXHIBIT A

Attached maps are as follows:

Figure 1, Index Map of Lincoln County, Nevada.

Figure 2, Claim Map, Southpaw Group, Irish Mountain, Lincoln County, Nevada.

Figure 3, Geologic Sketch Map of Southpaw Manganese Mine, Lincoln County, Nevada.

Bulldoze, with a D-8 Caterpillar or equivalent size unit of another make, approximately 1,200 feet of access roads to 12 churn drill sites and clear the drill sites.

Drill 12 churn drill holes, an average depth of 150 feet each, not exceeding an aggregate of 1,800 feet. Holes shall be started at not less than 8-inch diameters and shall be finished at not less than 4-inch diameters. Holes shall be cased as necessary.2/

All mineralized zones shall be sampled and the samples assayed for manganese.

All costs of supervision, equipment, and supplies are included in the estimated costs of bulldozing and drilling.

ESTIMATED COST OF THE PROJECT

Fixed Unit Costs

Bulldoze access roads and drill sites, 14 hours for each hole (total 168 hours) at $14.00/hr.	$2,352.00
Drill 1,800 feet at $5.00/ft.	9,000.00

Casing, 600 feet @ $2.00/ft.	$1,200.00	
Lost casing, 200 feet at $1.00/ft. 1/	200.00	
50 samples assayed for manganese at $2.00 each sample	100.00	
Estimated total cost of project		$12,852.00
Government participation, 75 percent		$9,639.00

1/ Costs of casing left in holes at request of Operator are not allowable.

2/ Locations of proposed drill holes, indicated on maps, Figures 2 and 3, are approximate only. No hole shall be drilled within 100 feet of the inside or outside boundary of the DMEA area as indicated on map, Figure 2, and in part on Figure 3, unless geologically justified, and approved by the Government.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA-4813
(Manganese)

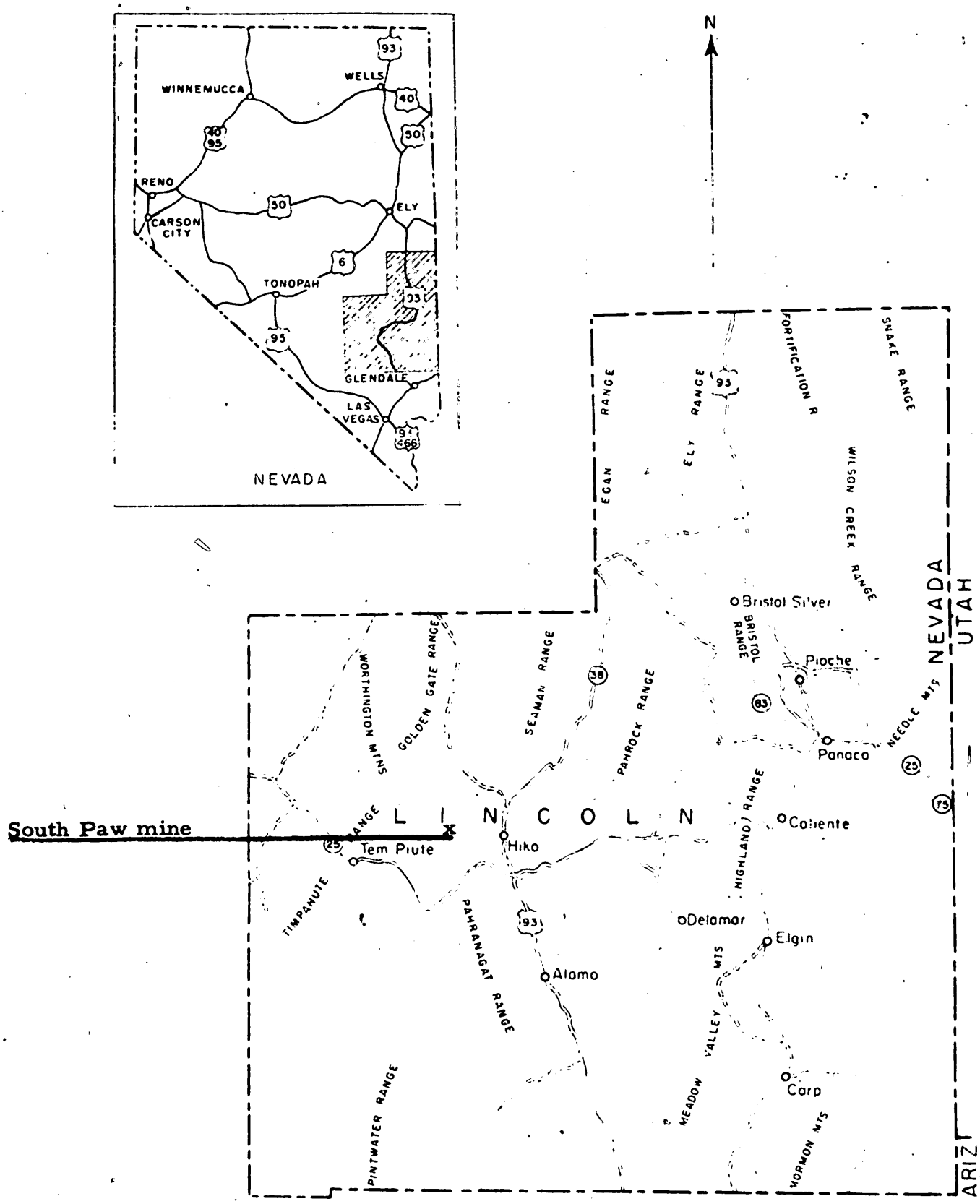


Figure 1 INDEX MAP OF LINCOLN COUNTY, NEVADA

0 20 40 60 Miles

OFFICIAL FILE COPY

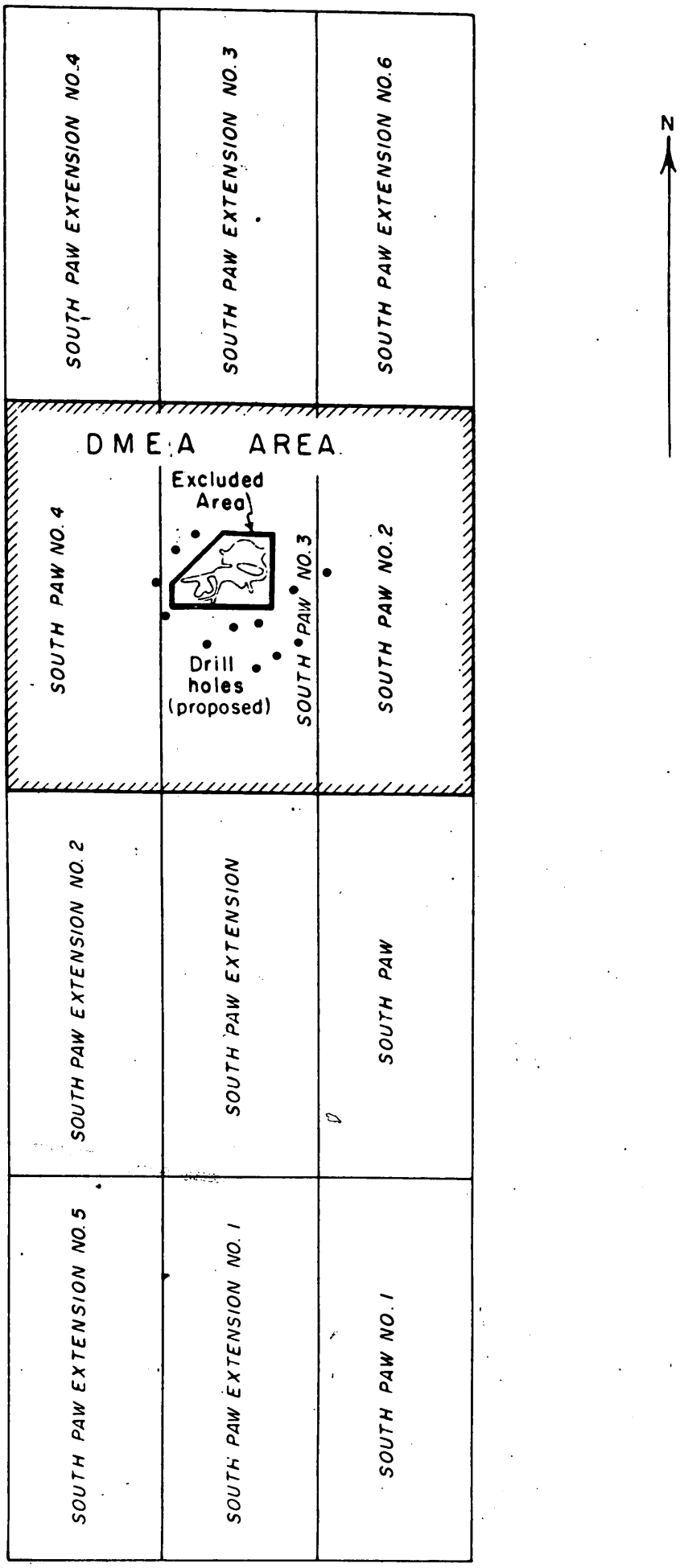
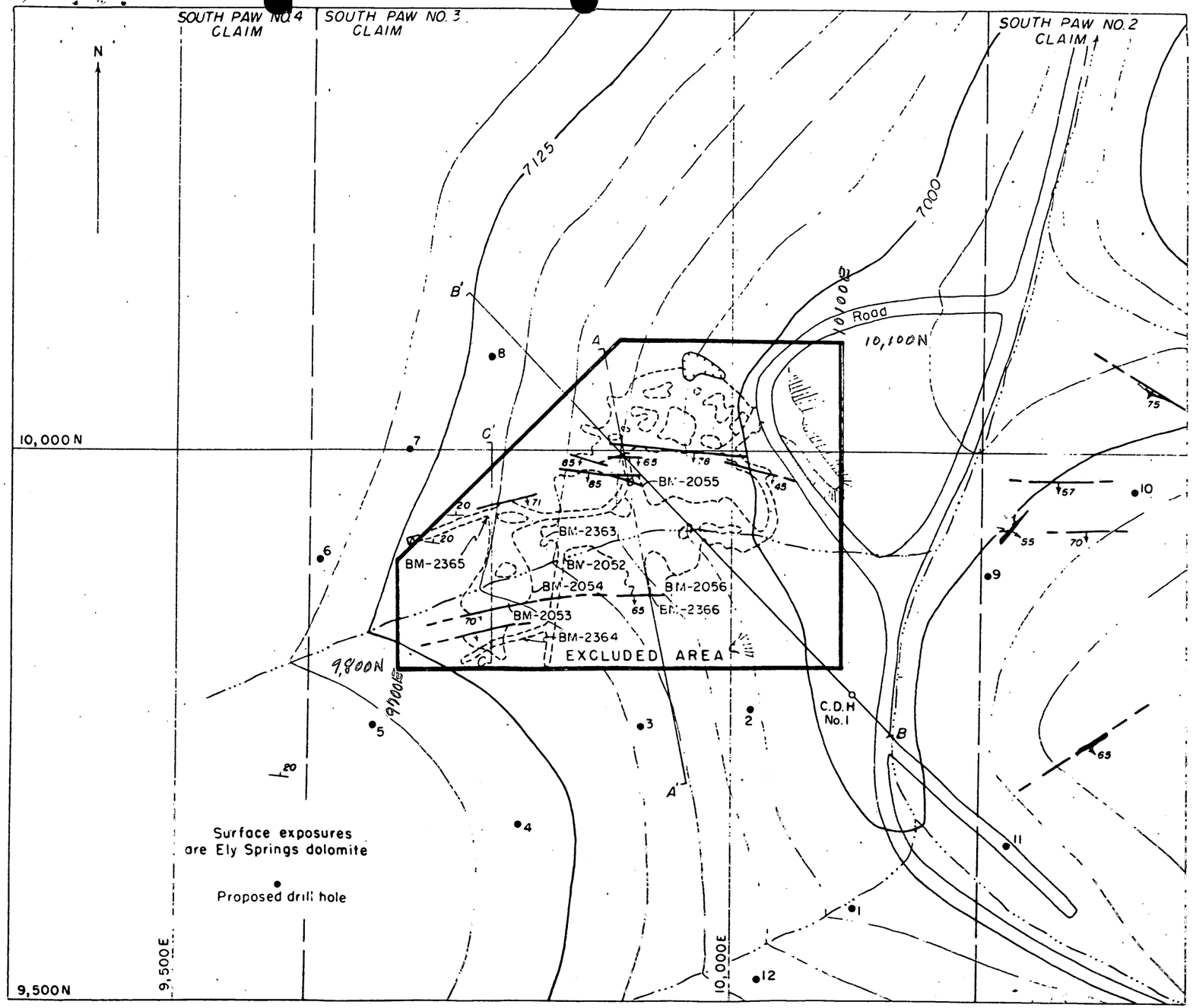


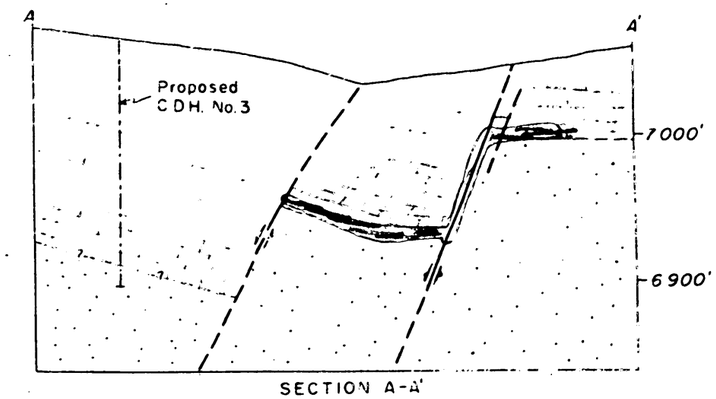
Figure 2. CLAIM MAP, SOUTH PAW GROUP, IRISH MOUNTAIN
LINCOLN COUNTY, NEVADA

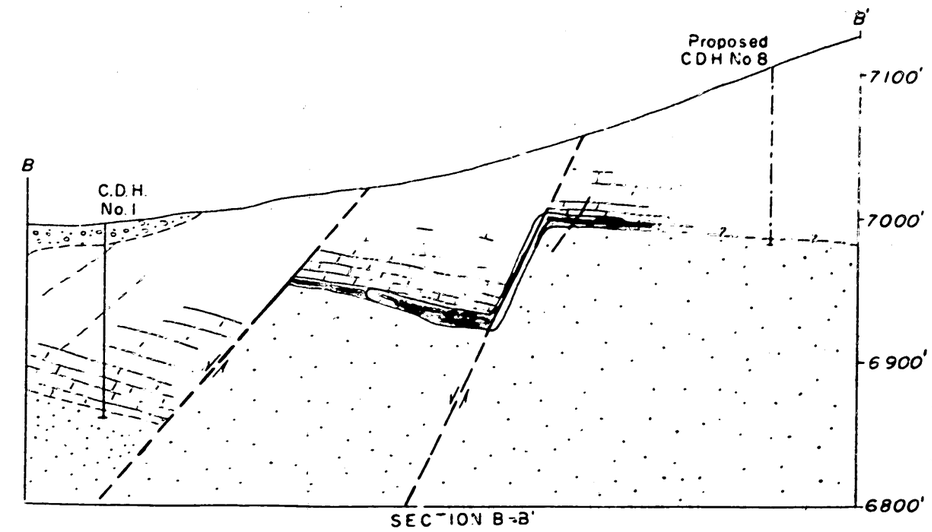
ORIGINAL FILE COPY
DO NOT REMOVE

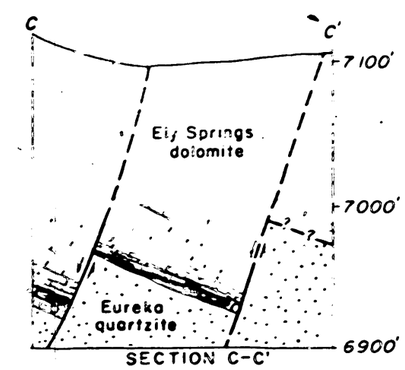
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 4813
(MANGANESE)









From Company maps

Figure 3. GEOLOGIC SKETCH MAP OF THE SOUTH PAW MANGANESE MINE, LINCOLN COUNTY, NEVADA

0 100 200 300 Feet

Countour interval 25 feet

DMEA Form 14

Contract No. Idm-E 1161

Docket No. 4813

DEPARTMENT OF THE INTERIOR

Approved contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
December 27, 1957	II	Nevada	Manganese

Name and Address of Operator: Southpaw Joint Venture
C/O Combined Metals Reduction Co.
218 Felt Building
Salt Lake City 10, Utah

	Reserve	Obligation
Prior Amount	0	0
Increase	9,639.00	0
Decrease	0	0
Revised Amount	9,639.00	0

Remarks:

ALLEN S. DAKAN

(Name)

Allen S. Dakan, Chief
Operations Control and
Statistics Division

(Title)

Date delivered to Bureau of Mines, Washington 12/27/57

22845