DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE 27 DEC 1957 Idm-E NO._____ DMEA NO. 4813

1151

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [x] Cost Audits
- [x] Termination Notice or Agreement 12/15/59 ~~8-28-59~~ effective 7/1/59
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [ ] Project summary (final)
- [x] Work Completed analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab) October 1959
- [x] Operator's Final Report (Tab) 12-1-59
- [x] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

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

Folders No._____: Maps (Use pocket folder or envelope)

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty material

17963

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Mr. Johnson	4/26	[illegible]
2. Mr. Selfridge		
3. Mr. ~~Griswold~~ Hall	4/27	S.P.H.
4.		
5.		
FROM: E. D. Talbert	4/26	

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REVISED REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Comb[illegible]etals Reduction Company
P. O. Box 150
Salt Lake City, Utah

a party to the Southpaw Joint Venture, pertaining to Exploration Project Contract Idm-E1161, 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
Exemptions:		
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

Pd 5/5/60

E. D. Talbert

E. D. Talbert, OME Auditor

April 23, 1960

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

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-Ellel, DMRA No. 4613, 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	5,797.50
Balance due Operator	$ 105.00

E. O. Talbert
E. O. Talbert, DMR Auditor

April 8, 1960

See Revised report of Review Apr. 28, 1960

Government'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-E1161, (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.

J. Lynch
Harmon
App'd. Sol. Off.
Selfridge
Swanson
Holt
Talbut

(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 Kempill

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

~~COMBINED METALS REDUCTION COMPANY~~

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

GOVERNMENT'S COPY

SEP 1959
BUREAU OF MINES
DIVISION OF
MINERAL RESOURCES
REGION 11

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

TERMINATION AGREEMENT

It is agreed this 28th day of August, 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-E1161 (Docket No. DMEA-4813), dated December 27, 1957, as amended, hereinafter referred to as the "Contract", that:

1. Effective July 1, 1959, 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 discovery or development, percentage royalty and liens for its payment, and recovery of any overpayment, are preserved.

SEP 1959
BUREAU OF MINES
DIVISION OF
MINERAL RESOURCES
REGION 11

8/20 J. Lynch
Glenmore Sollen
Appd. Sol. Off.
Holt
Fisher
Kimball

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.

FROM SOLICITOR

FOR SIGNATURE

August 19, 1959

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

TERMINATION AGREEMENT

Justification

The Operator, by letter of May 23, 1959, requested an amendment to the contract changing the balance of exploration from drilling to underground drifting. The Field Team, in its memorandum of June 10, 1959, agreed with the recommendation of its examiner, H. K. Stager, and recommended that the Operator's request for a change from drilling to underground work be denied, and that the contract be terminated.

This Division, considering the unsatisfactory results of exploratory drilling around three sides of the project area, and the likelihood that no discovery of a significant reserve of manganese ore can be expected from completion of drilling authorized under the contract, or by the drifting proposed by the Operator to explore the remaining fourth side of the area, concurs with the recommendation of the Field Team, and has prepared a Mutual Termination Agreement to the contract.

S. P. Holt

S. P. Holt

Government's copy

OFFICIAL FILE 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-E1161 (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 Paul Kummell

Title Manager

12/30 Long
12/30 Hanger
Holt
1/5 Martin
Fisher

JUSTIFICATION — For Amendment No. 4

EXPLORATION PROJECT CONTRACT
SOUTHPAW JOINT VENTURE
DOCKET NO. DMEA 4813
Amend No. 4

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

Government's copy

DATE	INITIALS	CODE
12/4	J.J.	225
12/4	WSM	400

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

Ryhn
Dwyer
Holt
Martin
Chappelear
Selfridge

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 Lammel

Title Manager

DCL 'N
9/8+9/58

We, the undersigned owners of the following lode claims

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 Lincoln County, State of Nevada, have granted consent to lien under DMEA Project No. 4813, Contract Idm-E 1161, with the exception of excluding an area in the immediate vicinity of the mine. This area is described and delineated in paragraph 3 under heading of Excepted Land, Annex I of Contract No. Idm-E 1161, Docket No. DMEA 4813.

Now, in order to more fully explore the vicinity closer to the mine workings as part of the DMEA Project DMEA No. 4813 we wish to include in the DMEA Project No. 4813 the excluded area shown on map D-1240 and more fully described in the last paragraph, page 1 of Annex I, Docket No. DMEA 4813.

Dated this 3rd day of Sept. 1958

x Raymond Richard Arnold (seal) x Farmington Mine 40 1/2 N Locke Address (~~seal~~)

x Ora Stewart Tuttle (seal) x 2013 Franklin Las Vegas, Nev. Address (~~seal~~)

x Lavern J. Stewart (seal) x Nampa, Idaho. Rt #4 Address (~~seal~~)

ORIGINAL FILE COPY
DMEA
RECEIVED SEP 26 1958

DATE	INITIALS	CODE

We, the undersigned owners of the following lode claims

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 M-1, page 9

official records of Lincoln County, State of Nevada, have granted consent to lien under BMEA Project No. 4813, Contract Idm-E 1161, with the exception of excluding an area in the immediate vicinity of the mine. This area is described and delineated in paragraph 3 under heading of Excepted Land, Annex I of Contract No. Idm-E 1161, Docket No. BMEA 4813.

Now, in order to more fully explore the vicinity closer to the mine workings as part of the BMEA Project BMEA No. 4813 we wish to include in the BMEA Project No. 4813 the excluded area shown on map B-1240 and more fully described in the last paragraph, page 1 of Annex I, Docket No. BMEA 4813.

Dated this 3rd day of Sept 1958

Raymond Dick Arnold (seal) Farmington, New Mex 407½ N. Locke (seal)

Ora Stewart Little (seal) Las Vegas, Nevada 2013 Franklin (seal)

LaVern J. Stewart (seal) Nampa Idaho RR #4 (seal)

SEP 26 1958
CODE

We, the undersigned owners of the following lode claims

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 M-1, page 9

official records of Lincoln County, State of Nevada, have granted consent to lien under BMSA Project No. 4813, Contract Idm-B 1161, with the exception of excluding an area in the immediate vicinity of the mine. This area is described and delineated in paragraph 3 under heading of Excepted Land, Annex I of Contract No. Idm-B 1161, Docket No. BMSA 4813.

Now, in order to more fully explore the vicinity closer to the mine workings as part of the BMSA Project BMSA No. 4813 we wish to include in the BMSA Project No. 4813 the excluded area shown on map D-1340 and more fully described in the last paragraph, page 1 of Annex I, Docket No. BMSA 4813.

Dated this 3rd day of Sept 1958

Ray M. Dickstead (seal) — Farrington M. Mey 407 S. M. Locke (seal)

Ora Stewart Tuttle (seal) — Las Vegas, Nevada 2013 Franklin (seal)

Lavern J. Stewart (seal) — Nampa Idaho Rt #4 (seal)

We, the undersigned owners of the following lode claims

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 M-1, page 9

official records of Lincoln County, State of Nevada, have granted consent to lien under DMEA Project No. 4813, Contract Idm-E 1161, with the exception of excluding an area in the immediate vicinity of the mine. This area is described and delineated in paragraph 3 under heading of Excepted Land, Annex I of Contract No. Idm-E 1161, Docket No. DMEA 4813.

Now, in order to more fully explore the vicinity closer to the mine workings as part of the DMEA Project DMEA No. 4813 we wish to include in the DMEA Project No. 4813 the excluded area shown on map D-1240 and more fully described in the last paragraph, page 1 of Annex I, Docket No. DMEA 4813.

Dated this 3rd. day of Sept 1958

Raymond Dickerson (seal) — Farmington, N.Mex 407½ N. Locke (seal)

Ora Stewart Tuttle (seal) — Las Vegas, Nevada 2013 Franklin (seal)

Laverne J. Stewart (seal) — Nampa, Idaho. Rt. # 4 (seal)

DMEA
RECEIVED SEP 26 1958
CODE

We, the undersigned owners of the following lode claims

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 M-1, page 9

official records of Lincoln County, State of Nevada, have granted consent to lease under DMEA Project No. 4813, Contract Idm-8 1161, with the exception of excluding an area in the immediate vicinity of the mine. This area is described and delineated in paragraph 3 under heading of Excepted Land, Annex I of Contract No. Idm-8 1161, Docket No. DMEA 4813.

Now, in order to more fully explore the vicinity closer to the mine workings as part of the DMEA Project DMEA No. 4813 we wish to include in the DMEA Project No. 4813 the excluded area shown on map B-1240 and more fully described in the last paragraph, page 1 of Annex I, Docket No. DMEA 4813.

Dated this 3rd day of Sept 1960

Ray M. (Dick) Arnold (seal) — Farmington, N. Mex 407 S. Locke (seal)

Ora Stewart Tuttle (seal) — Las Vegas, Nevada 2013 Franklin (seal)

LaVern J. Stewart (seal) — Nampa Idaho Rt. #4 (seal)

MF-205
(Combines and supercedes MF-201 and MF-203).
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

RECEIVED
SEP 26 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/

Excluded Area of Mine Workings as described in last paragraph, page 1 of Annex I, Docket No. DMEA 4813, Contract Idm-E 1161; and shown on map D-1240, Southpaw Mine, Lincoln County, Nevada.

_____,
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: _____ (State "None" or "See Annex No.____")

Dated this 9 day of Sept, 1956.

Ray (Dick) Arnold [Seal] 407½ N. Locke [Address]

_____ [Seal] Farmington N. Mex [Address]

_____ [Seal] _____ [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]

0

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

RECEIVED
SEP 26 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/

Excluded Area of Mine Workings as described in last paragraph, page 1 of Annex I, Docket No. DMEA 4813, Contract Idm-E 1161; and shown on map D-1240, Southpaw Mine, Lincoln County, Nevada.

_____,
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: _____ (State "None" or "See Annex No.____")

Dated this 9 day of Sept, 1958.

Ray (Dick) Arnold [Seal] 4075 N. Locla [Address]

_____ [Seal] Lorrington Mines [Address]

_____ [Seal] _____ [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]

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

RECEIVED SEP 26 1958 D.M.E.A. State of Nev.

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/

Excluded Area of Mine Workings as described in last paragraph, page 1 of Annex I, Docket No. DMEA 4813, Contract Idm-E 1161; and shown on map D-1240, Southway Mine, Lincoln County, Nevada.

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: _____ (State "None" or "See Annex No.____")

Dated this 9 day of Sept, 1958.

Ray (Dick) Arnold [Seal] #07½ N. Locke [Address]

_____ [Seal] Farmington N. Mex [Address]

_____ [Seal] _____ [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]

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
Contract No. Idm-E _____
Contract Date _____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

RECEIVED SEP 26 1958

To the United States of America:

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

Excluded area of Mine Workings as described in last paragraph, page 1 of Annex I, Docket No. DMEA 4813, Contract Idm-E 1161; and shown on map P-1840, Southern Mine, Lincoln County, Nevada.

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: _____ (State "None" or "See Annex No.____")

Dated this 9 day of Sept, 1958.

Ray (Dick) Arnold [Seal] 407½ N. Locke [Address]

_____ [Seal] Farmington, N.Mex. [Address]

_____ [Seal] _____ [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]

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

RECEIVED
SEP 26 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/

Excluded Area of Mine Workings as described in last paragraph, page 1 of Annex I, Docket No. DMEA 4813, Contract Idm-E 1161; and shown on map D-1240, Southpaw Mine, Lincoln County, Nevada.

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 8th day of September, 1958.

Ora Stewart Tuttle [Seal] 2013 Franklin, Las Vegas Nevada [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [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]

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
Contract No. Idm-E _____
Contract Date _____

RECEIVED SEP 26

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/

Excluded Area of Mine Workings as described in last paragraph, page 1 of Annex I, Docket No. DMEA 4813, Contract Idm-E 1161; and shown on map D-1240, Southpaw Mine, Lincoln County, Nevada.

_____,
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 8th day of September, 1958.

Ora Stewart Tuttle [Seal] 2013 Franklin, Las Vegas Nevada [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [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]

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E
Contract Date

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

RECEIVED
SEP 26 1958
D.M.E.A.

To the United States of America:

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

Excluded Area of Mine Workings as described in last paragraph, page 1 of Annex V, Docket No. DMEA 4813, Contract Idm-E 1161; and shown on map D-1240, Southpaw Mine, Lincoln County, Nevada.

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 8th day of September, 1958.

Ora Stewart Tuttle [Seal] 2013 Franklin, Las Vegas, Nev. [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [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]

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

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/

Excluded Area of Mine Workings as described in last paragraph, page 1 of Annex I, Docket No. DMEA 4813, Contract Idm-E 1161; and shown on map D-1240, Southpaw Mine, Lincoln County, Nevada.

_____,
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 8th day of September, 1958.

Ora Stewart Tuttle [Seal] 2013 Franklin, Las Vegas, Nev. [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [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]

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

RECEIVED
SEP 26 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/

Excluded Area of Mine Workings as described in last paragraph, page 1 of Annex I, Docket No. DMEA 4813, Contract Idm-E 1161; and shown on map D-1240, Southpaw Mine, Lincoln County, Nevada.

_____,
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.

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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 8th day of September, 1958.

Ora Stewart Tuttle [Seal] 2013 Franklin, Las Vegas, Nevada [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [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]

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

RECEIVED SEP 26 '58 D.M.E.A.

To the United States of America:

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

Excluded Area of Mine Workings as described in last paragraph, page 1 of Annex I, Docket No. DMEA 4813, Contract Idm-E 1161; and shown on map D-1240, Southpaw Mine, Lincoln County, Nevada.

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: _____ (State "None" or "See Annex No.____")

Dated this _____ day of _____, 195__.

LaVerne J. Stewart	[Seal]	RR #4 Nampa Idaho	[Address]
	[Seal]		[Address]
	[Seal]		[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]

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

RECEIVED
SEP 26 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/

Excluded Area of Mine Workings as described in last paragraph, page 1 of Annex I, Docket No. DMEA 4813, Contract Idm-E 1161; and shown on map D-1240, Southpaw Mine, Lincoln County, Nevada.

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: _____ (State "None" or "See Annex No.____")

Dated this _____ day of _____, 195__.

LaVern F. Stewart	[Seal]	Rt #4 Nampa, Idaho	[Address]
_____	[Seal]	_____	[Address]
_____	[Seal]	_____	[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]

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

RECEIVED SEP 26 1958

To the United States of America:

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

Excluded Area of Mine Workings as described in last paragraph, page 1 of Annex I, Docket No. DMEA 4813, Contract Idm-E 1161; and shown on map D-1240, Southpaw Mine, Lincoln County, Nevada.

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: _____ (State "None" or "See Annex No.____")

Dated this _____ day of _____, 195__.

LaVern J. Stewart	[Seal]	Rt #4, Nampa Idaho	[Address]
_____	[Seal]	_____	[Address]
_____	[Seal]	_____	[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]

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
Contract No. Idm-E _____
Contract Date _____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

RECEIVED SEP 26 1956

To the United States of America:

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

Included Area of Mine Workings as described in last paragraph, page 1 of Area I, Docket No. DMEA 4215, Contract Idm-E 1161; and shown on map P-1240, Southern Mine, Lincoln County, Nevada.

_____, 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: _____ (State "None" or "See Annex No.____")

Dated this _____ day of _____, 195__.

LaVern J. Stewart	[Seal]	Rt #4 Nampa, Idaho	[Address]
_____	[Seal]	_____	[Address]
_____	[Seal]	_____	[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]

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

RECEIVED
SEP 26 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/

Beginning at the Northwest corner of Lot 1 of Section 2, Township 1 South, Range 68 East, M.D.B. & M., Contains 20.3 acres and shown on map No. 1840, Southern Nev., Lincoln County, Nevada.

_____,
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: _____ (State "None" or "See Annex No.____")

Dated this _____ day of _____, 195__.

LaVern J. Stewart [Seal] Rt #4 Nampa Idaho [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [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]

DEFENSE MINERALS ADMINISTRATION

97022

PRODUCTION EXPANSION DIVISION

EXPLORATION LOANS

Name of Company and Address: _____

Name of Mine and Location _____

Docket No. D.M.A. _____ Date received by P.E.D. _____

Metals or Minerals involved _____

Amount of Total Project: _____

Government participation, percent and amount _____

Number of subprojects in total application _____

Type of Exploration	Feet	Cost per foot	Total cost
Preparatory & Rehabilitation			
Equipment			
Shaft sinking & winze			
Drifts and crosscuts			
Raises			
Diamond or churn drilling			
Other			

Comments on Contract _____

_____

_____

_____

Date sent to Applicant for signature _____

Date returned to P.E.D. _____

Date sent to Legal _____

Date signed by Administrator _____

Additional remarks: _____

_____

_____

Interior—Duplicating Section, Washington, D. C.

Signed _____

CCL's

Docket Number 4812

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.

Government's copy

Britin
Kluger
App'd. Sol. Off.
Chapman
Martin
Talbert
Johnson

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 O Mitchenory
Administrator, Defense Minerals
Exploration Administration

SOUTHPAW JOINT VENTURE

By Paul Gummell

Title Manager

Mod 1 July 27, 1958
Mod 2 Nov 27
Sept 27

JUSTIFICATION

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

Government copy

OFFICIAL FILE COPY
DMEA
RECEIVED APR 11 1958
DATE | INITIAL | CODE

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
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.

AMEND 0 #1

AMENDMENT NO. 1

Docket No. DMEA-4813 Mineral Manganese

Exploration Project Contract Idm-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

Government's Copy

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 20 1958

DATE	INITIALS	CODE

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.*—

.....

.....

.....

.....

.....

.....

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Ruffin
Lanyer
Holt
Martin
Chambers
Selfridge

SOUTHPAW JOINT VENTURE
(Operator)

Combined Metals Reduction Co.
By Paul Gemmill
Title General Manager

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

By C. A. Mitteudorf
Administrator, Defense Minerals
Exploration Administration

I, O.F.Burton, 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

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DMEA
RECEIVED JAN 20 1958
DATE | CODE

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.

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

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.

LIBRARY

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

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 1161
Contract Date 27 DEC 1957

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 Little	[Seal]	2013 Franklin Ave Los Vegas Nev.	[Address]
X LaVern J. Stewart	[Seal]	R.F.D. Route 4, Nampa, Ida	[Address]
X Ray Arnold	[Seal]	Pioche Nevada	[Address]
	[Seal]	(see 9/9/58 for new address)	[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]

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Dec. 27, 1957

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

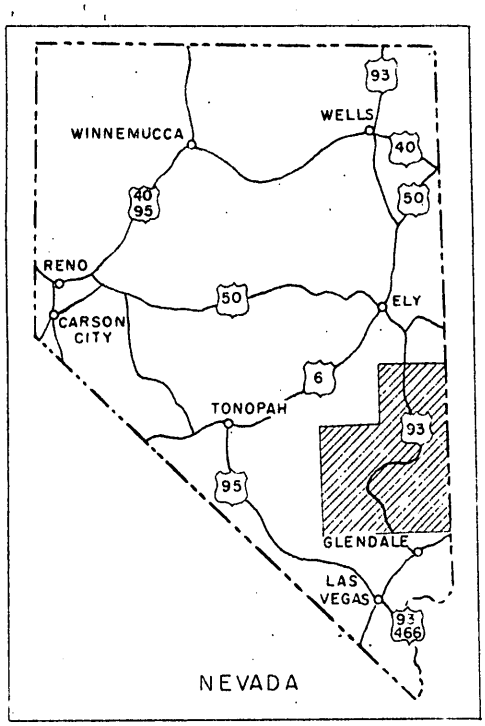
Casing, 600 feet @ $2.00/ft.	$1,200.00	
Lost casing, 200 feet at $1.00/ ft. 1/	200.00	
50 samples assayed for manganese at $2.00 each sample	100.00	
Estimated total cost of project		$12,852.00
Government participation, 75 percent		$9,639.00

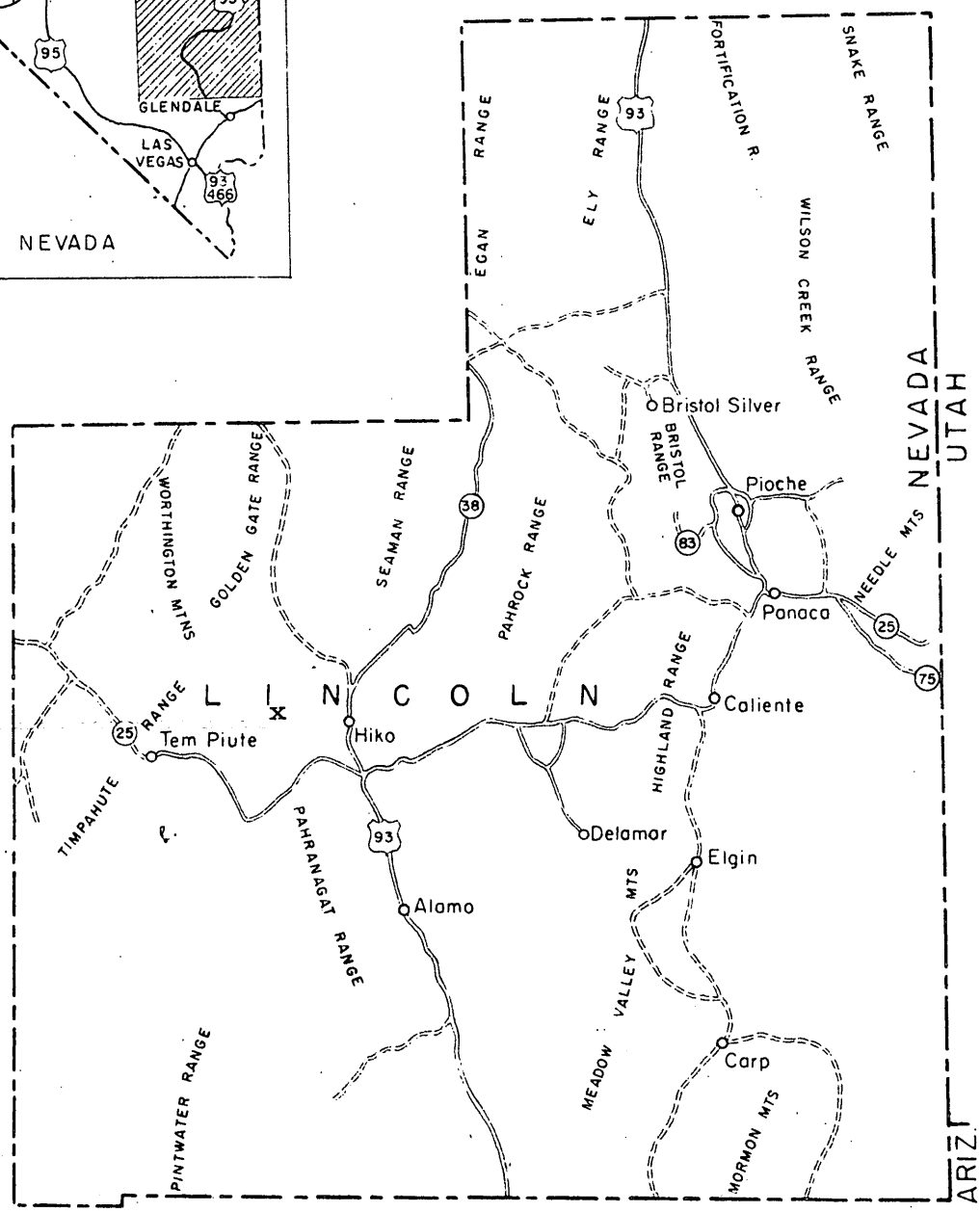
1/ Costs of casing left in holes at request of Operator are not allowable.

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)





South Paw mine

Figure 1. INDEX MAP OF LINCOLN COUNTY, NEVADA

0 20 40 60 Miles

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D M E A
RECEIVED NOV 4 1957

DATE	INITIALS	CODE

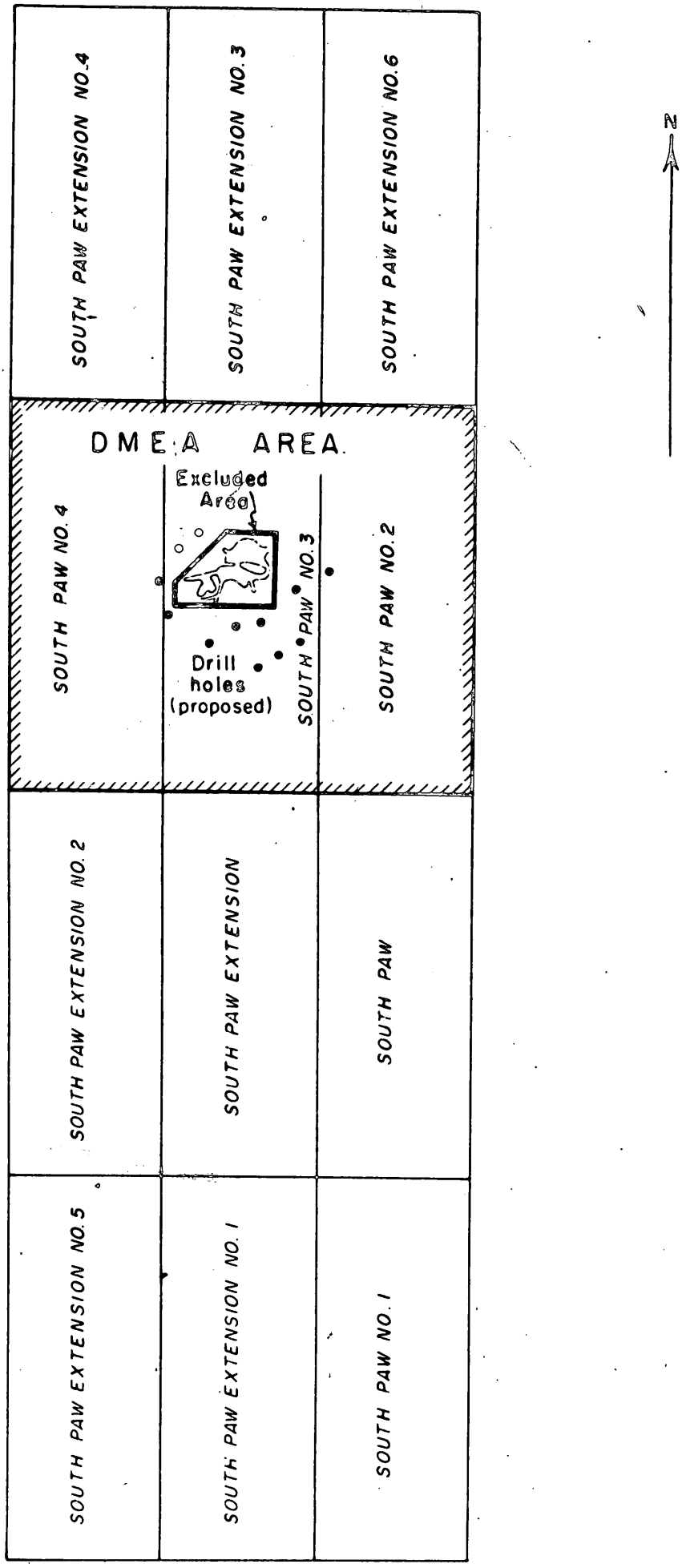


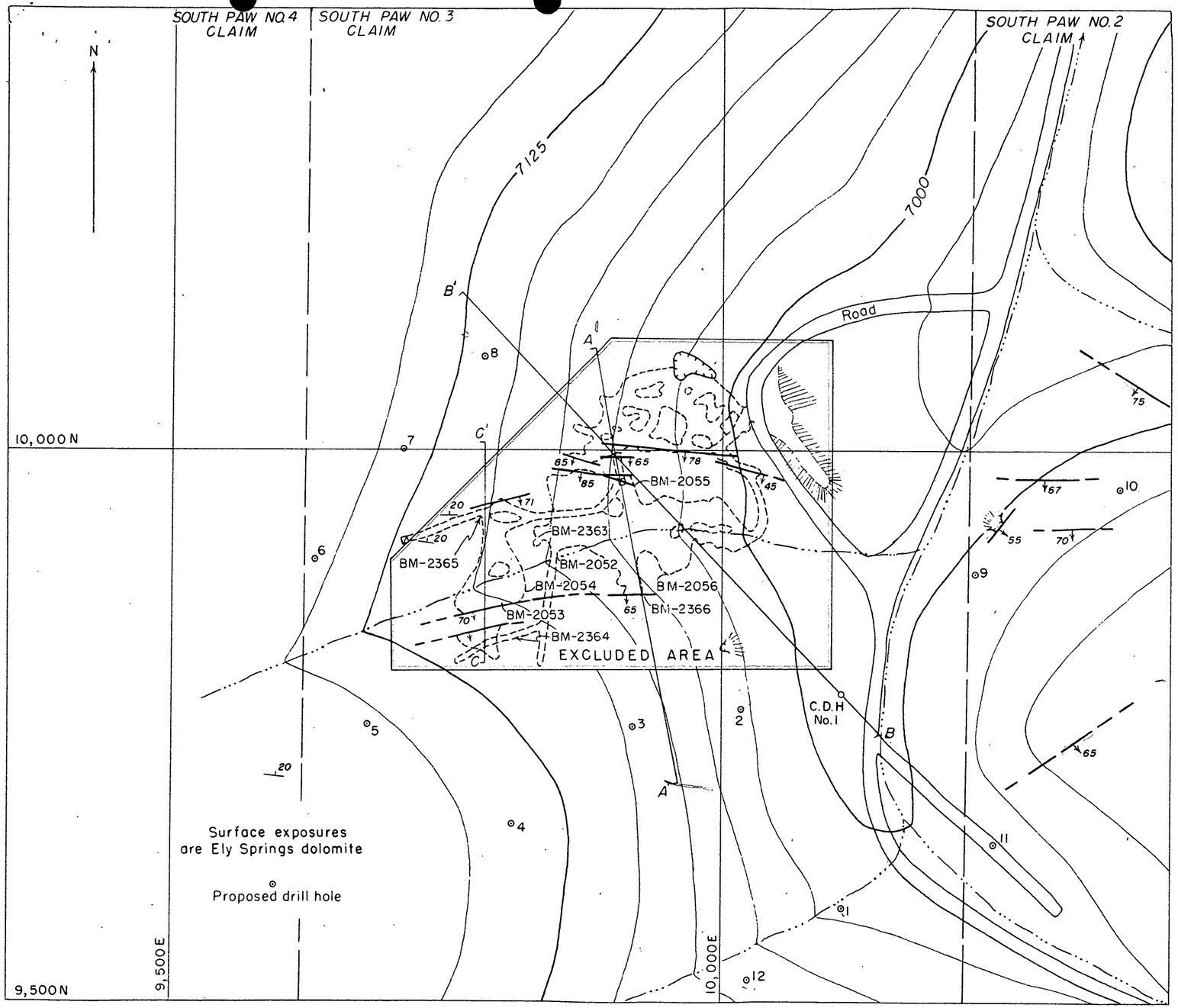
Figure 2. CLAIM MAP, SOUTH PAW GROUP, IRISH MOUNTAIN
LINCOLN COUNTY, NEVADA

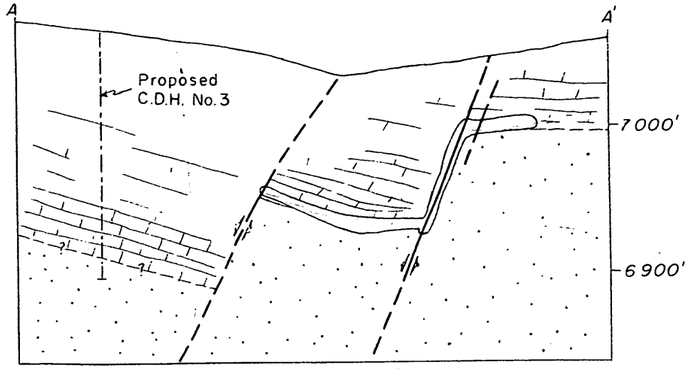
0 600 1200 1800 Feet

JAN 1958

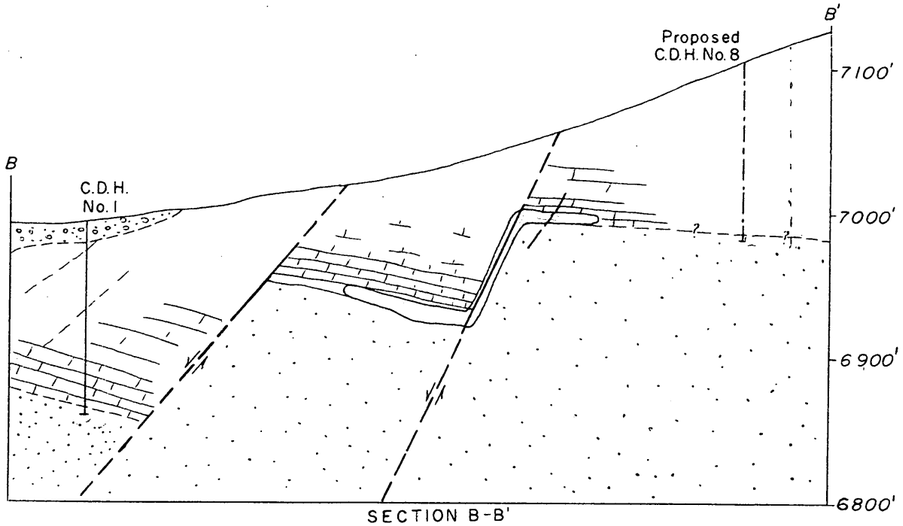
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 4813
(MANGANESE)

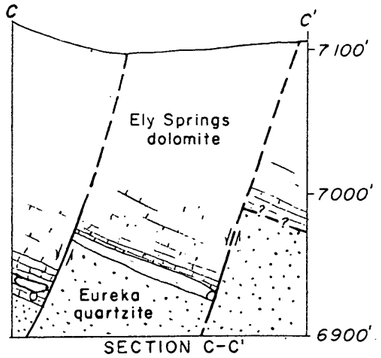




SECTION A-A'



SECTION B-B'



SECTION C-C'

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

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DATE	INITIALS	CODE

JAN 1958

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

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

RECEIVED AUG 16 1957 D.M.E.A.

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 _____, 195__.

X Ora Stuart Tuttle [Seal] 2013 Franklin Ave. Las Vegas Nev. [Address]

X LaVern J. Stuart [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]

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

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

RECEIVED AUG 16 1956 D.M.E.A.

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 N-1, Page 64, Southpaw No. 3 recorded in Book N-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 _____, 195__.

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

DMEA

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

August 14, 1957

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Loan Application (Manganese)
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada

Enclosed are three sets of MF-103, Application for Aid forms, relative to above subject. The fourth set has been retained in our files.

S. Ricker

Encls.

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DMEA
RECEIVED AUG 20 1957
DATE | INITIALS | CODE

[illegible] OFFICES
WASHINGTON, D. C.

AUG 15 1 37 PM '57

COMBINED METALS REDUCTION COMPANY

P. O. BOX 150

SALT LAKE CITY 10, UTAH

August 8, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 16 1957

DATE	INITIALS	CODE

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

Dear Mr. Ricker:

Enclosed please find the required five copies of a D.M.E.A. application in name of the Southpaw Joint Venture, operated under a management agreement by Combined Metals Reduction Company.

Your field team inspected the property sometime ago, but considerable delay in filing the application resulted from difficulty in obtaining signatures for the subordination agreement.

Yours very truly,

Paul Gemmill
General Manager

PG:dab

cc: Mr. E. H. Snyder
Government Copies (5)
Mr. R. G. Lee
Mr. P. W. Duffin
Mrs. Ora S. Tuttle
File (2)

ENCLS.

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

1987 AUG 12 AM 8:10

RENO, NEVADA

cc:

Govt Copy #1

(1)

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Not to be filled in by applicant

Docket No. 4813
Metal or Mineral Manganese
Date Received 8/16/57
Estimated Cost $15,600
Participation (Government %)

RECEIVED AUG 16 1957 D.M.E.A.

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: 1. Combined Metals Reduction Company
218 Felt Building
Salt Lake City, Utah
and 2. P. W. Duffin, Sr.

Doing Business as:
Southpaw Joint Venture

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract
See attached data.

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

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise
See attached data.

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

(*e*) If you own the land, describe any liens or encumbrances on it
See attached data.

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

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

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

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

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

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

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

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

(*c*) The work will start within 60 days and be completed within 6 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

(*b*) How do you propose to furnish your share of the costs?

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated August 7, 1957

Combined Metals Reduction Company
(Applicant)

By Paul Gemmill
Paul Gemmill - General Manager

E. H. Snyder
E. H. Snyder - President

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

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

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

(1)

APPLICATION FOR AID IN AN EXPLORATION PROJECT
PURSUANT TO D.M.E.A. ORDER 1
UNDER THE DEFENSE PRODUCTION ACT OF 1950
AS AMENDED

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TO ACCOMPANY FORM 103

1. (a) Southpaw Joint Venture
c/o Combined Metals Reduction Company
218 Felt Building
Salt Lake City, Utah

(b) The Southpaw Joint Venture is operated 50/50 by P. W. Duffin Sr. and Combined Metals Reduction Company, the latter being the manager of the Joint Venture.

(c) P. W. Duffin Sr. is an individual. Combined Metals Reduction Co. is a Utah Corporation, duly qualified to do business in the State of Nevada, officers are as follows:

E. H. Snyder	President	2109 Bertkeley St., Salt Lake
Allan Hoover	Director	30 Rockefeller Plaza, New York
Jeremiah Milbank, Jr.	Director	44 Wall Street, New York
George W. Snyder	Director	1361 Butler Ave., Salt Lake
C. M. Christensen	Secretary	2377 Stringham Ave., Salt Lake
O. F. Burton	Treasurer	2170 Rosevelt Ave., Salt Lake

Business address for all officers is 218 Felt Building, Salt Lake City, Utah.

(d) Listed under (c).

2. Read and noted.

3. (a) The land we wish to explore includes the following unpatented lode mining claims:

Name of Claim	Location Date	Recording Date	Book	Page
Southpaw #2	June 24, 1938	Dec. 17, 1938	M-1	64
Southpaw #3	June 24, 1938	July 17, 1939	M-1	143
Southpaw #4	July 3, 1940	July 25, 1941	N-1	9

(b) Southpaw Manganese Mine.

(c) Lessee

(d) Copies of "Lease Agreement" are attached.

(e) Does not apply.

(f) Stated in #3 (a) above.

4. (a) Except for some early day prospecting, mining operation started in 1950 and has been active since that time.

The Southpaw Mine is an underground mine, entered by an adit, two winzes and one working level connecting the two winzes.

Production facilities and equipment includes surface plant containing electric generating unit, air compressor, surface ore bins, track, camp buildings, and water storage tank. Underground equipment includes slushers, hoists, fans, mine cars, electric power cable, pipe lines for compressed air and water.

The Southpaw Joint Venture as lessee own or rent from Combined Metals Reduction Company all equipment and installations.

All mine workings are accessible.

(b) Production is listed below:

Year	Dry Short Tons	Approximate Assay Value	Value at Rail Point $
1950	301	40% Avg. for year	15,503
1951	386	32% Avg. for year	9,517
1952	742	33% Avg. for year	18,816
1953	1,173	34% Avg. for year	49,235
1954	6,373	38% Avg. for year	103,325
1955	4,258	40% Avg. for year	239,569
1956	4,101	36% Avg. for year	194,347
Total	17,334		$ 630,312

Over 80% of the production has been purchased by the Government through G.S.A. at Wenden, Arizona, Deming, New Mexico, Butte, Montana and the G.S.A. Car Lot Program.

There is only a few hundred tons of indicated ore with average assay value of 33% manganese.

Inferred ore tonnage should exceed past production.

(c) The Southpaw Mine is located near the head of Timber Canyon in Irish Mountain, about 15 airline miles northwest of Hiko, Lincoln County, Nevada. Elevation at the mine is slightly under 7,000 feet but the nearby Irish Mountain attains an elevation of 8,741 feet.

The manganese ore deposit occur at or near the contact of the Eureka Quartzite and the overlying Ely Spring Dolomite. The Eureka Quartzite is of middle Ordovician age.

Steeply dipping eastwest normal faulting, probably premineral, are of structural importance in relation to ore deposition.

Section "A", "B", and "C" illustrates the general relationship of structure to ore.

The predominent mineral in the manganese oxide is pyrolusite. Only traces of copper, lead and zinc are found. Iron is very low and phosphorus around 0.10%.

The Joint Venture wishes to explore the area immediately south and west of the mine workings by surface drilling.

(d) From U.S. Highway 93, about 42 miles west of Caliente, a paved road extends to Hiko, a distance of 4 miles. From Hiko a fair gravel road leads to the Southpaw Mine, a distance of 22 miles.

The mine is accessible the year around. Distance to nearest shipping point is Caliente which is about 68 miles. Pioche and Caselton are 90 miles by road from Southpaw Mine.

(e) Ample man power is available in the Pioche and Caliente districts.

Material, supplies and equipment are available as needed from Combined Metals Reduction Co. at Caselton, near Pioche.

Water is available from a spring near the mine or from Hiko. However the water must be hauled in tank.

Sufficient electric, gas or diesel power is available for present mining operation.

5. (a) Manganese Oxide.

(b) Core drilling and/or churn drilling. Surface locations as shown on attached Map D-1240.

(c) The work will start within 40 days after date of contract and be completed within 6 months.

(d) Combined Metals Reduction Co. has, during the last 30 years explored, developed and operated mining properties in Utah, Idaho, Nevada and other western states, their supervision and engineers are well qualified.

6. (a) As this project only envolves drilling, a unit cost per foot of drill hole is here proposed. Road work connecting the various drill holes is estimated at $250.00 per drill hole location.

The topography is steep with little overburden, some blasting will be required for drill locations.

Core drilling will have a definite advantage in the rough topography locations where it is impractical to locate a churn drill hole over the target. The disadvantage of core drilling is the

coring itself through the granular and soft manganese oxide ore, whereas representative samples can be obtained by churn drilling.

Both types of drilling may be required to obtain the best results.

The average depth of the drill holes will be 150 feet.

Cost per foot of drilling is estimated at $7.00 for holes up to 350 feet deep. This cost would apply to churn drilling or core drilling.

Due to open cavities and broken formations, loss of circulation in core drilling will require cementing or casing. Water requirements will be considerably large for core drilling.

An independent core drill contractor has indicated a price of $4.75 per foot for A.X. size hole for drilling only. The cost of cementing, casing and lost time beyond his control would be added to the unit cost.

Combined Metals Reduction Co. would be able to contract the churn drilling for $7.00 per foot total cost.

Estimated Cost of Proposed Project

1,800' of exploration drilling	@ $ 7.00	=	$ 12,600
Road & site for 12 drill stations	@ $250.00	=	3,000
Total Cost of Project			$ 15,600

(b) (c) (d) (e) (f) (g) (h) - This cost is included in unit cost of $7.00 per foot.

7. (a) We are prepared to furnish our share of the cost of this project.

(b) Our share will be furnished in cash.

Respectfully submitted,

Reginald G. Lee

APPROVED:

Paul Gummell PG

P.W. Duffin Sr. P.W.D.

MINING LEASE AND OPTION

THIS AGREEMENT, made August 9, 1950 by and between Ray (Dick) Arnold, Ora Stewart Tuttle and LaVern Stewart, hereinafter called Owners, and A. W. Bush and P. W. Duffin, Sr., hereinafter called Lessees, Witnesseth:

WHEREAS said Owners are in possession and entitled to the possession (subject to the paramount title of the United States of America) of the following twelve unpatented lode mining claims, situate in Timber Canyon on the north end of Irish Mountain, in the Irish Mountain Mining District, in the County of Lincoln, State of Nevada, namely the South Paw, South Paw No. 1, South Paw No. 2, South Paw No. 3 and South Paw No. 4 and South Paw Extension, South Paw Extension No. 1, South Paw Extension No. 2, South Paw Extension No. 3, South Paw Extension No. 4, South Paw Extension No. 5 and South Paw Extension No. 6, hereinafter called the South Paw Group; and

WHEREAS, a lease was given under date of May 27, 1950 to A. W. Bush and Fay Stewart, covering said twelve claims known as the South Paw Group, for a term of twenty-five years, but the interest of Fay Stewart therein has been transferred and assigned to P. W. Duffin, Sr., and said A. W. Bush and P. W. Duffin, Sr. desire to correct, modify and amplify said lease, and the Owners have agreed thereto.

NOW, THEREFORE, Owners and Lessees agree that said Lease of May 27, 1950 shall be superseded by the following Lease and Option.

1. The said Owners, for and in consideration of the covenants and agreements hereinafter contained, by said Lessees to be kept and performed, hereby lease unto said Lessees and to their heirs and assigns, for a term of twenty five years from the date hereof (unless sooner terminated for cause as hereinafter provided), all of those twelve claims known as the South Paw Group, upon the terms and conditions hereinafter stated.

2. Said Lessees are to take immediate possession of the demised premises, and develop and operate same in good, minerlike fashion, with the view of producing and shipping all marketable ores on said premises, but preserving the property as a workable mine. Workings are to be timbered wherever and whenever necessary, and all waste shall be removed from the workings and disposed of on the surface; provided any ore not now marketable but which might become valuable at a later date shall be kept separate from waste.

3. Lessees, unless prevented by weather or other circumstances beyond their control, shall perform at least 70 eight-hour shifts of labor on the demised premises during each calendar month beginning with the month of September, 1950.

4. Lessees shall accept and comply with the provisions of the Nevada Industrial Insurance Act and the Nevada Occupational Diseases Act, with the act to relieve Owners from liability for labor and material liens, and with all Federal and State laws and regulations applicable to operations hereunder.

5. Merchantable ore of any mineral developed on the premises shall be promptly extracted, and shipped in the name of Owners, at the best prices obtainable, subject to the approval of the Owners, the said Owners to approve both the transportation charges and the sale price, and out of the net settlement the said Owners shall retain 10% and the balance shall be payable to the Lessees, and the Owners shall likewise be entitled to the same percentage of any bonus payments on ore shipped, but Lessees shall be entitled to any incentive payments that may be offered for development work. Net settlement shall be the amount paid for the shipment after treatment, transportation and assay charges are deducted.

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ATTORNEY-AT-LAW
PIOCHE, NEVADA

6. In the event Lessees shall default in any of the covenants or obligations herein expressed, on their part to be kept and performed, then and in that event the Owners shall have the right to declare a forfeiture of this lease and of all rights and privileges thereunder, by giving written notice to the Lessees, or either of them, to cure such default within 30 days, and upon their failure to do so the Owners shall have the right, with or without legal process, to reenter and repossess the demised premises; and the waiver by Owners of any provision binding Lessees shall not effect a waiver of that or any other provision binding them, nor constitute a waiver of any subsequent default in the same or any other obligation.

7. Lessees shall have the right to relinquish this lease on the first day of any month not later than June 1 of any year, upon giving the Owners written notice not later than the first day of the month preceding such contemplated relinquishment. From and after the date of such relinquishment, Lessees shall be relieved of all further obligation hereunder except payment of agreed royalty on all ore shipments made, and shall have the right for a period of not more than 30 days after such relinquishment to remove from the demised premises any and all structures, equipment and tools which Lessees may have placed thereon, (excepting timber, track and pipe.)

8. In consideration of the acceptance of this Lease and the covenants and agreements recited herein, Lessees are hereby given the exclusive right and option to purchase the said South Paw Group for $120,000.00, to be paid to Owners in instalments as follows: not less than $4,000.00 within one year from the date hereof, not less than $5,000.00 additional within two years, not less than $6,000.00 within three years, not less than $10,000.00 within four years, and the balance of $95,000.00 within five years from the date hereof; any deficiency in earned royalty payments to be made up with advance royalty payments; provided, all royalty payments made shall be applicable on purchase price instalments; subject however at all times to the continued performance by Lessees of the covenants herein recited.

9. Time is of the essence of this instrument, and it shall extend to and bind the heirs and assigns of the respective parties. Upon failure of Lessees to perform, or commence in good faith to perform, any of their covenants herein within a period of 30 days after notice of default, the lease shall at the option of the Owners thereupon terminate, and the option shall concurrently terminate, and Lessees agree that any such default shall effect not only a cancelation of the lease and option but also a forfeiture to Owners of any and all payments made by Lessees to Owners hereunder, as rental for the demised premises and not as a penalty. It is further agreed that no provision in this instrument shall be construed to limit the right of Owners to demand and enforce the payment of earned royalty.

10. Notice when given hereunder shall be given by registered letter, postpaid, addressed if by Owners to P. W. Duffin, Sr., Caliente, Nevada, and if by Lessees to Mrs. Ora S. Tuttle, Alamo, Nevada; and shall be deemed complete upon the date of mailing shown by registry receipt. Notice of change of address shall be given in like manner.

11. It is agreed that Owners shall have the right at any and all reasonable times, in person or by agent to inspect the demised premises and any and all records and data affecting the interests of Owners hereunder.

A. L. SCOTT
ATTORNEY-AT-LAW
PIOCHE, NEVADA

IN WITNESS WHEREOF this instrument has been fully executed in triplicate by the parties hereto as of the date herein first written.

(Signed) Ray Arnold

Ora S. Tuttle

LaVern Stewart

Owners

A. W. Bush

P. W. Duffin Jr.

Lessees

STATE OF NEVADA)
) ss.
COUNTY OF LINCOLN)

On this 9 day of August, A. D. 1950, before me, a notary public in and for said County of Lincoln, personally appeared Ray Arnold, Ora S. Tuttle, LaVern Stewart, A. W. Bush and P. W. Duffin Jr., known to me to be the persons described in and who executed the foregoing instrument, who jointly and severally acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

A. L. Scott

Notary Public.

No. 23012 - Filed and recorded at request of A. L. Scott at 55 min. past 3 P.M. this 10th day of August, A.D. 1950.

Dominick Melinghori
County Recorder

By Joanne Wells
Deputy

A. L. SCOTT
ATTORNEY-AT-LAW
PIOCHE, NEVADA

On August 26, 1950, the Lessees A. W. Bush and P. W. Duffin, Sr., requested the following change in paragraph 5 of the Mining Lease and Option executed on August 9, 1950, covering the South Paw Group of unpatented lode mining claims:

5. Merchantable ore of any mineral developed on the premises shall be promptly extracted, and shipped, in the name of Lessees ~~Owners~~, at the best prices obtainable, ~~subject to the approval of the Owners, the said Owners to approve both the transportation charges and the sale price,~~ and out of the net settlement the said Owners shall ~~retain~~ be entitled to 10% and the balance shall be payable to the Lessees, and the Owners shall likewise be entitled to the same percentage of any bonus payments on ore shipped, but Lessees shall be entitled to any incentive payments that may be offered for development work. Net settlement shall be the amount paid for the shipment after treatment, transportation and assay charges are deducted.

The foregoing amendment is hereby consented to and approved by the undersigned Owners, as of August 26, 1950.

Ray Arnold

Ira S. Tuttle

CERTIFICATION OF COPY

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State of Nevada
County of Lincoln } ss.

I, Dominick Belingheri, the duly elected, qualified and acting County Recorder of Lincoln County, in the State of Nevada, do hereby certify that the foregoing is a true, full and correct copy of the original:

MINING LEASE AND OPTION

No. 25912

(Arnold, Ray (Dick)
Tuttle, Ora Stewart
Stewart, LaVern
Owners
Bush, A. W.
Duffin, P.W. Sr.
Lessees)

now on file and of record in this office, in Volume "N" of Miscellaneous Page 335-336

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of my office, at Pioche, Nevada this 10th day of August, 19 50.

Dominick Belingheri
Recorder

Jeanne Walk
Deputy Recorder

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MEMORANDUM OF AGREEMENT.

This Memorandum of Agreement, made October 30, 1950, by and between A. W. Bush, P. W. Duffin, Sr., and Lory M. Free, First Parties, and Combined Metals Reduction Company, a corporation of the State of Utah, doing business in the State of Nevada, Second Party, WITNESSETH:

WHEREAS, said A. W. Bush and P. W. Duffin, Sr., are lessees named in that certain Lease and Option dated August 9, 1950, as amended August 26, 1950, given them by Ray (Dick) Arnold, Ora Stewart Tuttle and LaVern Stewart, covering the unpatented South Paw Group of twelve lode mining claims situate in Timber Canyon, in the Irish Mountain Mining District, in the County of Lincoln, State of Nevada, and have associated Lory M. Free with them in operations thereunder; and

WHEREAS, after preliminary discussions and further examination of the said South Paw Group, Second Party has agreed to take an option on the rights of First Parties under their said Lease and Option, upon conditions which are not fully expressed herein but which have been orally agreed upon between the parties hereto and which will be more fully expressed as soon as time is available to record same in a supplementary agreement.

NOW, THEREFORE, in consideration of the sum of Four Thousand Dollars ($4,000.00), of which $2500 is to be paid to A. W. Bush, $1200 is to be paid to P. W. Duffin, Sr., and $300 is to be paid to Lory M. Free, First Parties hereby agree to give Second Party an exclusive option on all their rights in said Lease and Option from the owners of said South Paw Group, for a period of two months or until January 2, 1951, upon the payment of an additional sum of approximately Four Thousand Dollars not later than January 2, 1951, upon the following terms and conditions, among others orally expressed:

First Parties agree to secure from said Owners a new lease and option, containing substantially the same provisions as in the existing Lease and Option, but ~~running to the three First Parties herein,~~ changing the work requirements and extending the right of purchase to a period of ten years from the date thereof; further to incorporate under the laws of the State of Nevada for the principal purpose of doing business under said new lease and option and this proposed assignment thereof.

Second Parties agree to taketemporary possession of said South Paw Group, and for a two months' period develop same and extract marketable ore therefrom and stockpile same at or near Hiko. If within two months it decides to exercise said option, it will pay to First Parties on or before January 2, 1951, a sum of approximately $4,000 for a full assignment of said Lease and Option, the exact amount payable to be determined by actual costs of acquisition and operation by First Parties said to be approximately $8,000 and the actual amount thereof to be evidenced by itemized statement to be furnished to Second Party by First Parties.

It is further agreed that the ore stockpiled prior to January 2, 1951, shall be the property of Second Party, subject to royalty provisions, and the value thereof, when disposed of, shall be credited first on the $4,000 payment made to First Parties and the costs of royalties, extraction, development and stockpiling incurred by Second Party. Any excess over said $4,000 payment and said costs, will be payable to First Parties if said option is not exercised. If the option be exercised by the payment of $4,000 (approximately) on

A. L. SCOTT
ATTORNEY-AT-LAW
PIOCHE, NEVADA

January 2, 1951, the net proceeds of the stockpiled ore shall be divided in accordance with the proposed supplementary operating agreement.

Second Party, if it decides not to exercise said option, shall have the privilege of removing any and all equipment it may have placed on or near said mining claims.

IN WITNESS WHEREOF First Parties have hereunto subscribed their names, and the name of Second Party has been hereunto subscribed by its officer thereunto duly authorized, on the date herein first written.

P W Duffin Sr

First parties

COMBINED METALS REDUCTION COMPANY

By

General Superintendent

STATE of NEVADA)
(ss.
COUNTY of LINCOLN)

On this 31 day of October, A.D. 1950, before me, a notary public in and for said County of Lincoln, personally appeared A. K. Bush, P. W. Duffin, Sr. and Lory M. Free, known to me to be the persons described in and who executed the foregoing instrument, who jointly and severally acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

Notary Public.

A. L. SCOTT
ATTORNEY-AT-LAW
PIOCHE, NEVADA

SUPPLEMENTAL AGREEMENT.

THIS AGREEMENT, made as of September 12, 1951, by and between May (Dick) Arnold, Ora Stewart Tuttle and Lavern Stewart, hereinafter called Owners, and P. W. Duffin, Sr. (individually and as assignee of A. W. Bush), hereinafter called Lessee,

WITNESSETH: that WHEREAS said Lessee is now the record holder of that certain Lease and Option Agreement made August 9, 1950, by and between said Owners and A. W. Bush and P. W. Duffin, Sr. which, together with an Amendment thereof under date of August 24, 1950, is recorded in Book "B" of Miscellaneous at page 343, Lincoln County, Nevada, records and to which reference is hereby made; and

WHEREAS, said Lease and Option Agreement required that in order to exercise the option to purchase therein granted, payment of $4,000.00 must be made in earned royalty or advanced royalty not later than August 9, 1951, but if the Lessees decided not to exercise said option clause (paragraph 8) on August 9, 1951, the lease provisions would remain in effect so long as Lessees complied therewith; and

WHEREAS, through no fault of Lessee the payment of earned royalty was delayed until the date hereof by the failure of the Government to remit for ore delivered in May, 1951.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH that in consideration of the payment by Lessee to Owners of advanced royalty in excess of earned royalty, in an amount sufficient to make payments aggregate $4,000.00, the said option clause shall remain in full force and effect (notwithstanding delay in making first payment), and Lessee will not be required to make any further payments of earned royalty under the lease provisions of said Lease and Option Agreement until the total amount of said earned royalty shall equal the $4,000.00 actually paid, provided, in the meantime, Lessee must comply fully with all other lease requirements set out in said Lease and Option Agreement. And the fact that Lessee shall be temporarily relieved of the requirement to pay earned royalty, shall not relieve Lessee of the requirement to furnish promptly to Owners reports of all ore settlements and amount of royalty earned thereon.

It is further agreed that paragraph 10 of said Lease and Option Agreement shall be modified by changing the address of Mrs. Ora S. Tuttle to 2013 Franklin Avenue, Las Vegas, Nevada, and the address of P. W. Duffin, Sr., to 1145 South Westwood Drive, Las Vegas, Nevada.

This Supplemental Agreement shall not alter any provision of said Lease and Option Agreement which is not herein expressly modified.

IN WITNESS WHEREOF the said parties, Owners and Lessee, have hereunto subscribed their names as of the date herein first written.

May M. Arnold

Ora S. Tuttle

Lavern Stewart

Owners

P. W. Duffin Sr.

Lessee.

A. L. SCOTT
ATTORNEY-AT-LAW
PIOCHE, NEVADA

STATE of NEVADA }
COUNTY of LINCOLN } ss.

On this 13 day of September, A.D. 1951, before me, a notary public in and for said County of Lincoln, personally appeared Ray Arnold and F. W. Duffin, Sr., known to me to be the persons described in and who executed the foregoing instrument, who jointly and severally acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

A. L. Scott

Notary Public.

STATE of NEVADA }
COUNTY of CLARK } ss.

On this 14 day of September, A. D. 1951, before me, a notary public in and for said County of Clark, personally appeared Ora Stewart Tuttle, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that she executed the same freely and voluntarily and for the uses and purposes therein mentioned.

Notary Public.

My commission expires [illegible]

STATE OF NEVADA }
COUNTY of CANYON } ss.

On this 26 day of September, A. D. 1951, before me, a notary public in and for said County and State, personally appeared LaVern Stewart, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that she executed the same freely and voluntarily and for the uses and purposes therein mentioned.

Notary Public.

My commission expires [illegible]

A. L. SCOTT
ATTORNEY-AT-LAW
PIOCHE, NEVADA

JOINT ADVENTURE AGREEMENT.

THIS AGREEMENT, made as of July 3, 1951, by and between P. W. Duffin, Sr., of Caliente, Nevada, First Party, and COMBINED METALS REDUCTION COMPANY, a corporation of the State of Utah, Second Party, WITNESSETH:

WHEREAS First Party has acquired all the right, title and interest of A. W. Bush in that certain Mining Lease and Option given under date of August 9, 1950, by Ray (Dick) Arnold, Ora Stewart Tuttle and LaVern Stewart to A. W. Bush and P. W. Duffin, Sr., covering twelve unpatented lode mining claims generally known as the South Jaw Group, situate in the Irish Mountain Mining District, in the County of Lincoln, State of Nevada, and said First Party is now the sole owner of said Lease and Option which, together with amendment thereof under date of August 26, 1950, will be found of record in the office of the County Recorder of said Lincoln County, in Book "N" of Miscellaneous, at pages 335 and 343 respectively, and are hereby referred to for further particulars; and

WHEREAS, the parties hereto are willing, upon the terms and conditions stated below to undertake a Joint Adventure for the purpose of developing and operating or disposing of their joint interest in the demised premises at a profit to be shared equally by the parties hereto, said Joint Adventure being in the nature of a limited partnership - not limited in the statutory sense as to the liability of the parties, but as to its scope and duration - without any actual partnership or corporate designation.

NOW, THEREFORE, this Joint Adventure Agreement WITNESSETH:

Second Party will assume and be chargeable with none of the obligations assumed by First Party prior to July 3, 1951, other than those required by said Lease and Option as amended to be performed subsequent to July 1, 1951; but if said Option be exercised by making initial payment on August 9, 1951, it is agreed that both parties shall share equally any and all credits given for accrued royalties on ore heretofore extracted, and only the actual cash payments in the amounts contributed by each party hereto shall be chargeable as expenditures hereunder.

All mining operations and ore marketing shall be under the supervision and direction of Second Party. At the end of each calendar month the parties shall exchange statements showing their respective expenditures during the month, chargeable to this Adventure. Either party may, within ten days after receipt of such statement, object in writing to any item or any charge in such statement, but in the absence of written objection served on the other party, the amounts specified in such statement shall be deemed to be finally allowed and accepted as correct, and the party who has advanced any amount in excess of 50% of the total expenditures for the month as so determined, shall be promptly reimbursed by the other party in the amount of such excess. Any item or amount objected to, if it cannot be compromised by the parties, shall be submitted to arbitrators for final determination. Semiannually, on January 1 and July 1 of each year, upon request of either party, a settlement shall be made on the basis of said monthly statements for the preceding six months, so that both parties will have shared equally in the payment of applicable expenditures, and also in the net profits, if any.

A. L. SCOTT
ATTORNEY-AT-LAW
PIOCHE, NEVADA

This Agreement shall be and continue in full force and effect so long as the said Lease and Option, or the lease provisions thereof, remain in effect, unless sooner terminated by mutual agreement; but either party may, by written notice given to the other on January 1 or July 1 of any year hereafter, terminate the Adventure by assigning to the other party all of its right, title and interest in the said Mining Lease and Option.

This agreement shall bind and extend to the heirs and assigns of First Party and to the successors and assigns of Second Party.

IN WITNESS WHEREOF this Agreement has been signed by First Party and executed on behalf of Second Party by its General Superintendent thereunto duly authorized, as of the date herein first written.

O. W. Duffin Sr.

COMBINED METALS REDUCTION COMPANY

By _____
Its General Superintendent.

STATE of NEVADA)
) ss.
COUNTY of LINCOLN)

On this ___ day of July, A.D. 1951, before me, a notary public in and for said County of Lincoln, personally appeared Lory M. Free and S. S. Arentz, known to me to be the persons described in and who executed the foregoing instrument, who jointly and severally acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

_____
Notary Public.

A. L. SCOTT
ATTORNEY-AT-LAW
PIOCHE, NEVADA

A-1698

COMBINED METALS REDUCTION CO.

SOUTH PAW CLAIM GROUP

Irish Mountain Lincoln County Nevada

South Paw Exten'- #5	South Paw Extention #2	South Paw #4	South Paw Exten'- #4
South Paw Exten'- #1	South Paw Extention	South Paw #3 (Mine Workings, Portal)	South Paw Exten'- #3
South Paw #1	South Paw	South Paw #2	South Paw Exten'- #6

February 16 1957

MADE BY Schrader

TRACED BY

CALCULATED BY R.G. Lee

SCALE 1 inch = 400 ft.

NAME OR TITLE

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☆ U. S. GOVERNMENT PRINTING OFFICE : 16—389

S. Government Messenger Envelope

d Form No. 65 (Rev. 1/46)

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2. Void previous block.
3. Write clearly.

NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM		NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM	
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rplus envelopes to
room for reissue.

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16—68042a-2

Use RUN and STOP only when messenger service between Government buildings in Washington is required.
Your mail room has RUN and STOP information.

PROJECT SUMMARY REPORT

Docket copy

By Stephen P. Holt April 27, 1960

1. DMEA 4813 (Manganese)
Contract No. Idm-E1161

Property: Southpaw Claims
Lincoln County, Nevada

Operator: Southpaw Joint Venture, a joint venture comprised of Combined Metals Reduction Company, a Utah Corporation, and P. W. Duffin, Senior, an individual.
c/o Combined Metals Reduction Company
218 Felt Building
Salt Lake City 10, Utah

Operator's Property Rights:

The Operator controls, by lease agreement dated August 9, 1950, and a supplemental agreement dated September 12, 1951, three unpatented lode mining claims, situated in the Irish Mountain Mining District, Lincoln County, Nevada. A Consent to Lien and Subordination Agreement, dated December 27, 1957, signed by Ora Stewart Tuttle, La Vern J. Stewart, and Ray (Dick) Arnold, is attached to the contract.

An area including the present mine workings was excluded from the lands covered by the contract, but was later added to the lands of the contract by the terms of Amendment No. 3, and Consents to Lien and Subordination Agreements dated September 8, and 9, 1958, and an Agreement dated September 3, 1958, signed by the same owners, added the land previously excluded to the lands of the contract.

2. Contract dated December 27, 1957, on Short Form MF-200A (Rev. April 1956).

Work authorized:

Bulldoze approximately 1,200 feet of access roads to churn drill sites and clear the drill sites.
Drill 12 churn drill holes, average depth 150 feet each, not to exceed 1,800 feet total aggregate length. Holes to be started not less than 8 inches diameter, finished not less than four inches diameter. All mineralized holes to be sampled and samples assayed for manganese.

Estimated total cost of the project	$12,852.00
Government participation @ 75%	9,639.00

Amendments:

No. 1, dated March 26, 1958, changed the date for starting the work from on or before April 15, 1958, to on or before May 15, 1958, and extended the completion period from six months to seven months from the date of the contract.

No. 2, dated July 18, 1958, further extended the date of completion of the work from July 27, 1958 (seven months from the date of the contract) to November 27, 1958, and extended the royalty payment period from 10 to 11 years.

No. 3, dated November 14, 1958, authorized substitution of rotary and/or diamond core drilling for the churn drilling authorized in the contract, and added to the lands of the contract the area surrounding the mine workings, formerly excluded.

No. 4, dated January 6, 1959, authorized suspension of project work for a period beginning November 27, 1958, and ending not later than April 27, 1959; extended the date for completion of the work from November 27, 1958 to September 27, 1959; extended the period for royalty payments from 11 years to 12 years from the date of the contract; and added a "pseudo certification" clause, to become effective if work were not resumed before the end of the suspension period, April 27, 1959, or, if so resumed, were not completed before September 27, 1959.

No. 5, and Termination Agreement, dated December 15, 1959 revised Amendment No. 3 to include authorization for percussion drilling as well as rotary, churn and diamond drilling, revoked the Termination Agreement dated August 28, 1959, and terminated the contract, effective July 1, 1959.

Work completed:

Bulldozing access roads to drill sites, 168 hours @ $14.00/hr.	$2,352.00
Drilling diamond, rotary, churn and percussion drill holes, 997 feet @ $5.00/ft.	4,985.00
Casing, 225 feet @ $2.00/ft.	450.00
Casing lost, 45 feet @ $1.00/ft.	45.00
Assays, 19 for Mn @ $2.00/ea.	38.00
Total accepted cost of the contract	$7,870.00
Government participation @ 75%	5,902.50

Work under the contract began May 1, 1958, and was terminated by mutual agreement dated December 1, 1959, effective July 1, 1959, before completion of the drilling program.

3. Revised Report of Review, in lieu of Final Audit, dated April 25, 1960, showed:

Total cost as billed by Operator	$7,870.00
Exceptions, none	0.00
Total accepted cost	$7,870.00
Government contribution @ 75%	5,902.50

3-A Reports: The Operator's Final Report, dated December 1, 1959, was received by the Field Team December 4, 1959, and in this office December 10, 1959. The Final Report of the Field Team, dated October 1959, was received October 30, 1959.

4. Certification:

As no significant manganese-bearing material was discovered by project work, certification was not recommended by the Field Team. No certification of discovery or development will be issued, but instead the contract will be closed by a "closing letter" sent to the Operator.

5. Comments:

The work was well done and is satisfactory to the Government. The project was established for the purpose of exploring areas east, west, and south of the Southpaw mine, for faulted continuations of the manganese ore bodies, which occur as soft

earthy masses and finely crystalline layers of pyrolusite in gently-dipping layers of brecciated limestone in bedding plane faults along and near a contact between limestone and the Eureka quartzite of Ordovician age.

Although a deposit about 300 feet long, 200 feet wide, with an average width of 8 feet, had been developed and mined in the Southpaw mine, yielding approximately 17,500 tons of ore, averaging about 36% manganese, none of 11 test holes drilled on the north, east, and south sides of the mine workings, disclosed any material that could be classed as manganese ore discovered by the DMEA exploration. The area remaining unexplored, to the southwest of mine workings, is so small that the probability of discovering significant reserves of manganese ore is considered remote. Therefore, it is recommended that no certification be issued, and that, unless new and conclusive evidence is presented, no further exploration assistance by the Government is warranted.

Stephen P. Holt

Stephen P. Holt

SPHolt:kb - May 16, 1960
cc: Director's reading file
Mr. Holt
Chron.

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WORK COMPLETED ANALYSIS

After final audit or review report is received, prepare original only and file in official docket

Operator: Southpaw Joint Venture		Actual Cost	
State: Nevada		Agreed Unit Cost	X
Final Report of Audit		Commodity	Docket No. DMEA 4813
Final Report of Review	X	Manganese	Contract No. Idm-E1161

Operation	Authorized by Contract and Amendments		Completed		Net cost after sale of Government Property
	Units	Cost	Units	Cost	
	Feet	$	Feet	$	$
Drifting & Crosscutting					
Raising					
Shafts					
Winzes	600	1,200.00	225	450.00	450.00
Casing	200	200.00	45	45.00	45.00
Casing lost					
Drilling (Specify) Churn, diamond rotary and/or ~~percussion~~	1,800	9,000.00	997	4,985.00	4,985.00
Surface Excavation and)					
)		2,352.00		2,352.00	2,352.00
Roads and Trails)					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Assays for Mn		100.00		38.00	38.00
Totals		12,852.00		7,870.00	7,870.00 *
Government part. @ 75%		9,639.00		5,902.50	5,902.50

* Net cost total must agree with final report of audit or review.

Prepared by Stephen P. Holt Date 4.29.60

Stephen P. Holt

31398

COMBINED METALS REDUCTION COMPANY

P. O. BOX 150
SALT LAKE CITY 10, UTAH

June 14, 1960

OFFICIAL FILE COPY O. M. E. RECEIVED JUN 17 1960		
DATE	INITIALS	CODE
6-17	gad	VVO
6/17	[illegible]	800
6-20	[illegible]	500
		VVS

Mr. George C. Selfridge
Acting Director
United States Department of the Interior
Washington 25, D. C.

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

Dear Mr. Selfrdige:

Thank you for your letter of June 7, 1960 with reference to terminated exploration contract with the Government on the above subject.

We regret the work performed did not result in a certification of discovery or development under provisions of the contract. We note also, that the Government, in the absence of such certification, retains no claim or lien against the property subject to the contract or any future production therefrom. According to the provisions of the contract, we shall keep and preserve all records for the specified time.

We appreciate the Department's participation and cooperation in the DMEA program.

Copies of your letter have been mailed to those interested and listed below.

Very truly yours,

COMBINED METALS REDUCTION COMPANY

A C Merrill

A. C. Merrill, Controller

ACM:b

Enclosures:

cc: Messrs: E. H. Snyder
Paul Gemmill
R. G. Lee
H. E. Swanson
P. W. Duffin Sr.,
1204 Westwood Drive,
Las Vegas, Nevada
File No. 119-1-C

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/25	Holt	500
	Brunwald	500
6/4	Tolhurst	800
		120
		110
		220
		225

Held until

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

Re: DMEA-4813 (Manganese)
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada
Contract No. Idm-E1161

Dear Mr. Stewart:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the above-[redacted]ract.

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on December 27, 1957, and the undated Consent to Lien and Subordination Agreement signed by you, received September 26, 1958, both under the DMEA program which has now been succeeded by the Office of Minerals exploration program.

Enclosure

SPHolt/gla
5-25-60
cc to: Director's Reading File
Region II (2)
Docket
Chron
Code 500

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/25	Holt	500
	Brannon	500
6/6	Talbot	800
6/7	GCS	120
6/7	On leave	110
6-7	gad	220
		225

Held un til

JUN 7 1960

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

Re: IMEA-4813 (Manganese)
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada
Contract No. Idm-21161

Gentlemen:

Reference is made to your terminated exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the period indicated.

We appreciate your interest and participation in the IMEA exploration program.

Sincerely yours,

George C. Selfridge

(SHB)

Acting Director

SPHolt/gla
5-25-60

cc to: Director's Reading File
CA&A Division
Region II (2)
Docket
Chron
Code 500

Mrs. Ora Stewart Tuttle
2013 Franklin, Las Vegas, Nevada

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

Mr. Ray (Dick) Arnold
407½ N. Locke, Armington, New Mexico

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/25	Holt	500
	Hrouse	500
6/6	Talbot	800
6/7	GCS	120
6/7	Sw Dove	110
6-7	gad	220
		225

JUN 7 1960

Mr. Ray (Dick) Arnold
407½ N. Locke
Farmington, New Mexico

Re: DMEA-4813 (Manganese)
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada
Contract No. Idm-E1161

Dear Mr. Arnold:

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

This correspondence relates to the Consents to Lien and Subordination Agreements signed by you on December 27, 1957, and September 9, 1958, under the DMEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

George C. Selfridge

Acting Director (HB)

Enclosure

SPHolt/gla
5-25-60
cc to: Director's Reading File
Region II (2)
Docket
Code 500
Chron

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/25	Holt	500
	Mnamo	500
6/6	Talbot	800
6/7	GCS	120
6/7	On leave	110
6-7	gad	220
		225

Held until

JUN 7 1960

Mrs. Ora Stewart Tuttle
2013 Franklin
Las Vegas, Nevada

Re: IMEA-4813 (Manganese)
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada
Contract No. Idm-E1161

Dear Mrs. Tuttle:

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

This correspondence relates to the Consents to Lien and Subordination Agreements signed by you on December 27, 1957, and September 8, 1958, under the IMEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

George C. Selfridge

(245)

Acting Director

Enclosure

SPHolt/gla
5-25-60
cc to: Director's Reading File
Region II (2)
Docket
Chron
Code 500

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/7	Holt	500
	Inserved	500
6/7	Talbert	800
6/7	GCL	1200
6/7	On leave	110
6-7	gad	220
		225

JUN 7 1960

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

Re: DMEA-4813 (Manganese)
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada
Contract No. Idm-E1161

Dear Mr. Stewart:

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

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on December 27, 1957, and the undated Consent to Lien and Subordination Agreement signed by you, received September 26, 1958, both under the DMEA program, which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

George C. Selfridge

Acting Director (7/5)

Enclosure

SPHolt/gla
6-7-60
cc to: Director's Reading File
Region II (2)
Docket
Chron
Code 500

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 6 1960

DATE	INITIALS	CODE
5-6	gad	NVO
5	[illegible]	$00
		~~$00~~
5/9	[illegible]	500
~~May 4, 1960~~	SMH	

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

Re: Docket No. LMEA-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 II

Attachment

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

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. 110	5/5	[illegible]
2. 500	5/6	SPH
3. Mr. Hoet		
4.		
5.		
FROM: NNO	5-5	gad

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

Form MA-194 (Rev.) April 1952

Budget Bureau No. 42-

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

MAY 5 1960 O.M.E.

DMEA Stamp

Month of [illegible], 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals Manganese
Address [illegible]
Contract Amount, $ [illegible] Government Participation: [illegible] % 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	[illegible]	4,[illegible].00			
Bulldozing		[illegible]	[illegible]			
[redacted]		450.00	450.00			
[redacted]		[illegible]	[illegible]			
(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		[illegible]	[illegible]			
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	140.00	7730.00	7,870.00	140.00	7730.00	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 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:
105.00 Thru Vou.
250.00 Advanced
$ 355.00

Signature [illegible] (Authorized Certifying Officer)

Date 5/5/60 Vou. No. [illegible]

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

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title Acting Exec. Offr. 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 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 $[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 "[illegible]" and by showing the number of feet or other units [illegible] after the appropriate descriptive [illegible] during [illegible] "Total" amount data. "Total [illegible]" "Total to Date" columns should [illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April & May 1958 Docket No. DMEA 4813 Contract No. Idp-E 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	AUTHORIZED BY CONTRACT UNITS	AUTHORIZED BY CONTRACT UNIT COSTS
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
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	1800	9,000.00
Percussion	Feet			1275.00	255.0 ✓	5.00		
Casing	Feet			450.00	225.0 ✓	2.00	600	1,200.00
Lost Casing	Feet			45.00	45.0 ✓	1.00	200	200.00
Roads & Trails	Hours			2352.00		14.00	168	2,352.00
Assaying				38.00		2.00	50	100.00
Total Distributed Costs		140.00		7870.00				Total Costs Authorized [illegible]
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		140.00						15,[illegible]

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 100

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 [illegible]
Contract No. [illegible]
[illegible]

Dear Mr. Ricker:

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

	[illegible]	[illegible]	[illegible]
Contract amount	$[illegible]	[illegible]	[illegible]
Spent to 12-1-58	7,730.00	[illegible]	[illegible]
Spent months of April & May	[illegible]	[illegible]	[illegible]
Total spent to 6-1-59	7,[illegible]	[illegible]	[illegible]
Contract balance 6-1-59	$ [illegible]	$ [illegible]	$ [illegible]

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. [illegible]

ACM:b

cc: S. Ricker (4)
[illegible]
Paul [illegible]
R. [illegible]
[illegible]
P. V. [illegible], Sr., [illegible]
File [illegible]

COMBINED METALS REDUCTION CO.

INTER-OFFICE CORRESPONDENCE

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

Date June 1, 1959

To Mr. Paul Gemmill, General Manager

From Reginald G. Lee

Dear Paul:

Core drilling in DMEA drill hole No. 11 at the Southpaw Manganese Mine was resumed on April 27th, 1959.

This drill hole was down to 95.0 feet of depth in latter part of November, 1958 when all available water supply froze up.

No diffiduity 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 12[illegible] 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

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

Approved: [redacted]

Certified True Copy:

_____

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4-26	gad	220
4/27	~~Hoe~~ S.P.H.	500

APR 26 1960

Memorandum

To: Glenn 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. DMEA-4813 (Manganese)
Combined Metals Reduction Company
Southpaw Claims
Lincoln County, Nevada
Contract No. Idm-E1161

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 $250.00, 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/ama
April 26, 1960

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

43687

OFFICIAL FILE COPY

Date	Surname	Code
4-8	gad	220
4-8	~~Hrt~~	500

APR 8 1960

Memorandum

To: Executive Officer, OME 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. Idm-E1161

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) MF-104, are attached.

If you concur with the facts as stated in this report, please make the distribution authorized by section 4 of OME 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. Rothrock, Room 7354, Interior

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

EXTRA COPY O. M. E RECEIVED APR 8 1960		
DATE	INITIALS	CODE
4.11.	[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

Attachments

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

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Mr. Johnson	4/8	[illegible]
2. ~~Mr. Selfridge~~		
3. ~~Mr. Griswold~~ Mr. Hall	4/12	S.P.H.
4.		
5.		
FROM: E. D. Talbert	4/8	

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/28	Holt	500
	Howard	500
3/31	Talbot	800
4/1	GLL	130
4/1	Johnson	110
4-1	gad	220
		500

APR 1 1960

Memorandum

To: Executive Officer, OME Field Team, Region II

From: Chairman, Operating Committee, OME

Subject: Docket No. DMEA-4313 (Manganese)
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada
Contract No. Idm-E1161

We have received both the final report of the Field Team and the Operator's final report on the subject project. But we do not have in our files a request from you for a Report of Review in lieu of a final audit, as provided for in OME Circular 2, February 17, 1960.

If the review is now in order, please submit your request for same so that we may proceed with the closing of this contract.

/s/ George C. Selfridge (SHB)

APPROVED:

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

Harold Kirkemo (SHB)
Member, Geological Survey

SPHolt/gla
3-28-60
cc to: Director's Reading File
Operating Committee
Gilbert DeHuff, USBM
Harold Kirkemo, USGS
Docket
Chron

43683

MME Form 7
(10-58)

Docket No. DME[illegible]4813

Combined Metals Docket 4813

MAR 29 1960

OFFICIAL FILE COPY

Date	Surname	Code
3/29	gad	220
		500
3/31		500

Memorandum

To: Executive Officer, OME Field Team, Region II

From: /s/ C. E. Fisher for
E. D. 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-E1006, Docket DMEA-4092, is acceptable to the Government, it is suggested that you proceed in the manner outlined in DMEA Circular 30, January 28, 1955, as supplemented. Section 2(e) of Acting Secretary of the Interior Order No. 2934, September 22, 1958, as promulgated by OME Operating Committee Memorandum No. 1, dated September 30, 1958, 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, 1955. 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.

43683

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:

Southern Joint Venture

Combined Metals Reduction Co. - April/May 1959, Idm-E1161, DMEA-4813

Hamilton Corporation - February 1960, Idm-E1212, DMEA-4824

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, DMEA-4654, and John H. Uhalde, Idm-E1085, DMEA-4425, which should be handled in accordance with the procedure set forth in OME Circulars 1 and 2.

Attachments

CEFisher/ema
March 29, 1960

Copy to: Docket - DMEA-4813
Director's Reading File
CA & A Division
Mr. Fisher

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 20 1960

DATE	INITIALS	CODE
1-20	gad	120
1-20	JAB	130
"	Hoet	500
January	18, 1960	

Memorandum

To: Chairman, Operating Committee, OME, Washington, 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

Reference is made to your letter of January 5, 1960, regarding the subject contract.

Under the title of "Conclusions and Recommendations", the Final Report by the Field Team states:

1. Three sides of the previously productive mine area have been explored by drilling for faulted continuations of the ore bodies without success.

2. Because the potential is now reduced to about one-fourth of the original estimate, the possibility of making a significant discovery is now remote.

3. Based upon geological information obtained from the logs of the drill holes, additional exploration is not justified and further Government assistance, if requested, is not recommended.

The inferred reserves of 5,000 tons, constitute a possible tonnage, provided the faulted down-thrown segments retain a similar pattern as that encountered in the old underground workings.

However, the completed drill holes showed only slight evidences of manganese, in the greater part were barren and did not indicate continuation of mineralization.

Therefore, based upon the results obtained from the DMEA exploration, the members of the Field Team, Glenn G. Gentry, Mining Engineer, and H. K. Stager, Geologist, do not recommend certification of the project.

After a review of the Field Team reports and a further study of the mine maps, I conclude that other ore bodies, if found, would be of small or moderate tonnage, and would not justify the expenditure necessary to conduct mining operations from the present underground workings nor the capital requirements necessary to sink a new working shaft.

I concur with the recommendation of the Field Team that certification of a discovery on this project is not justified.

W. F. Dietrich

W. F. Dietrich

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

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 18 1960

DATE	INITIALS	CODE
1-18	gad	VVO
1-20	Hoff	100
January	14, 1960	

S.P.H.

Memorandum

To: Chairman, Operating Committee, OME, Washington, 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 and Audit copies of a combined Amendment No. 5 and Termination Agreement for the subject contract, signed by the operator and dated December 15, 1959.

The other copies of the agreement have been properly distributed.

For W. F. Dietrich

Enclosures 2

Copy to: A. C. Johnson, Reno, Nevada
H. K. Stager, U.S.G.S.
Finance Office, Region II
OME File

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/5/60	Holt	500
		500
1/5	[illegible]	130
1/5	Talbert	800
1/5	Johnson	110
1/5	gad	220
		500

JAN 5 1960

Memorandum

To: Executive Officer, ORE Field Team, Region II

From: Chairman, Operating Committee, ORE

Subject: Docket No. IMEA-4813 (Manganese)
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada
Contract No. Idm-E1161

The pseudo-certification embodied in Amendment No. 4 to the above-referenced contract was nullified by Article 1 of the Termination Agreement, dated August 28, 1959, and will be nullified by Article 3 of proposed Amendment No. 5 and Termination Agreement forwarded to you with our memorandum of December 15, 1959.

In light of the fact that the Final Field Team Report, dated October 1959, and your Review of Examination Report of October 26, 1959, both citing the pseudo-certification in Amendment No. 3, do not mention certification, we should now have, for the record, your recommendation concerning certification of this project.

See memo of Jan. 18 for answer

/s/ George C. Selfridge (FLB)

APPROVED:

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

Harold Kirkemo (FLB)
Member, Geological Survey

SPHolt/kb/gla 1/5/60
cc to: Director's Reading File
Operating Committee
Gilbert DeHuff, USBM
Harold Kirkemo, USGS
Docket
Chron

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/11	Holt	500
	[illegible]	500
12/11	Talbot	800
12/11	[illegible]	130
12/15	Johnson	110
12-15	gad	220
		500

DEC 15 1959

Memorandum

To: Executive Officer, OME Field Team, Region II

From: Chairman, Operating Committee, OME

Subject: Docket No. DMEA-4813 (Manganese)
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada
Contract No. Idm-E1161

In view of your memorandum of December 3, 1959, we have prepared a proposed Amendment No. 5 and Termination Agreement to the above-referenced contract. Enclosed are the original and four copies the proposed Amendment and Termination Agreement (2 pages), signed by the Acting Director for the Government. Two extra copies are enclosed for the use of the Field Team.

If the terms and conditions of the proposed amendment and termination agreement are satisfactory to you and the Operator, all five copies should be signed by the Operator and the usual distribution made.

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

/s/ George C. Selfridge

Enclosures

APPROVED:

Frank D. Lamb
Member, Bureau of Mines

Harold Kirkemo
Member, Geological Survey

SPHolt/gla 12-11-59
cc to: Director's Reading File
Operating Committee
Gilbert DeHuff, USBM
Harold Kirkemo, USGS
Docket
Chron

43683

Government's Copy

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

J. Lynd
Glenon
App'd. Sol. Off.
Holt
Talbot
Selfridge

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-E1161, (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 ~~on the part of the Government~~ 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 Cont
under, except as
and are hereby te

(4) The Gove
costs of work per

(5) The Oper
settlement action
rendering of the

(6) All righ
of discovery or d
secure the paymen
Operator's record
any overpayment,

Mr. Selfridge -

Mistake must be mutual as basis for amendment according to previous legal ruling which has been consistently followed thoughout program.

Churn drilling was approved in Amendment No. 3 on request of operator. Although he recognized approval was necessary for changing types of drilling and mentioned his ~~xxxxxxxxxx~~ changeover to percussion drilling, he did not request it. Perhaps it is an oversight. Mistake is certainly that of both parties and not just Government.

FEJohnson

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 10 1959

DATE	INITIALS	CODE
12-10	gad	NNO
		800
	~~Stamm~~	500
	Halt	

December 8, 1959

Memorandum

To: Chairman, Operating Committee, OME, Washington, 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 three copies of the Operator's final report on the subject contract. We recommend that it be accepted and believe that it is in accord with the contract as amended, including our recommendation of December 3, 1959 to accept 256 feet of percussive drilling in lieu of an equivalent distance of churn, rotary, or diamond drilling.

W. F. Dietrich

W. F. Dietrich

Attachment

Copy to: Finance Office, Region II
H. K. Stager, U.S.G.S.
A. C. Johnson, Reno, Nevada
OME File

OFFICIAL FILE COPY
O. M.
RECEIVED DEC 10 1959

COMBINED METALS REDUCTION COMPANY

CASELTON PLANT

PIOCHE, NEVADA

DATE		

Route to:		Init.
	DIETRICH	

December 1, 1959

Mr. W. F. Dietrich, Executive Officer
OME Field Team, Region II
555 Battery Street
San Francisco 11, California

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

Dear Mr. Dietrich:

In compliance with 5.(c) of the above referred contract, the following is the final report upon termination of DMEA Project No. DMEA 4813.

A. Exploration Project Contract: On the 27th of December 1957, the Southpaw Joint Venture comprised of Combined Metals Reduction Company, a Utah Corporation, and P. W. Duffin, Sr., an individual, entered into an Exploration Project Contract No. Idm-E 1161 with the Defense Mineral Exploration Administration acting through the Department of the Interior of the United States of America.

The purpose of this contract was to obtain aid from the Defense Mineral Exploration Administration to execute a drilling program at the Southpaw Manganese Mine.

B. Location of Project: The Southpaw Manganese Mine is located about 15 airline miles northwest of Hiko, Lincoln County, Nevada. Hiko is the nearest Post Office. A dirt road that leaves the paved highway at Hiko leads to the Southpaw Mine, near Irish Mountain, a distance of 21 miles from Hiko.

C. Work Completed and Evaluation Thereof:

(1) Geological Evaluation: All Manganese ores and mineralization at the Southpaw Mine occurs at or near the contact of the Eureka Quartzite and the overlaying Ely Spring Dolomite. The higher grade ore bodies mined were found at this stratigraptic location near steeply dipping east-west normal faults. The Eureka Quartzite and Ely Spring Dolomite dip in a northerly direction at about 20 degrees.

The individual drill holes under the DMEA Project were located with the above geological relation as a guidance throughout the drilling program. All drill holes intersected the contact and were extended into the Eureka Quartzite for a few feet to make certain that the contact had been drilled through.

OPERATOR'S FINAL REPT

The four churn drill holes, drilled on the south and east side of the mine, were located from 250 feet to 500 feet from the nearest mine workings onfavorable fault structures. All of these holes showed traces of manganese mineralization at the contact of the dolomite and quartzite. The contact is marked with a fault gouge ranging in thickness from a few inches to over a foot, and usually show some manganese mineralization.

Samples were taken from the churn drill cuttings every five feet of advance, and less if some manganese showed in the cuttings. Sample recovery was excellent.

The five shallower percussion holes drilled on the north and west side of the mine workings cut the contact of quartzite and dolomite at depth expected. Drill cuttings recovery was very good, but little mineralization of manganese was noted.

Near the mine workings, one rotary drill hole and one core drill hole were drilled down to check on possible extension of mined ore bodies. However, the results were negative.

Geologic evaluation of the drilling under the DMEA Program may be summerized as follows:

(a) No ore was found in any of the drill holes, indicating that the manganese mineralization of commercial value is not wide spread, but limited to isolated bodies.

(b) Low grade siliceous manganese outcrops at the surface, 100 to 200 feet above the contact of the quartzite and limestone proved to be equally barren of manganese at the contact where cut by drill holes.

(c) Steeply dipping normal faults are common in and near the mine area. No intrusive rocks were encountered in drill holes.

(2) <u>Engineering Evaluation:</u> Evaluation of the Project Work from an engineering standpoint can be summarized as follows:

(a) Water was encountered at 165 feet in drill hole No. 1 and at 135 feet in drill hole No. 3. The amount of water that could be developed for milling and domestic purposes is inknown.

(b) Physical properties of rock section drilled through is known or can be determined from drill cuttings.

(c) Access road to drill sites can be extended and used for further exploration.

D. <u>Estimate of Ore Reserves as a Result of Work Performed Under the Contract:</u>

(1) No discovery of ore, and no ore reserves resulted from any of

the work under the contract.

(2) Assays of samples in drill holes that showed some manganese mineralization are tabulated below:

Drill Hole	Description of Sample	Feet From - To	% Mn.
C.D.Hole #3	Washed Drill 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
C.D.Hole #11	Drill Cuttings - dry	40 - 45	Nil
"	" " "	45 - 50	Nil
"	" " "	50 - 55	Tr.
"	" " "	55 - 60	Tr.
"	" " "	60 - 65	Tr.
"	" " "	65 - 70	Tr.
"	" " "	70 - 72	Tr.
"	Sludge - wet	72 - 75	0.6
"	" "	75 - 80	0.4
"	" "	80 - 85	0.5
"	" "	85 - 90	Tr.
"	" "	90 - 95	Nil

See attached geologic map and sketches as to location of drill holes And log of same.

E. Summary of Work Performed Under Contract and the Unit Cost Thereof:

Total contract amount $12,852.00 of which 75% was for DMEA Contract Account and 25% for Southpaw Joint Venture Account.

Units	Type of Work	Unit Cost	Total Units	Cost Total
Hours	Road Building-Bull Dozer	$ 14.00	168.0	$2,352.00
Feet	Churn Drilling	5.00	665.0	3,325.00
Feet	Percussion Drilling	5.00	255.0	1,275.00
Feet	Core Drilling	5.00	51.0	255.00
Feet	Rotary Drilling	5.00	26.0	130.00
Feet	Casing of Drill Holes	2.00	225.0	450.00
Feet	Lost Casing in Drill Holes	1.00	45.0	45.00
Each	Assaying for Manganese	2.00	19.0	38.00
		Total		$7,870.00

The Contract was terminated at the request of the Government.

Respectfully Submitted,

Reginald G. Lee

Reginald G. Lee
General Superintendent of Mines

RGL/w

MME Form 7
(10-58)

RECEIVED
DEC 9 - 1959
ASSOC. SOLICITOR
MINERAL RESOURCES

OFFICIAL FILE COPY

Date	Surname	Code
12/8	Holt	500
		500
		140

December 8, 1959

Memorandum

To: Associate Solicitor
Division of Mineral Resources

From: W. R. Griswold, Chief
Division of Minerals

Subject: Docket No. DMEA-4813 (Manganese)
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada
Contract No. Idm-E1161

Enclosed is a rough draft of a proposed Amendment No. 5 to the above-captioned contract for your use in preparing it in final form.

Please also prepare a rescission or withdrawal of theTermination Agreement to the same contract, to be followed later by a new termination agreement.

Amounts due the Operator for work performed under the contract have been paid in full, subject to final audit.

Attachment

SPHolt/gla
cc to: Docket
Chron

FROM SOLICITOR
DEC 1 0 1959
FOR SIGNATURE

436

DRAFT
12/8/59
SPEolt/gla

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

AMENDMENT NO. 5

It is agreed this _____ day of _____, 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-E1161 (Docket No. DMEA-4813), dated December 27, 1957, as amended, is further amended effective September 30, 1958, as follows:

1. The third paragraph of Exhibit "A," as revised by Amendment No. 3, is further revised to read:

"Drill 12 holes, with churn, rotary, percussion, or diamond drill, an average depth of 150 feet each, not exceeding an agreegate 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 re-drilled as necessary."

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_____
Acting Director, Office of
Minerals Exploration

SOUTHPAW JOINT VENTURE

By_____

Title_____

FORM 6 REFERENCE SLIP

12-56 DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. 500		
2.		
3.		
4.		
5.		
FROM: 800		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: As there is no provision in contract, as presently amended, for percussion drilling, no basis for approval exists. Amendment presents a problem for legal solution, inasmuch as contract has been terminated.

Talbert
12/8/59

INT.-DUP. SEC., WASH., D.C. M25803

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

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O. M. E.
RECEIVED DEC 7 1959

DATE	INITIALS	CODE
12-7	gad	VVO
12-8	Hoel	VOO
12-8	Talbot	800

S.P.H

December 3, 1959

Memorandum

To: Chairman, Operating Committee, OME, Washington, 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

In reply to your memorandum of November 10, 1959 relative to percussion drilling on the subject contract, the following explanation and copy of memorandum from Mr. H. K. Stager, Geologist, U.S.G.S. are submitted:

Because of the difficulties in obtaining satisfactory samples from the rotary drill used in drill hole No. 5, the drilling contractor's refusal to continue drilling for less than $11.60 per foot and as a diamond drill rig was not available, the Operator was given verbal approval in the Field to explore a part of the northwest area of the Southpaw No. 3 claim by use of a large percussion wagon drill, using sectional drill rods and tungsten carbide bit.

This type of drilling totaling 256 feet in drill holes Nos. 6, 7, 7A, 8, 9, and 10 and 72 feet in No. 11, was particularly successful in exploring the extensively fractured dolomite to the intersection with the Eureka quartzite.

The drill holes were relatively shallow, reliable sample information was obtained and the method was considered to be in the best interests of the Government.

The drilling costs of $5.00 per foot were comparable as the Operator had to supply the equipment, install an air compressor and compressed air lines to the drill locations.

Apparently through an oversight, the addition of "percussion drilling" was not included when Amendment No. 3 was proposed by the

Reno, Nevada office of OME on November 4, 1958. Therefore, it is recommended that the total of 256 feet of exploratory drilling by a percussion drill be approved, in lieu of same footage by one of the methods specified in Amendment No. 3.

W. F. Dietrich

W. F. Dietrich

Attachment

Copy to: Finance Office, Region II
H. K. Stager, U.S.G.S.
A. C. Johnson, Reno, Nevada
OME Files

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 7 1959

DATE	INITIALS	CODE

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California

Memorandum

December 1, 1959

To: W. F. Dietrich, Executive Officer, OME Field Team, Region II

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

Subject: Use of Percussion-type drill at the Southpaw mine, DMEA-4813, Contract Idm-81161, Lincoln County, Nevada

Of the 997 feet of exploratory drilling at the Southpaw mine 256 feet was done with a percussion-type drill. The Operator resorted to this type of drill only after experiencing considerable difficulty and expense in attempting to drill the badly fractured dolomite with a churn drill and a rotary drill. As I pointed out in the Final Report on the project, of the four types of drills used, the percussion-type drill was the best suited to the job and yielded the best results although it was limited to holes of less than 100 feet in depth and was only used in the north part of the area where drilling depths were relatively shallow.

I was not aware, at the time of the drilling, that the contract as amended specified "churn, rotary, or diamond-drilling". I did not authorize the use of the percussion drill but had the matter come up I would have recommended its use as the best available type of drill for the shallow drilling area where it was used.

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

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DATE	INITIALS	CODE
11-16	gad	VVO
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11/19	Hart	500
November 13, 1959		

Combined Metals Reduction Company
P. O. Box 150
Salt Lake City 10, Utah

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

Gentlemen:

Reference is made to the Termination of the subject contract as of August 28, 1959 and to Mr. R. G. Lee's letter of October 13,1959 which in the last sentence states:

"We will prepare a final geological and engineering report on the project as soon as time permits".

In order that we may complete the reports, accounting and audits of the contract, noted in Article 5 and Article 5 (C) of the contract, we will appreciate receiving the Operator's Final Report as soon as possible.

Thank you for your cooperation in this matter.

Very truly yours,

W. F. Dietrich
Executive Officer
OME Field Team, Region II

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

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/9	Griswold	500
11/9	Talbot	800
11/10	GCS	130
11/10	Johnson	110
11/12	RCW	220
		500

NOV 10 1959

Memorandum

To: Executive Officer, OME Field Team, Region II

From: Chairman, Operating Committee, OME

Subject: Docket No. BMKA-4813 (Manganese)
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada
Contract No. Idm-E1161

We have the copies of the Field Team's final report on the cited project, with your memorandum of October 26.

We note that holes Nos. 6, 7, 7A, 8, 9, and 10 were made by percussion drilling. The contract, as revised by Amendment No. 3, provides for drilling by means of churn, rotary, or diamond drill. No provision is made for percussion holes. Will you kindly clarify this for us.

/s/ George C. Selfridge (2hb)

APPROVED:

Frank D. Lamb (2hb)
Member, Bureau of Mines

Harold Kirkemo (2hb)
Member, Geological Survey

WRGriswold/gla
11-9-59
cc to: Director's Reading File
Operating Committee
Gilbert DeHuff, USBM
Harold Kirkemo, USGS
Docket
Chron

P. S. The first 72 feet of hole 11 was also percussion drilling.

43683

MME FORM 6 REFERENCE SLIP

REV. 2 OFFICE OF MINERALS EXPLORATION

TO:		DATE	INITIALS
1.	110	11/3	[illegible]
2.	800	11/4	[illegible]
3.	500		
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5.			
FROM:	VVO	11/3	gad

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

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

October 26, 1959

Memorandum

To: Chairman, Operating Committee, OME, Washington, 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 three copies of the Field Team's final report on the subject contract by Glenn G. Gentry, Bureau of Mines and H. K. Stager, Geological Survey.

I concur in the recommendations of the report.

W. F. Dietrich

W. F. Dietrich

Attachments

Copy to: Finance Office, Region II
H. K. Stager, U.S.G.S.
A. C. Johnson, Reno, Nevada
OME File

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 30 1959

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11/3	[illegible]	130
11/3	gad	220

Reviewed by
OME OPERATING COMMITTEE
11-3-59
(date)

FINAL F.T. REPORT

UNITED STATES
DEPARTMENT OF THE INTERIOR

Bureau of Mines

REVIEW OF EXAMINATION REPORT

State Nevada ✓ County Lincoln Mineral products Manganese

Name of property Southpaw Joint Venture: Southpaw Claims

Owner Ray (Dick) Arnold, Ora Stewart Tuttle, La Vern Stewart Address Alamo, Nevada

Lessee or Operator Combined Metals Reduction Co., Southpaw Joint Venture, P. W. Duffin, Sr. Address 218 Felt Bldg., Salt Lake City, Utah

Location The Southpaw mine is near the head of Timber Canyon on the northern slopes of Irish Mountain, at an altitude of about 7,000 feet in the unsurveyed Irish Mountain mining district of west-central Lincoln County. It is about 68 miles northwest of Caliente, Nevada

Examined by G. G. Gentry, U.S.B.M. & H. K. Stager, U.S.G.S. Date April 25, 1959

Apparent quality of examination and report Good

Discussion and review: The manganese ore bodies that had been previously mined were gently dipping, pyrolusite-rich lenses of brecciated limestone in bedding-plane faults along and near the limestone-quartzite contact.

Other ore bodies of similar size and character were inferred east, west and south of the mined-out area. Drilling has now explored this area for faulted continuations of the ore body without success. The remaining unexplored area southwest of the mine is so reduced in size that the probability of making a significant discovery is now remote.

Measured and indicated ore reserves total about 200 tons averaging about 33 percent manganese, exposed in the old workings. The unexplored area southwest of the old workings are inferred to contain about 5,000 tons of ore averaging about 36 percent manganese. A pseudo certification was embodied in Paragraph 4 (d) of Amendment No. 4. ? N.G. ?

I concur with the examiners' report.

See Dietrich, memo of Jan. 18, 1960 for recommendations against certification

Reviewed by
OME OPERATING COMMITTEE
11-3-59
(date)

Reviewed by W. F. Dietrich
W. F. Dietrich
Date October 26, 1959

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O. M. E.
RECEIVED OCT 30 1959

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10/30	[illegible]	130
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11-3	[illegible]	130
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UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

Defense Minerals Exploration Administration

Report of Examination by Field Team

Region II

FINAL REPORT

DMEA-4813, Contract Idm-E 1161 (Manganese
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada

by

Glenn G. Gentry
U. S. Bureau of Mines

H. K. Stager
U. S. Geological Survey

October 1959

Reviewed by
OME OPERATING COMMITTEE
11-3-59
(date)

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ILLUSTRATIONS

Figure 1	Index map
2	Claim map
3	Geologic map
Appendix A	Drill logs

INTRODUCTION

The Southpaw Group of mining claims, Lincoln County, Nevada, was explored by the Southpaw Joint Venture, a partnership consisting of P. W. Duffin, Sr., Las Vegas, Nevada and Combined Metals Reduction Company, P. O. Box 150, Salt Lake City, Utah.

Part of the exploration work was done in cooperation with the Defense Minerals Exploration Administration, Docket No. DMEA-4813, Contract No. Idm-E 1161, dated December 27, 1959.

The cost of the project was $7,870.00 of which the Government's share at 75 percent was $5,902.50 (subject to audit).

The work was begun on May 1, 1958 and was terminated by mutual agreement on August 28, 1959, before completion of the drilling program.

An examination to evaluate the completed work was made on April 25, 1959 by Glenn G. Gentry, U. S. Bureau of Mines, accompanied by Mr. R. G. Lee, representing the operator.

SUMMARY

The purpose of the project was to explore areas east, west and south of the Southpaw mine, for faulted continuations of the ore bodies.

Work completed under the contract consisted of:

1. 168 hours of bulldozing access roads to drill sites.
2. 997 feet of drill hole.
3. 225 feet of drill-hole casing installed.
4. 19 samples were assayed.

No significant manganese-bearing material was disclosed by the drilling and therefore no ore reserves are estimated as a result of the DMEA work.

CONCLUSIONS AND RECOMMENDATIONS

Three sides of the previously productive mine area have been explored by drilling for faulted continuations of the ore bodies without success.

Because the potential is now reduced to about one-fourth of the original estimate, the probability of making a significant discovery is remote.

Based upon geological information obtained from the logs of the drill holes, additional exploration is not justified and further Government assistance, if requested, is not recommended.

A pseudo certification is contained in paragraph 4 (d) of Amendment No. 4.

see Dubrich memo of 8/18/60

LOCATION, ACCESSIBILITY AND LOCAL FACILITIES

The Southpaw mine is in the Irish Mountain mining district, near the head of Timber Canyon on the northern slopes of Irish Mountain, at an altitude of about 7,000 feet, in an unsurveyed district of west-central Lincoln County, Nevada and about 68 miles northwest of Caliente, Nevada.

From Caliente the mine is reached by traveling westerly 42 miles on paved U. S. Highway No. 93, then north 4 miles on paved Nevada State Highway No. 38, then continue northwesterly 22 miles on the graded and graveled continuation of Highway No. 38.

A small cabin adjacent to the mine was used to accommodate the exploration crew of two to three men.

Labor, supplies and equipment are available in Caliente, Nevada and Pioche, Nevada.

Water is available during part of the year from springs about one mile north of the mine. Power is supplied by diesel and gasoline engines.

Air-compressor capacity is about 260 c.f.m.

THE PROPERTY

History and ownership:

Prospecting in the district for high-grade silver ores probably began in the 1860's. However, the exploration and development of the mine and the production of manganese ores started during 1950 and was continuous to October, 1957.

Twelve unpatented mining claims are owned by Ray (Dick) Arnold, Ora Stewart Tuttle and La Vern Stewart.

On August 9, 1950, a mining lease and option to purchase was granted by the owners to A. W. Bush and P. W. Duffin, Sr. for a period of 25 years, which superceded a mining lease dated May 27, 1950 granted to A. W. Bush and Fay Stewart. The interest of Fay Stewart was transferred and assigned to P. W. Duffin, Sr.

On October 30, 1950, a memorandum of agreement between the owners and Combined Metals Reduction Company granted that company an exclusive option, pursuant to certain conditions and payments, which expired on January 2, 1951 if the option was not exercised.

On July 3, 1951, a Joint Adventure agreement was made between P. W. Duffin, Sr. and Combined Metals Reduction Company inasmuch as Mr. Duffin had acquired all of the right, title and interest of A. W. Bush in the mining lease and option dated August 9, 1950.

On September 12, 1951, a supplemental agreement was made between the owners and P. W. Duffin, Sr. individually and as assignee of A. W. Bush, relative to royalty payments.

The twelve unpatented mining claims, recorded in the Office of the Lincoln County Recorder at Pioche Nevada, are: Southpaw, Southpaw Nos. 1 - 4, inclusive, Southpaw Extension, Southpaw Extension Nos. 1 - 6, inclusive. The DMEA contract was confined to the Southpaw Nos. 2, 3 and 4 claims (Fig. 2).

The DMEA exploration drilling was done on the Southpaw Nos. 2 and 3 mining claims.

In the DMEA contract, as originally executed, a certain area termed the "Excluded Area" was excluded from the exploration project. This area contained the surface and underground workings of the mine.

Amendment No. 3, dated November 14, 1958, added the above "Excluded Land" to the land included in the contract and subject to royalty provisions of the contract.

Development:

The mine workings consist of an adit at elevation 6992.75 feet, extended 140 feet westerly to the collar of a winze inclined 65° south and extended 70 feet. From stopes adjacent to the bottom of the winze about 400 feet of cross cutting and drifting has been done.

The stopes above the adit have a strike length of 150 feet and below the adit a strike length of 250 feet. Stope widths range from 15 feet to 40 feet. The area above the adit has been stoped to the surface and below the adit the average stope height is about 40 feet.

Mining has been done in open, stulled stopes, using roof bolts where applicable and leaving pillars for additional support where necessary.

The mine workings were all in good condition and accessible at the time the DMEA contract was terminated.

Production:

Depletion of manganese ore of economic grade occurred prior to the execution of the DMEA contract. Therefore, the mine was idle and no production made during that period. Production of ore prior to the contract was reported to be 17,334 dry short tons, averaging 32 to 40 percent manganese and valued at $630,312.00

THE DMEA PROJECT

The work authorized by the contract consisted of bulldozing access roads to the drill sites, drilling 12 churn-drill holes and sampling and assaying the mineralized zones.

The completed work is itemized as follows:

Item	Authorized	Completed	Remainder
Bulldozing roads	168 hrs.	168 hrs.	0.0 hrs.
Drilling	1,800 Ft.	997 Ft.	803 Ft.
Casing	600 "	225 "	375 "
Lost Casing	200 "	45 "	155 "
Samples	50	19	31

Four amendments were issued during the period of the contract:

No. 1, dated March 26, 1958, authorizing beginning of the work on or before May 15, 1958 and completion of the work within 7 months from the date of the contract.

No. 2, dated July 18, 1958, extended the date fixed for completion of the work from July 27, 1958 (Amendment No. 1) to November 27, 1958.

No. 3, dated November 14, 1958, authorized drilling by either churn, rotary or diamond drill. The previously excepted land was added to the land referred to in Article 2 of the contract and made subject to the land and royalty provisions of the contract.

No. 4, dated January 6, 1959, suspended work under the contract during the period beginning November 27, 1958 and ending not later than April 27, 1959.

The date fixed in Amendment No. 2 for completion of the work was extended from November 27, 1958 to September, 1958, and provided for a pseudo certification of the project. (Nullified by termination agreement)

The maximum period for royalty payments and the lien to secure the payments thereof was further extended from eleven (11) years to twelve (12) years from the date of the contract.

Exploration procedure:

The drilling was done with churn, rotary, percussion and diamond drills. — not authorized

Because of the fractured and brecciated nature of the dolomite and limestone near the quartzite contact most of the holes were completed with difficulty and much time was lost because of broken and stuck tools. Of the four types of drills used, the percussion-type drill was the best suited to the job, but was limited to holes of less than 100 feet in depth and could only be used in the north part of the area where drilling depths were relatively shallow.

Drill sample sludges were retained by the operator, in adequate properly-marked containers and stored at the Combined Metals Reduction Company milling plant near Pioche, Nevada.

The work was well done and is satisfactory to the Government. The operator's Final Report has not yet been submitted.

DRILLING DATA

Drill Hole No. & Type	Depth Feet	Inclined	Coordinates	Collar Elev.	Started	Completed	Quartzite Contact at	Mn.
No. 1 Churn	197	Vertical	(9,630 N (10,250 E	7017 Ft.	5/1/58	6/3/58	192 Ft.	Nil
2 "	84	"	9,980 N 10,296 E	7000 "	6/6/58	6/13/58	75 "	St[illegible]
3 "	169	"	9,547 N 10,330 E	7019 "	6/18/58	6/29/58	165 "	Low grade Mn.
4 "	215	"	9,432 N 10,125 E	7069 "	8/4/58	11/21/58	205 "	Nil
5 Rotary	26	"	10,053 N 9,886 E	7054 "	(November 1958)		24 "	Low grade Mn.
6 Percussion	72	"	10,019 N 9,722 E	7138 "	"		69 "	Nil
7 "	26	"	10,083 N 9,742 E	7129 "	"		None	Nil
7A "	52	"	10,083 N 9,742 E	7129 "	"		50 "	Nil
8 "	15	"	10,184 N 9,825 E	7110 "	"		12 "	Nil
9 "	14	"	10,220 N 9,875 E	7102 "	"		11 "	Nil
10 "	5	"	10,252 N 9,910 E	7095 "	"		4 "	Nil
11 Diamond Core	122	- 60°	9,780 N. 10,055 E.	6994 "	12/10/58	5/6/59	122 "	Nil
	997							

Combined are 52' on log attached

Rept. 4 Oct. for Nos. 7 & 7A

123' per log attached, also incl. 72' percussion per Rept. 22 Nov. 1958

EXPENDITURES

Total approved cost of the project $12,852.00

Units, Unit Costs and Total Expenditures:

Access roads to drill sites	168 hrs. at $14.00/hr	$ 2,352.00
997 feet of drill hole	at 5.00/per ft.	4,985.00
225 feet of casing installed	at 2.00/per ft.	450.00
45 feet of lost casing	at 1.00/per ft.	45.00
19 samples assayed for Mn.	at 2.00/each	38.00
Total expended (subject to audit)		$ 7,870.00
Government's share of total expenditures at 75%		5,902.50
Unexpended funds		4,982.00
Government's share of unexpended funds at 75%		3,736.50
Value of production during the contract		None
Royalty paid to the Government		None
Royalty due the Government		None

The lien on the property will expire on December 27, 1969.

EQUIPMENT

Work performed under the contract was on a unit basis and the Government has no interest in equipment, materials or supplies.

GEOLOGY

Geologic Setting:

The South Paw claims are in an area of high relief on the north flank of Irish Mountain, and the rock exposures are good. The only rocks in the vicinity of the mine are limestone and quartzite of Ordovician age.

The oldest rock in the mine area is the Eureka quartzite, a white to pink, vitreous, nearly pure silica quartzite about 200 feet thick that occurs in beds from six inches to six feet thick. It crops out in bold white cliffs and steep-sided ridges. Overlying the quartzite is the Ely Springs dolomite, a dark-gray to blue-black, finely crystalline, cherty, dolomitic limestone that occurs in beds about two feet thick. The Ely Springs dolomite is 500 to 800 feet thick in the nearby Pioche district and is several hundred feet thick in the mine area but the top is not exposed. The quartzite and limestone, in general, strike west and dip 20° to 25° N.

The most prominent structure in the mine area is an east-striking graben about one thousand feet wide and several thousand feet long. Within the graben the rocks are cut by a series of step faults that strike east and dip 65° to 85° S. Displacement along the faults is 50 to 100 feet. Movement on bedding-plane faults along and near the quartzite-limestone contact between the step faults has caused brecciation of the limestone and it is within this brecciated material that the manganese ore bodies occur.

Ore Deposits:

The manganese ore bodies that have been mined are gently-dipping, pyrolusite-rich lenses of brecciated limestone in bedding-plane faults along and near the limestone-quartzite contact.

Pyrolusite, the only manganese mineral that was identified, occurs in soft earthy masses and as finely crystalline layers in brecciated dolomitic limestone. Gangue minerals are calcite, quartz as quartzite and chert fragments, limonite, and small pods of light-brown montmorillonite clay. Traces of copper, lead, zinc, and phosphorus are present in the ore but no minerals of these metals were seen and they do not exceed the maximum allowable amounts for metallurgical-grade manganese ore.

The deposit that has been mined was about 300 feet long, 200 feet wide, from 2 to 50 feet thick and averaged 8 feet thick (Fig. 3). It has yielded about 17,500 tons of ore that averaged about 36 percent manganese. Normal faulting along two faults, about 100 feet apart and having displacements of about 60 feet each, has separated the deposit into three segments. Other faulted segments are present in the mineralized area and undiscovered ore shoots in similar geologic settings contained in these fault flocks were the targets of the DMEA exploration.

The eleven test holes drilled under the DMEA contract (fig. 3) were all drilled through the ore horizon and into the Eureka quartzite that assayed a trace to 0.5 percent manganese and hole No. 5 cut 8 feet of low-grade material that assayed from 1 to 4 percent manganese but none of the holes cut material that could be classed as ore-grade.

SAMPLING

By the operator
July, 1958, 7 samples

CDH No. 3	Type	Feet Interval	% Mn.
	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

April - May, 1959, 12 samples

	Type	Feet Interval	% Mn.
DDH No. 11	Cuttings - dry	40 - 45	Nil
	"	45 - 50	Tr.
	"	50 - 55	Tr.
	"	55 - 60	Tr.
	"	60 - 65	Tr.
	"	65 - 70	Tr.
	"	70 - 72	Tr.
	Sludge - wet	72 - 75	0.6
	"	75 - 80	0.4
	"	80 - 85	0.5
	"	85 - 90	Tr.
	"	90 - 95	Nil

By DMEA Examiners

CDH No. 3	Sample No.	Type	Feet Interval	% Mn.
	2517	Unwashed sludge	135 - 140	0.10
	2518	"	140 - 145	0.10
	2519	"	145 - 150	0.10
	2520	"	150 - 155	0.1 *
	2521	"	155 - 160	0.1 *
	2522	"	160 - 165	0.10
RDH No. 5	2538	"	8 - 10	2.4
	2539	"	10 - 12	3.9
	2540	"	12 - 14	1.1
	2541	"	14 - 16	2.0

* Less Than

Ore Reserves:

Measured and indicated reserves total about 200 tons of ore that averages about 33 percent manganese. These reserves are exposed in the old mine workings as pillars and as thin layers of ore around the margins of the old stopes.

Inferred reserves are about 5,000 tons of ore having an average grade of about 36 percent manganese. These reserves are contained in one or more downfaulted segments of the deposit southwest of the mined area and in small ore shoots along the strike of the deposit east of the mine workings.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA-4813
(Manganese)
Idm-E1161

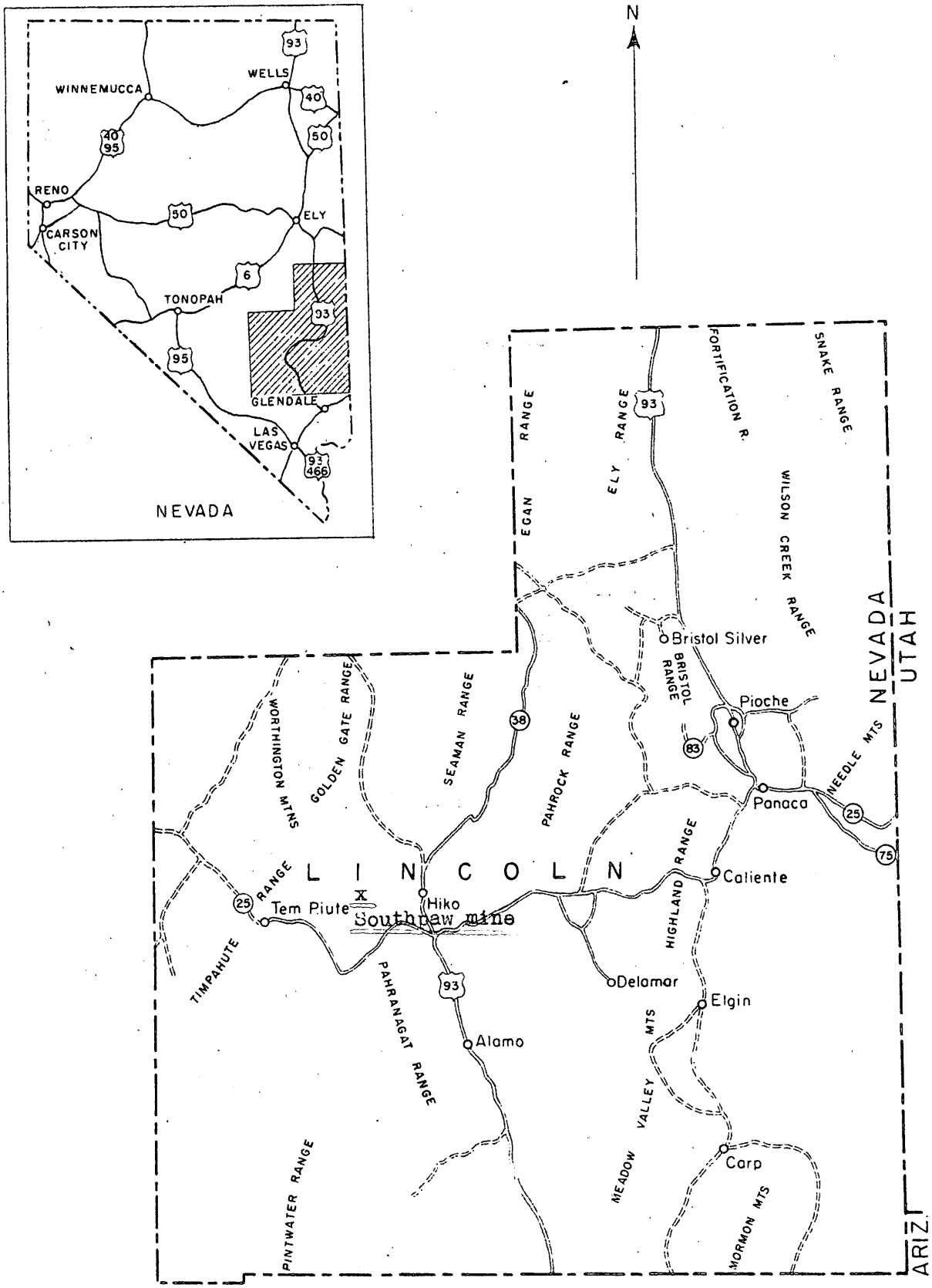


Figure 1. INDEX MAP OF LINCOLN COUNTY, NEVADA

0 20 40 60 Miles

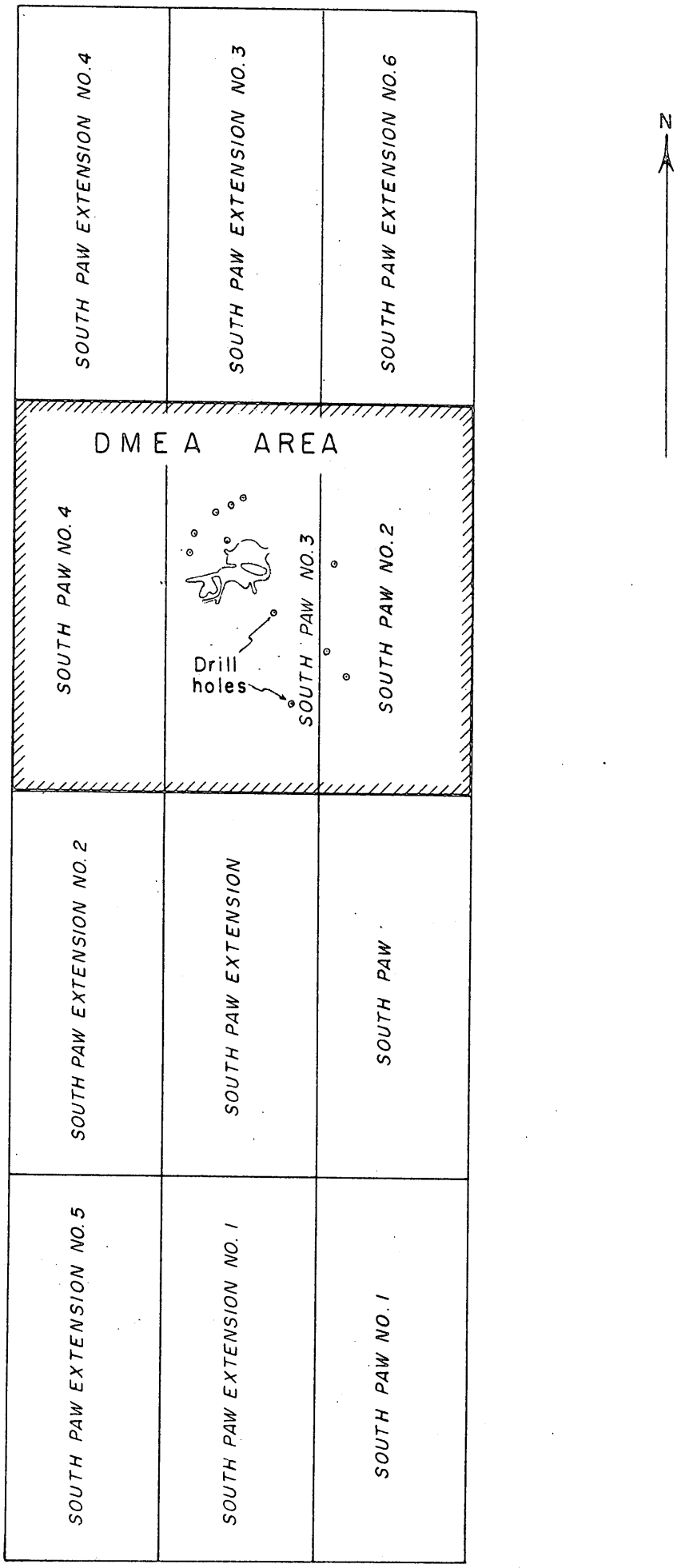
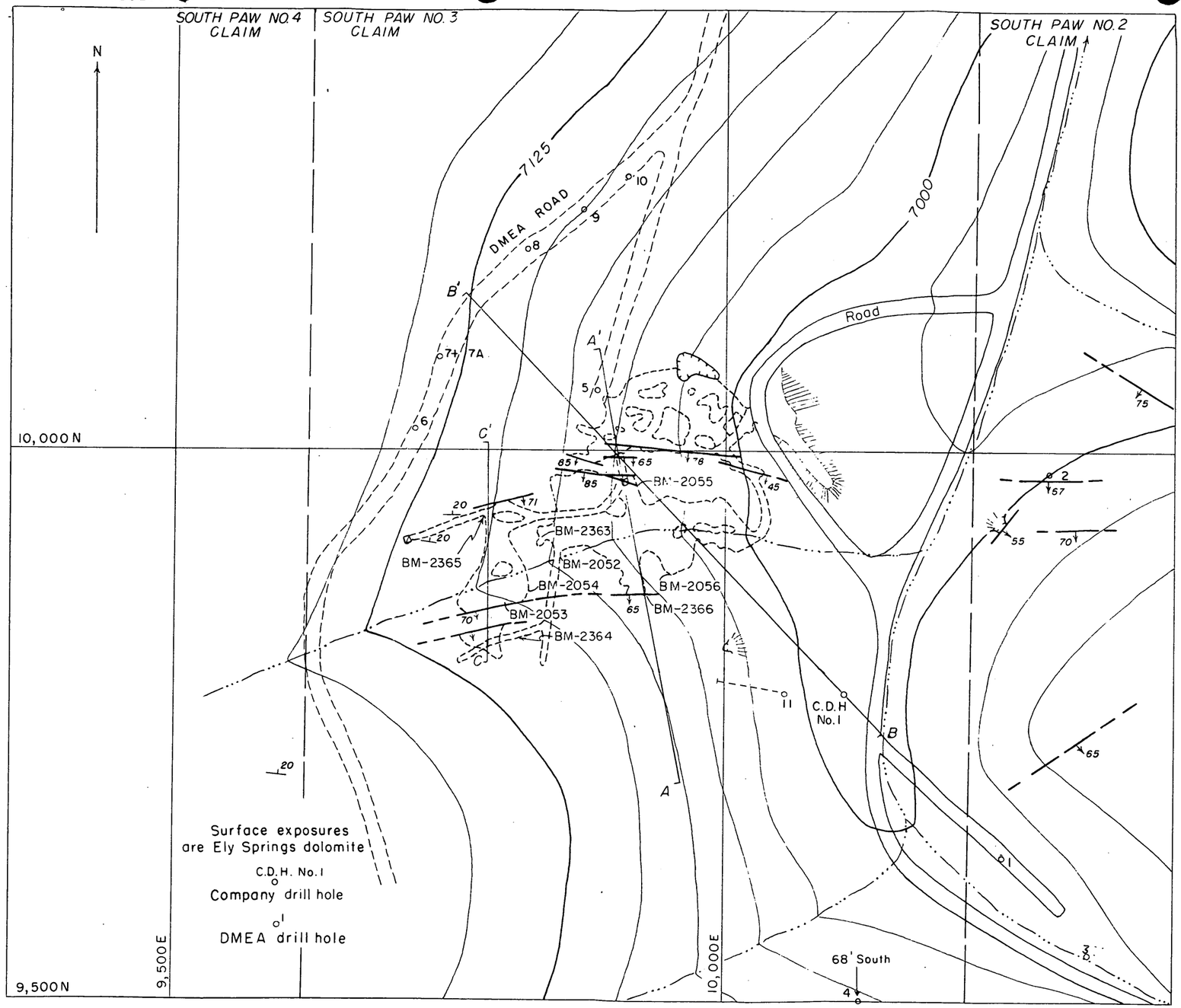
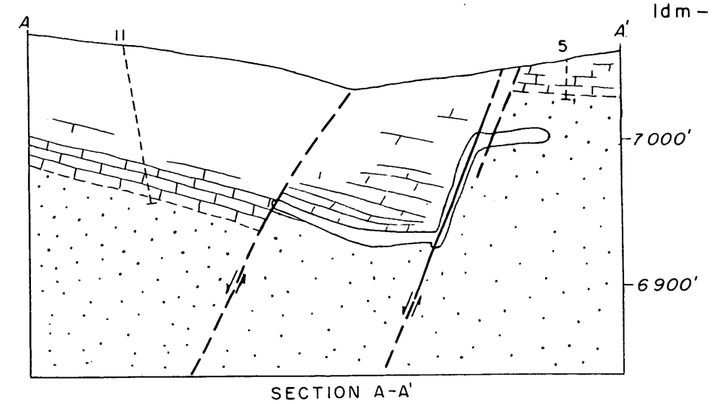


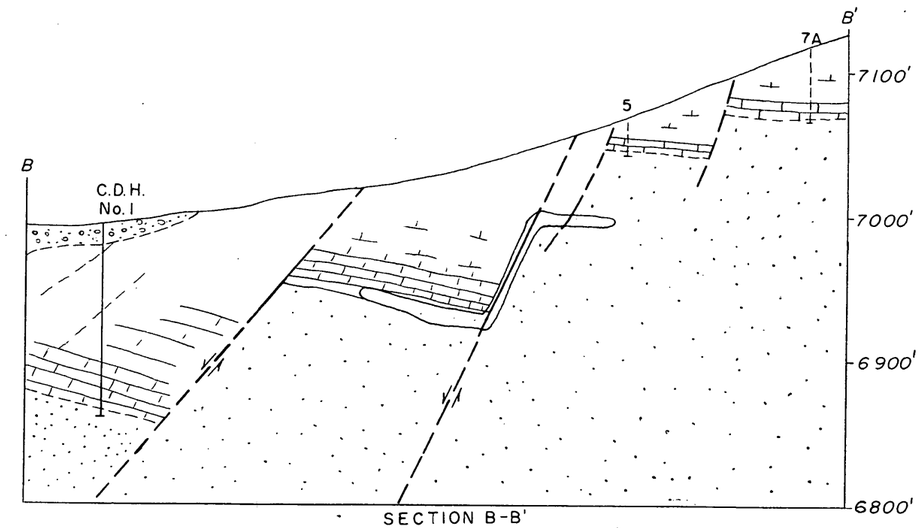
Figure 2. CLAIM MAP, SOUTH PAW GROUP, IRISH MOUNTAIN
LINCOLN COUNTY, NEVADA

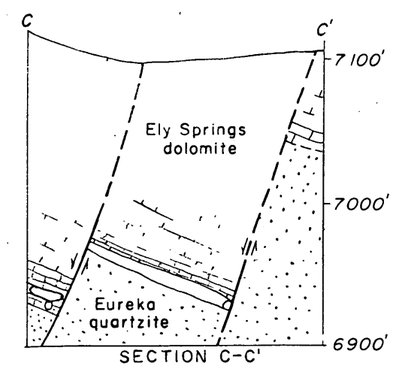
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 4813
(MANGANESE)
Idm-E1161









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

APPENDIX A

Logs of DMEA drill holes

Hole No. 1

Coordinates: 9,630 N and 10,250 E
Elevation: 7,017 feet
Location: Southpaw No. 2 claim
Started: May 1, 1958
Finished: June 5, 1958
Hole Size: 8" at collar - (churn-drill hole)
Depth: 197 feet
Driller: M. J. Fullerton

From	To	Description
0	4	Wash
4	18	Blue limestone, thick bedded, massive
18	22	Fault, limestone
22	50	Blue dark limestone, hard, massive
50	55	Fault, limestone
55	125	Dark limestone, softer, massive, hard rib at 85'
125	165	Dark dolomite, water at 165'
165	190	Dark dolomite, fractured, medium hard
199	192	Dolomite and clay, contact
192	197	Quartzite, Eureka Quartzite

Hole No. 2

Coordinates: 9,980 N and 10,296 E
Elevation: 7,000 feet
Location: Southpaw No. 2 claim
Started: June 6, 1958
Finished: June 13, 1958
Depth: 84 feet (churn-drill hole)
Driller: M. J. Fullerton

From	To	Description
0	20	Dark-gray dolomite and limestone
20	40	Dark-gray dolomite
40	60	Silicified dolomite, hard
60	75	Dark dolomite, some manganese stain
75	84	Quartzite, Eureka Quartzite

Hole No. 3

Coordinates: 9,547 N and 10, 330 E
Elevation: 7,019 feet
Location: Southpaw No. 2 claim
Started: June 18, 1958
Finished: July 29, 1958
Depth: 169 feet (churn-drill hole)
Driller: M. J. Fullerton

From	To	Description
0	20	Wash
20	50	Dark-gray dolomite and limestone
50	65	Gray dolomite
65	75	Dark dolomite
75	105	Dark-gray dolomitic limestone
105	115	Light-gray limestone and calcite
115	145	Dark-gray dolomitic limestone and some calcite
145	155	Gray dolomitic limestone containing manganese
155	165	Clay and gouge at contact of limestone and Eureka Quartzite, manganese stain throughout
165	169	Mostly quartzite, dark-brown to white

Hole No. 4

Coordinates: 9,432 N and 10,125 E
Elevation: 7,069 feet
Location: Southpaw No. 3 claim
Started: August 4, 1958
Finished: November 21, 1958
Depth: 215 feet (churn-drill hole)
Driller: M. J. Fullerton

From	To	Description
0	8	Overburden
8	45	Blue dolomite and limestone
45	90	Dark fractured dolomite, hard to medium hard
90	110	Hard fractured dolomite, hard slickenside
110	135	Dolomitic limestone, softer, lighter color
135	165	Dolomitic limestone, harder, darker
165	205	Dolomitic limestone, softer, quartzite contact
205	215	Eureka quartzite

Hole No. 5

Coordinates: 10,053 N and 9,886 E
Elevation: 7,054 feet
Location: Southpaw No. 3 claim
Depth: 26 feet (rotary-drill hole)

From	To	Description
0	23	Dark-blue dolomite
23	26	Eureka Quartzite

Hole No. 6

Coordinates: 10,019 N and 9,722 E
Elevation: 7,138 feet
Location: Southpaw No. 3 claim
Depth: 72 feet (Percussion-drill hole)

From	To	Description
0	69	Dark dolomite, medium hard to hard
69	72	Eureka Quartzite

Hole No. 7 and No. 7A

Coordinates: 10,083 N and 9,742 E
Elevation: 7,129 feet
Location: Southpaw No. 3 claim
Depth: 52 feet (No. 7 - 26 feet) (Percussion-drill hole)

From	To	Description
0	26	Dark dolomite, fault and fractures in No. 7
26	50	Dark dolomite, hard to 46 feet, softer at contact
50	52	Quartzite (Eureka Quartzite)

Hole No. 8

Coordinates: 10,184 N and 9,825 E
Elevation: 7,110 feet
Location: Southpaw No. 3 claim (Percussion-drill hole)
Depth: 15 feet

From	To	Description
0	11	Dolomite, medium hard
11	15	Eureka Quartzite

Hole No. 9

Coordinates: 10,220 N and 9,875 E
Elevation: 7,102 feet
Location: Southpaw No. 3 claim (Percussion-drill hole)
Depth: 14 feet

From	To	Description
0	11	Dolomite, medium hard
11	14	Eureka Quartzite

Hole No. 10

Coordinates: 10,252 N and 9,910 E
Elevation: 7,095 feet
Location: Southpaw No. 3 claim (Percussion-drill hole)
Depth: 5 feet

From	To	Description
0	4	Dark soft dolomite
4	5	Eureka Quartzite

Hole No. 11

Coordinates: 9,780 N and 10,055 E
Elevation: 6,994 feet
Location: Southpaw No. 3 claim (Diamond-drill hole)
Bearing: N 76° W
Inclination: -60°
Depth: 123 feet

From	To	Description
0	73	Dolomite, dark-gray, medium hard, fault at 73 feet
73	95	Dolomite, lighter color
95	97	Dolomite, light-gray
97	110	Dolomite, darker color
110	118	Limestone and dolomite, blue, some manganese stain
118	122	Dolomitic limestone, gray to blue
122	123	Quartzite, Eureka Quartzite, Contact definite and abrupt, no mineralization at contact.

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 1 1959

DATE	INITIALS	CODE
10/1	RCW	225
10/1	[illegible]	800
		~~500~~
10/1	Holt	500
		S.T.N.

September 29, 1959

Mr. R. G. Lee, Superintendent of Mines
Combined Metals Reduction Company
Pioche, Nevada

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

Dear Mr. Lee:

We note on the operator's Monthly Report and Voucher for November 1958 that twelve (12) samples from the subject contract were analyzed for manganese. As we are preparing a Final Report on the project, will you please furnish this office with the following information:

Drill hole number from which the 12 samples were obtained, and the sample interval and percent of manganese.

Please use the same procedure as that in your report dated August 10, 1958.

Very truly yours,

W. F. Dietrich
Executive Officer
OME Field Team, Region II

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

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

September 16, 1959

Memorandum

To: Chairman, Operating Committee, OME, Washington, D. C.

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

Enclosed are the Government and Audit copies of a Termination Agreement for the subject contract, signed by the operators, and dated August 28, 1959.

The other copies of the agreement have been properly distributed.

W. F. Dietrich

W. F. Dietrich

Enclosures 2

Copy to: A. C. Johnson
H. K. Stager, U.S.G.S.
OME File
Chron.

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 18 1959

DATE	INITIALS	CODE
9-18	gad	VVO
		HVO
9-21	Hall	500

S.P.H.

E Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/25	Holt	500
	[illegible]	500
	[illegible]	800
		130
8/28	Selfridge	100
8/18	[illegible]	220
		500

AUG 28 1959

Memorandum

To: Executive Officer, OME Field Team, Region II

From: ACTING Chairman, Operating Committee, OME

Subject: Docket No. IMEA-4813 (Manganese)
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada
Contract No. Idm-K1161

In accordance with the recommendation of the Field Team of June 10, 1959, enclosed are the original and four copies of a proposed Termination Agreement to the above-referenced contract, signed by the Acting Director for the Government. Two extra copies are enclosed for the use of the Field Team.

If the terms and conditions of the proposed Termination Agreement are satisfactory to you and the Operator, all five copies should be signed by the Operator and the usual distribution made.

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

W. R. Griswold

Enclosures

SPHolt/gla 8-25-59
cc to: Director's Reading File
Operating Committee
Gilbert DeHuff, USBM
Harold Kirkemo, USGS

APPROVED:

Frank D. Lamb

Member, Bureau of Mines

Harold Kirkemo

Member, Geological Survey

43683

Form 7
(2-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/19	Holt	500
	[illegible]	500
8/20	J. Fynd	140
	[illegible]	

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: W. R. Griswold, Chief, Division of Minerals

Subject: Docket No. DMEA-4813 (Manganese)
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada
Contract No. Idm-E1161

SOLICITOR

AUG 19 1959

INTERIOR DEPT.

RECEIVED
AUG 19 1959
ASSOC. SOLICITOR
MINERAL RESOURCES

Attached is the rough draft of a proposed Termination Agreement to the above captioned contract for your use in preparing it in final form.

Attach.

SPHolt/GMcC
August 18, 1959

cc: Docket
Director's Reading File
Chron.

8623

D R A F T

EXPLORATION PROJECT CONTRACT
SOUTHERN JOINT VENTURE
DOCKET NO. [illegible]

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 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 Southern Joint Venture, hereinafter referred to as the "Operator", that Exploration Project Contract No. Idm-X1161 (Docket No. [illegible]), dated December 27, 1957, as amended, hereinafter referred to as the "Contract", that:

1. Effective July 1, 1959, 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

discovery or development, percentage royalty and liens 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.

SOUTHPAW JOINT VENTURE

By _____

Title _____

THE UNITED STATES OF AMERICA

By _____

Acting Director, Office of Minerals Exploration

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

August 12, 1959

Memorandum

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

From: W. F. Dietrich, Executive Officer, OME Field Team, Region II

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

On May 23, 1959, after completing drill hole No. 11 and obtaining no mineralization, the operator requested an amendment to change the exploration from drilling to underground drifting.

This request was denied and the operator was duly notified on June 26, 1959.

By memorandum of June 19, 1959, the Operating Committee advised: "We will prepare here a Termination Agreement for the above-referenced contract".

This office has no record of completion of the Termination Agreement. Please advise us of the present status of this docket.

W. F. Dietrich

W. F. Dietrich

Copy to: H. K. Stager, U.S.G.S.
A. C. Johnson, Supv. Mining Engineer, Region II
OME File
Chron.

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 14 1959

DATE	INITIALS	CODE
8-14	gad	VVO
"	Holt S.T.K.	500

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

June 26, 1959

Mr. A. C. Merrill, Treasurer
Combined Metals Reduction Co.
P. O. Box 150
Salt Lake City 10, Utah

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

Dear Mr. Merrill:

We regret to inform you that the request to amend subject contract as outlined in Reginald G. Lee's letter of May 23, 1959, to R. M. Smith has been denied.

Very truly yours,

W. F. Dietrich
Alternate Acting Executive Officer

Copy to: Opr. Com., OME, Washington, D. C.
Finance Office, Region II
D. T. Finch, OME Auditor, Denver, Colorado
R. M. Smith
OME File
Chron.

JUN 29

6/30	C	220
6/30		800
7/8	Hall	400

PUBLIC LIBRARIES
WASHINGTON, D. C.
JUN 29 11 10 AM '59

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/17	Holt	400
6/17	Martin	400
6/19	[illegible]	130
6/19	Johnson	110
		220

JUN 19 1959 400

Memorandum

To: Alternate Acting Executive Officer, OME Field Team, Region II

From: Chairman, Operating Committee, OME

Subject: Docket No. DMEA-4813 - Manganese
Southpaw Joint Venture
Southpaw claims
Lincoln County, Nevada
Contract No. Idm-E1161

In agreement with the conclusions in Roscoe Smith's memorandum of June 10, 1959, and the memorandum by H. K. Stager dated June 3, 1959, we will prepare here a Termination Agreement for the above-referenced contract.

It will be appreciated if you will notify the Operator that its request to transfer remaining funds in the contract from churn drilling to drifting, as outlined in its letter of May 23, 1959, is denied.

/s/ George C. Selfridge

(HB)

Approved:

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

Harold Kirkemo (HB)
Member, Geological Survey

SPHolt:gad 6/16/59
Copy to: Dir. R. File
Operating Committee
Mr. H. Kirkemo, USGS
Mr. G. DeHuff, USBM

43683

DRAFT

WSM/sph
6.16.59

TELETYPE

Mr. W. F. Dietrich, Alternate Acting Executive Officer
OME Field Team, Region II
c/o U. S. Bureau of Mines
420 Custom House
555 Battery Street,
San Francisco 11, California

not sent

RE OPERATOR'S REQUEST OF MAY 23 FOR AMENDMENT TO CONTRACT IDM-E1161, DOCKET DMEA 4813, SOUTHPAW JOINT VENTURE, AND ROSCOE SMITH'S RECOMMENDATION OF JUNE 10 FOR TERMINATION, PLEASE ASCERTAIN WHETHER OPERATOR WOULD RATHER SIGN A MUTUAL TERMINATION AGREEMENT THAN COMPLETE THE CONTRACT AS WRITTEN. IF WE ARE TO prepare termination here we will need ~~TERMINATE WE SHOULD HAVE~~ AN UNQUALIFIED RECOMMENDATION FROM STAGER.

CHAIRMAN OPERATING COMMITTEE

Send memo to F.T. saying we will prepare termination agreement.
S.P.H.
6/16/59

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

June 10, 1959

OFFICIAL FILE COPY
RECEIVED JUN 15 1959

DATE	INITIALS	CODE
6/15	G	220
6/15	WSM	400

Memorandum

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

From: Acting 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 two copies of request for an amendment to the referenced contract, and a memorandum by H. K. Stager recommending that the request be denied and that a termination agreement be prepared. Mr. Dietrich and I concur in the recommendation.

Three sides of the mine have been explored for faulted continuations of the ore body without success, and the possibilities for a discovery are limited to the remaining southwest side where the operator proposes to explore. Because the possibilities are reduced to about one-fourth of those originally predicicated, the possibility of a significant discovery is now remote.

Although roads have already been bulldozed to two of the five remaining sites as a part of the contract work, it would appear to be in the best interest of the Government to sacrifice this amount rather than spend more money (at 75 percent participation) on drilling that is expected to be technically unsatisfactory.

Roscoe M Smith

Roscoe M. Smith

Attachments

BUREAU OF MINES
WASHINGTON, D.C.
JUN 15 10 15 AM '59

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
4 Homewood Place
Menlo Park, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 15 1959

DATE	INITIALS	CODE

June 3, 1959

Memorandum

To: Acting Executive Officer, OME Field Team, Region II

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

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

The Operator, by letter dated May 23, 1959, has requested an amendment to the DMEA contract to authorize driving an exploratory drift to the west from the lower level of the Southpaw mine in lieu of the remaining authorized drilling from surface sites. This request was made because of anticipated difficulties in drilling the planned test holes in the southwest part of the property.

I recommend that the request be denied for the following reasons:

1. Driving of the drift will test only a small part of the remaining untested area thereby substituting the exploration of a small area for exploration of the larger target originally intended.

2. The size of the ore body that can be inferred in the area to be tested by the proposed drift does not justify the expense of the drift.

Although the entire area that was to be drilled under the DMEA contract has not been explored a large part has been sufficiently tested to indicate that the deposit is much smaller than was inferred. For this reason, I recommend that if the operator is not willing to drill, or for reasons of inaccessibility or difficult conditions cannot drill, the few remaining holes in the approximate locations specified in the contract that a mutual termination agreement be prepared.

COMBINED METALS REDUCTION COMPANY

P. O. BOX 150

SALT LAKE CITY 10, UTAH

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 29 1960

DATE	INITIALS	[illegible]
3-29	gad	110
"	[illegible]	110
3/30	Hoet	500

June 9, 1959

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 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 chrun drill hole #11.

Very truly yours,

COMBINED METALS REDUCTION COMPANY

A. C. Merrill

A. C. Merrill, Controller

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

104 filed up

BUREAU OF MINES
RESEARCH, INTERIOR
BUREAU OF MINES
REGION II
RECEIVED
1980 JUN 16 AM 8:26
RENO, NEVADA

RENO, NEVADA

Form MF-104A

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April & May 1959 Docket No. DMEA 4813 Contract No. Idm-E 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	AUTHORIZED BY CONTRACT UNITS	AUTHORIZED BY CONTRACT UNIT COSTS
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
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	1800	9,000.00
Percussion	Feet			1275.00	255.0	5.00		
Casing	Feet			450.00	225.0	2.00	600	1,200.00
Lost Casing	Feet			45.00	45.0	1.00	200	200.00
Roads & Trails	Hours			2352.00		14.00	168	2,352.00
Assaying				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								
New Buildings, Improvements, etc.								
Total Costs		140.00						12,852.00

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 JUN 11 1959 Operator COMBINED METALS REDUCTION COMPANY

Per A. C. Marvel Title Controller

COMBINED METALS REDUCTION COMPANY

DMEA Drilling Project - Southpaw Mine DMEA #4813 - Manganese

June 1, 1959

Mr. Paul Gemmill, General Manager

Reginald G. Lee

Dear Paul:

Core drilling in DMEA drill hole No. 11 at the Southpaw Manganese Mine was resumed on April 27th, 1959.

This drill hole was down to 95.0 feet of depth in latter part of November, 1958 when all available water supply froze up.

No diffidulty 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.

COPY

Very truly yours,

Reginald G. Lee

Reginald G. Lee

INVOICE

COMBINED METALS REDUCTION COMPANY

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

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

COPY

Approved: [signature]

[signature]

Certified True Copy:

[signature]

A 1720

REFERENCES

COMBINED METALS REDUCTION CO.

DMEA Drilling Project, Southpaw Mine

Drill Hole No. 11, Docket No. DMEA No. 4813

Contract No. Idm-E 1161, Lincoln County, Nevada

December 23, 1959

MADE BY RGL

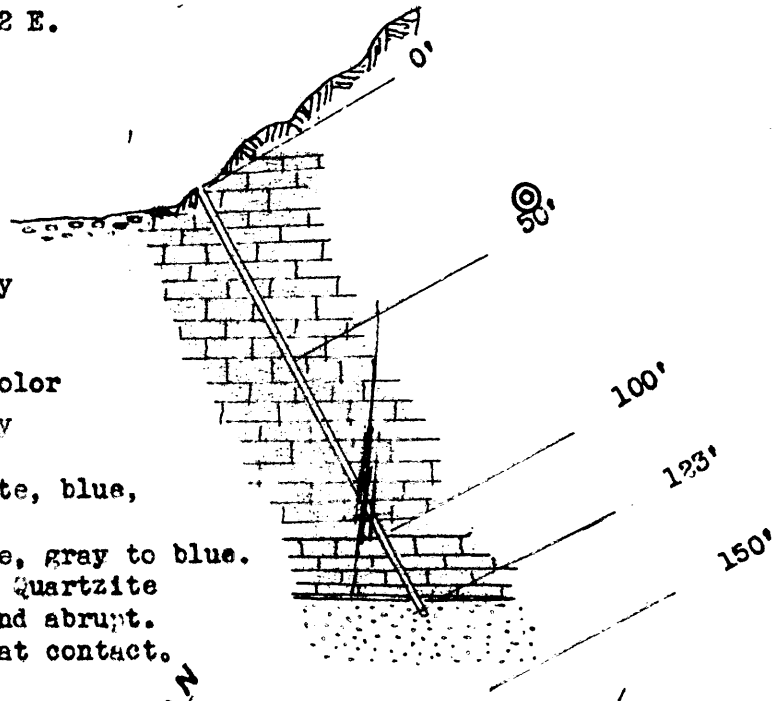
TRACED BY

CHECKED BY

SCALE 1" = 50'

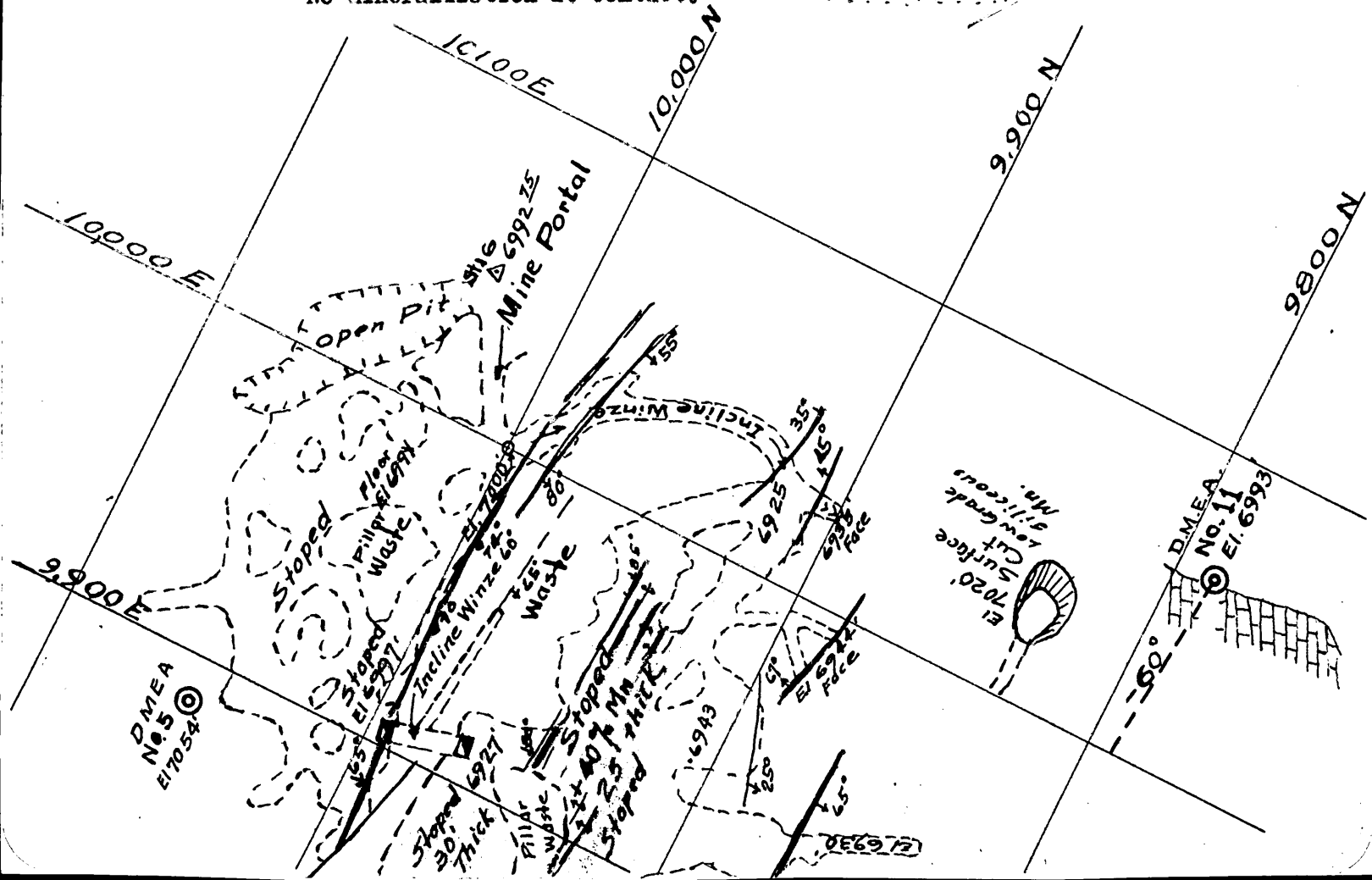
DMEA Drill Hole No.11

Coordinates; 9787 N, 10062 E.
Elevation: 6993'
Bearing: N 76°W
Dip -60°
Completed May 6,1959



Log of Hole

0 - 73	Dolomite, dark-gray medium hard Fault at 73 feet
73 - 95	Dolomite, lighter color
95 - 97	Dolomite, light-gray
97 - 110	Dolomite, darker
110 - 118	Limestone & dolomite, blue, some Mn stain.
118 - 122	Dolometic limestone, gray to blue.
122 - 123	Quartzite, Eurika Quartzite Contact definite and abrupt. No mineralization at contact.



COMBINED METALS REDUCTION COMPANY

May 23, 1959

Mr. R. H. Smith
Acting Executive Officer, O.M.E.
1605 Evans Avenue

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

Dear Mr. Smith:

Drill Hole No. 11 was completed on May 6, 1959 at 123 feet of depth. The Eureka Quartzite was encountered at 122 feet. No manganese was found in this drill hole.

Information obtained from the eleven drill holes indicate that the manganese mineralization is not wide-spread at the contact of Eureka Quartzite and the Ely Spring Dolomite, but is more or less confined to small bodies along certain fault structures.

The attached map C-1125 suggests a south west trend of the ore zone. Drilling from the surface to the quartzite contact at Coordinates 9860 N and 9625 E would involve 275 feet of drilling in faulted, brecciated and silicified dolomitic limestone, with strong possibilities that the drill hole would be abandoned before completion.

A much more practical way of obtaining information as to the south-westerly extension of the manganese mineralization is to drift as shown in orange color on the attached map C-1125.

It is here proposed that the balance of the fund under the Contract of $4,982.00 be applied to drifting, beginning at face of present s.w. drift, drifting and extending in a northwesterly direction for 122.0 feet. The unit drifting cost is estimated at $40.84 per foot. This drift will be at or near the contact.

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 15 1959
DATE | INITIALS | CODE

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 15 1959

DATE	INITIALS	CODE

COMBINED METALS REDUCTION COMPANY

SHEET 2 DATE May 23, 1959 TO R. M. Smith, Acting Executive Officer, O.M.E.

Contract funds left after completing

Drill Hole No. 11	$ 4,982.00
122.0 feet of drifting @ $40.84	4,982.00

Extension of time is not necessary.

Very truly yours,

Reginald G. Lee

Reginald G. Lee
Gen. Supt. of Mines

cc: BMEA (3)
Paul Gemmill
File (2)

Enclosures

COPY

FORM 23

A 1720

REFERENCES

COMBINED METALS REDUCTION CO

DMEA Drilling Project, Southpaw Mine

Drill Hole No. 11, Docket No. DMEA No. 4813

Contract No. Idm-E 1161, Lincoln County, Nevada

December 23, 1959

MADE BY RGL

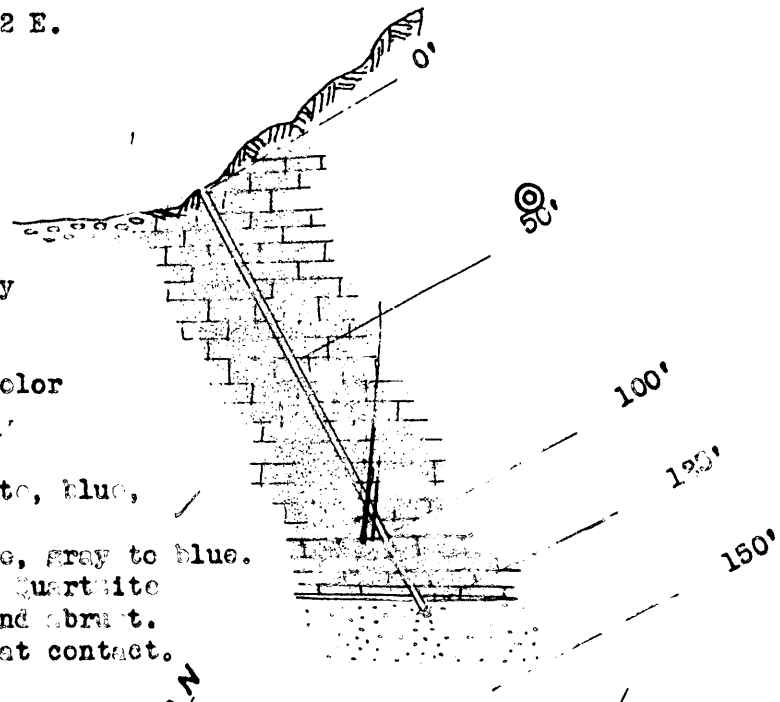
TRACED BY

CHECKED BY

SCALE 1" = 50'

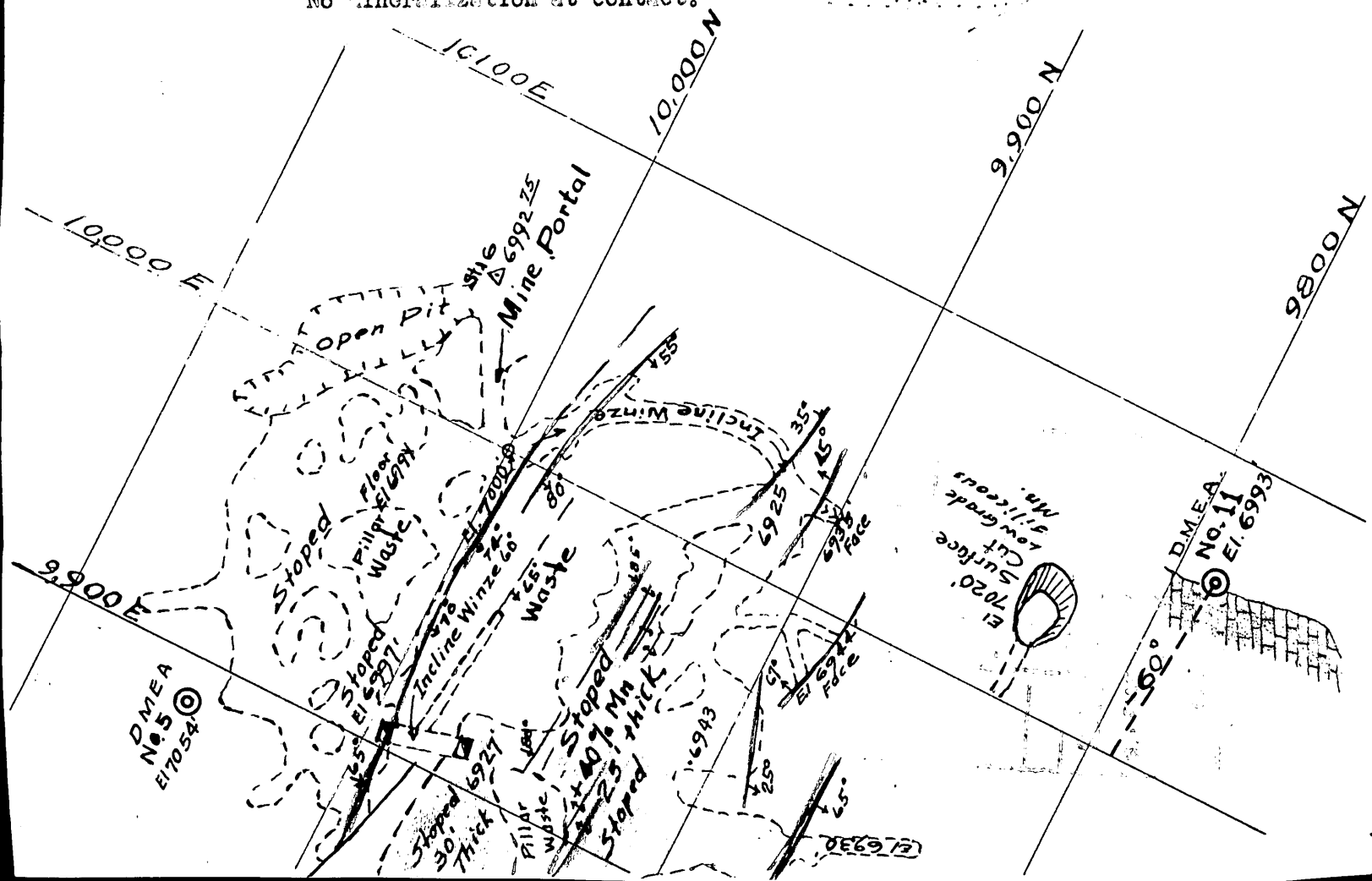
DMEA Drill Hole No.11

Coordinates; 9787 N, 10062 E.
Elevation: 6993'
Bearing: N 76°W
Dip -60°
Completed May 6,1959



Log of Hole

0 - 73	Dolomite, dark-gray medium hard Fault at 73 feet
73 - 95	Dolomite, lighter color
95 - 97	Dolomite, light-gray
97 - 110	Dolomite, darker
110 - 118	Limestone & dolomite, blue, some Fe stain.
118 - 122	Dolomitic limestone, gray to blue.
122 - 123	Quartzite, Laurik Quartzite Contact definite and abrupt. No mineralization at contact.



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C. M. E.
RECEIVE: JUN 1959

DATE	INITIALS	

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region II

1605 Evans Avenue
Reno, Nevada

Date April 28, 1959

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Interim Inspection Report

Attached are three copies of Interim Report on

Docket No. DMEA-4813

Contract No. Idm-E 1161

Commodity Manganese

Operator Southpaw Joint Venture

Property Southpaw Claims

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 1 1959

DATE	INITIALS	CODE
5/4	a	220
		110
5/4		800
5/4	WSM	400

By Glenn G. Gentry
Mining Engineer
Dated April 27, 1959

S. Ricker

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 1 1959

DATE	INITIALS	CODE
April 27, 1959		

INTERIM REPORT

Docket No. DMEA-4813 (Manganese)
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada
Contract No. Idm-E1161

Accompanied by Mr. R. G. Lee, representing the Operator, this project was visited on April 25, 1959.

Due to weather conditions and freezing temperatures, work was discontinued early in December, 1958. Therefore, there has been no change in the status reported in the interim report of December 29, 1958.

Pursuant to Amendment No. 4, the Operator will resume work on April 27, 1959 and expects to complete Drill Hole No. 11 on or about May 15. Upon completion of this drill hole, the Operator will submit a report of the results of the drilling and probably will request some type of additional exploration.

Financial:

Expenditures allowed	$12,852.00
Expended as of Nov. 30, 1958	7,730.00
Unexpended	$ 5,122.00

Contract Period: Expiration date: September 27, 1959

Glenn G. Gentry
Mining Engineer

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 24 1959

DATE	INITIALS	CODE
4/27	G	220
4/27	[illegible]	800
4/28	WSM	400

April 22, 1959

Mr. R. G. Lee, Gen'l. Mine Superintendent
Combined Metals Reduction Company
Pioche, Nevada

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

Dear Mr. Lee:

In reference to your exploration contract, Amendment No. 4, which requires resumption of work not later than April 27, 1959, I expect to make an interim inspection of the project on Saturday afternoon, April 25, 1959 and would like to arrange to meet you at the Crystal Springs not later than 3:00 p.m. on that date.

With best regards.

Very truly yours,

Glenn G. Gentry,
Mining Engineer

GG
cc: Opr. Com., OME, Wash., D.C.
Finance Office, Reg. II
GeoMavor
RMSmith
File
Chron

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

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

DATE	INITIALS	CODE
1/27	C	220
1/27	WD	800
1/27	WSM	400

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

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

OFFICIAL FILE COPY O. M. E. RECEIVED JAN 27 1959		
DATE	MINERALS	CODE
1-27	C	220
1/27	WSG	400

Jan. 23, 1959

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)
Contract No. Idm-E 1161
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada

Enclosed are the Government's and Audit copies of Amendment No. 4 to subject contract, executed by the Operator. The remaining copies have been distributed in the usual manner.

S. Ricker

Attachments

BUREAU OF MINES
WASHINGTON, D.C.
JAN 26 10 12 AM '59

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 16 1959

DATE		CODE
1/16	C	220
1/16		200
1/16	WSM	400

Jan. 13, 1959

Combined Metals Reduction Company
218 Felt Building
Salt Lake City 10, Utah

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

Gentlemen:

Enclosed are the original and four copies of proposed Amendment No. 4 to the above-referenced contract, signed by the Acting Director for the Government.

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

If any part of the proposed amendment does not have your approval, the original and all copies should be returned, together with your suggested changes.

Very truly yours,

S. RICKER

/for/ S. Ricker
Executive Officer
OME Field Team, Region II

Attachments
SRicker:ft
cc: Opr. Com., OME, Wash., D.C.
Finance Office, Reg. II
GeoMavor
RMSmith File Chron

Form 7
(-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/5	Holt	400
1/5	Martin	400
"	Fisher	800
1/6	[illegible]	130
	On leave	100
		~~100~~
		~~[illegible]~~
		400
1/7	C	225

JAN 6 1959

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

Re: Docket No. DMEA 4813 - Manganese
Southpaw Joint Venture
Southpaw claims
Lincoln County, Nevada
Contract No. Idm-M1161

Dear Mr. Hicker:

Enclosed are the original and four copies of a proposed Amendment No. 4 to the above-referenced contract, signed by the Acting Director for the Government. Two extra copies are enclosed for the use of the Field Team.

If the terms and conditions of the proposed amendment are satisfactory to you and the Operator, all five copies should be signed by the Operator and the usual distribution made.

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

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (HB)

Enclosure

APPROVED:

C. T. BAROCH (HB)
Member, Bureau of Mines

N. E. Nelson (HB)
Member, Geological Survey

SPHOLT:foc 1-5-58
cc to: Code 400
Director's Read. File
Operating Comm.
FT. REG. II
G. L. DeHuff, USBM
T. H. Kiilsgaard, USGS

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 5 1959

DATE	INITIALS	CODE
1/5	C	220
1/5	[illegible]	800
1/5	WSM	400

Office of
Executive Officer
DMEA Field Team
Region II

1605 Evans Avenue
Reno, Nevada

Date Jan. 2, 1959

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Interim Inspection Report

Attached are three copies of Interim Report on

Docket No. DMEA-4813

Contract No. Idm-E 1161

Commodity Manganese

Operator Southpaw Joint Venture

Property Southpaw Claims

By Glenn G. Gentry,
Mining Engineer
Dated Dec. 29, 1958

S. Ricker

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments

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

BUREAU OF MINES
WASHINGTON, D. C.

JAN 5 11 23 AM '58

INTERIM REPORT

December 29, 1958.

OFFICIAL COPY
O. M. E.
RECEIVED JAN 5 1959

DATE	INITIALS	CODE

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

Accompanied by Mr. R. G. Lee, representing the Operator, the project was inspected on December 9, 1958.

Drill Hole No. 4 was extended a total of 215 feet, encountering the Eureka quartzite at 205 feet. No manganese mineralization was found. Drill Hole No. 5 encountered low grade manganese from eight feet to sixteen feet below the collar. The grade is non-commercial and six adjacent nonmineralized drill holes indicate slight probability of making a significant discovery in that area.

Four samples from Drill Hole No. 5, reported on October 22, 1958, were analyzed as follows:

Sample No.	Percent Mn.
BM 2538	2.4
2539	3.9
2540	1.1
2541	2.0

Drill holes Nos. 6, 7, 7-A, 8, 9, 10, explored an area west and north of the formerly excluded land and were unsuccessful. Drill hole No. 11 (refer to attached map) was located to explore an area near the southeast corner of the formerly excluded area and has not been completed. The base of the cliff and steep terrain precluded reaching this area from other, except underground, locations.

Progress to date:

Item	Allowed	Completed	Remainder
Bulldoze access roads	168 hours	168 hours	0
Drilling	1800 ft.	970 ft.	830 ft.
Casing	600 "	150 "	450 "
Lost casing	200 "	10 "	190 "
Samples assayed	50	7	43

Resume of drilling:

Drill Hole No.	Depth Feet	Inclined	Coordinates	Collar Elev.	Remarks
1	197	Vertical	9630 N 10250 E	7017 ft.	Intersected quartzite contact.
2	84	"	9980 N 10296 E	7000	"
3	169	"	9547 N 10330 E	7019	"
4	215	"	9432 N 10125 E	7069	"
5	26	"	10053 N 9886 E	7054	"

Drilling, cont'd.:

Drill Hole No.	Depth Feet	Inclined	Coordinates	Collar Elev.	Remarks
6	72	Vertical	10019 N 9722E	7138	Intersected quartzite contact.
7	26	"	10083 N 9742 E	7129	"
7 A	52	"	10083 N 9742 E	7129	"
8	15	"	10184 N 9825 E	7110	"
9	14	"	10220 N 9875 E	7102	"
10	5	"	10252 N 9910 E	7095	"
11	95	-60°	9780 N 10055 E	6994	Not Completed.

Drill Hole No. 11 was extended through nonmineralized limestone and at 95 feet had encountered softer, black dolomite. The Operator estimates drilling an additional 40 feet will be required to reach the quartzite contact.

Freezing temperatures have eliminated the only source of water in the area and the Operator has discontinued work until about May, 1959. On November 17, 1958, the Operator requested a recess and an extension of time, beginning November 27, 1958 and ending September 30, 1959 because of the difficulty and

additional expense of operations during the winter months.

I recommend the necessary extension of time for completion of Drill Hole No. 11 and termination of the project at that time if no significant mineralization is encountered.

Financial:

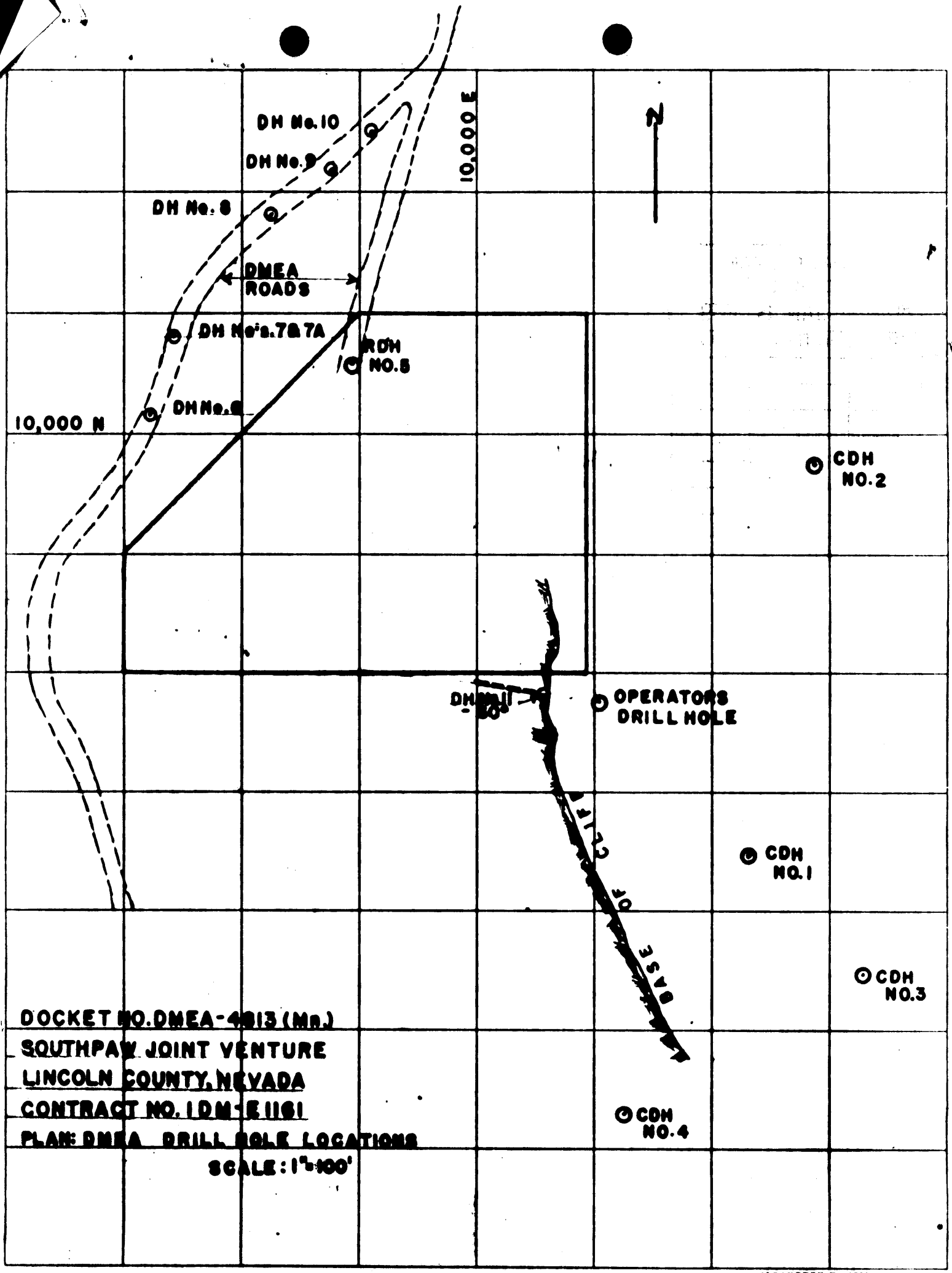
Expenditures allowed	$12,852.00
Expended as of Oct. 31, 1958	6,896.00
Unexpended	$ 5,956.00

Contract period:

Expiration date: November 27, 1958.

Glenn G. Gentry
Mining Engineer

Encls.: Map showing drill hole locations.


DH No. 10
DH No. 9
DH No. 8
10,000 E
N
DMEA ROADS
DH Nos. 7 & 7A
RDH NO. 5
DH No. 6
10,000 N
CDH NO. 2
OPERATORS DRILL HOLE
CDH NO. 1
BASE OF CLIFF
CDH NO. 3
CDH NO. 4
DOCKET NO. DMEA-4813 (Mn.)
SOUTHPAW JOINT VENTURE
LINCOLN COUNTY, NEVADA
CONTRACT NO. IDM-E 1161
PLAN: DMEA DRILL HOLE LOCATIONS
SCALE: 1" = 100'

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 5 1959

DATE	INITIALS	CODE

Return to Rm. 6556

RWP

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

INTERIOR DEPT.
DEC 29 1958
SOLICITOR

December 24, 1958

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resources

From: Division of Iron and Ferro-Alloys, OME

Subject: Preparation of Amendment
Docket No. DMEA 4813 - Manganese
Southpaw Joint Venture
Southpaw claims
Lincoln County, Nevada
Contract No. Idm-E1161

Attached is a rough draft of a proposed Amendment No. 4 to the above-captioned contract for your use in preparing it in final form.

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

Attachment

Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/24	Holt	400
12/24	Martin	400
		140
		140

December 24, 1958

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resources

From: Division of Iron and Ferro-Alloys, OME

Subject: Preparation of Amendment
Docket No. DMEA 4813 - Manganese
Southpaw Joint Venture
Southpaw claims
Lincoln County, Nevada
Contract No. Idm-E1161

Attached is a rough draft of a proposed Amendment No. 4 to the above-captioned contract for your use in preparing it in final form.

W. S. MARTIN

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

Attachment

SPHOLT:foc
12-24-48
cc to: Docket
Code 400

43683

EXPLORATION PROJECT CONTRACT
SOUTHPAW JOINT VENTURE
DOCKET NO. IMEA 4813

AMENDMENT NO. 4

It is agreed this _____ day of _____ 195___, 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. IMEA 4813), dated December 27, 1957, as amended, 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) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Government shall not contribute to any costs of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of work.

(d) 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. In Article 1 of the contract the period for completion is further extended from November 27, 1958, to September 27, 1959.

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

4. It is of the essence of this contract that the work be resumed before the termination of the period here fixed for suspension; and if it is not resumed within the time designated, in a manner required to bring the project to completion as required the following provisions shall thereupon become effective:

(a) Effective April 27, 1959, the contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

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

(c) 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 same period, and subject to the same conditions as if a certification of discovery or development had been made, such certification being hereby waived.

(d) 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.

5. It is of the essence of this contract that the work be completed by September 27, 1959, and if it is not so completed, in a manner required to bring the project to completion as required, the following provisions shall thereupon become effective:

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

(b) 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 same period, and subject to the same conditions as if a certification of discovery or development had been made, such certification being hereby waived.

(c) 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 total amount which the Government may be required to contribute, nor the agreed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Acting Director, Office of
Minerals Exploration

SOUTHPAW JOINT VENTURE

By_____

Title_____

JUSTIFICATION

EXPLORATION PROJECT CONTRACT
SOUTHPAW JOINT VENTURE
DOCKET NO. DMEA 4513

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.

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

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

DATE	INITIALS	CODE
12/4	H. G.	235
		400

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

CONGRESS OF THE UNITED STATES
WASHINGTON, D. C.
DEC 3 10 13 AM '58

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Memorandum Date: Jan. 30, 1959

1605 Evans Avenue
Reno, Nevada

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

From: Executive Officer, DMEA Field Team, Region II

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

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

Contract No.	Operator	Report dated	Period covered
DMEA-4813 Idm-E 1161	Combined Metals Reduc. Company	Jan. 7, 1959	Nov., 1958
DMEA-4425 Idm-E 1083	John H. Uhalde	Jan. 3, 1959	Dec., 1958
DMEA-4654 Idm-E 1137	New Idria Min. & Chem. Co.	Jan. 15, 1959	Dec., 1958

2-104 + 104 as

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O. M. E.
RECEIVED FEB 3 1959

DATE	INITIALS	CODE
2/3	C	220
"	[illegible]	110
2/3	WSM	400

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments

cc: Regional Office, Region II
R. M. Smith
File

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

FEB 2 1959 OMEA

Month of November, 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	625.00	4220.00	4845.00			
Bulldozing		2352.00	2352.00			
Cross cutting Casing	150.00	300.00	450.00			
Drilling 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 Merrill 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 Thomas H. Goldenberg Authorized Certifying Officer
(Authorized Certifying Officer)
Date JAN 29 1959 Vou. No. SF-DMEA-70
(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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

FEB 3 1959 O.M.E. 4813

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 8

Docket No. DMEA Idm-E 1161

Operator's Name Combined Metals Reduction Company

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

Contract No.

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								
xxxxx Rotary Winzes	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)		
xxxxx Percussion Auger	Feet	360.00	72	1275.00	255.0	5.00)		
xxxxxx Casing Stopping	Feet	150.00	75	450.00	225.0	2.00	600	1,200.00
xxxxxx Lost Casing Trenching	Feet	35.00	35	45.00	45.0	1.00	200	200.00
Test Pits				2352.00	168.0		168	2,352.00
Roads and Trails	Hours					14.00		
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)

Glenn F. Gentry

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 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 Ely 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 upgrade 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

I N V O I C E

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

TO:
D.M.S.A Project Docket DMEA 4813
Contract No. Idm-E 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:

V. E. Swanson

Paul Hammill

Certified True Copy:

Raymond E. 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)

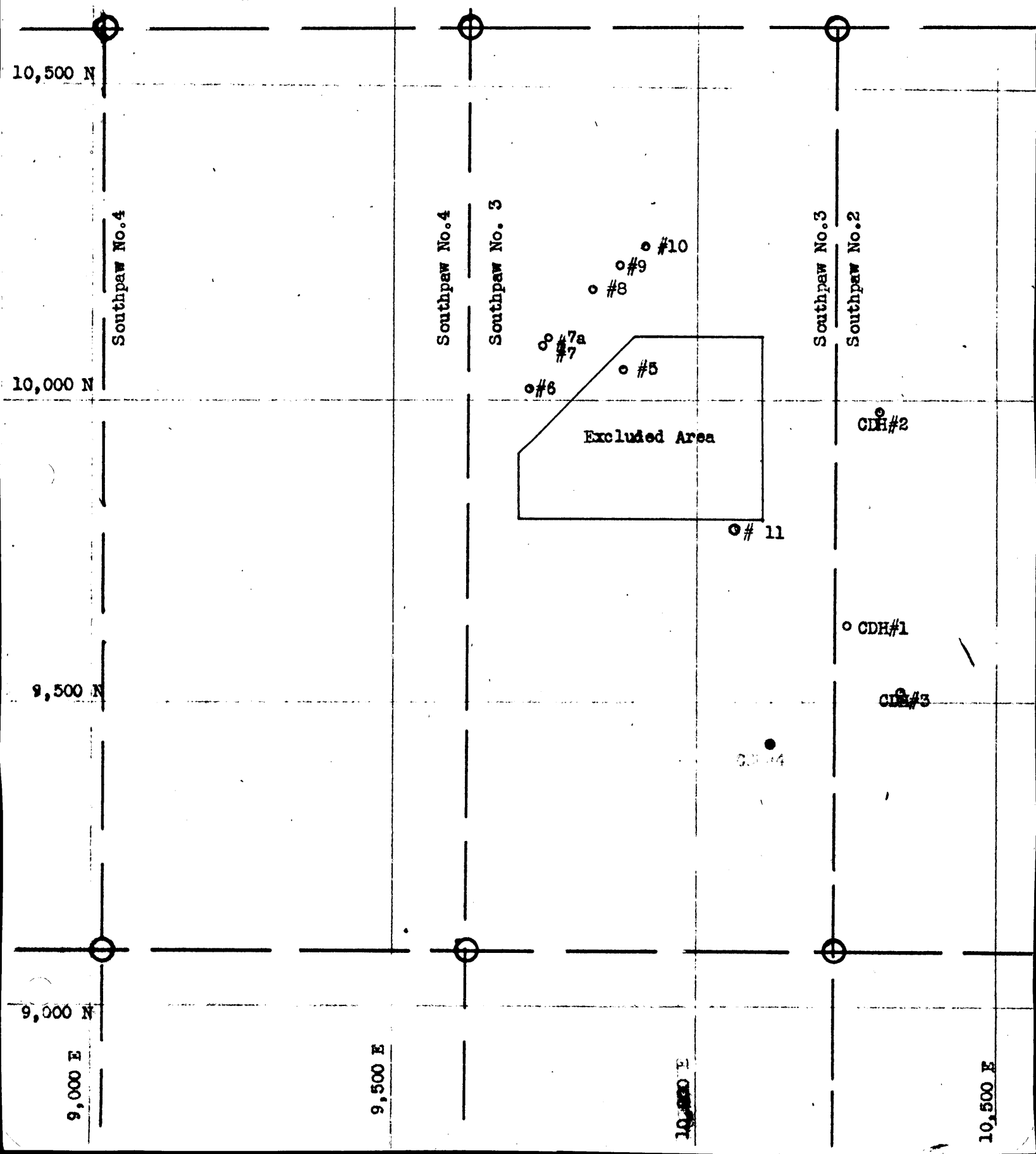
August 7, 1958 19

MADE BY RGL

TRACED BY

CHECKED BY

SCALE 1"= 200'



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O. M. E.
RECEIVED FEB 3 1959

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 RGL

TRACED BY

CHECKED BY

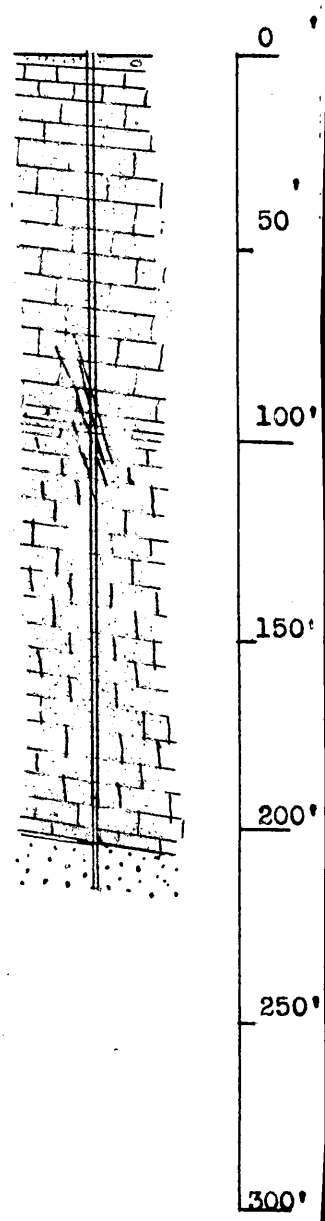
SCALE 1" = 50'

DMEA Drill Hole No. 4

Coordinates: 9,432.00 N
10,125.00 E
Elevation 7,069.00'
Location: Southpaw No. 3
Hole Started: August 4, 1958
Hole Completed: Nov. 21, 1958
Depth: 215'
Driller:

Log of Hole

0	-	8	Overburden
8	-	45	Blue dolomite and limestone
45	-	90	Dark fractured dolomite, hard to medium hard.
90	-	110	Hard fractured dolomite, hard slickenside.
110	-	135	Dolomitic limestone, softer, lighter color
135	-	165	Dolomitic limestone, harder, darker
165	-	185	Dolomitic limestone, softer.
185	-	203	Dark Dolomite, hard.
203	-	215	Eureka Quartzite.



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O. M. E.
RECEIVED FEB 3 1959

DATE	INITIALS	

A 1720

REFERENCES

COMBINED METALS REDUCTION CO.

DMEA Drilling Project, Southpaw Mine

Drill Hole No. 11, Docket No. DMEA No. 4813

Contract No. Idm-E 1161, Lincoln County, Nevada

December 23, 1956

MADE BY RGL

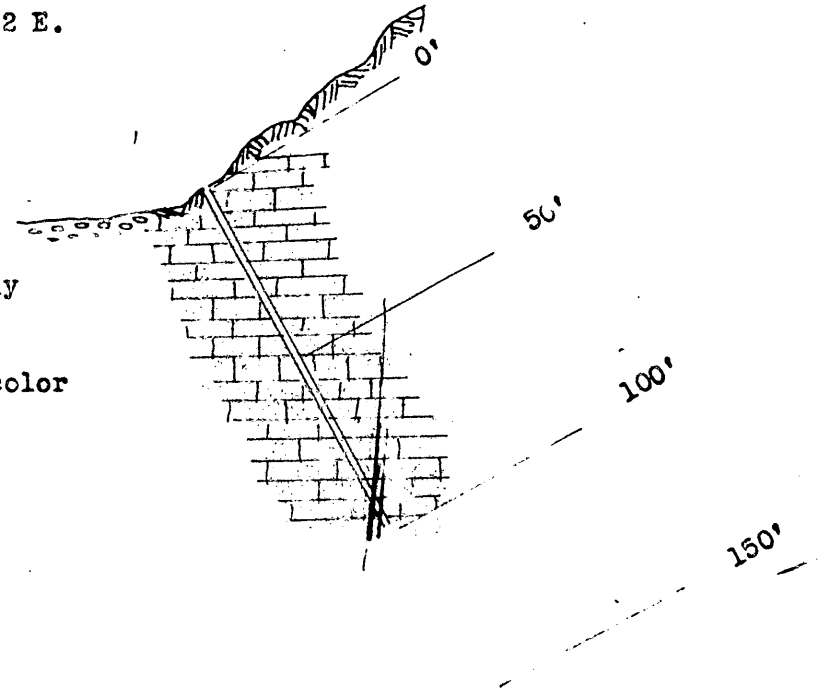
TRACED BY

CHECKED BY

SCALE 1" = 50'

DMEA Drill Hole No.11

Coordinates; 9787 N, 10062 E.
Elevation: 6993'
Bearing: N 76°W
Dip -60°



Log of Hole

0 - 73 Dolomite, dark-gray
medium hard
Fault at 73 feet
73 - 95 Dolomite, lighter color

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 3 1959

DATE	INITIALS	CODE

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

FILE COPY
O. M. E.
RECEIVED NOV 24 1958

DATE	INITIALS	CODE
11/24	C	220
11/24	CEO	ECC
11/25	WSM	400

Nov. 21, 1958

Combined Metals Reduction Company
218 Felt Building
Salt Lake City 10, Utah

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

Gentlemen:

Enclosed are the original and four copies of Amendment No. 3 to the above-referenced contract, signed by the Acting Director for the Government.

If the terms and conditions of the proposed amendment are satisfactory to you, all five copies should be signed by your firm. The "Operator's copy" should be retained by you and the original and remaining three copies should be returned to this office. The amendment confirms the work you are now doing.

The recess and extension of completion time requested by Mr. Lee has been forwarded to our Washington office for consideration.

Very truly yours,

S. Ricker
Executive Officer
OME Field Team, Region II

Attachments

cc: Opr. Com., OME, Wash., D.C.
Finance Office, Region II
GeoMavor
RMSmith
File
Chron

OME

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 20 1958

DATE	INITIALS	CODE
11/21	C	220
		130
11/21	WSM	400

November 17, 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)
Contract No. Idm-E 1161
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada

Enclosed are two copies of a request from the operator for an amendment to subject contract granting a recess and an extension of completion time.

noted

The mine has been a good producer and we recommend that the request be granted as the remainder of the exploration work has a good possibility of again putting the mine on a productive basis.

S. Ricker

Attachments

BUREAU OF MINES
WASHINGTON, D. C.
Nov 20 10 13 AM '58

COMBINED METALS REDUCTION COMPANY

CASELTON PLANT PIOCHE, NEVADA

November 14, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 20 1958

DATE	INITIALS	CODE

Mr. A. Ricker, Executive Officer
D. M. E. A. Field Team, Region 11
1605 Evans Avenue
Reno, Nevada

Re: Docket No. D.M.E.A.
4813 (Manganese)
Southpaw Joint Venture
Southpaw Mine
Lincoln County, Nevada
Contract No. IBM-E 1161

Dear Mr. Ricker:

We hereby request a recess in the above referred contract for five months, beginning November 27, 1958 and ending April 27, 1959. Extension of time to complete contract to September 30, 1959 is needed.

About one half of the drilling has been completed to date. The Project has been active since last half of April of this year. However, the recess time requested above is for season of deep snow and difficulty in keeping roads open in the Project area during the winter months.

We wish to complete the Project at the earliest date economically possible, and ask that a recess in time and extension of time be granted.

Very truly yours,

Reginald G. Lee
General Supt. of Mines

cc: Paul Gemmill
Files

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/12	Holt	400
11/12	Martin	400
11-13	Chamber	800
11/14	[illegible]	130
"	Johnson	110
		~~100~~
11/17	C	220
		400

NOV 14 1958

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

Re: Docket No. DMEA 4813 - Manganese
Southpaw Joint Venture
Southpaw claims
Lincoln County, Nevada
Contract No. Idm-E1161

Dear Mr. Ricker:

In accordance with the request of the Operator of September 19, transmitted with your recommendation of September 24, 1958, enclosed are the original and four copies of Amendment No. 3 to the above-referenced contract, signed by the Acting Director for the Government. Two extra copies are enclosed for the use of the Field Team.

If the terms and conditions of the proposed amendment are satisfactory to you and the Operator, all five copies should be signed by the Operator and the usual distribution made.

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

Sincerely yours,

George C. Selfridge

ACTING Chairman, Operating Committee

Enclosure

APPROVED:

Richard H. Mote

Member, Bureau of Mines

N. E. Nelson

Member, Geological Survey

SPHOLT:foc 11-12-58
cc to: Code 400
Director's Read. File
Operating Comm.
FT. REG. II
Messrs. Gilbert DeHuff, USBM
T. H. Kiilsgaard, USGS

8623

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

Nov. 4, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 7 1958

DATE	INITIALS	CODE
11/7	C	220
11/10	WSM	130
		400

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 Claim
Lincoln County, Nevada
Contract No. Idm=E 1161

Enclosed are two copies of a memorandum dated October 29 from H. K. Stager, Geological Survey, relative to your letter of October 29, 1958.

In view of this memorandum and consultation with Roscoe Smith and Glenn Gentry, we would suggest that you prepare an amendment authorizing substitution of rotary or diamond drilling for churn drilling. This would be in accordance with your telegram of September 24.

Our last information indicates that Hole No. 4 has not been completed. Hole No. 5 was started in the vicinity of proposed Hole No. 8, as suggested in your letter. Field inspection will be made soon to decide on the location of any additional drilling.

S. Ricker

Attachments

HDQ-[illegible] FILES
WASHINGTON, D. C.

Nov 6 1 30 PM '58

Mineral Deposits Branch
4 Homewood Place
Menlo Park, California

October 29, 1958

To: S. Ricker, Executive Officer, OME Field Team, Region II

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

Subject: DMEA-4813 (Manganese)
Southpaw Joint Venture
Southpaw claims
Lincoln County, Nevada
Contract Idm-E1161

The following comments are in reference to the questions raised by the Chairman of the Operating Committee in his letter to you of October 15, 1958.

Churn drill holes 3 and 4 were drilled at sites not specifically designated in the contract for two reasons: (1) the contract prohibited drilling within 100 feet of the excluded area, thereby eliminating sites 2, 3, 5, 6, 7, and 8, and (2) any of the faulted segments of the ore zone may contain ore bodies for the reasons outlined in the next paragraph. Manganese-stained outcrops indicate a reasonable possibility of ore bodies in the area of holes 3 and 4.

There is an apparent rake of the deposit to the southwest and certainly several holes should be drilled in this sector before drilling is stopped. The mining and exploration to date has not

indicated the source, or origin, of the deposit. The faults are probably pre-mineral and may have served as channels for metal-bearing solutions as there is more manganese-rich material along the fault planes than could be accounted for by drag but there is also evidence of post-mineral movement so the problem is not a simple one of finding faulted segments of a once-continuous ore body.

I am reluctant to recommend approval of any drifting or crosscutting at this time because this would explore only a small area instead of the much larger area originally planned to be tested by drilling.

I do not believe that rotary drilling will be any faster or more successful than the churn-drilling has been in obtaining the desired information. Although the unit cost would probably be considerably higher than that allowed by the contract, it may be necessary to utilize a diamond drill capable of taking an NX size core before satisfactory results can be obtained.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11-3	Holt	400
11-3	Martin	400
		140
		140

November 3, 1958

MEMORANDUM

To: Associate Soliciter, Division of Mineral Resources

From: Division of Iron and Ferro-Alloys, OME

Subject: Preparation of Amendment No. 3
Docket No. DMEA 4813 - Manganese
Southpaw Joint Venture
Southpaw claims
Lincoln County, Nevada
Contract No. Idm-E1161

SOLICITOR
R
3 1958
INTERIOR DEPT.

Attached is a rough draft of a proposed Amendment No. 3 to the above-captioned contract for your use in preparing it in final form.

W. S. MARTIN

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

Attachment

SPHOLT:foc
11/3/58
cc to: Docket
Chron. File

8623

EXPLORATION PROJECT CONTRACT
SOUTHPAW JOINT VENTURE
DOCKET NO. DMEA 4813

AMENDMENT NO. 3

It is agreed this _____ day of _____, 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 the Southpaw Joint Venture, hereinafter referred to as the "Operator" that Exploration Project Contract No. Idn-E1161 (Docket No. DMEA 4813), dated December 27, 1957, as amended, is further amended as follows:

1. In Annex I, the area described as "EXCEPTED LAND", and shown on map, Figure 2, stated to be excepted from the land and royalty provisions of the contract, is hereby added to the lands referred to in Article 2 of the contract, and made subject to the land and royalty provisions of the contract.

2. In Exhibit A, third paragraph, change "churn drill holes" to "churn, rotary, and/or diamond core drill holes." (*)

3. In Exhibit A, page 2, footnote 2, third line, delete the words "inside or", and in Figures 2 and 3 delete the words "Excluded Area" and the boundary lines drawn to designate that area.

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 _____
Acting Director, Office of Minerals Exploration

SOUTHPAW JOINT VENTURE

BY _____

Title _____

(*) Diamond core drill holes shall be not less than size AX, and the price paid for such shall include the cost of reaming and casing, and/or cementing and redrilling

EXPLORATION PROJECT CONTRACT
SOUTHPAW JOINT VENTURE
DOCKET NO. DMEA 4818

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.

The 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.

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

Budget Bureau No. 42-R1036.5

DEC 31 1958
O.M.E.

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

Month of Sept.- October, 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 WSM 12/31/58		
	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			
~~Cementing~~ Casing	180.00	120.00	300.00			
~~Drilling~~ 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. Murrill 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 - Freight

$1214.00

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

Date DEC 2 0 1958 Vou. No. SF-Dm 60-18

(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-E1161 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-104A
(April 1952)

Budget Bureau No. 42-R1151.2

DEC 31 1958
O.M.E.

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 Contract No. IDM-6 1161
Operator's Name Combined Metals Reduction Company DMEA 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 ~~Rotary~~	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		
~~Rotary~~ ~~Drilling~~	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 and Trails ~~Assaying~~				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. Murrill 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)

Glenn F. Gundy

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

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

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION II
RECEIVED

JAN 24 AM 10:29

RENO, NEVADA

COMBINED METALS REDUCTION COMPANY

D.[illegible] Drilling Program - Southpaw Mine - DMA Project 4-13

November 14, 1938

Mr. Paul Gemmill, General Manager

Reginald D. 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 dolomite 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 D. Lee

Reginald D. Lee

COPY

FORM 25

I N V O I C E

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

To:

D.M.E.A. Project Docket DMLA 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:

Paul Gunnell

W. E. Swanson

Certified True Copy:

Raymond T. 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)

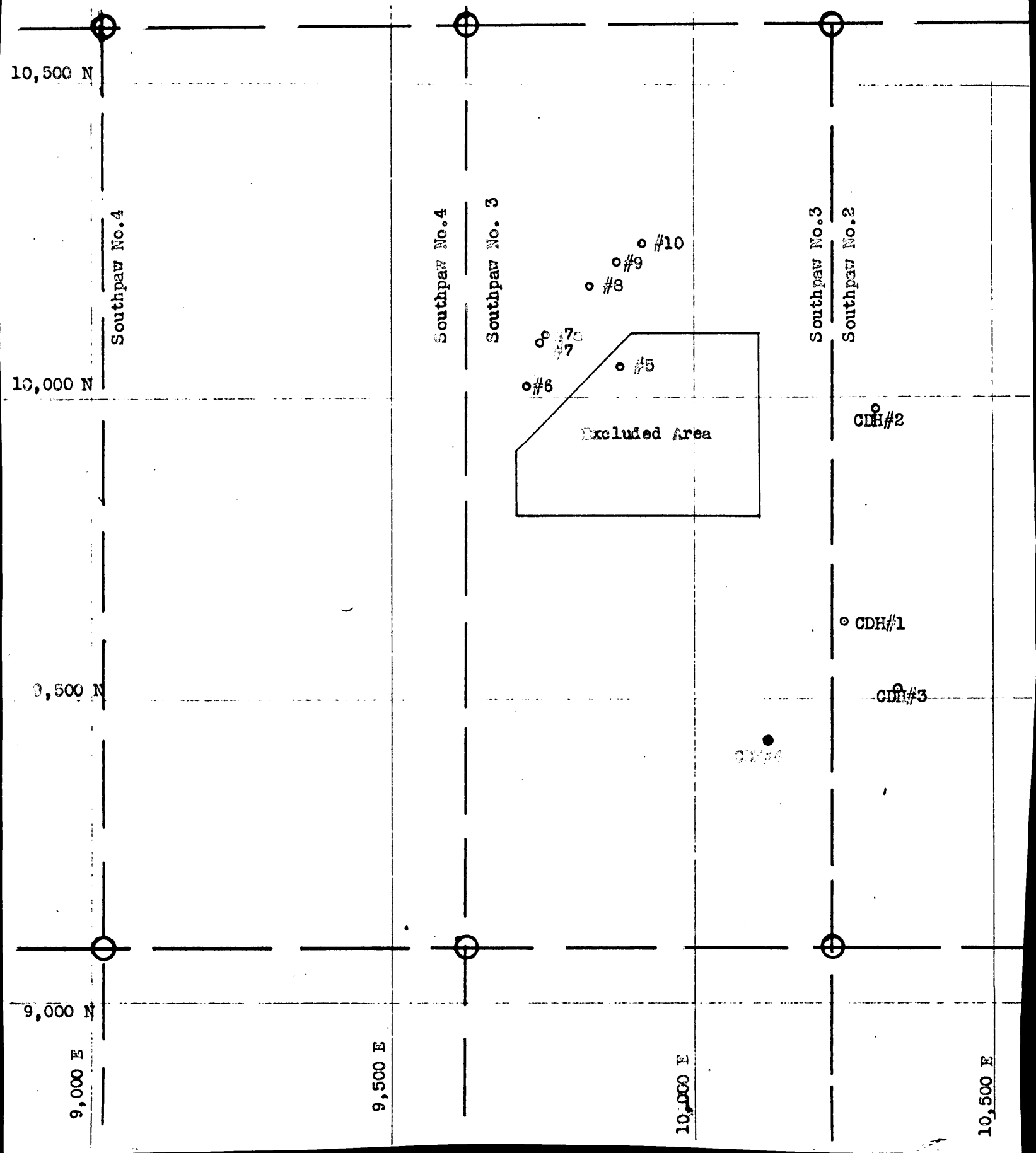
August 7, 1958 19

MADE BY RGL

TRACED BY

CHECKED BY

SCALE 1"= 200'



A .1719

REFERENCES

COMBINED METALS REDUCTION CO.
SALT LAKE CITY, UTAH

DMEA Drilling Project, Southpaw Mine
Drill Holes Nos. 5-10 inclusive
DMEA#4813-Idm-B#1161, Lincoln County, Nevada

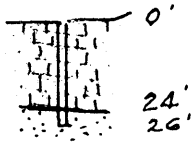
November 17, 1958
MADE BY RGL
TRACED BY
CHECKED BY
SCALE 1"=50'

Drill Hole No. 5 (Rotary Drilling)

Coordinates: 10053 N - 9886 E
Elevation: 7054'
Location: Southpaw No. 3 Claim

Log of Hole

0 - 23 Dark-Blue Dolomite
23 - 26 Quartzite(Eureka Quartzite)

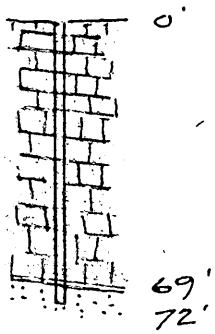


Drill Hole No6 (Percussion Drilling)

Coordinates: 10019 N - 9722 E
Elevation: 7138 '
Location: Southpaw No. 3 Claim

Log of Hole

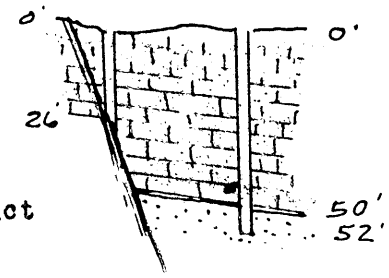
0 - 69 Dark dolomite, medium hard to hard
69 - 72 Quartzite (Eureka Quartzite)



Drill Holes Nos. 7 and 7a (Percussion Drilling)
Coordinates: 10083N - 9742 E
Elevation: 7129 '
Location: Southpaw No. 3 Claim

Log of Holes

0 - 26 Dark dolomite, faultand fractures in No.7
26 - 50 Dark dolomite, hard to 46',softer at contact
50 - 52 Quartzite (Eureka Quartzite)



Drill Hole No. 8 (Percussion Drilling)
Coordinates: 10184 N - 9825 E
Elevation: 7110 ' , Location: Southpaw No. # Claim

Log of Hole

0 - 12 Dark dolomite, medium hard
12 - 15 Quartzite (Eureka Quartzite)

Drill Hole No. 9 (Percussion Drilling)
Coordinates: 10220 N - 9875 E , Elevation: 7102 '

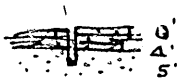
Log of Hole:

0 - 11 Dolomite, medium hard, 11-14 Quartzite.

Drill Hole No. 10 (Percussion Drilling)
Coordinates: 10252 N - 9910 E , Elevation: 7095 '

Log of Hole

0 - 4 Dark soft dolomite
4 - 5 Quartzite (Eureka Quartzite)



A 1718

REFERENCES

COMBINED METALS REDUCTION CO.

September 9, 1958

MADE BY RGL

TRACED BY

CHECKED BY

SCALE 1" = 50'

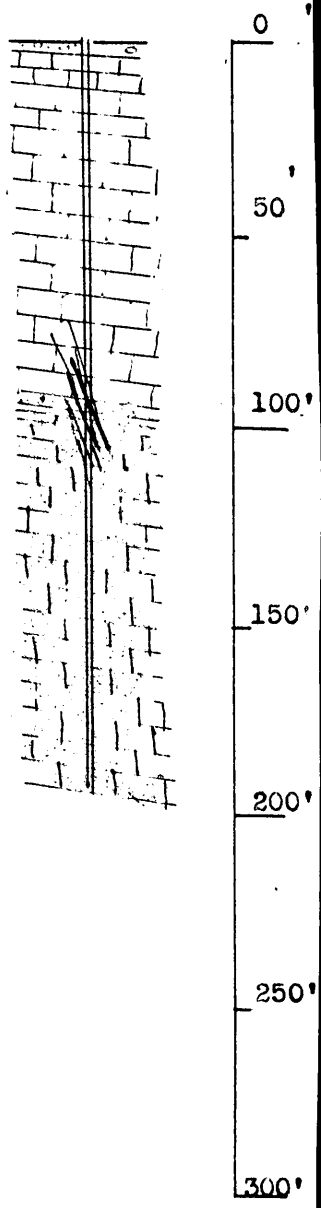
DMEA Drilling Project, Southpaw Mine
Churn Drill Hole No. 4, Docket No. DMEA No. 4813
Contract No. Idm-E 1161, Lincoln County, Nevada

Churn Drill Hole No. 4

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.
90	-	110	Hard fractured dolomite, hard slickenside.
110	-	135	Dolomitic limestone, softer, lighter color
135	-	165	Dolomitic limestone, harder, darker
165	-	185	Dolomitic limestone, softer.



UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region II

1605 Evans Avenue
Reno, Nevada

Date Oct. 23, 1958

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Interim Inspection Report

Attached are three copies of Interim Report on

Docket No. DMEA-4813

Contract No. Idm-E 1161

Commodity Manganese

Operator Southpaw Joint Venture

Property Southpaw Claims

By Glenn G. Gentry,
Mining Engineer

Dated Sept. 22, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 27 1958

DATE	INITIALS	CODE
10/27	G	220
"	JG	110
10/28	[illegible]	800
10/29	WSM	400

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments

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

BUREAU OF MINES
WASHINGTON, D. C.

OCT 27 10 17 AM '58

RECEIVED
OCT 27 1958
O.M.E.

INTERIM REPORT

October ~~22, 1958~~

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

This project was inspected October 17, 1958, in company with Mr. R. G. Lee, representing the operator.

Churn drill hole No. 4, situated on the Southpaw No. 2 Claims at coordinates 9,432 N - 10,125 E, was collared on August 1 and has reached a depth of 105 feet. The formation is interbedded, dolomite limestone. No mineralization was observed.

Authority to substitute rotary or diamond drilling for churn drilling was received and the operator was duly notified. Therefore, rotary drill hole No. 5, situated on the Southpaw No. 3 Claim at coordinates 10,060N - 9,890E, was collared on October 15 and has reached a depth of 26 feet.

Slight indications of manganese mineralization were noted and the following samples obtained:

Sample No.	Increment, feet
BM 2538	8-10
BM 2539	10-12
BM 2540	12-14
BM 2541	14-16

Analyses of above samples will be included in the next interim report.

The analyses of samples obtained on July 28 are as follows:

Sample No.	% Mn Increment, feet
BM 2517	0.1
BM 2518	0.1
BM 2519	0.1
BM 2520	0.1 *
BM 2521	0.1*
BM 2522	0.1

On report of Aug. 2, 1958

* Less than.

Both types of drilling rigs have experienced considerable trouble in drilling the limestone formation, resulting in decreased progress.

It appears doubtful that the project will be completed prior to the advent of winter storms.

Approximately 2,200 linear feet of access roads to the drilling sites have been completed.

Progress:

	Feet
Drilling approved	1,800.00
" completed	581.00
" not completed	1,219.00

Financial:

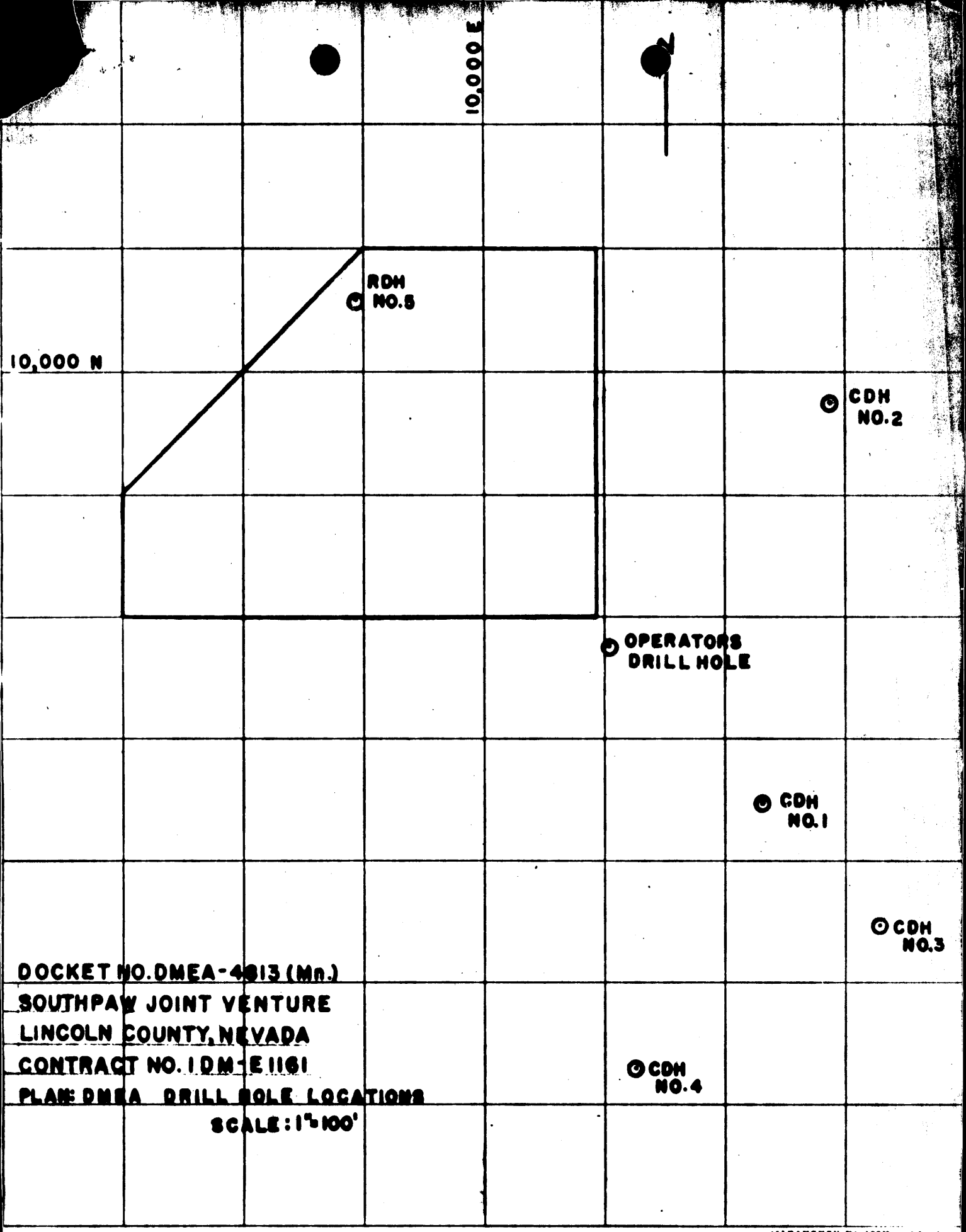
Expenditures allowed	$12,852.00
Expended as of 8/31/58	4,944.00
Unexpended	$ 7,908.00

Contract Period:

Expiration date:	November 27, 1958
Unexpended time:	1-1/3 months.

Glenn G. Gentry
Mining Engineer

Encl: Plan map.


10,000 E
10,000 N
RDH NO.5
CDH NO.2
OPERATORS DRILL HOLE
CDH NO.1
CDH NO.3
CDH NO.4
DOCKET NO. DMEA-4813 (Mn.)
SOUTHPAW JOINT VENTURE
LINCOLN COUNTY, NEVADA
CONTRACT NO. IDM-E1161
PLAN: DMEA DRILL HOLE LOCATIONS
SCALE: 1" = 100'

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10-10	Holt	400
	Martin	400
10/14	[illegible]	130
		[illegible]
10/14	Johnson	108
10/15	[illegible]	220
		400

OCT 15 1958

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

Re: Docket No. DMEA 4813 - Manganese
Southpaw Joint Venture
Southpaw claims
Lincoln County, Nevada
Contract No. Idm-E1161

Dear Mr. Ricker:

By letter to you of September 19, transmitted with your memorandum of September 24, 1958, the Operator requested an amendment to the above-captioned contract authorizing the substitution of rotary and/or diamond core drilling for churn drilling, and the diversion of part of the funds authorized for drilling to drifting and crosscutting.

We wired you on September 30 that we would prepare an amendment authorizing the change to rotary or core drilling, but did not have justification here for authorizing drifting and crosscutting.

Review of Interim and Operator's reports available to us indicates that for reasons not apparent from information here, churn drill hole CDH-3 was drilled too far from the site proposed in the contract, and was not clearly justified by the drilling results of hole CDH-1, and that hole CDH-4 was located more than 150 feet southerly from the nearest approximate drill hole location approved under the contract. We have not received word of the completion of that hole, nor the results of any drilling in it below 90 feet.

We would like to see more of the drilling, whether by rotary or core drilling methods, completed as outlined in the contract, before we consider diversion of funds to crosscutting or drifting. We note, however, the statement in your memorandum

that mineralization does not extend toward the west.

As we study sections A-A', B-B' and C-C' it looks as if the upper part of the deposit is faulted down in steps to the south by normal faults, so a drill hole near the position of proposed hole No. 6, or one north of the open cut, might be of considerable interest. The three cross-sections do not plainly show whether the ore body has a rake to the southwest, but hint that such might be the case. One or more drill holes in the vicinity of proposed numbers 5 or 6 might be informative.

Has exploration to date indicated the source, or the feeders, of this orebody? Are the faults shown on the maps and sections pre-mineral, or is the mineralization shown drag-ore along post-mineral faults?

From examination of the maps and sections attached to your memorandum and the Operator's letter it appears that rotary or diamond core drilling from surface could be planned to attain the same geological objectives sooner, and with less cost, than the Operator's proposal for 140 feet of crosscutting, followed by drilling inclined diamond drill holes from the end of the new crosscut.

Your comments and opinion on these suggestions will be appreciated, as well as the results of drilling hole GM-4, with any assay returns that may have been received.

(*) and the plan

Sincerely yours,

George C. Selfridge

ACTING Chairman, Operating Committee (GCS)

APPROVED:

Richard H. Mote (GCS)
Member, Bureau of Mines

N. E. Nelson (GCS)
Member, Geological Survey

SPHOLT:fec 10-10-58
cc to: Code 400
Director's Read. File
Operating Comm.
FT. REG. II
Messrs. Gilbert DeHaff, USBM
T. H. Kiilsgaard, USGS

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Memorandum

Date: Sept. 23, 1958

1605 Evans Avenue
Reno, Nevada

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

From: Executive Officer, DMEA Field Team, Region II

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

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

Contract No.	Operator	Report dated	Period covered
DMEA-4813 Idm-E 1161	Combined Metals Reduction Co.	9/12/58	August, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 26 1958

DATE	INITIALS	CODE
9/26	C	220
"	Jeg	110
9/26	WSM	400

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments

cc: Regional Office, Region II
R. M. Smith
File

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

Budget Bureau No. 42-R1036.5

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

Month of 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			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	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 2 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 8 1958 Vou. No. SF-Dmea-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-E1161 in accordance with the terms of the contract.

Signature Glenn C. 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 1952)

Budget Bureau No. 42-R1151.2

RECEIVED SEP 26

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

Month of August 1958 Docket No. DMEA 4813 Contract No. Idm-R 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	450.00	90.0	2700.00	540.0	5.00	1800	9000.00
Auger Casing	Feet			120.00	60.0	2.00	600	1200.00
Stripping 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:

Date SEP 12 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

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

September 9, 1958

Mr. Paul Jemmill, General Manager

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 REDUCTION COMPANY
Pioche, Nevada
September 1, 1958

TO:

DMEA Project Docket DMEA 4813 (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. Swann

Certified True Copy:

Reginald H. 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)

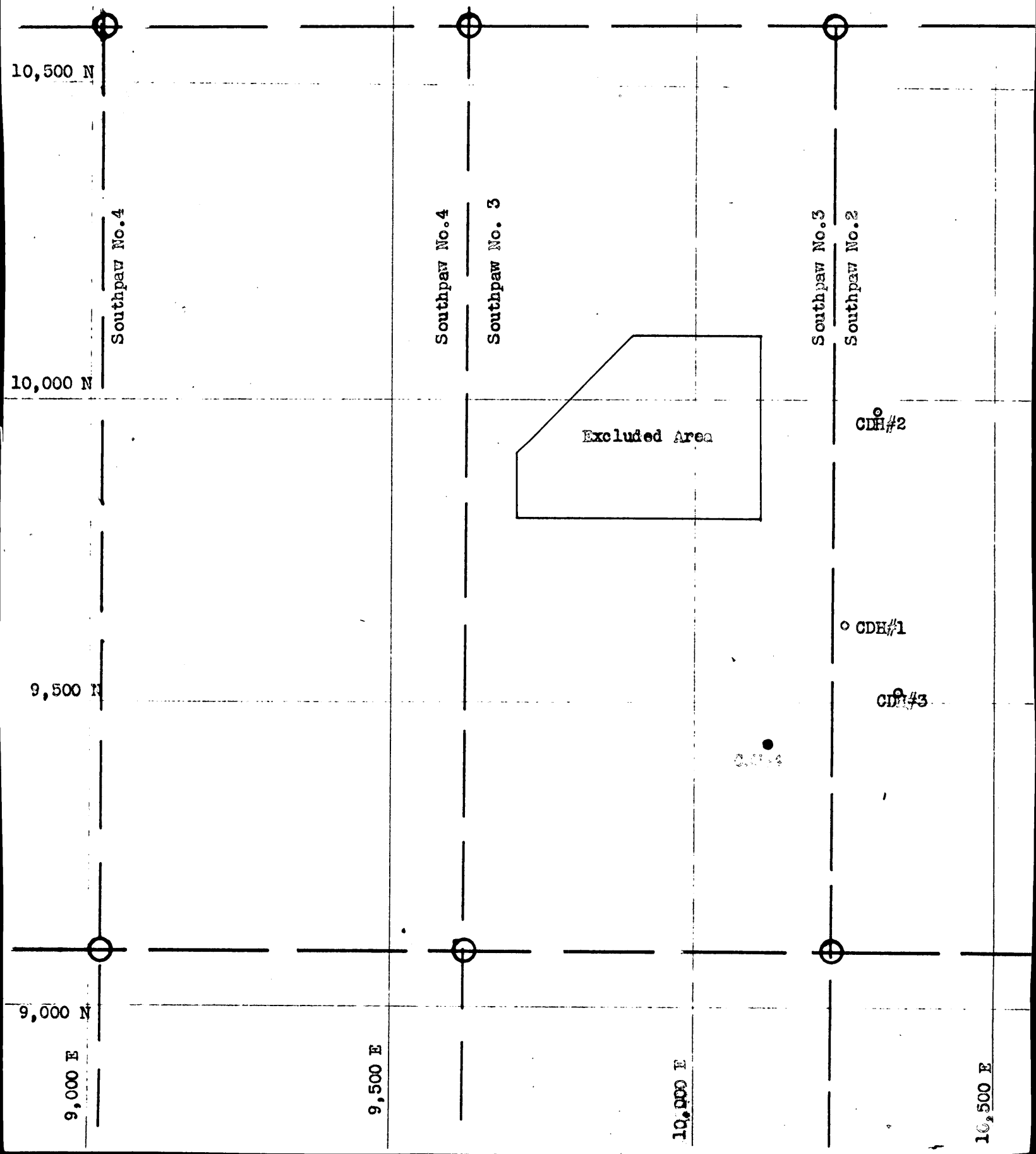
August 7, 1958 19

MADE BY RGL

TRACED BY

CHECKED BY

SCALE 1" = 200'



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DMEA
RECEIVED SEP 26 1958

DATE	INITIALS	CODE

A 1718

REFERENCES

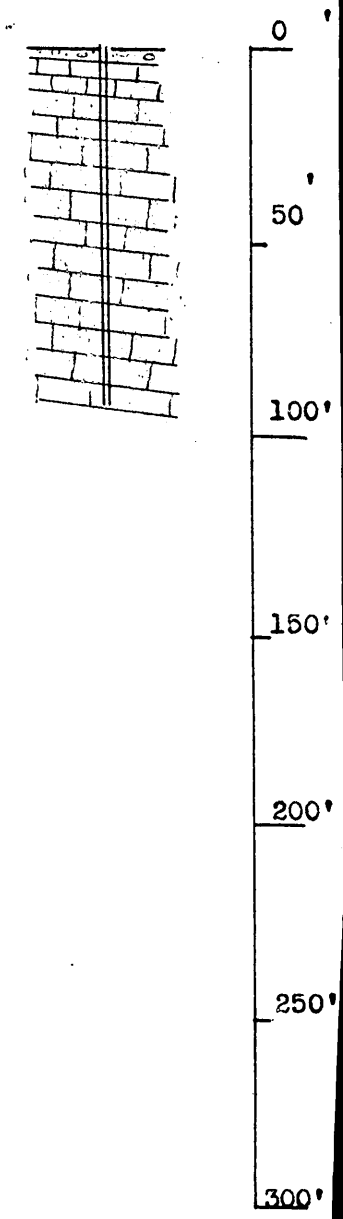
COMBINED METALS REDUCTION CO.

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.

OFFICIAL FILE 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

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9-30	Martin	400
9/30	[illegible]	130
9-30	Pendergast	130
9/30	Nelson	130
"	Johnson	110
"	Mitchell	100
10/1	C D	220
		400

SEP 30 1958

Call Letters H C Q Charge to: 1490108, Salaries and Expenses, Office of Minerals Exploration, Interior, 1959

MR. SPANGLER RICKER, EXECUTIVE OFFICER, OME FIELD TEAM, REGION II
1605 EVANS AVENUE, RENO, NEVADA

REURMEMO SEPTEMBER 24, 1958, DOCKET DMEA 4813, SOUTHPAW JOINT VENTURE. PLEASE ADVISE OPERATOR WE WILL PREPARE AMENDMENT TO AUTHORIZE SUBSTITUTION OF ROTARY OR DIAMOND DRILLING FOR CHURN DRILLING AT SAME FIXED UNIT COST. HOWEVER, WE DO NOT HAVE SUFFICIENT INFORMATION OR JUSTIFICATION HERE FOR PROPOSED CROSS-CUTTING OR DRIFTING. LETTER FOLLOWS.

George C. Selfridge
ACTING CHAIRMAN, OPERATING COMMITTEE (WS)

WSMARTIN:foc
9-30-58
cc to: Code 400
Director's Read. File
Operating Comm.
FT. REG. II - Confirmation
Gilbert DeHuff, USBM
T. H. Kiilsgaard, USGS

8623

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

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 26 1958

DATE	INITIALS	CODE
9-26	C	220
		1304
9/29	WSM	400

VIA: AIR MAIL

Sept. 24, 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 three copies of a letter dated September 19 requesting an Amendment No. 3 to subject contract.

Upon completion of Hole No. 4, approximately 540 feet of churn drilling will have been completed. It is requested that balance of churn drilling, or about 1,260 feet, be converted to 140 feet of crosscutting and/or drifting at $25.00 per foot and the remainder converted to either surface or underground drilling at $5.00 per foot. Either churn or diamond drilling will be allowed depending on suitability of formation. Our breakdown of crosscutting or drifting cost is as follows:

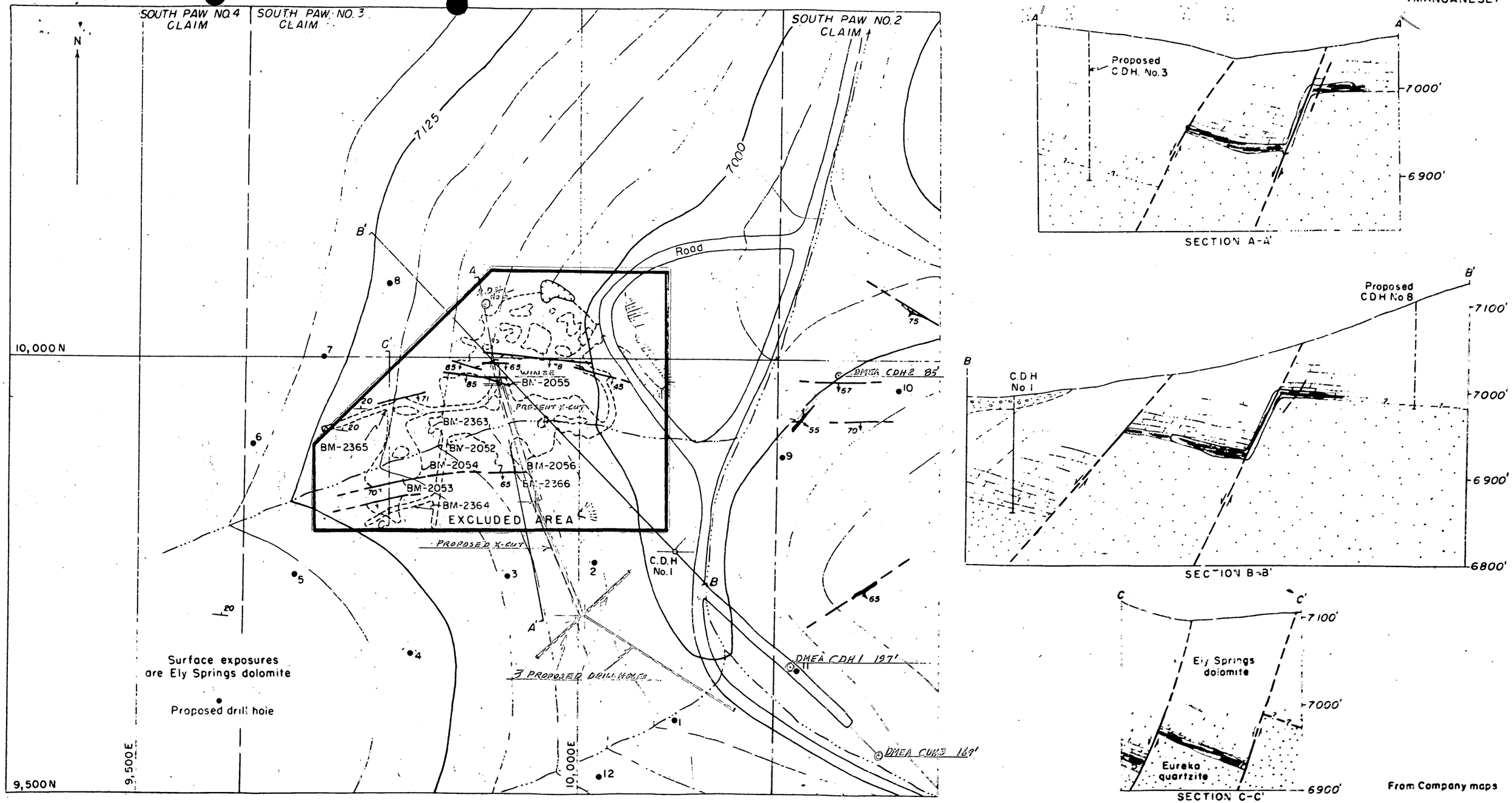
Supervision, labor, and taxes	$22.50 per foot.
Powder-caps - fuse	2.75 " "
Drill steel and bits	3.50 " "
Miscellaneous - oil, grease	.40 " "
Equipment rental	1.12 " "
	$30.27

We recommend that the request be granted on the basis of reasons in operator's letter. In addition, drifting as shown on attached map disclosed the mineralization did not extend toward the west. Churn Drill Hole No. 3 indicated mineralization to the southeast.

9-29-58
to Fiscal Div.
BMS

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

OFFICIAL FILE COPY
D M E A
RECEIVED SEP 26 1958

DATE	INITIALS	CODE

OFFICIAL FILE COPY
D M E A
RECEIVED SEP 26 1958

DATE	INITIALS	CODE

OFFICIAL FILE COPY
D M E A
RECEIVED SEP 26 1958

DATE	INITIALS	CODE

Consent to Lien forms enclosed, if in order, cover the area formerly excluded from the contract.

Please advise by telegram if operator can proceed at his own risk.

S. Ricker

Attachments

BUREAU OF MINES
WASHINGTON, D. C.

SEP 26 9 44 AM '58

COMBINED METALS REDUCTION COMPANY

CASELTON PLANT

PIOCHE, NEVADA

Sept. 19, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 26 1958
DATE | INITIALS | CODE
PREPARED TO ANSWER DATE
ANSWERED

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

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

Dear Mr. Ricker:

Attached are a sketch A-1719 and section A-1720 of the Southpaw Manganese mine showing proposed underground work under the present DMEA Program.

It is hereby requested that 700 feet of churn drilling at $5.00/ft. be converted to 140 feet of crosscutting (x-cutting) at $25.00/ft., and that the remaining drill footage be used for surface and underground drilling. The type of drilling to be used is that which is most adaptable to the particular drill location and ground to be drilled, as requested in my letter of August 30, 1958.

As of September 1, 1958 the following distribution of funds approved for the referred project and contract were:

(1)	Approved for Churn Drilling	$9,000.00
	Spent on Churn Drilling to 9-1-58	2,700.00
	Churn drilling fund as of 9-1-58	6,300.00
(2)	Approved for casing	1,200.00
	Spent for casing to 9-1-58	120.00
	Casing fund as of 9-1-58	1,080.00
(3)	Approved for lost casing	200.00
	Spent for lost casing to 9-1-58	10.00
	Lost casing fund as of 9-1-58	190.00
(4)	Approved for access road and sites	2,352.00
	Spent for access roads and sites to 9-1-58	2,100.00
	Access roads and sites fund as of 9-1-58	252.00
(5)	Approved for assaying	100.00
	Spent for assaying to 9-1-58	14.00
	Assaying fund as of 9-1-58	86.00

Of Item (1) above 140 feet of cross cutting at $25.00 is $3,500.00 to be deducted from $6,300.00 leaves $2,800.00 for drilling on surface or underground.

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION II
RECEIVED

1988 SEP 19 AM 10:31

RENO, NEVADA

2M 12-27-42

COMBINED METALS REDUCTION COMPANY

SHEET 2 DATE 9-19-58 TO S. Ricker

Considerable difficulty has been experienced in churn drilling at Southpaw. Very little progress will be made in Churn Drill Hole No. 4 during this month due to the hard and fractured dolomite at this location. A core drill would drill this ground without any difficulty.

Underground cross cutting and core drilling to explore the various fault blocks south of the mine area is now definitely the best exploration method, since Churn Drill Holes Nos. 1 and 3 have established the dolomite-quartzite contact.

We sincerely request that an early approval of the above request be granted.

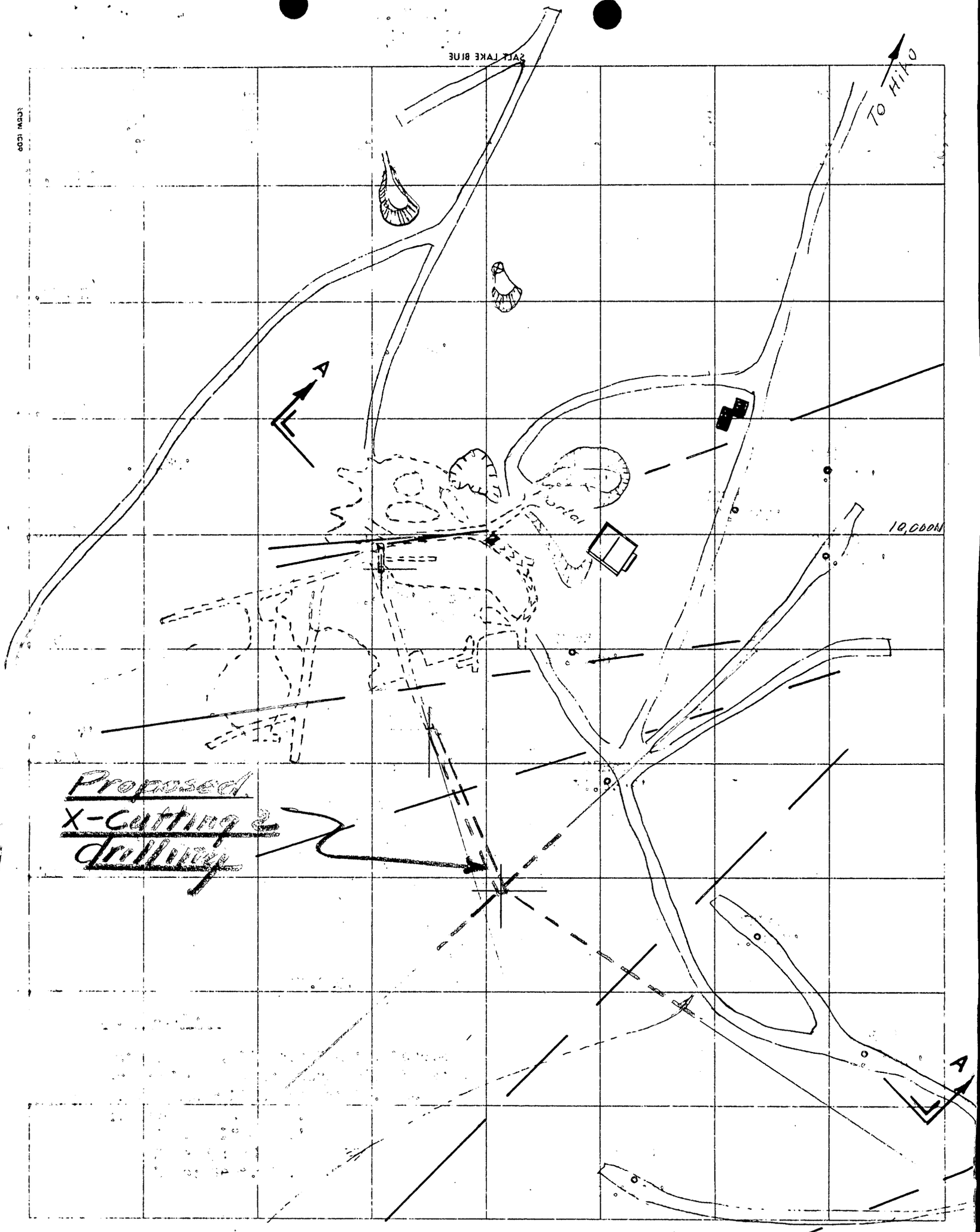
Very truly yours

Reginald G. Lee

Reginald G. Lee
Gen. Supt. of Mines

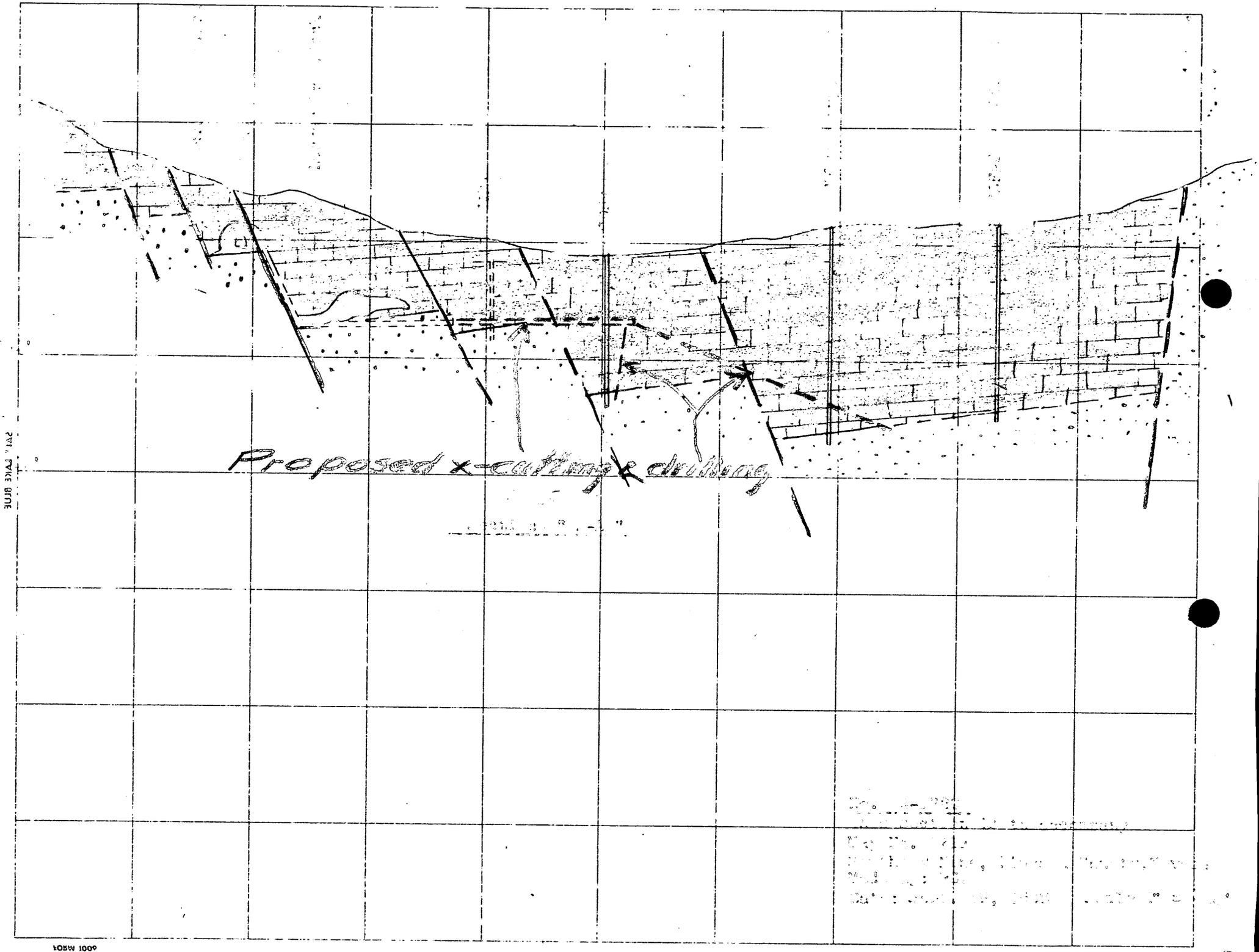
RGL/ahh

cc: Paul Gemmill
Files (2)


SALT LAKE BLUE
TO HILO
A
10,000N
Proposed
X-Cutting &
drilling
A

OFFICIAL FILE COPY
D M E A
RECEIVED SEP 26 1958

DATE	INITIALS	CODE



PARK AVE

1000 MSO4

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL = Day Letter

NL = Night Letter

LT = International Letter Telegram

1201

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

OFFICE OF DMEA

RECEIVED SEP 16 1958

DATE	INITIALS	CODE
9-16	C	220
9/16	WSM	400

OB117

O REA307 NL PD=RENO NEV 15= SEP 15 PM 3

OPERATING COMMITTEE=

DEFENSE MINERALS EXPLORATION ADM INTERIOR BLDG

WASHDC=

PLEASE HOLD UP ACTION ON OUR MEMO SEPT 12 AS I UNDERSTAND SOUTHPAW JOINT VENTURE DOCKET DMEA-4813 CONTRACT IDM-E1161 EXPECTS TO REQUEST ADDITIONAL CHANGES IN CONTRACT WITHIN A WEEK=

S RICKER=

12 DMEA-4813 IDM-E1161=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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

9-15 C 220
130
9/15 WSM 400

Sept. 12, 1958

Memorandum

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

From: Executive Officer, DMEA 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 two copies of a letter dated August 30, 1958 requesting an Amendment No. 3 to subject contract.

Roscoe Smith and I recommend that the request be granted on the basis of reasons stated in operator's letter. Please inform us by telegram if you concur so that we can advise the operator to proceed at his own risk.

S. Ricker

Attachments

COMBINED METALS REDUCTION COMPANY

August 30, 1958

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

Docket DMEA 4813
Contract No. IDM-E 1161 Manganese
Southpaw Joint Venture

Dear Mr. Ricker:

Reference is made to the subject contract under Exhibit A, first page, second paragraph that reads as follow:

"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 inches diameter and shall be finished at not less than 4 inches diameter. Holes shall be cased as necessary. 2/"

We have found that churn drilling is not practical at some locations due to hard slips dipping at steep angles; however, rotary or core drilling would be more suitable. Therefore, we request that at least 500 feet of the 1,800 feet of drilling may be drilled with rotary or core drills, starting with at least AX size hole.

As soon as this request is granted we would be able to make much more progress with a rotary drill or a core drill in addition to the churn drill.

Time is running short, as we would like to complete the drilling project before snow flies.

Very truly yours

Reginald G. Lee

Reginald G. Lee

cc: Paul Gemmill
Files (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1605 Evans Avenue
Reno, Nevada

DMEA
RECEIVED
DATE
9/2 C 220
9/2 800
9/3 WSM 400

August 29, 1958

Combined Metals Reduction Company
218 Felt Building
Salt Lake City 10, Utah

Re: Docket No. DMEA-4813 (Manganese)
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada
Contract No. Idm-E1161

Gentlemen:

We have today received a telephoned request from Mr. R. G. Lee to include in the referenced contract the excluded area located on the Southpaw mining claim.

We are mailing to Mr. Lee three sets of Owner's Consent to Lien Forms for the signature of the owners of the excluded area. These should accompany the request for inclusion of the area into the contract, as well as the request for other amendments Mr. Lee may have in mind.

Very truly yours,

S. RICKER

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

Copy to: Mr. R. G. Lee
Combined Metals Reduction Co.
Pioche, Nevada (With Lien Forms)

Operating Comm., DMEA, Washington, D.C.
R. M. Smith, USGS
Finance Officer, Reg. II

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region II

1605 Evans Avenue
Reno, Nevada

Date Aug. 8, 1058

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Interim Inspection Report

Attached are three copies of Interim Report on

Docket No. DMEA-4813

Contract No. Idm-E 1161

Commodity Manganese

Operator Southpaw Joint Venture

Property Southpaw Claims

DMEA
RECEIVED AUG 12 1958

DATE	INITIALS	CODE
8/12	H. g.	225
12	Cam	100
11	[illegible]	110
8/12	[illegible]	800
8/13	[illegible]	400

By Glenn G. Gantry
Mining Engineer

Dated Aug. 7, 1958

S. Ricker

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments

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

BUREAU OF MINES
WASHINGTON, D. C.

AUG 11 1 27 PM '58

INTERIM REPORT

Aug. 7, 1958

DMEA
RECEIVED AUG 12 1958
DATE | INITIALS | COPY

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

This project was inspected on July 28, 1958, accompanied by Mr. R. G. Lee, representing the operator.

Churn Drill Hole No. 3 was started on July 16 and on July 28 had reached a depth of 167 feet. The drill hole was collared south 44° E., 140 feet from CDH No. 1.

Drill Log CDH No. 3:

Increment, Ft.	Description
0-15	Gray limestone
15-25	Dark gray "
25-40	Dark blue "
40-50	Dolomite, a few fragments of Mn.
50-90	Blue limestone
90-100	Dolomite
100-150	" (Water at 135 ft.)
150-167	Gray to brown limestone, shows some fragments of Mn. and quartzite.

DMEA sludge samples:

Sample No.	Increment, Ft.	Assay % Mn
BM 2517	135-140	0.1
2518	140-145	0.1
2519	145-150	0.1
2520	150-155	0.1 ⊗
2521	155-160	0.1 ⊗
2522	160-165	0.1

See Interim Report of 10.22.58

⊗ Less than

The analyses of the samples will be included in the next interim report.

The agreed site of Churn Drill Hole No. 4 is approximately south 75°-80° west, 200 feet from CDH No. 3 and construction of the necessary road to drill site was immediately started.

On July 7, the operator requested an extension of time and, pursuant to this request, Amendment No. 2, dated July 18, 1958 extending completion date to November 27, 1958, was prepared and has been duly executed.

Progress:

	Feet
Drilling approved	1,800.00
" completed	449.50
Not completed	1,350.50

Financial:

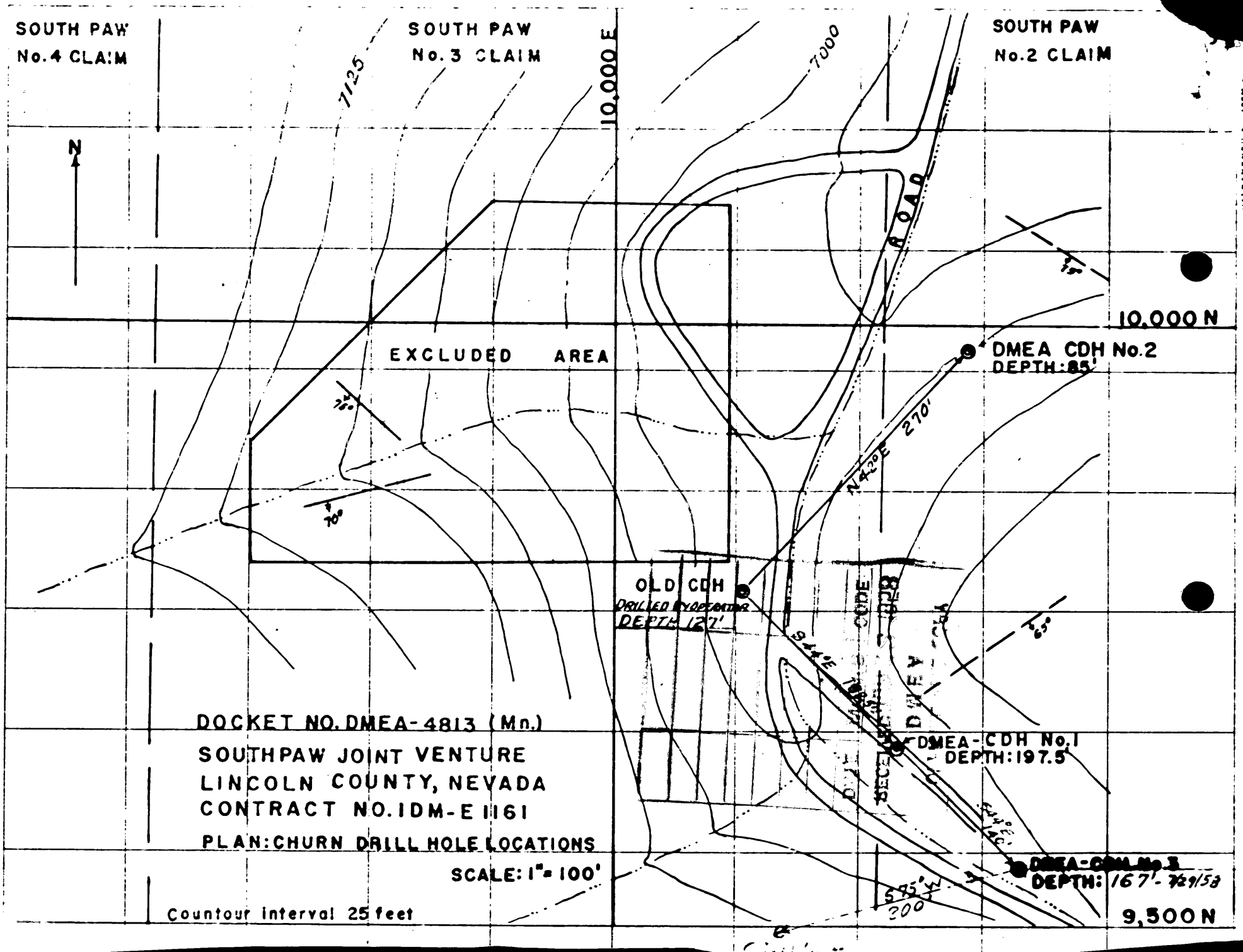
Expenditures allowed	$12,852.00
Expended as of 5/31/58	950.00
Unexpended	$11,902.00

Contract period:

Expiration date: November 27, 1958
Unexpended time: 4 months

Glenn G. Gentry,
Mining Engineer

Encl: Sketch map.


SOUTH PAW
No.4 CLAIM
SOUTH PAW
No.3 CLAIM
SOUTH PAW
No.2 CLAIM
10,000 E
7125
7000
N
ROAD
10,000 N
EXCLUDED AREA
DMEA CDH No.2
DEPTH: 85'
N 42° E 270'
OLD CDH
DRILLED BY OPERATOR
DEPTH 127'
N 44° E
DMEA-CDH No.1
DEPTH: 197.5'
DMEA-CDH No.3
DEPTH: 167' - 7/29/58
9,500 N
DOCKET NO. DMEA-4813 (Mn.)
SOUTHPAW JOINT VENTURE
LINCOLN COUNTY, NEVADA
CONTRACT NO. IDM-E 1161
PLAN: CHURN DRILL HOLE LOCATIONS
SCALE: 1" = 100'
Countour interval 25 feet

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

8/4
8/4
8/5
W.S.
225-
800
400

Aug. 1, 1958

Combined Metals Reduction Company
218 Felt Building
Salt Lake City, 10, Utah

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

Gentlemen:

We are returning your MF-104-MF-104A forms for June as well as your covering letter dated July 22. Your will note that they are in the most part incorrectly made out.

Enclosed are three months supply of forms in case your supply is exhausted.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments

SRicker:ft
cc: Opr. Com., DMEA, Wash., D.C.
Finance Office, Reg. II
GeoMavor
RMSmith
File
Chron

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

RECEIVED SEP 3 1958 D.M.E.A.

Month of July 1958 Docket No. DME 4813 Contract No. dm-b 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, $2,139.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY (WSM 9/9): 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						
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 8 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:

$ 964.50

Frances S. Horton
Authorized Certifying Officer

Signature
(Authorized Certifying Officer)

Date 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. Thus E1161 in accordance with the terms of the contract.

Signature John A. Warne Title Mining Engineer Date August 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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

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

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								
Casing	Feet	120.00	60.0	120.00	60.0	2.00	600	1,200.00
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]

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

REMARKS:

(Instructions on reverse)

(For Government use only)

[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

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.

18.6 drill shifts @ 5.6

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

6

A 1714-a

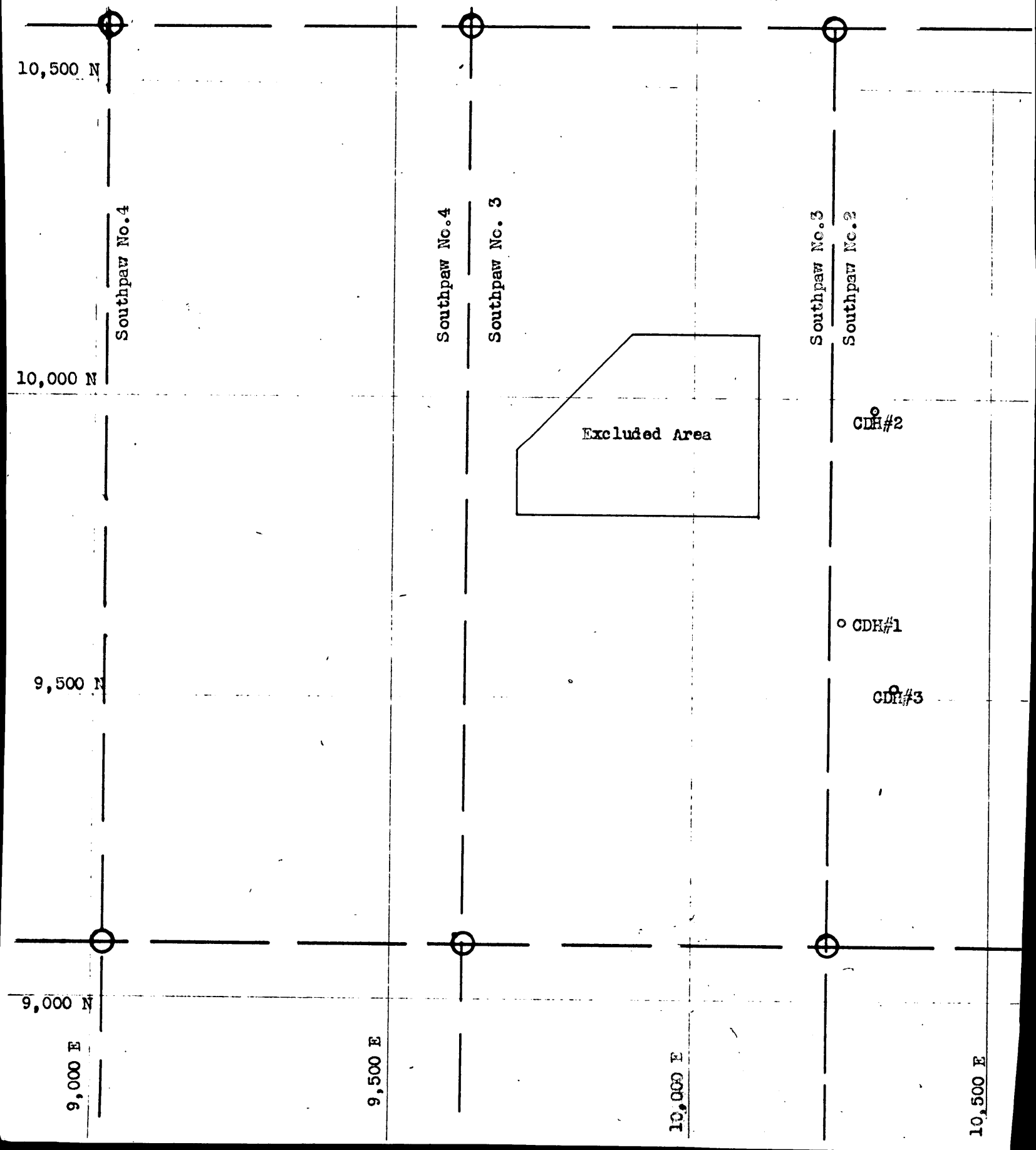
REFERENCES

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

MADE BY RGL
TRACED BY
CHECKED BY
SCALE 1" = 200'



EXTRA COPY
D M E A
RECEIVED SEP 8 1958

DATE	INITIALS	CODE

[illegible] CO — [illegible], 1960

[illegible]

[illegible]

[illegible] Lincoln County, Nevada

Coordinates [illegible]

Elevation 7,[illegible]

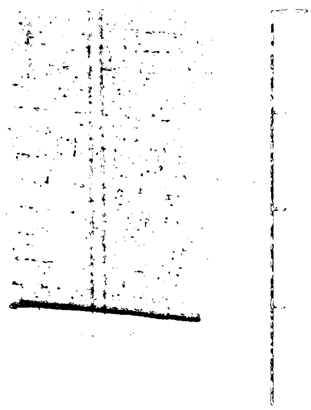
Rig Used [illegible] No. 3

Hole Started June [illegible], 1959

Hole Completed June [illegible], 1959

Depth 9[illegible] feet

Driller [illegible]



Log of Hole

0 - 10 [illegible] Dolomite and Limestone

10 - 40 [illegible] Dolomite

40 - 60 [illegible]

60 - 71 [illegible]

71 - 9[illegible] [illegible] ([illegible])

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

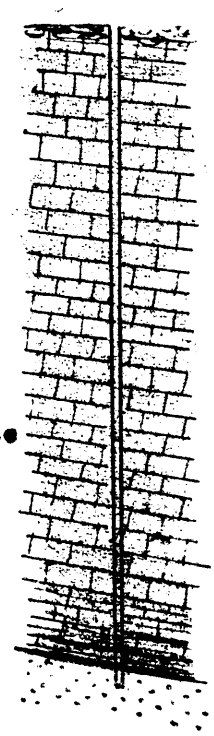
MADE BY ROL

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.

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

8/4 8/5 N.g. WSM 225-400

July 31, 1958

Memorandum

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

From: Executive Officer, DMEA 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. 2 to subject contract, executed by the operator. The remaining copies have been distributed in the usual manner.

S. Ricker

S. Ricker

Attachments

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

7/25 C 220
7/28 800
WSM 400

July 23, 1958

Combined Metals Reduction Company
218 Felt Building
Salt Lake City 10, Utah

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

Gentlemen:

Enclosed are the original and four copies of a proposed Amendment No. 2 to the above-referenced contract, signed by the Administrator for the Government.

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

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

Very truly yours,

S. RICKER

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments
SRicker:ft
cc: Opr. Com., DMEA, Wash., D.C.
Finance Office, Reg. II
GeoMavor
RMSmith
File Chron

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7-18	Chapman	400
7-18	Martin	400
7/18	Talbut	800
7/18	Martin	130
"	Johnson	110
"	Hattenbach	108
7/21	C	210 220
		400

JUL 18 1958

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

Re: Docket No. DMEA 4813 - Manganese
Southpaw Joint Venture
Southpaw claims
Lincoln County, Nevada
Contract No. Idm-E1161

Dear Mr. Ricker:

Enclosed are the original and four copies of a proposed Amendment No. 2 to the above referenced contract, signed by the Administrator for the Government. Two extra copies are enclosed for the use of the Field Team.

If the terms and conditions of the proposed amendment are satisfactory to you and the Operator, all five copies shall be signed by the Operator and the usual distribution made.

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

Sincerely yours,

Enclosures

W. S. Martin

APPROVED:

ACTING Chairman, Operating Committee (DLB)

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

TLCHAPMAN/dlm 7-18-58
cc to: Code 400
Admr. R. File
Oper. Comm.
REGION II
Messrs. Gilbert DeHuff, Jr. USBM
T. H. Kiilsgaard, USGS

N. E. Nelson (DLB)
Member, Geological Survey

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7-14	Chapman	400
7-14	W S Martin	400

July 14, 1958

MEMORANDUM:

To: Associate Solicitor, Division of Mineral Resources

From: Division of Iron and Ferro-Alloys, DMEA

Subject: Preparation of Amendment No. 2
Docket No. DMEA-4813, Manganese
Southpaw Joint Venture,
Lincoln County, Nevada
Contract No. Idm-E1161

Attached is a rough draft of a proposed Amendment 2, to the above-captioned contract for your use in preparing it in final form.

W. S. MARTIN

W. S. Martin, Director, Division of
Iron and Ferro-Alloys

Attachment

TLCHAPMAN/dl 7-14-58
cc to: Docket
Code 400

8623

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

AMENDMENT NO. 2

It is agreed this _____ day of _____, 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:

The date fixed for completion of the work as extended by Amendment No. 1 to seven months from the date of the contract, is further extended to November 27, 1958.

The maximum period for royalty payments and the liens to secure the payments thereof; as specified in Article 6 (b)(2) of the Contract, 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 total amount which the Government may be required to contribute, nor the agreed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Administrator, Defense Minerals
Exploration Administration

SOUTHPAW JOINT VENTURE

By_____

Title_____

JUSTIFICATION

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

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

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 11 1958

DATE	INITIALS	CODE
7/11	C	220
		130
	WSM	400

July 9, 1958

Memorandum

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

From: Executive Officer, DMEA 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 two copies of a letter dated July 7, 1958 from the Operator, requesting an extension of completion time from July 27, 1958 to November 27, 1958.

We can confirm that the delay was due to exceptionally late, heavy snowfall and impassable roads to the project. We recommend that the request for extension be granted.

S. Ricker

Attachments

COMBINED METALS REDUCTION COMPANY

CASELTON PLANT **PIOCHE, NEVADA**

July 7, 1958

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

Docker DMEA 4913
Contract No. Idm-E 1161 Manganese
Southpaw Joint Venture

Dear Mr. Ricker:

Work on the subject contract was started May 1, 1958. The delay in starting the project was due to late Spring snow and impassable roads to the project site.

We respectfully request that an extension of time from July 27, 1958 to November 27, 1958 be granted to complete the project.

About one quarter of the project's work is completed at this date.

Very truly yours

Reginald G. Lee
General Superintendent

cc: Paul Gemmill
O. F. Burton
H. E. Swanson
File

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region II

1605 Evans Avenue
Reno, Nevada

Date July 7, 1958

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Interim Inspection Report

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 9 1958

DATE	INITIALS	CODE
7/9	C	220
7/10	Com	100
		110
7/11		800
	WM	400

Attached are three copies of Interim Report on

Docket No. DMEA-4813

Contract No. Idm-E 1161

Commodity Manganese

Operator Southpaw Joint Venture

Property Southpaw Claims

By Glenn G. Gentry,
Mining Engineer

Dated June 19, 1958

See report 7/9
S Ricker

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments —

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

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 9 1958
DATE | INITIALS | CODE

INTERIM REPORT June 19, 1958

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

This project was inspected on June 11, 1958. Mr. R. G. Lee, the operator's representative, was unable to be present during the inspection.

Churn Drill Hole No. 1 was completed on June 3 at a depth of 197.5 feet. The hole was drilled through limestone from the collar to 192 feet where the quartzite was encountered. The quartzite formation continued to the bottom of the hole. No manganese ore was found.

Churn Drill Hole No. 2 was started on June 5 and had been extended through 55 feet of limestone. Some quartzite was noted at that depth. On June 16, the operator's representative advised by telephone that the drill hole had been completed in quartzite and at a depth of 85 feet on June 15. No manganese ore was encountered.

Churn Drill Hole No. 3 was proposed to be collared south 30° East, 120 feet from CDH No. 1.

Progress:

Drilling approved	1800.0 feet
Drilling completed	282.5 "
Not completed	1517.5 feet

Financial:

The operator has not reported expenditures for the work completed.

Contract period:

Expiration date under Amendment No. 1 was July 27, 1958. Unexpended time: 37 working days.

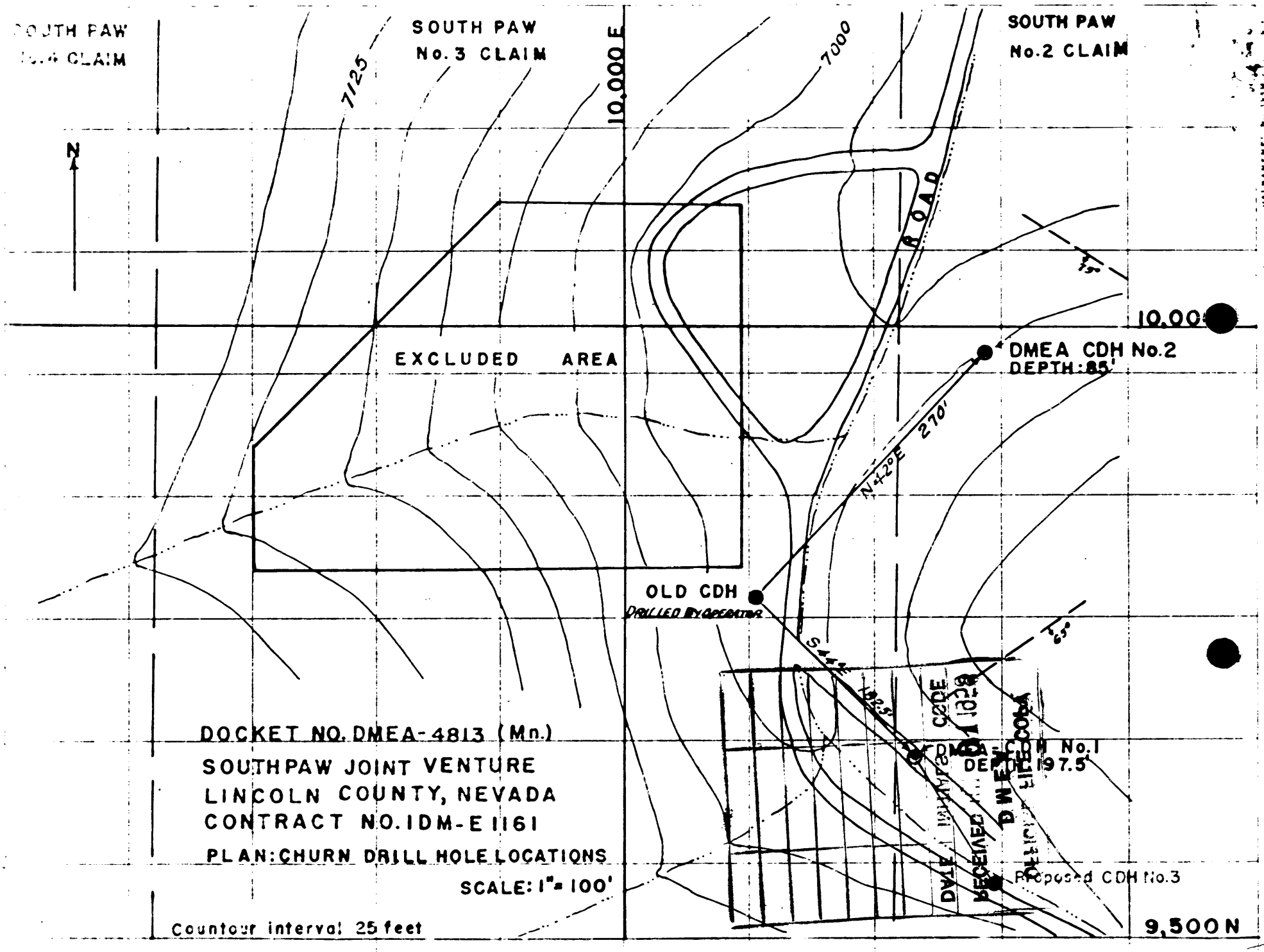
One churn drill rig is operated six days per week by one driller and a helper. Considerable difficulty was encountered in drilling CDH No. 1.

Additional work not yet started consists of constructing roads to drill sites and preparing these places for the drill rig setup. Due to the amount of work to be completed, it is evident that a further extension of time will be required to complete the contract.

I recommend that the date of completion, therefore, be extended from July 27, 1958 to September 30, 1958.

Glenn G. Gentry,
Mining Engineer

Attachment: Sketch map.


SOUTH PAW
No.4 CLAIM
SOUTH PAW
No. 3 CLAIM
SOUTH PAW
No.2 CLAIM
7125
7000
10,000 E
N
ROAD
EXCLUDED AREA
10,000
DMEA CDH No.2
DEPTH: 85'
N42°E 270'
OLD CDH
DRILLED BY OPERATOR
S44°E
192.5'
DMEA CDH No.1
DEPTH: 197.5'
Proposed CDH No.3
9,500 N
DOCKET NO. DMEA-4813 (Mn.)
SOUTHPAW JOINT VENTURE
LINCOLN COUNTY, NEVADA
CONTRACT NO. IDM-E 1161
PLAN: CHURN DRILL HOLE LOCATIONS
SCALE: 1" = 100'
Countour interval 25 feet

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region II

1605 Evans Avenue
Reno, Nevada

Date July 7, 1958

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Interim Inspection Report

Attached are three copies of Interim Report on

Docket No. DMEA-4813

Contract No. Idm-E 1161

Commodity Manganese

Operator Southpaw Joint Venture

Property Southpaw Mine

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 9 1958

DATE	INITIALS	CODE
7/9	C	220
10	Comm	100
11	[illegible]	110
7/11	[illegible]	800
	WSM	400

By H. K. Stager and R. M. Smith, U.S.G.S.

Dated July 1, 1958

Time extension to 12/27/58

S. Ricker

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments —

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

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Mineral Deposits Branch
4 Homewood Place
Menlo Park, California

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 9 1958

DATE	INITIALS	CODE

July 1, 1958

INTERIM REPORT

To: DMEA Field Team, Region II

From: H. K. Stager and R. M. Smith
U. S. Geological Survey

Subject: DMEA-4813 (Manganese)
Southpaw Joint Venture
Southpaw mine
Lincoln County, Nevada
Contract Idm-E1161

The project was inspected on June 26, 1958 by H. K. Stager and R. M. Smith, U. S. Geological Survey.

Two churn drill holes have been completed and a third one started, all of them southeast of the mine workings (fig. 1). The first hole was drilled through barren dolomite for 192 feet and bottomed in Eureka quartzite at a depth of 197.5 feet. Hole No. 2 was drilled 45 feet in gray dolomite, from 45 to 75 feet in interbedded dolomite and gray quartzite, and from 75 to 85 feet in white quartzite. Fragments of manganese oxide were found in the cuttings between 70 and 80 feet. Drilling is now in progress on churn drill hole 3 at a depth of 45 feet in dolomite.

According to the driller the operator plans to continue drilling but as there are 1,472 feet of drilling yet to complete under

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION II
RECEIVED

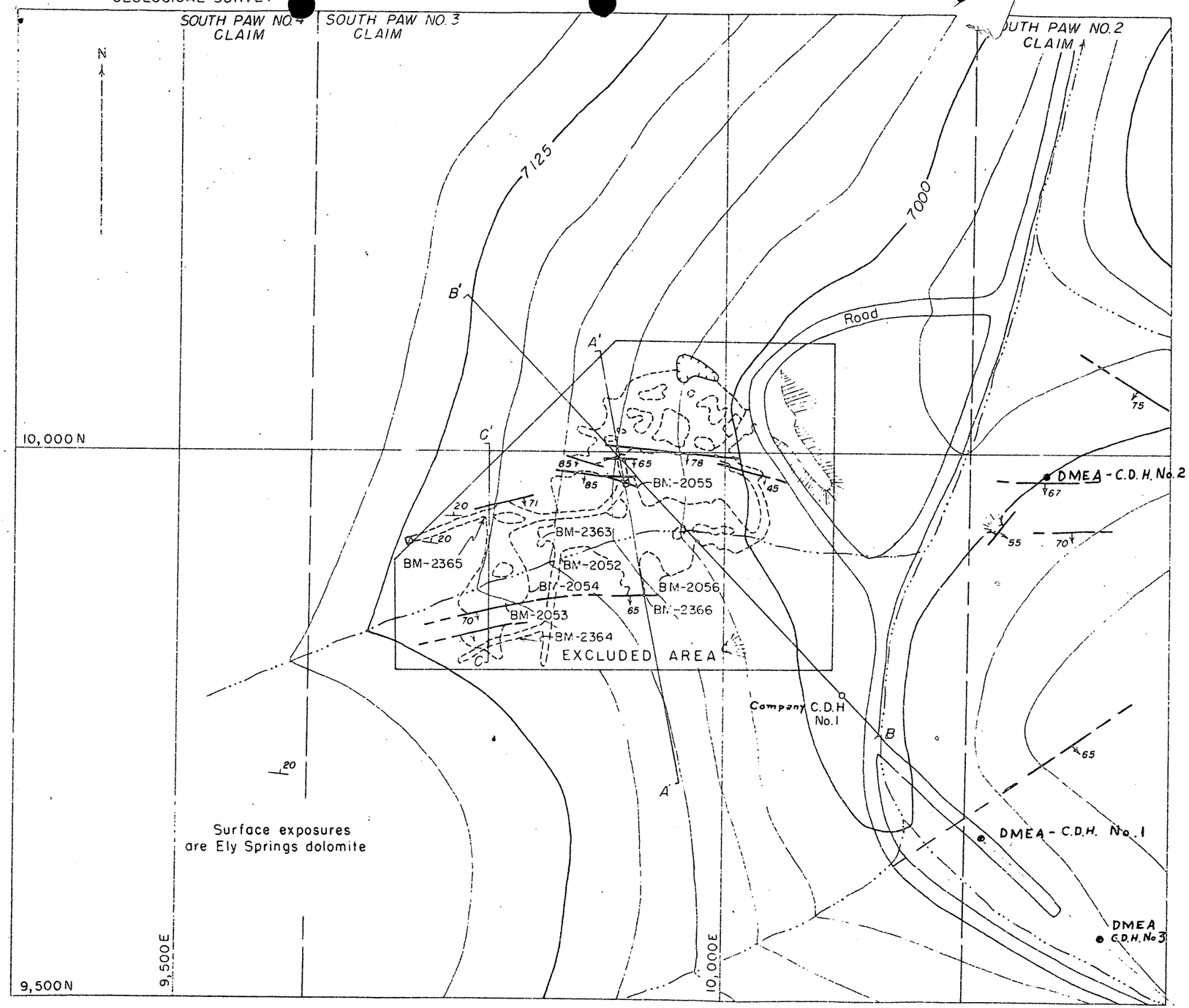
1958 JUL 2 AM 10:2

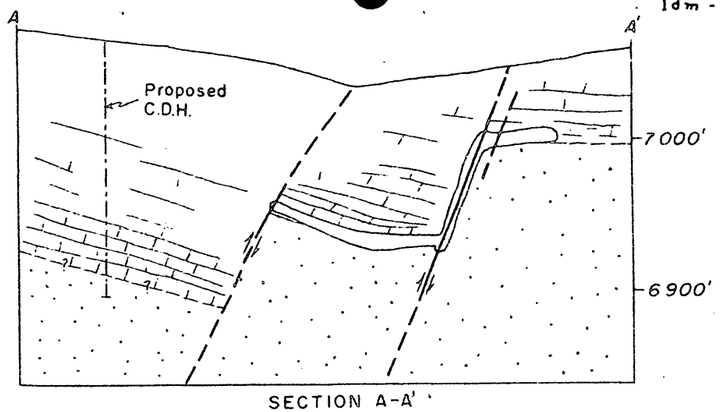
RENO, NEVADA

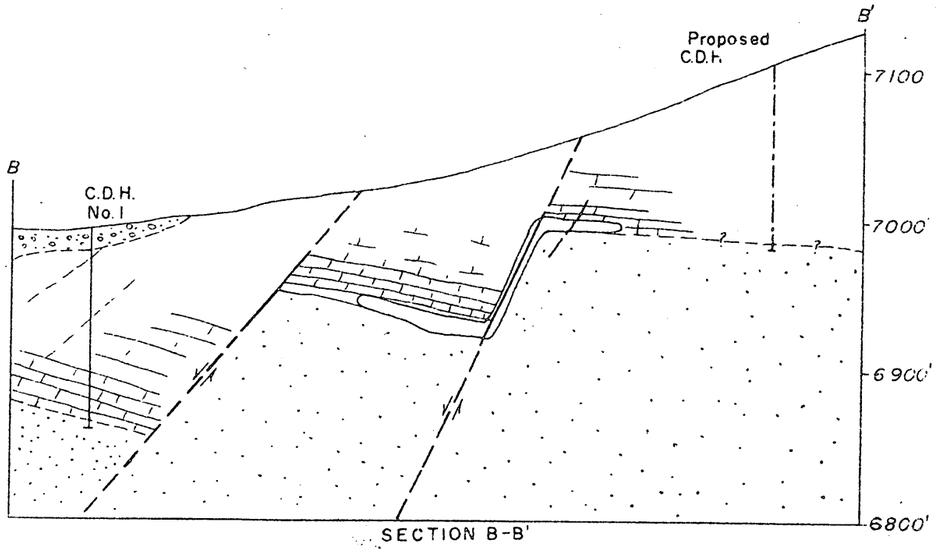
the contract, he will not be finished by the expiration date of July 27, 1958. We recommend that an amendment be prepared extending the time for completion of the contract to December 27, 1958.

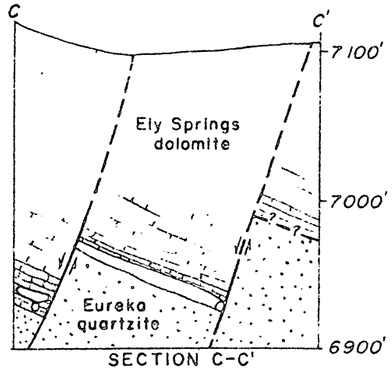
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 48
(MANGANESE)
Idm - E 1161









From Company maps

Figure 1 GEOLOGIC SKETCH MAP OF THE SOUTH PAW MANGANESE MINE, LINCOLN COUNTY, NEVADA

0 100 200 300 Feet

Countour interval 25 feet

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 9 1958

DATE	INITIALS	CODE

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 D.M.E.A.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1958 Docket No. DMEA 4813 Contract No. Dm - E 1161
Operator's Name Combined Metals Reduction Company Minerals Lease
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 AUG 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:

$ 622.50

Frances S. Horton
Authorized Certifying Officer

Signature
(Authorized Certifying Officer)

Date Vou. No. SF-DMCA-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. Tlu E 1161 in accordance with the terms of the contract.

Signature John D. Haas Title Mining Engineer Date 8/21/58

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-101A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 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	830.00	166.0	1,780.00	356.0	5.00	1800	9,000.00
Auger								
~~xxxxxxxx~~ Casing						2.00	600	1,200.00
~~xxxxxxxx~~ 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 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) John D. Marne

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 250 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 163 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

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 DMEA 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-X 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. Simmons

Certified True Copy:

Reginald B. Lee

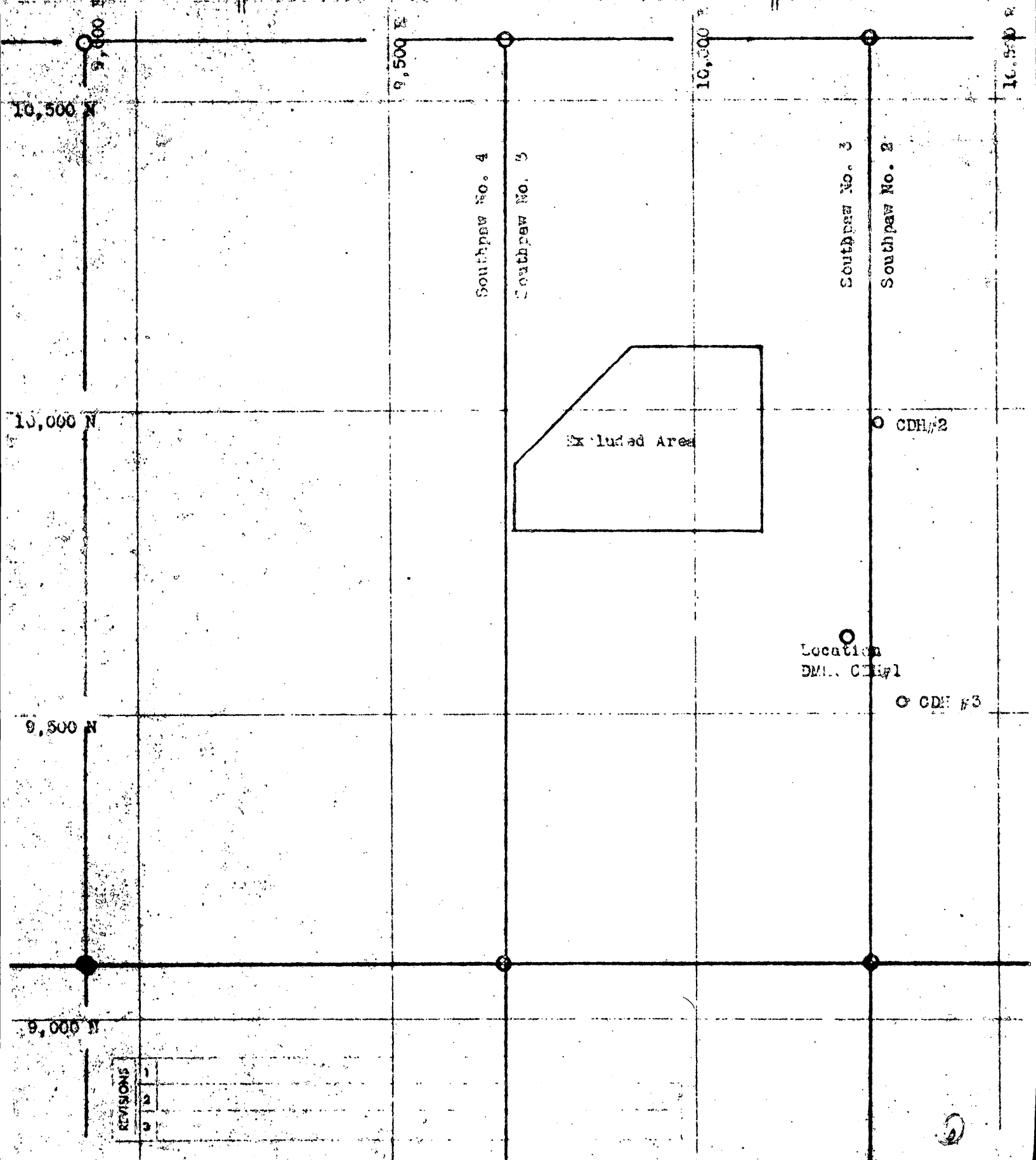
A 1714

REFERENCES

COMBINED METALS REDUCTION CO.
SALT LAKE CITY, UTAH

D.M.E.A. Drilling Project, Southpaw Mine
Docket No. DMEA-4818, Contract No. Idm-E 1161
Lincoln County, Nevada (Manganese)

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



REVISIONS
1
2
3

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 19

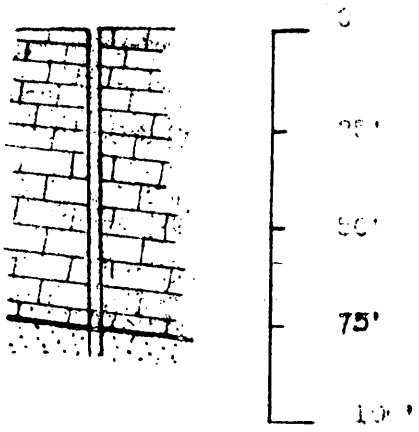
MADE BY RGL

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

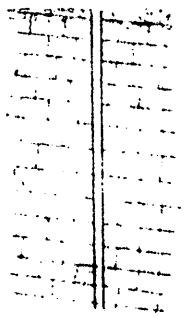
COMBINED METALS REDUCTION CO.

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)

EXTRA COPY
D M E A
RECEIVED SEP 8 1958

DATE	[illegible]	CODE

AUG 1958

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

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 24 1958

DATE	INITIALS	CODE
6-24	H.G.	225
6-24	[illegible]	800
	WSM	400

June 20, 1958

Mr. Paul Gemmill, General Mgr.
Combined Metals Reduction Company
218 Felt Building
Salt Lake City, Utah

Re: Docket No. DMEA-4812 (Manganese)
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada
Contract No. Idm-E 1161

Dear Mr. Gemmill:

Pursuant to Amendment No. 1 dated March 26, 1958, the referenced contract will expire on July 27, 1958, or in about five weeks from the date of this letter.

If an extension of time is necessary to complete the contract, will you please so advise this office in order that we may prepare Amendment No. 2 prior to the expiration date of Amendment No. 1?

Very truly yours,

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

cc: R.G. Lee, Gen'l. Supt. of Mines
Combined Metals Reduction Co.
Pioche, Nevada

GGG:ft

cc: Opr. Com., DMEA, Wash., D.C.
Finance Office, Region II
GeoMavor
RMSmith
File
Chron

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

Budget Bureau No. 42-R1036.5

RECEIVED JUL 23 1958

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

Month of May, 1958 Docket No. DMEA 4813/5 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
(Authorized Certifying Officer)

Date Vou. No. SF-DMEA

(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-194A
(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.

Date JUN 18 1958 Operator COMBINED METALS REDUCTION COMPANY

Per [signature] Title Pres.

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)

[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-E 1151, 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/ahh

COMBINED METALS REDUCTION COMPANY
Pioche, Nevada
June 1, 1958

TO:

DMEA Project Docket No. DMEA 4613

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:

H. E. Swanson

Certified True Copy:

Reginald G. Lee

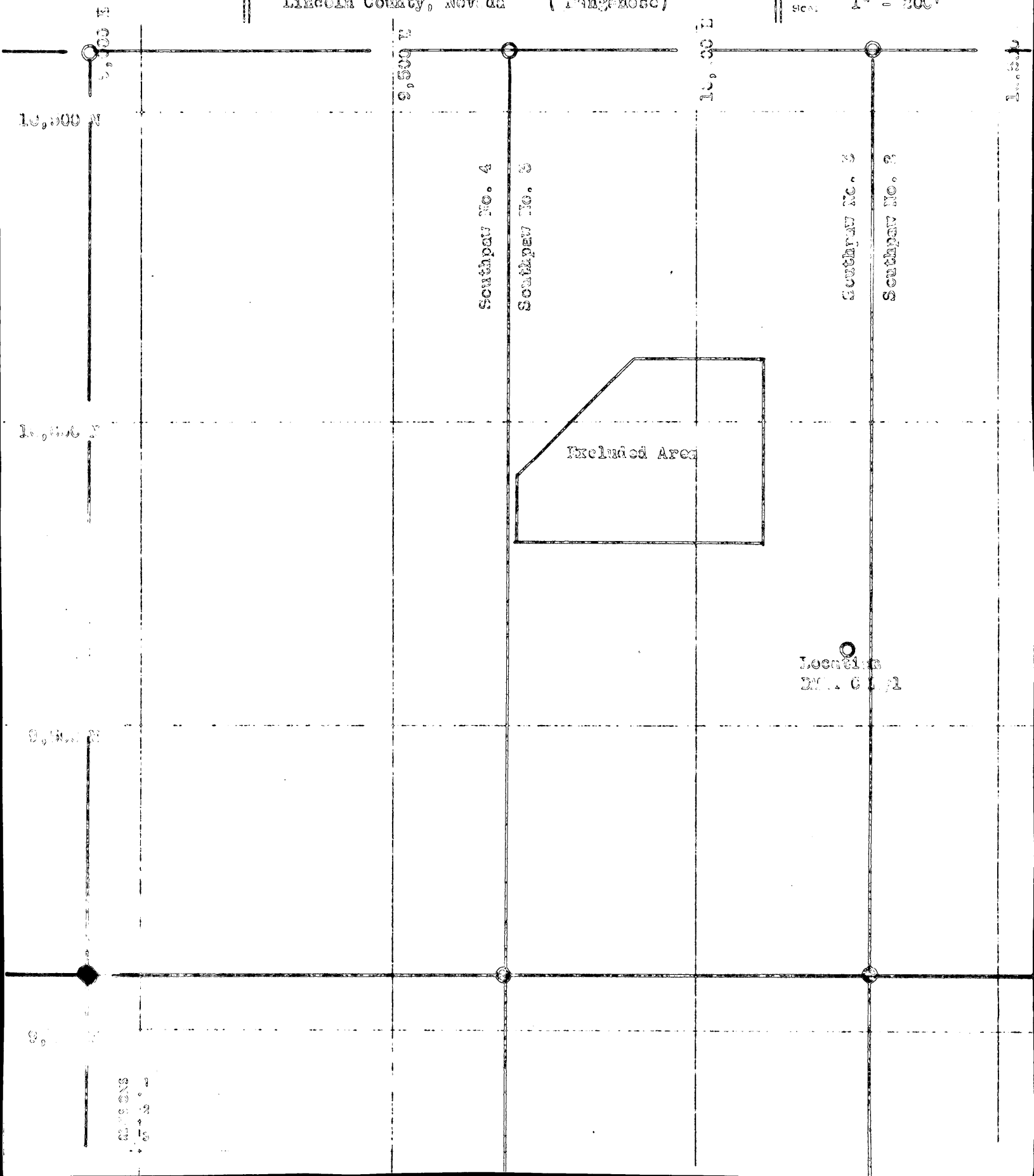
A 1714

COMBINED METALS REDUCTION CO.
SALT LAKE CITY, UTAH

June 9, 1958

Drilling Project, Southpaw Mine
Docket No. DMA-4814, Contract No. IA-[illegible] 1161
Lincoln County, Nevada (Manganese)

SCALE 1" = 200'



EXTRA COPY
D W E A
RECEIVED JUL 23 1958

DATE	INITIALS	CODE

A 1715

COMBINED METALS REDUCTION CO.
SALT LAKE CITY, UTAH

June [illegible], 1958

DDH A Drilling Project, Southview Area
Shaft Pillar Hole No. 1, [illegible] Shaft [illegible] - 4813
Contract No. I[illegible] - 11[illegible], Lincoln Count, Nevada

1[illegible] 50°

Coordinates: 9,13[illegible] 0 N
1,[illegible] 0 E
Elevation: [illegible]
Location: Southview No. 3 Claim
Hole Started: May 1, 1[illegible]
Hole Completed: June [illegible], 1958
Hole Dip: 6[illegible]° at collar
Depth: 1[illegible]7 feet
Driller: [illegible] Fullerton
Helper:

LOG OF HOLE

[illegible] - 4	Fresh
4 - 1[illegible]	Blue limestone, thick bedded, massive
1[illegible] - [illegible]	Fault, limestone
[illegible] - [illegible]	Blue black limestone, hard, massive
[illegible] - 85	Fault, limestone
[illegible] - 1[illegible]5	Dark limestone, soft, massive, [illegible] at [illegible]°
1[illegible] - 1[illegible]	Dark dolomite, [illegible] at 16[illegible]°
1[illegible]5 - 1[illegible]	Dark dolomite, [illegible], [illegible]
1[illegible] - 1[illegible]	Dolomite [illegible] clay, [illegible]
1[illegible] - 1[illegible]7	Quartzite, [illegible] quartzite

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

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

Dear Mr. Ricker:

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region II

1605 Evans Avenue
Reno, Nevada

Date May 14, 1958

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Interim Inspection Report

Attached are three copies of Interim Report on

Docket No. DMEA-4813

Contract No. Idm-E 1161

Commodity Manganese

Operator Southpaw Joint Venture

Property Southpaw Claims

By Glenn G. Gentry, mining engineer

Dated May 12, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 16 1958
DATE | | CODE
5/18 | | 220
5/19 | | 100
" | | 110
5/19 | | 800
| | 400
S Ricker

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments

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

INTERIM REPORT

May 12, 1958

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

This project was inspected on May 6, 1958, accompanied by Mr. R. G. Lee representing the operator.

Due to snow and weather conditions the operator, March 22, 1958, had requested an extension of time. On March 26, 1958, Amendment No. 1 was issued which extended the starting date from April 15 to May 15, 1958 and completion to within seven months from the date of contract.

The operator started churn drilling on April 28, 1958 and on May 6, CDH No. 1 had reached a depth of 25 feet. An 8-inch diameter casing was installed from the collar to a depth of 17 feet.

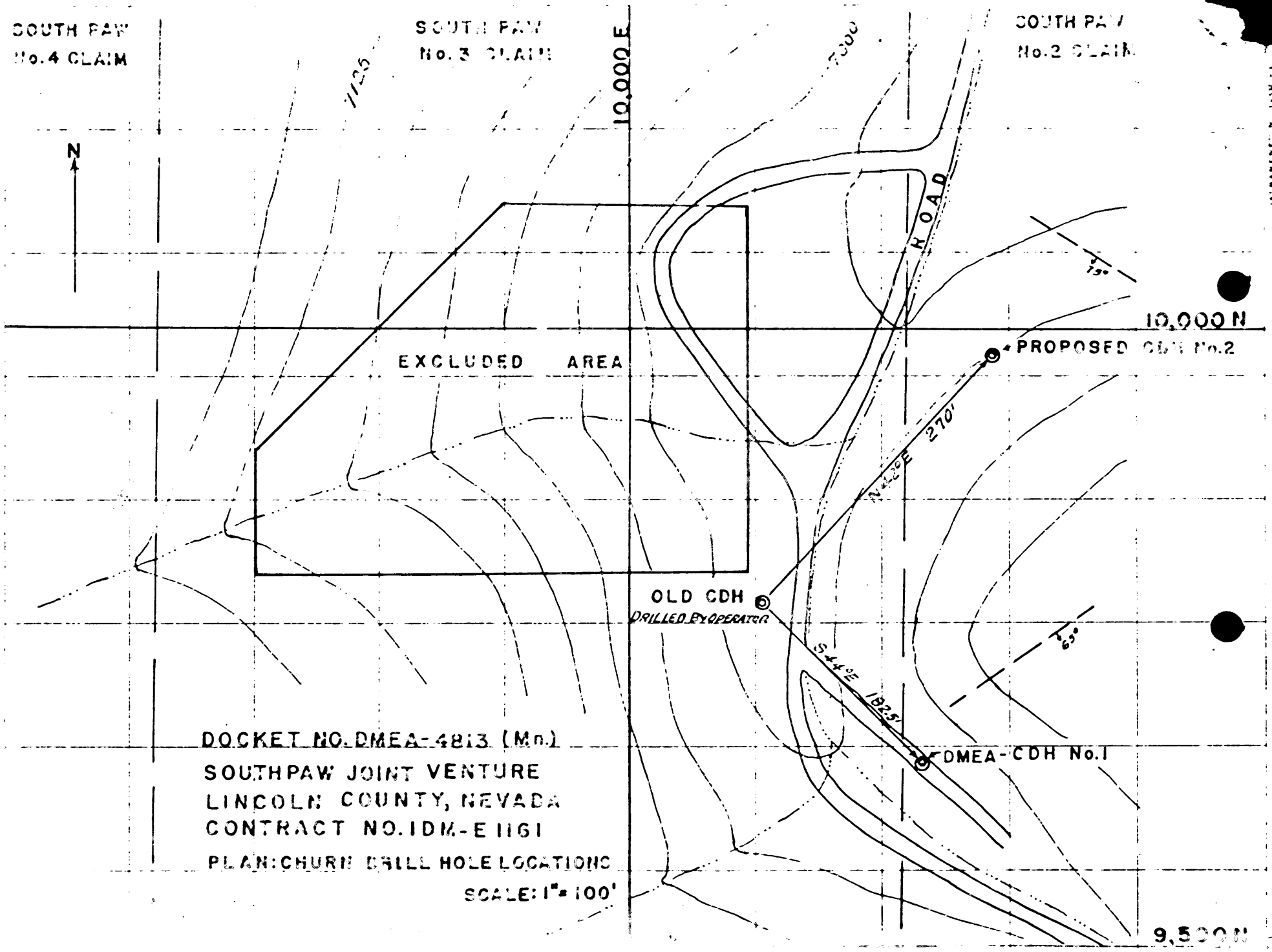
The drill hole has been extended through black to gray limestone and no manganese minerals observed.

Locations of CDH No. 1 and the proposed CDH No. 2 are designated on the enclosed map.

Expenditures for the work conducted during April will be included by the operator in his report for the month of May.

Glenn G. Gentry,
mining engineer.

Encl: Sketch Map.


SOUTH PAW
No.4 CLAIM
SOUTH PAW
No.3 CLAIM
SOUTH PAW
No.2 CLAIM
N
10,000 E
10,000 N
9,500 N
EXCLUDED AREA
ROAD
PROPOSED CDH No.2
N42°E 270'
OLD CDH
DRILLED BY OPERATOR
S44°E 182.5'
DMEA-CDH No.1
DOCKET NO. DMEA-4813 (Mo.)
SOUTHPAW JOINT VENTURE
LINCOLN COUNTY, NEVADA
CONTRACT NO. IDM-E 1161
PLAN: CHURN DRILL HOLE LOCATIONS
SCALE: 1" = 100'

OFFICIAL FILE COPY
DMEA
RECEIVED APR 11 1958
DATE | INITIAL | CODE
4-11 | C | 220
| | 130
| WSM | 400

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

April 9, 1958

Memorandum

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

From: Executive Officer, DMEA 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. 1 to subject contract. The remaining copies have been distributed in the usual manner.

Justification copies are attached.

For: S. Ricker

Attachments

DMEA
RECEIVED MAR 28 1958
DATE | CODE
3/28 | WSM

1605 Evans Avenue
Reno, Nevada

March 25, 1958

Combined Metals Reduction Company
218 Felt Building
Salt Lake City 10, Utah

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

Gentlemen:

As requested by Reginald G. Lee in letter dated March 22, 1958, we are enclosing the original and four copies of a proposed Amendment No.1 to referenced contract, signed by the Executive Officer, DMEA Field Team, Region II.

If the proposed amendment is satisfactory to you, please sign all copies, retain the copy marked "Operator's copy" and return the original and other three to this office.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments

SRicker:ft
cc: Opr. Com., DMEA, Wash., D.C. (r)
Finance Office, Region II
GeoMavor
RMSmith
File
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region II

1605 Evans Avenue
Reno, Nevada

Date March 19, 1958

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Interim Inspection Report

Attached are three copies of Interim Report on

Docket No. DMEA-4813

Contract No. Idm-E 1161

Commodity Manganese

Operator Southpaw Joint Venture

Property Southpaw Claims

By Glenn G. Gentry

Dated March 14, 1958

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments

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

DMEA
RECEIVED 24 58
DATE

INTERIM REPORT

March 14, 1958

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

The project was visited on March 10, 1958 and a conference held with R. G. Lee, representing the Operator.

Snow conditions still prevent travel by automobile over the last one-half mile of the mine access road. Due to the amount of snow, it appears probable that the Operator will be forced to request that the starting date be advanced to the first of May and I recommend approval of the request.

Glenn G. Gentry,
Mining Engineer

DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region II

1605 Evans Avenue
Reno, Nevada

Date Jan. 22, 1958

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Interim Inspection Report

Attached are three copies of Interim Report on

Docket No. DMEA-4813

Contract No. Idm-E 1161

Commodity Manganese

Operator Southpaw Joint Venture

Property Southpaw Claims

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 24 1958

DATE	INITIALS	CODE
1/24	C	220
1/24	Com	100
	WSM	400

By Glenn G. Gentry

Dated Jan. 20, 1958

S. Ricker

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 24 1958
DATE | INITIALS | CODE

INTERIM REPORT

January 20, 1958

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

The project was visited on January 11, 1958 and a conference held with W. E. Swanson representing the Operator.

Due to snow conditions adjacent to and in the area to be drilled, no work has been started.

Weather permitting, the Operator hopes to begin the work during the first part of March.

Glenn G. Gentry,
Mining Engineer

ORIGINAL FILE COPY
DMEA
RECEIVED JAN 20 1958
DATE | CODE
1/20 | 220
1/21 | 215
400

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

January 17, 1958

Memorandum

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

From: Executive Officer, DMEA 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 subject contract executed by the Operator. The remaining copies have been distributed in the usual manner.

/for/ S. Ricker

Attachments

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 6 1958

DATE	INITIALS	CODE
1/6	C	220
/	WSM	400

1605 Evans Avenue
Reno, Nevada

January 3, 1958

Combined Metals Reduction Company
218 Felt Building
Salt Lake City 10, Utah

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

Gentlemen:

Enclosed are the original and four copies of a proposed short-form Contract for an exploration program at the above-referenced property, signed by the Administrator for the Government, together with Annexl (2 pages), Exhibit A (2 pages), and 3 maps.

If the proposed contract is satisfactory to you, all five copies should be signed by your firm and Mr. P. W. Duffin, Sr. The copy marked "Operator's copy" should be retained by you and the original and other three copies should be returned to this office.

If any part of the terms and conditions of the proposed contract does not meet with your approval, the original and all copies should be returned together with your suggested changes.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments
SRicker:ft
cc: Opr. Com., DMEA, Wash., D.C.
Finance Office, Region II
GeoMavor
RMSmith
File
Chron

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/20	Holt	400
12/20	Martin	400
12-20	Chambers	800
12/27	GLS	130
		~~112~~
"	Hotchkiss	100
12/27	gb	220
		400

DEC 27 1957

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

Re: Docket No. DMEA 4813 - Manganese
Southpaw Joint Venture
Southpaw claims
Lincoln County, Nevada

Dear Mr. Ricker:

In accordance with the recommendation of the Field Team of October 31, 1957, enclosed are the original and four copies of a proposed short-form Contract for an exploration program at the above-referenced property, signed by the Administrator for the Government, together with Annex I (2 pages), Exhibit A (2 pages), and 3 maps. Two extra copies of Exhibit A and the annex and maps are enclosed for the use of the Field Team.

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

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

Under Article 1, the starting date has been left blank and is to be filled in when the contract is signed by the operator.

Sincerely yours,

See added footnote #2 WSM

George C. Selfridge

Chairman, Operating Committee (HB)

APPROVED:

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

N. E. Nelson (HB)
Member, Geological Survey

Enclosures

SPHOLT:foc 12-20-57
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. II
Messrs. Gilbert DeHuff, USBM
T. H. Kiilsgaard, USGS

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12-9	Chapman	400
12-9	Martin	400
		140

December 9, 1957

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resources

From: Division of Iron and Ferro-Alloys, DMEA

Subject: Preparation of Contract
Docket No. DMEA 4813 - Manganese
Southpaw Joint Venture
Southpaw claims
Lincoln County, Nevada

Attached is rough draft of proposed contract for your use in preparing in final form.

W. S. MARTIN

W. S. Martin, Director
Division of Iron & Ferro-Alloys

Attachment

TLCHRPMAN/dlm 12-9-57
cc to: Code 400

8623

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

ANNEX NO. 1

The land referred to in Article 2 of the contract form and outlined on attached Figure 2, comprises a portion of the property held by the Applicant through the following documents:

On August 9, 1950, a mining lease for 12 unpatented lode mining claims owned by Ray Arnold, Ora Stewart Tuttle and La Vern Stewart, was granted to A. W. Bush and P. W. Duffin, Sr. for a period of 25 years, superseding a mining lease dated May 27, 1950, granted to A. W. Bush and Fay Stewart. The interest of Fay Stewart was assigned to P. W. Duffin, Sr.

On October 30, 1950, a Memorandum of Agreement between the owners and Combined Metals Reduction Company granted that company, pursuant to certain conditions and payments, an exclusive option, to expire on January 2, 1951, if the option was not exercised.

On July 3, 1951, a Joint Adventure Agreement was made between P. W. Duffin, Sr. and Combined Metals Reduction Company inasmuch as P. W. Duffin, Sr. had acquired all the right title, and interest of A. W. Bush in the mining lease and option of August 9, 1950. On September 12, 1951, a supplemental agreement was made between the owners and P. W. Duffin, Sr., individually and as assignee of A. W. Bush, relative to royalty payments.

The land to be explored consists of three of the above-noted 12 unpatented lode mining claims as follows (Figure 2):

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

Located in the Irish Mountain Mining District, Lincoln County, Nevada.

All the land within the boundaries of the above claims will be subject to Government royalty as specified on the contract form except the following unless any ore from this area is extracted through DMEA workings: (Figure 3)

Beginning at corner No. 1, coordinate 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 1 the point of beginning.

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.

The work on this project shall consist of bulldozing approximately 1,200 feet of access roads to 12 drill sites and clearing 12 churn drill sites.

Drill 12 churn drill holes for a total not to exceed 1,800 feet. Holes shall start at not less than 8 inches and shall be finished at not less than 4 inches. Holes shall be cased as necessary.

Mineralized zones shall be sampled and assayed for manganese.

All work shall be carried out by and under the supervision of the Combined Metals Reduction Company. All supervision costs, equipment and supplies are to be included in the bulldozing and drilling costs.

ESTIMATED COST OF THE PROJECT
Fixed Unit Costs

Bulldoze access roads and drill sites with a D8 Caterpillar or equivalent size of another make, 14 hours for each hole (total 168 hours) at $14.00/hr.	$2,352.00

Drill 12 churn drill holes to an average depth of 150 feet, total not to exceed 1,800 feet at $5.00/ft.	$9,000.00	
Casing 600 feet at $2.00/ft.	1,200.00	
Lost casing 200 feet at $1.00/ft.	200.00	
50 samples to be assayed for manganese at $2.00 each	100.00	
Total estimated cost of project		$12,852.00
Government participation, 75 percent		$9,639.00

MF-200A
(Rev. April 1956)

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

Draft

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

It is agreed ....., 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

Care Combined Metals Reduction Company

whose mailing address is 218 Felt Building, Salt Lake 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 ....., and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within six 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: Consent to Lien and Subordination Agreement.

(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

.....
(Operator)

By .....

By .....

.....

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

.....

[CORPORATE SEAL]

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

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 15 1957

DATE	INITIALS	CODE
11/15	C	220
11/18	WSM	400

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

Date November 14, 1957

DMEA Docket No. 4813
DMEA Contract No.
Commodity Manganese
Name of applicant Southpaw Joint Venture
Name of property Southpaw Mn Mine
Location of property Lincoln Co., Nev.
Estimated cost of project $15,052

To: W. S. Martin, DMEA

From: G. L. DeHuff, Jr., Commodity Specialist
Branch of Ferrous Metals and Ferroalloys

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

1. Date of DMEA Docket Contract: 10/31/57 2. Date received by reviewer: 11/7/57

3. Adequate data on the proposal known to reviewer: Yes [X] No [ ]

4. Data on the property known to reviewer: Yes [ ] No [X]

5. Labor and equipment available for part production: Yes [X] No [ ]

6. Other considerations known to reviewer: Yes [ ] No [ ]

7. Explain items marked yes above: Please see my 8/23/57 memo.

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

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

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

G L DeHuff Jr.

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

IN REPLY REFER TO:

RECEIVED NOV 12 1957

DATE		
11/12	C	220
11/12	WSM	400

November 8, 1957

Memorandum

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

From: W. P. Williams, U. S. Geological Survey

Subject: Review of field examination report, DMEA 4813 (manganese) Southpaw Joint Venture, Southpaw Claims, Lincoln, Co.,Nev.

The examining team report that geologic conditions on the applicant's property are favorable for the presence of manganese ore deposits. The ore is found in a strong, well-developed geologic structure consisting of a brecciated zone along bedding-plane faults.

A nearby deposit has been mined and it yielded about 17,500 tons of ore that averaged about 36 percent manganese. Further exploration would seek for downfaulted segments of the ore body, south of the mined area in shoots along the strike of the deposit.

The examiners recommend approval of a DMEA project consisting of a total of 12 drill holes, a total of 1,800 feet of drilling, at a total estimated cost of $15,052. I agree with the recommendations of the examining team because the proposed work seems to have a good chance for success.

W. P. Williams

W. P. Williams

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

October 31, 1957

DMEA
RECEIVED NOV 28 1957

DATE	INITIALS	COST
11/4	C	220
11/8	JB	130
11/12	C	220
11/12	WSay	400

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4813 (Manganese)
Southpaw Joint Venture
Southpaw Claims
Lincoln County, Nevada
(Your letter, August 28, 1957)

Enclosed are three copies of a report by Glenn G. Gentry, Bureau of Mines, and H. K. Stager, Geological Survey, recommending an exploration project at a total cost of $15,052.00 on subject property.

Roscoe Smith and I concur in the recommendation.

S. Ricker

Attachments

Reviewed by
DMEA OPERATING COMMITTEE
11-8-57
(date)

BUREAU OF MINES
WASHINGTON, D. C.
Nov 4 9 24 AM '57

DMEA
RECEIVED NOV 4 1957
DATE | INITIALS | CODE
11/8 | JHB | 120
220

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ON SITE EXAM

REPORT OF EXAMINATION BY FIELD TEAM
REGION II

APPLICATION REPORT

DMEA-4813 (Manganese)
Combined Metals Reduction Company-Southpaw Joint Venture
South Paw mine, Lincoln County, Nevada

Reviewed by
DMEA OPERATING COMMITTEE
11-8-57
(date)

by

Glenn G. Gentry
U. S. Bureau of Mines

H. K. Stager
U. S. Geological Survey

October 30, 1957

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APPENDIX A . . . . . Log of churn drill hole No. 1

B . . . . . Log of diamond drill hole No. 2

C . . . . . Log of diamond drill hole No. 3

INTRODUCTION

The Combined Metals Reduction Company, 218 Felt Building, Salt Lake City, Utah, and P. W. Duffin, Sr., Las Vegas, Nevada, conducting business as the Southpaw Joint Venture, applied on August 7, 1957 for Government assistance under the Defense Minerals Exploration Administration, docket DMEA-4813, to explore for manganese in an area adjacent to the South Paw mine, Lincoln County, Nevada.

A field examination was requested by the Operating Committee and was made by Glenn G. Gentry, U. S. Bureau of Mines, and H. K. Stager, U. S. Geological Survey, on September 27, 1957, accompanied by Mr. R. G. Lee, representing the applicant.

A small tonnage of indicated ore is exposed in the mine workings and nine samples were taken.

CONCLUSIONS AND RECOMMENDATIONS

Past production of manganese ore from the mine and a favorable geologic setting indicate that significant ore reserves may be found by the proposed exploration. Ore bodies containing reserves of about 20,000 tons averaging 36 percent manganese are inferred to occur in the area to be explored.

The applicant proposes to explore the area by churn drilling, or a combination of churn and diamond drilling, and will provide adequate facilities and competent personnel for conducting the work.

The proposed exploration will require six months to complete at a cost of $15,052, of which the Government's share would be $11,289.

The drilling costs are comparable to churn drilling costs established in the nearby Pioche district and we recommend that the Government enter into an exploration contract with the applicant to do the proposed work.

To facilitate administration of the contract we recommend that all work be based on unit costs rather than actual costs, and that the applicant be required to furnish adequate reports, maps, and conduct the sampling.

LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

The South Paw mine is near the head of Timber Canyon on the northern slopes of Irish Mountain, at an altitude of about 7,000 feet, in the unsurveyed Irish Mountain mining district of west-central Lincoln County, Nevada. It is approximately 68 miles northwest of Caliente, Nevada, a shipping point on the Union Pacific Railroad (fig. 1).

The mine is reached by traveling westerly from Caliente on U. S. Highway No. 93, an all-weather road, for a distance of 42 miles, thence turn right (north) and follow Nevada State Highway No. 38, an

all-weather road, for a distance of 4 miles to Hiko, Nevada, thence continue northwesterly on an unimproved road 22 miles. The trip requires approximately two hours.

The usual desert climate may be expected, although considerable snowfalls occur during the winter months. Equipment for removal of snow and clearing roads is required during a normal winter.

Experienced mine labor is available in Pioche. Mining supplies and equipment can be furnished by the Combined Metals Reduction Company from their warehouses at Caselton, about 90 miles northeast of the mine.

The source of water is approximately 20 miles southeast of the mine and water is usually transported by tank truck.

No electric power is available and operating equipment will use diesel or gasoline engines.

Telephone, telegraph, mail, railroad and trucking services are available in Caliente.

HISTORY AND PRODUCTION

Prospecting for high-grade silver ores in the district probably started in the 1860's. Mine development and production of manganese ores began during 1950 and has been continuous to date.

The operators report the production and sale of 17,334 dry short tons of ore averaging 32 percent to 40 percent manganese and valued at $630,312 at the railroad shipping point.

Over 80 percent of the production has been purchased by the Government through the General Services Administration at Wenden, Arizona; Deming, New Mexico; Butte, Montana; and the GSA carlot program. Measured and indicated reserves total only a few hundred tons of ore that averages about 33 percent manganese. Two sub-lessees are engaged in mining and development work and production is estimated to be about 50 tons per week.

PROPERTY AND OWNERSHIP

The following unpatented mining claims (fig. 2) are owned by Ray (Dick) Arnold, Ora Stewart Tuttle, and LaVern Stewart:

South Paw	South Paw Extension
South Paw No. 1	South Paw Extension No. 1
South Paw No. 2	South Paw Extension No. 2
South Paw No. 3	South Paw Extension No. 3
South Paw No. 4	South Paw Extension No. 4
	South Paw Extension No. 5
	South Paw Extension No. 6

On August 9, 1950 a mining lease and option was granted by the owners to A. W. Bush and P. W. Duffin, Sr. for a period of 25 years which superseded a mining lease dated May 27, 1950 granted to A. W. Bush and Fay Stewart. The interest of Fay Stewart was transferred and assigned to P. W. Duffin, Sr.

On October 30, 1950 a memorandum of agreement between the owners and Combined Metals Reduction Company granted that company an exclusive option, pursuant to certain conditions and payments, to expire on January 2, 1951, if the option was not exercised.

On July 3, 1951, a Joint Adventure Agreement was made between P. W. Duffin, Sr. and Combined Metals Reduction Company inasmuch as Mr. Duffin had acquired all the right, title, and interest of A. W. Bush in the mining lease and option of August 9, 1950. On September 12, 1951 a supplemental agreement was made between the owners and P. W. Duffin, Sr., individually and as assignee of A. W. Bush, relative to royalty payments.

Copies of the foregoing instruments are attached to the application.

The land to be explored includes the following unpatented lode mining claims:

Claim name	Location date	Recording date	Book	Page
South Paw No. 2	6/24/38	12/17/38	M-1	64
South Paw No. 3	6/24/38	7/17/39	M-1	143
South Paw No. 4	7/3/40	7/25/41	N-1	9

These claims are recorded in the office of the Lincoln County Recorder.

All of the land within the boundaries of the above claims will be subject to the exploration project with the exception of the area containing the present mine workings on the South Paw No. 3 claim. The excluded area (fig. 3) is designated as follows: 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. The Consent-to-Lien and Subordination Agreement signed by the owners and attached to the application excludes the above area.

Other reasons for excluding the area are:

(1) Two sub-lessees are presently working in the mine and have nearly exhausted the minable ore.

(2) New ore occurrences are expected to be found at a lower elevation which will require a new shaft entry.

(3) The estimated depth indicates that it would not be economic to attempt exploration from the present mine workings which would, therefore, not be benefitted by the proposed exploration.

DEVELOPMENT

The present mine workings are included in an area about 300 feet by 200 feet and have been extended from the surface to a depth of about 70 feet.

No development work has been conducted in the area proposed for exploration and prospecting has been limited. Approximately 260 feet south 17 degrees east from the portal of the adit the applicant has sunk a churn drill hole to a depth of 133 feet but did not intersect ore. Two diamond drill holes totaling 119 feet were extended from underground locations, with minor showings of ore. Copies of the drill logs are attached to this report (Appendices A, B, and C).

GEOLOGIC SETTING

The South Paw claims are in an area of high relief and the rock exposures are good. The only rocks in the vicinity of the mine are limestone and quartzite of Ordovician age.

The oldest rock in the mine area is the Eureka quartzite, a white to pink, vitreous, nearly pure silica quartzite about 200 feet thick that occurs in beds from six inches to six feet thick. It crops out in bold white cliffs and steep-sided ridges. Overlying the quartzite is the Ely Springs dolomite, a dark-gray to blue-black, finely crystalline, cherty, dolomitic limestone that occurs in beds about two feet thick. The Ely Springs dolomite is 500 to 800 feet thick in the nearby Pioche district and is several hundred feet thick in the mine area but the top is not exposed. The quartzite and limestone, in general, strike west and dip 20° to 25° N.

The most prominent structure in the mine area is an east-striking graben about one thousand feet wide and several thousand feet long. Within the graben the rocks are cut by a series of step faults that strike east and dip 65° to 85° S. Displacement along the faults is 50 to 100 feet. Movement on bedding-plane faults along and near the quartzite-limestone contact between the step faults has caused brecciation of the limestone and it is within this brecciated material that the manganese ore bodies occur.

ORE DEPOSITS

The manganese ore bodies that have been mined are gently-dipping, pyrolusite-rich lenses of brecciated limestone in bedding-plane faults along and near the limestone-quartzite contact.

Pyrolusite, the only manganese mineral that was identified, occurs in soft earthy masses and as finely crystalline layers in brecciated dolomitic limestone. Gangue minerals are calcite, quartz as quartzite and chert fragments, limonite, and small pods of light-brown montmorillonite clay. Traces of copper, lead, zinc, and phosphorous are present in the ore but no minerals of these metals were seen and they do not exceed the maximum allowable amounts for metallurgical-grade manganese ore.

The deposit that has been mined was about 300 feet long, 200 feet wide, from 2 to 50 feet thick and averaged 8 feet thick (fig. 3). It has yielded about 17,500 tons of ore that averaged about 36 percent manganese. Normal faulting along two faults, about 100 feet apart and having displacements of about 60 feet each, has separated the deposit into three segments. Other faulted segments are present in the mineralized area and undiscovered ore shoots in similar geologic settings contained in these fault blocks are the target of the proposed exploration.

SAMPLING

Nine samples were taken from ore faces in the bottom level of the mine (fig. 3) and the following analyses were obtained:

BM Sample No.	Width, feet	Percent Mn	Ozs./T. Ag
2052	4.0	25.1	0.2
2053	3.2	50.2	0.4
2054	1.5	53.3	0.2
2055	5.0	32.2	0.3
2056	8.0	40.2	0.3
2363	2.4	27.5	(not assayed)
2364	1.1	50.4	(not assayed)
2365	2.4	32.1	(not assayed)
2366	1.6	16.7	(not assayed)

ORE RESERVES

Measured and indicated reserves total about two hundred tons of ore that averages about 33 percent manganese. These reserves are exposed in the old mine workings as pillars and as thin layers of ore

around the margins of old stopes.

Inferred reserves are 20,000 tons of ore having an average grade of about 36 percent manganese. These reserves are contained in one or more downfaulted segments of the deposit south of the mined area and in ore shoots along the strike of the deposit east and west of the mine workings.

PROPOSED EXPLORATION

The applicant proposed 12 churn and/or diamond drill holes totaling 1,800 feet at a cost of $7.00 per foot, or a total of $12,600.00, and road construction and drill rig sites at $250.00 each, or a total of $3,000.00. These costs are comparable with the current costs of churn drilling in the Pioche district, as approved in contract Idm-E767, docket DMEA-3629.

Inspection of the proposed locations for the drill holes indicated that it will be possible to construct roads and drilling sites and utilize a churn drill rig which is considered to be the most reliable method for the exploration. We, therefore, recommend the following program:

Road construction and preparation of drill sites for churn drill rig (D-8 Caterpillar or equivalent to be used), 14 hrs. @ $14.00/hr., each hole, =$196.00, 12 holes @ $196.00/ea. $2,352.00

Churn drilling 1,800 ft. (12 holes averaging about 150 ft. each) @ $7.00/ft.	$12,600.00
50 samples to be analyzed for manganese, @ $2.00/ea.	100.00
Independent contracts -- None	0.00
Rehabilitation -- None	0.00
New buildings and installations -- None	0.00
Total estimated cost of the project	$15,052.00
Government participation at 75 percent	$11,289.00

The applicant expects to begin the work within 40 days after approval of a contract and to complete the work in six months.

The locations of the drill holes should be flexible to take advantage of information obtained in drilling previous holes, and should be agreed upon as the project progresses.

COMBINED METALS REDUCTION COMPANY

CASELTON PLANT — PIOCHE, NEVADA

October 1, 1957

REFER TO	NOTED	DATE
		10/24/57
		10/24/57
ANSWERED		

Mr. Glen Gentry
U.S.B.A. Field Team, Region II
[illegible] Dunes Avenue
Reno, Nevada

Dear Glen:

We did not make up a log sheet of the above drill hole at Southpaw. However, I have the driller's report and the drill cuttings which show the following:

0' - 15'	Wash (alluvium)
15' - 19'	Limestone, blue, medium hard, hard fault surface at 18 feet dipping about 60° West.
19' - 57'	Limestone & Dolomite, gray to blue medium hard. Hard fault surface at 57 feet.
57' - 135'	Limestone & Dolomite, at 120 feet gray. Some black discoloration.
135' - 150'	Quartzite - hard.

Date started May 14, 1956
Date finished May 29, 1956
Driller: J. M. Fullerton

I believe you have the location of this hole on one of our sketches of Southpaw shown as G.D.H. No. 1.

I hope this will be of some help to you, and should there be anything else that I may do to help, please do not hesitate to drop us a line or give us a ring.

Very truly yours

Reginald G. Lee

cc: Paul Campbell
File

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DATE	INITIALS	CODE

March 10, 195

SHEET

COPY

1957

CODE

A - 17.0

COMBINED METALS REDUCTION CO.

SOUTH PAW MINE - - DIAMOND DRILL HOLE NO. 3

Irish Mountain Lincoln County, Nevada

March

MADE BY [illegible]

CHECKED BY R. G. Lee

SCALE 1" = 50'

Coordinates. 9853.0 N
9757.0 E

Elevation: 6965.0

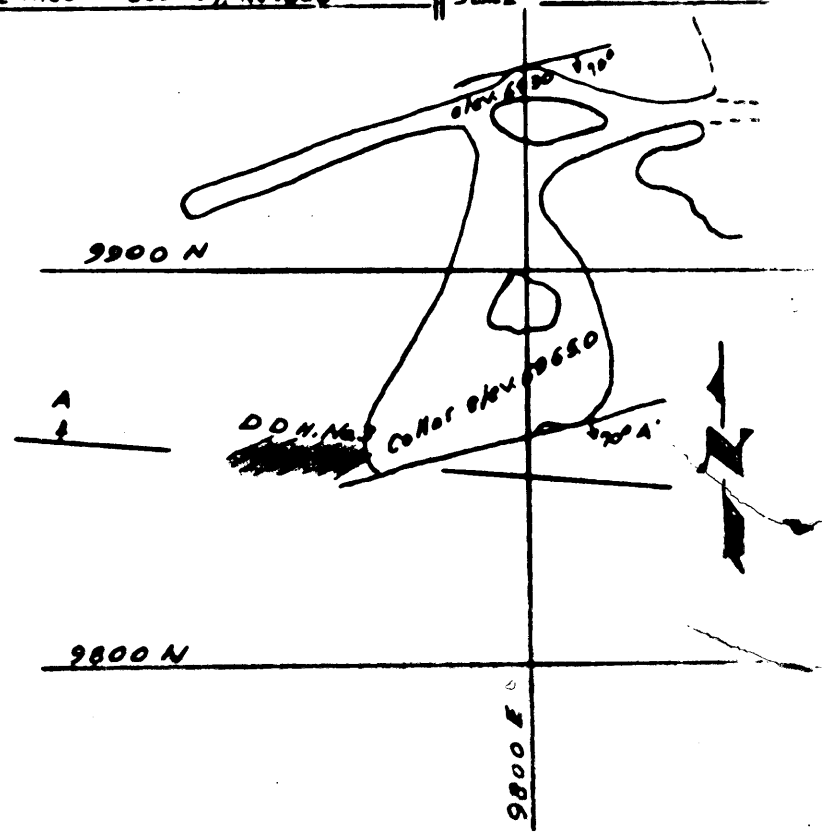
Course: N 86° W

Inclination; Minus 27°

Depth. 40.0 ft

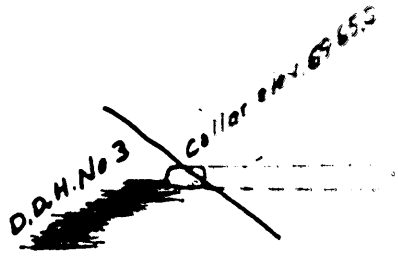
Hole Started Mar 1, 1957

Hole Finished: Mar. 13 1957



LOG OF HOLE

0.0	20.0	Limestone
20.0	30.0	No core
30.0	40.0	Limestone
	40.0	End of hole



Section A-A'

ASSAYS OF SLUDGE SAMPLES

From	To	Mn
25.0	30.0	Tr
30.0	35.0	Tr
35.0	40.0	Tr

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8-27	Chapman	400
8-27	Martin	400
8/28	Selbridge	130
8/28	Jones	130
8/28	Kiilsgaard	130
"	Johnson	110
"	Mittendorf	100
8/29	G.	220
		400

AUG 28 1957

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

Re: Docket No. DMEA 4813 - Manganese
Southpaw claims
Lincoln County, Nevada

Gentlemen:

The above-referenced application for exploration assistance for manganese ores has been reviewed by the Division of Iron and Ferro-Alloys, of the Defense Minerals Exploration Administration, and referred to Mr. Spangler Ricker, Executive Officer, DMEA Field Team, Region II, 1605 Evans Avenue, Reno, Nevada, for review and recommendations.

Mr. Paul Gemmill, general manager, Combined Metals Reduction Company, in his letter of August 8, 1957, to Mr. Spangler Ricker, mentioned that an examination of the property had already been made by the members of the Field Team, but any further assistance you may give them will be appreciated.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

TLCHAPMAN:foc
8-27-57
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. II
Messrs. Gilbert DeHuff, Jr., USBM
T. H. Kiilsgaard, USGS

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8-27	Chapman	400
8-27	Martin	400
8/28	GCS	130
"	Johnson	110
"	Mullenberg	100
		220
		400

AUG 28 1957

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

Re: Docket No. DMEA 4813 - Manganese
Southpaw Joint Venture
Southpaw claims
Lincoln County, Nevada

Dear Mr. Ricker:

The above-docketed application for exploration assistance is being referred to your office for your report and recommendations. Mr. Paul Gemmill, in his letter to you of August 8, 1957, advises that the property has been examined by members of the Field Team, and possibly no further examination is necessary.

Copies of memoranda dated August 20 and 23, 1957, by W. P. Williams, Geological Survey, and Gilbert DeHuff, Jr., Bureau of Mines, respectively, relating to the project are enclosed. Also enclosed is an extra copy of the application for the use of the Field Team.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

P. F. Yopes

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

TLCHAPMAN:foc 8-27-57
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. II
Messrs. Gilbert DeHuff, Jr. BM
T. H. Kiilsgaard, USGS

Enclosures

8623

OFFICIAL FILE COPY DMEA RECEIVED AUG 26 1957		
DATE	INITIALS	CODE
8/26	G	220
		400

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

Date August 23, 1957

DMEA Docket No. 4813
DMEA Contract No.
Commodity Mn
Name of applicant Southpaw Joint Venture
Name of property Southpaw Mn Mine
Location of property Lincoln Co., Nevada
Estimated cost of project $15,600

To: W. S. Martin, DMEA

From: G. L. DeHuff, Jr., Commodity Specialist
Branch of Ferrous Metals and Ferroalloys

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

1. Date of subject document: 8/7/57 2. Date received by reviewer: 8/16/57

3. Prior reports on this property known to reviewer: Yes [X] No [ ]

4. Prior reports on nearby properties known to reviewer: Yes [ ] No [X]

5. Information available on past production: Yes [X] No [ ]

6. Other pertinent factors known to reviewer: Yes [ ] No [ ]

7. Explain items marked yes above: Bureau of Mines report of 6/20/55 by R. R. Trengoves states 8608 short dry tons of direct shipping ore, containing 27-48 percent Mn, produced by CMR - Duffin from 5/52 to 4/1/55; states "property should be revisited after further exploration and development work is done on the lower block." Bureau of Mines tabulations report the following production for 1955, 1956, and first half of 1957 (long tons): 1955, 10-35% Mn -838, + 35% Mn - 2888; 1956, 10-35% - 1920, + 35% - 979; 1/2 1957 - 18 + 35% -849.

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

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

10. Remarks: (Use back of page if necessary) This appears to be a worthy exploration project. The biggest question to be answered by the Field Team is the best method for obtaining the desired information. I recommend that the application be referred to the Field Team for an examination of the property.

G L DeHuff Jr

IN REPLY REFER TO:

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

August 20, 1957

Memorandum

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

From: W. P. Williams, U. S. Geological Survey

Subject: Review of application, DMEA 4813, (manganese), Southpaw Joint Venture, (Combined Metals Reduction Company), Southpaw Mine, Lincoln County, Nevada

The applicant proposes to explore for new manganese ore reserves on three mining claims. One of the claims contains the Southpaw mine which, according to the applicant, has produced 17,334 tons of ore since 1950.

The proposed work would consist of 1,800 feet of drilling, in 12 holes, at a total estimated cost of $15,600. The holes would be drilled from surface and, through necessity, might require both core and churn drilling.

After examining the applicant's maps and production record, it appears that the proposed work might have a good deal of merit. From the maps it is not possible to determine if the proposed holes are located in the most advantageous positions. I recommend that the application be referred to the Field Team for field examination if necessary and report.

It would be well for the Field Team to consider the best means of excluding the present mine workings from the area under a possible contract.

OFFICIAL FILE COPY
DMEA
RECEIVED 1957

DATE		CODE
8/21	C	220
8/21	WSM	400

W. P. Williams

W. P. Williams

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

August 16, 1957

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

Subject: DMEA 4813

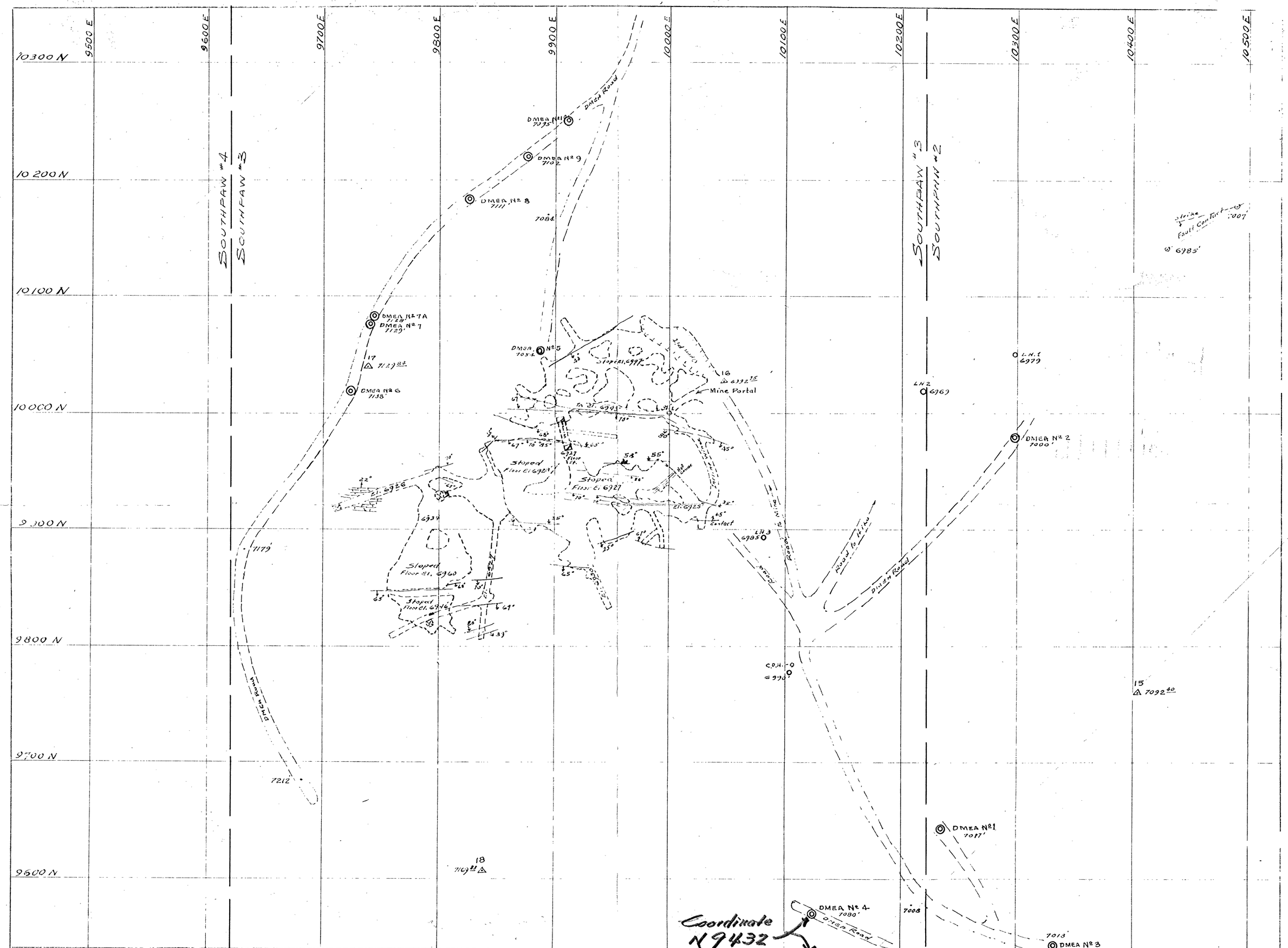
Gentlemen:

Your application for exploration assistance, dated August 7, 1957 submitted to our office at Reno, Nevada has been assigned Docket Number 4813 and referred to the Division of Iron & Ferro-Alloys in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to:
Region II



REVISIONS	REFERENCES	WORK	
		DRAWN	R.G.L.
		TRACED	
		CHECKED	
		APPROVED	

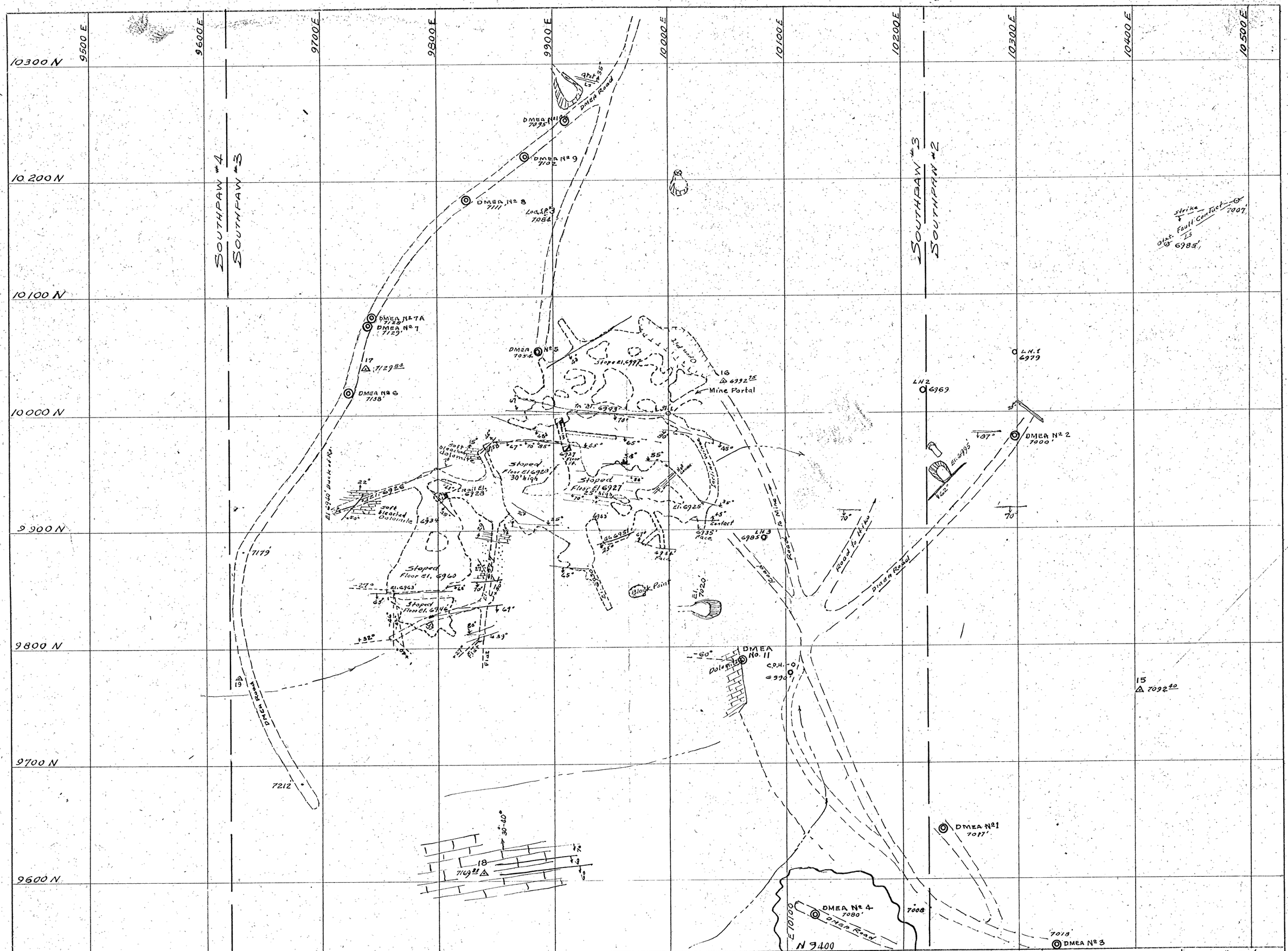
COMBINED METALS REDUCTION CO.
PIOCHE, NEVADA

SOUTHPAW MINE
LINCOLN COUNTY, NEVADA.

SCALE 1" = 50'

C-1125

SALT LAKE BLDG



REVISIONS	REFERENCES	WORK		
		DRAWN R.G.L.	11/13-50	COMBINED METALS REDUCTION CO. PIOCHE, NEVADA
		TRACED		
		CHECKED		
		APPROVED		

SOUTHPAW MINE
LINCOLN COUNTY, NEVADA.

SCALE 1" = 50'

C-1125

SALT LAKE BLUE

REVISIONS	REFERENCES	WORK		
		DRAWN	RGL	11/13/58
		TRACED		
		CHECKED		
		APPROVED		

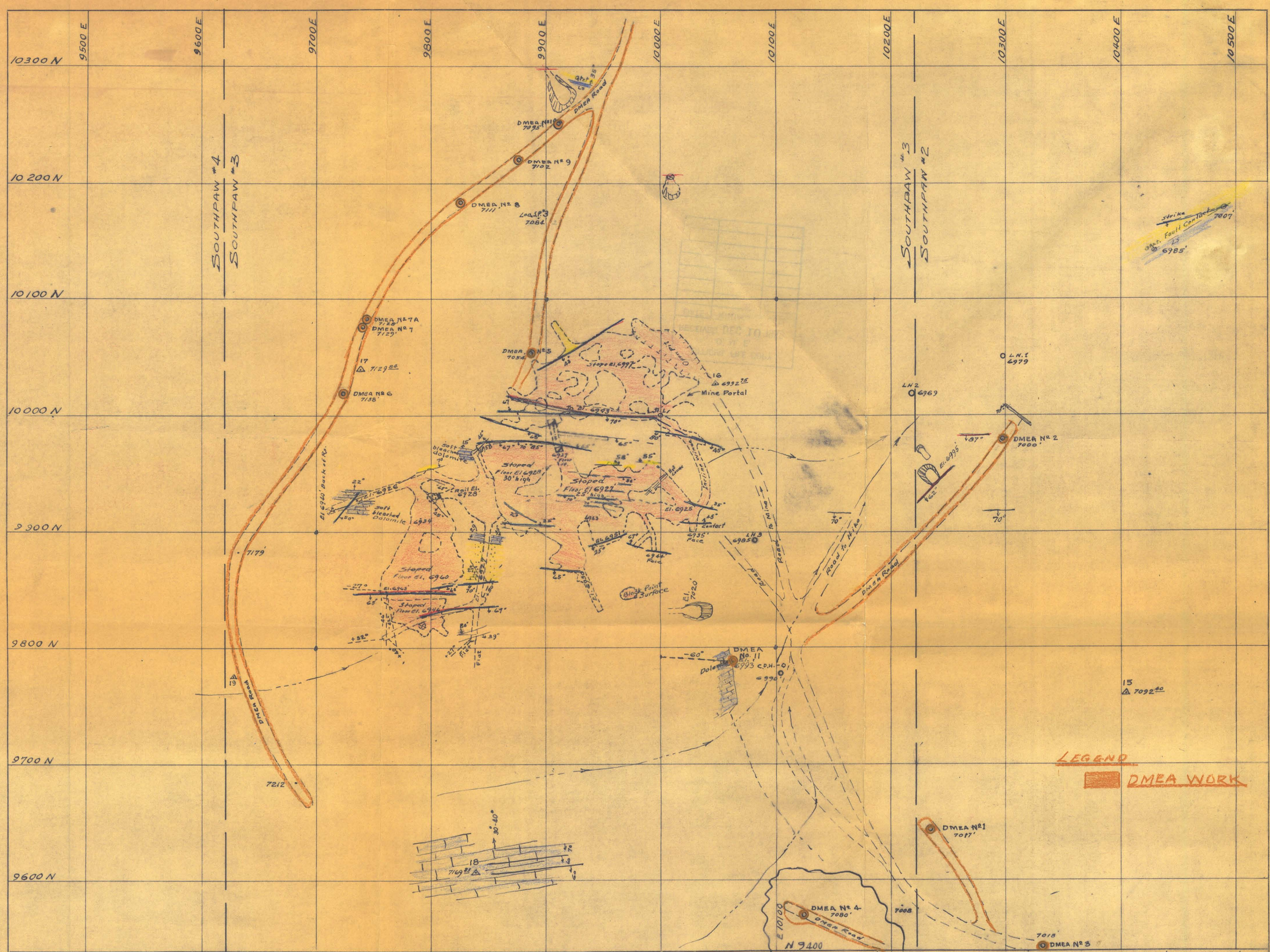
COMBINED METALS REDUCTION CO.
PIOCHE, NEVADA

SOUTHPAW MINE
LINCOLN COUNTY, NEVADA.

SCALE 1" = 50'

C-1125

SALT LAKE BLUE



REVISIONS	REFERENCES	WORK: DRAWN RGL 11/13-58; TRACED; CHECKED; APPROVED	COMBINED METALS REDUCTION CO. PIOCHE, NEVADA
SOUTHPAW MINE LINCOLN COUNTY, NEVADA.	SCALE 1"=50'	C-1125	

SALT LAKE BLUE

A 1719

COMBINED METALS REDUCTION CO
SALT LAKE CITY, UTAH

DMEA Drilling Project, Southpaw Mine
Drill Holes Nos. 5-10 inclusive
DMEA#4813-Idm-E#1161, Lincoln County, Nevada

November 17, 1958
Made by RGL
Traced by
Checked by
Scale 1"=50'

Drill Hole No. 5 (Rotary Drilling)

Coordinates: 10053 N - 9886 E
Elevation: 7054'
Location: Southpaw No. 3 Claim

Log of Hole
0 - 23 Dark-Blue Dolomite
23 - 26 Quartzite(Eureka Quartzite)

Drill Hole No6 (Percussion Drilling)

Coordinates: 10019 N - 9722 E
Elevation: 7138 '
Location: Southpaw No. 3 Claim

Log of Hole
0 - 69 Dark dolomite, medium hard to hard
69 - 72 Quartzite (Eureka Quartzite)

Drill Holes Nos. 7 and 7a (Percussion Drilling)
Coordinates: 10083N - 9742 E
Elevation: 7129 '
Location: Southpaw No. 3 Claim

Log of Holes
0 - 26 Dark dolomite, faultand fractures in No.7
26 - 50 Dark dolomite, hard to 46',softer at contact
50 - 52 Quartzite (Eureka Quartzite)

Drill Hole No. 8 (Percussion Drilling)
Coordinates: 10184 N - 9825 E
Elevation: 7110 ' , Location: Southpaw No. # Claim

Log of Hole
0 - 12 Dark dolomite, medium hard
12 - 15 Quartzite (Eureka Quartzite)

Drill Hole No. 9 (Percussion Drilling)
Coordinates: 10220 N - 9875 E , Elevation: 7102 '

Log of Hole:
0 - 11 Dolomite, medium hard, 11-14 Quartzite.

Drill Hole No. 10 (Percussion Drilling)
Coordinates: 10252 N - 9910 E , Elevation: 7095 '

Log of Hole
0 - 4 Dark soft dolomite
4 - 5 Quartzite (Eureka Quartzite)

A 1720

COMBINED METALS REDUCTION CO.

DMEA Drilling Project, Southpaw Mine
Drill Hole No. 11, Docket No. DMEA No. 4813
Contract No. Idm-E 1161, Lincoln County, Nevada

December 23, 1958
Made by RGL
Traced by
Checked by
Scale 1"= 50'

DMEA Drill Hole No.11

Coordinates; 9787 N, 10062 E.
Elevation: 6993'
Bearing: N 76°W
Dip -60°
Completed May 6,1959

Log of Hole

0 - 73 Dolomite, dark-gray medium hard Fault at 73 feet
73 - 95 Dolomite,lighter color
95 - 97 Dolomite,light-gray
97 - 110 Dolomite, darker
110 - 118 Limestone & dolomite, blue, some Mn stain.
118 - 122 Dolometic limestone, gray to blue.
122 - 123 Quartzite, Eurika Quartzite Contact definite and abrupt. No mineralization at contact.

A 1717

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: 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.

A 1718

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 RGL
Traced by
Checked by
Scale 1"= 50'

DMEA Drill Hole No. 4

Coordinates: 9,432.00 N
10,125.00 E
Ele vation 7,069.00'
Location: Southpaw No. 3
Hole Started: August 4, 1958
Hole Completed: Nov. 21, 1958
Depth: 215'
Driller:

Log of Hole

0 - 8 Overburden
8 - 45 Blue dolomite and limestone
45 - 90 Dark fractured dolomite, hard to medium hard.
90 - 110 Hard fractured dolomite, hard slickenside.
110 - 135 Dolomitic limestone, softer, lighter colder
135 - 165 Dolomitic limestone, harder, darker
165 - 185 Dolomitic limestone, softer.
185 - 203 Dark Dolomite, hard.
203 - 215 Eureka Quartzite.

A 1715

COMBINED METALS REDUCTION CO
SALT LAKE CITY, UTAH

DMEA Drilling Project, Southpaw Mine
Churn Drill Hole No. 1, Docket No. DMEA- 4813
Contract No. Idm-E 1161, Lincoln County, Nevada

June 9, 1958
Made by RGL
Traced by
Checked by
Scale 1" = 50'

Coordinates; 9,630.00 N
10,250.00 E
Elevation; 7,017.00'
Location : Southpaw No. 3 Claim
Hole Started: May 1, 1958
Hole Completed: June 5,1958
Hole Size: 8" at collar
Depth: 197 feet
Driller: M. J. Fullerton
Helper:

LOG OF HOLE

0- 4 Wash
4 - 18 Blue limestone, thick bedded, massive
18 - 22 Fault, limestone
22 - 50 Blue Dark limestone, hard, massive
50 - 55 Fault, limestone
55 - 125 Dark limestone,softer, massive,hard rib at 85'
125 -165 Dark dolomite, water at 165'
165 -190 Dark dolomite, fractured, medium hard
190 -192 Dolomite and Clay, Contact
192 -197 Quartzite, Eureka Quartzite

A 1716

COMBINED METALS REDUCTION CO.

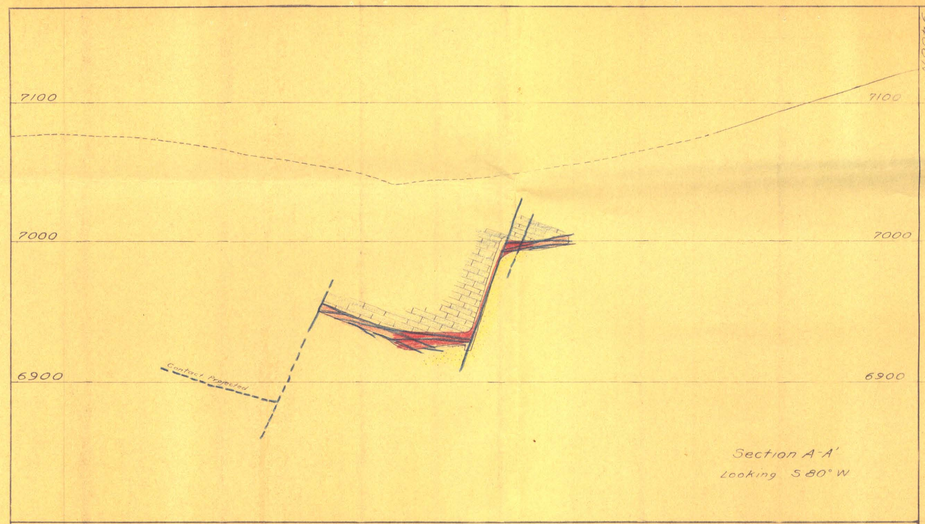
DMEA Drilling Project, Southpaw Mine
ChurnDrill Hole No. 2, Docket No. DMEA- 4813
Contract No. Idm-E 1161, Lincoln County, Nevada

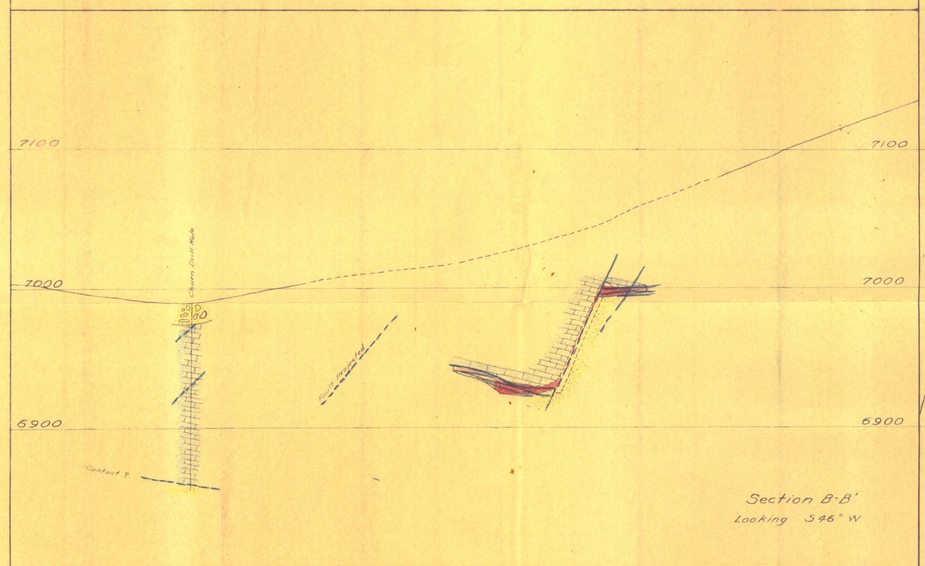
July 17, 1958
Made by RGL
Traced by
Checked by
Scale 1"= 50'

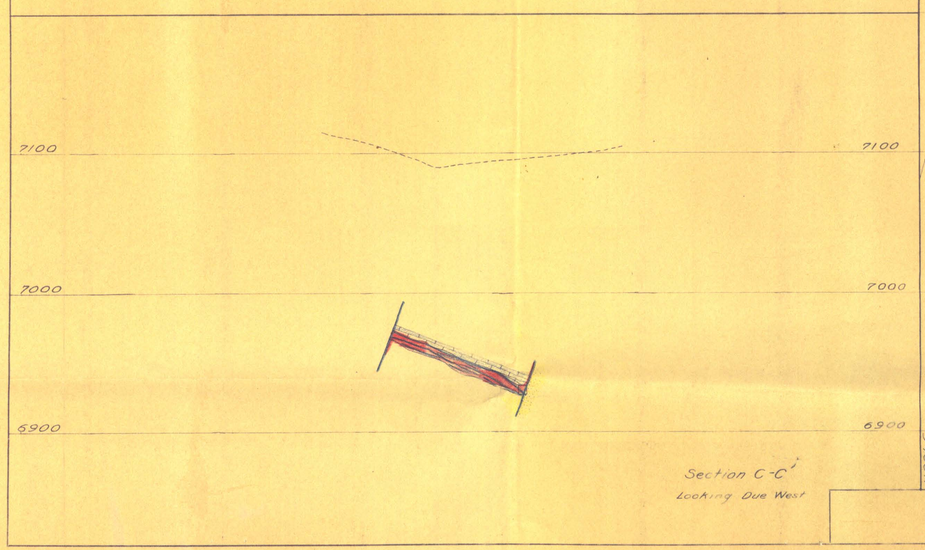
Coordinates, 9,980.00 N
10,296.00 E
Elevation 7,000.00'
Location Southpaw No. 2
Hole Started June 6, 1958
Hole Completed June 13, 1958
Depth 84 feet
Driller M. J. Fullerton

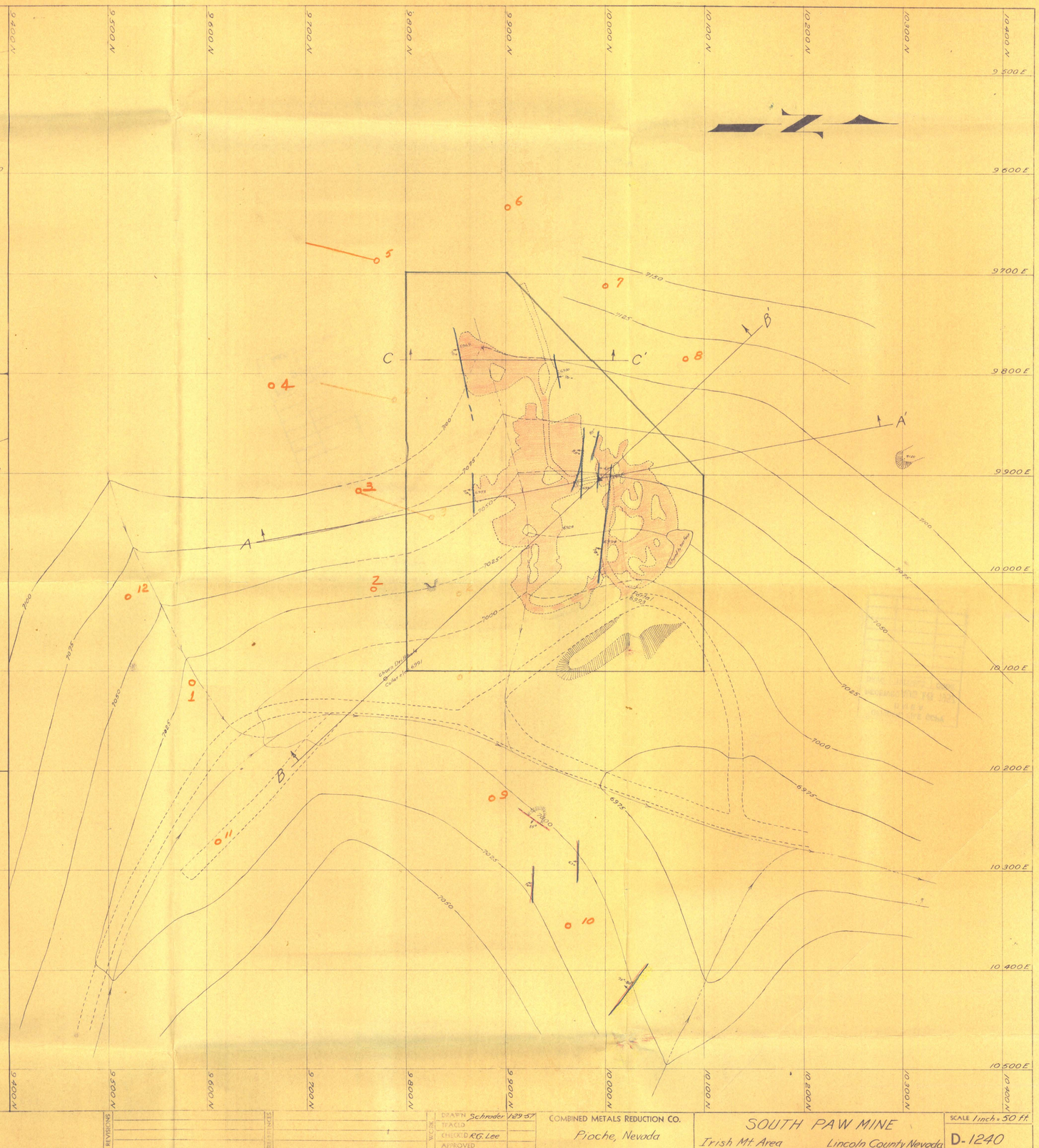
Log of Hole

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)









REVISIONS			
DRAWN Schroder 1/29/57	COMBINED METALS REDUCTION CO. Pioche, Nevada	SOUTH PAW MINE Irish Mt Area Lincoln County Nevada	SCALE 1 inch = 50 ft.
TRACED			D-1240
CHECKED R.G. Lee			
APPROVED			

SALT LAKE BLUE