UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

~~Terminated~~ (~~or cancelled~~ WITHDRAWN) without certification. DMEA No. 1558

This is the official contract file containing all official records of the project. Duplicate material has been removed. The records contained in the files are checked and are arranged in this manner:

Left Side

Certificate of Audit (Final).

Interim Audit(s).

Report of Review.

Termination Notice or Agreement.

Recision Notice.

Assignment of Contract.

Contract Amendments (latest on top).

Contract with all exhibits and annexes.

Owner's Consent to Lien.

Subordination Agreement.

Leases and assignments of leases.

Application and attachments.

Schedule of Collections.

Operator's monthly reports and all attachments (latest on top).

Right Side

Project summary.

Work completed analysis.

All other material is filed in chronological order with correspondence including the following reports as checked:

Final Field Team Report. (Tab)

Operator's Final Report.

Interim Reports.

On-site Exam Report(s). (Tab)

Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number_____

Operator's Monthly Reports in folder number _____

B
Reviewer's Initials

7973

MF-200
(June 1951)

Docket No. DMA 1558X
Commodity Mica, Beryl

I-dm-E 89

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 31st day of July, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Gladys Wells
Custer, South Dakota

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of South Dakota, County of Pennington described as follows: [3] known as the High Climb Mining Claim; situated about 6 miles North of Custer on Highway 16A and about ½ mile off the highway on the East side of Tenderfoot Gulch in the Northeast quarter (NE¼) of Section 27, Township 2 South, Range 4 East B.H.M.

with respect to which the Operator represents and undertakes: [4]

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:

(*b*) ~~[illegible]~~

3. *Exploration project.* The Operator, within 30 days from the date of this contract shall commence work on a project of exploration for [5] Mica and Beryl; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] Four (4) Months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of ---90-- percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $---3,600.00----, which is -----90----- percent of the agreed estimated total cost of this project, $----4,000.00-------.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

(Operator)

By C O Mitteudorf

Director
Production Expansion Division
Defense Minerals Administration

By ----------

Owner

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

EXHIBIT "A"

Performance of Work:

Work will consist of the following:

Diamond drilling a pegmatite that has a surface strike length of about 360 feet to determine its continuity, lateral extent, and composition down the dip about 200 feet from the surface exposures.

Six hundred feet of diamond drill hole (size BX or larger) are to be drilled. Hole length to range from 150 to 200 feet.

About ½ mile of access road will be required to reach the drilling sites. A part of this road will require construction and a part of it will be over an old road requiring improvement.

All this work will be done by a contractor, or contractors.

Diamond drill hole locations, direction and extent must have the prior approval of the Government field engineers. All sampling will be supervised by Government field engineers.

Cost of the Project:

600 feet (BX or larger) diamond drill hole @ $6.00/foot	$ 3,600.00
½ mile access road - tractor dozer contract rental @ $10.00/hr-40 hours	400.00
Total Cost of Project	$ 4,000.00

Fixtures and Improvements:

Does not apply to this contract - will be supplied by contractor.

Operating Equipment:

To be rented:

1/ Supplied by operator or contractor tractor w/dozer blade @ $10.00/hr.

1/ Rate includes supplies, operator's wages and repair cost. Rental rate to be charged will be actual operating time.

Labor and Supervision:

Will be supplied by contractors or contractor

Rehabilitation and Repairs:

½ mile of access road part to be constructed and part to be improved	$ 400.00

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA-1558X

Date received 6/4/51

Participation

GLADYS WELLS
CUSTER,
SOUTH DAKOTA

Name and address of applicant

Date May 29, 1951

FILL IN THIS BLOCK

Date of application May 29, 1951

Estimated cost $25,000.00

Mineral or metal Mineral (beryl, mica and other pegmatite products)

Percentage of Government participation 90%

Location of mine Six Miles North of Custer, S.D.

Date of filing MF-100

DMA Docket Number, if available

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation? Individual

*2. If a partnership, state names and addresses of partners.

*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.

*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project. (See attached Sheet)

*5. Are you the owner or the lessee of the property? Owner

6. If owner, state what claims, liens, or encumbrances, if any, are against the property. None

7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement (See attached sheet)

9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)? $2500.00 - Yes (See Attached Sheet)

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area. (See Attached Sheet)

*11. State the present and former names of the property, if any. High Climb Lode

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads. (See attached Sheet)

*13. State source and quantity of water available for operations and its sufficiency at all seasons. Spring near.
State amount of power to be used, rate per hour or other cost, and source. None

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work. (See attached Sheet)

15. State in detail how the ore could be shipped and how and where milled. (See attached Sheet)

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations. (See attached Sheet).

*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly. (See Attached Sheet)
    (*b*) Submit available maps and assay data. (Attached Map)
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.
(See Attached Sheet)

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? Mica & Beryl.

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it. (See attached Sheet)

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data. (See attached Sheet)

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above. (See attached Sheet)

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent. (See attached Sheet)

CERTIFICATION

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

(Name of company)	By Gladys Wells (Signature of authorized official)
May 29, 1951 (Date)	owner (Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

May 29, 1951
GLADYS WELLS
CUSTER, SOUTH DAKOTA
ATTACHED SHEET NO. 1.

THE APPLICANT

4. (a) The applicant has been engaged in buying minerals and mining for about 14 years, having had a great deal of experience with mining of strategic mica and beryl, and generally engaged also, in prospecting and exploring for and mining all types of minerals which are produced in the area, particularly with reference to pegmatites. Applicant established the first commercial mica rifting and trimming plant in Custer, South Dakota, and operated the same for four years on an extensive basis, and to a limited extent, for about eight years, and has been engaged in buying and selling of non-metallic minerals, including beryl, tantalite, mica, amblygonite, and other rare minerals ordinarily produced from pegmatite dikes for about 13 years.

(b) The Manager is to be C. K. Koch, who has had about 13 years experience in prospecting for and exploring of mineral deposits in this area, mining, and production of minerals. Mr. Koch has mined several different mines, and was the operator of a mica separation plant and reclaiming plant for several years. He has mined beryl, and assisted in the purchasing and marketing of beryl over practically the entire period of time.

8. Financial Statement

ASSETS:

Cash on deposit in Custer County Bank, Custer, So. Dak.	$ 2,000.00
Real Estate in Custer, So. Dak.	$ 20,000.00
Bonds - W.S.	$ 600.00
Mining Machinery and Equipment	$ 6,000.00
Ores and Minerals for sale	$ 1,000.00
Miscellaneous personal property	$ 1,000.00
TOTAL ASSETS	$ 30,600.00

LIABILITIES: (NONE)

9. Applicant has on hand for use in the operation of the mine, the following mining machinery and equipment of a value in excess of $2500.00, which machinery is proposed to be used as Applicant's share of the cost of the project, the said machinery and equipment being as follows:

Compressor (Schramm)	$ 2,000.00
Jackhammer (Ingersoll)	$ 200.00
Steel and other miscellaneous mining tools and equipment	$ 500.00
TOTAL	$ 2,700.00

May 29, 1951
GLADYS WELLS
CUSTER, SOUTH DAKOTA
ATTACHED SHEET NO. 2

THE PROPERTY

10. (a) This mine has been mined on the higher level and has produced beryl, feldspar, mica, amblygonite, and tantalum, but the higher level is nearly worked out, and Applicant wants to go in about 40 feet lower and open pit and drift to the main ore body, which we think we will reach this way. Several Engineers have given their opinion as to this also.

(b) High Climb Lode Mining Claim situated about 6 miles North of Custer, S. D., on Highway 16A in the Northeast Quarter (NE¼) of Section 27, Township 2 South, Range 4 East, B.H.M., in Pennington County, South Dakota.

12. The High Climb Lode is about six miles North of Custer, South Dakota, on Highway 16A, being a bituminous hard surfaced Highway. Take the road Northeast and North from Custer about 5.7 miles, (being Highway 16A), then turn off to the right through the old Robinson Ranch in Section 27, Township 2 South, Range 4 East B.H.M. The mine lies fairly well up on the East wall of the Tenderfoot Gulch, about one-half mile to the Northeast of the old farm house on the Robinson Ranch. The one-half mile from Highway 16A to the mine is a dirt road. Custer, South Dakota, is the nearest shipping point.

14. The equipment described in Item No. 9.

15. Sold in Custer or shipped from Custer by Burlington Railroad.

16. History:

(a) From REPORT OF INVESTIGATIONS No. 44 by D. Jerome Fisher - June 1942:

This mine was first opened about 1932 from the southeast side; the northerly (higher) of the two main dumps on this side was formed first. About 1937 a new cut was made (at a level about 25 feet lower) from the northwest side, and a dump of considerable size has since been accumulated here. Seven carloads (40 to 50 tons each) of amblygonite in roughly spherical masses up to 6 or 7 tons weight were stated to have been removed between 1934 and 1938, mainly from the upper (older) portion of the mine. Two 30-ton carloads of beryl in masses up to two feet in length were also taken out. At least two carloads of highest grade scrap muscovite were produced, particularly from the footwall area. An average of one ton of spar per day was taken out between May 1 and November 1, 1939. The mine was not operated in 1940; in August, 1941 it was inactive except for spasmodic attempts to collect a pailful or so of muscovite, amblygonite, or beryl. It would seem that by extending the pit both laterally and deeper, considerable production could be maintained for some time.

(b) No adjoining or neighboring properties which have been worked or developed.
(c) See Item 16 (a)

May 29, 1951
GLADYS WELLS
CUSTER, SOUTH DAKOTA
ATTACHED SHEET NO. 3.

17. Production: Mine not in production at present.

18. (a) See Item No. 16 (a)
(b) See attached Map. Only one copy of the Map is submitted due to the fact that it is the only copy available to the Applicant.

(c) Beryl - 12% Amblygonite - 9%

19. Conditions and circumstances sufficiently brought out by foregoing questions.

THE EXPLORATION

21. Go in about 40 feet lower than present level and open pit and drift to the main ore body. Estimated time required to complete proposed work: 1 Year.

22. This information furnished in Item No. 10 (a), however, it should be mentioned that several U. S. Geological Survey men have stated that they think that an open cut and drifting from a lower level would be advisable.

THE REQUIREMENTS AND COSTS

23.	(a) Two Muckers @ $10.00 each per day for 264 days	$ 5,280.00
	One Part time Bookkeeper & Secretary @ $1.00 per hour	$ 1,056.00
	(b) One Supervisor @ $16.00 per day for 264 days	$ 4,224.00
	(c) None	None
	(d) Construction of Power House	$ 2,000.00
	(e) Shovel	$ 7,000.00
	(f) None	None
	(g) Rental value of Compressor, Jackhammer, Steel and other miscellaneous mining tools and equipment @ $75.00 per mo.	$ 900.00
	(h) Powder, Fuse, Caps, and Diesel Fuel @ $200.00 per. mo.	$ 2,400.00
	Steel, bits, and Machinery Repairs @ $75.00 per mo.	$ 900.00
	(i) None	None
	Total	$23,760.00

24. The project expected to be completed in 12 months after approval.
Progress expected to be accomplished: 1 foot per day.
Money expected to be spent: As set out in Item No. 23.

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. dma-1558 X

Date received 6/4/51

Participation

GLADYS WELLS
CUSTER,
SOUTH DAKOTA

Name and address of applicant

Date May 29, 1951

FILL IN THIS BLOCK

Date of application May 29, 1951

Estimated cost $25,000.00

Mineral or metal Mineral (beryl, mica and other pegmatite products)

Percentage of Government participation 90%

Location of mine Six Miles North of Custer, S.D.

Date of filing MF-100

DMA Docket Number, if available

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation? Individual

*2. If a partnership, state names and addresses of partners.

*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.

*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project. (See attached Sheet)

*5. Are you the owner or the lessee of the property? Owner

6. If owner, state what claims, liens, or encumbrances, if any, are against the property. None

7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement. (See attached sheet)

9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)? $2500.00 - Yes (See Attached Sheet)

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

(*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area. (See Attached Sheet)

*11. State the present and former names of the property, if any. High Climb Lode

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads. (See attached Sheet)

*13. State source and quantity of water available for operations and its sufficiency at all seasons. Spring near. State amount of power to be used, rate per hour or other cost, and source. None

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work. (See attached Sheet)

15. State in detail how the ore could be shipped and how and where milled. (See attached Sheet)

*16. History:

(*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.

(*b*) State briefly the known history and production of adjoining and neighboring properties.

(*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations. (See attached Sheet).

*17. Production:

(*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)

(*a*) Describe the ore or mineral deposits briefly.

(*b*) Submit available maps and assay data. (See Attached Sheet) &

(*c*) Give estimated tonnage and grade of each class of ore reserves. (Attached Map)

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions. (See Attached Sheet)

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? Mica & Beryl.

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it. (See attached Sheet)

NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data. (See attached Sheet)

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:

(*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.

(*b*) Supervisors, by numbers and positions, with salaries of each.

(*c*) Cost of necessary repairs to existing facilities, structures, and buildings.

(*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.

(*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.

(*f*) Cost of rental for equipment which the operator proposes to rent.

(*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.

(*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.

(*i*) Cost of power, water, utilities, and any other items not provided for above. (See attached Sheet)

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent. (See attached Sheet)

CERTIFICATION

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

(Name of company)	By Gladys Wells (Signature of authorized official)
May 29, 1951 (Date)	Owner (Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

May 29, 1951
GLADYS WELLS
CUSTER, SOUTH DAKOTA
ATTACHED SHEET NO. 1.

THE APPLICANT

4. (a) The applicant has been engaged in buying minerals and mining for about 14 years, having had a great deal of experience with mining of strategic mica and beryl, and generally engaged also, in prospecting and exploring for and mining all types of minerals which are produced in the area, particularly with reference to pegmatites. Applicant established the first commercial mica rifting and trimming plant in Custer, South Dakota, and operated the same for four years on an extensive basis, and to a limited extent, for about eight years, and has been engaged in buying and selling of mon-metallic minerals, including beryl, tantalite, mica, amblygonite, and other rare minerals ordinarily produced from pegmatite dikes for about 13 years.

(b) The Manager is to be C. K. Koch, who has had about 13 years experience in prospecting for and exploring of mineral deposits in this area, mining, and production of minerals. Mr. Koch has mined several different mines, and was the operator of a mica separation plant and reclaiming plant for several years. He has mined beryl, and assisted in the purchasing and marketing of beryl over practically the entire period of time.

8. Financial Statement

ASSETS:

Cash on deposit in Custer County Bank, Custer, So. Dak.	$ 2,000.00
Real Estate in Custer, So. Dak.	$ 20,000.00
Bonds - W.S.	$ 600.00
Mining Machinery and Equipment	$ 6,000.00
Ores and Minerals for sale	$ 1,000.00
Miscellaneous personal property	$ 1,000.00
TOTAL ASSETS	$ 30,600.00

LIABILITIES: (NONE)

9. Applicant has on hand for use in the operation of the mine, the following mining machinery and equipment of a value in excess of $2500.00, which machinery is proposed to be used as Applicant's share of the cost of the project, the said machinery and equipment being as follows:

Compressor (Schramm)	$ 2,000.00
Jackhammer (Ingersoll)	$ 200.00
Steel and other miscellaneous mining tools and equipment	$ 500.00
TOTAL	$ 2,700.00

May 29, 1951
GLADYS WELLS
CUSTER, SOUTH DAKOTA
ATTACHED SHEET NO. 2

THE PROPERTY

10. (a) This mine has been mined on the higher level and has produced beryl, feldspar, mica, amblygonite, and tantalum, but the higher level is nearly worked out, and Applicant wants to go in about 40 feet lower and open pit and drift to the main ore body, which we think we will reach this way. Several Engineers have given their opinion as to this also.

(b) High Climb Lode Mining Claim situated about 6 miles North of Custer, S. D., on Highway 16A in the Northeast Quarter (NE¼) of Section 27, Township 2 South, Range 4 East, B.H.M., in Pennington County, South Dakota.

12. The High Climb Lode is about six miles North of Custer, South Dakota, on Highway 16A, being a bituminous hard surfaced Highway. Take the road Northeast and North from Custer about 5.7 miles, (being Highway 16A), then turn off to the right through the old Robinson Ranch in Section 27, Township 2 South, Range 4 East B.H.M. The mine lies fairly well up on the East wall of the Tenderfoot Gulch, about one-half mile to the Northeast of the old farm house on the Robinson Ranch. The one-half mile from Highway 16A to the mine is a dirt road. Custer, South Dakota, is the nearest shipping point.

14. The equipment described in Item No. 9.

15. Sold in Custer or shipped from Custer by Burlington Railroad.

16. History:

(a) From REPORT OF INVESTIGATIONS No. 44 by D. Jerome Fisher - June 1942:

This mine was first opened about 1932 from the southeast side; the northerly (higher) of the two main dumps on this side was formed first. About 1937 a new cut was made (at a level about 25 feet lower) from the northwest side, and a dump of considerable size has since been accumulated here. Seven carloads (40 to 50 tons each) of amblygonite in roughly spherical masses up to 6 or 7 tons weight were stated to have been removed between 1934 and 1938, mainly from the upper (older) portion of the mine. Two 30-ton carloads of beryl in masses up to two feet in length were also taken out. At least two carloads of highest grade scrap muscovite were produced, particularly from the footwall area. An average of one ton of spar per day was taken out between May 1 and November 1, 1939. The mine was not operated in 1940; in August, 1941 it was inactive except for spasmodic attempts to collect a pailful or so of muscovite, amblygonite, or beryl. It would seem that by extending the pit both laterally and deeper, considerable production could be maintained for some time.

(b) No adjoining or neighboring properties which have been worked or developed.
(c) See Item 16 (a)

May 29, 1951
GLADYS WELLS
CUSTER, SOUTH DAKOTA
ATTACHED SHEET NO. 3.

17. Production: Mine not in production at present.

18. (a) See Item No. 16 (a)
(b) See attached Map. Only one copy of the Map is submitted due to the fact that it is the only copy available to the Applicant.

(c) Beryl - 12% Amblygonite - 9%

19. Conditions and circumstances sufficiently brought out by foregoing questions.

THE EXPLORATION

21. Go in about 40 feet lower than present level and open pit and drift to the main ore body. Estimated time required to complete proposed work: 1 Year.

22. This information furnished in Item No. 10 (a), however, it should be mentioned that several U. S. Geological Survey men have stated that they think that an open cut and drifting from a lower level would be advisable.

THE REQUIREMENTS AND COSTS

23.	(a) Two Muckers @ $10.00 each per day for 264 days	$ 5,280.00
	One Part time Bookkeeper & Secretary @ $1.00 per hour	$ 1,056.00
	(b) One Supervisor @ $16.00 per day for 264 days	$ 4,224.00
	(c) None	None
	(d) Construction of Power House	$ 2,000.00
	(e) Shovel	$ 7,000.00
	(f) None	None
	(g) Rental value of Compressor, Jackhammer, Steel and other miscellaneous mining tools and equipment @ $75.00 per mo.	$ 900.00
	(h) Powder, Fuse, Caps, and Diesel Fuel @ $200.00 per. mo.	$ 2,400.00
	Steel, bits, and Machinery Repairs @ $75.00 per mo.	$ 900.00
	(i) None	None
	Total	$23,760.00

24. The project expected to be completed in 12 months after approval.
Progress expected to be accomplished: 1 foot per day.
Money expected to be spent: As set out in Item No. 23.

COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

August 13, 1951

Memorandum

To: Robert Waskey, Defense Minerals Administration, New Interior Building, Washington 25, D. C.

From: Executive Officer, Field Team, Region V

Subject: Dockets D.M.A. 1557X and 1558X

Referring to our telephone conversation about the refusal of Mrs. Gladys Wells of Custer, South Dakota, to sign the two exploratory contracts resulting from field team reports be advised that the matter was taken up with the examiners at Rapid City and the following information obtained.

The field team concluded the original application was more along the development rather than exploratory line and rather than approve it as such, suggested core drilling, and because of the rush job of trying to get in before the June 30 deadline sent it along as their suggestion. The only hitch was that, contrary to procedure, they did not consult with Mrs. Wells on the proposed change.

In view of this fact, that the core drilling program was a suggestion of the examiners and not of the applicant and that she is not now in accord with core drilling as suggested, please cancel the two contracts.

The examiners were emphatically reminded that applications for exploration are the proposals of private interests and that any suggestions, modifications, or complete changes have to be concurred in by applicant. This office has been advised that Mrs. Wells is to be approched to submit new applications based on ways she would propose to explore other than by core drilling.

/s/A. B. Needham

400
FILE COPY
SURNAME:

Mittendorf (2th)

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

August 20, 1951

A E C

Memorandum

TO: Mrs. Edith N. Terry
Chief, Finance Section

Mr. Robert E. Adams
Chief, Reports and Records Unit

FROM: C. O. Mittendorf
Director, Production Expansion Division

SUBJECT: Docket No. DMA-1558X - Gladys Wells
Commodity: Mica-Beryl
Idm-289

Advice has been received by the Executive Officer of Region V to the effect that the applicant has refused to execute the contract furnished covering the subject project, since she is not in accord with the revisions made by the Field Team and concurred in by the D. A Commodity Branch. The docket in this case, together with the six unsigned contracts, is being transmitted to the Reports and Records Unit for filing. The Government funds obligated for the project, namely, $3000, are to be withdrawn.

I assume that you will make the appropriate remarks on your records indicating the reasons for the withdrawal of the project, and that you will not assign the docket number to a new case. Your confirmation is requested.

C. O. Mittendorf (a.k.)

COMittendorf/jm

cc: Reports & Records
Mr. Barr
Mr. Josephson
Mr. Norton
Mr. Mittendorf, Mr. Olund
Mr. Knouse
Docket
Field Team, Reg. V (2)

Mr. Krouse

MICA
FELDSPAR
SPODUMENE
ROSE QUARTZ
AMBLYGONITE

MRS. GLADYS WELLS

MINING

NON-METALLIC AND RARE MINERALS

~~BERYL~~
COLUMBITE
LEPIDOLITE
SILLAMANITE
ANDALUSITE

BOX 664 ~~XXXXXX~~ 108 No. 5th. St.
CUSTER, SOUTH DAKOTA

Aug 9th. 1951

Defense Minerals Administration
Executive Director, Region V.

Enclosed please find the copies of Mineral Exploration Program, as you requested.
I do not feel that we want to enter into the Diamond Drilling Program.

I applied for the Mineral Exploration Loan, to go into this mine at a lower level where I feel sure we will strike both beryl & mica.

I do not feel that Diamond Drilling would help on a pegmatite dyke of this kind.

Very Sincerely

Gladys Wells
Gladys Wells

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 13 1951

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

July 30, 1951

Mrs. Gladys Wells
Custer, South Dakota

Re: Docket No. DMA-1558X - IdmE89
Gladys Wells
Exploration Contract

Dear Mrs. Wells:

We are enclosing the original and five copies of Exploration Contract No. DMA-1558X - Idm-E89, Gladys Wells, signed by me, together with five copies of Form MF-104 Monthly Progress Reports, and one copy of Int. 3337 "Questions and Answers on the Mineral Exploration Program."

If the terms of this contract meet with your approval, please sign all six copies, retain one copy, and return the original and four copies to this office. If any part of this contract does not meet with your approval, all of the copies of the contract must be returned to this office together with your proposed change, so it can be considered.

If the contract is signed by you, it will be in effect and four copies of Form MF-104 are to be completed and transmitted monthly to the office of the Executive Director, Region V, 2908 Colfax Avenue, Minneapolis 8, Minnesota. Additional copies of Form MF-104 may be obtained from the office of Region V.

In accordance with Article 4 of your contract, the contract to do the diamond drilling as outlined in this contract is subject to the approval of the Government field engineers.

Sincerely yours,

C O Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

N.E. file

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

July 25, 1951

Memorandum

To: Chief, Production Expansion Division

From: General Counsel

Subject: Gladys Wells exploration contract — Docket No. DMA-1558X

The contract in the subject case is approved as to form and legality subject to approval by the Government of the subcontracts which it is stated in Schedule A will be made by the Operator, and to execution by the Operator and the Government.

The contract should be dated upon delivery to the Operator.

Your file is returned herewith.

J. L. Hoffluna
J. L. Hoffluna
General Counsel

Attachment

FILE COPY
SURNAME:

Barr

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

July 13, 1951

Memorandum

To: Stanley M. Walker, Acting Chief
Housing and Utilities Branch

From: Chief, Industrial Minerals Branch

Subject: DMA-15587, Gladys Nelle,
Custer, South Dakota
Access Roads
Commodity: Mica-Beryl

Subject application includes improvement to 1/2 mile of access road from Highway 16 A, Pennington County, South Dakota, to High Climb Lode, located in Tenderfoot Gulch, about six miles North of Custer, South Dakota. Cost of road work - $400.00.

Recommended for approval.

James Barr
mp
James A. Barr, Sr.

JABARR:mp

cc: Reports and Records
Mr. Barr
DMA Files

FILE COPY
SURNAME:

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

Docket mailed 6/26/51

June 19, 1951

Gladys Wells
Custer, South Dakota

Subject: DMA-1558X

Dear Madam: Beryl, Mica ect.

Your application is being referred to Mr. A.B. Needham, 2908 Colfax Avenue South, Minneapolis 8, Minnesota, Executive Officer of the Field Team, Region V, for further information.

Sincerely yours,

Tom Lyons, Director
Supply Division

RW:mas

cc: Administrator's Reading File
Mr. Strobel
Field Team
Mr. Barr
DMA Files

Memorandum:

To: Director, Production Expansion Division
Defense Minerals Administration

From: Director, Supply Division
Defense Minerals Administration

Subject: Recommendation for Contract Approval

Name of Applicant: Gladys Wells
Custer, South Dakota

DMA No. 1558X

Commodity: Mica-Beryl

Amount Requested: $25,000.00

Amount Approved: $ 4,000.00

Government Participation: 90% $ 3,600.00

Tom Lyon

July 13, 1951

Memorandum

To: Chief, Industrial Minerals Branch, DMA

From: Chief, Programming and Planning, DMA

Subject: DMA-1558X, Gladys Wells
Commodity: Mica and Beryl
Amount approved: $4,000
Government participation - 90%

The prospective available supply of mica and beryl is far short of meeting defense requirements. Consequently, it is highly desirable that exploration for new domestic deposits be stimulated by any reasonable Government assistance to private interests. Any exploration project that holds promise of finding significant new reserves, merits consideration by the Defense Minerals Administration.

A. B. Parsons

JABARR:mp
cc: Mr. Barr
Reports and Records
Mr. Parsons
Mr. Norton
Mr. Mittendorf
DMA Files

July 13, 1951

Docket DMA-1558X

Recommendation

That an Exploration Aid Contract be granted in the amount of $4,000.00, Government participation 90%, in accordance with attached exhibits.

EXHIBIT "A"

Work will consist of approximately 600' of diamond drilling by contract, and the repair of about 1/2 mile of Access Road to the deposit to allow drill rig to be moved in.

Three or four holes will be drilled to depths of from 125' to 200' each. Location and direction of the drill holes will be mutually agreeable to operator and Field Team member.

Total allowable cost of project - - - - - - - - - - - - - $4,000.00
Time limit - 6 months.

Recapitulation of costs.

Bulldozing by contract or hourly rate to repair 1/2 mile Access Road from Highway 16A, to High Climb Lode	$ 400.00
600' Diamond drilling (BX or larger)	3,600.00
	$ 4,000.00

Docket DMA-1558X

EXHIBIT "B"

Not applicable.

EXHIBIT "C"

Bulldozing by contract on hourly rate, complete with fuel, operator, etc., to repair 1/2 mile access road to mine	$ 400.00
Diamond drilling by contract, including crew, fuel, transportation, core handling, etc. 600' BX or larger core	3,600.00
	$ 4,000.00

EXHIBIT "D"

Not applicable.

EXHIBIT "E"

Not applicable.

July 13, 1951

Memorandum

To: Stanley M. Walker, Acting Chief
Housing and Utilities Branch

From: Chief, Industrial Minerals Branch

Subject: DMA-1558X, Gladys Wells,
Custer, South Dakota
Access Roads
Commodity: Mica-Beryl

Subject application includes improvement to 1/2 mile of access road from Highway 16 A, Pennington County, South Dakota, to High Climb Lode, located in Tenderfoot Gulch, about six miles North of Custer, South Dakota. Cost of road work - $400.00.

Recommended for approval.

James Barr
M. P.
James A. Barr, Sr.

JABARR:mp

cc: Reports and Records
Mr. Barr
DMA Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D.C.~~
2908 Colfax Avenue South
Minneapolis 8, Minnesota

Washburn

July 6, 1951

Memorandum

To: Tom Lyon, Chairman, Coordinating Committee, Defense Minerals Administration, Interior Building, Washington 25, D. C.

From: Executive Officer - DMA Field Team, Region V

Subject: DMA Dockets 1533-X, 1558-X and 1682-X

Returned are the subject dockets, together with the Field Team report in quadruplicate, on each of the above-mentioned proposals.

You will note that DMA 1533-X and 1682-X were not approved because of geologic reasons.

DMA Docket 1558-X was considered a development project and recommendations for change in proposal were made with the consent of the owner. The new proposal by the Field Team consists of core drilling to indicate continuity and composition of the deposit before further work would be undertaken by the applicant.

Enclosures:

A. B. Needham

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 9 - 1951
LANDON F. STROBEL
Executive Secretary

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION V

DMA-1558X

High Climb Pegmatite, Custer District

Custer County, South Dakota

L. E. Shaffer, Minerals Technologist
U. S. Bureau of Mines

July 2, 1951

ON-SITE RPT.

DEFENSE MINERALS ADMINISTRATION
Report of Field Examination

by

L. E. Shaffer, Minerals Technologist
U. S. Bureau of Mines

Docket No.: DMA-1558X
Property: High Climb
Applicant: Gladys Wells
Commodity: Beryl

Conclusions and Recommendations

As outlined the project is a development project. The information that might be gained does not justify the cost. It is proposed instead to explore the deposit with about 600 feet of diamond drill holes. These holes would show the continuity and the composition of the deposit at least 200 feet down-dip from the outcrop at a cost of approximately $4,000. Drilling would be at locations selected by engineers of the Bureau of Mines, who also would supervise the entire project.

Exhibit A

The High Climb pegmatite has been mapped in detail by Douglas M. Sheridan of the Geological Survey and his report is available as an unpublished thesis at the University of Minnesota. Most of the following is abstracted from that report.

The deposit is a zoned, dipper-shaped mass about 360 feet long. The main body of the pegmatite covers half of this distance; the "handle" constitutes the remainder. Dips of the main mass of pegmatite range from 30° to 70° to the west. A dip slope of about 20° overlies the pegmatite and provides a site for inclined drill holes through the deposit, which ranges from 30 to 80 feet in thickness. These holes would cut the pegmatite at least 200 feet down-dip from the outcrop.

Zones mapped in the High Climb pegmatite include a wall zone, three intermediate zones, and a central core. The wall zone is plagioclase and quartz; the core is quartz and altered spodumene. Beryl is found only in the first intermediate zone, which in most places is adjacent to the wall zone. This first intermediate zone is composed of albite-quartz-muscovite pegmatite. Beryl, in grains from 1/2 inch to 12 inches in diameter, makes up 1 percent of the zone.

Production through 1940 included 100 to 350 tons of amblygonite, 100 tons of scrap mica, 150 to 180 tons of feldspar, 100 pounds of columbite, and 60 tons of beryl.

The Bureau of Mines proposes that the High Climb pegmatite be explored by drilling about 600 feet of Bx (or larger) diamond drill holes. These holes would be started in the vicinity of the large dump on the west slope below the outcrop. The holes will range in depth from 150 to 200 feet, and should be inclined at 60° to 65° to cross the deposit normal to the dip.

Hole locations would be determined by an engineer of the Bureau of Mines, and the project would be under his direction.

A drilling project as outlined above should be completed in 2½ to 3 months from the time the drilling equipment arrives at the property. Drilling could start soon after the project was approved.

A monthly progress and cost breakdown follows:

Progress	Cost
First month:	
Clear road, set-up and drill 1st hole	$1,600
Second month:	
Move to site of 2nd hole, set-up, drill 2nd hole	$1,200
Third month	
Move to site of 3rd hole, set-up, drill 2nd hole	$1,200
Total Cost	$4,000

If the pegmatite lies closer to the surface than anticipated, or is thinner than indicated, shorter holes would serve. In event of either of the foregoing, additional holes could be drilled during the time allotted, to a maximum of 600 feet of hole.

Exhibit B

No structures or buildings will be needed for the project as outlined above.

Exhibit C

Inasmuch as the drilling would be contracted, no equipment need be purchased or rented.

Exhibit D

Labor, other than the drill crew furnished by the drill contractor, would be supervisory and engineering work. The engineer of the Bureau of Mines would include this work with his normal direction of the project.

6/5/51

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. DMA 1558 X

Commodity Beryl-Mica

Total Amount 825.00 w

Govt. Participation 90%

1. Name and Address of Applicant Gladys Wells
Custer, So. Dakota

2. Location of Property 6 mi. north of Custer, in Pennington County, South Dakota

3. Mineral or metal Beryl-Mica Is it listed in Section 9 of MO-5? Yes

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good ✓

b) Poor See attached Sheet

c) None JSR 6/14/51

d) Don't know—needs field examination

e) Is there an alternative and favorable project?
(If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? Yes
(question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? Not owner

Does the lease have sufficient time to run to cover a productive period? —

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 9 - 1951
LANDON E. STROBEL
Executive Secretary

*question numbers are those of MF-103

Question (4)

DMA - 1558X Gladys Wells, Custer, S. Dak
Her beryl-mica loan at High Climb pegmatite " "

The High Climb has been mapped in detail by the Geological Survey. The mine has considerable inferred reserves of beryl remaining.

The pegmatite should have very good chances of producing sufficient beryl and other minerals to repay the loan.

It will be necessary to reduce much of the proposed exploration costs since the deadline in an attempt to find the beryl-mica gone is about all that can be considered as true exploration. It is recommended that the part of the application be changed to development loan. The true exploration costs can then be considerably reduced.

The Field Team should determine if the proposed exploration is the most feasible.

J. A. Ridden
6/14/51

Question 4

7. Are subordination agreements necessary? No.

a) MF-201? —

b) MF-202 —

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes

b) Equipment and supplies Yes - Equipment of applicant cannot be used as investment.
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* Yes

d) Water (question 13)* Yes

e) Power (question 13)* Yes — gasoline or diesel engines

Is a field check needed on any of these points? No

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Yes.

Is a field check needed on this point? No

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? Yes

If not, are there sufficient data given so that you can describe the project? _____ If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? Yes

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? No

If not, what part of it is? The drilling for extension of ore body

Is this part a worthwhile exploration project? Yes

d) Are the cost estimates detailed? No

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data? No If so, attach a draft.

e) Are the cost estimates reasonable? Wages - yes.

f) Should more information be requested from applicant? No

g) Is a field examination necessary to complete Exhibit A? Yes

11. Exhibit B (question 23-d)*

a) Is it applicable? Yes

b) If so, are sufficient data furnished? Yes - cost probably high. If so, attach a draft.

c) Is a field check needed? No

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? Yes

b) Sufficient data? Yes If so, attach a draft.

c) Are rents and charges reasonable? Yes

d) Is a field check needed? Yes - condition of equipment

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? Yes

b) Is the schedule adequate for the work proposed? Yes - the bookkeeper should be eliminated

c) Is the schedule excessive for the work proposed? No

d) Are the proposed wages and salaries reasonable? Yes

e) Is a field check needed? No

14. Exhibit E (question 23-c)*

a) Is it applicable? No - no buildings or facilities on property

b) Sufficient data? —

c) Reasonable? —

d) Field check needed? No

15. In your judgment, can the proposed work be done in the proposed time? The exploration program Yes

(All exploration must be completed within two years)

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

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question? All that is necessary for the field examination is to ascertain if the location of the exploratory adit is the most favorable site + the condition of the equipment to be ~~taken~~ furnished by the applicant.

Reviewed by: Donald McRae

BofM

Date 6/12/51

97692

6/12/51 Docket H[illegible] - DMA. 1558X

Section 10. Exhibit "A."

The project as submitted combines both exploration & development for production. The driving of an adit to ascertain the downward extension of the ore body is an exploration project but the opening of an open cut for production is not. The driving of this adit can be covered by the present application but the work of opening a lower open pit should be covered by a development or production loan for which a new application is required.

Section 11 Exhibit "B."

The construction of a building to house the power equipment, compressor etc, is necessary but the cost as given is high & apparently contemplates equipment designed for production purposes. A smaller structure would be sufficient for exploration use

Section 12. Exhibit "C"

Under "e" of question 23, the purchase of a shovel is not warranted for the exploration part of the project, (it would only be used in connection with the preparation for & production & so should be covered in a production loan). The rental of equipment is satisfactory. The use of a value on equipment of applicant as part of his "investment" (question 9) is not allowable.

Section 13 Exhibit "D"

The wages listed under this heading are reasonable but the classification should be changed to include a miner & the bookkeeper is not acceptable on an exploration project of this size. Here again the production operation is apparently in mind although insufficient men are listed. The supervisor is probably expected to do the mining.

6/14/57

DMH 1538X

continuation —

Section 16 — Recommendation.

This is an old producer from which moderate amounts of beryl, mica, amblygonite + feldspar were obtained. The driving of an adit to test for the downward extension of the ore zone is a justifiable exploration project. The development + putting in condition for production are not acceptable as exploration activities.

The applicant should submit a modified application for an exploration project + a development or production application for a straight loan.

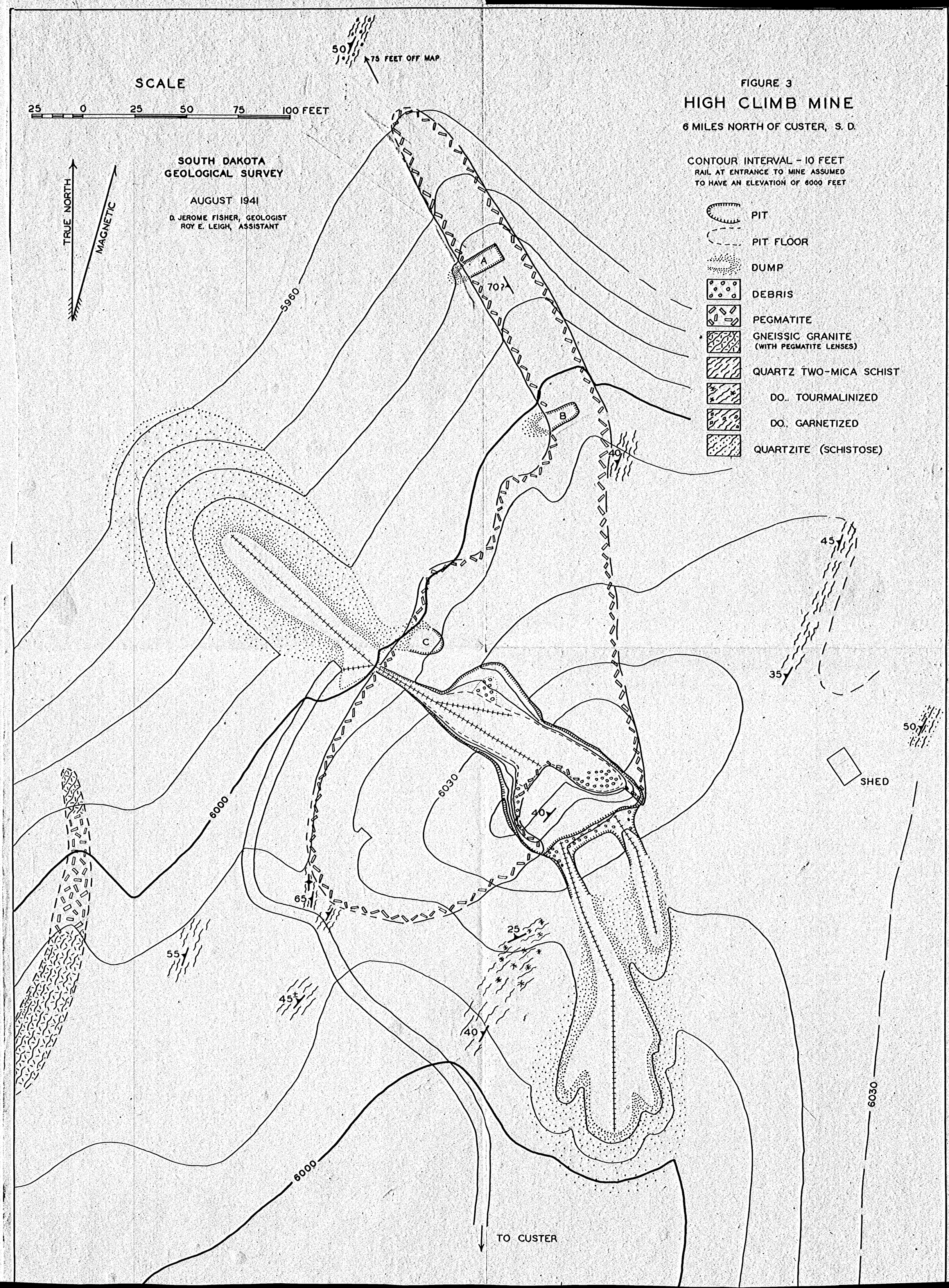
FIGURE 3
HIGH CLIMB MINE
6 MILES NORTH OF CUSTER, S. D.
CONTOUR INTERVAL - 10 FEET
RAIL AT ENTRANCE TO MINE ASSUMED TO HAVE AN ELEVATION OF 6000 FEET
SCALE
25 0 25 50 75 100 FEET
SOUTH DAKOTA GEOLOGICAL SURVEY
AUGUST 1941
D. JEROME FISHER, GEOLOGIST
ROY E. LEIGH, ASSISTANT
TRUE NORTH
MAGNETIC
75 FEET OFF MAP
PIT
PIT FLOOR
DUMP
DEBRIS
PEGMATITE
GNEISSIC GRANITE (WITH PEGMATITE LENSES)
QUARTZ TWO-MICA SCHIST
DO., TOURMALINIZED
DO., GARNETIZED
QUARTZITE (SCHISTOSE)
A
B
C
5960
6000
6030
SHED
TO CUSTER

7 cut

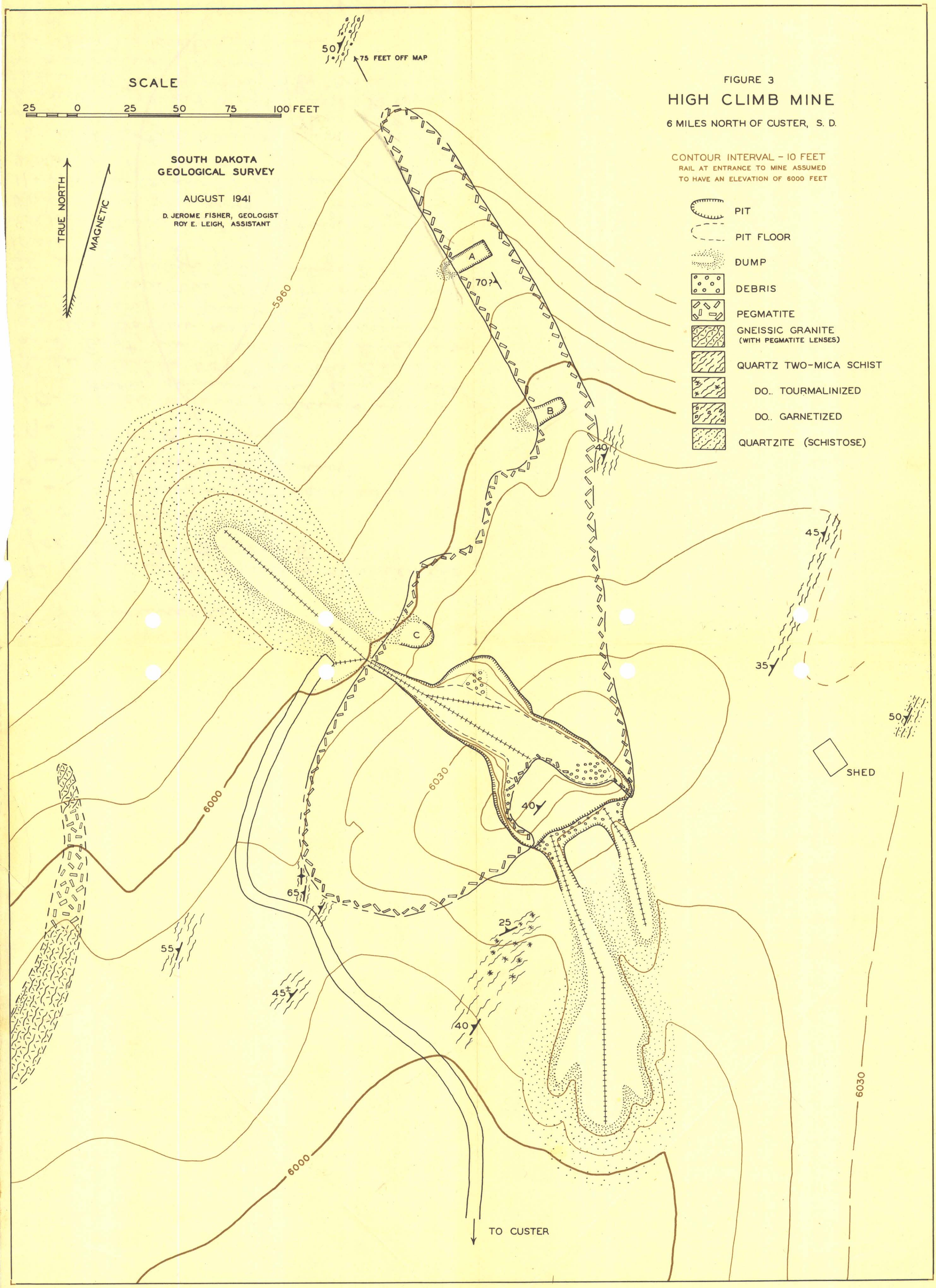
FIGURE 3
HIGH CLIMB MINE
6 MILES NORTH OF CUSTER, S. D.
CONTOUR INTERVAL - 10 FEET
RAIL AT ENTRANCE TO MINE ASSUMED TO HAVE AN ELEVATION OF 6000 FEET
SCALE
25 0 25 50 75 100 FEET
SOUTH DAKOTA GEOLOGICAL SURVEY
AUGUST 1941
D. JEROME FISHER, GEOLOGIST
ROY E. LEIGH, ASSISTANT
TRUE NORTH
MAGNETIC
PIT
PIT FLOOR
DUMP
DEBRIS
PEGMATITE
GNEISSIC GRANITE (WITH PEGMATITE LENSES)
QUARTZ TWO-MICA SCHIST
DO.. TOURMALINIZED
DO.. GARNETIZED
QUARTZITE (SCHISTOSE)
75 FEET OFF MAP
50
A
70?
B
40
C
45
35
50
SHED
6000
6030
40
65
25
55
45±
40
6000
6030
TO CUSTER

7 Individual

4- Buying and mining minerals for about 15 years.
5- owner.
6- no liens or encumbrance
8- financial statement
9- $2,000 yearly
10- 2 lode mining claims and a fraction, joining the Tin Mountain lode claims 55% on the South and East, in [illegible] as the Warren Draw #1 Warren Draw #2 and Warren Draw #3 Lode Mining Claims - in the NE ¼ of Section 35, in Township 3-S - Range 3 E - BHM Custer Co, S. D.
Exploration will be done on the West side joining the Tin Mtn.
11- Warren Draw #1 Warren Draw #2 Warren D - #3 -
12- is located about nine miles West of Custer on the Newcastle highway about eight and ½ miles then northerly about ¾ mile over a graveled road.
13- Spring water, close.
14- Compressor - hammers steel - cars - rail - blacksmith shop - stoper and miscellaneous mining equipment
15- Sold in Custer or shipped on C.B.Q