UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated (or cancelled) without certification. DMEA No. 1813

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 _____

L. J. M.
Reviewer's Initials

7973

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Mich Lode

Smith, Whitehead and Walker

Custer, South Dakota

pertaining to Exploration Project Contract No. IDM-E-140, Docket No. DMA-1813x, for the period of March 1952 to April 1952.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Government representative who visited and examined the project, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of an audit of the Operator's accounts and records for the reason(s) indicated by "X" below:

(x) the Monthly Reports were supported by documentary proof of the costs incurred under the contract;
(x) the contract provides for payment by the Government on the basis of agreed estimated costs of units of work actually performed

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

Total cost as billed by Contractor		$ 2,777.50
Exceptions:	None	
Total Accepted Cost		$ 2,777.50

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Two thousand four hundred ninety-nine DOLLARS and 75/100.

- $ 2,499.75 -

is considered valid and proper.

Date: June 19, 1952

Robert M. Hull
Auditor

Docket Copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 11 1952

ASSIGNMENT

We, the undersigned do hereby assign to EMERY WHITEHEAD, G. ROY SMITH and GLEN WALKER an exploration project contract IDM-E-140, Docket No. DMA 1813X. This contract was negotiated September 14, 1951, between the United States Government and the undersigned, known as Mich Lode.

Mary M. Michaud
Witness

Francis Michaud

Mary M. Michaud
Witness

Louis Stratton

ACCEPTANCE

We, the undersigned, accept all the responsibilities and agree to be bound under the terms of an exploration contract at the Mich Lode, between Francis Michaud and Louis Stratton and the United States Government. The contract is designated as DMA Docket No. 1813X, Idm-E-140, and was signed on September 14, 1951.

Witness:

Shirley Weeks

M A Cox

Emery L Whitehead
Emery Whitehead

G Roy Smith
G. Roy Smith

Glen Walker
Glen Walker

The Government hereby consents to the foregoing assignment.

UNITED STATES OF AMERICA

Date March 6, 1952

By O D Mulcahy
Acting Administrator, Defense Minerals Exploration Administration

220
1951)

Docket No. DMA 1813X
Commodity Mica, Beryl, Columbo-Tantalite
Idm-E 140

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

RECEIVED OCT 16 G. A. O.

OCT 25 1951

Index Stamp
No. Card
Revised

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 14th day of September, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Francis Michaud and Louis Stratton, Partnership
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 Custer described as follows: [3] Known as "The Mich Lode" a full mining claim, 600 feet by 1500 feet, located in the NE¼, Section 14, Township 4 South, Range 3 East, Black Hills Meridian, as recorded with the Register of Deeds, Custer County, South Dakota on page 444 in Book 17 of Locations.

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: None

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

3. *Exploration project.* The Operator, within Thirty (30) days from the date of this contract shall commence work on a project of exploration for [5] Beryl, Mica, Columbo-Tantalite 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] Ten (10) 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.

*Six (6) months operating time

16—64066-2

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 $8,010.00, which is 90 percent of the agreed estimated total cost of this project, $8,900.00.

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.

Francis Michaud and Louis Stratton
(Operator)

By Francis Michaud

By Louis Stratton

THE UNITED STATES OF AMERICA

By C O Mitteudorf

Director, Production Expansion Division
Defense Minerals Administration

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

Docket No. DMA 1813X
Francis Michaud and Louis Stratton
Exploration Project Contract Idm-E140

EXHIBIT "A"

Performance of Work:

Work will consist of:

Sub Project 1

Four diamond drill holes (BX core) to be drilled, ranging from 100 feet to 200 feet, making in aggregate not more than 600 feet. The location and direction of all diamond drill holes to have the prior approval of the Government Field Engineers. Drilling is to be done by contract; core handling, sampling to be done by the Operator with advice and supervisory assistance of the Field Team. Total expenditure allowed is $3,150.00.

Sub Project 2

If the exploration program in Sub-Project 1 encounters mineralization, which in the opinion of the Government Field Engineers justifies additional exploration of this pegmatite, then, with the approval of the Government Engineers, a part or all of the following work will be done:

Drive an adit drift, approximately 7' X 5' in cross section for a maximum length of 230 feet to explore the pegmatite. The location, extent and direction of this drift is to have prior approval of Government Field Engineers.

Cost of the Project: (the following figures are estimated costs)

Sub-Project 1

600 feet of diamond drill hole @ $5.00/foot	$ 3,000.00
Core boxes, handling, testing, etc. 600 feet @ $0.25 per foot	150.00
	$ 3,150.00

Sub-Project 2

230 feet of drift @ $25.00 per foot	$ 5,750.00
Total cost of project	$ 8,900.00

Estimated cost per foot of drifting, 7 X 5 ft. cross section:

Labor	$ 8.35
Supervision	4.17
Equipment rental	5.00
Supplies	6.70
Social Security, Workman's Compensation, etc.	.78
Total	$25.00 per foot

Fixtures and Improvements:

Does not apply to this contract

Operating Equipment:

Sub-Project 1

All necessary equipment will be furnished by the diamond-drill contractor. Core boxes will be supplied by the Operator and are included in the item:

Core boxes, handling, testing, etc.
600 feet @ $0.25 per foot $ 150.00 (Est.)

Sub-Project 2

To be rented by the operator:

(a) 110 cfm portable gasoline compressor
4 months @ $212.00 per month $ 848.00 (Est.)

(b) 1 - drifter complete with column, hose and accessories
4 months @ $75.50 per month 302.00 (Est.)

The Operator may, with approval of the Government Field Team, contract for the driving of this exploratory drift at a rate not to exceed $25.00 per foot and not to exceed 230 feet in length. In event the Operator so elects to contract this work, then the contractor will furnish all necessary labor, supervision, supplies and equipment.

Labor and Supervision:

Sub-Project 1

Labor and supervision are to be supplied by the diamond-drill contractor.

Labor and Supervision (continued):

Sub-Project 2

1/ 1 working foreman @ $ 1.50 per hour

1/ 2 miners @ 1.50 per hour

1/ Does not include overtime pay, unemployment insurance, social security, etc.

Rehabilitation and Repairs:

Does not apply to this contract.

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

January 21, 1952
ans. 2/1/52 [illegible]

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region V

Subject: Docket DMA-1813x, Contract Idm-E140, Mich Lode - Transfer of ownership

The property on which the subject exploration contract was drawn has been sold by the owners, Messrs. Michaud and Stratton of Custer, S. Dak., to a group composed of Messrs. Whitehead, Smith, and Walker.

The new owners desire to do the exploration outlined in contract Idm-E140 and will assume full responsibility per the terms of said contract.

Here is a copy of the contract of sale, copy of letters from former owner and present owner acknowledging the sale and intent to assume the subject contract, as well as four copies of mortgagee subordination agreement signed by Michaud and Stratton.

Please make the necessary transfer of ownership and advise so the new owners may prosecute the work according to the terms of the contract.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 23 1952

A. B. Needham
Executive Officer
DMEA Field Team, Region V

Attachments 7

COPY

CONTRACT OF SALE

FRANCIS MICHAUD, and LOUIS STRATTON, of Custer, South Dakota, herein referred to as the "Seller" and EMERY L. WHITEHEAD, G. ROY SMITH, and GLENN WALKER, of Rapid City, South Dakota, herein referred to as the "Buyer", agree on this 5th day of January 1952 as follows:

(1) The Seller will and hereby does sell to the Buyer, and the Buyer will and hereby does purchase from the Seller, at the price and on the terms and conditions, and subject to the covenants herein contained, the following unpatented Lode Mining Claim, to-wit:

The MICH LODE MINING CLAIM in Custer County, South Dakota, a more particularly description of which is shown by the location certificate thereof of record in the office of the Register of Deeds of said county in Book 17 of Locations on page 444

together with all of the mining rights, franchises and privileges, and all water rights and the right to use water, and all timber rights and the right to use such timber, as is now presently held and enjoyed by the Seller in connection with such Lode Mining Claim.

(2) The sale and purchase price of said property is the sum of Four Thousand Five Hundred Dollars ($4,500.00) to be paid by the Buyer to the Seller as follows:

(a) The sum of $1,500.00 to be paid in cash at the time of the execution of this contract, the receipt whereof by the Seller being acknowledged; and

(b) The sum of $3,000.00 without interest, to be paid by the buyer to the seller out of and from the gross sale receipts of all minerals and ores that may hereafter be produced and sold by the Buyer from said premises, the amount, time and manner of which such payments shall be as follows: Such Buyer shall deliver over to the Seller an amount equal to Ten (10%) per cent of such gross sale receipts by not later than the 25th of the month following that in which such sales were made; and no such sales shall be made for less than the then standard and realizable market value. Such payments shall continue until said sum of $4,500.00 shall have been fully paid, it being understood and agreed that the Buyer has not and does not obligate himself to make such payments from any other source, but that he may, if he so desires increase the amount of such per-centages payments at any time, and that he likewise may, if he so desires, pay up the full amount of such balance of purchase price from sources other than from the production and sale of minerals and ores.

(3) In connection with the percentage payments provided for by paragraph (2-b) above the Seller shall have the right, during the entire time of this contract is in effect, to demand of and receive from the buyer, on written request, not oftener than once every thirty (30) days, a full and complete statement and report of all sales made by the Buyer from said premises covering such period as shall not theretofore have been so fully reported to him. In addition thereto it shall be the obligation of the Buyer to furnish to the Seller, at the time such percentage payments shall be made, a copy of all "Mill Returns" or other returns covering the sales for which such payments apply.

(4) Possession of said property shall be delivered over to the Buyer immediately upon the execution of this Contract and such Buyer shall commence his mining operations thereon by not later than March 1st, 1952, and will thereafter continue the same, in accord with the provisions hereof, without interruption during the full contract period, and that any cession of such operations for a period of Ninety (90) successive days, unless caused by unavoidable accident, government restrictions, depressed market conditions, or other causes beyond the control of the Buyer, shall be deemed sufficient cause for the termination of this contract by the Seller. The "exceptions" immediately above provided for, shall in no event extend beyond sixty (60) calendar months, and any period beyond that time shall be treated and considered as an abandonment of the property by the Buyer and shall entitle the seller to take possession thereof.

(5) In all of his operations hereunder, and until full payment of such property shall have been made by him as provided for by paragraph (2-b) hereof, the Buyer will do and perform such work with due diligence and to the limit of the maximum reasonable productivity of said property, both as to production and marketing, in the manner consistant with good mining practice. He will abide by and perform all regulations and requirements as may be imposed upon him under Federal and State Mining Laws, and laws and regulations pertaining to the employment of labor. He will timely and properly do and perform all annual assessment work required under Federal Laws and the laws of the State of South Dakota, upon and for the legal benefit of said mining claim and will file due proof thereof in the proper recording office at least Fifteen (15) days before the expiration of the time limitation provided in the then existing laws for such assessment work, and will furnish proof thereof to the Seller immediately upon such filing being made.

(6) Seller shall in no manner and no account be held liable for any debts, claims, charges or other obligations made or incurred by the Buyer by reason of such Buyer's operations on said property and the Seller and the said Mining property shall be held harmless from all liens, claims, demands and judgments of every kind and character arising therefrom, and the Buyer will promptly cause good and sufficient notices to be posted (and to be thereafter kept posted) on said mining property assuming full and complete responsibility for any injury suffered, damage done or liability incurred for or by reason of any of the work prosecuted thereon, and will pay or cause to be paid in full and as due all bona fied claims that may arise for labor performed, materials furnished injury suffered, or for any other cause, as the result of the work done or materials furnished in connection with Buyer's operation of said property.

(7) Upon full completion of the payments, in time, manner and form as hereinbefore provided, the Seller shall and hereby covenants that he will execute and deliver over to the Buyer, or to his then successor in interest, a good and sufficient mining deed, suitable in all respects for recording purposes, conveying good and merchantable title to said premises to the Buyer, and will also furnish to such buyer an Abstract of Title showing such merchantable title.

(8) Time and manner of performance by the Buyer of all of the various covenants on his part to be done and performed, including the payments specified in paragraph (2-b) hereof, shall be deemed as of the essence hereof, and failure on his part to make such payments within the times specified, or to perform any of the covenants, shall entitle the Seller to terminate this contract by giving such Buyer thirty (30) days written notice, served by mail to such Buyer at his address as herein set forth or as may hereafter be furnished by such Buyer to the Seller.

Upon the expiration of such thirty (30) day period, unless the default be then cured, the Seller shall be entitled without further notice or demand to the full and absolute possession of said premises, the right of such re-entry being hereby specifically given to him, and the Buyer shall thereupon quietly yield and surrender such possession to the Seller. Such Termination, however, shall not in any manner release or relieve the Buyer from the payment of any sums then accrued and due to the Seller under the provisions of paragraph (2-b) hereof. If the Seller shall so terminate this contract and so regain possession of the premises he shall be entitled to keep and retain all payments which may theretofore have been made to him under the provisions hereof as reasonable rental for said property, and in full payment and satisfaction of all damages claimed or to be claimed by reason of any such default, and shall not then or thereafter have or possess any claim for any claimed balance for said purchase price or any part thereof.

(9) It is understood and agreed by the parties hereto that it is the intention of the Buyer to assign and convey all of his interest hereunder to a corporation hereafter to be formed for the operation of said premises, and it is agreed that such assignment and transfer may be so made by the Buyer without notice or further permission from the Seller, but that no subsequent assignment shall thereafter be made by such corporation, or by anyone else who may succeed to the rights of such corporation, without first having obtained the written consent of the Seller to the making of said assignment.

(10) In the event of a termination of this contract by the Seller, in the manner aforesaid, the buyer shall have the right to remove from said premises any machinery and equipment placed by him thereon if such removal may be done without material injury to the premises, and such removal shall be so done within sixty (60) days of such termination.

All of the provisions hereof shall extend to and shall be binding and obligatory upon each of the contracting parties and upon their respective heirs, executors, administrators and assigns.

/s/ Francis Michaud Seller

/s/ Louis Stratton Seller

/s/ G. Roy Smith Buyer

/s/ Emery L. Whitehead Buyer

/s/ Glenn Walker Buyer

State of South Dakota)
) SS
County of Custer)

On this 5th day of January, 1952, before me, the undersigned officer, personally appeared Francis Michaud, Louis Stratton, and G. Roy Smith, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and seal this the 5th day of January, 1952

/s/ G. W. Corrington

(SEAL)

Notary Public,
Custer County, South Dakota

My Commission expires:

Jan. 5, 1956

STATE OF SOUTH DAKOTA)
) SS.
COUNTY OF PENNINGTON)

On this 8th day of January, 1952, before me, the undersigned officer, personally appeared EMERLY L. WHITEHEAD, and GLENN WALKER, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

In Witness Whereof I hereunto set my hand and official seal.

/s/ Tom Eastman, Jr.
Notary Public

(SEAL)

COPY

D. H. Mullen, Supervising Engineer
U. S. Bureau of Mines
School of Mines Campus
Rapid City, So. Dak.

Dear Mr. Mullen:

With reference to the Mich claim on which a government loan Idm-E140 has been granted, I wish to state that Louis Stratton and I have sold this mine to Emrey L. Whitehead and G. Roy Smith, both of Rapid City.

I understand they would like to carry on the exploration as stipulated in the contract. Is it possible to assign or transfer the contract to them?

Very truly yours,

/s/

Francis Michaud

COPY

EMREY L. WHITEHEAD
General Insurance & Real Estate

Buell Building Rapid City, S. Dak.
Phone: 1937

December 20, 1951

D. H. Mullen, Supervising Engineer
U. S. Bureau of Mines
School of Mines Campus
Rapid City, So. Dak.

Dear Mr. Mullen:

Re: Docket No. DMA 1813X
Mica, Beryl,
Columbo-Tantalite
Idm-E140

We have purchased the Mich lode mining claim from Francis Michaud and Louis Stratton on which we understand a government exploration loan has been granted.

We are essentially in agreement with the terms of the contract and are in a position to carry them out if the contract can be conveyed. Please advise the necessary procedure.

Very truly yours,

/s/
Emrey L. Whitehead

/s/
G. Roy Smith

MF-201
(June 1951)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the holder of a mortgage, claim, lien, or encumbrance identified and described as follows*:

Contract for sale on Mich Lode Mining Claim

dated January 5, 1952.

upon that certain parcel of ground described in a certain Exploration Project Contract dated September 14, 1951, between Francis Michaud and Louis Stratton, Partnership, Custer, South Dakota, and the United States of America;

NOW, THEREFORE, the undersigned does by these presents subordinate all of his right, title, and interest in said mortgage, claim, lien, or encumbrance to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights under the provisions of said mortgage, claim, lien, or encumbrance; and

The undersigned agrees to commit no act nor assert any right, title, or interest under said mortgage, claim, lien, or encumbrance that might contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 15th day of January, 1952

Francis Michaud
Louis Stratton

*Include date of the instrument, and if recorded, book, page, and county of record.

U. S. GOVERNMENT PRINTING OFFICE 16—64581-2

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 1813X

Date received 7-9-51

Participation

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

Francis Michaud &
Louis Stratton
Custer
South Dakota

Name and address of applicant

Date May 31, 1951

FILL IN THIS BLOCK

Date of application May 31, 1951

Estimated cost $22,936.00

Mineral or metal Beryl, columbium-tantalum, mica.

Percentage of Government participation

Location of mine Ten miles south west of Custer South Dakota, 2½ miles off of U. S. 16

Date of filing MF-100 None filed

DMA Docket Number, if available ~~None available~~ 1813X

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?
*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.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
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.
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)?

*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.

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

*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.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

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

15. State in detail how the ore could be shipped and how and where milled.

*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.

*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.
    (*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.

THE EXPLORATION

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

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    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.

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.

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.

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.

Partnership
(Name of company)

By Francis Michaud & Louis Stratton
(Signature of authorized official)

Francis Michaud & Louis Stratton

May 31, 1951
(Date)

Owners
(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

SUPPLEMENTAL TO FORM MF-103

Francis Michaud &
Louis Stratton
Application

THE APPLICANT

1. Partnership.

2. Francis Michaud and Louis Stratton both of Custer, South Dakota.

3. Unincorporated.

4. (a) The applicants have spent approximately twenty years each mining in the Black Hills.

   (b) The project will be managed by Francis Michaud who originally located this ground under the name the "Michaud Lode".

5. Owners.

6. None.

7. Not a lesse.

8. Owners have prospected the dike by shallow trenching on top of dike. The beryl produced during this operation has paid fair wages.

9. Ten percent of cost.

THE PROPERTY

10. (a) Pegmatite dike approximately 14' wide, exposed for approximately 100' along lode line of claim. The only operation to date is shallow trenching about 100' in lemgth, with a depth of between 6' to 14'.

    (b) The claim for which this application is made was located under the name of "The Mich Lode", and is 600' x 1,500' in area, a full lode mining claim. It is recorded with the Register of Deeds, Custer County, South Dakota and will be found on page 444 in Book 17 of Locations.

11. The present name is the Mich Lode, formerly located under the name of the Michaud Lode.

12. The property is situated ten miles sout west of Custer, South Dakota where the ore can be loaded on the C. B. & Q. Railroad. It is 2½ miles off of Highway U. S. 16, over a fair dirt road, the balance of the distance over a hard surface highway, U. S. 16. Roads can be traveled the year around with few exceptions.

SUPPLEMENTAL TO FORM MF-103

Francis Michaud &
Louis Stratton
Application

THE PROPERTY Cont'd

13. Plenty of water is available within one half mile of the property for drinking and for the cooling systems of the engines, and for drilling. The amount of power will be approximately 150 H. P. which will be derived from gasoline.

14. None.

15. Ore can be shipped over the Burlington Railroad from Custer, South Dakota. No milling facilities available.

16. (a) Previous exploration consists of shallow trenching about 6' to 12' wide, 100' long, with a depth of 6' to 12'. It has produced three tons of beryl, three tons of scrap mica, and about 1,000 pounds of columbium-tantalum.

(b) The Consolidated Feldspar Company has a mile about one mile distant that has produced beryl, scrap mica and feldspar. ? mine

(c) The only known investigation was made by the United States Bureau of Mines or the United States Geological Survey when the property was known as the "Michaud Lode".

17. Mine not now in production.

18. (a) Pegmatite dike about 14' wide, plunging to the south west. Superficial operations show beryl to be present from the foot wall to the hanging wall, and along the length of the exposed surface, to the depth so far opened.

(b) Owner has had no maps or assy data.

(c) Tonnage impossible to estimate until the deposit is investigated to the depth of the proposed exploration.

19. It is the applicants beleif that United States agencies have information available relative to this project.

THE EXPLORATION

20. Beryl, columbium-tantalum, scrap mica.

21. It is proposed to sink an incline shaft on the foot wall of deposit, which it is estimated will require 160 days to complete, included in the time estimate also is a drift 100' long, 200' of excavation in all.

22. The exposed surfaces of the dike and excavations reveal strong showings of beryl and columbium-tantalum.

SUPPLEMENTAL TO FORM MF-103

Francis Michaud &
Louis Stratton
Application

Page Three

THE REQUIREMENTS AND COSTS

23.	(a)	Two miners @ $24.00 per day	$24.00	
		One hoistman $12.00 per day	12.00	
		One top man @$10.00 per day	10.00	
		Daily Labor Cost	$ 46.00	
		Labor Cost of Exploration		$ 7,360.00
	(b)	One partner supervising @ $12.00 per day		1,920.00
	(c)	None		
	(d)	Head frame, hoist room and tool shed combined.		1,000.00
	(e)	160 Cu. Ft. Air Compressor	$ 4,000.00	
		Gasoline hoist	2,500.00	
		Drifter Drill (Water Head) complete with post, arm, hoses, drills, tank. (To be stripped for sinking)	1,000.00	
		Total equipment cost	$ 7,500.00	7,500.00
	(f)	None		
	(g)	One mine car and some pipe to be furnished rent free		
	(h)	Powder, fuse, caps, carbide, bits, mine timber mine rail, 1 mine car, small tools, and supplies		3,556.00
	(i)	Gasoline, oil & grease		1,600.00
		Total estimated cost of exploration		$ 22,936.00

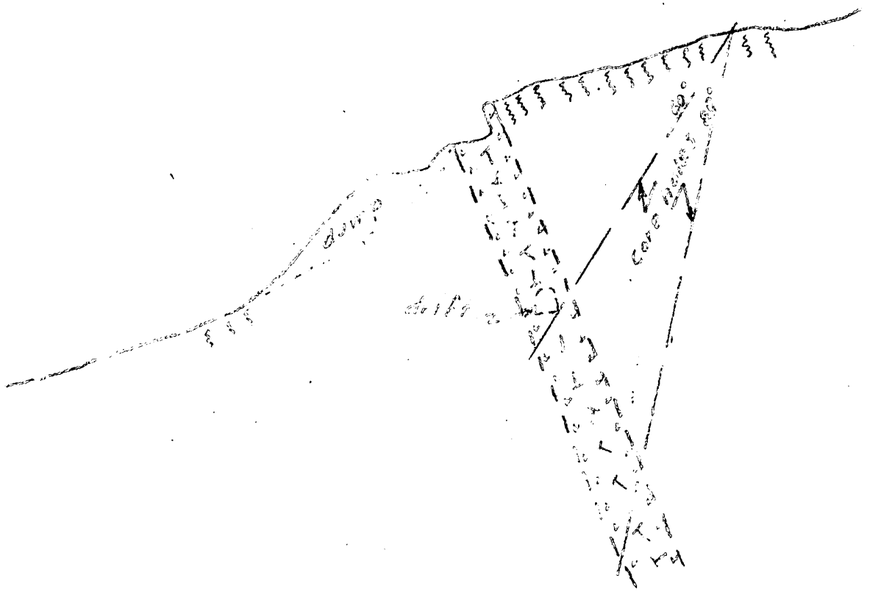
24. The cost of the exploration is based upon thirty two 5 day weeks, allowing for approximately 1.6 feet per day, including building and timbering shaft. At this rate the money will be required for 16 pay periods of two weeks each, plus the initial cost of the necessary equipment. At this rate the money would be entirely expended at the end of the 16th week. (pay period?)

Note: Labor cost are computed under present conditions, which are changing rapidilly. The labor supply is leaving for higher pat areas.

Quartz-plagio-perth.-muscovite

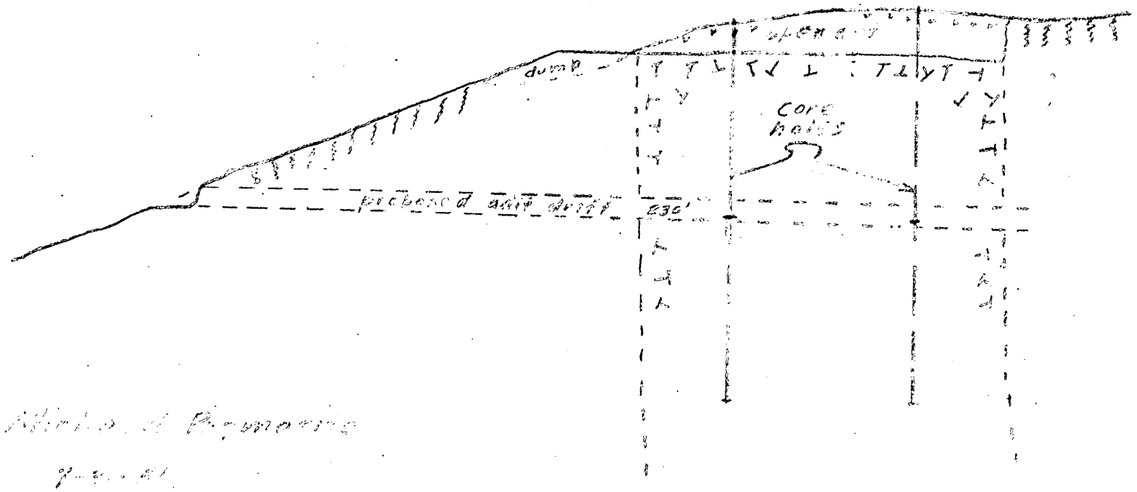
Perth.-Quartz-Clear.

Schist



Section [illegible]

Section Thru Atlas & Pomeroy
1" = 40'
SW



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COPY

Form I-1017 Rev.
Form approved by
Comp. Gen., U.S.
August 20, 1951

DEPARTMENT OF THE INTERIOR

VOUCHER AND SCHEDULE OF PAYMENTS

Sheet 1 of 1

Bureau or Office: Defense Minerals Exploration Administration

Location of Transmitting Office: Minneapolis 8, Minnesota

Station No.: 14-24-050

D. O. Symbol: 409

D. O. Voucher No.

Bu. Schedule No. 33

Appropriation Summary: (Symbol and amount)

14X4401 - $10,138.55

PAID BY

5/27/52

(For use of paying office)

(1) Bureau Voucher No.	(2) Payee, and if necessary, address, invoice no., or other identification	(3) AMOUNT	(4) D. O. Check No.
	Mich Lode (Smith, Whitehead & Walker) Custer South Dakota I-DM-E140	$ 280.00	
	Calumet & Hecla Cons. Copper Company Calumet Michigan I-DM-E98 Projects: 8,9,11 & 12	8,850.55	
	Carl L. Wiehe and B. A. Gira Box 63 Custer, South Dakota I-DM-E195	1,008.00	
	TOTAL	$10,138.55	

Pursuant to authority vested in me, I certify that the items listed herein are correct and proper for payment from the appropriation(s) designated.

5/23/52
(Date)

L. A. Hill
(Authorized Certifying Officer)

U. S. GOVERNMENT PRINTING OFFICE—1951—968901

MF-104
(August 1951)

Budget Bureau
Approval Expires

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 140

Name of Operator Smith, Whitehead & Walker (Mich Lode)
Docket No. DMA 1313 X
Total Contract Amount $ 3,900.00
Government Participation: 90% % Amount, $ 935.00
Distribution of Expenditures for Month of April

RECEIVED APR 25 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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.

Mich Lode (Smith, Whitehead & Walker)
(Name of Company)

By Glen Walker
(Signature of Authorized Official)

April 21, 1952
(Date)

Resident Engineer
(Title)

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.

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Fixtures						
2. Operating Equipment:						
(*a*) Purchased[1]						
(*b*) Rented[2]						
(*c*) Furnished by operator						
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Installations						

MONTHLY PROGRESS NARRATIVE

On April 2, 1952 hole #4 on the Mich lode was started; it was finished at 93 feet on April 4. This hole was drilled approximately 200 feet south of hole #3 and at an inclination of -44° and bearing of N 53 E. It encountered only shist.

Hole #5 was started on April 8 and finished April 10 at 91 feet. It was inclined -21° with a bearing of N 53° E directly im line with hole #1; but on the opposite side of pegmatite. Hole #5 was all in shist.

No further core drilling is contemplated as 547 feet of the allowable total of 600 haw been completed.

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor [3]						
5. Supervision						
6. Supplies						
(a) Timber						
(b) Explosives						
(c) Repair Parts						
(d) Other						
7. Power						
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation						
10. Contract Work	935.00	1842.50	2777.50	935.00	1,842.50	2,777.50
11. Other (specify)						
Total	935.00	1842.50	2777.50	935.00	1,842.50	2,777.50
Deletions						
Adjusted totals						
Totals previously reported	1842.50			1842.50		
Totals to date	2777.50		2777.50	2777.50		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by E. O. Bunyon
Entered by
Approved by D. L. Mullen Supervising Engineer
Amount approved for payment 84.50 86
Remarks 280.00 (withheld pending final report by Engr & Geologist)
$561.50

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF April

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes (Contracted @ 5.00 /ft +	core boxes	@ $2.50	935.00)	5.00	foot	184	363	547	600	
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) 6 core boxes				.078	.078	foot				
Totals	Drill	Contract	$5.00	5.078	5.078	foot	184	363	547	600

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

32

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 140

Emery L.Whitehead,G.Roy Smith & Glen Walker.

GRS GW
ELW.

Name of Operator ~~Lode Mining Company~~
Docket No. DMA 1813 X
Total Contract Amount $ 8900.00
Government Participation: 90 % Amount, $1842.50
Distribution of Expenditures for Month of March 1952

RECEIVED
APR 30 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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.

Mich Lode ~~Mich Mining~~ Co. GRS GW ELW
(Name of Company)

By Glen Walker
(Signature of Authorized Official)

April 1, 1952
(Date)

Resident Engineer
(Title)

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.

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Fixtures						
2. Operating Equipment:						
(*a*) Purchased[1]						
(*b*) Rented[2]						
(*c*) Furnished by operator						
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Installations						

Narrative Progress Report

The exploration of the Mich pegmatite during March 1952 was confined to core drilling. Three holes were drilled for a total of 363 feet. Hole #1, begun Feb. 27, 1952, and finished March 8, 1952 was drilled to a total depth of 131 feet. It was directed from the hanging wall side of the deposit at an inclination of 53°; it encountered only shist. Hole #2, begun March 14 was finished to 123 feet on March 22, 1952. This hole was drilled from the hanging wall at 45° and cut pegmatite from 81½ feet to 115 feet (33½ feet). Hole #3, started March 25 and finished March 29 for 109 feet cut pegmatite from 63 to 71 feet (8 feet). This hole was directed from the footwall side of the dike at an inclination of 38°. Pegmatite was unexpectedly encountered about 25 feet nearer than anticipated. All the above holes were directed normal to the strike of the dike and were located 60 feet apart.

It is planned to drill two more holes further south to prospect the continuity of the deposit encountered in hole #3.

Mich Mining Company

By Glen Walker
Glen Walker

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor [3]						
5. Supervision						
6. Supplies						
(a) Timber						
(b) Explosives						
(c) Repair Parts						
(d) Other						
7. Power						
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation						
10. Contract Work	1842.50	0	1842.50	1842.50	0	1842.50
11. Other (specify)						
Total						
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date	1842.50	0	1842.50	1842.50	0	1842.50

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

Note.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by E B Bunyon
Entered by
Approved by D P Mullen Supervising Engineer
Amount approved for payment 1658.25
Remarks

10—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF March

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes (Contracted	at $5.00	foot & $2.50	core boxes)	1842.50	5.00	feet	363	0	363	600
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) 11 core boxes				.075	.075	feet				
Totals	Drill	Contract	$5.00	.075	5.075	feet	363	0	363	600

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

☑ Audited P.P. 6-19-52 WORK ANALYSIS SHEET - DMEA PROJECT ☑ Actual Cost

☐ Certified Analysis as of 12-3-54 ☐ Agreed Unit Costs

Incl. Voucher for April 1952

Name Francis Michaud & Louis Stratton Docket No. 1813

State South Dakota Commodity Mica, Beryl, Columbo-Tantalite Idn-E No. 140

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	230 feet	$750.00			
Raising					
Shafts					
Winzes					
Drilling (Specify) Diamond BX	600 feet	$3150.00	547 ft	$2777.50	$2777.50
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		$8900.00		$2777.50	$2777.50

Prepared by [signature]

COPY

March 4, 1955

Memorandum

To: Mr. Jay L. Chambers

From: Lawrence G. Houk (initialed) L. G. H.

Subject: Closing dockets

The Nonmetallic Minerals Division have reviewed the following contracts and do not intend to make certifications of discovery or development:

Idm-152	DMEA-1212	Idm-[illegible]	DMEA-
40	1213	217	1969
13	1679	244	1955
73	519	253	2134
74	1390	257	2077
78	1664	272	2360
93	812B	288	2344
97	1224	324	2255
121	1517	344	2156
124	1318	373	2439
125	1720	411	2528
129	1665	430	2524
134	1732	433	2620
140	1813	444	2646
179	1122	450	2681
180	1250	480	2725
191	1914	497	2778
195	1812	507	2840
198	1929	518	2785
211	1721	524	2909
216	2104	543	2950
		565	3030

COPY

Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

May 20, 1952

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Executive Officer, Field Team, Region V

Subject: Docket DMA-1813x, Contract Idm-E140 - Mich Lode Smith, Whitehead, and Walker

Here are the original and three copies each of the Government field team report, operator's final report, and final accounting.

The project was officially completed April 10, 1952, and the following are the fiscal data:

Total amount expended	$2,777.50
Government's share	2,499.75
Total amount of contract	8,900.00
Total amount of Government obligation	8,010.00
Amount that can be made available to general Government fund	5,510.25

(signed)
A. B. Needham
Executive Officer
Field Team, Region V

Attachments

ABNeedham:dt
cc Dutton
Mullen
Redden
Region V
files
df

Reviewed by
DMEA OPERATING COMMITTEE
6-4-52
(date)

FINAL REPORT

EXPLORATION OF MICH LODE

Beryl-Mica

DMEA Docket 1813

Contract Idm E-140

by

J. A. Redden, Geologist
U. S. Geological Survey

E. O. Binyon, Mining Engineer
U. S. Bureau of Mines

FINAL F.T. REPORT

Reviewed by
DMEA OPERATING COMMITTEE
6-4-52.
(date)

Exploration of the Mich (Michaud Beryl) Pegmatite, Docket No. DMEA-1813, Contract Idm E-140, Custer County, South Dakota

The Mich (Michaud Beryl) pegmatite is located in the NE$\frac{1}{4}$ sec. 14, T. 4 S., R. 3 E., Custer County, South Dakota.

The exploration contract provided for 600 feet of diamond drilling as the first phase of the project. This was to be followed by underground drifting if results of the drilling were favorable.

The diamond drilling phase ended on April 10, 1952 after five holes, totaling 547 feet of drilling, were completed. The results of the drilling are presented on the accompanying map and sections.

Hole No. 2 was the only hole that encountered a considerable thickness of pegmatite. This hole indicated that the pegmatite had steepened its dip considerably and was possibly reversing its dip to the southwest. Hole No. 3 encountered a thin section of pegmatite which is mineralogically similar to the exposed pegmatite, but it is probable that it is a different pegmatite. Hole No. 4 attempted to intercept the pegmatite at what was considered a strike extension of the same pegmatite, and Hole No. 5 attempted to discover if the pegmatite had reversed dip and was plunging steeply to the northeast.

The drilling indicates that the pegmatite plunges to the southeast, but the exact amount and direction is doubtful. The main pegmatite probably thins rapidly with depth and the main exposed portion represents a bulge on a lenticular tadpole-shaped body.

The drill core from Hole No. 2 contains an inner zone or core of perthite-quartz pegmatite. A 1-foot interval of schist occurs within the pegmatite, but it is believed that this represents a small inclusion.

The only beryl encountered were a few small crystals, all less than 0.5 inch in diameter.

The probable tonnage to be explored by drifting would be small and it is believed that the grade of the deposit indicated by the beryl that was recovered from old surface workings will not continue with depth. This belief is strengthened by additional mining which the applicant conducted after the drilling was completed. The mining exposed the bottom of the old mine workings more thoroughly, but failed to indicate that the rich beryl-bearing pegmatite was continuing with depth.

Based on drilling results and on the exposure made in the bottom of the open cut by the applicant after drilling was completed, the dike does not warrant further exploration or development and the drift proposed under phase II is not recommended.

From the estimate of reserves and mining costs which are given below, it is concluded that the dike cannot be mined economically at the present time.

Maximum reserve tonnage in the dike is estimated at 13,000 short tons. From this the estimated tonnage of recoverable minerals is as follows:

Beryl, 25 short tons @ $400.00 per ton	$ 10,000.00
Mica, scrap grade, 300 short tons @ $30.00 per ton	9,000.00
Potash spar, 1,000 short tons @ $5.50 per ton	5,500.00
Columbite-tantalite, 1,000 lbs. @ $250.00 per lb.	2,500.00
Total value of recoverable minerals	$ 27,000.00 or $2.00 per ton

The estimated total cost of development and mining the entire deposit is $35,000, or $2.65 a ton. Obviously, the deposit cannot be worked profitably. The applicant's engineer has been advised that further work is unwarranted and is in agreement with this conclusion.

Final Report on Exploration at Mich lode.

D.M.A.docket 1813 X
Contract Idm-E-140

The exploration work conducted at the Mich lode under contract Idm-E 140 consisted entirely of diamond core drilling.The contract stipulated a maximum of 600 feet could be drilled.Five holes totaling 547 feet were drilled;of these only two encountered pegmatite.The meager information thus obtained would not allow any quantity or grade estimates to be made.No underground excavations are anticipated.

Hole#1 had a bearing of S 53 W,an inclination of -53 and a depth of 131 feet;no pegmatite was found.Hole#2 was 60 feet southeast of hole #1 and on the same bearing;its inclination was-45 and depth 123 feet. It cut pegmatite from 81½ to 115 feet.The core indicated quite a thick wall zone of cleavelandite,quartz and muscovite with a 6-8 foot core zone of perthitic feldspar.One small berylcrystal was noted.Hole#3 had a bearing of N 53 E,an inclination of -35 and a depth of 109 feet. It passed thru pegmatite material from 63 to 71 feet which was mineralogically similar to the wall zone in hole#2.Hole#3 was 60 feet southeast of #2. Hole 4 was drilled about 150 feet southeast of #3 on a bearing of N 53 E,an inclination of -44 and a depth of 93 feet,no pe gmatite was encountered. This hole was drilled in the vicinity of several large pieces of pegmatite float with the idea that an extension of the main deposit could be discovered. Hole#5 was located on the same section as #1 but with a bearing of N 53 E,an inclination of -21 and a depth of 91 feet;no pegmatite was cut.

Final Accounting of expenditures on Exploration

Hole#1,4	core	boxes	@$2.50-	131	feet	drilled	@$5.00		$665.00
" 2,4	"	"	"	123	"	"	"		625.00
" 3,3	"	"	"	109	"	"	"		552.50
" 4,3	"	"	"	93	"	"	"		472.50
" 5,3	"	"	"	91	"	"	"		462.50
17	"	"		547	"				$2777.50

The above total I certify to be true and correct.

Signed: [illegible]
Resident Engineer.

Final Report on Exploration at Mich lode.

D.M.A.docket 1813 X
Contract Idm-E-140

The exploration work conducted at the Mich lode under contract Idm-E 140 consisted entirely of diamond core drilling. The contract stipulated a maximum of 600 feet could be drilled. Five holes totaling 547 feet were drilled; of these only two encountered pegmatite. The meager information thus obtained would not allow any quantity or grade estimates to be made. No underground excavations are anticipated.

Hole #1 had a bearing of S 53 W, an inclination of -53 and a depth of 131 feet; no pegmatite was found. Hole #2 was 60 feet southeast of hole #1 and on the same bearing; its inclination was -45 and depth 123 feet. It cut pegmatite from 81½ to 115 feet. The core indicated quite a thick wall zone of cleavelandite, quarts and muscovite with a 6-8 foot core zone of perthitic feldspar. One small berylcrystal was noted. Hole #3 had a bearing of N 53 E, an inclination of -35 and a depth of 109 feet. It passed thru pegmatite material from 63 to 71 feet which was mineralogically similar to the wall zone in hole #2. Hole #3 was 60 feet southeast of #2. Hole 4 was drilled about 150 feet southeast of #3 on a bearing of N 53 E, an inclination of -44 and a depth of 93 feet, no pegmatite was encountered. This hole was drilled in the vicinity of several large pieces of pegmatite float with the idea that an extension of the main deposit could be discovered. Hole #5 was located on the same section as #1 but with a bearing of N 53 E, an inclination of -41 and a depth of 91 feet; no pegmatite was cut.

Final Accounting of expenditures on Exploration

Hole #1,4	core	boxes	@ 2.50	- 131	feet	drilled	@ 5.00	$665.00
2,4	"	"	"	123	"	"	"	625.00
3,3	"	"	"	109	"	"	"	552.50
4,3	"	"	"	93	"	"	"	472.50
5,3	"	"	"	91	"	"	"	462.50
17	"	"		547	"			$2777.50

The above total I certify to be true and correct.

Signed: Glen Walker
Resident Engineer.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

May 9, 1952

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Executive Officer, Field Team, Region V

Subject: Operator's Monthly Progress Report for April 1952 and March 1952
Docket DMA-1813x, Contract Idm-E140
Mich Lode (Smith, Whitehead & Walker)

Here are two copies each of the subject reports, as processed for payment, for your files.

A. B. Needham dt

A. B. Needham
Executive Officer
Field Team, Region V

Attachments 4

ABNeedham:dt
cc Dutton
Region V
files
df

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 12 1952

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

May 6, 1952

Mr. Glen Walker
610 Terrace Drive
Rapid City, South Dakota

Dear Mr. Walker:

We have been advised that phase 1 of your DMEA exploration contract, Idm-E140, under Docket 1813x, has been completed, and that phase 2 will not be undertaken.

Please be advised that under the terms of the contract (Article 17), you are to render to the Government a full and final accounting of your operations and expenditures of money and, also, (Article 14) a comprehensive geologic and engineering report.

A total of $280.00 is being withheld pending receipt of the two final reports, so we would appreciate your early attention to the transmittals.

Sincerely yours,

A. B. Needham
Executive Officer
Field Team, Region V

cc Emery L. Whitehead
Rapid City, S. Dak.

Roy Smith
Deadwood, S. Dak.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 8 1952

ABNeedham:dt
cc Dutton
Mullen
Redden
Hill
DMEA (Wash) 2
Region V
files
df

AL

Taken from Memo. 4/3/52 from Executive Officer, Region V to Operating Committee; Status of projects in re. to discoveries.

Other projects have not progressed far enough to make a determination as yet. They are such dockets as 812x-a, 1813x, 1554x, 1812x, 2073x, 2011x, and 2078x.

The foregoing is the status of all projects to April 1, 1952.

FILE COPY
SURNAME:

F. Johnson

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

MAR 1 2 1952

Mr. A. B. Needham
Executive Officer
DMEA Field Team, Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

Dear Mr. Needham:

Re: DMEA-1813 (Beryl, Mica)
Contract Idm-K1h0
Transfer of Ownership

This will acknowledge receipt of your letter dated February 1, 1952, transmitting to this office the original and five copies of the assignment of contract from Michaud and Stratten to new owners of the Mich lode, Messrs. Whitehead, Smith, and Walker.

There are enclosed two copies of the assignment, which have been signed by the Government. One copy is for your file and the other is for transmittal to the new owners. Distribution of the remaining copies has been made by the Washington Office.

Sincerely yours,

(signed) FRANK E. JOHNSON E L. 3/12/52

Frank E. Johnson (243)
Chairman, Operating Committee

Enclosures (2)

FEJohnson/hb

Copy to: Adm. Reading File
✓Docket
Operating Committee
Mr. Chambers
Mr. Houk
Mr. Frank Johnson

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

February 25, 1952

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA-1813x, Contract Idm-E140, Mich Lode Transfer of ownership

Pursuant to your request of February 1, 1952, and supplementing transmittal of necessary papers on January 21, 1952 for transferring exploration contract Idm-E140 to the new owners, there are attached six copies of the assignment of the contract from Michaud and Stratton to new owners of the Mich lode, Messrs. Whitehead, Smith, and Walker.

When the Government has endorsed the document, please send us a copy for our files.

The new owners are preparing to start drilling operations, and expiditing this endorsement will be greatly appreciated.

A. B. Needham
Executive Officer
Field Team, Region V

Attachments

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2[illegible] 1952

c

Feb. 4, 1952.

Mitt:

The Operator sold the land but never assigned the contract to the buyers. We have told Needham what he asked for, to-wit: how to proceed. You had better sign it and send it on.

Hofflund.

140

FILE COPY
SURNAME:
Author Hofflund

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

February 1, 1952

BL

Memorandum

To: Executive Officer, DMEA Field Team, Region V

From: Acting Administrator

Subject: Docket No. DMA-1813x, Contract Idm-5140, High Lode — transfer of ownership

Reference is made to your memorandum of January 21, 1952 to Mr. Johnson concerning the transfer of ownership of the property involved in the captioned project.

The exploration project contract may be assigned by the Operator to the purchasers of the property only with the written consent of the Government as provided in Article 16. To accomplish the assignment, therefore, we suggest that the operators execute an instrument of assignment, have the assignees sign an acceptance of, and agreement to be bound under, the contract and send the instrument to us in order that we may endorse the consent of the Government thereon. The assignment will become effective upon endorsement by the Government.

C. O. Mittendorf (for) cc
Acting Administrator 2/5/52

RRGuthrie/bjl

Copy to: Repts. & Records
Admin. ?Reading File
J. L. Hofflund
R. R. Guthrie
Chron.

FILE COPY
400 SURNAME: Blakemore Mittendorf

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

OCT 12 1951

R.E.C.

Contract Service Section
General Accounting Office
Washington 25, D. C.

Re: Docket No. DMA-1813X, Mica
Exploration Project Contract
Idm-E140
Francis Michaud and Louis Stratton
Custer, South Dakota

Gentlemen:

Enclosed for recording in your office is the original, signed copy of an Exploration Project Contract executed between the operator named in the above reference and the Government of the United States.

Sincerely yours,

C. O. Mittendorf (J.K.)

C. O. Mittendorf, Director
Production Expansion Division

JF 10/12

Enclosure-1

PB Blakemore
~~JEPhebus~~/jem
10-9-51

cc to: Adm. Reading File
Reports & Records
Messrs. Mittendorf, Olund
Mr. Phebus
Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D.C.

OCT 8 8 31 AM '51

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

400

October 1, 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 Docket 1813-X - Michaud and Stratton
Exploration Contract No. - Idm-E-140

DMA Docket 1556-X - W. S. Clifford
Exploration Contract No. - Idm-E-141 disregard R.H.

Returned herewith are the original and three copies of the subject contracts, all duly signed by the operators.

One copy of each was retained by the operator and one copy by this Regional office. A copy of each was also made by our Rapid City office for their field reference and use.

A. B. Needham

Enclosures:

A. B. Needham

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 3 1951

FILE COPY
SURNAME:

A.E. Phebus
Mittendorf (mcs)

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

SEP 20 1951

A.E.C

Mr. A. B. Needham
Executive Officer
Region V
2908 Colfax Avenue, South
Minneapolis 8, Minnesota

Re: Docket No. DMA-1813X
Francis Michaud and Louis Stratton
Exploration Project Contract Idm-E140

Dear Mr. Needham:

We are enclosing the original and five copies of the above-subject contract, signed by me, together with the attached Exhibit "A" (3 pages).

You will note that the contract provides that the Operator may sub-contract the drifting, subject to Government approval, in writing, of any sub-contracts.

If the terms and conditions of this contract meet with the approval of the Operators, all six copies should be signed by a duly authorized official of the company, one copy should be given to the Operators, one copy retained by your office and the original and three copies returned to this office. If any part of this contract does not meet with the approval of the Operators, the original and all copies of the contract are to be returned to this office together with the proposed changes for consideration.

Sincerely yours,

C. O. Mittendorf (mcs)

C. O. Mittendorf, Director
Production Expansion Division

8-9/20

Enclosures

APPROVED:

Chairman, Coordinating Committee

Member, Geological Survey

Member, Bureau of Mines

JPhebus/meb
9/14/51
cc to: Admr's Reading File
Reports and Records
Messrs.Mittendorf/Olund
Barr
Arundale
Norton
Bourret
Phebus
Docket

FILE COPY
SURNAME:
140
DMA-1813X
Guthrie

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

September 11, 1951

Memorandum

To: Director, Production Expansion Division

From: General Counsel

Subject: Francis Michaud and Louis Stratton exploration contract — Docket No. DMA-1813X

The contract in the captioned case is approved as to legal form and sufficiency subject to:

1. The indication in the initial paragraph and in the signature that the applicants are acting together as a partnership, as shown in the application. The requirement of stating the nature of the organization is set forth in footnote 2 and is explained at greater length in section 2 of Circular Letter No. 8.

2. The indication in Exhibit "A" that the figures given there are estimates. The desirability of such a statement is discussed in Section 6 of Circular Letter No. 8.

3. Government approval of any subcontracts under which work upon the project is to be performed.

4. Proper signature by the applicants.

5. Proper dating prior to delivery.

Your file is returned herewith.

not stripped in R+R.

J. L. Hofflund

J. L. Hofflund
General Counsel

Attachment
RRGuthrie/bjl
Copy to: Repts. & Records
J. L. Hofflund
R. R. Guthrie
Chron.

a.e.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

AUG 17 1951

MEMORANDUM:

TO: Director, Production Expansion Division
Defense Minerals Administration

FROM: Director, Supply Division
Defense Minerals Administration

SUBJECT: Recommendation for Contract Approval

Name of Applicant: Francis Michaud & Louis Stratton

DMA No. 1813X

Commodity: Beryl, Columbo-tantalite, mica

Amount Requested: $ 22,936

Amount Approved: $ 8,900

Government Participation: 90% $8,010$

Tom Lyon

Tom Lyon

AUG 1 7 1951

DMA-1813X

RECOMMENDATION

1. That An Exploration Aid Contract be granted in the amount of $8,900, Government participation 90%, in accordance with exhibit "A", attached.

2. That the project be authorized in 2 stages, "A" and "B". Stage "A" to consist of 600' of diamond drilling and Stage "B" 230' of drifting. Stage "B" to be authorized only on satisfactory completion of Stage "A" and approval of Field Team.

3. That operator be given thirty days from date of contract in which to begin work.

Exhibit "A"

Description of Work

Stage "A": 4 diamond drill holes (BX core) will be cored to a maximum total of 600' of Drilling. Individual holes will range from 100' to 200' each, and will be located approximately as shown on attached map and cross-section. Drilling will be done by contract; core handling, sampling, etc., will be done by operator with advice and supervisory assistance of the Field Team. Total allowable cost $3,150, time limit 2 months.

Recapitulation

Contract - 600' BX drilling @ $5.00 per ft.	$ 3,000.00
Core Boxes, handling, testing, etc. 600' @ 25¢ per ft.	150.00
Total	$ 3,150.00

Stage "B": Subject to satisfactory completion of Stage "A" and with Field Team approval, an approximately 5' x 7' drift will be driven to a maximum length of 230' as shown on attached map and cross-section. Total allowable cost $5,750, time limit - 4 months.

Recapitulation

Labor	230' @ $8.35 per ft	$ 1,920.00
Supervisor	230' @ 4.17 per ft	960.00
Equipment rental	230' @ 5.00 per ft	1,150.00
Supplies	230' @ 6.70 per ft	1,541.00
Payroll taxes and insurance	230' @ .78 per ft	179.00
	230' @ $25.00 per ft	$ 5,750.00

Equipment and supplies

Stage "A" : All necessary equipment will be furnished by drilling contractor.

Minor supplies such as core boxes, will be supplied by operator and are included in the following item:

Core boxes, core handling, testing, etc. 600' @ 25¢ per ft	$150.00

Stage "B":	Rental 110 CFM portable gasoline compressor 4 months @ $212.00 per month	848.00
	Rental Drifter, complete with column, hose and accessories, 4 months @ $75.50 per month	302.00
	Purchase of supplies, including gasoline, oil, powder, fuel, caps, rail, pipe, bits, etc.	1,541.00

Labor and Supervision

Stage "A" Not applicable.

Stage "B"	1 - Working foreman	@ $1.50 per hour
	2 - Miners	@ 1.50 per hour

These rates do not include overtime, payroll taxes, etc.

Contract

Stage "A":	600' BX Drilling @ $5.00 per ft	$ 3,000.00

Stage "B": The operator may, if he chooses, and with approval of Field Team, contract drilling of the 230' drift at a rate not to exceed $25.00 per foot. In this case, contractor will furnish all necessary labor, supverision, supplies and equipment.

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

August 9, 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 Docket 1813-X - Francis Michaud and Louis Stratton
Custer, South Dakota
—Beryl exploration

Enclosed are the application, review of application, and four copies of the Field Team report recommending exploration for beryl, columbite and tantalite on the Mich Claim belonging to Francis Michaud and Louis Stratton of Custer, South Dakota.

A. B. Needham

Enclosures:

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 13 1951

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

DEFENSE MINERALS ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION V

DMA-1813X

Mich Claim, Custer District

Custer County, South Dakota

Glen Walker, Mining Engineer
U. S. Bureau of Mines

J. A. Redden, Geologist
U. S. Geological Survey

August 6, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 13 1951

ON-SITE REPORT.

DEFENSE MINERALS ADMINISTRATION
Report of Field Examination

by

Glen Walker, Mining Engineer
U. S. Bureau of Mines

J. A. Redden, Geologist
U. S. Geological Survey

Docket No.: DMA-1813X
Property: Mich Claim
Applicants: F. Michaud and Louis Stratton
Commodity: Beryl, mica, columbite-tantalite

Conclusions and Recommendations

This pegmatite warrants some exploration because of the favorable geologic probability of a discovery of large concentrations of beryl and columbite-tantalite.

It is recommended that four Bx core holes, totaling about 600 feet, be drilled through the deposit. Should favorable information be obtained from the core holes, then a 5-foot by 7-foot adit drift approximately 230 feet long is advised. (See map.)

The Michaud beryl pegmatite, located in the NE$\frac{1}{4}$ sec. 14, T. 4 S., R. 3 E., was examined July 31, 1951. The pegmatite is the same one as the "Mich" claim of the applicant, and was apparently relocated recently by the original owner.

The pegmatite is a lenticular body that is exposed for 120 feet along the strike and has a maximum thickness of 23 feet. The pegmatite strikes N. 37° W. and dips from 55° to 70° to the northeast. An earlier map shows that the southwest contact dipped about 68° to the southwest.

This contact is concealed by waste rock at present, but it is believed that the actual dip of the pegmatite is about 68° NE. There are no visible plunge features along the exposed contacts, but it is believed that the pegmatite plunges steeply.

An open cut, 8 to 12 feet deep, has removed the entire southwestern exposed surface of the pegmatite and has left exposed only the hanging wall of the pegmatite. Waste rock covers the floor of the cut and makes it impossible to determine the nature of the pegmatite at the floor of the cut.

Two distinct zones are visible along the edge of the open cut. A wall zone, 3 to 5½ feet thick, is composed of quartz-plagioclase-perthite-muscovite pegmatite. The muscovite tends to be concentrated along the inner side of the wall zone in "A" books up to 8 inches in length. No beryl was observed in the wall zone proper.

An inner zone or core consists of perthite-quartz-cleavelandite pegmatite. The perthite is pinkish to red and occurs in masses up to 3 feet in diameter. The quartz is mostly massive and the cleavelandite is in aggregates up to several inches across. Most of the zone was concealed but it apparently was very rich in beryl. A few crystals, from 2 to 6 inches in diameter, were found at the contact of the wall zone and the core. One of these was shell beryl and the applicant reports that considerable shell beryl occurred in the core. A couple of 3-inch thick masses of columbite-tantalite were found associated with the beryl and the cleavelandite.

As near as can be estimated, about 800 tons of pegmatite has been mined from the open cut. Information from several different sources indicates that about 12 tons of beryl was recovered and 1,000 pounds of columbite-tantalite. If these figures are accurate and the grade of the deposit continues with depth, the pegmatite contains 1 ton of recoverable beryl and 100 pounds of recoverable columbite-tantalite per foot of depth. Probably only about 25 percent of the columbite-tantalite and 80 percent of the beryl are recoverable by present mining methods. Only about 10 tons of feldspar have been recovered and 12 tons of scrap mica.

The small size of the deposit is somewhat discouraging to exploration; however, the possible reserves of beryl are such that in view of the need for beryl it would be wise to explore the pegmatite at depth. The exploration could be carried out by diamond drilling in the beryl-bearing zone to determine the extent of the pegmatite at depth.

There are doubtful features about this deposit, but it is believed there are sufficient possibilities of beryl reserves to warrant a limited exploration.

Although the manpower situation has room for improvement, the applicants are very well known in the area and should experience little difficulty in obtaining the few men they will need.

As the equipment will all be rented or contracted, no problem is anticipated. All necessary supplies for this project are readily available in either Custer or Rapid City at present.

The property is accessible to Custer by traveling 2 miles south on a single track, unmaintained road; thence 5 miles northeast on a county graveled road, thence 4 miles east on U. S. highway 16.

Sufficient water can be obtained within a half mile of the project from Lightning Creek. Power will be supplied by gasoline, which will be delivered in barrels.

Michaud, the partner who will be in charge of the work, has mined pegmatites in this district practically all his adult life. He is, however, at present engaged in a rock specimen business and is judged to be capable of meeting his share of the exploration expense.

Exhibit A

The project, as modified, consists of four Bx core holes drilled from two setups. From each drill rig setup one hole will be directed to cut the deposit about 50 feet below the open cut; the other will intersect the pegmatite 50 feet below the first hole. Holes drilled from both setups will be in the same vertical plane and perpendicular to the strike of the deposit. The drilling setups will be about 60 to 75 feet apart; this close spacing is advisable because previous mining indicates that the strong concentrations of beryl and columbite-tantalite are extremely local in occurrence.

If the holes show a deposit comparable or greater in size and grade than that portion previously mined, then an adit drift is proposed to be driven from a point about 110 feet, on strike, north of the open cut through the pegmatite, or a total distance of approximately 230 feet. The topography limits the difference in elevation between the open cut and the proposed drift to about 50 feet.

On completion of this work it is estimated that 12,000 tons of ore with a gross value of $120,000 can be inferred. The cost of the project is $8,750 or $0.73 a ton. This latter figure is high, but the probability

of discovering concentrations similar to those last mined from which 3 tons of beryl was taken in 2 days, can be anticipated.

The drilling can be started immediately and completed in 40 shifts or 2 months. The drifting can be finished in 80 shifts or 4 months, or a total for the project of 6 months.

Phase 1:	600 feet of diamond core drilling @ $5.00 per foot	$ 3,000.00
Phase 2:	230 feet, adit drift @ $25.00 per foot	5,750.00
	Total for project	$ 8,750.00

Phase 2: Rental on equipment - $5.00 per foot
Labor & supervision - 13.30 per foot
Power and supplies - 6.70 per foot

Total cost per foot $ 25.00

Exhibit B

Not applicable.

Exhibit C

Rental on 110 cfm air compressor @ $212 per mo. for 4 months	$ 848.00
Rental on drifter drill and accessories @ $75.50 per mo. for 4 months	302.00
Total	$ 1,150.00

Exhibit D

Cost of labor and supervision:

2 miners @ $1.50 per hour for 80 shifts	$ 1,920.00
1 foreman @ $1.50 per hour for 80 shifts	960.00
Compensation insurance and social security tax	179.00
Total	$ 3,059.00

Power and supplies:

Cost of power & supplies - $385.25 per mo. for 4 months	$ 1,541.00

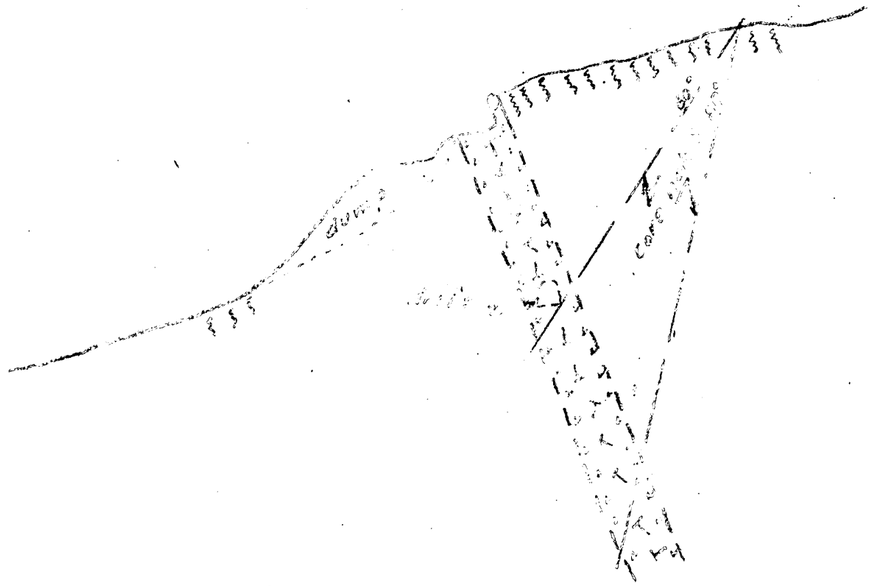
Exhibit E

Not applicable.

Quartz-plagio-perth.-microcline

Perth.-Quartz-Clear.

Shist



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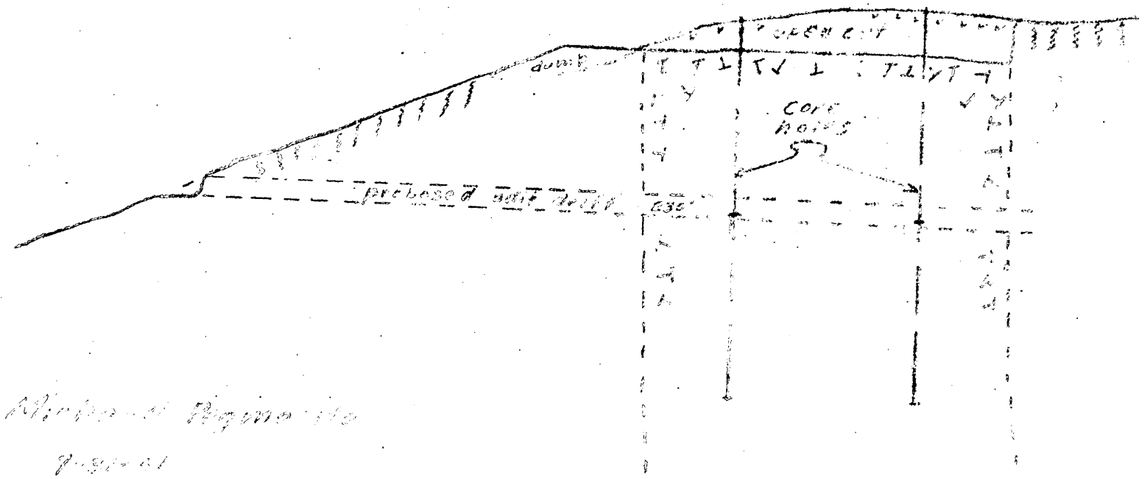

Section B-B'

Sections Thro Mirbach's Reservoir
1" = 40'
gw

FILE COPY
SURNAME:

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

370

Barr
A B Parsons

Memorandum

To: Chief, Industrial Minerals Branch, DMA

From: Chief, Programming and Planning, DMA

Subject: DMA-1813X, Francis Michaud & Louis Stratton
Commodities: Beryl, columbo-tantalite, mica
Amount of loan: $5,900

The prospective available supply of Beryl, Columbo-tantalite and Mica 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

A. B. Parsons

RWASKEY:mp
8/14/51
cc: 210
Mr. Barr
Mr. Parsons
Mr. Norton
Mr. Mittendorf
DMA Files

FILE COPY
SURNAME:

Ban
Rm
Room

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

[illegible] 30, 1951

Code 370

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[illegible]

[illegible]

cc: Reports and Records Unit
Mr. Parr
Field Team Region V (2)
[illegible]

FILE COPY
Surname:
G-MD-JJN

Norton

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

July 19, 1951

Memorandum

To: Robert Waskey

From: J. J. Norton

Subject: Application DMA-1813X from Francis Michaud and Louis Stratton, Custer, South Dakota.

Application DMA-1813X from Francis Michaud and Louis Stratton, Custer, South Dakota, is to explore the Mich Lode, formerly the Michaud Lode, for beryl, columbium-tantalum minerals, and mica. This property is probably the one that has been known as the Michaud Beryl. If so, a small exploration grant may be warranted. One or more shallow inclined shafts or a small pit probably would be sufficient to show whether or not this deposit is rich enough to be mined.

I suggest that this application be transmitted to the field team with instructions to examine the property and prepare a new exploration proposal after consultation with the applicant. The field team probably can devise an adequate project that would cost only $2,000 to $3,000.

I am acquainted with the work of Francis Michaud and Louis Stratton, and can assure you that they are quite competent to carry out a pegmatite exploration project such as this.

J. J. Norton

JJNorton:jeh
G-7/19/51
copy to: Director's Reading file 4212
Branch Reading 4212
Norton
DMA files

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

Mr. A. E. Needham
2908 Colfax Avenue So.
Minneapolis 8, Minn.

Dear Mr. :

We attach "Review of Application for Exploration Assistance" and

Applicant Francis Michaud & Lois Stratton, Custer, So. Dak.

Docket No. DMA- 1813- K

Commodity Beryl, mica, columbium-tantalum

Amount $ 22,036

Please expedite the consideration of this application with particular reference to the points raised in the attached "Review".

Very truly yours,

Tom Lyon, Chairman
Coordinating Committee

RW:mas

cc: Mr. Moon
Mr. Barr

For Bureau of Mines

For Geological Survey

FILE COPY
SURNAME:

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

July 12, 1951

Mr. Francis Michaud
Custer
South Dakota

Subject: DMA-1813X
Re: Exploration Loan -
Mich Lode

My dear Mr. Michaud:

Receipt is acknowledged of your application and attachments for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1813X and referred to Mr. James A. Barr, Chief, Industrial Minerals Branch on July 10, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1813X.

Sincerely yours,

LANDON F. STROBEL

jc

Landon F. Strobel
Executive Secretary

L. F. Strobel:jc
cc: Strobel
File
Barr
Lyon

6/5/51

Defense Minerals Administration 7-12-51

Review of Application for Exploration Assistance

Docket No. DMA 1813X

Commodity Beryl, mica, columbium-tantalum

Total Amount $22,936.00

Govt. Participation 90%

1. Name and Address of Applicant Frances Michaud & Louis Stratton
Custer, South Dakota

2. Location of Property 10 miles southwest of Custer, Custer County,
South Dakota

3. Mineral or metal Beryl, mica, columbium-tantalum. 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 Probably

b) Poor

c) None

d) Don't know—needs field examination ✓

e) Is there an alternative and favorable project? Probably
(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? No-owner

Does the lease have sufficient time to run to cover a future

productive period? —

*question numbers are those of MF-103

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-
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* Yes-

d) Water (question 13)* Yes

e) Power (question 13)* Yes- use gasoline engines.

Is a field check needed on any of these points? Yes-

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? Yes-

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

a) Is the project adequately described? No.-

If not, are there sufficient data given so that you can describe the project? No. If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? No

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Yes- as far as described.-

If not, what part of it is? Lower part of shaft would probably be preparation work.

Is this part a worthwhile exploration project? Probably —

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? None given —

f) Should more information be requested from applicant? Yes - by field team

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

11. Exhibit B (question 23-d)*

a) Is it applicable? Yes — structures listed are necessary —

b) If so, are sufficient data furnished? Yes If so, attach a draft.

c) Is a field check needed? Yes

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

a) Is it applicable? Yes -

b) Sufficient data? No If so, attach a draft.

c) Are rents and charges reasonable? No - costs of compressor + hoist too high

d) Is a field check needed? Yes — to adjust equipment needs -

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

a) Are there sufficient data? Yes

b) Is the schedule adequate for the work proposed? Yes

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? Yes

14. Exhibit E (question 23-c)*

a) Is it applicable? No - no facilities or structures 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? An adjusted program can be completed in time given.

(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? The property should be investigated on the lines of its exploration possibilities & a proper exploration program prepared. The cut-off between exploration & preparatory work for production should be discussed with the applicant & the equipment need adjusted accordingly. The possibility of stockpiling ores should be studied -

Reviewed by: [illegible] B/M
J Morton 7/18/51

Date 7/12/51

See Morton Memo, attached
7/18 RW

INT.-DUP. SEC., WASH., D.C. 99009

9/10/81

Docket No - DMA 1813X

Section 10 - Exhibit "A"

The project is inadequately described and should be studied & definitely outlined by the field team. Apparently the inclined shaft is to be sunk 100 feet & 100 feet of drifting down off it. This is a rather excessive depth for a prospect in this area & unless ~~or~~ local conditions warrant it would probably be unjustifiable. The sinking & some of the drifting would qualify as exploration but just where the cut-off would come should be decided by the field team.

No cost estimates are submitted & should be prepared by the field team before final decision on the application is made.

The entire program should be studied by the field team.

Section 11 - Exhibit "B"

These structures will be required & although the cost estimated appears somewhat high it is within reason at present prices. This work should be consistent with the exploration phase of the program & not made in line with a production operation.

Section 12 - Exhibit "C"

The equipment listed is necessary for the project but the costs quoted are too high for an exploration project. For example the drill mentioned appears ~~to~~ to have been

② 7/13/51

D.M.A. 1813 X

selected for later production activities. The equipment needed should be discussed by the field team with the applicant & kept to a minimum for the exploration project.

Section 13. Exhibit "D"

The labor listed & the wages quoted appear reasonable for the program as outlined.

Section 14 Exhibit "E"

No facilities or structures are now on the property so that no repair work or rehabilitation will be necessary.

Section 16. Recommendations

This application should be returned to the field team which should investigate the advisability of an exploration project on this property, the particular point of attack & the equipment & labor which would be required to complete it within the time limits allowed. It might also check into the qualifications of the applicant to properly direct a project of this nature. The possibility of obtaining substantial amounts of the various strategic minerals which occur in this locality. The applicant should be told that the production of feldspar, in which he may be primarily interested, is not included in the programs except as a later by-product.

Applicant appears to be aware of the Exploration Loan Program & to make mining finds his goal

DEFENSE MINERALS ADMINISTRATION

97022

PRODUCTION EXPANSION DIVISION

EXPLORATION LOANS

Name of Company and Address: Francis Michaud and Louis Stratton, Partnership

Name of Mine and Location

Docket No. D.M.A. 1813 X Date received by P.E.D. 8-17-51

Metals or Minerals involved Mica, Beryl, Columbo-Tantalite

Amount of Total Project: $8,900.00

Government participation, percent and amount $8,010.00 90%

Number of subprojects in total application Two - No. 2 dependent upon completion of No. 1

Type of Exploration	Feet	Cost per foot	Total cost
Preparatory & Rehabilitation			
Equipment			
Shaft sinking & winzes			
Drifts and crosscuts	230	$25.00	$5,750.00
Raises			
Diamond ~~or churn~~ drilling	600	$5.25	$3,150.00
Other			

Comments on Contract Drifting (Sub-project 2) is dependent upon results obtained from Diamond Drilling (Sub-project No. 1)

Date sent to Applicant for signature

Date returned to P.E.D.

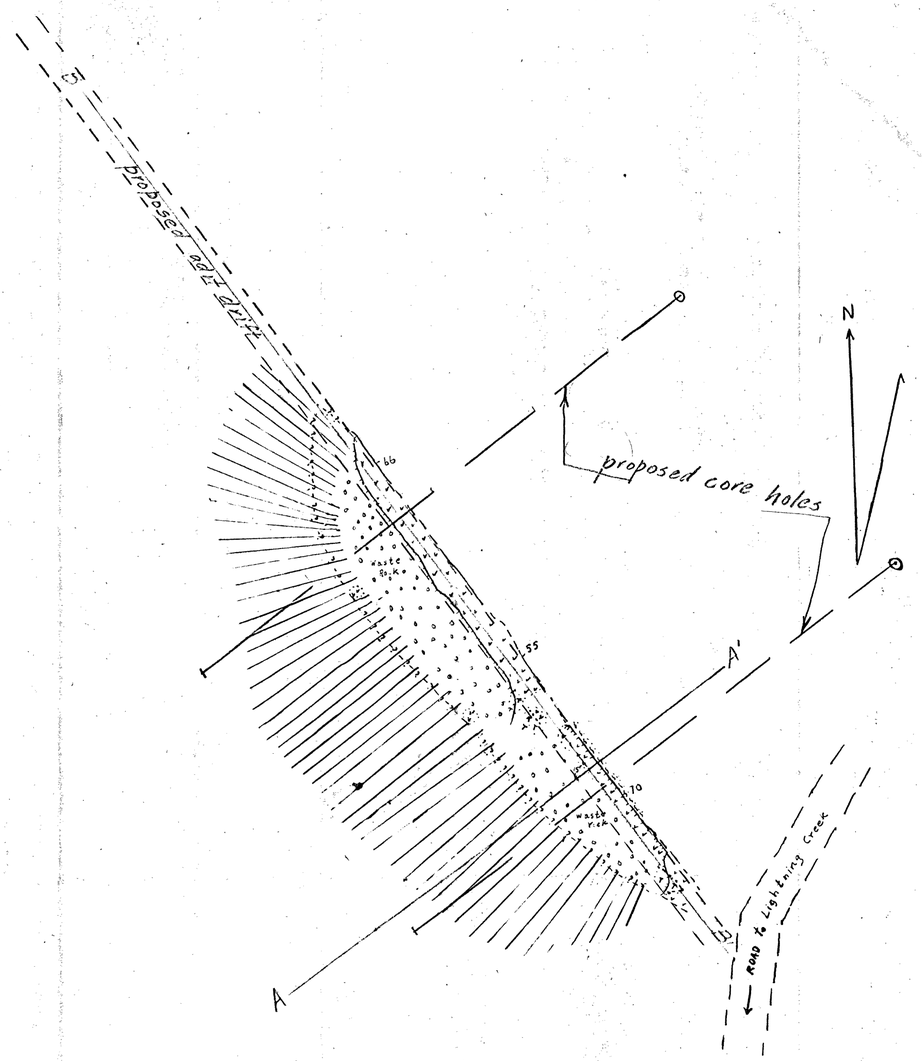
Date sent to Legal 9-6-51

Date signed by Administrator 9-13-51

Additional remarks:

Signed J. E. Pehrson

Interior--Duplicating Section, Washington, D. C.



EXPLANATION

Quartz-plagioclase-perthite-muscovite pegmatite

Perthite-quartz-cleavlandite Pegmatite

Concealed contact, obtained from earlier map

Limit of outcrop

SCALE 1 inch = 20 feet

DMA-1813-X

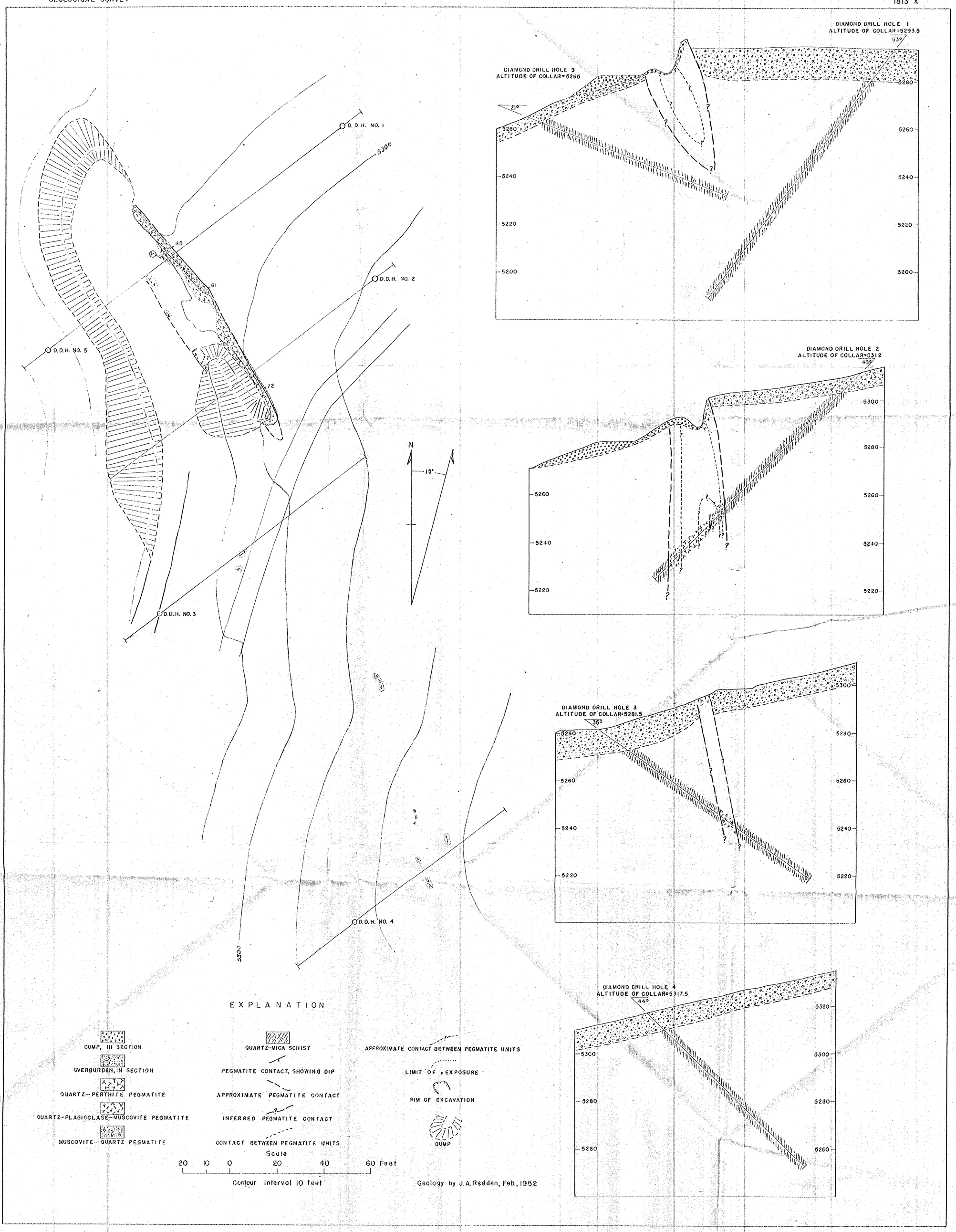
SKETCH MAP, MICHAUD BERYL PEGMATITE

by J.A. Redden

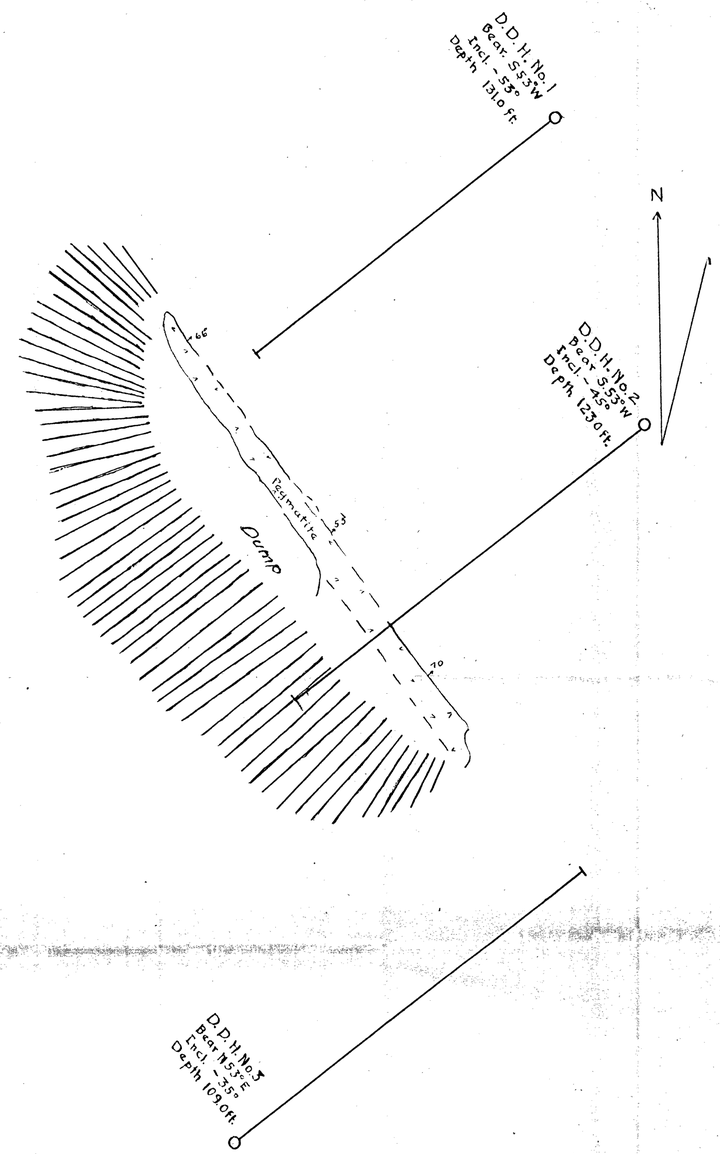
July 1951

U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

PREPARED FOR DMEA
1813 X



GEOLOGIC MAP AND DIAMOND DRILL HOLE SECTIONS, MICHAUD BERYL PEGMATITE, CUSTER COUNTY, SOUTH DAKOTA



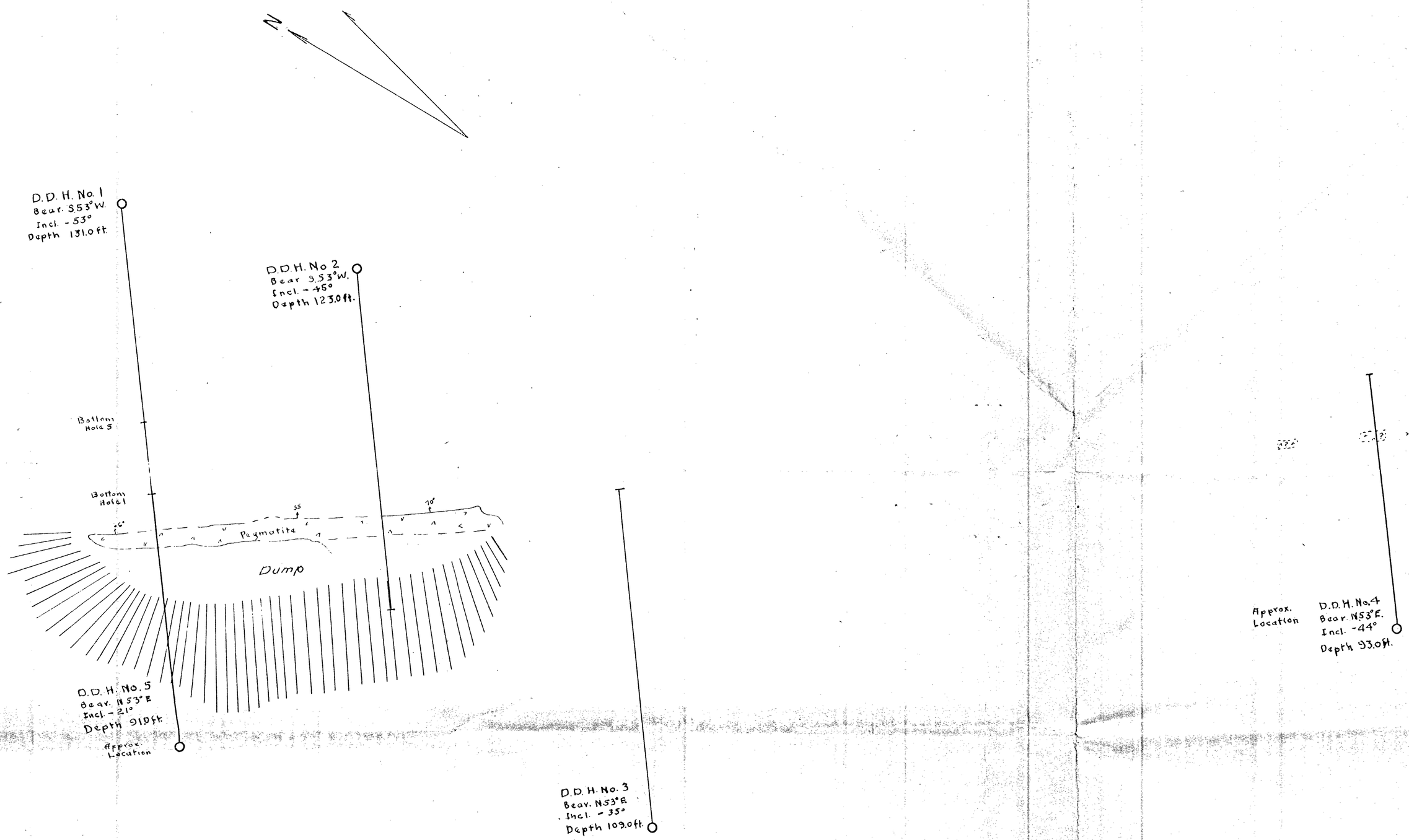
Sketch Map Michaud Beryl Pegmatite DMEA 1813X

Traced from Sketch by J.A. Redden

Custer County, S.D.

0 20 40

Scale in Feet



Sketch Map Mich Lode D.M.E.A. 1813X, Idm E-140

Traced from sketch by S.A. Redden

Custer County S.D.

0 20 40

Scale in feet