Operator's Final Narrative Report

DMEA Docket 2078
Contract Idm E-263

Bruce Pegmatite
L. D. Pitts, Operator
Custer, S. Dak.

Work was started at the property on April 21, 1952. The two northernmost trenches, trench No. 1 and No. 2, on the west side of the deposit were worked simultaneously and were completed on May 2. A total of 47 cubic yards of material, mainly soil and boulders, was excavated, 40 cubic yards coming from trench No. 2 and the remaining 7 yards from trench No. 1. Both trenches exposed the wall and extended from 2 to 5 feet into the pegmatite.

Trenches Nos. 3 and 4 were started about May 5 and were worked at the same time until the completion of trench No. 4 on May 7. Then all work was confined to trench No. 3 until the project was terminated.

Trench No. 4, the southernmost trench, was an old, short cut and was extended in order to obtain geologic data on the zoning in the deposit west of the schist that is found between the two deposits.

Trench No. 3 was the longest and deepest of the four. This trench cut through the deposit lying west of the schist, as well as the schist and about 8 feet of the pegmatite on which the large open cut had been driven.

Little or no beryl, columbite-tantalite, or other salable minerals were recovered from the rock-in-place excavated; there was a small amount of beryl picked from the muck in the old excavations and dumps.

A total of 157 cubic yards were excavated from trench No. 3, which was about 73 feet in length. Most of the material from this trench was rock-in-place and was blasted. Trench No. 4 was extended to a length of 12.5 feet;as it was very narrow only 4 cubic yards were removed.

From all four trenches a total of 208 cubic yards were excavated and the total length of the trench dug was 130 feet.

All bills for services and supplies have been paid. Total expenditures for the project amounted to $3,008.52.

FILE COPY
SURNAME:

Feitler
Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

NOV 24 1952

Mr. A. B. Needham
Executive Officer, DMEA
2908 Colfax Ave., South
Minneapolis 3, Minnesota

Subject: Docket No. DMEA-2078 - Beryl
L. D. Pitts
Bruce Lode
Custer, South Dakota
Contract No. Idm-8263

Dear Mr. Needham:

Reference is made to the subject contract for exploration on Bruce Lode in Custer, South Dakota.

The termination by mutual agreement and the Operator's final report have both been received in this office.

A final review is prepared here for each contract after it is terminated. As the final report of the Field Team supplies part of the information for this review, we would appreciate receiving your final report on the subject contract as soon as convenient.

Sincerely yours,

(signed) FRANK E. JOHNSON
(NB)

Chairman, Operating Committee

S.N. 11-24-52

Approved:

J. H. Hedges (NB)
Member, Bureau of Mines

A.B. Finkel, Jr (NB)
Member, Geological Survey

SAFeitler:gad 11/24/52

Copy to: Admr. R. File
Docket File
Operating Committee (2)
Mr. Houk
Mr. Norton, G-232 GSA Bldg.
Mr. Needleman, 3641-A

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 10 1952

November 7, 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-2078, Contract Idm-E263
L. D. Pitts - Bruce Lode

Here are the original and two copies of termination by mutual consent of the subject project.

The operator's final report has been received, but the Field Team report is still in the making.

When the Government report is received, both operator and Government report will be transmitted formally closing the project.

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

Attachments

ABNeedham:vb
cc Dutton
Mullen
Redden
Region V
files
df

RECEIVED
NOV 17 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

UNITED STATES
DEPARTMENT OF THE INTERIOR

~~DEFENSE MINERALS EXPLORATION ADMINISTRATION~~

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

COPY

August 29, 1952

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Completed exploration projects

For your information, the following projects have been completed as to field work. Operator's final engineering and geological reports and the Government's final report have not been received on them; therefore, final official notice on termination and balance of funds available have not been made to you.

Docket	Contract	Operator	Date completed
812a	E99	Black Hills Keystone	8/3/52
1145	E11	Dodgeville - Jones	5/17/52
1227	E50	Vinegar Hill - Hancock	5/1/52
1315	E178	J.E. & L.M. Miller	8/20/52
1560	E42	Dodgeville-Weigle	3/31/52
1562	E168	Dodgeville-Pearson	6/3/52
1985	E171	Star Mining Co.	8/29/52
2078	E263	L. D. Pitts	8/29/52
2392	E352	Minerals Mills-Glenwood	7/16/52

As operator's reports, Government reports, and audit reports are available to us, we will complete the projects officially and transmit notice with balance of funds available to you.

This serves only to keep you abreast of field activities.

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

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

AUG 11 1952

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

Subject: Docket No. DMEA-2078 - Beryl
L. D. Pitts
Custer, South Dakota
Contract No. Idm-E163

Dear Mr. Needham:

Reference is made to the subject contract and your memorandum proposing an amendment.

No amendment is necessary in this case. According to the answers to Questions No. 1 and No. 7 in Operating Committee Memorandum No. 8, the contract need not be amended to authorize the undertaking of Phase II. The contract provides that Phase II is to be undertaken, if the results of Phase I indicate the need for additional trenching. It was added to the program submitted by the Field Team to provide for the present contingency.

The funds set up for trenching were considered adequate, and any trenching in addition to that provided in Phase II should be by amendment. Please note that 22 extra shifts were provided for the working foreman to act as sampler during the diamond drilling if Phase III is to be undertaken. This is called to your attention as it is apparent that the Operator must work more efficiently, if sufficient funds are to be retained to finance Phase III.

We are retaining one copy of the proposed amendment for the record, and are returning five copies.

Sincerely yours,

8/11/52

(signed) FRANK E. JOHNSON
(JHB)
Chairman, Operating Committee
Defense Minerals Exploration
Administration

Approved:

J. H. Hedges (JHB)
Member, Bureau of Mines

A. M. Lemmon (JHB)
Member, Geological Survey

Enclosures 5

SAFeitler:gad 8/6/52
Copy to: Admin. Reading File
Docket File
Operating Committee (2)
Mr. Needleman, 1347
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated (~~or cancelled~~) without certification. DMEA No. 2078

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.

✓ Closing letter

✓ 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 _____

R.C.G.
Reviewer's Initials

7973

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

FEB 12 1953

Feitler
Houk
ARKoa
KJohnson

Mr. L. D. Pitts

Custer, South Dakota

Subject: Docket No. DMA-2078 - Beryl
Bruce Lode
Custer County, South Dakota
Contract No. Idm-[illegible]

Dear Mr. Pitts:

Reference is made to the subject exploration project contract between you and the Government.

The final audit of the contract expenditures and the final reports of the Operator and the field team have been received and accepted by this Administration. Of the total amount of $5,970.00 approved under the contract, the amount of $3,0[illegible].52 was expended and the Government's share of 90%, or $2,707.67 was disbursed. There were no unused materials, supplies or equipment to be disposed of for the joint account of the Operator and the Government.

Although the results of the exploration project were unfavorable, the work was completed in a satisfactory manner. Under the circumstances, it is not our intention to make any certification of discovery or development which will create a lien against the project property, and we are, therefore, closing our books and records with respect to this project. Your attention is called, however, to paragraph 11 of the Contract which requires the Operator to "keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract."

Your interest in the Exploration Program of the Defense Minerals Exploration Administration and your willingness to participate therein are appreciated.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

2-12-53

SAFeitler:gad 2/10/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Chambers
Mr. Hoffland
Mr. Johnson
Field Team, Region V
Mr. Houk

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

L. D. Pitts

Custer

South Dakota

pertaining to Exploration Project Contract No. Idm-E263, Docket No. DMEA-2078, for the period of April to August 29, 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 Executive Officer of the Field Team, 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 following reasons:

(a) the administrative cost to the Government of an audit would be excessive in relation to value of the contract or the estimated amount of possible disallowances thereunder; and
(b) the Monthly Reports were supported by documentary proof of the costs incurred under the contract.

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

Total cost as billed by Contractor		$3,008.52
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith (schedule attached)	-0-	-0-
Total Accepted Cost		$3,008.52

The contract calls for a 90 per cent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Two thousand seven hundred seven Dollars and 67/100

- $2,707.67 -

is considered valid and proper.

Auditor

October 3, 1952

Government Copy

TERMINATION OF EXPLORATION PROJECT CONTRACT BY AGREEMENT
AFTER COMMENCEMENT BUT BEFORE COMPLETION OF THE WORK

It is agreed this first day of September, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and L. D. Pitts, owner-operator of Bruce Lode, Custer County, South Dakota, hereinafter called the "Operator," parties to that certain Exploration Project Contract I-dm-E 263, Docket No. DMEA-2078, dated Feb. 26, 1952, that the said contract shall be and is hereby terminated as of the first date above written.

Any work prosecuted or costs incurred by the Operator after the date first above written shall be for the sole account of the Operator, except for (a) such necessary and reasonable costs and expenses as may be incurred in preserving and disposing of any facilities, buildings, fixtures, equipment, or other items, to the cost of which the Government has contributed and in which the Government has an equity, and (b) the costs of any reports, accounts, and winding-up and settlement actions provided for in the contract.

The undersigned Operator hereby releases and agrees to save harmless the Government from all claims and demands under or arising out of said Exploration Project Contract, except as herein expressly otherwise provided.

Witness the following signatures as of the day and year first above written.

UNITED STATES OF AMERICA

By [illegible]

L. D. Pitts
(Operator)

By _____

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 10 1952

RECEIVED
NOV 7 1952
DEPT. OF INTERIOR
BUREAU OF MINES
MINNEAPOLIS, MINN.
REGION V

AMENDMENT NO. 1

DMEA Docket No. 2078
Contract Idm E-263
Bruce Lode

Contract Idm E-263, Docket No. 2078, dated February 26, 1952 between the United States of America and L. D. Pitts, owner, is hereby amended as follows:

The balance of the funds as set up under Exhibit "A", Phase I (Trenching) shall be redistributed, as itemized below, for payment of the wages estimated to be required for starting and completion of Phase II (Extension of existing trenches or digging of other trenches), and also for an allowance of $46.50 for an additional month's depreciation charges for owner's equipment.

EXHIBIT "A"

Item	Available Balance	Estimated Amount Required
Labor, including F.I.C.A. taxes and insurance	$ 104.51	$ 500.00
Supervision	336.00	300.00
Bookkeeper	165.00	30.00
Equipment depreciation	--	46.50
Materials and supplies (operating) (Explosives, gas, oil, steel and bits, small tools and miscellaneous supplies)	75.00	25.00
Mileage (transportation)	122.34	20.00
Repairs and contingencies	230.66	75.00
Technical Work	150.00	150.00
Sub-total	$1,566.49 X 1183.51	$ 1,246.50 X 1146.50
Core boxes	40.00	40.00
Drilling	2,400.00	2,400.00
Total	$ 4,006.49 X 3623.51	$ 3,686.50 X 3586.50

Transfer of funds:

Amount	From		To
$ 75.00	Blasting and supplies		Labor
25.00	Gasoline and oil		Labor
100.00	Drill bits and steel		Labor
50.00	Miscellaneous supplies and small tools		Labor
75.00	Mileage (transportation)		Labor
75.00	Repairs and contingencies		Labor
$400.00		to	Labor
25.00	Blasting supplies		Equipment Depreciation
21.50	Repairs and contingencies		Equipment Depreciation
$ 46.50		to	Equipment Depreciation

This is to permit an additional labor charge of 40 shifts (2 miners at 20 shifts each at $1.50 per hour, or $12.00 per shift) over the allowable 44 as set forth in Phase I.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the government may pay, or the percentage of the costs which the government may pay, under the provisions of Article 13 of the contract form.

Dated: _____ By _____
Executive Officer, DMEA Field Team

Dated: 6-27-52 By L.D. Pitts owner
L. D. Pitts

INTERNAL USE ONLY

SUPPLEMENTARY REPORT IN JUSTIFICATION OF PHASE II AND AMENDMENT NO. 1
BRUCE LODE PEGMATITE

DMEA Docket No. 2078
Contract Idm E-263
L. D. Pitts, Owner

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

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

The Bruce pegmatite was examined on June 23, 1952 upon completion of the allotted trenching in Phase I of the contract.

Four trenches (see sketch map) have been completed to date. The two northernmost trenches, Nos. 1 and 2, have not encountered any significant geologic features and are possibly still in wall zone material of the pegmatite.

The southernmost trench, No. 4, located on what is possibly a separate pegmatite lying to the west and south of the zoned pegmatite exposed in the larger open cut, appears to have encountered an inner zone of perthite-quartz pegmatite. Trench No. 3, located approximately 80 feet to the north of the southernmost trench, has cut the northern end of the possible separate pegmatite and has encountered fine-grained, seemingly unzoned pegmatite.

Trench No. 3 has been stopped at a point about 5 feet from where the footwall of the fine-grained pegmatite should be and the same distance from where the hanging wall of the zoned pegmatite is inferred to be (a thin schist stringer is inferred to separate the pegmatites). This trench should be continued for at least another 12 feet in order to penetrate the zoned pegmatite. The depth of the trench, due to the slope of the topography, will be in excess of the 8 feet permitted in the specifications of the contract, and it will be necessary to change the specifications so as to remove a certain number of cubic feet of rock. The removal of 720 cubic feet, or 60 tons of rock, from the end of trench No. 3 will enable the examination of the zoned pegmatite and possible inner units that may be present.

The southernmost trench should be lengthened about 3 feet in order to clarify whether or not a true inner zone or a fracture filling type of deposit has been encountered. This would require the removal of about 180 cubic feet or 15 tons of rock.

At present the results of the trenching are not conclusive and the advisability of continuing with Phase III, Diamond Drilling, of the exploration can not be determined.

In the opinion of the field team, Phase II, 50 feet of additional trenching - especially in trenches Nos. 3 and 4 - is necessary before continuing the exploration. It is recommended that Phase II of the contract should be undertaken, at least in the removal of the tonnage mentioned above.

MF-[redacted]
(June 1951)

DMEA-2078
Docket No. [redacted]
Commodity Beryl-Mica
Columbium-Tantalum
Idm-E-263

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

GOVERNMENT'S COPY

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 26th day of February, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] L. D. Pitts, an individual
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] The Bruce Lode, a mining claim, recorded on page 475 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*) ~~That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.~~

3. *Exploration project.* The Operator, within ninety (90) days from the date of this contract shall commence work on a project of exploration for [5] Beryl, Mica, Columbite; 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] seven (7) months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

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

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

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

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

7. *Title to and disposition of prop*[illegible] All facilities, buildings, fixtures, equipme[illegible]r 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 $5,373.00, which is 90 percent of the agreed estimated total cost of this project, $5,970.00.

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.

L. D. Pitts
(Operator)

By L. D. Pitts

THE UNITED STATES OF AMERICA

By C. D. Whitehouse
Acting Administrator, Defense Minerals Exploration Administration

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

EXPLORATION PROJECT CONTRACT
L. D. PITTS
DOCKET NO. DMEA-2078

EXHIBIT "A"

Statement of the Work

Phase I

Excavate four trenches with a total length of about 100 feet as indicated on map attached. These trenches are to be 5 feet wide and not more than 8 feet deep in solid rock.

Phase II

If in the opinion of the Government, the results of Phase I indicate that additional exploration by trenching is warranted, excavate approximately 50 feet of trench as and where specified by the Government. The additional footage of this phase may be applied to the extension of the trenches of Phase I or to the digging of other trenches.

Phase III

If, in the opinion of the Government, the results of Phases I and II indicate that additional exploration by diamond drilling is warranted, drill not more than 400 feet of BX diamond core holes. The location, direction, and inclination of the holes is to be specified by the Government.

Detailed Estimated Costs of the Project

Fixtures and improvements

None

Operating Equipment

To be rented

None

To be purchased

None

To be furnished by the Operator

	Replacement Value	Allowable Monthly Depreciation	
1—Model "A" compressor	$2,400.00	$40.00	
1—Light jackhammer	300.00	5.00	
Air hose	90.00	1.50	
	Monthly total	$46.50	
Total depreciation - 2 months			$ 93.00
Labor and supervision			
2—Miners @ $1.50 per hr., plus 6% for taxes and insurance for 44 shifts 1/		$1,120.00	
1—Bookkeeper, 3 months @ $75.00 per mo.		225.00	
1—Working supervisor @ $1.50 per hour, plus 6% for taxes and insurance for 66 shifts 2/		840.00	
Map and final report by a qualified mining engineer or geologist		150.00	2,335.00
Rehabilitation and repairs			
None			
Materials and Supplies			
Blasting supplies		200.00	
Gasoline, oil, and grease for mining equipment		165.00	
Drill steel and bits		215.00	
Miscellaneous supplies and small tools		75.00	

1/ If the prevailing wage rate is higher when the work is to be done, the Government must be notified in writing of the new rates before men are employed.

2/ Working supervisor will act as sampler during Phase III, if it is undertaken.

Mileage allowance - 3/4 ton International pickup @ $.07 per mile for 2,100 miles	$ 147.00	
Repairs and contingencies	300.00	
BX core boxes, 400 ft. @ $.10	40.00	$ 1,142.00
Diamond drilling by contract		
BX core drilling - 400 feet @ $6.00 per foot		2,400.00
Total estimated cost		$ 5,970.00

Summary of Estimated Costs

Depreciation	$ 93.00
Labor and supervision	2,335.00
Materials and supplies	1,142.00
Core drilling	2,400.00
	$ 5,970.00

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

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

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

DO NOT FILL IN THIS BLOCK

Docket No. DMA-2078

Date received 9-17-51

Participation

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.
SEP 13 11 15 AM '51

L. D. Pitts
Custer
South Dakota

Name and address of applicant

Date September 11, 1951

FILL IN THIS BLOCK

Date of application September 11, 1951

Estimated cost $ 4,680.00

Mineral or metal beryl, columbium-tantalum, mica, lithia ores, feldspar

Percentage of Government participation 90%

Location of mine Eight miles south of Custer 600' off of U. S. 85

Date of filing MF-100 None filed

DMA Docket Number, if available ~~Not available~~ 2078

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.

L. D. Pitts
(Name of company)

By L. D. Pitts
L. D. Pitts
(Signature of authorized official)

September 11, 1951
(Date)

Owner
(Title)

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

*Same as footnote on page 1.

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

ADDENDA TO FORM MF-103
L. D. Pitts
Page One

THE APPLICANT

1. Individual.

2. Not a partnership.

3. Not a corporation.

4. (a) Forty years of experience in saw-milling and mining. My experience in mining has been in the Klondike and in the Black Hills. I have made a success of most of my business ventures.

(b) I will manage the operation myself.

5. Owner.

6. There are no liens or encumbrances of any kind against the property.

7. Not a lessee.

8. Assets -

Home	$ 10,000.00
House and lot	5,000.00
City Block	2,500.00
Money due	5,000.00
Mortgages	6,000.00
Bonds	20,000.00
	$ 48,500.00

Liabilities ---------- None.

9. Ten percent of cost.

THE PROPERTY

10. (a) Mineral location consisting of 20 acres, and is known as the Bruce Lode.

(b) The claim lies approximately 1,500 feet from U. S. Highway No. 85, and is about eight miles south of Custer, and five miles north of Pringle. It is approximately 500' south of of the Sutherland homestead. The Bruce Lode is recorde with the Register of Deeds, Custer, Custer County, South Dakota and will be found on page 475 in Book 17 of Locations. The claim is in Sec. 25, T4, R4 BHM.

11. Present name the Bruce Lode, former name the Soda Feldspar Lode.

12. Property located eight miles sout of Custer and five miles north of Pringle, and is about two miles from a siding on the Burlington Railroad. It is about 500' from a hard surface highway, U. S. 85.

ADDENDA TO FORM MF-103
L. D. Pitts
Page Two

THE PROPERTY

13. The only water needed will be for drinking and cooling motors, this can be hauled from Custer. Power will be derived from gasoline, and can also be hauled from Custer. The total cost for power should not exceed $150.00.

14. None.

15. Ore could be shipped from a siding at Sanator, about two miles from the mine, or it could be hauled to Custer.

16. (a) Very little work has been done on the property, the work that has been done has been mostly assessment work. During this work a carload of mica schist was shipped and about 25 tons of soda spar was sold. An undetermined amount of columbium-tantalum was produced.

(b) The property is located in an area where known deposits of strategic minerals have been discovered. Information is not available as to amounts of these minerals that have been produced in the area.

(c) No reports available.

17. Mine not in production.

18. The property has not been and is not operating.

19. There are no conditions or circumstances in reference to the property, to my knowledge, that have not been brought out by the foregoing questions.

THE EXPLORATION

20. The exploration will be conducted to reveal deposits of beryl, columbium-tantalum, mica, lithia ores, and feldspar.

21. It is proposed to drive a one hundred and fifty foot tunnel that will require from 60 to 75 days to complete. That work will be completed in estimated time is dependent upon the weather.

22. The geological basis for the proposed exploration is the fact that it is a pegmatite dike that is to be explored and that such dikes contain the needed strategic minerals. Also that there is a showing of beryl in this dike, with some mica, and that columbium-tantalum has been taken from the dike in the past. Other dikes in the vicinity have showings of similar minerals. Map showing proposed work is included with the application.

ADDENDA TO FORM MF-103
L. D. Pitts
Page Three

23.	(a)	Two Miners @ $ 24.00	60 days	$ 1,440.00
	(b)	Applicant working and supervising @ $12.00 per day	60 days	740.00
	(c)	None.		
	(d)	Compressor and tool shed		500.00
	(e)	None.		
	(f)	Compressor and drill. $ 350.00 per month		700.00
	(g)	None.		
	(h)	Powder, fuse and caps, bits, small tools.		800.00
	(i)	Gasoline, oil, transportation.		500.00
				$ 4,680.00

24. Project expected to be completed sixty five week shifts, at the end of which time, barring accidents or delays in getting repairs or supplies, the project would be expected to be completed.

Note: Costs are based upon present prices and labor is estimated to be obtainable at wages given. However, wage scales are much higher in nearby areas, and these figures might not remain constant if labor is to be obtained.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR 42-R1036.3.
Approval expires 6-30-53.
Defense Minerals Administration
RECEIVED
OCT 27 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June-July-August, 1952 Docket No. DMEA 2070 Contract No. Idn D-263
Operator's Name L. D. Pitts Minerals Beryl-Mica-
Address Custer, S. Dakota Colubite
Contract Amount, $ 5,970.00 Government Participation: 90 % Amount, $ 5,373.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	477.00	967.50	1,444.50	477.00	967.50	1,444.50
Supervision & Bookkeeper	366.00	564.00	930.00	366.00	564.00	930.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	48.10	95.35	143.45	48.10	95.35	143.45
Pipe	43.16		144.83	43.16		144.83
Gas Truck Bits, Steel, Oil,	~~45.44~~	101.67	~~147.11~~	~~45.44~~	101.67	~~147.11~~
Transportation @ .07/mile 398.3 Miles	27.88	24.66	52.54	27.88	24.66	52.54
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	46.50	93.00	139.50	46.50	93.00	139.50
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	12.72 ~~10.44~~	69.34	82.06 ~~79.78~~	12.72 ~~10.44~~	69.34	82.06 ~~79.78~~
Sampling and Analysis						
Payroll Taxes F.I.C.A.	7.16	14.51	21.66	7.16	14.51	21.66
Liability Insurance	16.50	33.48	49.98	16.50	33.48	49.98
(8) Contingencies (specify):						
TOTALS	1,045.01	1,963.51	3,008.52	1,045.01	1,963.51	3,008.52

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

Date August 19, 1952 Payee L. D. Pitts

Per Eugene C. Pitts Title Bookkeeper

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

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

(Instructions on reverse)

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

$ 940.51

Signature L. A. Hill
(Authorized Certifying Officer)

Date OCT - 6 1952 Vou. No. 13
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature [illegible] Title Supervising Engineer Date August 19, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Ex. Officer Date AUG 25 1952

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form DF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 27 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June, Jul, Aug. 1952 Docket No. DMEA 2079 Contract No. Idm [illegible]-263

Operator's Name I. D. Pitts Minerals Beryl-Lica-

Address Custer, South Dakota Columbite

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching	Cu. Yd.	1,045.01	192	3,008.52	208	14.46	—	—
Test Pits								
Roads and Trails								
Total Distributed Costs		1,045.01		3,008.52				Total Costs Authorized by Contract
Operating Equipment Purchased		—		—				—
Initial Rehabilitation and Repairs		—		—				—
New Buildings, Improvements, etc.		—		—				—
Total Costs		1,045.01		3,008.52				—

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

Date August 19, 1952 Operator I. D. Pitts

Per Signe C. Pitts Title Bookkeeper

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

Operator's Narrative Report

All work at the property, except for a few holes which were blasted in the face of trench 2, has been confined to trench 3. The trench has been extended about 30 feet across the pegmatite and about 100 cubic yards of rock has been excavated.

The trenching has exposed enough of the pegmatite to give the information sought, and in agreement with the governments geologist and engineer, I feel that further work under the contract is not needed. I do not plan to go into Phase III (Core Drilling) of the contract.

Work was stopped on August 16, 1962.

Phase I - Payroll 6-21-5[illegible] to 6-28 inclusive.

Labor.	Week ending	Hours	Rate	
Robert J. Pitts. 504-26-4545	6-21.	25	1.50.	37.50
	6-28	24.	1.50	36.00
Otto F. Koch. 520-01-7401	6-21	8.	1.50	12.00
		57 hrs.		$85.50

Phase II. 7-11 to 8-16. inclusive.

Otto F. Koch. 520-01-7401.	7-11.	20.	1.50.	30.00.
	7-19	36.	1.50	54.00.
	7-25 off.	24	1.50	36.00.
	8-16	40	1.50	60.00
G.H. Carpenter. 504-01-4024	7-11.	24	1.50.	36.00
	7-19.	40	1.50	60.00
	7-25 off.	37	1.50	55.50
	8-8	40	1.50	60.00
	Total labor Phase I + II.			$477.00

Superviser Phase I & II L.D. Pitts.

6-21.	40.	1.50.	60.00
6-28	40	1.50	60.00
7-11.	40	1.50	60.00.
7-19.	40.	1.50	60.00.
7-26.	40	1.50.	60.00
8-16	24	1.50	36.00
	Sup. Phase I + II		$336.00
Bookkeeper.			30.00
Total payroll.			843.00
Social Security			7.15
Workmen's Compensation.			16.50
			$866.65

Signe Pitts
Bookkeeper.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

2

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May-June, 1952 Docket No. DMEA _____ Contract No. [illegible]-263

Operator's Name L. D. Pitts

Address Custer, S. Dak.

Minerals Beryl-mica-columbite

Contract Amount, $ 5,970.00 Government Participation: 90 % Amount, $ 5,373.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	499.50	468.00	967.50	499.50	468.00	967.50
Supervision: Bookkeeper	318.00	246.00	564.00	318.00	246.00	564.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	28.35	67.00	95.35	28.35	67.00	95.35
Pipe						
Bits, steel, gas, oil,	61.36	40.31	101.67	61.36	40.31	101.67
transportation [illegible].07 per mile, 249.3 miles	17.45	7.21	24.66	17.45	7.21	24.66
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	46.50	46.50	93.00	46.50	46.50	93.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	54.34	15.00	69.34	54.34	15.00	69.34
Sampling and Analysis						
Payroll Taxes F.I.C.A.	7.49	7.02	14.51	7.49	7.02	14.51
Liability Insurance	17.28	16.20	33.48	17.28	16.20	33.48
(8) Contingencies (specify):						
TOTALS	1,050.27	913.24	1,963.51	1,050.27	913.24	1,963.51

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

Date June 23, 1952 *Payee L. D. Pitts

Per Lyn C. Pitts Title Bookkeeper

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

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

(Instructions on reverse)

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

$ 945.24

Signature L. A. Hull
(Authorized Certifying Officer)

Date JUL 14 1952 Vou. No. _____

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. [illegible]-263 in accordance with the terms of the contract.

Signature [illegible] Title Supervising Engineer Date June 27, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Exec Officer Date JUL 21 1952

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [redacted] 195[redacted] Docket No. DMEA [redacted] Contract No. [redacted]
Operator's Name [redacted] (Bruce Lode) Minerals [redacted]
Address [redacted] [redacted]

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		[redacted]		[redacted]				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		[redacted]		[redacted]				[redacted]
Initial Rehabilitation and Repairs		[redacted]		[redacted]				[redacted]
New Buildings, Improvements, etc.		[redacted]		[redacted]				[redacted]
TOTAL COSTS		[redacted]		[redacted]				[redacted]

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

Date [redacted] Operator [redacted]

Per Signa C Pitts Title [redacted]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

JUL 23 1952

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

RECEIVED
JUL 10 1952
BUREAU OF MINES
REGION V
MINING DIVISION

BRUSH LODE

Operators Narrative Report
May and June 1952.

During the past month work was confined to trench number 3. Owing to a breakdown of the compressor, progress was less than expected. The trench was advanced 18.5 feet in rock and approximately 18 cubic yards (rock-in-place) and 3 cubic yards of soil and boulders, or a total of 21 cubic yards were excavated.

MF-104
(August 1951)

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

36

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 263

Name of Operator L. D. Pitts (Bruce Lode)
Docket No. DMA 2078
Total Contract Amount $ 5,970.00
Government Participation: 90 % Amount, $ 5,373.00
Distribution of Expenditures for Month of April & May, 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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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JUN 16 1952

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.

L. D. Pitts, Owner
(Name of Company)

By L. D. Pitts
(Signature of Authorized Official)

May 21, 1952
(Date)

Owner
(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.

Certified true copy
Virginia Pitts
Bookkeeper

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	46.50	—	46.50	46.50	—	46.50
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

Operator's Narrative Report

DMA Docket No. 2078X
Contract Idm E-263
Bruce Lode, L. D. Pitts

Excavation of trench No. 1 (see sketch) was started April 21 and trench No. 2 was started on April 22. The trenches were worked simultaneously and were practically completed on May 2. Both trenches have exposed the pegmatite. Trenches Nos. 3 and 4 were started May 5 and, except for a round or two, trench No. 4 is practically completed. The work now is confined to trench No. 3.

A total of approximately 85 cubic yards has been excavated from all trenches. Of the total, rock in place amounts to about 25 cubic yards; the remaining 60 yards is soil and loose boulders. The total length excavated to date in all trenches is 83.5 feet; trench 1, 9.0 feet; trench 2, 36.0 feet; trench 3, 26.0 feet; and trench 4, 12.5 feet.

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]	468.00	—	468.00	468.00	—	468.00
5. Supervision & Bookkeeper	246.00	—	246.00	246.00	—	246.00
6. Supplies						
(a) Timber	67.00	—	67.00	67.00	—	67.00
(b) Explosives	15.00	—	15.00	15.00	—	15.00
(c) Repair Parts Steel, Gas, Oil Bits etc.	40.31	—	40.31	40.31	—	40.31
(d) Other						
7. Power						
8. Transportation 103 miles @ .07¢	7.21	—	7.21	7.21	—	7.21
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	16.20	—	16.20	16.20	—	16.20
Soc. Security	7.02	—	7.02	7.02	—	7.02
10. Contract Work						
11. Other (specify)						
Total	913.24	—	913.24	913.24	—	913.24
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date			913.24			913.24

[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. Benson

Entered by

Approved by D. F. Mullen Supervising Engineer

Amount approved for payment $ 821.92 AB

Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF [illegible], 1972

(Supply Data Below Applicable Only to Your Operations)

RECEIVED JUN 11

Item	Costs					Progress				
	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										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[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

DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. ~~2078~~

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as

EXPLORATION LOAN

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Routing Slip

To:	CODE 370 ~~Ind. Minerals~~	Date	~~9-18-51~~
To:	Coordinating Com	Date	9-25
To:	F & R	Date	10-2
To:	Oper Com.	Date	11-24-52
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
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To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	

aec

DO NOT DETACH

CONTROLLED DOCUMENT

FILE COPY
SURNAME:

Feitler
Hurd
Chamberlin

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

February 10, 1953

Memorandum

To: Mr. C. O. Mittendorf

From: Nonmetallic Minerals Division

Subject: Closing Review - Docket No. DMEA-2078 - Beryl
L. D. Pitts
Bruce Lode
Custer County, South Dakota
Contract Idm-E263

Amount of Contract	$5,970.00
Cost of project	3,008.52
Government contribution at 90%	2,707.67

No certification

History:

9/17/51 Application received. Applicant proposes 150 ft. of tunnel to cost $4,680.00.

10/2/51 Referred to Region V for examination.

12/5/51 Received report dated 11/26/51 from field team. A two stage program is recommended.
Stage I - 100 ft. of trenching.
Stage II - 400 ft. of diamond drilling. Total cost $3,585.00.
Operator's program would not explore the pegmatite adequately for the money expended.

2/26/52 Approved contract sent to Region V for execution. Contract provides for 150 ft. of trenching in Stages I and II and 400 ft. of BX diamond drilling in Stage III. The additional trenching was included for use in the event that 100 ft. was inadequate. Amount of contract $5,970.00.

4/21/52 Work started.

8/16/52 Stages I and II - Trenching - completed.
The trenching results were not favorable and the diamond drilling under Stage III was not undertaken.

9/1/52 Contract officially terminated by mutual consent.

10/3/52 Auditors report of review.

Total cost as billed by contractor	$3,008.52
Exceptions - None	-0-
Total accepted cost	$3,008.52
Payment to the contractor	$2,707.67

11/23/52 Final Field Team Report received.
The following is quoted from the summary:

"No beryl, strategic mica, or columbite-tantalite were noted in any of the trenches. The geologic data obtained from the trenching, Phases I and II of the contract, indicate that a significant discovery of these minerals could not be expected from additional trenching and that core drilling, Phase III, was not warranted."

Under conclusions, the Field Team states in part:

"The applicant has stated that he intends eventually to extend trench No. 3 and to use it in mining the open cut. (A relatively small pod shaped body containing beryl is partially exposed in a pre-existing open cut.) As the use of the trench would materially facilitate mining operations and permit mining to a vertical depth of 20 ft. below the present floor of the open cut, the trench can be considered as a development."

The Field Team's recommendation is quoted:

"It is recommended that the project be certified as a development and that royalty be paid to the Government on any production that might be made from the deposit."

"Additional exploration, either by private capital or with Government assistance, is not warranted and economic operation does not appear to be feasible."

11/23/52 Operator's Final Report received. Describes work done and reports that little or no beryl, columbite-tantalite, or other salable minerals were recovered from the rock-in-place excavated.

12/16/52 Memo from USBM. In view of the fact "no discovery was made", "an economic operation does not appear feasible" and that trench No. 3 would have to be extended for a considerable distance to be used in mining below the open cut, this office (USBM) recommends that no certificate of development be made.

2/4/53 Memo from USGS. Considers this a borderline case and agrees to a decision either way.

2/6/53 DMEA Nonmetallic Minerals Division Analyst - The trench in question (No. 3) was excavated for exploration and it is highly improbable that the work would have been undertaken as development. Certification as a development is not warranted in this case.

Work Done and Unit Costs

A total of 130 linear feet of trench was excavated by moving approximately 63 cubic yards of overburden and 145 cubic yards of rock-in-place. The work done at each trench is shown below:

Trench No.	Linear Feet	Cubic Yards
1	9.0	7.0
2	36.0	40.0
3	72.5	157.0
4	12.5	4.0
	130.0	208.0

Total cost	$3,008.52
Cost per cubic yard	$14.46
Cost per Linear foot	$23.14

Note: The data do not supply separate costs for overburden and rock-in-place.

Recommendation for closing:

Advise Operator that it is not our intention to make any certification of discovery or development.

2/ /53 Letter to Operator stating that it is not our intention to make any certification of discovery or development.

SAF

Stanley A. Feitler

SAFeitler:gad 2/10/53

Copy to: Admr. R. File
Docket File
Mr. Houk

☑ Audited R.R. 10-3-52 W[illegible] ANALYSIS SHEET - DMEA PROJECT ☑ Actual Cost

☐ Certified Analysis as of 12-6-54 ☐ Agreed Unit Costs
Incl. Voucher for 6-7-8-1952

Name L. D. Pitts Docket No. 2078

State S. D. Commodity Beryl, Mica, Columbite Idm-E No. 263

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify) Diamond BX	400 ft	2440.00		0	0
Surface Excavation		3530.00		3008.52	3008.52
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		5970.00		3008.52	3008.52

Prepared by [illegible]

IN REPLY REFER TO:
G-MD-CNM

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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FEB 5 1953

February 4, 1953

Memorandum

REVIEW OF FINAL FIELD TEAM REPORT ON DMEA-2078, Idm-E263 (Beryl, mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: J. J. Norton, U. S. Geological Survey
Applicant: L. D. Pitts.
Name of property: Bruce.
Location of property: Custer County, South Dakota.
Date of field team report: November 25, 1952.
Authorship of field team report: E. O. Binyon and J. A. Redden.
Field team's recommendation:

No discovery was made, but the development value of Trench 3 is sufficient to justify certification.

Comments:

(1) I know that Redden and Binyon have discussed the question of whether to recommend certification at considerable length, both between themselves and with Pitts.

(2) The problem here is whether Trench 3, which was made entirely for exploration, is of sufficient value as development work to justify certification. The trench did not reach the known deposit that is exposed in the old open cut, and consequently it is not clear that the trench is sufficiently successful as development to warrant certification. Unquestionably the trench is, to some degree, development, but the $2,000 or so that was spent on this trench was never considered worthwhile for development purposes, though it was worthwhile for exploration. Thus there is a question as to whether a lien for the full cost of this trench should be put on this property.

(3) If the property were certified, the cost of the other trenches would also be included in the lien. These trenches are of no use to the operator as development. I estimate from the field report that about three-fourths of the total cost of this project were on Trench 3. Consequently the lack of value of these other trenches is relatively unimportant. If the cost of Trench 3 was worthwhile as development, then the project should be certified, regardless of the fact that no discovery was made.

ACTION SUGGESTED:

I have no strong opinion on whether or not this project should be certified. I'm agreeable to a decision either way. I think this is a borderline case.

J J Norton
J. J. Norton

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

December 16, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 17 1952

Memorandum

To: L. G. Houk, Chief
Nonmetallics Division, DMEA

From: Robert F. Griffith
Rare and Precious Metals Branch

Subject: DMEA Docket, 2078, Contract Idm-E263, L.D. Pitts (Bruce Lode)

The final report contains a recommendation that this project be certified as a development. Considering that "no discovery was made;" that "an economic operation does not appear feasible" and that trench No. 3 would have to be extended for a considerable distance to be used in mining below the open cut, this office recommends that no certificate of development be made.

Robert F. Griffith

Robert F. Griffith

STANDARD FORM NO. 64

Mr. Griffith

Office Memorandum • UNITED STATES GOVERNMENT

TO : L. G. Houk, Chief
Nonmetallics Division, DMEA

DATE: 12/5/52

FROM : Robert F. Griffith
Rare and Precious Metals Branch,

DEC 5 1952

SUBJECT: Docket DMEA-2078

Why the certification of development if no discovery and the recommendation that "economic operation does not appear feasible"?

This evidently puzzled you, or someone, too, as these statements were underlined.

Maybe "no discovery" means no new discovery and that there was some production before, that can be extended by using trench 3. Or, perhaps we are "playing them close" and are leaving the door open to get some of the money back just in case there is some production, which the field team believes to be unlikely.

Answered in person 12/15/52

R.F.G.
Robert F. Griffith

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Mr. Feitler

November 26, 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-2078, Contract Idm-E263
L. D. Pitts (Bruce Lode)

Reference is made to your memorandum of November 24, 1952.

The final reports from Field Team and Operator were mailed you on November 25, 1952.

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

ABNeedham:dg
cc Dutton
Mullen
Redden
Region V
files
df

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 26 1952

2078

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

November 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-2078, Contract Idm-E263
L. D. Pitts (Bruce Lode)

Here are the original and three copies each of the Operator's final report and the Field Team's report on the subject contract.

You will note a certification based on a development has been recommended.

Accounting of the project follows:

Total amount of contract	$5,970.00
Government share (90%)	5,373.00
Total amount spent	3,008.52
Government share	2,707.67
Amount available to General Fund	2,665.33

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

Attachments

ABNeedham:dg
cc Dutton
Mullen
Redden
Region V
files
df

F.T. FINAL RPT.

Reviewed by
DMEA OPERATING COMMITTEE

12-3-52
(date)

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

BRUCE LODE

DMEA Docket 2078, Contract Idm E-263

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

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

Reviewed by
DMEA OPERATING COMMITTEE

12-3-52
(date)

DMEA Docket No. 2078
Contract Idm E-263
L. D. Pitts, Custer, S. Dak.
Bruce Lode, sec. 25, T. 4 S., R. 4 E., Custer County, S. Dak.

Beryl
Mica
Columbite-tantalite

SUMMARY

The project at the Bruce Lode was started April 21 and was completed August 16, 1952. Four trenches, Nos. 1, 2, 3, and 4, located and directed as shown on the sketch map, were excavated. The aggregate total length of the trenches was 130 feet and a total of 208 cubic yards of material, mainly rock-in-place, was removed.

A total of $3,008.52 was expended and of this the government's share, 90 percent, amounted to $2,707.67. The work did not result in a significant discovery.

No beryl, strategic mica, or columbite-tantalite were noted in any of the trenches. The geologic data obtained from the trenching, Phases I and II of the contract, indicate that a significant discovery of these minerals could not be expected from additional trenching and that core drilling, Phase III, was not warranted.

The project has been terminated by mutual agreement.

CONCLUSIONS

The project did not result in the discovery of beryl, strategic mica, or columbite-tantalite. Based on the exposures in the four trenches, particularly in trench No. 3, the most extensive of the four, the pegmatites apparently are unzoned and the minerals sought are confined to a relatively small pod-shaped body partially exposed in the open cut. (See sketch).

The applicant has stated that he intends eventually to extend trench No. 3 and to use it in mining the open cut. As the use of the trench would materially facilitate mining operations and permit mining to a vertical depth of 20 feet below the present floor of the open cut, the trench can be considered as a development.

RECOMMENDATIONS

It is recommended that the project be certified as a development and that royalty be paid to the government on any production that might be made from the deposit.

Additional exploration, either by private capital or with government assistance, is not warranted and economic operation does not appear to be feasible.

DESCRIPTION OF THE WORK

Four trenches, Nos. 1, 2, 3, and 4, located as shown on the sketch map, were dug. An aggregate total of 130 linear feet of trench and 208 cubic yards of soil, loose boulders and rock-in-place were excavated.

Trench No.	Linear Feet	Cubic Yards
1	9.0	7.0
2	36.0	40.0
3	72.5	157.0
4	12.5	4.0
	130.0	208.0

Work under Phase I was started April 21 and was completed on or about June 15, 1952. Upon recommendation of the field team, work under Phase II, consisting of the extension and deepening of trench No. 3, was started and continued until August 16, when the project was completed. As had been predicted, the trench cut through a schist parting between the two pegmatites and penetrated 8 feet into the pegmatite on the east.

It was expected that the additional trenching would expose the zoned portion of the easternmost pegmatite; however, no zoning was noted in this or in the pegmatite west of the schist and the field team advised the applicant, on the basis of the additional geologic data obtained from the trenches, that further trenching could not be recommended and Phase III, core drilling, was not warranted.

GEOLOGY

In exploration of the Bruce Pegmatite four trenches were excavated. Trenches Nos. 1 and 2 were located near the contact along the west side of the main pegmatite. Trench No. 4 was near the center of the pegmatite lying west of a schist parting, and trench No. 3 was located so as to expose the pegmatite on either side of the schist. This trench was extended and deepened and encountered the schist parting as predicted and penetrated 8 feet into the easternmost pegmatite.

The exposures of pegmatite in trench No. 3 consist of relatively fine-grained pegmatite composed of perthite, quartz, plagioclase, and accessory muscovite. There are no exposures of beryl or of any well-defined zones such as those exposed in the open cut to the southeast. The unzoned character of the pegmatite does not warrant the continuance of this long trench.

The absence of any discernable zoning probably indicates that the zoned portion of the pegmatite that is exposed in the open cut to the south-east is a pod-shaped body which does not extend to the north and probably has limited extent to the south.

The zoning of the main pegmatite is unusual and it is possible that there are still inner zones to be encountered, but the present exposures are definitely not favorable for further exploration by the government.

EXPENDITURES

Under the contract a total of $5,970.00 was approved for Phases I, II and III, the government's share being 90 percent, or $5,373.00. Of the total, $2,400.00 was to be expended for core drilling under Phase III.

Total expenditures for Phases I and II amounted to $3,008.52, of which $2,707.67 or 90 percent was the government's share. The unexpended balance of the government's share, $5,373.00, is $2,665.33.

There was no production of minerals while the project was in progress.

Progress of the project was not up to expectations, partly because of difficulty with equipment and lack of experienced miners, and inexperience of the operator.

Only small tools, shovels, picks, bits, etc. and supplies were purchased for the project. No equipment with any salvage value was purchased.

FILE COPY
SURNAME:

Steifler
Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

Mr. A. B. Needham
Executive Officer, DMEA
Field Team, Region V
2908 Calfax Avenue, South
Minneapolis 5, Minnesota

Subject: Docket No. DMEA-2078 - Beryl
L. D. Pitts
Custer, South Dakota
Exploration Project Contract
No. Ldm-3263

Dear Mr. Needham:

Reference is made to the Operator's Monthly Report on the subject contract for the period May 21 - June 17, 1952.

We note that the unit cost for trenching during this period is high. The Operator's Narrative Report mentions a compressor breakdown, but does not include details to explain why such high costs should result.

As 99.5 linear feet of trenching has been completed, the objective of Phase I of the contract has been achieved. The Field Team did not submit its report on the project with the Operator's Monthly Report so we do not know the results of Phase I nor your recommendations with respect to additional work under this contract.

We would be pleased to receive a report on the status of this program to date.

Sincerely yours,

7/30/52

(signed) FRANK E. JOHNSON
(JHB)

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Approved:

J. H. Hedges (JHB)
Member, Bureau of Mines

T. P. Thayer (JHB)
Member, Geological Survey

SAFeitler:gad 7/29/52

Copy to: Admin. Reading File
Operating Committee (2)
Docket File
Mr. Needleman, 1347
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 5 1952

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93 WA MP /I-BOM/

MINNEAPOLIS MINN 8-4-52 321P .

OPERATING COMMITTEE

DMEA, INTERIOR BLDG., WA

RELET JULY 16 REGARDING AMENDMENT TO CONTRACT E263 DOCKET 2078

L D PITTS ADVISE IF APPROVED AND RETURN OUR COPY

A D NEEDHAM, EXEC OFFICER, FIELD TEAM DMEA, BUR OF MINES, MPLS

CFN JULY 16 E263 2078

AM 327P

Mr Fowler
Concurred by Phone
8-5-52

AUG 5 8 52 AM '52

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

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

July 21, 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 Report and Voucher for May-June 1952
Docket DMEA-2078x, Contract Idm-E263
L. D. Pitts, Custer, South Dakota

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

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

Attachments

ABNeedham:dg
cc Dutton
Region V
files
df

JUL 28 1952

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

July 16, 1952

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Amendment No. 1 - Docket DMEA-2078x, Contract Idm-E263
L. D. Pitts, Custer, S. Dak.

Attached are six copies of Amendment No. 1, together with a supplementary report in justification of the amendment.

Because of Mr. Needham's absence from this office, the amendment is being forwarded without his signature as Executive Officer, DMEA Field Team.

The amendment requests a distribution of available funds that are left. The May and June monthly progress report shows a balance of $4,006.49 and is now being processed through the Regional Fiscal Section. Washington copies of the May and June report should be mailed out this week.

The operator has recessed operations until Phase II and the amendment have been approved. In view of the fact that the redistribution of funds will probably require your approval, it was decided to forward the amendment to your office for approval rather than wait for the return of Mr. Needham. If it is approved, it is assumed that all copies of the amendment will be returned for Mr. Needham's signature.

Walter E. Lewis

Walter E. Lewis
For A. B. Needham, Executive Officer
Field Team, Region V

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
JUL 18 1952

Attachments
WELewis:dg
cc Dutton
Mullen
Hill
Region V
files
df

SDS
7-21-52

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

June 16, 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 April and May 1952
Docket DMA-2078, Contract Idm-E263
L. D. Pitts (Bruce Lode)

Attached are three prints of the map to be included with the subject report sent to you on June 13, 1952.

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

Attachments

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 18 1952

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

June 13, 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 April and May 1952
Docket DMA-2078, Contract Idm-E263
L. D. Pitts (Bruce Lode)

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

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

Attachment

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration
JUN 16 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

[redacted]

Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

May 6, 1952

Mr. L. D. Pitts
Custer, South Dakota

Dear Mr. Pitts:

Reference is made to your DMEA Contract Idm-P263, Docket DMA-2078x, for exploration of the Bruce pegmatite in the Black Hills.

This office has been directed, by way of Circular 19 issued by the Washington office of DMEA, to inform all operators of exploration projects that it will be necessary to support the original of the monthly reports (Form MF-104) with documentary proof of costs. Such proof shall consist of the original invoices (or certified copies where originals are not available), certified transcripts of payrolls, purchase orders, purchase contracts, and distribution statements (for costs distributed on a pro rata basis to the projects). The certification required is merely "Certified true copy (or transcript)", followed by the operator's signature.

Effective date of submitting such documentary support of costs is May 1, 1952. Therefore, all monthly reports submitted subsequent to that date shall include the supporting material. In the future, please submit five copies of Form MF-104.

If you are in doubt as to procedures, please feel free to contact our Rapid City office.

Sincerely yours,

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

ARNeedham:dk
cc Dutton
Mullen
Madden
Hill
DMEA (Wash) 2
Region V
files
dk

Defense Minerals Exploration Administration
MAY 8 1952

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, 1013x, 1551x, 1012x, 2073x, 2011x, and 2070x.

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

FILE COPY
SURNAME:

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

110

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

Re: DMEA-2078, Idm-E263
(Beryl, Mica)
L. D. Pitts
Custer, South Dakota

Dear Mr. Needham:

This will acknowledge receipt of your letter dated March 14, 1952, forwarding the original and three copies of the subject docket contract duly executed by Mr. Pitts.

It is noted that the operator retained the copy marked "Files" rather than the one marked "Operator's Copy." In this case it does not make any difference. However, in the future the copies marked "Docket" "Files", or "Division Copy" should be returned to this office with the other copies inasmuch as these copies have the initials of the various people who have passed on the contract.

Sincerely yours,

3/19

(signed) FRANK E. JOHNSON

Frank E. Johnson (JB)
Chairman, Operating Committee

FEJohnson/hb
3/18/52
Copy to: Adm. Reading File
✓Docket
Operating Committee
Mr. Houk
Mr. Thayer, Rm. 4216 GSA
Mr. Hedges, Rm. 4604

OFFICE OF THE ADMINISTRATOR

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

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

March 14, 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-2078, Contract Idm-E263, L. D. Pitts, Custer, South Dakota

Returned are the original and three copies of the subject docket contract duly executed by Mr. Pitts.

He retained the copy marked "Files" rather than the one marked "Operator's Copy," but it is presumed that does not matter.

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

Attachments 4

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 17 1952

FILE COPY
SURNAME:

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

600 FEB 26 1952

Hoch
Thayer

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

Subject: Docket No. DMEA-2078
Beryl-Mica, Columbium-Tantalum
The Bruce Lode
Custer, South Dakota

Dear Mr. Needham:

Please find herewith the original and five copies of a contract covering the subject exploration project which have been signed by this office for the Government with register number and effective date as shown.

If the contract meets with your approval, present it to the Operator for his approval and signature. If any provisions are unsatisfactory to the Operator, return all copies to this office along with suggested changes for consideration.

After signing of the contract, one copy is to be given to the Operator, one copy retained for your files, and the remaining copies, including the original, are to be returned to this office as soon as possible.

A copy of the contract required by the Regional Finance Office will be forwarded directly by the Washington Finance Section.

Sincerely yours,

ce 2/26/52

(signed) FRANK E. JOHNSON
FEJ

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosures 6

Approved:

J. H. Hedges (JHB)
Member, Bureau of Mines

L. P. Thayer (JHB)
Member, Geological Survey

SAFeitler:gad 2/20/52
Copy to: Admin. Reading File
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-228, GSA Bldg.
Mr. Houk

FILE COPY
SURNAME:

UNITED STATES 140
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

February 18, 1952

Memorandum

To: Acting Administrator

From: Chief Counsel

Subject: L. D. Pitts, an individual, exploration project — Docket No. DMFA-2078

The attached seven copies of a draft of an Exploration Project Contract in this case are in satisfactory legal form.

The file contains only four copies of maps and consequently two additional maps will be needed.

Your file in this case is returned.

J. L. Hofflund N.S R+R

J. L. Hofflund
Chief Counsel

Attachments

RRGuthrie/bjl

Copy to: Mails & Files
J. L. Hofflund
R. R. Guthrie
Chron.

Ja

FILE COPY
Surname:

Needleman
MAK

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

February 7, 1952

Memorandum

To: Stanley Feitler, Nonmetallics, DMEA

From: Stanley Needleman, Rare and Precious Metals Branch

Subject: DMA- 2078X, L. D. Pitts, Custer, South Dakota.

Re: Beryl, Mica.

Transmitted herewith is subject application which is recommended based upon the attached Region V field team report submitted by Glen Walker, U. S. B. M., and J. A. Redden, U. S. Geological Survey, dated November 26, 1951.

The proposed exploration should be modified to include more adequate trenching and crosscutting in order to more fully explore beryl-bearing zones of the pegmatite.

Sincerely yours,

Signed

Stanley Needleman
Rare and Precious Metals Branch

SNeedleman:kg

Enclosure

Copy to: Minerals Division
Stanley Needleman
Rare and Precious Metals Branch
F I L E S

IN REPLY REFER TO:

G-MD-JJN

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

December 14, 1951

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMA-2078X.

To: Lawrence Houk, Defense Minerals Exploration Administration
From: J. J. Norton, U. S. Geological Survey
Commodity: Beryl
Applicant: L. D. Pitts
Location of property: Custer County, South Dakota
Field team's recommendation:

Explore in two stages: 1. Four trenches
2. Two BX holes

Comments:

Possibly the southernmost trench should be extended to the east as far as the contact.

Provision for assays desirable, but applicant may be unwilling to spend his money for such a purpose because it would be uneconomic from his standpoint.

ACTION SUGGESTED:

Follow field team's recommendations, but word contract such that minor changes can be made in length and position of the trenches without necessity of amending contract.

J. J. Norton

J. J. Norton

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

Dwell Operating Com.
Renewed 12/10/51
HB

December 3, 1951

Memorandum

To: C. O. Mittendorf, Administrator, Defense Minerals Exploration, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region V

Subject: Examination Report - Docket DMA-2078x
L. D. Pitts, Custer, South Dakota

Here are the original and 3 copies of the Field Team report on the subject docket, which recommends an exploratory project modified somewhat from the original application proposal but concurred in by the applicant.

All supporting papers, transmitted to this office October 2, 1951, requesting the investigation, are here returned also.

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

Attachments

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
DEC 5 1 00 PM '51

ON SITE EXAM.

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION V

DMA-2078X

Bruce Lode

Custer County, South Dakota

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

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

November 26, 1951

DEFENSE MINERALS EXPLORATION ADMINISTRATION
Report by Field Examination

by

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

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

Docket No.: DMA-2078X
Property: Bruce Lode
Applicant: L. D. Pitts
Commodity: Beryl, mica, etc.

Conclusions and Recommendations

The amount and size of beryls encountered in the excavation presently worked indicates that additional discoveries are very probable. The probability of a substantial discovery of strategic mica appears rather remote. Some columbite-tantalite has reportedly been produced from the deposit; however, no substantiating figures are available.

It is recommended that the exploration of this pegmatite be revised to include four surface trenches as phase I. The purpose of this work is to determine the existence of a zoned structure in the deposit. If favorable geologic data are obtained from the trenching then phase II would consist of two BX diamond core holes.

Beryl, columbite-tantalite and strategic mica are all minerals in the 90 percent category for which the government will participate in their discovery.

Geologic Examination

The Bruce Lode claim contains two, or possibly more, pegmatites which may be connected at depth. Two small surface trenches and two prospect pits have exposed the pegmatite to a very limited extent.

Very few contacts are exposed, but it is believed that the portion of the pegmatite south of the alluvium-covered area dips about 65° to the west. The remainder of the pegmatite to the north appears to have a steeper dip to the west. The footwall contact is steeper than the hanging wall contact and apparently flattens at depth. It is believed that the two southern limbs of the pegmatite coalesce beneath the alluvium-covered area.

The southeastern segment of the pegmatite is known to be zoned. It has a perthite-quartz pegmatite inner zone that is exposed in the trench, and to a certain extent along the surface as indicated on the map. A thick wall zone of plagioclase-quartz pegmatite constitutes most of the exposed pegmatite. The wall zone is very similar in appearance to the remainder of the "undifferentiated pegmatite," and it is possible that inner zones are present beneath the undifferentiated pegmatite. Abundant shearing throughout the pegmatite tends to obscure the mineralogic composition of the exposed pegmatite.

Reserves and recommendations:

The trench on the southeastern pegmatite exposes beryl-bearing pegmatite at the edge of the inner zone. The beryl crystals range from 3 to 8 inches in diameter and probably constitute 0.5 to 1.0 percent of the outer three feet of the inner zone. In addition, beryl crystals were found in fine-grained, granitic-appearing pegmatite blocks which were apparently from the wall zone of the pegmatite.

Muscovite is concentrated along the inner edge of the wall zone. It is mostly of scrap quality, although one small book of fair-stained punch was found.

The inner zone contains about 40 percent of perthite, in crystals as much as 2 feet in diameter. In addition, amblygonite is present in the bottom of the trench. The crystals are as much as 18 inches in diameter. Only the edge of the amblygonite-bearing pegmatite is exposed and the grade of the amblygonite was not estimated. Associated with the amblygonite are altered masses of spodumene. Very little unaltered spodumene is present.

Columbite-tantalite was supposed to have been found in one of the small prospect pits.

The possible reserves of beryl and other products from the mine are adequate to repay an exploration project. The geologic evidence is favorable for a discovery of a significant deposit.

It is recommended that the application be approved, but that the applicant's proposed exploration be modified. The construction of the adit as proposed by the applicant would not explore the pegmatite adequately for the money expended. The following exploration program was discussed with, and approved by, the applicant.

Four trenches would be constructed as indicated on the sketch map. Three of the trenches would be 20 feet long and the fourth 30 feet long. All of the trenches would be from 5 to 6 feet wide and from 5 to 8 feet deep, depending on the topography of the surface of the pegmatite along the trench walls. These trenches would expose inner zones in the pegmatite, if such zones are present.

If the trenching phase of the exploration was favorable, a second phase consisting of diamond drilling would be undertaken to determine zoning and structure at depth. The drilling would consist of three or four BX drill holes, the location of which would depend on the trenching results. The diamond drilling would have an aggregate footage not to exceed 400 feet.

No manpower problem is anticipated as only two men other than the applicant will be employed.

The equipment for phase I is either on hand or can be rented.

The property is accessible to Custer, So. Dak., rail point, by traveling about 300 yards on a one way mine road to a county maintained gravel road, then south 1/4 mile to U. S. 85A, then north about 7 miles.

Water for the project will be hauled as there is none readily available on the property. Power will be supplied by gasoline, which can be delivered in barrels.

The applicant has sufficient mining background to supervise the proposed project.

Exhibit A

Phase I includes four trenches crosscutting pegmatite, totaling about 100 feet. The trenches will be 5 feet wide and will not exceed 8 feet in depth. It will be necessary to drill and blast all these excavations; the muck will be removed by hand. This work should be completed in 20 working shifts.

Phase II, if initiated, will consist of two BX diamond core holes drilled at approximately a right angle to the strike of the dike and at an inclination such that the deposit will be prospected 50 to 60 feet below the outcrop. The total footage of the two holes should not exceed 400 feet. The drilling should be finished in 30 working shifts.

Phase I - 100 feet trenching	$ 1,185.20
Phase II - 400 feet BX core drilling @ $6.00/ft.	2,400.00
Total for project	$ 3,585.20

Exhibit B

Not applicable.

Exhibit C

Contract 400 ft. BX core drilling @ $6.00 per ft.	$ 2,400.00	
Rental on applicant's equipment (estimated value, $1500) @ $25 per mo.	25.00	
Fuel (gasoline and oil)	110.00	
Explosives	75.00	200.00
Other supplies	62.00	
Total	$ ~~2,672.00~~	

Exhibit D

2 miners @ $1.50 per hr., plus 6% for taxes and insurance for 20 shifts	$ 508.80
1 bookkeeper @ $75.00 per month	150.00
1 working supervisor @ $1.50 per hr., plus 6% for taxes and insurance for 20 shifts	254.40
Total	$ 913.20

Exhibit E

Not applicable.

FILE COPY
SURNAME:

Washburn
Barr
Lyon
Wilson

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

370

OCT 2 1951

Mr. L. D. Pitts
Custer
South Dakota

Subject: DMA-2.78X, Mica, Beryl, Etc.
Bruce Lode

Dear Mr. Pitts:

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

Sincerely yours,

SIGNED

S.F.
10.2

Tom Lyon, Director
Supply Division

WASHBY:mp
9-24-51
c c: DMA Field Team, Region V (2)
DMA Docket File
Mr. Barr

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

370

OCT 2 1951

Mr. A. D. Keedhan, Executive Officer
DMA Field Team, Region V
2908 Colfax Avenue, South
Minneapolis, Minn.

Dear Sir:

We attach "Review of Application for Exploration Assistance" on:

Applicant L. D. Fitts, Custer, S. D.

Docket No. DMA-2078X

Commodity Beryl, Mica, etc.

Amount $ 4,600.00

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

For Bureau of Mines

For Geological Survey

6/5/51

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. 2078

Commodity Beryl-Mica, Etc.

Total Amount

Govt. Participation

1. Name and Address of Applicant L. D. Pitts
Custer, S-D.

2. Location of Property 8 miles South of
Custer, S-D.

3. Mineral or metal Beryl, Etc. Is it listed in Section 9 of MO-5?
If not, application will be rejected. YES

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

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

a) Good

b) Poor

c) None

d) Don't know—needs field examination Memo Attached

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

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

6. If applicant is a lessee, is a copy of the lease attached?

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

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

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? Probably IS

If not, what part of it is?

Is this part a worthwhile exploration project? Field Team Decide

d) Are the cost estimates detailed? Not Sufficiently

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? Appear so

f) Should more information be requested from applicant? By Team

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

11. Exhibit B (question 23-d)*

a) Is it applicable? Yes

b) If so, are sufficient data furnished? NO If so, attach a draft.

c) Is a field check needed? Yes - Needs - size and type of structure

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? Field Team Check

d) Is a field check needed? Yes

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

a) Are there sufficient data? Yes, Providing Need established

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

c) Is the schedule excessive for the work proposed? Why 2 miners No muckers?

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

b) Sufficient data? —

c) Reasonable? —

d) Field check needed? —

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

(All exploration must be completed within two years)

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

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question? If geological evidence warrants then agree with Applicant on direction, etc. of tunnel (or other work which may appear desireable) and submit all necessary contract data including sketch map

Reviewed by: [illegible]

Date 9/22/57

97692

IN REPLY REFER TO:

G-MD-WRG

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

September 20, 1951

Memorandum

To: Robert Waskey, Defense Minerals Administration

From: W. R. Griffitts, U. S. Geological Survey

Subject: Application DMA-2078 from L. D. Pitts for exploration in Custer County, South Dakota.

The files of the Geological Survey contain no information about this deposit. It should, therefore, be referred to the field team.

Several things must be determined before an evaluation can be made.

1. The shape, size, and attitude of the pegmatite dike.

2. The internal structure of the pegmatite.

3. The content of beryl, columbite-tantalite, mica, and lithium minerals of the pegmatite, the position of each in the pegmatite, the grain size of each, and the composition and texture of the enclosing rock.

4. A rough estimate of the tonnage of each mineral that might be found by exploration.

5. The cheapest way to explore the deposit effectively.

Samples of the mica should be collected and submitted for evaluation.

W R Griffitts

W. R. Griffitts

9/17/51

Mr. L. D. Pitts
Custer, South Dakota

Subject: DMA-2078
Re: Exploration Loan
Bruce Lode

My dear Mr. Pitts:

This will acknowledge receipt of your application dated September 11, 1951 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMA-2078 and referred to the Industrial Minerals Branch.

Kindly refer to DMA-2078 in any future correspondence relating to your application.

Sincerely yours,

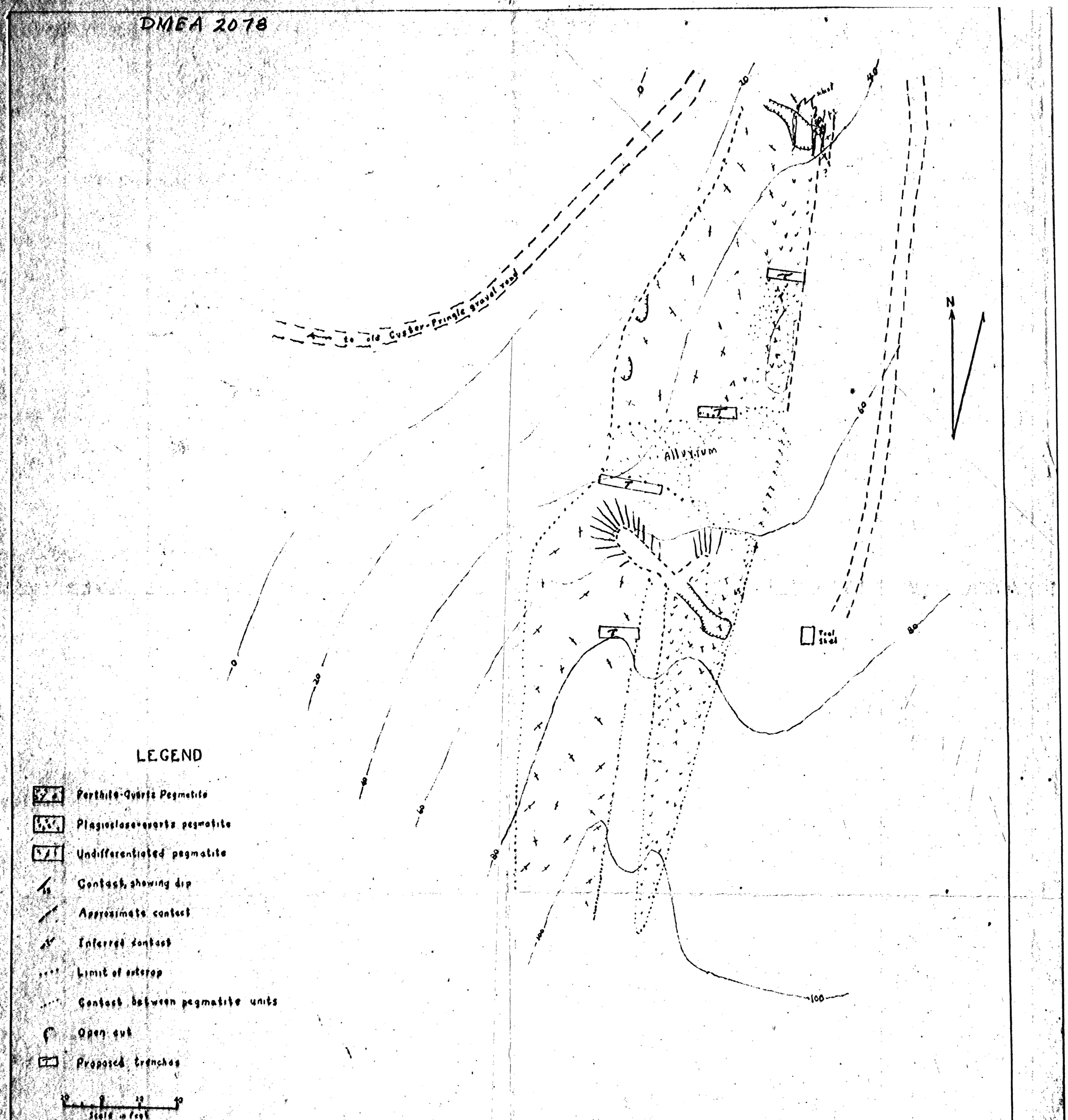
Robert E. Adams

Robert E. Adams, Chief
Reports and Records Unit

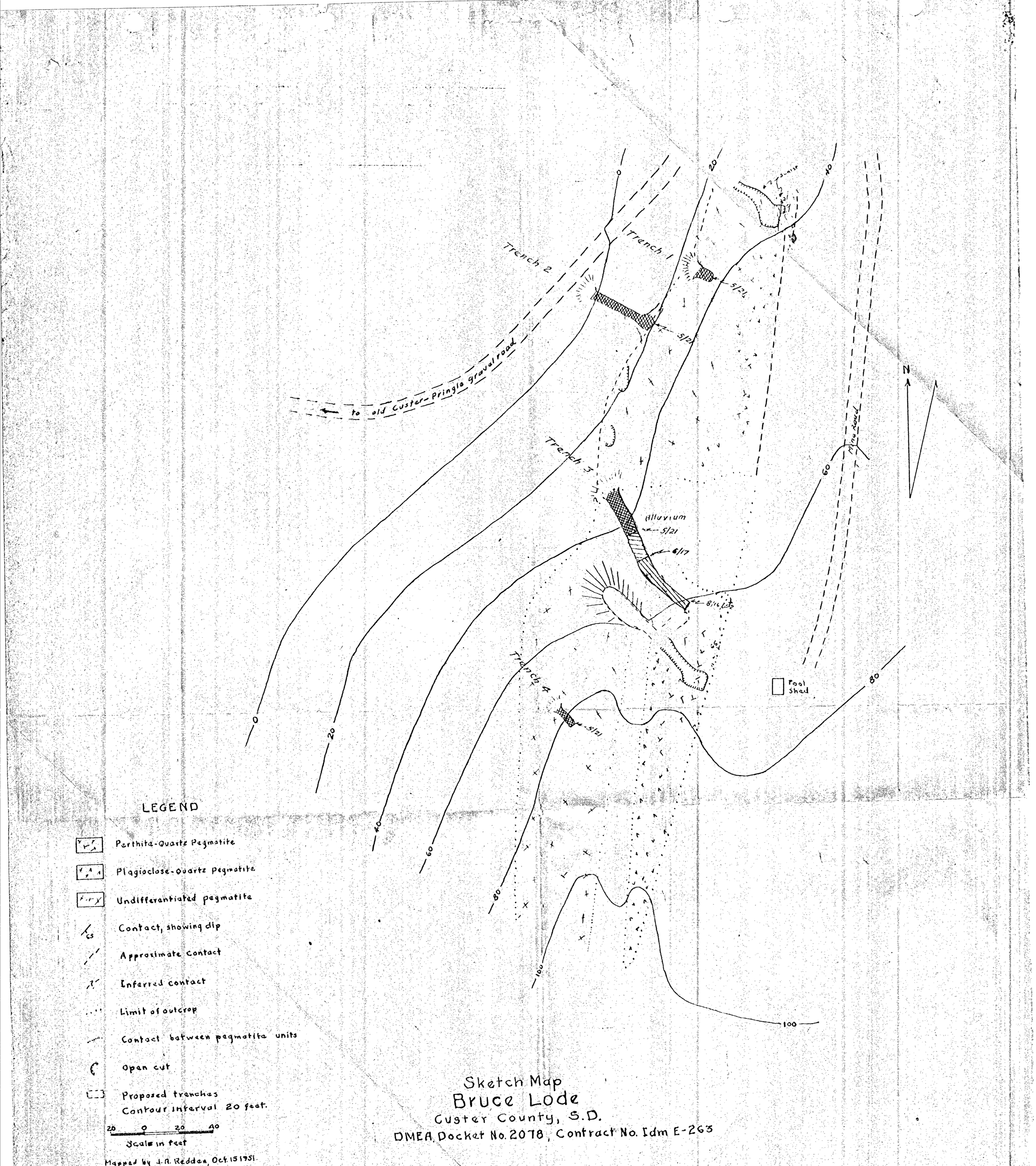
2463

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

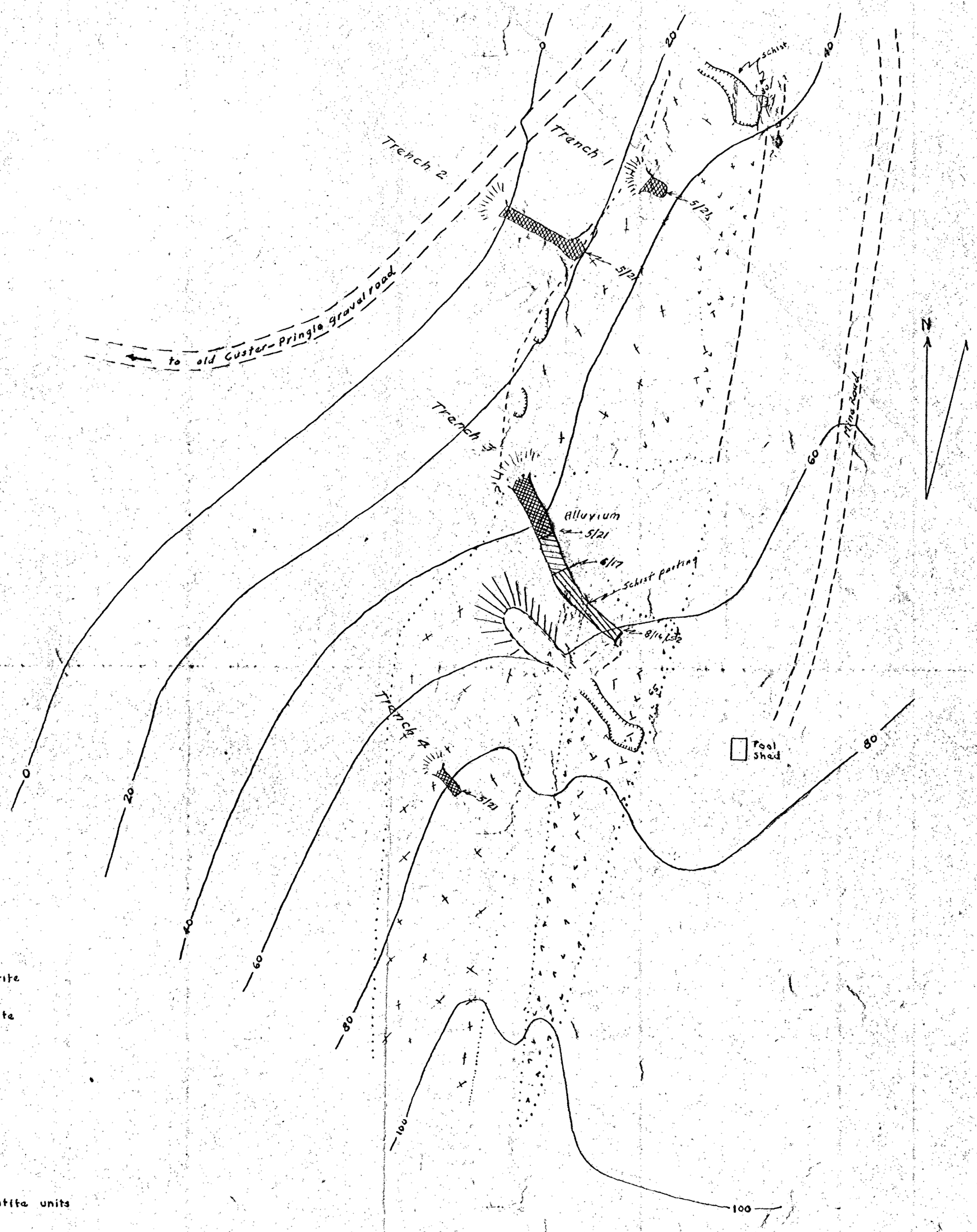
DMEA 2078



SKETCH MAP, BRUCE LODE, CUSTER COUNTY, SOUTH DAKOTA



Sketch Map
Bruce Lode
Custer County, S.D.
DMEA Docket No. 2078, Contract No. Idm E-263



LEGEND

- Perthite-Quartz Pegmatite
- Plagioclase-Quartz Pegmatite
- Undifferentiated pegmatite
- Contact, showing dip
- Approximate contact
- Inferred contact
- Limit of outcrop
- Contact between pegmatite units
- Open cut
- Proposed trenches

Contour interval 20 feet.

20 0 20 40
Scale in feet

Mapped by J. A. Redden, Oct. 15 1951.

Sketch Map
Bruce Lode
Custer County, S.D.
DMEA Docket No. 2078, Contract No. Idm E-263