UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

## OFFICIAL DOCKET FILE

WITHDRAWN
~~Terminated (or cancelled)~~ without certification. DMEA No. 2092

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

**Left Side**

Certificate of Audit (Final).

Interim Audit(s).

Report of Review.

Termination Notice or Agreement.

Recision Notice.

Assignment of Contract.

Contract Amendments (latest on top).

Contract with all exhibits and annexes.

Owner's Consent to Lien.

Subordination Agreement.

Leases and assignments of leases.

Application and attachments.

Schedule of Collections.

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

**Right Side**

Project summary.

Work completed analysis.

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

Final Field Team Report. (Tab)

Operator's Final Report.

Interim Reports.

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

Settlement Sheets.

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

Maps in folder number_____

Operator's Monthly Reports in folder number GPB

Reviewer's Initials

7973

MF-200
(June 1951)

Docket No. DMA 2092X
Commodity Beryl, mica

Idm-E188

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

# EXPLORATION PROJECT CONTRACT [1]

It is agreed this 22nd day of October, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Gladys Wells
Custer, South Dakota

hereinafter called the "Operator," as follows:

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

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of South Dakota, County of Pennington described as follows: [3] The High Climb Lode Mining Claim situated in the NE¼ of Section 27, T.2S., R.4E., B.H.M. The mine is on the east wall of Tenderfoot Gulch approximately 6.0 miles north of Custer, South Dakota.

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: No encumbrances

(*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 Thirty (30) days from the date of this contract shall commence work on a project of exploration for [5] beryl, mica; 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] five (5) months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

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

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

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

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

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

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

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

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

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

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

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 90 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $4,989.24, which is 90 percent of the agreed estimated total cost of this project, $5,543.60.

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

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

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

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

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

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

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson

ACTING Director, Production Expansion Division
Defense Minerals Administration

---
(Operator)

By ---

Gladys Wells

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

The Gladys Wells Property
Exploration Project Contract
The High Climb Claim

Exhibit "A"

Exploration Project

| Time Schedule-Month | Stage I* |
|---|---|
| 1-4 | 1. Improve the road to adit site and level ground for portal of adit and compressor house by means of a bulldozer. |
| | 2. Erect an approximately 14' x 16' gabled-roof, unfloored tool shed and change house. |
| | 3. Drive an adit of 190 feet maximum length into the pegmatite from the west side to explore its beryl-bearing zone as shown on the attached map. |

Stage II*

1. Drive a maximum of 75 feet of drift at the face of and normal to the adit (see attached map). This work is to be undertaken only after completion of Stage I to the satisfaction of the Government. The exact direction of the drift and the amount to be done on either side of the adit heading will be determined by the Operator upon the basis of the adit work, subject to approval by the Government.

* As indicated in section 4 of the contract, all sub-contracts are subject to approval by the Government.

The proposed work and the estimated cost thereof is as follows:

Stage I

| | | |
|---|---|---|
| 1. | Improve road and clear adit site by bulldozer @ $12.00 per hour. The hourly cost includes the wages of an operator, fuel, lubrication, transportation, repairs, etc. Eight and one third (8 1/3) hours | $ 100.00 |
| 2. | Building (see Fixtures and Improvements) | ------- |
| 3. | Drive 190 feet of adit @ $17.90 per foot for labor and supervision, supplies and allowance for Operator's equipment. The adit is not to exceed 5' x 7' in cross section | $3,401.10 |
| | Sub-total | $3,501.10 |

## Stage II

| | |
|---|---|
| 1. Drive 75 feet of drift @ $17.90 per foot for labor and supervision, supplies and allowance for Operator's equipment. The drift is not to exceed 5' x 7' in cross section | $ 1,342.50 |
| Sub-total | $ 1,342.50 |

### Summary of Estimated Costs.

| | |
|---|---|
| Stage I (balance of costs is segregated in items below) | $ 100.00 |
| Stage II (cost segregated in items below) | |
| Fixtures and improvements | 700.00 |
| Operating equipment | 1,800.00 |
| Depreciation allowance on equipment furnished by the Operator, four months @ $25.00 per month | 100.00 |
| Labor and supervision | 2,843.60 |
| Rehabilitation and repairs | |
| Total | $ 5,543.60 |
| Government participation 90 per cent of the above | $ 4,989.24 |

### Fixtures and Improvements

| | |
|---|---|
| 1. Building, gabled-roof and unfloored, 14' x 16' | $ 700.00 |

### Operating Equipment

Equipment to be purchased

No additional equipment is to be purchased and the cost charged against the project.

Equipment to be rented

No additional equipment is to be rented and the cost charged against the project.

Equipment to be furnished by the Operator on a depreciation basis:

| | Cost | Monthly Allowance |
|---|---|---|
| 1. Schramm compressor, 130 cfm with power unit, jackhammer complete with hose, steel, etc., mine car, pipe, rail, and all necessary accessories for the completion of the project within four months. | $1,500.00 | $25.00 |

Supplies to be purchased

| | |
|---|---|
| 1. Powder, fuse, caps, bits, fuel, lubricants, carbide, ties, spikes, hand tools, etc. | $ 1,800.00 |
| Sub-total | $ 1,800.00 |

Labor and Supervision

1. The following labor will be employed at the rates shown*

| | | |
|---|---|---|
| 1 - Working foreman | @ $12.00/day, 80 days | $ 960.00 |
| 2 - Miners | @ $10.00/day, 80 days | 1,600.00 |
| 1 - Bookkeeper-accountant | @ $1.00 per hour while actually employed | 130.00 |
| Payroll taxes and insurance | | 153.60 |
| | Sub-total | $ 2,843.60 |

* The number of laborers employed in the fore-part of the adit is to be mutually agreeable to the Operator and the Government.

Rehabilitation and Repairs

Not applicable.

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-2092

Date received 9-19-51

Participation

Gladys Wells
Custer
South Dakota

Name and address of applicant

Date Sept. 10, 1951

FILL IN THIS BLOCK

Date of application Sept. 10, 1951

Estimated cost $6,443.60

Mineral or metal Beryl, mica, columbite

Percentage of Government participation 90%

Location of mine NE¼ sec. 27, T. 2 S., R. 4 E., Pennington County, S. D., 6 miles north of Custer, S. D.

Date of filing MF-100 none

DMA Docket Number, if available 2092

## 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.

| | |
|---|---|
| (Name of company) | By Gladys Wells (Signature of authorized official) |
| (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

Sept. 10, 1951
GLADYS WELLS
CUSTER, SOUTH DAKOTA
ATTACHED SHEET NO. 1

THE APPLICANT

1. Individual

2. See above

3. See No. 1

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

(b) The Manager is to be C. A. Koch, who has had about 15 years experience in prospecting for and exploring of mineral deposits in this area, mining, and production of minerals. Mr. Koch has mined several different mines, and was the operator of a mica separation plant and reclaiming plant for several years. He has mined beryl, and assisted in the purchasing and marketing of beryl over practically the entire period of time.

5. I am the owner of the property.

6. There are no liens or encumbrances against the property.

7. See No. 5

8. Financial Statement

ASSETS

| | |
|---|---|
| Cash on deposit in Custer County Bank, Custer, So. Dak. | $ 2,000.00 |
| Real Estate in Custer, So. Dak. | $20,000.00 |
| Bonds - U. S. | $ 800.00 |
| Mining Machinery and Equipment | $ 6,000.00 |
| Ores and Minerals for sale | $ 1,000.00 |
| Miscellaneous personal property | $ 1,000.00 |
| TOTAL ASSETS | $30,800.00 |

LIABILITIES

None

9. Applicant is prepared to furnish her part of the expense of the project.

THE PROPERTY

10. (a) High Climb Lode Mining Claim situated about 6 miles north of Custer, S. Dak., on Highway 16A.

(b) High Climb Lode Mining Claim situated in the NE¼ sec. 27, T. 2 S., R. 4 E., B.H.M. in Pennington County, South Dakota

11. High Climb Lode Mining Claim

12. The High Climb Lode is about 6 miles north of Custer, S. Dak., on Highway 16A, being a bituminous hard surfaced highway. Take the road northeast and north from Custer about 5.7 miles, (being Highway 16A), then turn off to the right through the old Robinson Ranch in sec. 27, T. 2 S., R. 4,E., B.H.M. The mine lies fairly well up on the east wall of the Tenderfoot Gulch, about one-half mile to the northeast of the old farmhouse on the Robinson Ranch. The one-half mile from Highway 16A to the mine is a dirt road. Custer, South Dakota, is the nearest shipping point.

13. Water for the project is available on the property.

14. Applicant has on hand for use in the operation of the mine the following mining machinery and equipment of a value in excess of $2,500.00, which machinery is proposed to be rented to project, the said machinery and equipment being as follows:

Compressor (Sehrem)
Jackhammer (Ingersoll)
Steel & other miscellaneous mining tools & equipment

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

16. History:

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

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

(b) No adjoining or neighboring properties which have been worked or developed.

(c) See Item 16 (a)

SEPT. 10, 1951
GLADYS WELLS
CUSTER, SOUTH DAKOTA
ATTACHED SHEET NO. 3

17. Production: Mine not in production at present.

18. Ore.

(a) The deposit is a pegmatite with an outcrop length of approximately 320 feet and a maximum width of 150 feet. The maximum thickness is about 75 feet. The upper part of the pegmatite has produced feldspar, beryl, sheet and scrap mica, and lithia minerals.

(b) None

(c) Estimated reserves - 50 to 200 tons of beryl; 50 to 150 tons of amblygonite; 1,000 to 2,000 tons of scrap mica containing a limited amount of sheet mica.

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

20. Beryl, strategic mica, columbite-tantalite

21. The proposed exploration work consists of a 5' by 7' adit drift 180 feet long and a 5' by 7' crosscut approximately 60 feet long at the end of the drift. The adit is to be driven from the west side of the deposit and directed so that it will furnish information regarding the grade and extent of the beryl-bearing zone. This work should be completed in about 4 months.

22. The deposit is a zoned pegmatite. The upper crest of the pegmatite produced beryl, scrap and sheet mica, amblygonite, columbite-tantalite, and spodumene in previous mining operations.

It is good geologic reasoning to explore the lower concealed portion of the pegmatite down the rake of the deposit. The size of the upper part of the deposit is sufficiently large so that substantial reserves may be discovered.

23.

| | | |
|---|---|---|
| (a) | 2 miners @ $10.00 per day, plus 6% for insurance & tax - | $1,696.00 |
| | 1 part time bookkeeper @ $1.00 per hour | 130.00 |
| (b) | 1 foreman @ $1.50 per hr. plus 6% for insurance & tax | 1,017.00 |
| | Total labor and supervision | $ 2,843.00 |
| (c) | None | |
| (d) | Construction of 14 x 16 ft. gable-roof, unfloored shed for tools, etc. | $ 700.00 |
| (e) | None | |
| (f) | Bulldozer @ $12.00 per hr. for construction of road to portal of proposed adit | $ 100.00 |
| (g) | 150 cfm compressor, jackhammer, steel, car & miscellaneous tools @ $250.00 per month | 1,000.00 |
| (h) | Supplies (explosives, bits, steel & fuel for power) | 1,800.00 |
| | Total for project | $ 6,443.00 |

24.

| | |
|---|---|
| 1st mo. construction of road & shed & 48 ft. of drifting | $ 1,928.48 |
| 2nd mo. - 64 feet of drifting | 1,505.04 |
| 3rd mo. - 64 feet of drifting | 1,505.04 |
| 4th mo. - 64 feet of drifting | 1,505.04 |
| Total | $ 6,443.60 |

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

January 15, 1952

Memorandum

To: Acting Administrative Officer

From: Acting Chief, Non-Metallic Minerals Division

Subject: Gladys Wells, Custer, South Dakota
DMEA-2092, Beryl-Mica Idm-E188

As per memorandum from Executive Officer, DMEA Field Team, Region V, it is suggested that this contract be withdrawn and the funds that have been encumbered be released by Fiscal.

Lawrence G. Houk

Mr. Dollinger

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DEPARTMENT OF THE INTERIOR
RECEIVED
DEC 3 1951
Defense Minerals Administration,
Production Expansion Division

Rapid City Field Office
School of Mines Campus
Rapid City, South Dakota

Copied for Information:
Dutton
Region V
ABNeedham:dt-11/29/51

November 27, 1951

Memorandum

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

From: Supervising Engineer, Rapid City Field Office

Subject: DMA Docket No. 2092X, Contract Idm-E188, High Climb pegmatite Gladys Wells

Attached are six (6) copies of the subject contract that were returned by the applicant, unsigned.

The applicant, Gladys Wells, was very unhappy when informed that the maximum allowable rental on her equipment would be 1/60 of the present appraised value per month. She produced costs of the equipment of some 10 or 15 years ago and, only by very generous estimates, were we able to assign a value of $1,500 based on cost price. Her request was for $250 per month rental and was based on the probable cost of replacement with new equipment, which simpldy did not make sense. However, she agreed to our appraisal and rental rate at the time.

Her rejection of the contract now is based on three reasons: 1) she has been persuaded that the rental rate for equipment is too low; 2) with approaching winter and snow, access to the deposit would be difficult and exploration operations would be hampered; 3) her health is not good and her operations have, for the most part, been taken over by a son-in-law who does not believe in exploration unless that exploration produces salable material.

Mrs. Wells has considered the contract for nearly a month. We have endeavored to point out the advantages of the work and stressed the fact that no obligation for repayment exists unless a discovery is made, without results. Apparently her decision is based almost entirely on advice of her son-in-law.

Signed

D. H. Mullen

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
DEC 3 8 36 AM '51

11/16/51

Mr. Knouse:

Mr. Charles Gardner, Senator Case's office (S.Dakota) wants to be called Monday sure re:

Gladys Wells - High Climb
- Warren Draw.

Applications were originally set up on High Climb with her ~~app~~ contribution to be in form of rental on her machinery - at $250 per month.

Mr. Walker (DMA) says will have to cut rent on High Climb to $25 per month, and $25 on Warren Draw.

Mine next to her operating on similar loan where contribution is $350.

He would like to talk with you about the matter.

T.190, X2165

fwebster

DMA 1557 X
1558 X
2091 - 9-26 Sent PED
2092 - 9-26 " "

400
FILE COPY
SURNAME:

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

AIR MAIL

OCT 2 6 1951

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

Re: Docket No. DMA-2092, Beryl,mica
Gladys Wells
High Climb Claim
Exploration Project Contract Idm-[illegible]

Dear Mr. Needham:

Enclosed herewith are the original and five copies of the subject Exploration Contract, which I have signed for the Government, together with Exhibit "A" (3 pages) and one map.

These are to be presented to the Operator for his signature. If the terms and conditions of this contract meet with the approval of the Operator, one copy is to be given to him and one copy retained for your files. Please return the original and three copies to this office for distribution.

If any part of this contract does not have the approval of the Operator, the original and all copies of the contract are to be returned to this office togethe with the proposed changes for consideration.

Please note that the following major change has been made in the contract as originally outlined in accordance with the information recently submitted by Mr. D. N. Mullen in a letter dated October 10, 1951:

1. The equipment to be furnished by the Operator has been listed on a depreciation basis rather than on a rental basis.

The above change has reduced the total estimated cost of the project from $6,443.60 to $5,543.00.

Because of the proposed low daily average advance in the adit, the item on Labor and Supervision has been left flexible. It is possible that in the fore-part of the adit two men can accomplish the same amount of work as three without undue strain. The number of men to be employed in that section has been left mutually agreeable to the Operator and the Government (field team).

Sincerely yours,

(signed) FRANK E. JOHNSON (for) 10-26

Acting Director
Production Expansion Division

Enclosures-6

GCSelfridge/jem
10-22-51

APPROVED: SIGNED

Chairman, Coordinating Committee

Member, Bureau of Mines

Member, Geological Survey

CC to: Adm. Reading File
Mr. Mittendorf, Olund
Mr. Moon
Mr. Barr
Mr. Arundale
Mr. Norton
Mr. Selfridge
Field Team, Region V
Reports & Records
Dodket

140

FILE COPY
SURNAME:

Guthrie

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

October 19, 1951

Memorandum

To: Director, Production Expansion Division

From: General Counsel

Subject: Gladys Wells - exploration project contract - DMA-2092X

The proposed exploration contract in this case, submitted to us on October 18, 1951, is approved as to legal form and sufficiency for signature on behalf of the Government, subject to:

1. Proper signature by the applicant.
2. Proper dating prior to delivery.
3. Government approval of any subcontracts.

Your file on the case is returned herewith.

J. L. Hofflund

J. L. Hofflund
General Counsel

not stamped in R. & R.

Attachment

RRGuthrie/bjl

Copy to: Repts. & Records
R. R. Guthrie
J. L. Hofflund
Chron.

A.E.C.

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

# WESTERN UNION

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS

DL=Day Letter
NL=Night Letter
LT=Int'l Letter Telegram
VLT=Int'l Vocalogram

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

MA447

M RTA203 GOVT NL PD=RAPID CITY SDAK 10=

ROBERT WASKEY DEFENSE MINERALS ADMN=

INTERIOR BLDG WASH DC=

RE WELLS CONTRACTS APPRAISAL PRESENT VALUE EQUIPMENT AT WARREN DRAW AND HIGH CLIMB $1500 EACH PLACE ELIMINATE FROM WARREN DRAW ESTIMATE PURCHASE OF DEISEL ENGINE AND ADD $500 TO REPAIR TRACTOR ENGINE NOW AT PROPERTY APPLICANT WILL ACCEPT $25 FOR RENTAL OF EQUIPMENT AT EACH PROPERTY BASED ON PRESENT VALUE BUT NOT TOO PLEASED LETTER FOLLOWS=

D H MULLEN RAPID CITY FIELD OFFICE US BUREAU OF MINES=

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
OCT 21 AM '51

LEGAL FILE COPY

| To | Init. | Date |
|---|---|---|
| 370 | cc | 10/11 |
| 210 | | |

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
OCT 12 1 47 PM '51

Rapid City Field Office
School of Mines Campus
Rapid City, South Dakota

AIR MAIL

October 10, 1951

Mr. Robert Waskey
Industrial Minerals Branch
Defense Minerals Administration
Room 3538, Interior Building
Washington, D. C.

2092 X

Dear Mr. Waskey:

Reference is made to our telephone conversation this morning and further explains my wire regarding the Wells contracts.

Mrs. Wells was contacted and the situation fully explained. We were advised that at the High Climb, Docket 2092, the compressor listed on that property is a Schramm and was purchased, secondhand, in 1935 for $1,000. It has been used for 8 or 9 years since it was purchased. Two secondhand engines have also been purchased to power the machine, and Mrs. Wells does not recall the purchase price.

At the Warren Draw, Docket 2091, the compressor listed is a stationary Ingersoll Rand purchased, secondhand, about 1943 at a cost of $650. It is, at present, without an engine. She has also purchased two secondhand jackhammers with hoses at approximately $250 each.

At each property there is an undetermined quantity of track, pipe, and small tools, as well as several mine cars. A very generous estimate of the present value would be $3,000, equally divided between the two properties and the monthly rental would be $50, based on 1/60th of the value or $25 per month for each project.

Mrs. Wells was not too happy at the prospect of the reduced rate of rental but will accept it under some protest. She pointed out that she could not replace the equipment for $6,000 or more. That, however, is immaterial and only the present value can be considered.

Mrs. Wells was further persuaded to eliminate the purchase of the diesel engine at the Warren Draw and requests that we add $500 to repair a tractor engine now at the property but inoperative. This is strictly a horse back guess as to the actual cost of repairs and I doubt if anyone could make a more accurate estimate until the engine was torn down. The estimate may be somewhat high but the contract could stipulate

that the sole use of that item would be repairs to that particular engine and any remainder would revert to the government.

I had previously objected to the proposed purchase of the diesel engine solely on the basis of the work involved in the appraisal and sale of the equipment at the end of the project. No one is ever satisfied with the results of such a sale.

I greatly appreciate your comments this morning on the manner in which applications are being analyzed. Current and future examinations and estimates will be detailed to provide you with the information you require.

Very truly yours,

D. H. Mullen

D. H. Mullen
Supervising Engineer

cc: Reg. Director, Reg. V
Needham
files

OCT 1 1951

Memorandum:

To: Director, Production Expansion Division
Defense Minerals Administration

DEPARTMENT OF THE INTERIOR
RECEIVED
OCT 1 1951
Defense Minerals Administration,
Production Expansion Division.

From: Director, Supply Division
Defense Minerals Administration

Subject: Recommendation for Contract Approval

Name of Applicant: Gladys Wells
Custer, South Dakota

DMA No. DMA-2092X

Commodity: Beryl, Mica, Columbite

Amount Requested: $ 6,443.60

Amount Approved: $ 6,443.60

Government Participation: 90% $ 5,799.24

Tom Lyon

Approved:

Tom Lyon

Director, Supply Division

Recommendation

1. That an exploration aid contract be granted in the amount of $6,443.60, Government participation 90%, in accordance with Exhibit "A" attached.

2. That applicant be allowed 30 days from contract date to begin work under contract.

EXHIBIT "A"

Description of Work

As shown on attached map, an approximately 5' x 7' crosscut will be driven to a maximum length of 190'. From heading of the crosscut a maximum of 75' of 5' x 7' drifting along the pegmatite will be done. The exact direction of the drift and the amount to be done on either side of the crosscut heading, will be mutually agreeable to operator and Field Team. Total allowable cost - $6,443.60, time limit - 5 months.

265 ft
3.3 ft

Recapitulation of costs

| | | |
|---|---|---|
| Fixtures and improvements | 265' @$2.64 per ft | $ 700.00 |
| Preparatory bulldozing | 265' @ [illegible].38 | 100.00 |
| Labor & supervision | 265' @ 9.66 | 2,560.00 |
| Equipment rental | 265' @ 3.77 | 1,000.00 |
| Supplies - purchase | 265' @ 6.79 | 1,800.00 |
| Payroll taxes & insurance | 265' @ .58 | 153.60 |
| Accounting and reports | 265' @ .49 | 130.00 |
| Total . . . . . | 24.31 | $6,443.50 |

Fixture and Improvements

A 14' x 16' gable-roofed, unfloored shed will be constructed to serve as a compressor house, tool shed and change room
Allowable cost . . . . . $ 700.00

Equipment and Supplies

| | |
|---|---|
| 1 - Bulldozer (rental) to be used in improving road to tunnel site, preparing site for portal, etc., complete with operator, fuel, repairs, etc. 8 1/3 hrs @ $12.00 per hr | $ 100.00 |
| 1 - 130 CFM portable compressor, complete; 1 - Jackhammer, complete with hose, steel, etc; 1 - mine car with sufficient rail for project 4 months @ $250.00 per month | 1,000.00 |
| Purchase of supplies including explosives, fuel and lubricants, bits, carbide, miscellaneous hand tools, etc. | 1,800.00 |

Labor and Supervision

| | |
|---|---|
| 2 - Miners @ $10.00 per day | 1,600.00 |
| 1 - Working Foreman @ $12.00 per day | 960.00 |
| 1 - Part time bookkeeper-accountant @ $1.00 per hr. | 130.00 |
| Payroll taxes and insurance | 153.60 |

Repairs and Rehabilitation

Not applicable.

OFFICE OF THE ADMINISTRATOR

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

370

September 25, 1951

Memorandum

To: Chief, Industrial Minerals Branch, DMA

From: Chief, Programming and Planning, DMA

Subject: DMA-2092X, Gladys Wells, Custer, S.D.
Commodities: Beryl-Mica-Columbite
Amount: 90% of 6,443.60

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

A. B. Parsons

DMA Geologic Investigation of the High Climb Pegmatite,
Custer County, South Dakota

Gladys Wells - Applicant

The High Climb pegmatite is located about 6 miles north of Custer, South Dakota. It has been mapped in detail by the Geological Survey, and complete reports are available. (D. M. Sheridan, Masters Thesis, University of Minnesota).

The mine workings consist of two open cuts and several small prospects. The larger of the open cuts has a maximum depth of 55 feet.

The pegmatite is a tadpole-shaped body, plunging moderately to the northwest and north. The thickest bulge of the body is about 75 feet thick, and the thin northern end is probably less than 55 feet thick.

Five zones have been mapped in the pegmatite: a wall zone of plagioclase-quartz pegmatite, a first intermediate zone of albite-quartz-muscovite pegmatite, a perthite-quartz-albite pegmatite--second intermediate zone, a quartz-cleavelandite pegmatite--third intermediate zone, and a spodumene-bearing quartz core. The second intermediate zone forms a hood-shaped body and is not continuous around the pegmatite.

Beryl occurs mainly in the first intermediate zone, and to lesser extent in the outer portion of the third intermediate zone where the second intermediate zone is missing. The average grade of the beryl in the first intermediate zone is about 1 percent. From 0.25 to 0.5 percent of amblygonite occurs in the third intermediate zone. Most of the mica is of scrap quality and only 180 pounds of sheet have been recovered.

Reserves and Recommendations

The southern, thick part of the pegmatite, to a depth of 50 feet, is estimated to contain 87 tons of beryl, 70 to 140 tons of amblygonite, 1,200 tons of scrap mica, and over 3,000 tons of perthite. The possible reserves are ample for exploration purposes. Past mining has been restricted to the crest of the pegmatite and reserves at depth are not proved.

This pegmatite is a good risk for an exploration loan, and should be explored.

The applicant's proposal of an adit located on the northwest side of the pegmatite is in agreement with the geology of the deposit. It is recommended that the adit be placed as shown on the map in order to strike the supposed beryl-bearing pegmatite down plunge. The crosscut at the end of the adit should explore the lateral extent of the pegmatite. The topography and knowledge of the deposit do not permit a lower elevation to be chosen for the adit location. If results are favorable, the northern segment of the pegmatite can be more or less explored during the course of the mining operations.

The probable length of the adit is 180 feet and the crosscut should be approximately 75 feet long.

Jack A. Redden
U. S. Geological Survey

On-Site Pt.

FILE COPY
SURNAME:

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

370

Worley
Baker
A.B. Parsons

September 25, 1951

Memorandum

To: Chief, Industrial Minerals Branch, DMA

From: Chief, Programming and Planning, DMA

Subject: DMA-2292X, Gladys Nelle, Custer, S.D.
Commodities: Beryl-Mica-Columbite
Amount: 90% of 6,443.60

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

A. B. Parsons

A. B. Parsons

RWASKOW:mp
9-25-41
cc: Field Team, Region V (2)
Mr. Mittendorf
Mr. Parsons
Mr. Barr
DMA Docket File
Mr. Norton

Miss Gladys Wells
Custer, South Dakota

Subject: DMA-2092
Re: Exploration Loan
High Climb Lode Mining Claim

My dear Miss Wells:

This will acknowledge receipt of your application dated September 10, 1951 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMA-2092 and referred to the Industrial Minerals Branch.

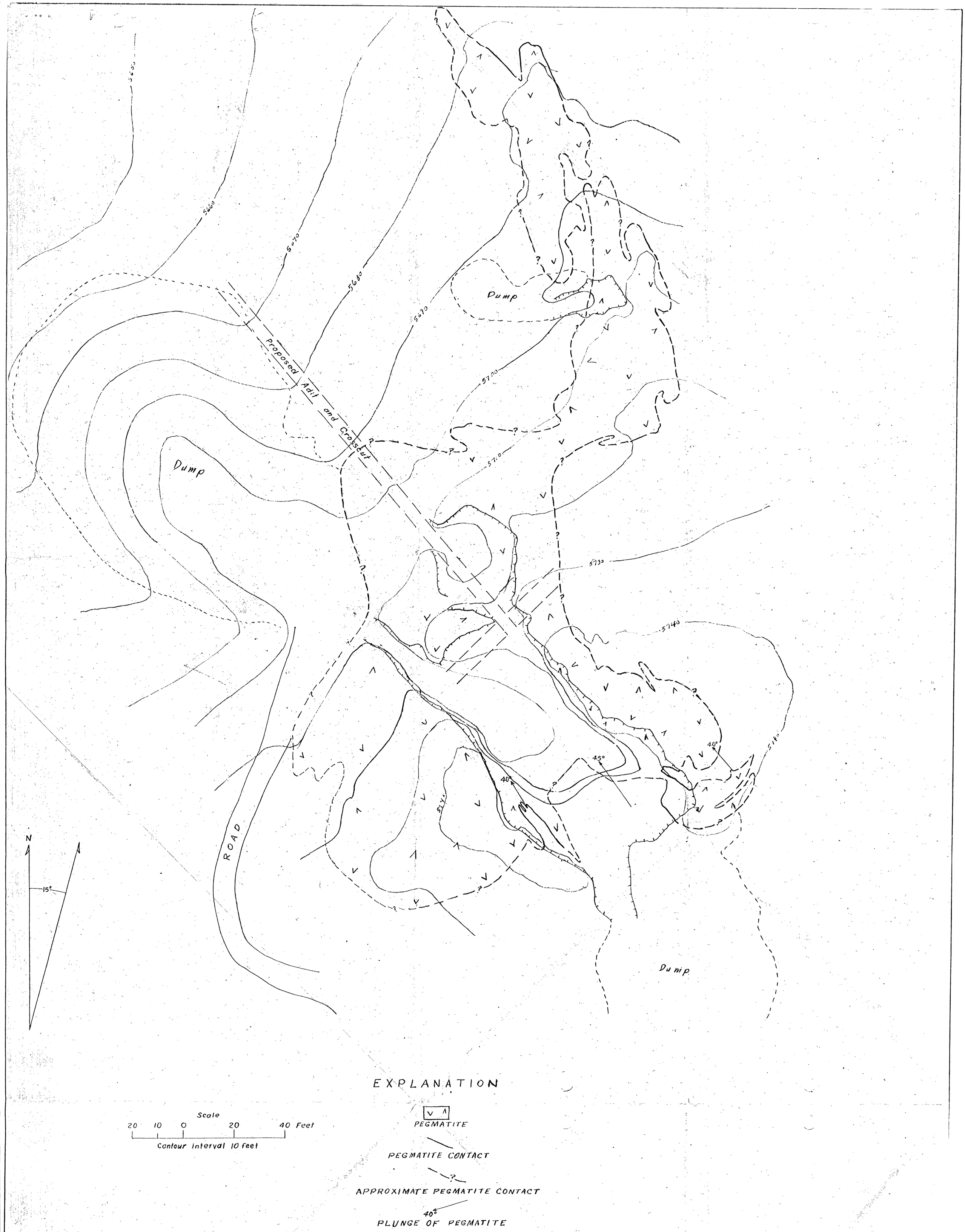
Kindly refer to DMA-2092 in any future correspondence relating to your application.

Sincerely yours,

Robert E. Adams

Robert E. Adams, Chief
Reports and Records Unit

2463




SKETCH MAP, HIGH CLIMB PEGMATITE, CUSTER COUNTY, SOUTH DAKOTA