DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE | Idm-E NO. 271 | DMEA NO. 2358

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

**Left Side**

- [ ] Royalty Audits
- [x] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [x] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

**Right Side**

- [x] Project summary (final)
- [x] Work Completed analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

**Left Side**

Folders No. 2 : Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

**Right Side**

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

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

Folders No. _____ : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

17963

FILE COPY
SURNAME:

500

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

Griswold
Rubin
Kane
Talbert
Larrabee
Hedges
Selfridge
Larrabee
Hedges

**CERTIFICATION BY THE UNITED STATES OF AMERICA OF A DISCOVERY OR DEVELOPMENT UNDER AN EXPLORATION PROJECT CONTRACT**

rewritten 11/12/53

To: Mr. William C. Bessler
Belle Eldridge Gold Mines, Inc.
Box 9083
Canton, South Dakota

Pursuant to the provisions of Amended Exploration Project Contract No. Idm-R271, dated November 12, 1952, Docket No. DMA-2358, hereinafter called the "contract", between you and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows: Diamond drilling has confirmed the existence of submarginal zinc-lead ores occurring on the lands cited in the contract.

Dated NOV 1 6 1953

THE UNITED STATES OF AMERICA

By O P Mitteudorf
Administrator, Defense Minerals Exploration Administration

WRGriswold/bjl (rewritten 11/12/53)

Copy to: Docket
Irving Gumbel, DR, MD, EPS
Mr. Hedges, Rm. 4604
Mr. Thayer, 5216 GSA Bldg
Admr. R. File
O p. Committee
Cont Admin. & Audit Div.
Finance Office
Region V (2)
F. E. Johnson
Base Metals
W. R. Griswold
Chron.

FILE COPY
500
SURNAME:

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

financial
Austin
Agtone
Tolland
Farraker
Hedges
Selfridge

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Mr. William C. Bessler
Belle Eldridge Gold Mines, Inc.
Box 9083
Canton, South Dakota

Pursuant to the provisions of Amended Exploration Project Contract No. Idm-2271, dated November 12, 1952, Docket No. DMA 2358, hereinafter called the "contract," between you and the United States of America, hereinafter called the "Government;" to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows: Diamond drilling has confirmed the existence of ~~lead-zinc~~ ores occurring on the lands cited in the contract.

Dated_____

THE UNITED STATES OF AMERICA

By_____
Administrator, Defense Minerals
Exploration Administration

WRGriswold/hmj
(11-3-53)

CC to: Docket
Irving Gumbel, Dr. MD,EPS
Mr. Hedges, Rm 4604
Mr. Thayer, 5216 GSA Bldg
Adm. R. File
Op. Committee
Cont and Audit Div.
Finance Office
Region V (2)
Mr. F. E. Johnson
Base Metals Division
Mr. Griswold
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| | Swanson | 500 |
| 3/11 | Talbert | 800 |
| | Selfridge | 120 |
| 3/11 | Johnson | 110 |
| | Fumich | 100 |
| | | 220 |
| | | |
| | | |
| | | |

MAR 1 1 1963

New Era Mining Company
1412 Canyon Street
Spearfish, South Dakota

Re: DMEA-2358 (Zinc-Lead)
Belle Eldridge Gold Mines, Inc.
Belle Eldridge Gold Mine
Lawrence County, South Dakota
Contract Idm-E271

Gentlemen:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development, dated November 16, 1953, all minerals mined or produced from November 12, 1952, to November 12, 1962, were subject to the Government's percentage royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract.

Sincerely yours,

George Fumich, Jr.

Director

MMerrithew/mm
3/7/63
cc: Director's Reading File
Region III (2)
C. A. & A Division
Docket
Code 500

8623

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
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JUN 22 1959

Memorandum

To: Mr. Donald T. Finch, OME Auditor

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: Docket No. DMEA-2358 (Zinc-Lead)
Belle Eldridge Gold Mines, Inc.
Contract No. Idm-E271

Your Report of Royalty Review on the subject contract is acceptable and distribution of the regional copies is authorized.

EDTalbert/ama
June 22, 1959

Copies to: Docket
Director's Reading File
Code 800

43683

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Belle Eldridge Gold Mines, Inc.
Canton, South Dakota

pertaining to Exploration Project Contract No. Idm-E271, Docket No. DMTA-2358, including Amendment No. 1 thereto and an Amended Contract dated November 12, 1952, and Amendment No. 1 thereto, for the period of June 10, 1952 to December 4, 1952, inclusive, covering a project for the exploration of zinc and lead on property located near Deadwood, Lawrence County, South Dakota.

My review included an examination of the Monthly Reports (Forms MP-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of the work performed by reference to the final report of the Government representatives who visited and examined the project, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reasons:

(a) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowances thereunder;
(b) the Monthly Report covering a portion of the work on an actual cost basis was supported by documentary proof of the costs incurred; and
(c) a considerable portion of the costs ($660.00 in Phase I and $1,944.00 in Phase II) was under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

| | | |
|---|---|---|
| Total cost as billed by Contracter | | $5,045.91 |
| Exceptions: | | |
| By DMTA Finance Officer | $101.91 | |
| Herewith | -0- | 101.91 |
| Total Accepted Cost | | $5,944.00 |

The contract calls for a 50 percent 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 seventy-two and no/100 Dollars

"$2,772.00"

is considered valid and proper.

January 7, 1954

E. V. Talbert, Auditor

Docket Copy

NOTICE OF TERMINATION OF EXPLORATION PROJECT CONTRACT, UNDER THE TERMS OF THE CONTRACT, BEFORE THE COMPLETION OF THE WORK

To: Belle Eldridge Gold Mines, Inc.,
Deadwood, South Dakota
Operator under Amended Exploration
Project Contract Idm-E271, Docket
No. DMEA-2358, dated November 12, 1952.

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, under the terms of the above-mentioned contract, hereby terminates the contract because, in the opinion of the Government, you have failed to prosecute operations pursuant to the terms of the contract.

Any work prosecuted or costs incurred by you after the receipt of this notice shall be for your sole account.

Dated this 25th day of November, 1953.

THE UNITED STATES OF AMERICA

By O P Mitteudorf
Administrator, Defense
Minerals Exploration
Administration

A E Kane
Portin

Chamber
Martin

Exploration Project Amended Contract Idm E-271
Belle Eldridge Gold Mines Inc.
DMEA Docket No. 2358
Zinc-lead

AMENDMENT No. 1

The amended contract Idm E-271, Docket No. 2358, between the United States of America, Department of Interior, Defense Minerals Exploration Administration, and Belle Eldridge Gold Mines, Inc. dated November 12, 1952, is hereby amended as follows:

Article 3 is amended to permit the operator to recess operations on December 12, 1952 because of adverse weather conditions and to resume, upon notice to the government, whenever weather permits, but not later than April 1, 1953. The time of completion is extended to July 1, 1953.

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

UNITED STATES GOVERNMENT OF AMERICA

Date _____ By G B McCallum
Executive Officer, DMEA

Date DEC 1 2 1952

Belle Eldridge Gold Mines Inc.

By C. D. Johnson, agent
Title

Belle Eldridge Gold Mines Inc.
Lawrence County, S. Dak.
Amended Contract Idm E-271, Docket No. 2358

Narrative Report on Amendment No. 1

In the accompanying amendment the applicant requests that core drilling operations under Phase II of the amended contract be suspended from December 12, 1952 to April 1, 1953, or until weather conditions will permit Phase II, core drilling, to be resumed. It is also requested that the time for completion of the amended contract be extended to July 1, 1953.

In the opinion of the field team, approval of the amendment would be to the government's advantage. Core drill operations under present weather conditions are not efficient and weather conditions, at least for the next 3 to 4 months, cannot be expected to improve. At present access to the property and to drill sites is difficult because of snow. Also, as only one shift is worked, considerable time is lost in preventing freeze-up of water supply as well as thawing the pumps and water lines.

By suspending operations for the period stated in the amendment, or until better drilling conditions prevail, an increase in footage drilled for the money available can be expected.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) *Compliance with requirements.*—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, 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. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

ARTICLE 6. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales, or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be the gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided*, that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *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 worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Belle Eldridge Gold Mines, Inc.
(Operator)

By A. J. Johnson
Agent.

By O. Mattendorf
Administrator, Defense Minerals Exploration Administration
Belle

I, Ove Ericson, certify that I am the authorized secretary of the corporation named as Operator herein; that A. J. Johnson, who signed this contract on behalf of the Operator, was then the agent of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Ove Ericson [CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 28 1952

RECEIVED
NOV 13 1952
BUREAU OF MINES
REGION V
COMMODITY DIVISION

DOCKET NO. DMEA 2358

COMMODITY Zinc-Lead

Docket Copy
IDM-E 271

BL

# UNITED STATES OF AMERICA
# DEPARTMENT OF THE INTERIOR
## DEFENSE MINERALS EXPLORATION ADMINISTRATION
AMENDED

# EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 12th day of November, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Belle Eldridge Gold Mines, Inc., Deadwood, South Dakota, a corporation duly organized and existing under and by virtue of the laws of the State of South Dakota, hereinafter called the Operator, that Contract No. Idm-E-271, dated March 11, 1952, between the same parties is amended and superseded as set forth in Annex I and as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of South Dakota, County of Lawrence, described as follows:[3] The following patented lode mining claims El Salado #128, Oro Cache #226A, Champion #305A, Highland Mary #306, Horus, Silver Glance and Les Ne Gero #122a, and the following located lode claims: Belle Eldridge, Wild Cat, Helen Gould, and Home. All being located in Sections 25 and 26, T5N, R3E.
the Operator represents and undertakes:[4]

(*a*) That the Operator is the 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*) 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.

ARTICLE 3. *Exploration project.*—The Operator, has commenced work on a project of exploration for[5] Zinc-lead

in or upon the described land; and shall bring the project to completion prior to April 1953. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. 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.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 50 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $5,800.00, which is 50 percent of $11,600.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

[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, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

EXPLORATION PROJECT CONTRACT
BELLE ELDRIDGE GOLD MINES, INC.
DOCKET NO. DMEA-2358

ANNEX I

WHEREAS, the parties to this amended agreement are also parties to Contract Idm-E271, Docket No. DMEA-2358, dated March 11, 1952, executed on Form MF-200 (June 1951), as amended, hereinafter called the "Prior Contract"; and

WHEREAS, all the exploration work provided for under Stage I of Exhibit "A" of the Prior Contract has been completed; and

WHEREAS, the parties desire to change the basis for the payment of work to be done under Stage II of Exhibit "A" of the Prior Contract to a unit cost instead of an actual cost basis, to amend the statement of said Stage II, and to restate their agreement on the new contract form MF-200(A) (February 1952);

NOW THEREFORE, it is mutually agreed that:

1. Effective as of the date of its execution, the Prior Contract is amended and superseded by this amended contract executed on Form MF-200(A) (February 1952), which shall govern the Government's claim and lien for percentage royalty, and in which the rights and obligations of both parties are fully merged, except that vouchers and claims for the Government's contribution to the work performed under Stage I of the Prior Contract, and payment thereof by the Government, shall be as provided in the Prior Contract.

2. The Operator hereby releases and agrees to save harmless the Government from all claims and demands arising out of the Prior Contract, except as otherwise herein provided.

3. As to Stage II, Exhibit "A" of the Prior Contract is amended and superseded by Exhibit "A" Amended, attached to this contract.

EXPLORATION PROJECT CONTRACT
BELLE ELDRIDGE GOLD MINES, INC.
DOCKET NO. DMEA-2358

EXHIBIT "A" AMENDED

Description of the Work

Stage I and the estimated cost thereof remains the same as set forth in Exhibit "A" of the Prior Contract.

Stage II will consist of 2,000 feet of AX diamond core drilling from the surface at locations designated H, I, J, K, and L on the map attached to the Prior Contract or at such other locations as may be approved by the Government.

Agreed Estimated Costs

| | | |
|---|---|---|
| 2,000 feet of diamond drilling @ $4.00/ft. | $8,000.00 | |
| Total Agreed Estimated Cost of Stage II | $8,000.00 | |
| Total Estimated Cost of Stage I | 3,600.00 | |
| Total Estimated Cost of Project | | $11,600.00 |
| Government Participation @ 50% | | $ 5,800.00 |

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 16 1952

# A M E N D M E N T  N O. 1

Contract Idm-E271, Docket DMEA-2358x, dated March 11, 1952, between the United States of America and Belle Eldridge Gold Mines, Inc., is hereby amended as follows:

1. Exploration project. Starting date is extended from May 11, 1952, to June 11, 1952, to provide operator with sufficient time to rehabilitate an adit which provides entrance to the mine for underground drilling.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated: May 6, 1952

UNITED STATES OF AMERICA

By [signature]
Executive Officer, DMEA
Field Team, Region V

BELLE ELDRIDGE GOLD MINES, INC.

By [signature] Pres
Title

MF-230
(June 1951)

DMA-2356
Docket No. DMA
Commodity Zinc-Lead
Idm-E-271

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Division Copy

# EXPLORATION PROJECT CONTRACT [1]

It is agreed this 11th day of March, 195[illegible], between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Belle Eldridge Gold Mines, Inc.
Deadwood, 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 Lawrence, described as follows: [3] The following patented lode mining claims: Salada #128, Cache #2,6A, Champion #305A, Highland Mary #306, Horus, Silver Alance and Las Be Cero #1222 and the following located lode claims: Belle Eldridge, Wild Cat, Helen Gould, and Rose. All being located in Sections 25 and 26, T5N, R3E.

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 Sixty (60) days from the date of this contract shall commence work on a project of exploration for [5] Lead-Zinc; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] Ten (10) months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

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

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

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

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

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 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $ 5,500.00, which is 50 percent of the agreed estimated total cost of this project, $ 11,000.00.

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

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

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

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

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

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

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

Executed in sextuplicate the day and year first above written.

Belle Florida Gold Mines, Inc.
(Operator)

By Alfred Hang Pres.

THE UNITED STATES OF AMERICA

By C O Wetterdorf
Acting Administrator
Defense Minerals Exploration Administration

Robert Hoffelund

U. S. GOVERNMENT PRINTING OFFICE 16—64060-2

EXPLORATION PROJECT CONTRACT
BELLE ELDRIDGE GOLD MINES, INC.
DOCKET NO. DMEA2358

EXHIBIT "A"

Statement of the Work

The program will consist of diamond drilling from both underground stations and the surface to explore for zinc and lead ore on the basal contact of the Deadwood formation. All holes are to be drilled to the schist contact. The core and sludge from each hole shall be split, one-half to be used for analysis and one-half shall be made available to the United States Bureau of Mines at Rapid City, South Dakota.

The program shall be divided into two stages as follows:

Stage I

Drill three holes from underground stations and at location designated A, D and G on the attached map. Upon completion of the three holes and analysis of results, if such results, in the estimation of the Government, indicate that previous ore reserve estimates are essentially correct, Stage II shall be undertaken.

Stage II

Drill five diamond-drill holes from the surface at locations designated H, I, J, K and L on the attached map or at such other locations as may be approved by the Government.

Estimated Costs of the Project

Summary

Stage I

| | |
|---|---|
| 3 drill holes @ $1,200.00 each | $ 3,600.00 |

Stage II

| | |
|---|---|
| 5 drill holes @ $1,600.00 each | 8,000.00 |
| Total for project | $11,600.00 |

The above estimated cost per hole shall include all expense for labor, power, bits, supplies, maintenance, repairs, depreciation of equipment, supervision, engineering and assaying for each hole completed to the schist contact.

## Details

### Fixtures and Improvements

None

### Equipment

#### To be purchased

None

#### To be rented

None

#### To be furnished by Operator

(On a unit basis instead of actual cost basis)

| Item | Stage I | Depreciation per Hole |
|---|---|---|
| Compressor | | $ 120.00 |
| Diamond drill | | 30.00 |
| | **Stage II** | |
| Compressor | | 140.00 |
| Diamond Drill | | 40.00 |

### Labor and Supervision

| | |
|---|---|
| 1 Drill Operator | $1.75 per hour maximum |
| 1 Drill helper | 1.50 " " " |
| 2 Laborers | 1.25 " " " |

Supervision including engineering and preparation of all reports required by the Government shall be allowable (on a unit basis instead of actual cost basis) at $100.00 for each underground hole and $133.00 for each surface hole.

### Rehabilitation and Repairs

None

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

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

*Not To Be Filled in by Applicant*

Docket No. DMEA-2358
Metal or Mineral
Date Received 2-1-52
Amount $
Participation (Government %)

Name and address of applicant

Belle Eldridge Gold Mines Inc.,
Mine Office: Deadwood, S. Dak.,
General Office: Canton, S. Dak.

Date Jan. 4, 1952

FEB 1 1 27 PM '52

If you have already filed MF-100, give date filed May 1951, type of assistance requested Exploration Expansion Loan,

DMA Docket Number (if available) ~~DMA 1197~~

## INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*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*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

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

   NOTE: (1) 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 (*c*) 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.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO-5)?

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

## 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.

Belle Eldridge Gold Mines Inc
(Name of company)

By Alfred S. Hanger
(Signature of authorized official)

Jan 4, 1952
(Date)

President
(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.**

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

Sheet 1.
Belle Eldri[illegible] Gold Mines Inc
Deadwood, S. Dak.

1. (a) The property of the Belle Eldridge Gold Mines Inc consists of 21 patented mining claims totaling 176.58 acres and 26 unpatented mining claims totaling 314.57 acres or 491.15 acres in all. A plat showing the claims is included in this application. The patented claims are M.S. 2070,123[illegible] which includes the Alice Lode, Alice No. 1, Alice No. 2, Ivan, Monday, Lester and Lester No. 1 Lodes; Mineral Survey No. 1222 which includes- Less Ne Gerd, Silver Glance, Horus, and Iris Lodes; M. S. 1374 which includes- Anna Lode, Anna No. 2 Lode; M.S. 1627 Jubilee Lode; M. S. 296 A Oro Cache Lode; El Sala[illegible] M. S. 128; Champion M.S. 305 B; Champion M.S. 305 A; Highland Mary M.S. 306[illegible] Gem of the Hills Lode M.S. 315. The Unpatented claims are as follows: He[illegible] Gould, Home, Home Fraction, Julia Holmes, Belle Eldridge, Wedgen No. 1 Fr[illegible] Wild Cat, Glory, Alfred No. 1, Valhalla, Odin Fraction, Nantaskat, Mosie[illegible] Golden Dawn, Northwestern, March, Winona, Dunn, Victory, Omega Frac., Bessie[illegible] Bright Star, Bragstad, Ellefson, Gertrude, Johnson, The claims are located Sections 23, 24, 25, 26, 35, 36- T. 5 N. R. 3 E. BHM. about one mile south East of Deadwood, S. Dak.

The claims involved in this project are: Silver Glance Lode M. S. 1222, the Les Ne Gerd Lode M.S. 1222, Champion Lode M.S. 305 A, on which lodes actual drilling will take place. Equipment being used is in building located on the El Salada Lode M.S. 123 and Home Lode unpatented. Equipment in question is air compressor to operate drill and necessary connecting pipe lines.

The Belle Eldridge Mine as evidenced by the plats submitted has two portals one on the north end of the property some 280 feet from the mill and the other on the El Salada Lode giving access to the Silver Glance Lode and Les Ne Gerd Lode on which the proposed work will be done. Lead- zinc ore was produced during the last war and following from stopes on the Helen Gould Lode located in what is known as the "upper contact". Operations in the "Upper Contact" on the Silver Glance, Les Ne Gerd and Wild Cat and Champion Lodes during 1947 and 1948 produced ore that was milled during that period.

The company owns a 50 ton differntial flotation plant for lead and zinc that was operated from July 1941 to July 1944 and later again in 1947 and 1948. The plant has coarse crushing equipment and flotation equipment sufficient to operate on a scale of 100 to 150 tons but lacks ball mill capacity for this tonnage. Crushing equipment includes jawe crusher, 3 ft. Symons Cone Crusher, Symons screen and elevator and conveyor. Bin capacity is sufficient for the increased tonnage in both coarse and fine bins. Mine equipment includes a 550 cu. Ft. compressor, battery locomotive for ore haulage, complete track layout and piping. Laboratory facilities are available as well as office space. A compressor building and Change room are also available.

1. (b) Not applicable.

1. (c) The work is to be done on Silver Glance Lode M. S. 1222 and on the Les Ne Gerd Lode M. S. 1222 Located in Sec. 25, T. 5 N. R. 3 E. B.H.M.

1. Note (1) Both areas are not the same and 1 (c) covers the area that will cover the obligation to repay the government from net earnings from commerc[illegible] discoveries of lead-zinc ore.

1. ( Note 2) The company owns the property on which the work [illegible]one.

2. (a) We expect to find Lead and zinc with associated gold and silver values.

2. (b) An assay map showing previous diamond drilling by the company with superimposed projected drill holes to be drilled accompanies this application. On this plat are shown the average assays in zinc, lead, gold and silver for each section of the ore horizon drilled through previously. A section AA' and BB' show the geological features thru which the holes were drilled. These sections accompany this application also.

On the basis of the previous drilling we expect to find and develop further reserves of zinc and lead ore sufficient to warrant the expenditure of further funds to expand present milling facilities, and to develop the ore horizons indicated.

Operations in the past have been confined to the "Upper contact" ore which lies on top of the porphyry representing the top of the two sections shown. The ore we wish to develop further lies on the lower contact or below the porphyry indicated in the two sections. A limited tonnage on this horizon has already been blocked out as estimated partially. As the gaps between present drill holes are too large to definitely block out the estimated ore the purpose of the present project is to block out ore in the areas now partially developed and to expand the present blocked out area.

Geology: Exposed in the area of the Belle Eldridge Gold Mine s Inc operations are Pre-Cambrian schists, and quartzites; lower paleozoic sandstones shales and limestones;and Tertiary porphyries. The vertical pre-Cambrian schists are overlain by several hundred feet of sedimentary beds whose gentle northeast dip is the most conspicuous structural feature of the area. Thick porphyry sills have been intruded into the sedimentary members at several horizons.

It has been determined that the schists underlying the Belle Eldridge area probably belong the Flag Rock formation. Cores from deep vertical dr[illegible] holes show intricately folded schists with many veinlets of quartz. O[illegible] drilled to a depth of 335 feet contacted the schist at 325 feet. T[illegible] feet were in porphyry. The hole was started at an elevation of 4925 fee[illegible] indicated a thickness of 87 feet of Deadwood formation below the porphyry. It was drilled on the north end of the Belle Eldridge workings. Another hole ddesignated as O.S. No. 1 and started at an elevation of 5117' and located on the Silver Glance Lode and drilled from the outside was in porphyry for 51' to elevation 5066- then shales and quartzites to elevation 4820', then 170' of porphyry to quartzite at an elevation of 4617. Later holes drilled on the Les Ne Gerd and Silver Glance Lodes from underground further indicated the PreCambrian schists to occur at an elevation from 4600 to 4635 feet. Pyrite and Pyrrhotite was found to occur in the pre-Cambrian but assays indicated the material to be non-commercial.

The Deadwood formation conists of about 400 feet of Upper Cambrian sediments resting unconformably on pre-Cambrian schists. The Deadwood formation is the most carefully studied Paleozoic formation in the Northern Black Hills due to the fact that it is the most frequently mineralized. The most of the mineralization in the Cambrian ores occurs in the Deadwood formation of Cambrian age. It consists stratigraphically of three major units, the lower member, a relatively thin,hard,quartzite underlain by a basal conglomerate in places; and overlain by about 30 feet of dolomite; overlying this is a thickness of shales average some 250 feet, which is capped with a second dolomite-quartzite member, making up the "upper contact", the lower contact being directly above the schist member. These two contacts constitute the principal ore horizons in the Deadwood member and are the two members producing ore in the Belle Eldridge area. Mineralization has occurred along troughs in the Deadwood formation resulting from the displacement of portions of the porphyry sills mineralization taking place thru the "verticals" or walls of the displaced blocks.

COPY



3. (a)

The project is to be divided into two phases: phase one - underground drill holes, to include seven drill holes A,B,C,D,E,F, and G and to be the basis of the second phase of the project - the drilling of 5 outside holes. If the drilling of the underground holes indicate satisfactory grade of ore the second phase of the project will be undertaken. The seven underground drill holes will total approximately 2100 to 2200 feet of drilling; the five surface holes will total approximately 2200 to 2400 feet of drilling. All holes will be drilled to the schist contact. Drill holes H,I,J,K and L as indicated in the plan submitted constitute the outside drill holes.

Phase 1.

Estimate of cost: Based on previous operations with labor and supplies increased to present day rates.

Estimate is based on drilling one hole every three weeks. (Approx 300')

| Labor- | Base wage |
|---|---|
| 1 Drill operator | $1.50 to $1.75 per hr. |
| 1 Drill helper | 1.25 to 1.50 per hr. |
| 2 laborers part time | 1.15 to 1.25 per hr. |

| | Wages | Ins. | S. S. | Total | |
|---|---|---|---|---|---|
| Drill operator labor | $273.00 | $13.65 | $4.10 | $ 290.75 | |
| Drill helper | 234.00 | 11.70 | 3.51 | 249.21 | |
| Misc. Labor | 30.00 | 1.50 | .45 | 31.95 | |
| Power | | | | 150.00 | |
| Bits | | | | 97.50 | |
| Misc. supplies (rods, core barrels, etc.) | | | | 30.00 | |
| Maintenance & repairs | | | | 45.00 | |
| Depreciation - compressor | | | | 120.00 | |
| Depreciation - drill | | | | 30.00 | |
| Supervision, mapping, etc. | | | | 100.00 | |
| Assays & analyses | | | | 25.00 | |
| average- Total cost per hole | | | | $1,169.41 | |
| Approx. estimate- 7 holes at $1,169.41 . . . . . | | | | | $8,185.87 |

Phase 2.

| | | |
|---|---|---|
| Labor - operator (includes Ins., S.S., etc.) | $ 387.68 | |
| Labor - helper " | 332.28 | |
| Labor - misc. " | 43.80 | |
| Power | 200.00 | |
| Bits | 130.00 | |
| Misc. supplies | 60.00 | |
| Maintenance & repairs of equipment | 60.00 | |
| Depreciation - compressor | 160.00 | |
| Depreciation - drill | 40.00 | |
| Supervision - mapping, etc. | 133.00 | |
| Analyses and assays | 25.00 | |
| average- Total cost per hole | $1,571.76 | |
| Approx. estimate- 5 holes at $1,571.76 . . . . . | | 7,858.80 |
| Estimated total cost of project | | 16,044.67 |

A plan showing location of projected drill holes is included as a part of this application.

3. (b) It would require from 30 to 60 days from date of notification of contract being allowed to start work and the project would require an over all period of time for entire project of approximately ten months.

4. Map of property.
   Plan of proposed exploration drilling.
   Section - showing geological features.

5. Building- Compressor House- housing compressor to be used in the projedt. All pipe lines for air are installed underground but additional lines would be required outside for the second phase of the project and are available on the property. No repairs necessary to put buildings and equipment into operation.

6.

6. Not applicable.

7. (a) Not applicable

(b) Not applicable

(c) 550 cu. ft. compressor- motor driven - Unit about 4 years old. cost approximately $8,000.00 with synchronous motor drive, controllers and switches plus cost of installation- Estimate depreciation at $160.00 per month.

Sullivan Diamond Drill- air driven cost approximately $2,000.00 and approximately 4 years old. Estimate depreciation at $40.00 a month. Water pump included in this unit.

COPY

Sheet 8
Belle Eldridge Gold Mines Inc.
Deadwood, S. Dak.

8. Labor schedule:

1 Drill operator, Base wage $1.50 to $1.75 per hour
1 Drill helper, " 1.25 to 1.50 per hour
2 Laborers - part time " 1.15 to 1.25 per hour
1 Supervisor at $100 to $133 per hole.

Phase 1
Per hole drilled underground

| Laborer | Base wage | Wages per hole | Ins./hole | S.S./hole | Total |
|---|---|---|---|---|---|
| Driller | $1.50-1.75 | $273.00 | $13.65 | $4.10 | $290.75 |
| Helper | 1.25-1.50 | 234.00 | 11.70 | 3.51 | 249.21 |
| Misc.Labor | 1.15-1.25 | 30.00 | 1.50 | .45 | 31.95 |

Phase 2
Per hole drilled outside

| Laborer | Base wage | Wages per hole | Ins./hole | S.S./hole | Total |
|---|---|---|---|---|---|
| Driller | Same as above | $364.00 | $18.20 | $5.48 | $387.68 |
| Helper | " | 312.00 | 15.60 | 4.68 | 332.28 |
| Misc.Labor | " | 41.00 | 2.00 | .80 | 43.80 |

COPY

Sheet 9
Belle Eldridge Gold Mines Inc.
Deadwood, S. Dak.

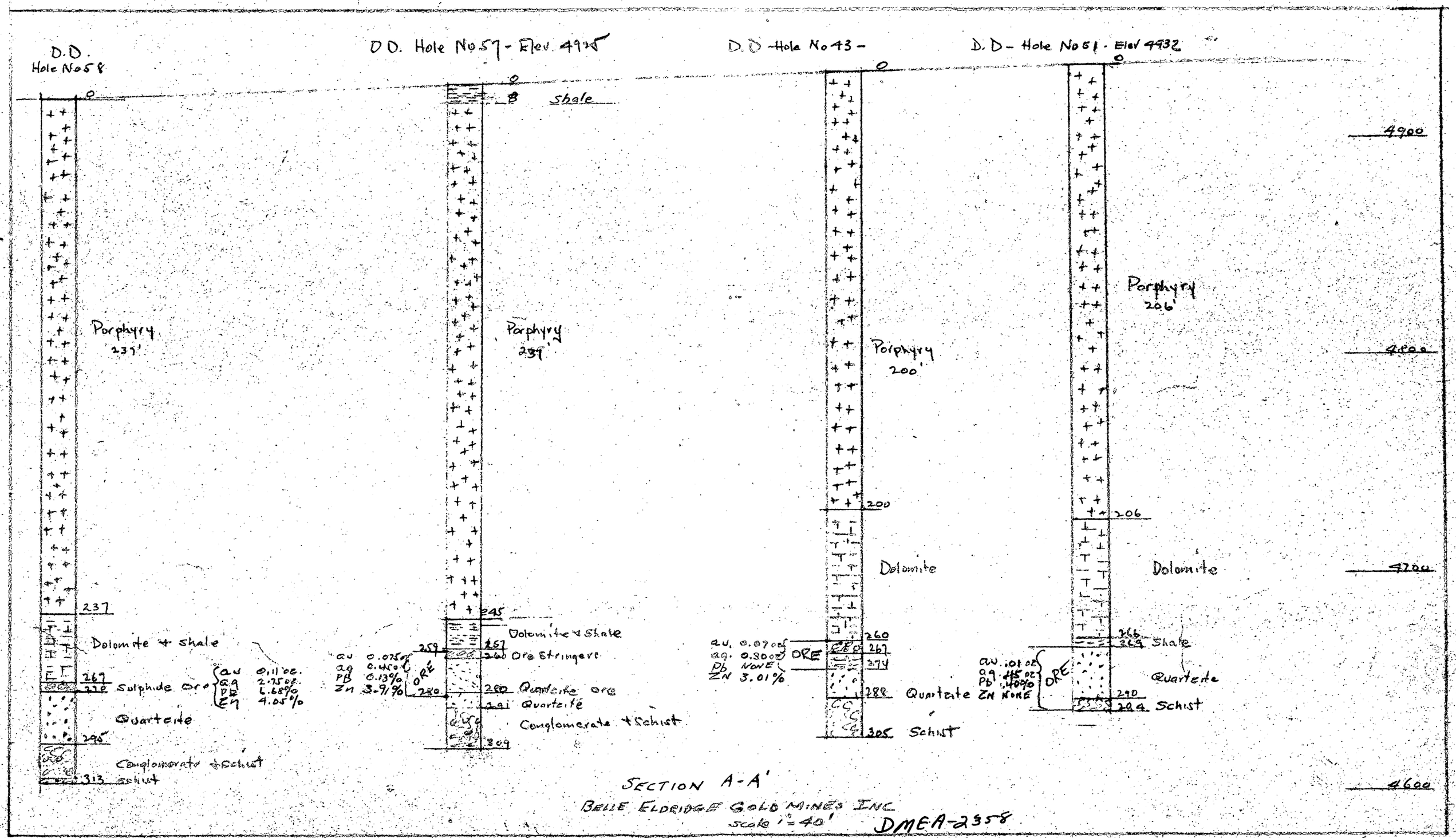
9. Items of cost not included in 8.
Power, bits, rods, core barrels, maintenance, depreciation, supervision, assays and analyses.

| | Per underground hole | Per outside hole |
|---|---|---|
| Power | $150.00 | $200.00 |
| Bits | 97.50 | 130.00 |
| Rods, barrels, etc. | 30.00 | 60.00 |
| Maintenance & repairs | 45.00 | 60.00 |
| Depreciation- compressor | 120.00 | 160.00 |
| " - drill | 30.00 | 40.00 |
| Supervision | 100.00 | 133.00 |
| Assays, etc. | 25.00 | 25.00 |

10. (a) Prepared to invest $8022.34 into the project.

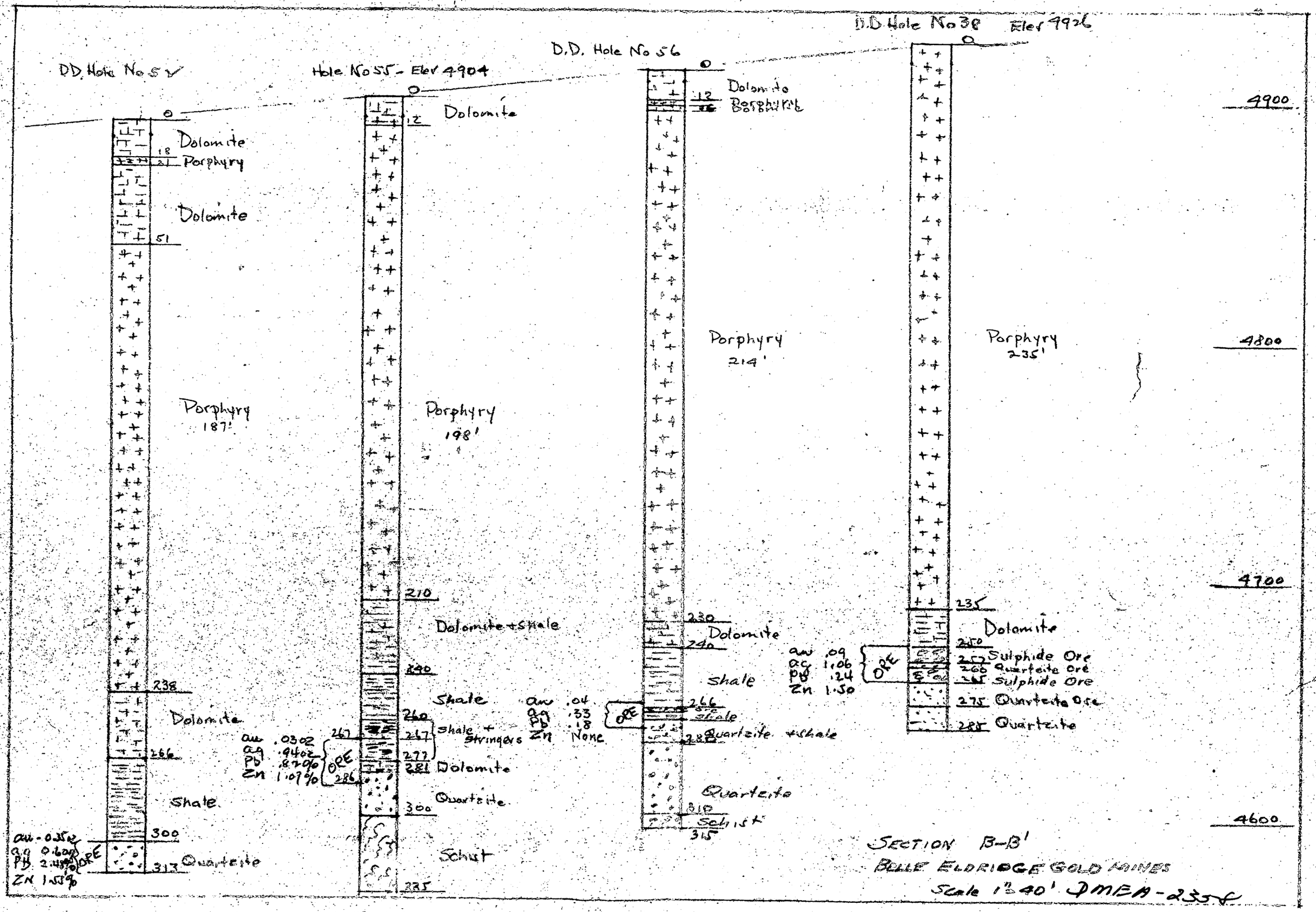
(b) This is sufficient to pay our part of the cost of the project in accordance with the regulations on government participation.

11. None.




SECTION A-A'
BELLE ELDRIDGE GOLD MINES INC
scale 1" = 40'

DMEA-2358




SECTION B-B'
BULLE ELDRIDGE GOLD MINES
Scale 1" = 40' DMEA-235

FILE COPY
Surname:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 500

N.S. in L.R. April 26, 1954

PROJECT SUMMARY REPORT

By: W. R. Griswold

1. Docket No. DMEA-2358 (Zinc-Lead)
Contract Idm-R271
Property: Belle Eldridge Gold Mine
Location: Lawrence County, South Dakota

Operator: Belle Eldridge Gold Mines, Inc.
P. O. Box 9083
Canton, South Dakota

Operator's Property Rights: Owner of land cited in contract.

2. Contract dated March 11, 1952
Amended contract dated November 12, 1952
Amended contract completion date April 1, 1953

Work Authorized

| | |
|---|---|
| 2900 ft. diamond drilling at $4.00 | $ 11,600.00 |
| Government Participation 50% | $ 5,800.00 |

Amendments

Amendment No. 1, dated December 15, 1952
Provides for recess due to winter conditions from December 12, 1952 to April 1, 1953.

Work Completed

| | |
|---|---|
| 1402 ft. of diamond drilling at $3.954 | $ 5,544.00 |
| Government Participation | $ 2,772.00 |

Work was concluded in December, 1952.

3. Audit Certificate dated January 7, 1954.

4. Certification of Discovery issued November 16, 1953.

Ore estimates is 88,000 tons of ore with a grade of 3.5 percent zinc and 0.54 percent lead, with auxiliary gold values, about 0.07 ozs. per ton.

Production none.

5. Comments:

The project was stopped by the Operator when half complete due, presumably, to lack of funds.

The ores occur as replacements in dolomitic shales and quartzites, above a schist contact. The ores had been indicated by drilling done prior to the contract and most of the contract drilling was done to confirm the existence of such indicated ores.

The ore is of sub marginal grade and there would seem to be little reason to consider this property as worthy of further exploratory efforts.

Such work as was accomplished was done in a satisfactory manner.

W. R. Griswold

W. R. Griswold

WRGriswold:ag 4/26/54

☒ Audited

☒ Certified

W[illegible]K ANALYSIS SHEET - DMEA PROJECT[illegible]

Analysis as of 12/10/54.
Incl. Voucher for Dec. 1952.

☐ Actual Cost

☒ Agreed Unit Costs

Name [illegible] Belle Eldridge Gold Mines, Inc.

Docket No. DMEA 2358

State South Dakota

Commodity Lead - Zinc.

Idm-E No. 271

| OPERATION | AUTHORIZED Units | AUTHORIZED Cost | COMPLETED Units | COMPLETED Cost | NET COST |
|---|---|---|---|---|---|
| Drifting & Crosscutting | | | | | |
| Raising | | | | | |
| Shafts | | | | | |
| Winzes | | | | | |
| Drilling (Specify) Diamond | 2900' | $11,600.00 | 1,417' | $5,544.00 | $5,544.00 |
| Sur[illegible]e Excavation | | | | | |
| Underground Excavation | | | | | |
| Roads and Trails | | | | | |
| Operating Equipment Purchased | | | | | |
| Surface Rehabilitation & Repairs | | | | | |
| Underground Rehabilitation | | | | | |
| New Building, Improvements, etc. | | | | | |
| Other (Specify) | | | | | |
| Totals | | $11,600.00 | | $5,544.00 | $5,544.00 |

Prepared by W. H. Hugesheid.

71626

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 8/7 | | 500 |
| 8/7 | Talbert | 800 |
| 8/7 | Orlean | 120 |
| 8/7 | Johnson | 110 |
| 8/7 | Orlean | 100 |
| | | 220 |
| | | |
| | | |
| | | |

AUG 7 1962

Mr. Russell W. Bartels
9635 West Colfax Avenue
Denver 15, Colorado

Re: DMEA-2358 (Zinc-Lead)
Belle Eldridge Gold Mines, Inc.
Belle Eldridge Gold Mine
Lawrence County, South Dakota
Contract Idm-E271

Dear Mr. Bartels:

We have been informed that you are attorney for the New Era Mining Company who purchased the mining property of the Belle Eldridge Gold Mines, Inc., in Lawrence County, South Dakota.

Under the terms of an exploration contract, dated November 12, 1952, with the Belle Eldridge Gold Mines, Inc., the Government holds a lien on the following property located in Lawrence County, South Dakota, and any production therefrom:

Patented Lode Mining Claims El Salada #128, Oro Cache #296A, Champion #305A, Highland Mary #306, Horus, Silver Glance, and Las Ne Gero #1222;

Unpatented Lode Mining Claims Belle Eldridge, Wild Cat, Helen Gould, and Home;

all located in sections 25 and 26, T. 5 N., R. 3 E., B.H.M.

All production from the above-described property is subject to a percentage royalty payable to the Government until the full amount of the Government's contribution to the cost of the exploration in the sum of $2,772.00 is repaid, or until November 12, 1962, whichever occurs first.

We will appreciate any advice you can give us regarding production from this property since its acquisition by the New Era Mining Company. In this connection, we are enclosing three copies of MME Form 63 for reporting on production. Will you please forward the forms to New Era Mining Company with the request that they fill out the forms and return them to this office?

WRGriswold/gla 8-3-62
Rewritten: FEJohnson/hb/gla
8-7-62
cc to: Dir.'s Reading File
Region III (2) w/cy M.T.Wood's
letter 7/26/62
Docket
Code 500

Enclosures

Sincerely yours,

W. R. Griswold (gla)

W. R. Griswold, Chief
Division of Minerals

43683

MELVIN T. WOODS
HOWELL L. FULLER
JOHN B. SHULTZ
FRANCIS M. SMITH
MERLE A. JOHNSON
ARLO D. SOMMERVOLD

WOODS, FULLER, SHULTZ & SMITH
ATTORNEYS AND COUNSELLORS AT LAW
310 SO. FIRST AVENUE
SIOUX FALLS, SOUTH DAKOTA
EDISON 4-5541
AREA CODE 605

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 31 1962

| DATE | | |
|---|---|---|
| 7/31 | Uwy | 800 |
| | | ~~120~~ |
| 8/1 | gla | 500 (63 record) |
| | Returned | |
| | | 220 |

July 26, 1962

W. R. Griswold, Chief
Division of Minerals
Department of The Interior
Washington 25, D. C.

Re: DMEA-2358 - Belle Eldridge Gold Mine

Dear Sir:

Your letter of July 20, 1962, has been referred to us because we were the attorneys for the receivor who liquidated this corporation last year. Neither the receiver nor this office has any information about the contract or conduct of the affairs of the company. Final dividend in the liquidation was paid in December last year. The remaining property was sold to the New Era Mining Company. If you must have this information it is possible you could obtain some of it from Russell W. Bartels, 9635 West Colfax Avenue, Denver 15, Colorado, who seems to be attorney for the company and/or Earl Amundson of Spearfish, South Dakota. The corporation mentioned seems to be a Deleware corporation and to have its address at Spearfish, South Dakota.

Yours very truly,

M. T. Woods

M. T. Woods

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 21 1962

| DATE | INITIALS | AMOUNT |
|---|---|---|
| 6/21 | [illegible] | 800 |
| | | ~~120~~ |
| " | Received | 500 |
| (on 6121) 7-2 | ~~Acct~~ | ~~500~~ |
| | Acct | |
| | | 220 |
| | | |

June 18, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: Expiration of DMEA Contracts Paying Royalty

This responds to your memorandum of June 14, 1962 regarding the royalty expiration date on DMEA Docket 2358 Idm-E271 Belle Eldridge Gold Mines, Inc.

We also have another, Docket DMEA 2392 Idm-E352 Mineral Mills, Inc. which is in the same general area. I had hoped to have the engineer inspect this property in connection with OME 6121, Ferley and Laramie dba L & R Mining Company. It now appears that the Applicants on OME 6121 are no longer interested in exploration of their property and we have no other applications in the area at the present time. Attached is the last advice we have had regarding the operation of Idm-E352 Mineral Mills, Inc. Our form letter to them dated February 8, 1960 was never answered.

OME-6121

I question the economic advisability of spending the money for a trip to make the final inspection on either or both of these properties. It appears to me that your suggestion of mailing an MME Form 63 to Belle Eldridge Gold Mines, Inc. in lieu of an inspection would be adequate. I was thinking it would suffice in the case of Mineral Mills, Inc., Idm-E352.

If you agree will you please mail the forms. sent 7/20/62

Hugh M. Connors

Hugh M. Connors

Attachments

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 6/14 George C | Selfridge | 120 |
| 6/14 | Amend | 500 |
| " | release | 110 |
| " | Finish | 100 |
| | | |
| | | |
| | | |
| | | 225 |
| | | |

JUN 14 1962

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations, OME

Subject: Expiration of DMEA Contracts Paying Royalty

Reference is made to my memorandum of October 31, 1961, listing the DMEA contracts which were to terminate during the first six months of 1962.

Inadvertently Docket DMEA-2358, Belle Eldridge Gold Mines, Inc., Lawrence County, South Dakota, was overlooked. This is an amended contract dated November 12, 1952, which superseded the original contract as of the date of its execution, March 11, 1952. Because these earlier contracts were not specific as to the date of which contract, the original or the amended, applied, it was decided that the date of the original contract would be the effective one. Accordingly, in a letter dated November 16, 1953, to Mr. William C. Bessler of the company transmitting a "Certificate of Discovery or Development" he was thus informed.

We note that the property was inspected May 13, 1959, and March 31, 1960. The inspections indicated that the mine had been inactive for several years. The reports suggest that a final inspection might not be warranted. In lieu thereof, mailing MME Form 63 to the company might suffice.

George C. Selfridge
(24B)

GCSelfridge/hb (6/14/62)
cc to: Mail & Records
Director's Reading File
Review Committee
G. C. Selfridge
E. Dallas Talbert
W. R. Griswold
Harold Kirkemo, USGS (2)
C. H. Johnson, USBM (2)
Docket DMEA-2358

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 6/16 | a | 220 |
| | [illegible] | 500 |
| | | 225 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

JUN 16 1959

Memorandum

To: Mr. Donald T. Finch, OME Auditor

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: Docket No. DMEA-2358 (Zinc-Lead)
Belle Eldridge Gold Mines, Inc.
Contract No. Idm-R271

The Washington copies of your Report of Royalty Review on the subject contract are returned herewith for correction in the fourth paragraph. Apparently there is a typographical omission of the third line in reason (a).

Enclosures

EDTalbert/ama
June 15, 1959

Copy to: Docket
Director's Reading File
Code 800

43683

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, OME Field Team, Region III, Denver, Colorado pertaining to Contract IMa-8271, Docket No. [illegible] 2598, dated March 11, 1952 and Amended November 12, 1952 with

Belle Eldridge Gold Mines, Inc.
Canton, South Dakota

for the purpose of determining the amount of royalties due the U. S. Government on the sales of Zinc-lead, from property referred to as Belle Eldridge Mine, located in Lawrence County, South Dakota, during the period March 11, 1952 to June 10, 1959.

A Certification of Discovery or Development was issued on November 16, 1953, and accordingly royalty is payable on the net smelter returns or other net proceeds from production from the land described in Article 2 of the contract for a maximum period of 10 years from the date of the contract. A Report of Review in lieu of a Final Cost Audit, dated January 7, 1954, indicated accepted costs under the exploration contract amounting to $5,544.00, with the Government's contribution on a 50 percent basis being $2,772.00.

No royalty has been paid to the Government to date in connection with this contract.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(a) According to the Field Team's Semi-Annual Report of certified project for the period January 1, 1955 to June 30, 1955, operation ceased about December, 1952; no ore has been shipped since March 11, 1952, (The date of the exploration contract). Subsequent semi-annual reports of Field Team during the period July 1, 1955 to December 31, 1958, indicate the property inactive, and no operations or ore shipments are anticipated in 1959.

(b) The administrative costs to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

June 18, 1959

Donald T. Finch
Donald T. Finch
OME Auditor

[illegible]

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

RECEIVED
JAN 20 1956

January 17, 1956

224 New Customhouse
Denver 2, Colorado

Mr. M. T. Woods, Attorney
Bailey-Glidden Building
Sioux Falls, South Dakota

Re: Docket DMEA 2358 (Lead-Zinc), Contract Idm-X 271

Dear Mr. Woods:

Your letter of January 5, 1956 to Mr. A. B. Needham has been forwarded to this office for reply.

Our records show that the Belle Eldridge Gold Mines, Inc. on the 11th day of March, 1952 entered into an exploration contract with the Government to perform exploration work on the following claims located in Lawrence County, South Dakota:

| | |
|---|---|
| El Salada No. 128 | Highland Mary No. 306 |
| Oro Cache No. 296A | Horus |
| Champion No. 305A | Silver Glance and Les NeGero No. 1222 |

and the following located lode claims:

| | |
|---|---|
| Belle Eldridge | Wild Cat |
| Helen Gould | Home |

All being located in Secs. 25 and 26, T. 5 N., R. 3 E. A copy of this contract was given the Belle Eldridge Gold Mines, Inc. for their files.

Enclosed for your information is a copy of DMEA Order-1 Amended. Please refer to Sec. 10 which explains in detail how the repayment is made to the Government.

The effective date of certification on the Belle Eldridge Gold

Mines, Inc. property was November 16, 1953 and royalties will be payable on all ore shipped from this property until March 11, 1962 or until the total net amount contributed by the Government is fully repaid, whichever occurs first.

Very truly yours,

W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

HMC:ab

cc: Sec. Op. Comm. (2)
Binyon
Corresp. E271
Chron.

MELVIN T. WOODS
HOWELL L. FULLER
JOHN B. SHULTZ
FRANCIS M. SMITH
BLAINE O. RUDOLPH
MILTON M. BERNDT

WOODS, FULLER, SHULTZ & SMITH
ATTORNEYS AND COUNSELLORS AT LAW
BAILEY-GLIDDEN BUILDING
SIOUX FALLS, SOUTH DAKOTA

DMEA
Date Rec'd.
JAN 16 1956
BUREAU OF MINES
Denver, Colorado

January 5, 1956

A. B. Needham, Esq.
2908 Colfax Avenue, So.
Minneapolis, Minnesota

Re: Belle Eldridge Gold Mines

Dear Sir:

We have been consulted about the condition of this company and one of the claims outstanding seems to be one for an advance of funds that was used for core drilling of the company's mining property in the Black Hills. It is the understanding of the officers who have consulted us that this is a contingent claim, that is that it will not have to be repaid unless or until the profits from the property will permit such repayment and then that it will be repayable on an installment basis over a period of time. It is also understood that the claim will be a lien upon the property payable in the manner stated.

If you have a copy of the instrument by which this advance was made or can explain to us just what is the status of this claim, it will be much appreciated.

Thanking you, we are

Very sincerely,

M. T. Woods

WOODS, FULLER, SHULTZ & SMITH

DMEA
Date Rec'd.

JAN 16 1956

BUREAU OF MINES
Denver, Colorado

(3)

Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

January 12, 1955

E 271

Mr. M. T. Woods, Attorney
Bailey-Glidden Building
Sioux Falls, South Dakota

Dear Mr. Woods:

Reference is made to your letter of January 5, 1956, inquiring about the legal status of the lien against the Belle Aldridge Gold Mines, Inc., Deadwood, South Dakota, as a result of the Defense Minerals Exploration program carried on there a few years ago.

Since the reorganization of the Bureau of Mines in November of 1954, this office is no longer Regional, nor is it the Executive Office for the DMEA work in South Dakota, all of the files and material pertinent to that work having been transferred to the DMEA Executive Office at Denver, Colorado. Accordingly, we are unable to answer your letter because we do not have access to the details of this contract and its accompanying consent to lien.

Therefore, we are forwarding your letter, together with a copy of this letter, to the Denver office. We believe that you will hear from them in this connection in a very short time.

Very truly yours,

A. B. NEEDHAM, Superintendent
North Central Experiment Station

cc H. P. Greenwald, Pgh
W. M. Traver, Denver, w/Woods' ltr

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

October 22, 1954

Memorandum

To: L. A. Hill, Special Assistant to the Regional Director, Region V

From: Executive Officer, Field Team, Region V

Subject: Docket 2358, Contract Idm E-271, Belle Eldridge Gold Mines, Inc.
Docket 2706, Contract Idm E-438, Collingwood-McDermand

It has been determined that the requirements of a final engineering-geological report by operators of the subject contracts can be waived.

A report from either of the operators will not add to the knowledge of the exploration as reported by the Government Field Team report.

We are so advising the Operating Committee via copy of this memorandum.

A. B. NEEDHAM

cc Operating Committee
Dutton
Binyon
Redden
Cupples

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

October 22, 1954

Mr. Alfred Haug, President
Belle Eldridge Gold Mines, Inc.
P. O. Box 9083
Canton, South Dakota

Dear Mr. Haug:

Reference is made to your Defense Minerals Exploration Contract Idm E-271, Docket 2358, pertinent to your exploration for zinc-lead at your property near Deadwood, South Dakota.

Under the terms of the contract you were to have rendered to the Government a comprehensive engineering and geologic report upon completion of the project.

We have concluded to waive the requirement of your having to submit that final report.

You were, however, advised the exploration resulted in certification of a discovery or development having been made and royalties were to be paid on any production.

Very truly yours,

A. B. NEEDHAM
Executive Officer
Field Team
Region V

cc Operating Committee
Dutton
Binyon
Redden
Cupples

FILE COPY
Surname:

200

Selfridge
Mondendorf

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON 25, D. C.

JAN 18 1954

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

Dear Mr. Needham:

This will acknowledge your memorandum dated January 5, 1954, in which you transmitted forms MF-104 and 104A, together with the narrative work progress report for the period June 10 - July 12, 1952, on Contract Idm-E271, Docket No. DMEA-2358, Belle Eldridge Gold Mines, Inc.

Since these reports have served their purpose, we are returning them herewith.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (248)

Enclosures 3
REAdams/meb
1-15-54
cc to: Adm.Reading File
Mails & Files Br.
Oper.Comm.File

R.C.S.
1-18-54

FILE COPY
SURNAME: AB

Talbert
Chambers

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

JAN 11 1954

REGISTERED

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

Re: Idm-E271, DMEA-2358
Belle Eldridge Gold Mines, Inc.
Lawrence County, South Dakota

Dear Mr. Needham:

Enclosed herewith are the regional copies of a Report of Review covering the referenced Exploration Project Contract. These copies should be distributed in accordance with Section 3 of Supplement No. 4 to DMEA Circular 19.

Since the Field Team's Final Report dated October 13, 1953 verified the performance of the work, and the supporting documents for the actual cost portion of the contract were forwarded by your registered letter of December 15, 1953, issuance of this Report of Review has been possible without the necessity of a visit to your office.

The documents forwarded with your letter of December 15, 1953 are returned herewith. Since your letter was addressed to the Operating Committee rather than this Division, as was requested by my letter of November 6, 1953, and only came to our attention today, it was impossible for me to comply with my promise of a prompt return of the documents.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
January 8, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

1-11-54

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
JAN - 7 1954

January 5, 1954

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Docket 2358, Contract Idm-E-271, Belle Eldridge Gold Mines, Incorporated

Reference is made to your memorandum of December 24, 1953. Here are the June 10 - July 12, 1952 forms MF-104 and MF-104A, together with the narrative work progress report and transmittal from this office to the Fiscal Section, which we inadvertently left out of our memorandum to you on December 15.

When you have finished with these documents, as well as the supporting documents which we have already sent you, please return for our files.

A. B. NEEDHAM

Attachments

FILE COPY
SURNAME:

Adams
Selfridge
K. Johnson

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

DEC 24 1953

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

Re: Docket No. DMA-2358 (Zinc-Lead)
Belle Eldridge Gold Mines, Inc.
Lawrence County, South Dakota
Contract No. Idm-2271

Dear Mr. Needham:

This will acknowledge your memorandum dated December 15, 1953, enclosing material concerning the subject docket, including the June 10 - July 12 Form MF-104 with narrative and work progress report.

Please be advised that the Form MF-104 and pertinent papers were not enclosed. We shall appreciate it if you will forward this material as soon as possible.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (24B)

REAdams/meb
12-22-53
cc to: Adm.Reading File
Mails & Files Br.
Oper. Comm.File

APPROVED:

J. H. Hedges (24B)
Member, Bureau of Mines

T. P. Thayer (24B)
Member, Geological Survey

12-24-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Boise Library
RECEIVED
DEC 18 1953

December 15, 1953

Registered Mail

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA 2358, Contract Idm-271, Belle Eldridge Gold Mines, Inc.

Reference is made to your letter of November 6, 1953, requesting this office to forward to you the Finance Office copy of the June 10 - July 12 MF-104 on the subject project, together with the supporting documents. Therefore, there are attached the June 10 - July 12 form MF-104 with the narrative and work progress report, together with the following supporting data:

The July bill from the Black Hills Power and Light Company;

Three copies of the invoice from Fillmore Drilling Company;

A statement from W. C. Bessler on the labor;

Statement from A. I. Johnson on technical supervision; and

A statement from the company on compressor depreciation.

These are being sent you by registered mail, and you indicated that you would return them promptly the same way.

A. B. NEEDHAM

Attachments

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

November 30, 1953

Mr. Alfred Haug, President
Belle Eldridge Gold Mines, Inc.
P. O. Box 9083
Canton, South Dakota

2358

Dear Mr. Haug:

Reference is made to your DMEA Contract Idm-E-271 for zinc exploration at your mine in Deadwood.

On November 13, 1953, we wrote you requesting that you forward to this office the supporting documents for payment claims on your June 10 - July 12 monthly report, which should include invoices or certified copies on power and light, payroll for labor and technical services. To date, we have not heard from you, nor have we received these documents.

Please be advised that, in accordance with Article 11 of your contract, you are required to keep suitable records and accounts which are open for Government inspection and audit at anytime. These records should be keps for at least three years after completion of the project or termination of this contract. We presume that you have by now received the notice of termination of said contract, which was mailed out of Washington November 25.

If we do not hear from you, and if you do not enclose the documents requested for audit, it will be necessary for the Washington Office to send an auditor out to your mine to make an on-site examination. It would be appreciated if you would send the documents in order that this trip would not be necessary.

Very truly yours,

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

cc Operating Committee
Dutton
Binyon
Redden

FILE COPY
SURNAME:

JB
Trumwell
Chambers
Martin
Larrabee
Hedges
Jefferson

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

NOV 25 1953

Mr. William W. Bessler
Belle Fourche Gold Mines, Inc.
Box 9083
Canton, South Dakota

Re: Docket No. 2358 (Inc-Lead)
Belle Fourche Gold Mines, Inc.
Lawrence County, South Dakota
Contract No. Adm- 271

Dear Mr. Bessler:

Enclosed is your copy of a Notice of Termination of Exploration Project Contract, under the terms of the contract, before the Completion of the Work.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

Enclosure

WRGriswold/hmj
(11-23-53)
CC to: Docket
Adm. R. File
Op. Committee
Base Metals Division
Mr. Kinkel
Mr. Bishop
Region V (2)
Chron.

HHK
11-25-53

FILE COPY
SURNAME:

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

N.S. in R.R.

November 20, 1953

Memorandum

To: Chief Counsel

From: W. R. Griswold

Subject: Docket No. [illegible] 2358 (Zinc-Lead)
Belle Aldridge Gold Mines, Inc.
Laurence County, South Dakota
Contract No. Idm-[illegible]271

The above project has been certified recently. Will you please prepare a termination due to nonconformance of work pursuant to contract terms.

W. R. Griswold

W. R. Griswold

WRGriswold/hmj
(11-20-53)
CC to: Docket
Base Metals
Chron.

FILE COPY
SURNAME 500

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

NOV 1 6 1953

Mr. William C. Bessler
Belle Eldridge Gold Mines, Inc.
Box 9083
Canton, South Dakota

Re: Docket No. [illegible] 2358 (Zinc-Lead)
Belle Eldridge Gold Mines, Inc.
Laurence County, South Dakota
Contract No. Idm-E271

Dear Mr. Bessler:

Transmitted herewith is a "Certificate of Discovery or Development" related to the Amended Exploration Project Contract No. Idm-E271, dated November 12, 1952, on the lands described in the contract.

By the terms of the Exploration Project Contract and of the Certification, all production as a result of discovery or development under the contract from the lands cited in the contract, after March 11, 1952, the date of the original contract, is subject to the Government's percentage royalty as set forth in the said contract until the sum which the Government has advanced as its participating interest is repaid, or until March 11, 1962, whichever occurs first.

Payments should be made to Mr. A. P. Needham, Executive Officer, [illegible] Field Team, Region V, 2809 Colfax Avenue, South, Minneapolis 8, Minnesota. Checks should be drawn in favor of the Treasurer of the United States. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the checks to the Executive Officer.

Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify Mr. Needham of any changes in ownership or production rights that might affect the Government's

R.C.S.
11-16-53

right to its percentage royalty. Also, if production ceases at any time for an extended period please notify Mr. Needham at six month intervals that such is the case.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

Enclosure

WRGriswold/hmj
(11-4-53)
CC to: Docket
Irving Gumbel, Director, MD, EPS.
Mr. Hedges, Rm 4604
Mr. Thayer, 5216 GSA Building
Adm. R. File
Op. Committee
Cont. & Audit Div.
Region V (2)
Mr. F. E. Johnson
Base Metals Division
Mr. Griswold
Chron.

FILE COPY
SURNAME 500

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

NOV 1 6 1953

Griswold
Rubin
Kane
Talbert
Larrabee
Hedges
Selfridge
Griswold
Larrabee
Hedges
F. Johnson

r. Irving Gumbel, irector
aterials ivision
mergency rocurement ervice
eneral ervices dministration
ashington 25, . .

rewritten 11/13/53

e: ocket o. -2 8 (ine-head)
Belle dbridge old ines, Inc.
aurence ounty, outh akota
Contract o. Idm-1271

y dear r. umbel:

nclosed is a copy of a "Certificate of iscovery or evelopment" and a copy of the final ield team report related to xploration roject ontract o. Idm-1271.

The amended contract was dated ovember 1, 1952, with the overnment participating to the extent of per cent in an exploration project stimated o cost 11,600.00. ctual expenditures are as yet subject to audit but are expected to total some 5,600.00, with the overnment's share half of such amount.

The total amount of work provided for under the contract consisted of 2,700 feet of diamond drilling. ore zone consisted of 1,402 feet of core drilled.

The work performed confirmed the existence of submarginal zinc-lead ores with auxiliary amounts of gold and silver occurring in dolomitic shales and quartzites above a schist contact. The tonnage of such submarginal ore has been estimated at 8,000, assaying 3.5 per cent zinc and 0.4 per cent lead.

incerely yours,

C. O. Mittendorf (for)
dministrator

WRGriswold/hmj (rewritten 11/13/53

Copy to:
Docket
Mr. Hedges, (4604)
Mr. Thayer, (5216 GSA)
Adm. R. File
Op. Committee
Cont. & Audit Div.
Region V (2)
F. E. Johnson
Base Metals
W. R. Griswold
Chron.

nclosures

R.C.G. 11-16-53

FILE COPY
SURNAME: 500

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

Mr. Irving Cumbel, Director
Materials Division
Emergency Procurement Service
General Services Administration Building
Washington 25, D. C.

Re: Docket No. [illegible] 2358 (Zinc-Lead)
Belle Eldridge Gold Mines, Inc.
Laurence County, South Dakota
Contract No. Idm-[illegible]271

My dear Mr. Cumbel:

Enclosed is a copy of a "Certificate of Discovery or Development" related to Exploration Project Contract No. Idm-[illegible]271. A copy of the final report on the project will be forwarded to you when we receive it from the Field Team.

The amended contract was dated November 12, 1952, with the Government participating to the extent of 50 per cent in an exploration project estimated to cost $11,600.00. Actual expenditures are as yet subject to audit but are expected to total some $5,600.00 with the Government's share half of such amount.

The total amount of work provided for under the contract consisted of 2,000 feet of diamond drilling. Work actually done consisted of 1,402 feet diamond drilled.

The discovery consisted of lead-zinc ores with auxiliary amounts of gold and silver occurring in dolomitic shales and quartzites above a schist contact. Due to the small amount of work done no proper estimate could be made as to an ore reserve tonnage.

WRGriswold/hmj
(11-3-53)

Sincerely yours,

Administrator

CC to: Docket
Mr. Hedges, Rm 4604
Mr. Thayer, 5216 GSA Bldg.
Adm. R. File
Op. Committee
Enclosure Cont. & Audit Div.
Region V (2)
Mr. F. E. Johnson
Base Metals Division
Mr. Griswold
Chron.

FILE COPY
SURNAME:

500

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

NOV 16 1953

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

Re: Docket No. DMEA-2358 (Zinc-Lead)
Belle Eldridge Gold Mines, Inc.
Lawrence County, South Dakota
Contract No. Ida-E271

Dear Mr. Needham:

We have your letter of October 28, 1953, enclosing copies of the final Field Team reports on the subject property.

We believe that it is to the best interest of the Government that the project be certified in that the diamond drilling under Stage I confirmed the existence of submarginal zinc-lead ores.

Sincerely yours,

W. S. Martin (JHB)
ACTING Chairman, Operating Committee

APPROVED:

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

D. M. Larrabee
Member, Geological Survey (JHB)

WRGriswold/bjl (11/13/53)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Bishop
Mr. Kinkel
Chron.

P.S. The certification is being issued by this office.

R.C.G. 11-14-53

FILE COPY
SURNAME:

Talbert

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

NOV 6 1953

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

Re: Idm-1 271, DMA-2358
Belle Eldridge Gold Mines, Inc.
Lawrence County, South Dakota

Dear Mr. Needham:

Recently we have been checking our files pertaining to the referenced Exploration Project Contract for the purpose of determining the feasibility of issuing a Report of Review in lieu of making a final audit.

Stage II of this project was on an agreed unit cost basis under the terms of the Amended Contract. Stage I, however, was on an actual cost basis (except for depreciation and supervision, which were on a unit cost basis). Therefore, it will be necessary for this Division to review the documentary proof of costs attached to the original voucher covering Stage I of this project.

Accordingly, it will be appreciated if you will arrange with your Finance Office to forward the June 10-July 12 MF-104, together with all supporting documents, (including a copy of the subcontract if such was involved) to this Division by registered mail. After reviewing the file, I will promptly return it, also by registered mail.

You may consider this an unusual request, but I am sure that you can appreciate that the expense of an auditor's trip to your office cannot be justified by the amount of the payments involved.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Chief
Contract Administration
and Audit Division

EDTalbert/wb
November 6, 1953

Copy to: Docket
Admr. Reading File
Mr. Chambers

R.C.S.
11-6-53

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 30 1953

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

October 28, 1953

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: DMEA Docket 2358, Contract E-271, Belle Eldridge Gold Mines, Inc.

Here are the original and three copies of the final geological and engineering report by the Field Team on the subject project, on which no discovery was made and therefore, as recommended by the Field Team, will not be certified.

A. B. NEEDHAM

Attachment

FINAL F.T. Report

Reviewed by
DMEA OPERATING COMMITTEE
11-4-53
(date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 30 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

# REPORT OF EXAMINATION BY FIELD TEAM
# REGION V

## Belle Eldridge Gold Mines, Inc.

## Lawrence County, S. Dak.

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

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

October 13, 1953

Reviewed by
DMEA OPERATING COMMITTEE
11-4-53
(date)

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION V

by

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

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

| | |
|---|---|
| DMEA Docket No.: | 2358 |
| Contract No.: | Idm E-271 |
| Commodity: | Lead-Zinc |
| Applicant: | Belle Eldridge Gold Mines, Inc. Deadwood, S. Dak. |

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

The interim report submitted by the field team in August 1952 upon the completion of Stage I gives the results of the work done under that stage of the contract and the conclusions and recommendations concerning the starting of Stage II.

Under Stage II 5 core drill holes were to be drilled from the surface in an area of which the center was located approximately 250 feet due north of the northwest corner of the block of ore drilled under Stage I. (see map)

After a discussion with the applicants engineer it was agreed, on the basis of the results of Stage I core drilling and previous drilling by the company in the ore block, that the apparent trend of mineralization was in a N. 10° E. direction from Hole D, or to the east of the area originally selected for exploration. It was then decided to drill the first surface hole at a point N. 10° E. and 131.3 feet from Hole D which had been drilled during Stage I.

Surface Hole No. 1 under Stage II was started October 20 and was completed December 4, 1952 to a depth of 486 feet. No ore was encountered in the hole. Slight mineralization, principally pyrite, occured over a distance of 9 feet from depth 442 to 451 in a quartzite or dolomitic quartzite bed. The hole bottomed in schist.

A log of the hole accompanies the report.

Reviewed by
DMEA OPERATING COMMITTEE

11-4-53
(date)

At the time the hole was completed winter had set in and by amendment No. 1 to the amended contract the project was recessed until April 1, 1953 which was designated as the date for resumption of drilling under Stage II. The date for completion of the project was advanced to July 1, 1953.

The operators, because of financial difficulties, were unable to begin drilling on the specified date. Finally after repeated inquiries as to when they did expect to start they informed the field team on July 26, 1953 that the company could not resume the core drilling and wished to terminate the contract.

Forms for termination by mutual agreement were forwarded to the company on July 28, however, as the operator had failed to sign and return the forms, the project has been terminated as of September 18, 1953.

The work completed and the expenditures under Stage I and Stage II are as follows:

| STAGE I, UNDERGROUND DRILLING | DEPTH, DRILLED FEET |
|---|---|
| D.D. Hole A | 301 |
| D.D. Hole D | 322 |
| D.D. Hole G | 308 |
| Total | 931 |

Under the contract Stage I drilling was on a unit cost of $1,200.00 per hole. Total expenditures for this stage amounted to $3,600.00 of which the Governments share at 50% participation was $1,800.00.

| STAGE II, SURFACE DRILLING | DEPTH, DRILLED FEET |
|---|---|
| D.D. Hole 1 | 486 |

Stage II drilling was originally on a unit cost of $1,600.00 per hole but this was changed under an amended contract to a unit cost of $4.00 per foot with no increase in the total amount of the contract.

A total of $1,944.00 was expended under Phase II and the Governments share amounted to $972.00.

Total amount of the contract - $11,600.00

Total Expenditures

| | | |
|---|---|---|
| Stage I | $3,600.00 | |
| Stage II | 1,944.00 | |
| Total | $5,544.00 | |
| Governments share at 50 percent | | $2,772.00 |
| Balance of Governments share of total | | $3,028.00 |

The core drilling under Stage I was to verify the presence of a block of ore which had been outlined by core drill holes previously drilled by the company. Two of the holes, A and D, encountered ore approximately the same thickness as the average for the block, 18 to 20 feet, but of somewhat lower grade as calculated at the prices current at that time.

As stated, the primary purpose was to check the presence of the ore body reported by the company and this was accomplished.

The negative results of Hole I under Stage II obviously do not rule out the possibility of a discovery in the area north of the block. However, the data on all holes in the one block were used in plotting out surface contours of the contract between the bottom of the porphy and shale as well as those for the average depth of the center (vertically) of the ore body in each hole. The results indicate the presence of a local fault, or fold, or a structural irregularity with an axis striking practically due east and with the drop in elevation to the northeast.

From this data it was proposed to shift the exploration to an area approximately 150 feet east of the northeast corner of the ore block (see map). However, the project has been terminated and whether or not the company intends to explore this area is not known.

The field team concludes that no significant discovery has resulted from the core drilling under Stage I or Stage II of the contract and a certification of discovery is not warranted.

## DESCRIPTION OF THE WORK

Under Stage I of the contract three holes A. D. and G. with an aggregate total footage of 931 feet were drilled from underground stations, as shown on the map. The logs of these holes and surface hole No. 1 are included im the report. Surface hole No. 1 (see map) which was drilled to a depth of 486 feet was the only hole completed under Stage II.

Stage I drilling was started June 10, 1952 and completed July 12, 1952. The project was then recessed and Stage II was not started until October 20, 1952 - Hole I (Stage II) was completed December 4, 1952.

A total of 17 samples were taken from the mineralized zones in Holes A and D. Mineralization in Hole G and surface hole No. 1, which consisted practically entirely of pyrite, was too sporadic and weak to warrant sampling.

Hole date, the logs and analyses, are given under the section describing the work completed.

| Hole Number | Approximate Elevation, Collar | Total Depth | Date Started | Date Completed |
|---|---|---|---|---|
| A | 4925.5 | 301 | 7/5/52 | 7/12/52 |
| D | 4925.0 | 322 | 6/10/52 | 6/24/52 |
| G | 4924.5 | 308 | 6/26/52 | 7/2/52 |
| | Total footage | 931 | | |

Results of Stage I drilling showed approximately the same thickness of mineralization as in the other holes in the block. However, the grade in both A and D holes is lower than the average grade of the block. Over a thickness of 21 feet the average grade of the ore in A hole is $10.73. In D hole the average is $10.03 over 18.5 feet. (Metal prices used are July 1952 quotations from the Engineering and Mining Journal: gold @ $35 per oz., silver @ $.90 per oz., lead @ 15.8¢ per pound, and zinc @ 15¢ per pound). The mineralization in G hole extended over a thickness of about 8 feet but was too low to warrant analyses. The grade of ore in A and D holes is $5.79 and $6.49 respectively lower than the average for the block.

For the section through holes A, D, and No. 37, the average gross value is $14.93 per ton (0.124 oz. Au, 0.48 oz. Ag, 0.29 percent lead, and 3.08 percent zinc). This, when weighed with sections A and B with a grade of $16.52, will lower the gross value of the entire block to $15.30 at present metal prices.

## ANALYSES OF SAMPLES

| Hole No. | Sample Number | Depth From | Depth To | Feet of Ore | Analyses Percent Lead | Analyses Percent Zinc | Analyses Ounces Gold | Analyses Ounces Silver | Gross* Value $ |
|---|---|---|---|---|---|---|---|---|---|
| A | 1 | 251 | 255 | 4.0 | 0.77 | 1.18 | 0.04 | 0.40 | 7.73 |
| | 2 | 255 | 260 | 5.0 | 0.22 | 1.04 | 0.04 | 0.20 | 5.40 |
| | 3 | 260 | 265 | 5.0 | 0.16 | 0.81 | 0.01 | 0.30 | 3.56 |
| | 4 | 265 | 268 | 3.0 | 0.19 | 0.81 | 0.48 | 1.30 | 21.00 |
| | 5 | 268 | 272 | 4.0 | 0.16 | 0.41 | 0.54 | 1.40 | 21.90 |
| Total feet of ore and average analyses | | | | 21.0 | 0.295 | 0.86 | 0.191 | 0.65 | 10.73 |
| D | 1 | 270 | 275 | 5.0 | 0.16 | 2.32 | 0.10 | 0.40 | 11.33 |
| | 2 | 275 | 280.3 | 5.3 | 0.27 | 2.44 | 0.02 | 0.10 | 8.96 |
| | 3 | 280.3 | 285 | 4.7 | 0.33 | 2.90 | 0.06 | 0.80 | 12.56 |
| | 4 | 285 | 288.5 | 3.5 | 0.33 | 1.39 | 0.03 | 0.30 | 6.53 |
| Total feet of ore and average analyses | | | | 18.5 | 0.27 | 2.33 | 0.054 | 0.397 | 10.05 |

G No samples. Mineralization from 267+ - 275 + feet

* Metal prices taken from the July 1952 issue of Engineering and Mining Journal: gold, $35.00 per oz., silver, $.90 per oz., lead, 15.8¢ per pound, zinc, 15¢ per pound.

As stated, no samples for analyses were taken from hole G or Surface Hole No. 1. Of the 17 samples, 9 were split core samples, 5 from hole A and 4 from hole D, and these were the only samples analyzed. The corresponding sludge samples have been retained for any future testing or analyses necessary. Remaining cores and sludges and the split cores from all three holes have been given to the Bureau by the company.

## GEOLOGY

The geology of the deposit is described in the original report of the field team and the drilling under Stage I has added little to the geologic information already available.

## RESERVES

No increase in the estimate of reserves as given in the original report of the field team resulted from the drilling and the estimate of 88,264 short tons is unchanged.

## EXPENDITURES

| | | |
|---|---|---|
| Total amount of the contract | | $11,600.00 |
| Governments share @ 50 percent | | 5,800.00 |
| Stage I | $3,600.00 | |
| Stage II | 1,944.00 | |
| Total expended | $5,544.00 | |
| Governments share of total expended @ 50% | | $ 2,772.00 |
| Balance remaining of Governments share | | $ 3,028.00 |

## EFFICIENCY OF THE OPERATION

The operators failed to provide sufficient funds to complete the project. Other than this the work of the project was conducted efficiently.

No equipment was purchased with Government participation and there are no outstanding obligations to the Government.

As Stage I drilling only checked the presence of the ore block, previously discovered and outlined by the company, and Hole I under Stage II encountered no mineralization, the work did not result in a discovery.

It is recommended that the property is not certified as a discovery.

Stage I was for the purpose of checking original holes. If this was successful would not an extension be in order? This should be given into consideration before making a final decision

## LOG OF CORE DRILL HOLE "A"

See map for location
Elevation of collar - 4,925.5 feet (estimated)

| Depth in feet From | to | Description |
|---|---|---|
| 0 | 220 | Porphyry |
| 220 | 229.3 | Gray shale |
| 229.3 | 234.0 | Gray shale with iron stained limestone partings. Limestone increases to 234 feet. |
| 234.0 | 235 | Gray shale. No iron stain. |
| 235 | 251 | Gray and brown shale intercolated with iron stained limestone ore at 251 feet. |
| 251 | 255 | Quartzite mineralized with pyrite-sphalerite (carnatite). 1.3 feet core recovered. |
| 255 | 256.5 | Quartzite with good mineralization at 256 to 256.5 feet. |
| 256.5 | 260.0 | Quartzite, little mineralization at 259.5 to 260.5 feet. |
| 260 | 265.0 | Quartzite 260.5 to 265 feet. Poor core recovery, only 3.0 feet. Poor mineralization. |
| 265 | 268 | Mineralized (pyrite() quartzite. Good recovery. |
| 268 | 272 | Mineraliz ed (pyrite) quartzite. Mineralization decreases toward 272 feet. Only .75 feet core recovery. |
| 272 | 275 | Quartzite with little mineralization, pyrite. 1.75 core recovered. |
| 275 | 276.5 | Quartzite. Little or no mineral. 1 ft. core recovered. |
| 276.5 | 278 | Quartzite. Little mineral at 277 feet. |
| 278 | 281 | Quartzite. No mineral. 0.5 feet core recovered. |
| 281 | 287 | Shaly quartzite. Shale partings increase to 287 feet. No mineral. |
| 287 | 291 | Shaly quartzite. No mineral. |
| 291 | 293 | Shaly quartzite. Shale at 293 feet. |
| 293 | 295.2 | Dark gray shaly quartzite with pyrite at 295.2 feet. |
| 295.2 | 295.4 | Conglomerate quartz with little pyrite. Schist contact. |
| 295.4 | 301 | Schist. 295.4 - 299.4 feet white altered schist. 299.4 - 301 feet, schist, dark iron stain and garnet. |

## LOG OF CORE DRILL HOLE "D"

See map for location
Elevation of collar - 4,925 feet (estimated)

| Depth in feet From | To | Description |
|---|---|---|
| 0 | 25 | Shale and dolomite (?) |
| 25 | 250.8 | Porphyry. Shale contact at 250.8 feet |
| 250.8 | 261.5 | Shale to limey shale. |
| 261.5 | 265.5 | Shale. Shale quartzite contact at 265.5 feet. |
| 265.5 | 270.0 | Quartzite |
| 270 | 275.0 | Quartzite. At 271 feet slight mineralization. Pyrite-sphalerite (?) (marmatite), galena (?) |

## LOG OF CORE DRILL HOLE "D" (cont.)

| Depth in feet From | To | Description |
|---|---|---|
| 275 | 280 | Shaly dolomite. Mineralized. |
| 280 | 285 | Shaly dolomite with increase in quartzite. Highly mineralized. Pyrite-sphalerite (Marmatite) (?) galena (?) |
| 285 | 288.5 | Quartzite |
| 288.5 | 299.9 | Quartzite |
| 299.9 | 308.0 | Shaly dolomite. A little pyrite. |
| 308 | 314.9 | Quartzite, glauconite. Schist contact at 314.9 feet. |
| 314.9 | 315.8 | Quartz stringer. Conglomerate (?) at 315.8 feet. |
| 315.8 | 322 | Schist. 3.75 feet core recovered from 313 to 322 feet. |

## LOG OF CORE DRILL HOLE "G"

See map for location.
Elevation of collar - 4,924.5 feet (estimated)

| Depth in feet From | To | Description |
|---|---|---|
| 0 | 4 | Shale |
| 4 | 245 | Porphyry |
| 245 | 260 | Brown - gray shale |
| 260 | 267 | Shale and shaly limestone, heavy iron stain. |
| 267 | 273 | Shale, shaly quartzite. Quartzite slightly mineralized. Pyrite, marmatite (?), galena (?) |
| 273 | 275 | Quartzite, slightly mineralized. |
| 275 | 293 | Quartzite. No mineral. |
| 293 | 301 | Quartzite, dolomite, shale. No mineralization. |
| 301 | 306.5 | Quartzite. Quartzite with shale partings, and quartzite. |
| 306.5 | 306.6 | Conglomerate. Schist contact at 306.6 feet. |
| 306.6 | 308 | Schist. |

## LOG OF SURFACE CORE DRILL HOLE NO. I

See map for location.
Elevation of collar - 5,035

| Depth in feet From | To | Description |
|---|---|---|
| 0 | 31 | Overburden |
| 31 | 70 | Gray - Limey Sandstone with a few shale partings - Some FeO stain from 65 - 70. Contact SS and porphyry at 65.7 feet (?). Contract not recovered. |
| 70 | 91 | Monzonite (?) porphyry. |

LOG OF SURFACE CORE DRILL HOLE NO. I (cont.)

| Depth in feet From | To | Description |
|---|---|---|
| 91 | 94 | Limey sandstone with thin intercalated shale. |
| 94 | 95 | Shale |
| 95 | 129 | Shale with some limestone seams. |
| 129 | 141 | Buff colored limestone - dolomitic (?) |
| 141 | 201 | Gray to greenish gray shale. Shale-Porphyry contact at 201 feet. Contact not recovered. |
| 201 | 403 | Monzonite porphyry. |
| 403 | 431 | Quartzitic - Shale. |
| 431 | 442 | Quartzite with some green shale partings. Quartzite is slightly dolomitic at 440' - 442' |
| 442 | 451 | Quartzite with slight pyrite mineralization. |
| 451 | 461 | Quartzite, gouge at 461 feet. |
| 461 | 476 | Quartzite with glauconitic (?) green coloration. |
| 476 | 476.2 | Congdomerate - Schist contact at 476.2 feet |
| 476.2 | 486 | Schist. |

140

FILE COPY
SURNAME:

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

Returned
ok'd

September 30, 1953

N.S. in Q.R.

Memorandum

To: The Administrator
Through: W. R. Griswold

From: Chief Counsel

Subject: Docket No. DMEA-2358, Contract No. Idm-E271
Belle Eldridge Gold Mines, Inc.

Reference is made to a memorandum of the Chief, Base Metals Division, to the Chief Counsel, dated September 29, to which is attached a memorandum dated September 18 from the Executive Officer, Region V, to the Operating Committee. These memoranda indicate that the Operator is in default under the contract in that he has terminated the work without the consent of the Government before its completion. Agreements for termination have been sent to the Operator but he has neglected to execute them.

In this state of affairs Mr. Griswold suggests that ". . . we should terminate due to nonconformance of work pursuant to the contract terms, and at the same time preserve the Government's right to a percentage royalty as if there had been a certification."

The only right the Government has to a percentage royalty arises upon a certification of discovery or development under the contract, and the Government cannot make such a certification in the absence of a discovery or development that would justify it. If the Operator refuses to enter into a terminating agreement by the terms of which the Government's right to a percentage royalty is preserved without certification, the Government's inchoate right to a percentage royalty will never mature.

This is not to say that the Government is without remedy. If the Operator is in default in that the time for the completion of the work has lapsed, or in that the operations have been suspended for so long that the work could not now be completed within the time limited, the Government may give the Operator notice of rescission of the contract

for default in performance, and demand repayment of all money contributed by the Government. Of course, if the Government is willing to waive the default, it may simply give notice of termination in the usual manner, but it cannot then preserve any right to a royalty. When a decision is made as to which course to take, this office will be glad to draft any necessary papers.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

Attachment

AEKane/JLHofflund/emd
Copy to: Docket
W. R. Griswold
A. E. Kane
J. L. Hofflund
Chron.

500

FILE COPY
SURNAME

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

N.S. in R.R. 9/29/53

Memorandum

To: Chief Counsel

From: Chief, Base Metals Division

Subject: Docket No. DMPA-2358, Contract No. 1Gm-F271, Belle Eldridge Gold Mines, Inc.

The attached letter from the field, dated September 18, 1953, is self-explanatory.

Since the Operator has not signed the mutual termination agreement, we should terminate due to nonconformance of work pursuant to the contract terms, and at the same time presere the Government's right to percentage royalty as if there had been a certification.

W. R. Griswold
W. R. Griswold

WRGriswold/bjl

Copy to: Docket
Base Metals
Mr. Griswold
Chron.

FILE COPY
SURNAME:

500

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

N.S. in R.R.

September 28, 1953

Memorandum

To : Chief Counsel

From: Chief, Base Metals Division

Subject : Docket No. DMEA-2358, Contract No. Idm-E271, Belled Eldridge Gold Mines, Inc.

The attached letter from the Field, dated September 18, 1953, is self-explanatory.

Since the Operator has not signed the mutual termination agreement, we should terminate due to nonconformance of work pursuant to the contract terms, and at the same time make a pseudo certification.

W. R. Griswold

Copy to: Docket
Base Metals
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

September 18, 1953

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA-2358, Contract Idm E-271
Belle Eldridge Gold Mines, Inc.

This project has been terminated.

Fund data is as follows:

| | |
|---|---|
| Total amount of contract | $11,600.00 |
| Government share | 5,800.00 |
| Total amount spent | 5,544.00 |
| Government share | 2,772.00 |
| Balance to general fund | 3,028.00 |

We mailed mutual termination forms to the company on July 28, 1953, and again followed up the letter with a request they sign and transmit on August 27, 1953. To date we have not received them. If and when we do, we will forward them on to you.

A. B. Needham
ab

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

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
AUG 31 1953

August 27, 1953

Answered
Betty

Mr. William C. Bessler
Belle Eldridge Gold Mines, Inc.
Box 908J
Canton, South Dakota

2358

Dear Mr. Bessler:

Reference is made to our letter of July 28, 1953, enclosing six copies of mutual termination forms to effect termination of your DMEA Contract Idn E-271.

We would appreciate very much your having the documents signed and returned to this office so we may conclude the project.

Best regards,

Very truly yours,

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

cc: Operating Committee (2)
Dutton
Redden
Binyon

500

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

Approved
Selfridge
H. Johnson

JUL 23 1953

Mr. A. D. Needham, Executive Officer
Field Team, Region V
2903 Colfax Ave., South
Minneapolis 8, Minnesota

Re: Docket No. DMEA-2358 (Zinc-Lead)
Belle Aldridge Gold Mines, Inc.
Lawrence County, South Dakota
Contract No. Idm-E271

Dear Mr. Needham:

In accordance with your letter of July 7, 1953, we are enclosing the original and five copies of a termination agreement which is to be signed both by the Operator and the Government. Will you kindly present this to the Operator for signature, and return to us when signed.

For various reasons it is much more desirable to effect terminations of this sort by mutual consent, rather than by unilateral action on the part of the Government, when it is at all feasible to do so.

Sincerely yours,

George C. Selfridge (2/15)
Chairman, Operating Committee

Enclosures 6

WRGriswold/bjl (7/20/53)

Approved:

J. H. Hedges
Member, Bureau of Mines (2/15)

A. R. Kinkel, Jr.
Member, Geological Survey (2/15)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Bishop
Mr. Kinkel
Mr. Chambers
Mr. Hofflund
Chron.

R.C.J. 7-23-53

/Extra Copy

TERMINATION OF WORK UNDER AN EXPLORATION PROJECT CONTRACT
BY AGREEMENT

It is agreed this 22nd day of July, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Belle Eldridge Gold Mines, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E271, Docket No. DMEA-2358, dated November 12, 1952, that:

1. All exploration work under the said contract shall be terminated as of the date first above written.

2. 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.

3. 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.

4. The Government's right to a percentage royalty on production and Lien for its payment, and all provisions relevant thereto, are preserved with respect to all of the land described in the contract and any production therefrom, in the same manner and to the same extent as if the Government, as of the date first above written, had made its certification of discovery or development as provided in the Exploration Project Contract.

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

UNITED STATES OF AMERICA

By C. O. Mittendorf
Administrator, Defense Minerals
Exploration Administration

BELLE ELDRIDGE GOLD MINES, INC.

By _____

500

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

N.S. in R.R.

July 16, 1953

Memorandum

To: Chief Counsel

From: Chief, Base Metals Division

Subject: Docket No. DMEA-2358, Belle Eldridge Gold Mines, Inc., Lawrence County, South Dakota, Contract No. Idm-E271

As per letter dated July 7, 1953, the Field Team desires to terminate the contract. Will therefore prepare a termination by mutual consent which we may sent to the field so that they may be presented to the Operator for signature.

W. R. Griswold

W. R. Griswold

WRGriswold/bjl

Copy to: Docket
Base Metals
Chron.

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

July 7, 1953

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA-2358, Contract Idm E-271, Belle Eldridge Gold Mine, Inc.

Authority is requested to terminate the subject project because the operator is unable to obtain sufficient additional funds to drill more holes.

One hole has been drilled on the amended contract, and nothing of promise was disclosed.

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

Docket Copy

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
DEC 18 1952

December 15, 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-2358, Contract Idm-E271 - Amendment No. 1
Belle Eldridge Gold Mines

Here are the original and two copies of Amendment No. 1 to the above amended contract, permitting a recess and extending completion date necessary because of weather conditions.

A copy of the amendment has been retained by the operator, the Rapid City office, and this office. A copy is being transmitted to the Regional fiscal section.

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

Attachments

ABNeedham:dg
cc Dutton
Redden
Mullen
Hill
Region V
files
df

RECEIVED
DEC 29 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

cc 12-19

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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-2358, Contract Idm-E271
Belle Eldridge Gold Mines, Inc.

Here are the original and two copies of the amended contract for the above docket, properly executed.

One copy has been transmitted to the Regional Fiscal Section and one copy retained here.

Our Rapid City Field Office has made a copy for their files.

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

Attachments

ABNeedham:dg
cc Dutton
Redden
Region V
files
df

cc
12-1

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 28 1952

FILE COPY
SURNAME:

Corbett
Keller
Talbot

# UNITED STATES
# DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

NOV 12 1952

Mr. A. P. Needham
Executive Officer, Region V
DMEA Field Team
2[illegible]8 Colfax Ave., South
Minneapolis 8, Minnesota

Re: Docket No. DMEA-235[illegible]
Contract No. Idu-[illegible]271
Belle Eldridge Gold Mines, Inc.

Dear Mr. Needham:

Enclosed please find the original and 5 copies of an amended contract for the Belle Eldridge Gold Mines.

It was the opinion of the legal department that the matter of amending the contract be handled in this manner.

If the contract is satisfactory to the Operator, please have it signed and return the original and two copies to this office.

Sincerely yours,

(signed) FRANK E. JOHNSON (GHB)

Chairman, Operating Committee

Enclosures 6

FXCorbett/bw (written 11/10/52)

APPROVED:

J. K. Hedges (GHB)
Member, Bureau of Mines

A. R. Kinkel, Jr. (GHB)
Member, Geological Survey

Copy to: Docket
Adm R. File
Op. Comm.
H. F. Keller (2)
F. X. Corbett
Mr. Bishop
Mr. McKnight
Chron.

J.H. 11-12-52

FILE COPY
SURNAME:

AEKane

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

November 7, 1952

n.s. in R. & R. Sas

Memorandum

To: H. F. Keller

From: Chief Counsel

Subject: Belle Eldridge Gold Mines, Inc., Docket No. DMEA-2358 - Zinc-lead

There is attached, in satisfactory legal form for execution, an amended contract covering the above-described project, subject to the insertion in the opening paragraph of the state of incorporation of the Operator.

AEKane
for J. L. Hofflund
Chief Counsel

Attachment

AEKane/ema
cc: Mails & Files
A. E. Kane
J. L. Hofflund
Chron.

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 5 1952

November 3, 1952

No reply necessary — see letter Nov. 3. Op. Com. to Needham

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Proposed amendment to Docket DMEA-2358, Contract Idm-E271 Belle Eldridge Gold Mines, Inc.

On October 20, 1952, we sent you a copy of a proposed amendment of the subject contract which intended to change the unit of work in Stage 2 from holes to feet and asked you to comment on the logic of such an amendment, simply because we wanted to know that it would pass Washington before submitting it to the field.

To date, we have had no advice and are wondering if you overlooked reviewing it for us.

We would appreciate your early reply.

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

ABNeedham:dg
cc Dutton
Mullen
Region V
files
df

FILE COPY
SURNAME:

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

500

Corbett
Keller
Talburt
Withers

rewritten 10/29/52

NOV 3 1952

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

Re: Docket No. DMEA-2358
Contract Idm-E271
Belle Eldridge Gold Mines, Inc.

Dear Mr. Needham:

This is to advise you that an amendment to the Belle Eldridge Gold Mines contract, which will allow payment for work performed in Phase II on a unit basis of $4.00 per foot of diamond drilling completed, is satisfactory.

In accordance with the suggestion of our legal department, the contract is being redrawn as a short form contract, and will be forwarded to you.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee

F.H. 11-3-52

APPROVED:

J. H. Hedges
Member, Bureau of Mines

A. R. Koskel, Jr.
Member, Geological Survey

FXCorbett/bw (written 10/29/52)
Copy to:
Docket
Adm. R. File
Op. Comm.
H. F. Keller (2)
F. X. Corbett
Mr. Bishop
Mr. McKnight
Chron.

AMENDMENT

DMA Docket No. 235[illegible], Contract Idm E-271, dated March 11, 1952 between the United States of America and Belle Eldridge Gold Mines, Inc., is hereby amended as follows:

1. Phase II of the exploration work: 2,000 feet of AX diamond core drilling at a cost of $[illegible].00 per foot, which price includes all drilling costs, engineering, bookkeeping, transportation, chemical analyses, and incidental costs, making a maximum of $8,000 for the project in which the Government will participate. This is equivalent to five holes at $1600 per hole, as provided for in the contract.

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

UNITED STATES OF AMERICA

Dated: _____ By _____
Executive Officer, DMA Field Team
Region 7

Dated: _____ By _____

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
OCT 23 1952

October 20, 1952

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Amendment to Docket DMEA-2358, Contract Idm-E271
Belle Eldridge Gold Mines, Inc.

Here is a copy of an amendment to the subject contract which is intended to change the unit of work in stage 2 from holes to feet.

The reason for this is because it is probable that some locations of holes might require that they be deeper than the originally intended 400 feet.

No change in cost of phase 2 nor the total of the contract nor the percentage of justification is involved.

Please advise if you see no objection so the amendment can be processed immediately, since the company is now beginning work.

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

Attachment

ABNeedham:dg
cc Dutton
Region V
files
df

cc 10-23

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
Region V
2908 Colfax Avenue South
Minneapolis 5, Minnesota

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 15 1952

October 13, 1952

Memorandum

To: Donald H. Mullen, Supervising Engineer, Bureau of Mines, School of Mines Campus, Rapid City, South Dakota

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA-2358, Contract Idm-E271
Belle Eldridge Gold Mines, Inc.

Reference is made to the report of stage one and denying initiation of stage two.

It is the opinion of this office, after review of the report, that adequate exploration of the area has not been made. The three drill holes, located as they were, were not designed to increase tonnage. They would give some indication of grade as previously reported. Two of the three holes (and these two holes were within the block boundary of previously reported grades and tonnages) indicated mineralization, perhaps not quite up to the grade previously reported, but they did indicate mineralization. By these holes and those previously drilled, it does not seem that we can conclude there is no trend to the north, and that area does not seem to be adequately explored. Perhaps the trend is not directly north of hole G, as indicated by the proposed holes H to L, but rather could be farther to the east, or north of hole D. There is also a possibility of a trend south.

It is suggested further exploration be granted and that a section of two or three holes be drilled north of hole D or slightly northeast of hole G, 150 to 200 feet north of the old drill holes.

Since the company is willing to spend one-half of the cost and since it is believed the area has not been adequately explored, this is authority for continuation into phase two with at least three holes to the north and perhaps about two holes to the south, if advisable.

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

ABNeedham:dg
cc Dutton
Redden
DMEA (Wash) 2
Region V
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

[redacted]
Region V
2900 Calfax Avenue South
Minneapolis 6, Minnesota

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 15 1952

October 13, 1952

Belle Eldridge Gold Mines, Inc.
Deadwood, South Dakota

Gentlemen:

This is to advise authorization of stage two pertinent to your Defense Minerals Administration Contract Idm-2271, Docket 2358, to explore for zinc-lead mineralization in secs. 25 and 26, T. 5 N., R. 3 E., Lawrence County, S. Dak., has been granted.

The purpose of stage two is to explore for extension of mineralization disclosed by previously drilled holes A and B. Location of these holes is to be approved by the Government.

Sincerely yours,

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

ABMeacham:dg

cc Belle Eldridge - Canton, S. Dak.
Dutton
Redden
Mullen
DMEA (Wash) 2
Region V
files
df

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
MAY 16 1952

May 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-2358x, Contract Idm-E271 - Amendment No. 1
Belle Eldridge Gold Mines, Inc.

Here are the original and two copies of the duly executed subject contract, together with an amendment extending the starting date to provide time for some preliminary rehabilitation work.

One copy has been retained by the operator and one copy by this Regional office.

The operator apparently mislaid the fiscal section copy (or else it was never sent to us); at any rate, we cannot locate it. Therefore, we made a copy and have transmitted it to the local Regional Fiscal section for their files.

A. B. Needham (W.E.D.)

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

Attachments 3

ABNeedham:dt
cc Dutton
Mullen (At.)
Redden
Hill (At.)
Region V
files
df

500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
Region V
2900 Colfax Avenue South
Minneapolis 5, Minnesota

May 6, 1952

Mr. William C. Beasler, Vice President
Belle Eldridge Gold Mines, Inc.
Box 9063
Canton, South Dakota

Dear Mr. Beasler:

Reference is made to your recently executed Contract 1dm-1271, Docket DMEA-2356, on which an amendment has just been made extending your starting date 30 days.

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,

Department of the Interior
Defense Minerals Exploration Administration
MAY 8 1952

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

Enclosure
cc A. Jackson, Keystone
Britten
Sullen
Madden
Hill
[illegible] (Mash) 2
Region V, file, df

BL

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

Docket DMA-2141x, Contract Idm-E239, New Dall Mining Co., and Docket DMA-2358x, Contract Idm-E271, Belle Eldridge Gold Mines, Inc., have not been fully executed, as the operators have not yet signed - the New Dall Mining Co., because of financial difficulties subsequent to having submitted the application; Belle Eldridge Gold Mines, Inc., because revisions of the contract have just recently been submitted to them and they have not had time to reply.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
XXXXXXXXXXXXXXX
WASHINGTON 25, D.C.
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 28 1952

March 26, 1952

Mr. Wm. C. Bessler, Vice President
Belle Eldridge Gold Mines, Inc.
Box 9083
Canton, South Dakota

Dear Mr. Bessler:

Here are six copies of D.M.A.A. contract Idm-1271 providing for exploration at your property near Deadwood, South Dakota.

You will note the contract is in two stages, the first to consist of 3 holes instead of the 7 indicated on the application. However, as was explained to you over the telephone recently, we believe it is still a very good contract because if additional holes are necessary, they can be provided. The second stage is as previously recommended.

You will note further there is an amendment attached to provide for a core size, not included in the original contract. We feel this is necessary because previous EX and AX drilling in mineralization at the property disclosed core recoveries from 55 to 77 percent which is low and might indicate difficult drilling or at least difficult coring. Results of the first stage are important to determine if the values check previous drilling and whether stage 2 is to be initiated we feel a larger core is, of course, stronger and will improve recovery.

If costs for larger cores are more than estimated, an amendment can be made to provide it from stage 2, and if stage 2 requires an increase, this can be provided through an authorization from Washington.

If both contract and amendment No. 1 is satisfactory to your company, please sign all six copies of the contract and eight

BL

copies of the amendment, retain the contract copy marked "Operator's copy" and the last carbon of the amendment and return all other copies of contract and amendment to this office for proper distribution.

Very truly yours,

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

Enclosures: 14

ABNeedham:mg
cc: Dutton
Mullen
Madden
Hill
U.M.E.A. Wash.(2)
Reg.Dir.
files
df

500
FILE COPY
SURNAME:

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

Moulds
Bishop
McKnight

MAR 11 1952

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

Re: Docket No. 2358
Belle Eldridge Gold Mines, Inc.
Deadwood, South Dakota

Dear Mr. Needham:

We are transmitting herewith the original and five copies of a contract covering the proposed exploration of the Belle Eldridge Mine.

As you will note, the diamond drilling for Stage 1 has been decreased from seven holes to three holes. This has been done on the premise that the three holes will sufficiently check the previous drilling without unnecessary duplication of all of the present holes. Drilling for additional reserves by Stage II shall be dependent upon establishing the accuracy of the previous reserve calculations by the results of Stage I.

The contracts have been signed by this office for the Government with effective date as shown. If the contract is approved by you, present it to the company for approval and signature. After signing, distribute the copies in the usual manner with the original and three copies returned to this office as soon as possible.

If the contract does not meet with approval, return the original and all copies along with proposed changes to this office for consideration.

Sincerely yours,

3/11/52

(signed) FRANK E. JOHNSON (AB)

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosures - 6
APPROVED:

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

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

DEMoulds/hmj
3-4-52
CC to: Adm. R. File
Docket File Copy
Mr. Bishop
Mr. McKnight
Region V
Mr. Moulds

FILE COPY
SURNAME:

Moulds

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

February 26, 1952

Memorandum

To: C. O. Mittendorf

From: D. E. Moulds

Subject: Exploration for marginal ore reserves in the Belle Eldridge Mine, Docket No. DMEA 2358.

The Belle Eldridge Gold Mines, Inc., initially applied for a direct loan of $306,700 to finance a program of exploration, mine development, equipping and operation of a lead-zinc mine and concentrating plant. The Lead-Zinc Branch of DMA denied this application in December 1951, on the recommendation of the Field Team and on the basis that the indicated ore reserves were insufficient, and that the grade and indicated recovery would not permit repayment of the loan.

The Field Team recommended that further metallurgical and mineralogical work be done on the ore to determine if concentration can be improved sufficiently to permit economical operation on the grade of ore shown by the reserves. If the economics can be established an exploration program to develop further reserves could be considered.

Since the examination was made the applicant advised the Field Team that they could not justify the expenditures of money for metallurgical work unless greater tonnage of ore reserves were proven above the present 88,264 tons of 3½ percent of zinc, 0.54 percent lead. Also, that core from the previous lower contact drilling is not available for test purposes. The Field Team, therefore, has recommended that a two stage drilling program be entered into for the purpose of checking previous drilling by furnishing lower contact cores for analysis and testing and to further increase the ore reserves by drilling in an adjoining area.

The review of the application by the USGS and USBM has indicated that the project has fulfilled the requirements of engineering feasibility, possibility of discovery of zinc ore reserves and furnish material for metallurgical testing of present ore. The ore, however, is

at present uneconomical and expectations of better grade are not favorable. The recommendation for the project, however, rests on the policy of DMEA in regard to exploration for ore which at present appears uneconomical.

The concept of exploration is believed to be the search for ores of the present critical classification which, if discovered, will be produced within the next 10 years. This does not require that present economics enter into consideration to the extent required in determining the eligibility for direct loans. It appears that major consideration in exploration should be given to discovery and delineation of reserves of minerals on the principle that sufficient reserves of presently submarginal ore will induce metallurgical and mining experimentation and methods to economically produce the ore under conditions which may reasonably be expected to exist during the next 10 years.

This project has, therefore, been approved on a two-stage basis in order, first, to check the previous drilling results and obtain samples for further metallurgical study, and second, to explore for additional ore.

The approved project differs from the Field recommendation in the first stage in that only three holes were approved instead of seven. It is believed that the three holes will permit improved evaluation of the previous drilling and yet not result in unnecessary expense of duplication of drilling within the area now conditionally qualified as ore reserves. One hole has been added to the Commodity recommendations to add information on the area between Stage I and II, drilling which thus can be considered before final approval is given to Stage II.

D. E. Moulds cc 3/11

DEMoulds/hmj
2-26-52
cc to:
Adm. Reading File
Docket File Copy
Mr. Bishop
Mr. McKnight
Mr. Moulds

IN REPLY REFER TO:

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

February 20, 1952

Memorandum

Re: DMEA-2358
Belle Eldridge Mine
Lawrence County, South Dakota
$11,005.34
Lead, zinc

To: Mr. D. E. Moulds

From: E. L. Newcomb

Subject: Geological recommendation

A new field team report has been received, which was not available when this application was first reviewed. This report recommends an approval of the applicant's two-stage exploration project.

According to the report, the objective of the proposed work is to further increase, by core drilling, the tonnage of ore reserves in order to justify further expenditures by the Belle Eldridge Company in metallurgical investigation and the improvement of milling practice. Ore from the lower ore horizon is not available for mill testing, nor is the core from previous drilling available. In the previous field report, concerning reserves for a direct loan, the examining engineer based his conclusions on the assumption that ore in the upper and lower horizons was similar in nature. The proposed drilling will furnish material for geological study, assaying, and laboratory concentration tests.

From a geological standpoint, Stage 1 will serve as check drilling on the previous work. It will also serve as a means of determining what relative value Hole 37, which gave very high values in comparison to the others, should have in calculating the total ore reserves. However, aside from providing core for analysis and testing, further drilling on Stage 1 cannot be expected to appreciably increase the total reserves, either in grade or in amenability. The previous drilling has indicated that considerable ore occurs in quartzite, which suggests that mining and milling costs would be increased as compared to ore extracted from dolomitic limestone.

Stage 2 probably would increase reserves, but based on the results obtained in previous drilling it is very unlikely that the grade or amenability of the ore will improve. The problem of obtaining material for milling and metallurgical testing would seem to rest with the applicant, since increasing the reserves cannot make the mining of this ore more attractive from an economic standpoint.

The proposed drilling can be considered to have geological merit, if the development of marginal ore reserves is acceptable in principle by the DMEA. Further exploration on the Belle Eldridge property will develop additional lead-zinc reserves, but whether these reserves can ever become economic is a major consideration to be resolved before exploration assistance is granted for this property.

E. L. Newcomb

E. L. Newcomb
Geologist

IN REPLY REFER TO:

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

February 7, 1952

Memorandum

Re: DMEA-2358
Belle Eldridge Mine
Lawrence County, South Dakota
$16,044.67
Lead-zinc

To: Mr. D. E. Moulds

From: Mr. E. L. Newcomb

Subject: Geological recommendation

The property has been examined by the field team in connection with a direct loan application, DMA-1197, for $306,700. The field report recommended a denial of the application for the following reasons:

1. The indicated (drilled) reserves of 88,000 tons were insufficient and too low in grade.

2. Mill and smelter records indicate that the overall mill recovery is only 61%, smelter returns are 54% of mill recovery, and net return to the operator is only 32% of the gross value. Therefore, on mill heads with a gross value of $17.66 per ton, the net smelter returns are $5.88 per ton of ore milled. If the costs are $5.72, as estimated by the applicant, this 16¢ per ton margin would make repayment of the loan impossible.

The applicant has discussed the possibility of an exploration loan with the field team. At the time of this discussion, the operator was advised that the following steps should be taken before additional money was spent on the property:

1. A mineralogical analysis should be made of the ore in order to determine the most economical grade of concentrate that could be produced. Present concentrations are too low in lead and zinc and too high in iron.

2. Determine by laboratory or pilot plant tests if the grade and recovery from the ores can be improved sufficiently to produce a profitable margin.

3. Explore the possibility of jigging or sink-float to eliminate a large percentage of barren rock before grinding and floating.

The new application, DMEA-2358, does not state that milling efficiency has been improved, or that any of the suggested tests are being made.

The applicant's proposal consists of two stages. Stage I is essentially check drilling in the block of reserves submitted for consideration in the earlier application. Seven underground holes, totaling 21-2200, will be drilled on the Silver Glance lode, Les Ne Gero lode, and Champion lode claims. If these holes indicate a satisfactory grade of ore, the second stage of the program will be undertaken. Stage 2 involves the drilling of 5 surface holes, totaling 22-2400 ft, on the Silver Glance lode claim.

Stage 1 will further delineate the reserves in the block outlined on the applicant's map. Stage 2 may add to the total indicated reserves on the property, but the same recovery problem and profit margin will plague the operation. Without doubt, the exploration program will be undertaken for the purpose of establishing sufficient ore reserves to justify reconsideration of the direct loan application.

As the same milling and metallurgical problems still exist, regardless of reserves, the proposed work is not warranted and the application should be denied.

E. L. Newcomb

E. L. Newcomb
Geologist

DMEA Docket No. 2358 - Belle Eldridge Gold Mines, Inc.,
Deadwood, South Dakota

16. Recommendations:-

The unsuccessful operation of this property during the Premium Price Plan indicates, the sub-marginal nature of the deposit. Thus the feasibility of further exploration at this time must be judged from a long range viewpoint.

The field team using data submitted by the applicant, estimated that within an area comprising some 88,000 square feet a flat lying mineralized bed averaging about 12 feet thick contained 3.5 percent zinc, 0.5 percent lead, 0.08 ounces of gold and 0.72 ounces of silver per ton. Material of this grade and thickness would be valuable in the Tri-State area, whereas at the Belle Eldridge, due principally to very poor mill recoveries, it is not commercial at this time. If a significant tonnage of ore could be outlined it is probable, that, a satisfactory method of treatment could be found for the Belle Eldridge ore.

If it is the policy of the DMEA to consider that the exploration program should apply only to those deposits that are likely to prove economic in the near future then it is recommended that the application of the Belle Eldridge Company be denied.

On the other hand if the long range view is acceptable then it would appear that further exploration of the deposit is warranted.

On that basis it is recommended that two vertical diamond drill holes, each some 300 feet deep, be drilled near the points marked "A" and "D" on the applicant's map. If the results of these holes do not disclose mineralization of comparable grade and thickness to that claimed for the former holes in their immediate vicinity then the project should be abandoned.

In the event these preliminary holes are satisfactory and thus corroborate the results of the former drilling, then further drilling, under the guidance of the field team, should be undertaken. It would appear desirable, so far as possible, to attempt to indicate the potential extent of the mineralization rather than to cut the ground up with closely spaced holes.

L. L. Farnham by OMB
L. L. Farnham

O M Bishop, 2/13/52
O. M. Bishop

DMEA-2358

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

January 30, 1952

Memorandum

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

From: Executive Officer, DMEA Field Team, Region V

Subject: Exploration application - Belle Eldridge Gold Mines, Inc. Canton, South Dakota (formerly Docket DMA-1197)

Here are four copies of an application from the Belle Eldridge Gold Mines, Inc., to explore for zinc and lead on their property at Deadwood, S. Dak., together with four copies of the field team report recommending the project as feasible.

Belle Eldridge previously filed an application for an expansion loan of $300,000 to produce zinc and lead, but the field team did not concur in the feasibility of the project and recommended more metallurgical work be done to prove the ore amenable to economic concentration and also that additional ore had to be found.

Subsequent investigation of the metallurgy indicates a satisfactory product could probably be made; and now the company wants to explore for more ore, which is what this application is for.

The field team has reviewed the application, the conditions and circumstances, and concurs that a project in two phases is feasible.

FEB 1 1 2 PM '52
DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.

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

Attachments

We have checked with D.M.P.A. & no records of any MF 100 are there.
S.A. 2-1-52

A-2958

UNITED STATES
DEPARTMENT OF THE INTERIOR

Oscar L. Chapman, Secretary

Reviewed by
DMEA OPERATING COMMITTEE
2-11-52
(date) (2/63)

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Report of Examination by Field Team

ON-SITE EXAM.

DMA-1197x - Belle Eldridge Gold Mines, Inc.
(Straight Lode) Canton, South Dakota

Project located near Deadwood,
South Dakota

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
FEB 1 1 27 PM '52

Dr. G. M. Schwartz, Geologist
U. S. Geological Survey

Emmett J. Martin, Mining Engineer
U. S. Bureau of Mines

January 1952

## SUMMARY AND CONCLUSIONS

### Pertinence of this Proposal to the Commodity Program

Zinc and lead are necessary components of materials and products entering into the manufacture and production of arms, munitions, and implements of war. The Munitions Board has declared zinc and lead critical and strategic minerals; the Government is purchasing zinc for stockpiling; and every effort is being made to increase the production of zinc and lead. The objective of this project is to increase, by core drilling, the tonnage of ore reserves to such a point that would warrant further expenditures by the Belle Eldridge in metallurgical investigation and the improvement of milling practice and, subsequently, the production of zinc and lead.

### Technical Feasibility

This property was investigated by a DMEA Field Team[1/] on August 28 and 29, 1951, with respect to the feasibility of granting the Belle Eldridge Co. an expansion loan of $306,700. The field team recommended denial of the loan because of:

1. The small tonnage and low grade (recoverable) of the reserves;

2. A mill recovery of only 60 percent, producing a zinc concentrate of only 45 to 48 percent and a lead concentrate of only 28 to 30 percent; and

3. These low-grade concentrates effect high freight rates and low smelter returns, with the result that the overall smelter returns are only about 54 percent of the concentrate values.

The millheads have a gross value of $17.66 per ton of ore milled. The costs are $5.72, leaving a margin of only $0.16 per ton before

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1/ Schwartz, Dr. G. M., Geologist; Martin, E. J., Mining Engineer; and Runke, S. M., Metallurgist.

provision for repayment of the loan or profit. This margin, based on a reserve of 88,264 tons, would make the repayment of the loan impossible.

Since this examination was made, the company has fully considered the above factors and feel that, while they have 88,264 tons of ore assaying 3-1/2 percent zinc, 0.54 percent lead, 0.076 ounce gold, and 0.72 ounce silver, they could not justify the expenditure of money for metallurgical work unless greater tonnages of ore reserves are proven.

Furthermore, ore from the lower contact is not available for mill testing, nor is the core from previous drilling available. The company engineer states that the nature of the ore is identical, but this statement is somewhat dubious. The ore of the lower contact is partly in quartzite, rather than dolomite as in the upper ore horizon. The drilling will furnish material for geological study, assaying, and laboratory concentration tests.

The chances of increasing the tonnage of ore reserves are good. The project is technically feasible.

## Availability of Requirements

Power, water, housing, and manpower are available. Principal equipment is available on a depreciation basis. Principal requirement would be supplies in the form of bits, rods, casing, etc.

## Competence of Applicant

The Board of Directors of this company consists principally of successful farmers and businessmen of Sioux Falls and Canton, S. Dak. They have no mining background, but are capable of furnishing their share of the cost of this project.

A. I. Johnson, a mining engineer who will be in charge, is capable of supervising this exploration project.

## Recommendations

It is recommended

1. That the request for a loan be granted - the total amount of the loan is $11,005.34; the Government's share is 50 percent, or $5,502.07;

2. That Phase 1 be executed as outlined by the applicant;

3. That Phase 2 be dependent upon the results of Phase 1, and these results will be determined by a study of the drill cores of holes of Phase 1 by a representative of the D.M.E.A.; and

4. That the core and sludge be split - one-half to be used for analysis, and one-half to be made available to the U. S. Bureau of Mines at Rapid City, S. Dak.

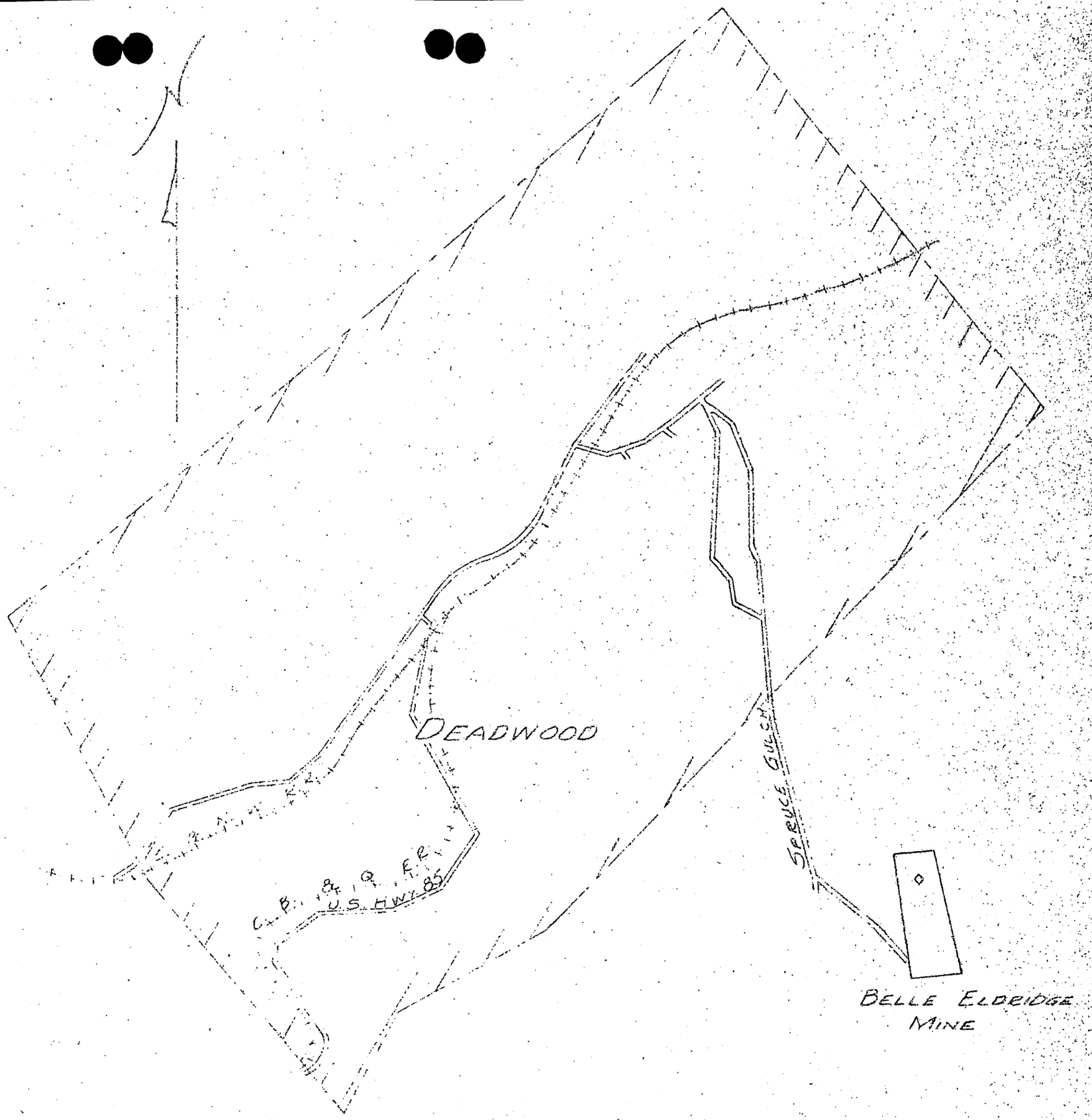
# PROPERTY AND LOCATION

The Belle Eldridge Gold Mines, Inc. property, consisting of 47 mine claims totaling 491 acres (fig. 1), is one mile due east of Deadwood, Lawrence County, South Dakota (fig. 2). It lies mainly in section 25, but portions of the property are in sections 24, 26, 34, and 35. All sections are in T. 5 N., R. 3 E. The proposed work is on Lis Ne Gead Lode and Silver Glance and Champion claims (fig. 1). The property is reached by the Spruce Gulch Road from Deadwood (fig. 2).

# GEOLOGIC ASPECTS

## Geologic Setting

The property of the Belle Eldridge Gold Mines, Inc. is in Spruce Gulch, about one mile airline distance east of Deadwood, S. Dak. The property lies at the northeast edge of the known area of Tertiary




SCALE

0 1320 2640 5280 FEET

0 ¼ ½ 1 MILE

FIGURE 2

mineralization which roughly centers around the Homestake mine. There are no known deposits north or east of the Belle Eldridge openings.

The so-called "flat formation" ores of the Black Hills occur mainly in the Deadwood formation. The ore has been mainly a gold ore with no other commercial values except the usual small amount of silver found with most gold ores. There has been a small amount of complex zinc-lead-gold-silver ore mined from the Belle Eldridge property. No other zinc production has come from the Northern Black Hills, but some rich lead-silver ore was produced in the early days in the vicinity of Galena, about four miles southeast of the Belle Eldridge. Some exploration for gold-tungsten ores has also been carried on in Two Bit Gulch about one mile southeast of the Belle Eldridge, but there is no activity at present.

## Ore Bearing Beds

The deposits lie at two horizons in the Deadwood Formation, which is Cambrian in age. The mining to date has been in beds roughly 300 feet above the base of the Deadwood, but from 200 to 240 feet of this thickness is a result of a big porphyry sill intruded into the Deadwood. The mineralized area which is to be mined according to the proposal being investigated is near the base of the formation lying on, and at places includes part of, the quartzite beds which are rather uniformly present at the base of the formation.

## Geologic Structure

The general structure of the deposits is fairly simple but the detailed structure is complicated and has not been mapped.

The Belle Eldridge claims lie on the eastern flank of the Black Hills uplift a short distance from exposures of pre-Cambrian rocks that form the interior area of the uplift. The Cambrian and younger formations

dip eastward at variable but usually low angles (10°-15°). The claims lie at the upper end of Spruce Gulch and extend over part of Lexington Hill; both features are shown on the lead topography sheet (fig. 2). The sedimentary formations are intruded by sills, dikes, and irregular masses of porphyry of Tertiary age, and the ores in the Cambrian are practically always associated with these intrusions. The instrusions have greatly disturbed the sedimentary beds so that the dip and strike may vary greatly within even a few feet as was observed in the mine. There has been considerable faulting and jointing and these fractures are locally called "verticals." In the typical Cambrian gold ores the "verticals" are known to be the channels along which the solutions travelled to gain access to the ore-bearing beds. This is also probably true in the Belle Eldridge mine, although not enough geologic mapping has been done to verify this inference for all of the ore. Our work and the experience of Mr. Johnson indicates that this is the case for some portions of the mine.

It seems evident that the porphyry has distrubed the Cambrian beds to a considerable extent and it is also evident that there has been movement since the intrusion of the porphyry. Gouge zones often occur at the contact of porphyry and the Cambrian beds. At places it is difficult to determine whether the contact between porphyry and sedimentary beds is a result of intrusion or faulting because adjustment between the two rocks may have resulted in gouge without much movement.

The structure has an important bearing on the mining of the ore. In the upper level the surface of the porphyry sill is irregular and where ore rests directly on porphyry a problem of dilution and an

irregular floor of the stope results. The lower ore rests on quartzite and the problem may not be presented, but mining of ore reported to extend into the quartzite may prove costly.

## Character of the Ore

The character of the ore which it is proposed to mine can be described only by comparison with ore from the upper horizon as the lower horizon has been penetrated only by diamond-drill holes, and it is reported that all of the core from the ore zones was crushed for assay samples.

It was reported to the D.M.E.A. team that the ore is essentially like that from the upper ore bodies. The mineralogy and texture of the upper ore was described in detail in Economic Geology, volume 32, pages 811 to 825, (1937).

The ore is a replacement of fairly massive, irregular dolomite beds, some of which were flat-pebble conglomerates. The thin beds of shale which occur between the dolomite beds are normally unreplaced. A measured section showed approximately 7 feet 2 inches of sulfide ore, and 4 feet 10 inches of interbedded shale. There appears to be more dolomite and less shale in the lower contact with some ore reported in the quartzite which lies at the base of the ore-bearing beds.

The principal sulfide minerals are: pyrite of three textural varieties, marcasite, sphalerite, galena, and arsenopyrite. Small amounts of chalcopyrite have been identified and a little native gold; also microscopic grains of pyrrhotite. The principal gangue mineral is quartz; and, depending on the intensity of mineralization, there may be unreplaced dolomite, calcite, and glauconite.

The sulfides are intimately intergrown and present a complex metallurgical problem. Details are given in the paper sited above.

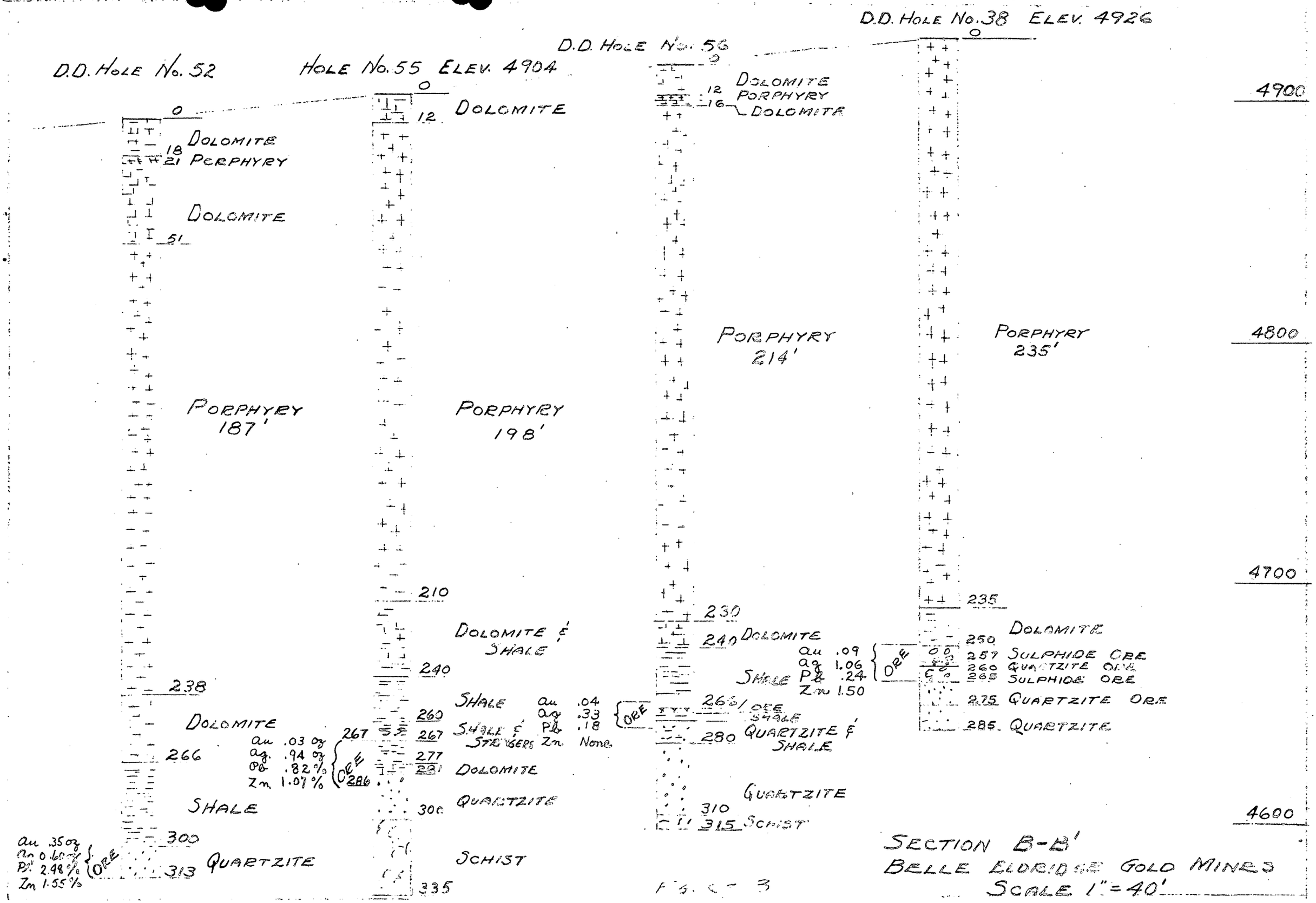
The only available description of the lower contact ore is given in the report accompanying the application.

The geologic aspects of the ore reserves deserve brief comments. As previously noted, ore has not been mined at the Belle Eldridge from the lower "contact," but much gold ore has been taken from this horizon near the Homestake mine and in the Bald Mountain district. There is, therefore, no reason to reject the horizon as unfavorable although comparison with the upper horizon at the Belle Eldridge shows that some of the upper ore was of a much better grade.

## ORE RESERVES

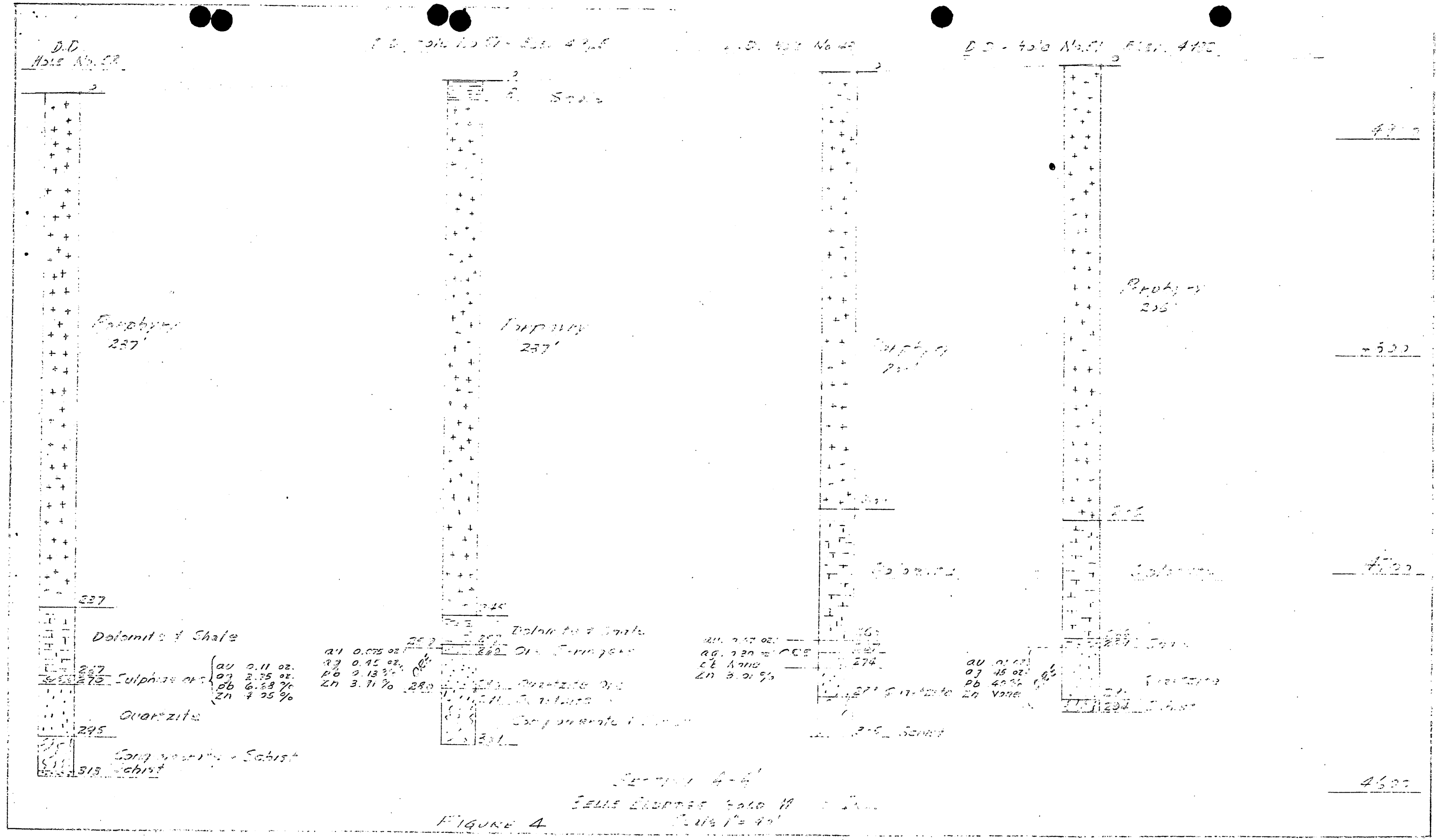
In this area there are two ore-bearing horizons in the Deadwood formation. All of the mining operations of the Belle Eldridge Gold Mines, Inc. to date have been confined to the upper horizon which is approximately 300 feet above the base of the formation. The ore which the applicant proposes to mine in this project lies near the base of this formation, or some 250 feet below the upper horizon. The applicant has submitted assays on 7 core-drill holes which give a gross average value of $17.66 per ton distributed as 3.81 percent zinc, 0.34 percent lead, 0.72 ounce of silver, and 0.076 ounce of gold. The applicant's calculations show a deposit of ore roughly 375 feet by 320 feet by 12 feet thick (figs. 3, 4, and 5), giving a tonnage of 124,000 tons with a gross value of $17.21 per ton.

Ore sections of the drill holes were not available forinspection as the entire core was pulped for sampling and assaying. Checking the




SECTION B-B'
BELLE ELDRIDGE GOLD MINES
SCALE 1" = 40'

FIG. 3


D.D
Hole No. 58
Porphyry
237'
237
Dolomite & Shale
267
270
Sulphide ore
au 0.11 oz.
ag 2.25 oz.
pb 6.68 %
Zn 4.25 %
Quartzite
295
Conglomerate & Schist
313
Schist
Porphyry
237'
245
Dolomite & Shale
252
260
Dark Sandstone
Quartzite Ore
280
Conglomerate
301
au 0.075 oz
ag 0.15 oz
pb 0.13 %
Zn 3.71 %
Porphyry
Pb
Dolomite
Sandstone
Schist
274
Pb Zone
Zn 3.01 %
Porphyry
235'
Dolomite
Quartzite
Schist
au
ag 45 oz.
Pb
Zn Vein
Section 4-4'
Figure 4

applicant's calculations, a gross value of $17.66 was obtained as compared with $17.21, but it was necessary to cut the applicant's tonnage from 124,000 to 88,264 tons (fig. 6). This is made because part of the area included in the company's estimates was too far from any drill hole (fig. 5).

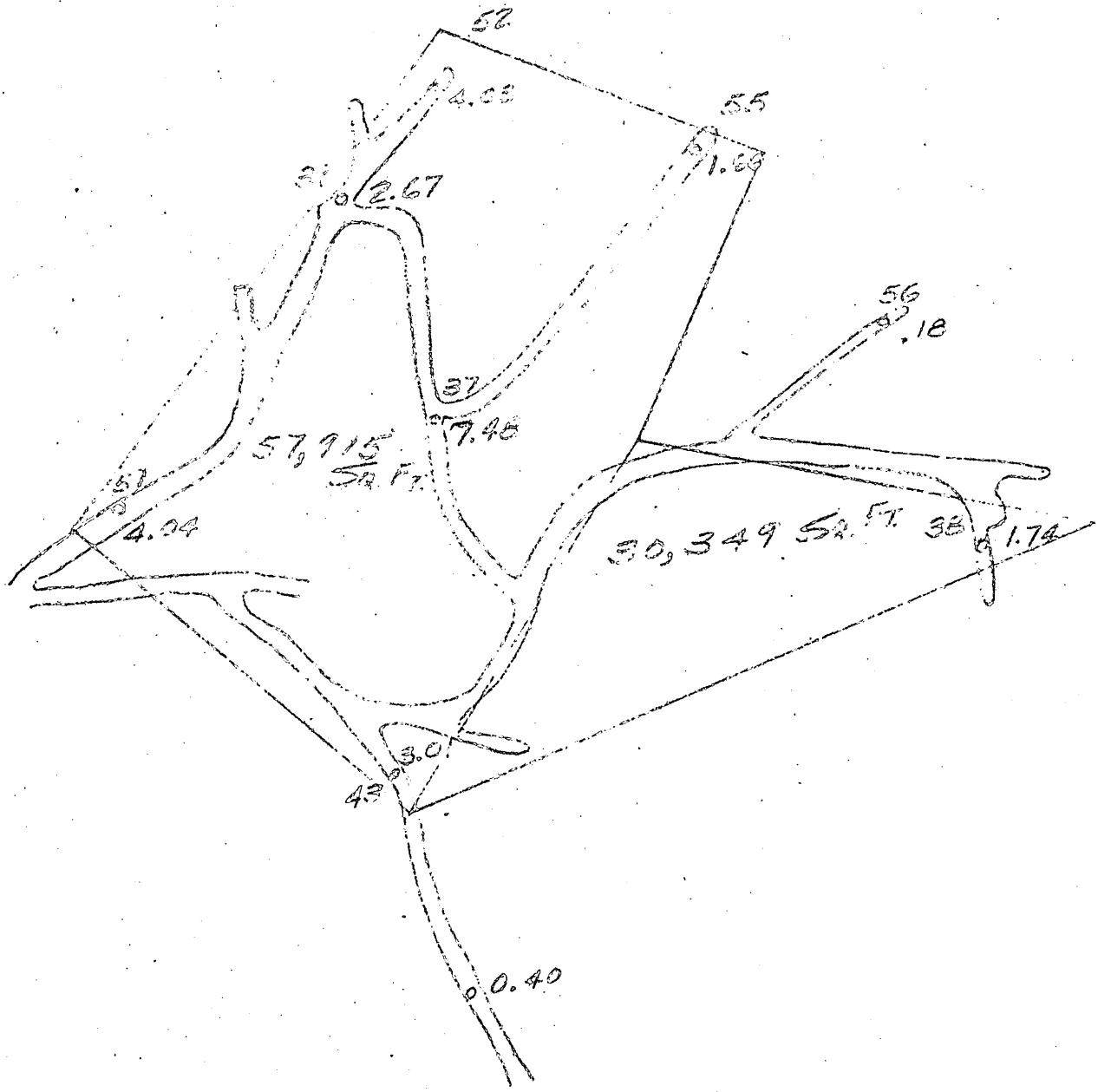
Hole 37 is near the geometric center of this deposit and is the highest grade of all holes drilled. Because of its position, it exerts too much influence on the ore grade; but since the tonnage of the ore reserves is too small to make this project feasible, no attempt was made to recalculate the grade by giving the ore intersection of Hole 37 more realistic values.

## PROPOSED EXPLORATION WORK

At first glance, there would appear to be too many holes proposed for Phase 1, but they are required to furnish - in addition to sections for tonnage and grade calculations - enough information for a recheck on Hole 37, mentioned above, and also enough information to give a direction of the trend of the deposit to be used in locating the holes of the second phase.

## DRILLING COSTS

Drilling costs as originally submitted by the applicant were $2.57 and $2.55 per foot for underground and outside drilling, respectively. These costs are definitely on the low side as compared with the district average of about $6.00 per foot. Applicant's cost for bits and set-up time appeared low; in addition, an average (overall) drilling speed of 25 feet per shift is high. This speed naturally affects all other costs. The applicant's reason for such low costs is that each hole will pass




SCALE 1" = 78.3'

FIGURE 6 - AREA INDICATING ORE RESERVES

through approximately 200 feet of a soft porphyry which will net him a low bit cost and a high drilling speed. This reasoning is correct, but not as far as he carried it. After a discussion, the applicant submitted new costs, as follows:

| Type of drilling | Price per foot |
|---|---|
| Underground core drilling | $3.90 |
| Outside core drilling | 3.57 |

These costs are still on the low side; but if the applicant can equal his alleged past performance, he should make them. His detail of cost is quite complete.

With the submission of new costs, several answers have been voided. They are included with the application and marked void.

6/5/51

Defense Minerals Administration 1-8-52

Review of Application for Exploration Assistance

Docket No. DMEA - 2358

Commodity Zinc - Lead

Total Amount $16,044

Govt. Participation 50% ($8,022)

1. Name and Address of Applicant Belle Eldridge Gold Mines, Inc. Deadwood, S. Dak.

2. Location of Property Lawrence County, S. Dak. Sec. 23, 24, 25, 26 35 and 36, T. 5 N., R 3 E - BHM - About 1 mile east of Deadwood.

3. Mineral or metal Zinc - Lead Is it listed in Section 9 of MO-5?

If not, application will be rejected.

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

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

a) Good_____

b) Poor_____

c) None_____

d) Don't know—needs field examination_____

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

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

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

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

productive period?_____

*question numbers are those of MF-103

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed? YES

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data? YES If so, attach a draft. See application

e) Are the cost estimates reasonable? YES

f) Should more information be requested from applicant?_____

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

11. Exhibit B (question 23-d)*

a) Is it applicable? No

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

c) Is a field check needed?_____

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

a) Is it applicable? YES

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

c) Are rents and charges reasonable? Somewhat high

d) Is a field check needed? No

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

a) Are there sufficient data? Yes

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

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

d) Are the proposed wages and salaries reasonable? YES

e) Is a field check needed? No

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? Field check has been made

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

Field team judged it questionable

Is a field check needed on this point? _____

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

a) Is the project adequately described? YES

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

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

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? YES

If not, what part of it is? _____

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. Attached

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?

Reviewed by: L. L. Farnham

Date 1/8/57



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

/EXPLORATION

Subject: DMEA-2358
Re: Exploration Loan
Silver Glance, Les Ne Gerd,
Champion Lodes
February 1, 1952

Mr. Alfred Haug, President
Belle Eddridge Gold Mines, Inc.
General Office, Canton, South Dakota

My dear Mr. Haug:

This will acknowledge receipt of your application dated January 4, 1952 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMEA-2358 and referred to the Base Metals Division,

Kindly refer to DMEA-2358 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams
Acting Administrative Officer

7862

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

DEC 14 1951

A. E. C.

Re: DMA-1197
Belle-Eldridge Gold
Mines, Inc.
Deadwood, South Dakota
Direct loan, $306,700
Lead-zinc

Memorandum

To: Reports and Records Unit Control Center
Administrative Management Div.

From: Chief, Lead-Zinc Branch

Subject: Denial of direct loan

The field team report on the subject property has recommended a denial of the proposed loan. They base this recommendation on the following technical aspects of the operation:

1. The small tonnage and low grade of the reserves.
2. A mill recovery of about 60% producing a zinc concentrate of only 45-48% and a lead concentrate of only 28-30%.
3. These low grade concentrates effect high freight costs and low smelter returns with the result that the overall smelter returns are only about 54% of the concentrate values.
4. The net smelter returns are $5.88 per ton of ore milled. The costs are $5.72, leaving a margin of only 16¢ per ton before provision for repayment of the loan or profit. This margin based on a reserve of 88,000 tons would make repayment of the loan impossible.

We concur with the field team in recommending that this application for a direct loan be denied.

Returned herewith are:

3 Field team reports

1 NSRB-146, 3 maps

1 Bureau of Mines - R. I. 4215

3 Annual statement (1949, 1948, 1947)

1 Envelope Stand-by Agreements

T. P. Billings, Chief
Lead-Zinc Branch

Approved:

~~Director, Supply Division~~
Program Development Division

DEC 14 1951

DMA 1197
Belle-Eldridge Gold Mine, Inc.
Deadwood, South Dakota
Direct Loan, $306,700
Lead-Zinc

Mr. Alfred Haug, President
Belle Eldridge Gold Mines
P. O. Box 9083
Canton, South Dakota

Dear Mr. Haug:

Your application for a loan of $306,700 to develop your property in Lawrence County, South Dakota has been reviewed by the Defense Materials Procurement Agency on the basis of a report submitted by the Government Field Team.

To qualify for a loan such as you requested it is necessary that the property for which the monies are to be used has a sufficient tonnage of proven ore reserves that can be mined with a net return sufficient to amortize the loan. According to the information we have on hand your deposit does not have these qualifications.

Under these conditions we regret that we are not able to justify an expenditure of Government funds for the development project you propose.

We concur with recommendations suggested to you by the Field Team which may improve the metallurgical recovery of your ore. Should this recommended work show that a more efficient recovery can be made, it may then be possible for you to seek exploration assistance from the Government to prove sufficient reserves and justify development of your property.

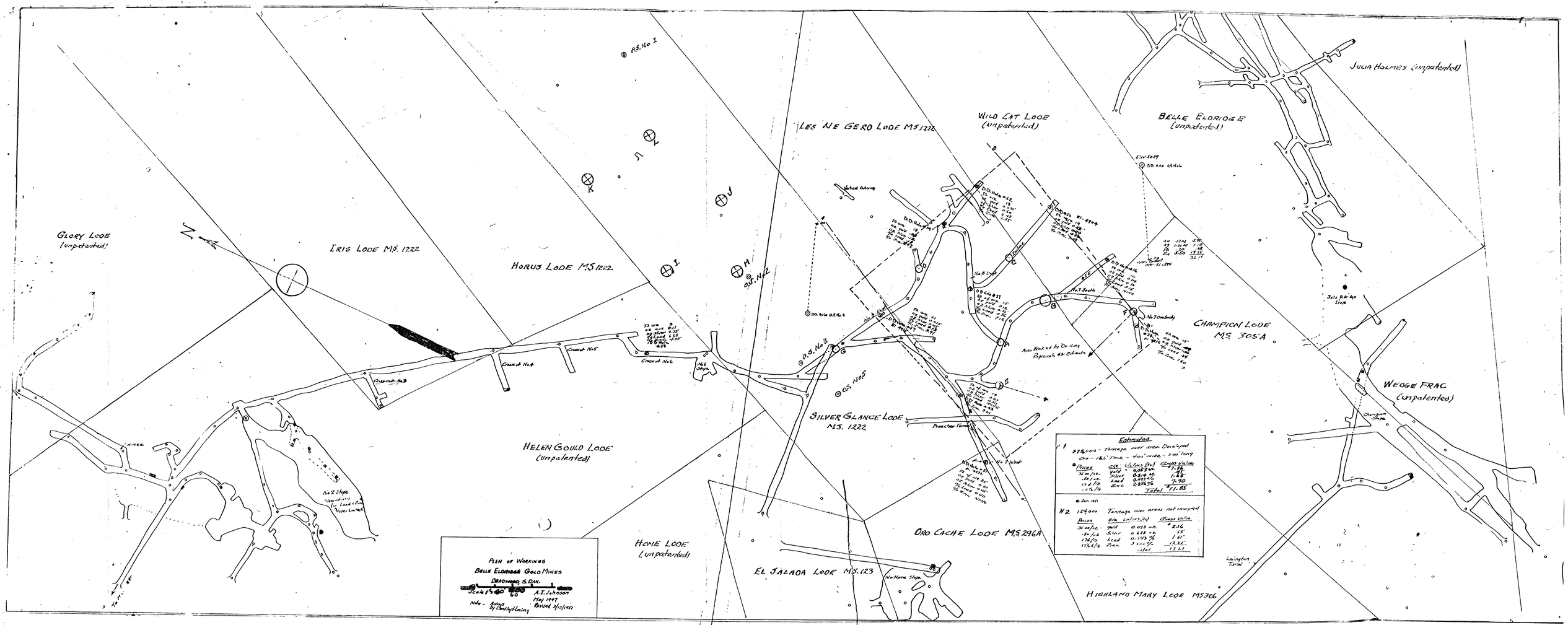
Very truly yours,

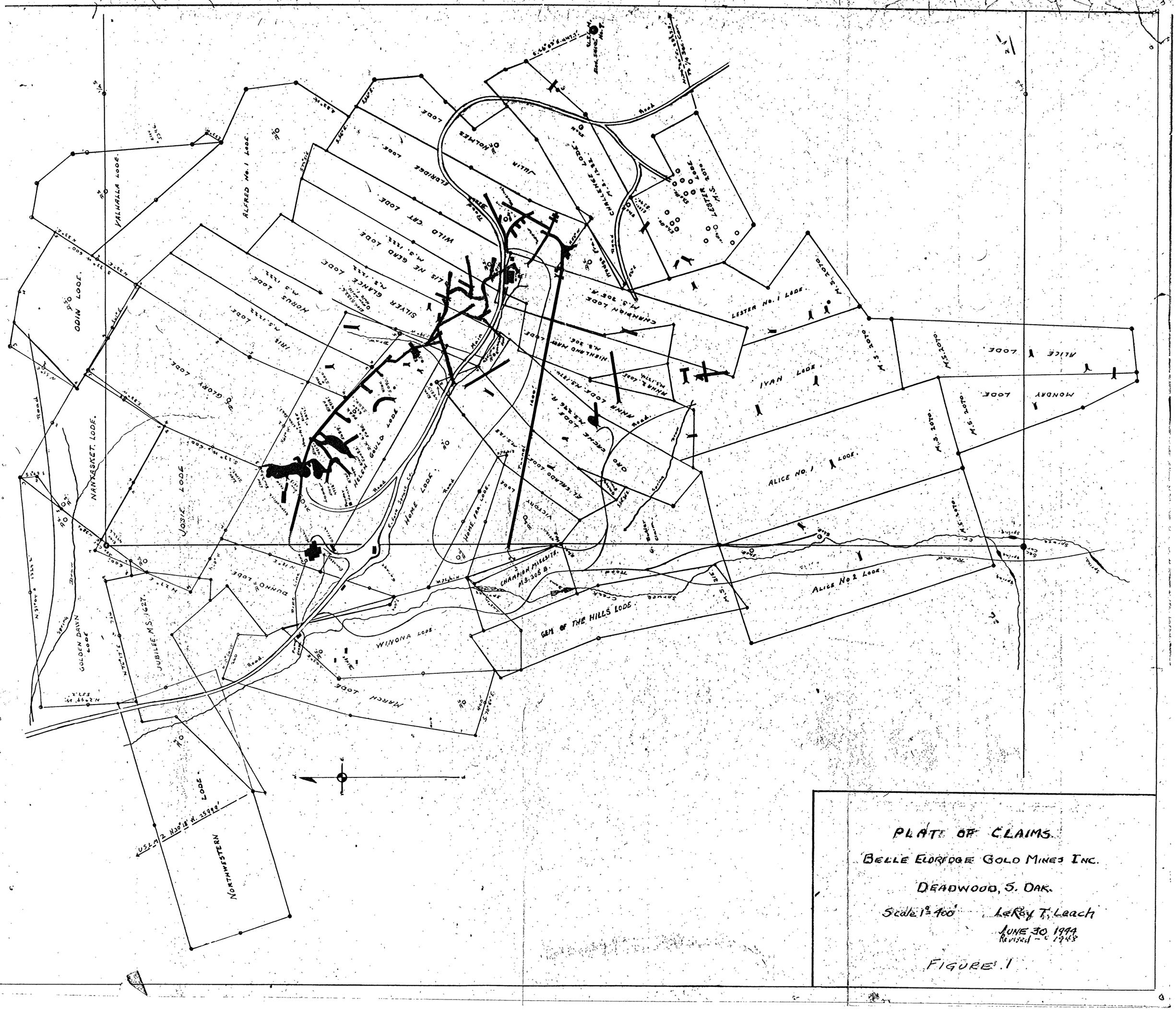
Tom Lyon, Director
Program Development Division

GEJohnson:pk
12/12/51

cc: Mr. Young
Mr. Feiss
Mr. Douglas
Field Team V
Mr. Johnson
DMPA Files

Mr. Lyon


GLORY LODE (unpatented)
IRIS LODE MS. 1222
HORUS LODE MS 1222
HELEN GOULD LODE (unpatented)
HONIE LODE (unpatented)
EL JALADA LODE MS. 123
LES NE GERO LODE MS 1222
WILD CAT LODE (unpatented)
SILVER GLANCE LODE MS. 1222
ORO CACHE LODE MS 296A
HIGHLAND MARY LODE MS 306
CHAMPION LODE MS. 305A
BELLE ELDRIDGE (unpatented)
JULIA HOLMES (unpatented)
WEDGE FRAC (unpatented)
Crosscut No 1
Crosscut No 2
Crosscut No 3
Crosscut No 4
Crosscut No 5
No 2 Shaft
No 3 Shaft
No 7 Shaft
No 7 South
No 7 Combody
Preacher Tunnel
Area Blocked by Dump Replaced by Estimate
Champion Shaft
Lexington Tunnel
PLAN OF WORKINGS
BELLE ELDRIDGE GOLD MINES
DEADWOOD S. DAK.
Scale 1" = 60'
A.T. Johnson
May 1897
Note - Added by Charles Hoving
Revised 4/5/55
Estimates
#1 375,000 - Tonnage over area Developed
Ore - 1 1/2' Thick - 400' wide - 500' long
Prices
Ore (Lbs/ton) (oz) Gross value
Gold 0.085 oz. $1.68
Silver 0.016 oz. 1.28
Lead 0.997 % 7.90
Zinc 2.85 %
Total $11.85
#2 124,000 Tonnage over areas not surveyed
Prices
Ore (oz/ton) (oz) Gross value
Gold 0.023 oz. $.46
Silver 0.633 oz. .53
Lead 0.143 % 1.81
Zinc 3.14 % 12.32
Total 11.21




PLAT OF CLAIMS

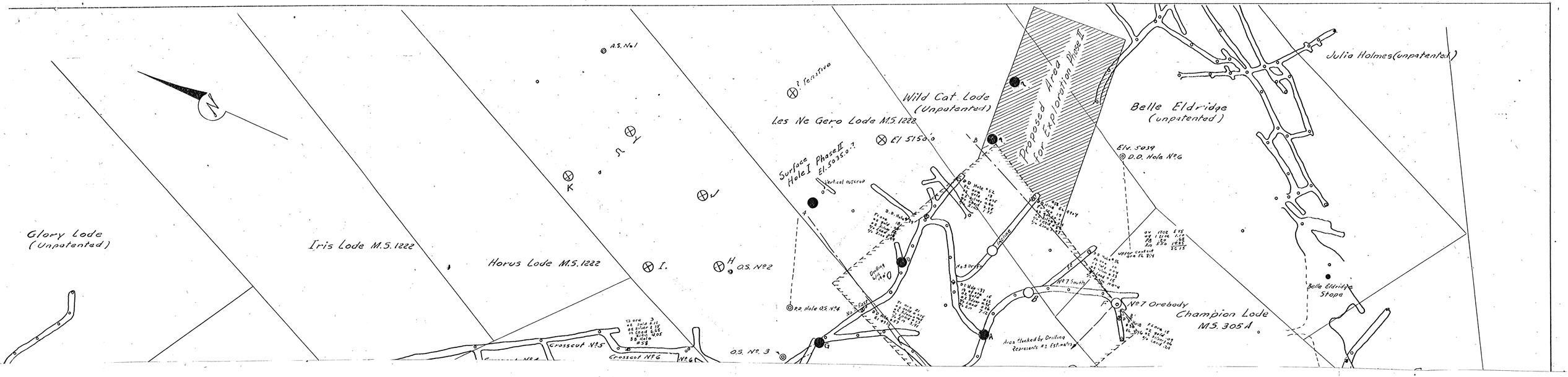
BELLE ELDRIDGE GOLD MINES INC.

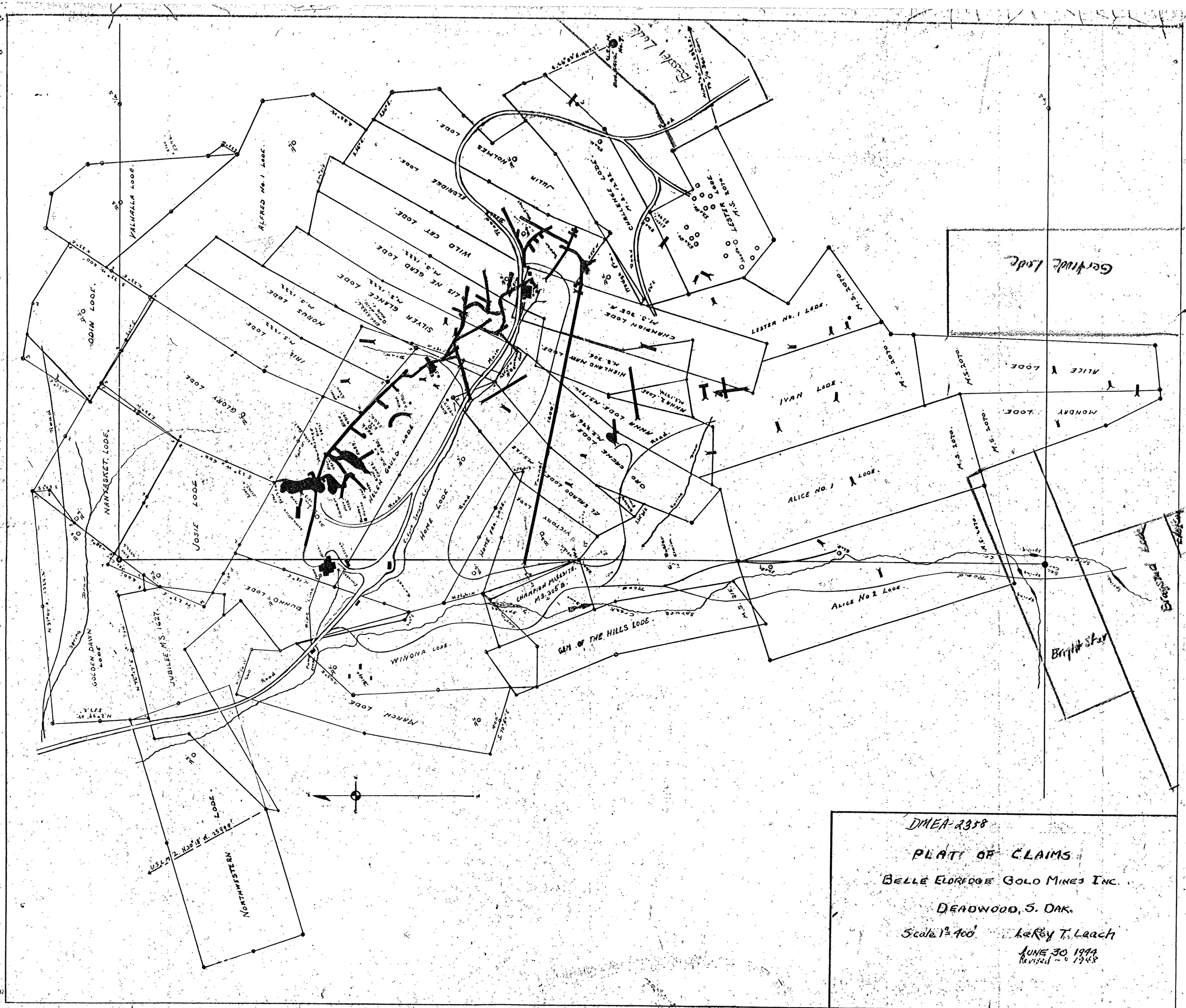
DEADWOOD, S. DAK.

Scale 1" = 400'  LeRoy T. Leach

JUNE 30 1944
Revised - c 1948

FIGURE 1


N
Glory Lode
(Unpatented)
Iris Lode M.S. 1222
Horus Lode M.S. 1222
A.S. No 1
I. Tentative
Y
K
L
I.
H
O.S. No 2
Les Ne Gero Lode M.S. 1222
Wild Cat Lode
(Unpatented)
El 5150
Surface Hole I Phase II
El. 5035.0±?
Vertical outcrop
Proposed Area for Exploration Phase II
Belle Eldridge
(unpatented)
Elv. 5039
D.D. Hole No 6
Julia Holmes (unpatented)
Belle Eldridge Stope
Drilling Wye No 0
No 3 Drift
No 3 East
No 7 South
No 7 Orebody
Champion Lode
M.S. 305 A
Area Checked by Drilling
Represents ½ Estimates
D.D. Hole O.S. No 4
O.S. No 3
Crosscut No 5
Crosscut No 6
No 6
A
B
F
G




DMEA-2358

PLAT OF CLAIMS

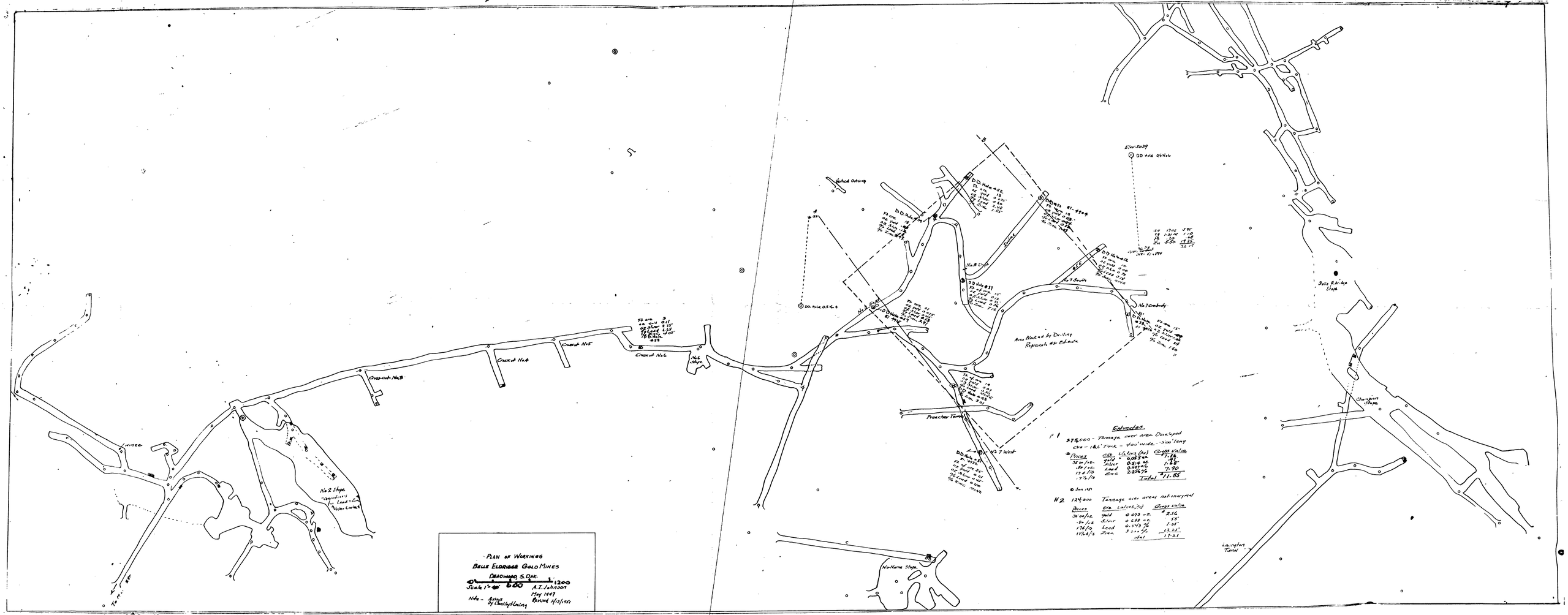
BELLE ELDRIDGE GOLD MINES INC.

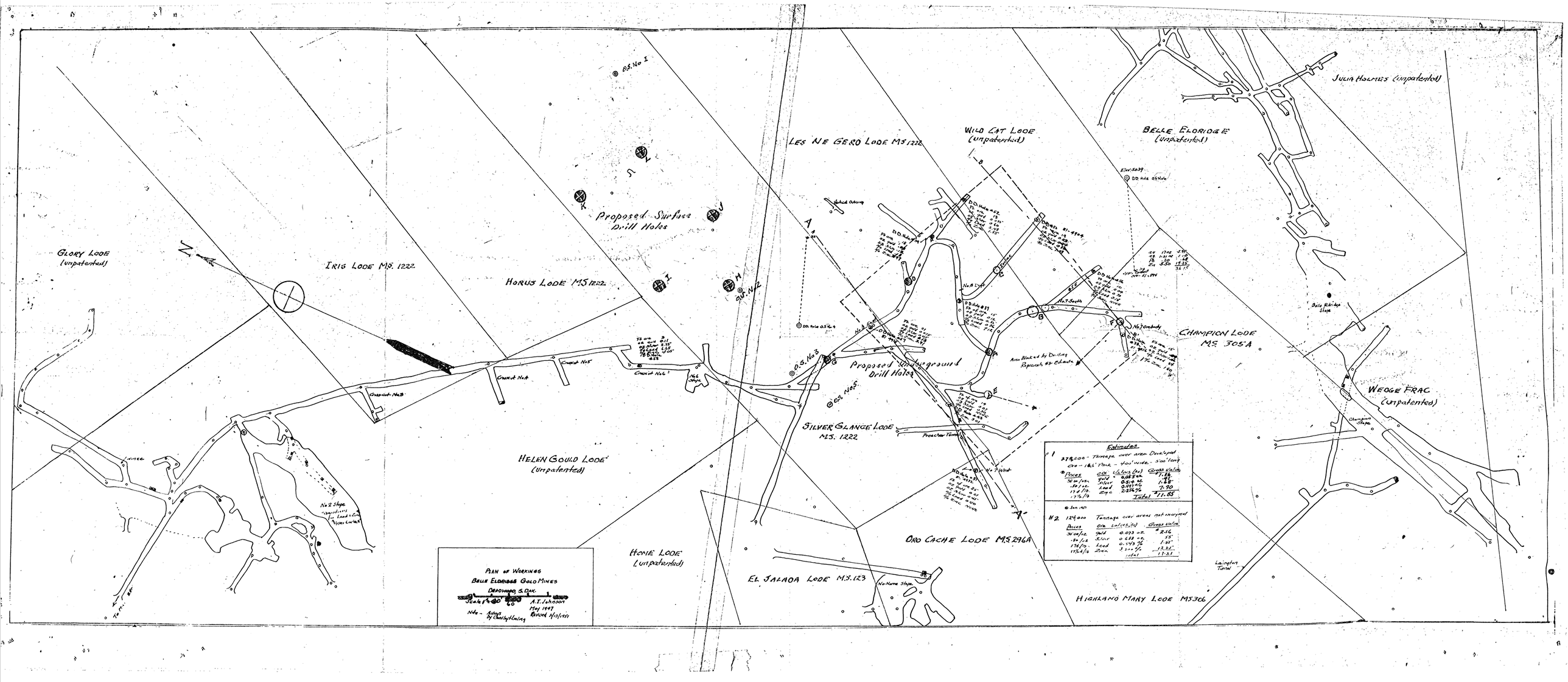
DEADWOOD, S. DAK.

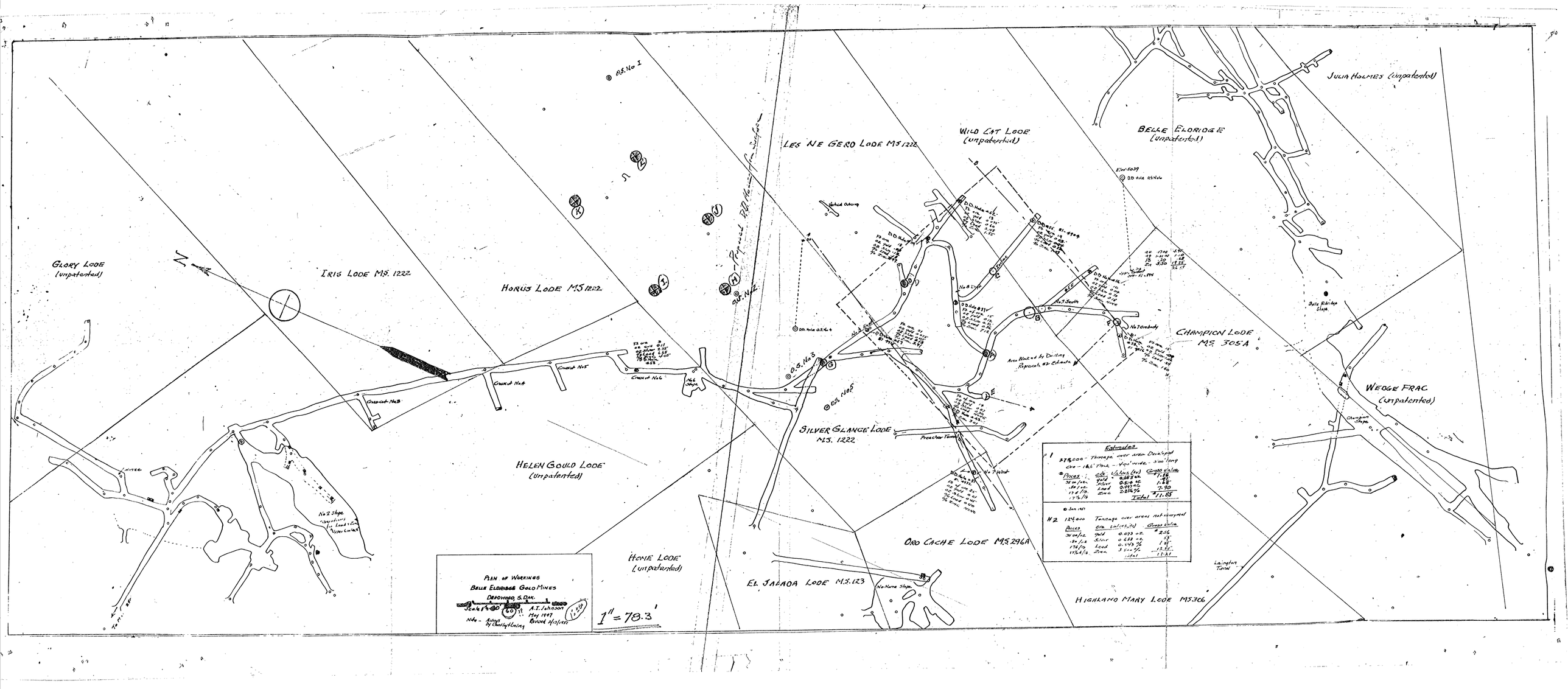
Scale 1" = 400'

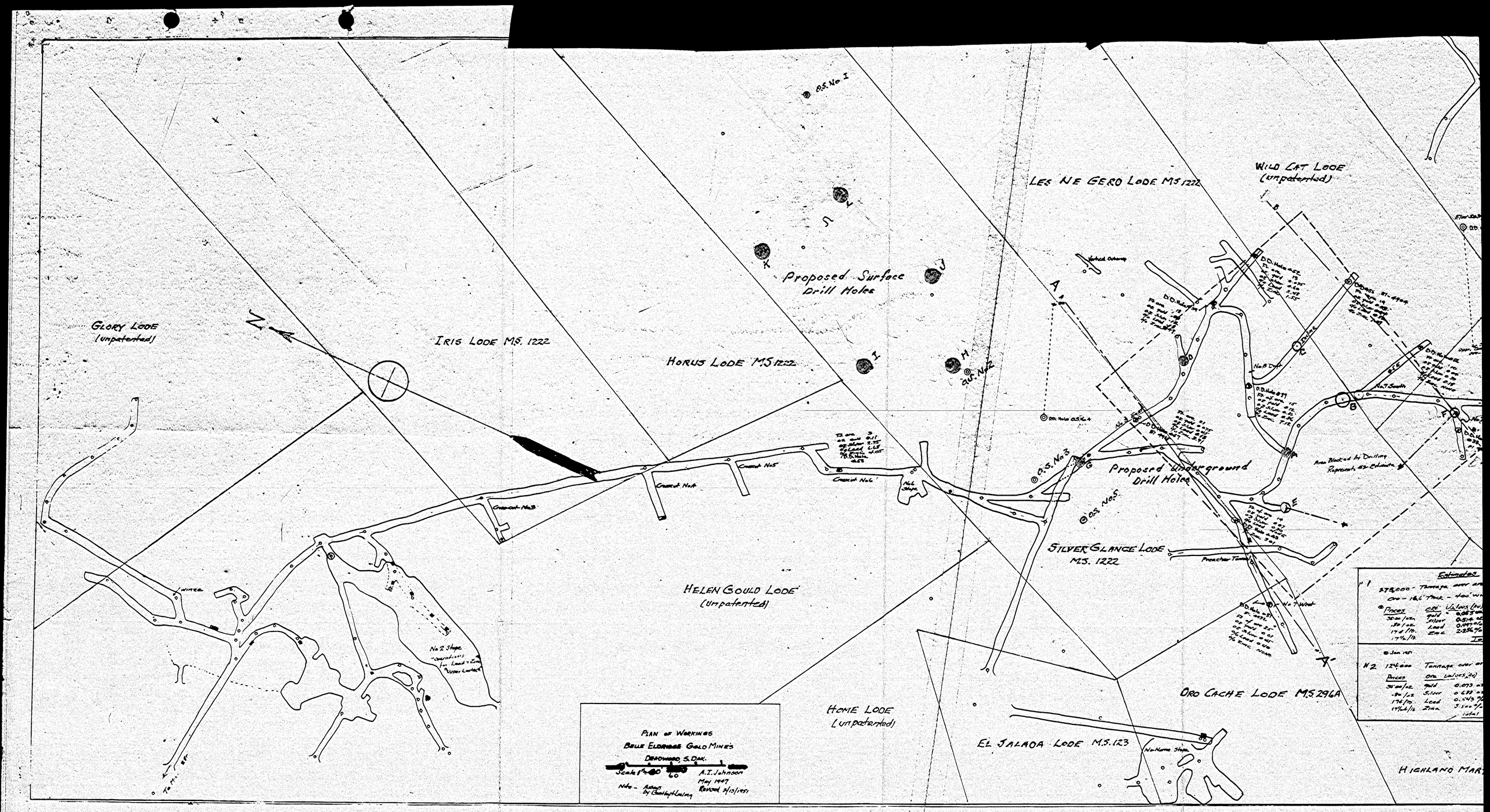
LeRoy T. Leach

JUNE 30 1944
Revised - 1948


Plan of Workings
Belle Eldridge Gold Mines
Deadwood S. Dak.
Scale 1" = 600 1:7200
A.T. Johnson
May 1897
Revised 4/3/1951
Note - Areas by Sketching
Cross-cut No 3
Cross-cut No 4
Cross-cut No 5
Cross-cut No 6
No 2 Shaft
Shaft
Raise
No 8 Lift
No 7 South
No 7 Winze
Area Blocked by Drilling
Preacher Tunnel
No 7 West
No-Name Shaft
Belle Eldridge Shaft
Champion Shaft
Lavington Tunnel
Estimates
#1 37,500 - Tonnage over area Developed
Ore - 1½' Pitch - 400' wide - 300' long
Pieces Ore Values (oz) Gross value
35 oz/ton Gold 0.053 oz. $1.86
.8 oz/ton Silver 0.5 oz. 1.40
17 d/lb Lead 0.197 % 7.90
17 d/lb Zinc 2.25 % Total $11.85
#2 124,000 Tonnage over areas not surveyed
Pieces Ore Values (oz) Gross value
35 oz/ton Gold 0.073 oz. $2.56
.8 oz/ton Silver 0.625 oz. .55
17 d/lb Lead 0.175 % 1.05
17 d/lb Zinc 3.00 % 13.32
Total 17.51


GLORY LODE (unpatented)
IRIS LODE MS. 1222
HORUS LODE MS 1222
Proposed Surface Drill Holes
D.S. No 1
D.S. No 2
D.S. No 3
D.S. No 5
LES NE GERO LODE MS 1222
WILD CAT LODE (unpatented)
BELLE ELORIDGE (unpatented)
JULIA HOLMES (unpatented)
CHAMPION LODE MS 305A
WEDGE FRAC (unpatented)
Proposed Underground Drill Holes
SILVER GLANCE LODE MS. 1222
HELEN GOULD LODE (unpatented)
HONIE LODE (unpatented)
EL JALADA LODE MS. 123
ORO CACHE LODE MS 296A
HIGHLAND MARY LODE MS 306
Crosscut No 1
Crosscut No 2
Crosscut No 3
Crosscut No 4
Crosscut No 5
No 2 Shaft
No 3 Shaft
No 7 Shaft
No 8 Shaft
Preacher Tunnel
Area Blocked by Drilling Repeat at Chamb.
Belle Eloridge Shaft
Champion Shaft
Lamington Tunnel
No-Name Shaft
Estimates
#1 37,500 - Tonnage over area Developed
Ore - 18' Thick - 400' wide - 500' long
Prices Ore Values (oz) Gross Value
30 oz/ton Gold 0.087 oz $1.16
.8 oz/ton Silver 0.514 oz 1.28
12 c/lb Lead 0.917 lb 7.30
12 c/lb Zinc 2.234 lb
12½ c/lb Total $11.85
#2 124,000 Tonnage over areas not surveyed
Prices Ore Values (oz) Gross Value
30 oz/oz Gold 0.073 oz. $2.16
.8 oz/oz Silver 0.428 oz. 1.15
12¢/lb. Lead 0.763 lb 1.92
12½¢/lb Zinc 3.100 lb 12.92
total 17.21
PLAN OF WORKINGS
BELLE ELORIDGE GOLD MINES
DEADWOOD S. DAK.
Scale 1" = 20' 0 20 40 60
A.T. Johnson
May 1897
Revised 1/3/1951
Note - Adjusted by Chalkstaking


GLORY LODE (unpatented)
IRIS LODE MS. 1222
HORUS LODE MS 1222
LES NE GERO LODE MS 1222
WILD CAT LODE (unpatented)
BELLE ELDRIDGE (unpatented)
JULIA HOLMES (unpatented)
CHAMPION LODE MS. 305A
WEDGE FRAC (unpatented)
SILVER GLANCE LODE MS. 1222
HELEN GOULD LODE (unpatented)
HOME LODE (unpatented)
ORO CACHE LODE MS 296A
EL JALADA LODE MS. 123
HIGHLAND MARY LODE MS 306
Crosscut No 1
Crosscut No 2
Crosscut No 3
Crosscut No 4
Crosscut No 5
Crosscut No 6
No 2 Shaft
No 3 Shaft
No 4 East
No 4 West
No 7 South
No 7 Orebody
Preacher Tunnel
Area Blocked by Drilling
Belle Eldridge Shaft
Champion Shaft
Lexington Tunnel
No Name Shaft
Estimates
#1 278,000 - Tonnage over area Developed
Ore - 1.66' Thick - 40' wide - 300' long
Prices | Ore Values (oz) | Gross Value
30 oz/oz. | Gold 0.083 oz. | $7.48
.50 oz/oz. | Silver 0.016 oz. | 1.68
17 c/lb. | Lead 0.017 oz. | 7.90
17 c/lb. | Zinc 2.576 % | 7.90
Total $71.85
#2 124,000 Tonnage over areas not surveyed
Prices | Ore values (oz) | Gross Value
30 oz/oz. | Gold 0.073 oz. | $2.56
.50 oz/oz. | Silver 0.013 oz. | .65
17¢/lb. | Lead 0.173 % | 1.87
17¢/lb. | Zinc 3.100 % | 12.37
Total 17.45
PLAN OF WORKINGS
BELLE ELDRIDGE GOLD MINES
DEADWOOD S. DAK.
Scale 1" = 80'
A.T. Johnson
May 1897
Revised 4/15/1937
Note - Added by Charles Heinz
1" = 78.3'


GLORY LODE
(unpatented)
IRIS LODE MS. 1222
HORUS LODE MS 1222
LES NE GERD LODE MS 1222
WILD CAT LODE
(unpatented)
Proposed Surface
Drill Holes
D.S. No 1
D.S. No 2
D.S. No 3
D.S. No 5
Proposed Underground
Drill Holes
Crosscut No 3
Crosscut No 4
Crosscut No 5
Crosscut No 6
No 6 Stope
No 2 Stope
"Operations"
Lead + Zinc
"Upper Contact"
Winze
To Mt. Rushmore
HELEN GOULD LODE
(unpatented)
HOME LODE
(unpatented)
SILVER GLANCE LODE
MS. 1222
Preacher Tunnel
No 7 Winze
No 7 South
No 8 Drift
No 8 Stope
Area Blocked by Drilling
Representative Estimate
ORO CACHE LODE MS 296A
EL JALADA LODE MS. 123
No Name Stope
HIGHLAND MARY
Estimates
Tonnage over area
Ore - 16.6' Thick - 400' wide
Prices
Ore Values (oz)
Gold 0.085 oz
Silver 0.514 oz
Lead 0.147 %
Zinc 2.236 %
Jan 1951
Tonnage over area
Prices
Ore Values (oz)
Gold 0.073 oz
Silver 0.689 oz
Lead 0.243 %
Zinc 3.166 %
Total
PLAN OF WORKINGS
BELLE ELDRIDGE GOLD MINES
DEADWOOD, S. DAK.
Scale 1" = 60'
A.I. Johnson
May 1947
Revised 2/13/1951
Note - Assays by Cartright Laing