OFFICIAL FILE COPY
O. M. E
RECEIVED APR 1 1963
DATE | INITIALS | CODE
800

Building 20 - Federal Center
Denver 25, Colorado

March 26, 1963

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMEA-2706 (Beryl-Mica)
Contract Idm-E438
Lewis W. Collingwood, Dean W. Collingwood,
and Dale B. McDermand
(Dyke No. 2 Lode)
Custer County, South Dakota

This responds to your memorandum dated March 22, 1963 on the subject contract.

On March 25, 1963 I checked the beryl and mica purchase records of the Regional Director, Defense Materials Service, Building 41, Denver Federal Center, Denver 25. These purchase records show that no beryl or mica was purchased from the subject operators or the Dyke No. 2 Lode between April and December 31, 1962.

s Original signed by

Hugh M. Connors

Building 20 - Federal Center
Denver 25, Colorado

RECEIVED
DATE

December 5, 1962

800

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMEA-2706 (Beryl-Mica)
Contract Idm-8458
Lewis W. Collingwood, Dean W. Collingwood,
and Dale B. McDermand
(Dyke No. 2 Lode)
Custer County, South Dakota
EXPIRATION OF DMEA CONTRACTS PAYING ROYALTY

I have no personal knowledge regarding this project other than what I obtained in our files on this docket. I doubt the advisability of making a special trip to inspect this property. May I have your thoughts in this matter.

Original signed by

Hugh M. Connors

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

## REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E438, Docket DMEA-2706 (beryl-mica), dated November 6, 1952, with

Lewis W. Collingwood, Dean W. Collingwood,
and Dale B. McDermand
Box 68
Custer, South Dakota

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Dyke No. 2 Lode located in Custer County, South Dakota, during the period June 12, 1959, through April 9, 1962.

A certification of discovery or development was issued on November 13, 1953, and, in accordance with Article 6 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated September 1, 1953, indicated accepted costs under the exploration contract amounting to $3,623.00 with the Government's contribution on a 90 percent basis being $3,260.70.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through June 11, 1959. Accordingly, as of April 9, 1962, the royalty account of this project was found to be:

| | |
|---|---|
| Total Royalty Payable | $ -0- |
| Total Royalty Paid | -0- |
| Balance of Royalty Due | $ -0- |

May 4, 1962

E. D. Talbert, OME Auditor

Idm-E438 Collingwood, Collingwood, and McDermand DMEA-2706

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operators or their successors in interest shall pay to the Government a percentage royalty on all minerals produced from the Dyke No. 2 patented claim located in sec. 13, T. 4 S., R. 4 E., and sec. 18, T. 4 S., R. 5 E., B.H.M. At the time the contract was executed the Operators possessed the property by virtue of a July 7, 1952, lease granted by Lewis Theodore Rademacher of Boulder, Colorado. In consideration of the contract, Mr. Rademacher executed an Owner's Consent to Lien on November 17, 1952. The contract, however, contains the so-called "abandonment" provision and, furthermore, an August 14, 1952, agreement to terminate the contract did not specifically preserve the Government's rights to royalty.

No minerals were produced during the exploration work. Subsequent inspections of the property and inquiries at the G.S.A. Mica Purchase Depot, Custer, South Dakota, have disclosed neither activity on the property nor sale of strategic mica or beryl through the period covered by this review.

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

(1) The files indicate that the property has been inactive since completion of the exploration work;

(2) No minerals have been sold since the date of the contract; and

(3) The administrative cost 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.

Building 20 - Federal Center
Denver 25, Colorado

May 9, 1962

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMEA-2706 (Beryl-Mica)
Contract Idm-E438
Lewis W. Collingwood, Dean W. Collingwood,
and Dale B. McDermand
(Dyke No. 2 Lode)
Custer County, South Dakota

Attached is the original Report of Royalty Review on the subject property dated May 4, 1962 covering the period June 12, 1959, through April 9, 1962.

TMR
For Original signed by
Hugh M. Connors

Attachments

HMC/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres E438
Chron

EXTRA COPY
O. M. E
RECEIVED
DATE MAY 14
8.00

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-2706 (Beryl-Mica)
Lewis W. Collingwood, Dean W. Collingwood,
and Dale B. McDermand
Dyke No. 2 Lode
Custer County, South Dakota
Contract Idm-8438

The original and one copy of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.; and

(b) One copy for your files.

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

As evidence of your concurrence, a copy of your memorandum transmitting the original report to the Fiscal Section should be furnished this Division. If for any reason you do not concur, both copies of the report should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 5-4-62

cc:
Docket
Director's Reading File
CA & A Division
Mr. Rothrock

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 Idm-2438, Docket No. DMEA 2706, dated November 6, 1952, with

Lewis W. Collingwood, Ben W. Collingwood and Dale H. McDermand
Box 68
Custer, South Dakota

for the purpose of determining the amount of royalties due the U. S. Government on the sales of Beryl, Columbium, Tantalum, and Mica, from property referred to as Dyke No. 2 Pegmatite, located in Custer County, South Dakota, during the period November 6, 1952 to June 11, 1959.

A Certification of Discovery or Development was issued on November 13, 1953 and accordingly royalty is payable on all 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 September 1, 1955, indicated accepted costs under the Exploration Contract amounting to $3,623.00 with the Government's contribution on a 90 percent basis being $3,260.70.

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 May 30, 1953 [illegible]; no ore has been shipped since November 6, 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 11, 1959

JUN 15 1959
O.M.E.

Donald T. Finch
Donald T. Finch
OME Auditor

[illegible]

[illegible]

[illegible]

JUN 15 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-2706 (Beryl-Mica)
Lewis W. Collingwood, Dean W. Collingwood and
Dale B. McDermmed
Contract No. Idm-E438

Your Report of Royalty Review on the subject contract is acceptable for regional distribution after correction of the date "December 31, 1952" on the third line of reason (a) to "May 31, 1953". This correction has been made on the Washington copies.

EDTalbert/ama
June 16, 1959

Copy to: Docket
Director's Reading File
Code 800

REPORT
OF REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Lewis W. Collingwood, Dean W. Collingwood
and Dale B. McDormand

Box 68
Custer, South Dakota

pertaining to Exploration Project Contract No. Idm-1438, Docket No. DMEA-2706, including Amendments Nos. 1 and 2, for the months of December, 1952 to May, 1953, inclusive, covering a project for the exploration of beryl, columbium-tantalum and mica.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, reference to the Field Team's Final Report for verification of the satisfactory performance of the units of work claimed, 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 reason:

the contract provides for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

| | | |
|---|---|---|
| Total cost as billed by Contractor | | $3,623.00 |
| Exceptions: | | |
| By DMEA Finance Officer | $ - 0 - | |
| Herewith | - 0 - | - 0 - |
| Total Accepted Cost | | $3,623.00 |

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Three thousand two hundred sixty and 70/100 Dollars,

**$3,260.70**

is considered valid and proper.

E. D. Talbert, Auditor

September 1, 1953

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

800

SEP 3 1953

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

Re: Lewis W. Collingwood,
Dean W. Collingwood
& Dale B. McDermand
Idm-E438, DMEA-2706

Dear Mr. Needham:

Enclosed are the original and two copies of the Report of Review covering the referenced Exploration Project Contract.

Inasmuch as the Field Team's Final Report for this project confirmed the performance of the work authorized by the contract on an agreed unit cost basis, it has not been necessary for an auditor to visit your office in order to issue this Report of Review.

Distribution should be effected in accordance with Section 3 of DMEA Circular 19, Supplement 4, dated October 9, 1952.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
September 2, 1953

Copy to: Docket
Admr. Reading File
Mr. Chambers

R.C. 9

Form M[illegible]4 (Rev.)
(Ap[illegible]52)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Wash
39

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May 1953 Docket No. DMEA 2706 Contract No. Idm E-438
Operator's Name Lewis B. Collingwood, Dean W. Collingwood & Minerals Beryl, Columbite-
Address Dale B. McDermand, Custer, S. Dak. tantalite, & Mica
Contract Amount, $ 5,250.00 Government Participation: 90 % Amount, $ 4,725.00

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling: Casing & Cementing | 985.00 | 2,638.00 | 3,623.00 | 985.00 | 2,638.00 | 3,623.00 |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | $ 985.00 | $ 2,638.00 | $ 3,623.00 | $ 985.00 | $ 2,638.00 | $ 3,623.00 |

I certify that the above bill is correct and just and that payment therefor has not been received.
Date May 27, 1953 *Payee Lewis B. Collingwood, Dean W. Collingwood, & Dale B. McDermand

Per Lewis Collingwood Title Partner

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

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

**(Instructions on reverse)**

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

$ 886.50

Signature L. N. Hill
(Authorized Certifying Officer)

Date JUN - 1 1953 Vou. No.
**(See other side)**

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMA-E-438 in accordance with the terms of the contract.

Signature E. O. Benyon Title Mining Engineer Date May 27, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature C. B. Needham Title Ex Off Date 5/29/53

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-15A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S UNIT COST AND PROGRESS REPORT

39

Month of May 1953 Docket No. DMEA 2706 Contract No. Idm E-438

Operator's Name Lewis B. Collingwood, Dean W. Collingwood & Dale B. McDermand

Address Custer, S. Dak.

Minerals Beryl, Columbite-tantalite, & mica.

| OPERATION | Unit | Costs This Month | Units This Month | Costs to Date | Units to Date | Unit Costs to Date | Authorized by Contract: Units | Authorized by Contract: Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core (Drilling | feet | 735.00 | 140 | 2,898.00 | 552 | 5.25) | | |
| Churn (Casing | feet | 250.00 | 100 | 642.50 | 257 | 2.50) | 1000* | 5,250.00 |
| Auger (Cementing | feet | -- | -- | 82.50 | 33 | 2.50) | | |
| Stripping | | | | | | | | |
| Trenching | | | | | 942 | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| | | | | | | | | |
| Total Distributed Costs | | 985.00 | 140 Dr. 100 Cs. | 3,623.00 | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | -- | -- | -- | | | | -- |
| Initial Rehabilitation and Repairs | | -- | -- | -- | | | | -- |
| New Buildings, Improvements, etc. | | -- | -- | -- | | | | -- |
| | | | | | | | | |
| Total Costs | | 985.00 | | 3,623.00 | | | | 5,250.00 |

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

Date May 27, 1953 Operator Lewis B. Collingwood, Dean W. Collingwood, & Dale B. McDermand

Per Lewis Collingwood Title Partner

Remarks: * Units authorized for drilling footage- total funds to cover cost of drilling, casing, and cementing

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

May, 1953.
Custer, S. Dak.

Lewis E. Collingwood, Dean W. Collingwood,
and Dale B. Mc Dermand

Docket No. 2706
Contract Idm E-438

OPERATOR'S MONTHLY NARRATIVE REPORT

Hole No. 4 was started May 15th and completed to a depth of 140 feet on May 21, 1953. The hole was located 77 feet south of Hole No. 1 and approximately 50 feet East of the contact. The bearing was parrlel to Holes 1,and 3 or S. 85° W. and was inclined at -41°.

Pegmatite was encountered at about 66 feet along the hole and continued to 136 feet or a thickness along the hole of about 70 feet. Core recovery was exceptionally poor and neither the upper nor lower contacts were recovered.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED 36
MAY 13 1953

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1953 Docket No. DMEA 2706 Contract No. Idm 2-438
Operator's Name Lewis B. Collingwood, D. W. Collingwood, and D. B. McDermand
Address Custer, South Dakota
Minerals Beryl - Columbite-Tantalite - Mica
Contract Amount, $ 5,250.00 Government Participation: 90 % Amount, $ 4,725.00

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling Casing & Cementing | $943.00 | $1,695.00 | $2,638.00 | $943.00 | $1,695.00 | $2,638.00 |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | $943.00 | $1,695.00 | $2,638.00 | $943.00 | $1,695.00 | $2,638.00 |

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

Date May 1, 1953 *Payee Lewis B. Collingwood, Dean W. Collingwood, & Dale B. McDermand

Per Lewis Collingwood Title Partner

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

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

(Instructions on reverse)

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

$ 848.70 Ho

Signature L. A. Hill
(Authorized Certifying Officer)

Date MAY - 8 1953 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm E-458 in accordance with the terms of the contract.

Signature E. D. Bunyan Title Mining Engineer Date May 1, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature A. B. Weedhaw Title Ex Off Date 5/4/53

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

Wash

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED 36
MAY 13 1953

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1953 Docket No. DMEA 2706 Contract No. Idm E-438

Operator's Name Lewis B. Collingwood, Dean W. Collingwood, Minerals Beryl - Columbite-Tantalite - Mica

Address Dale B. McDermand, Custer, S. Dak.

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT Units | AUTHORIZED BY CONTRACT Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core - Drilling | Feet | 693.00 | 132 | 2,163.00 | 412 | 5.25 | | |
| Churn Casing | " | 167.50 | 67 | 392.50 | 157 | 2.50 | 1,000' | 5,250.00 |
| Auger Cementing | " | 82.50 | 33 | 82.50 | 33 | 2.50 | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| TOTAL DISTRIBUTED COSTS | | 943.00 | 132<br>67<br>33 | 2,638.00 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | - - |
| Initial Rehabilitation and Repairs | | | | | | | | - - |
| New Buildings, Improvements, etc. | | | | | | | | - - |
| | | | | | | | | - - |
| TOTAL COSTS | | $943.00 | | $2,638.00 | | | | $5,250.00 |

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

Date May 1, 1953. Operator Lewis B. Collingwood, Dean W. Collingwood, & Dale B. McDermand

Per Lewis Collingwood Title Partner

REMARKS: Units authorized for drilling footage - total funds to cover cost of drilling, cementing and casing

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

Lewis B. Collingwood, Dean W. Collingwood
and Dale B. McDermand

Docket No. 2706

Contract Idm E-438

OPERATOR'S NARRATIVE MONTHLY REPORT

Owing to bad weather Hole No. 3 was not started until April 20th. The hole was located about 50' north of Hole No. 1 and drilled on a bearing of S. 85° W. and at an angle of - 25°. Pegmatite was cut at 55 - 58 feet but the ground cored so badly that the definite contact could not be determined. The hole went out of pegmatite at 109 feet and was drilled 23 feet into schist to a depth of 132 feet. Because of the bad ground only about 10 feet of core was recovered and little information was obtained on the pegmatite.

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED

33

Month of March, 1953 Docket No. DMEA 2706 Contract No. Ida E-438
Operator's Name Lewis B. Collingwood, Dean W. Collingwood, & Dale B. McDermand Minerals Beryl, columbite-tantalite, & mica
Address Custer, S. D.
Contract Amount, $ 5,250.00 Government Participation: 90 % Amount, $ 4,725.00

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) Independent Short Form Contracts: | | | | | | |
| Core Drilling & Casing | 750.00 | 945.00 | 1,695.00 | 750.00 | 945.00 | 1,695.00 |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 750.00 | 945.00 | 1,695.00 | 750.00 | 945.00 | 1,695.00 |

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

Date March 27, 1953 *Payee Lewis B. Collingwood, Dean W. Collingwood, & Dale B. McDermand

Per Lewis Collingwood Gardner

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

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

(Instructions on reverse)

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

$ 675.00

Signature L. A. Hill (Authorized Certifying Officer) 33

Date APR 1 1953 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature W Benyon Title [redacted] Date [redacted]

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature C B Needham Title [illegible] Date 4/1/53

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

## OPERATOR'S UNIT COST AND PROGRESS REPORT

INTERIOR
Administration
RECEIVED
MAR 6 1953

Month of March 1953 Docket No. DMEA 2706 Contract No. Idm-E-438

Operator's Name Louis Collingwood, D. W. Collingwood, Dale B. McDermand Minerals Beryl, columbite-tantalite, & Mica.

Address Custer, S. D.

| OPERATION | Unit | Costs This Month | Units This Month | Costs to Date | Units to Date | Unit Costs to Date | Authorized by Contract: Units | Authorized by Contract: Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core (Drilling | feet | 525.00 | 100 | 1,470.00 | 280 | 5.25 | 1000* | 5,250.00 |
| Drilling: Core (Casing) | feet | 225.00 | 90 | 225.00 | 90 | 2.50 | | |
| Drilling: Churn | | | | | | | | |
| Drilling: Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| | | 525.00 | 100 | | | | | |
| Total Distributed Costs | | 225.00 | 90 | 1,695.00 | | | Total Costs Authorized by Contract | |
| | | 750.00 | | | | | | |
| Operating Equipment Purchased | | — | — | — | | | — | |
| Initial Rehabilitation and Repairs | | — | — | — | | | — | |
| New Buildings, Improvements, etc. | | | | | | | — | |
| | | | | | | | — | |
| Total Costs | | 750.00 | | 1,695.00 | | | 5,250.00 | |

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

Date March 27, 1953 Operator Louis B. Collingwood, Dean W. Collingwood, & Dale B. McDermand

Per Louis B. Collingwood Title Partner

Remarks: The ground required casing and was ordered by us.

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

RECEIVED
APR 1 1950
DEPT. OF INTERIOR
BUREAU OF MINES
BERKELEY, CALIF.

Lewis B. Collingwood, Dean W. Collingwood &
Dale B McDermand,

Dyke No 2 Pegmatite

Docket No. DMA 2706
Contract No. Idm E-458

Operator's Narrative Report.

Owing to the heavy snow, the drilling contractor was not able to get into the property until about March 19th. He moved his equipment from Hole No. 1 to Hole No. 2 which is approximately 200 feet west and in line with Hole No. 1. Hole 2 is on the west side of the dike. The hole was drilled at an angle of -45° and went to a depth of 100 ft. Ground conditions were bad and casing (BX) was used. No pegmatite was found with the hole.

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

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

# UNITED STATES
# DEPARTMENT OF THE INTERIOR
## DEFENSE MINERALS EXPLORATION ADMINISTRATION
# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of ~~Nov.~~ Dec., 1952 Docket No. DMEA 2706 Contract No. Idn. B 438

Operator's Name Lewis Collingwood, Dean W. Collingwood & Dale McDermand Minerals Beryl

Address Custer, South Dakota

Contract Amount, $ 5250.00 Government Participation: 90 % Amount, $ 4725.00

| ITEMS OF COSTS | FOR OPERATOR'S USE: Monthly Total | Totals Previously Reported | Totals To Date | FOR GOVERNMENT USE ONLY: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling | $ 945.00 | — | $ 945.00 | 945.00 | -- | 945.00 |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | $ 945.00 | — | $ 945.00 | 945.00 | -- | 945.00 |

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

Date 1/20/53 *Payee Lewis W. Collingwood

Per Lewis Collingwood, Dean W. Collingwood, Dale B. McDermand Title Partner

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

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

(Instructions on reverse)

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

$ 850.50 H

Signature L. A. Hill
(Authorized Certifying Officer)

Date JAN 20 1953 Vou. No. 23

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idn E-438 in accordance with the terms of the contract.

Signature E. O. Benson Title Mining Engineer Date January 12, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title [illegible] Date 1/19/53

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Nov. 1952 Docket No. DMEA 2706 Contract No. Ken B-438
Operator's Name Lewis Collingwood, Dean W. Collingwood & Dale Foremand Minerals Beryl
Address Custer, S. Dak.

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT Units | AUTHORIZED BY CONTRACT Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | feet | $945.00 | 180 | $945.00 | 180 | 5.25 | 1000 | $5,250.00 |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| TOTAL DISTRIBUTED COSTS | | $945.00 | 180 | $945.00 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| TOTAL COSTS | | $945.00 | | $945.00 | | | | $5,250.00 |

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

Date Jan. 10, 1953 Operator Lewis W. Collingwood

Per _____ Title Owner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

Dyke No. 2 Lode
Contract Idm F-438
Dockot No. 2700
Beryl-Mica

Operator's Narrative Report

The drilling contractor moved equipment onto the property on November 19th, but because of the weather and some delay in getting parts for the drill, he did not start drilling until December 4th.

Hole No. 1 bears almost due west and was directed toward the shaft on the west side of the pegmatite. It was collared at a point about 35 feet slightly southeast of the east end of the center trench. Inclination of the hole was -41° and it was drilled to a depth of 180 feet. The pegmatite was cut at109feet and was 9.0 feet thick, or to 118feet. Little if any beryl was seen in the core.

The hole was completed on December 16, 1952 but the drilling has been stopped until we can get an amendment to the contract to permit payment for cementing, reaming, and casing over and above the price for drilling. The drilling contractor did not wish to continue unless $2.50 per foot was allowed on futre holes for these items. The work has been recessed until notice that the amendment has been approved is received. To date, January 10, 1953 we have had no word concerning the amendment.

APR 3 1963

Mr. Dean W. Collingwood
P. O. Box 68
Custer, South Dakota

Re: EMEA-2766 (Beryl-Mica)
Lewis W. Collingwood, Dean W.
Collingwood, and Dale B. Mathewson
Dykes No. 2 Lode
Custer County, South Dakota
Contract 14s-2438

Dear Mr. Collingwood:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated November 13, 1953, all minerals mined or produced from November 6, 1958 to November 6, 1962, were subject to the Government's 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. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

George Fumich, Jr.

Director

TMMurphy/ms
4/3/63
cc: Director's Reading File
✓CAAA Division
Region III
Code 500
Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR

GOVERNMENT COPY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

600

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT WHICH
MAY RESULT FROM A PROJECT CONTRACT

To: Lewis W. Collingwood
Dean W. Collingwood
Dale R. Wetzermund
(Partners)
Box 68
Custer, South Dakota

Pursuant to the provisions of Exploration Project Contract No. Lim-2438, dated November 6, 1952, (Docket No. DMA-706), 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:

Three of the four holes cored and drilled penetrated the principal pegmatite of the Ayre No. 4 claim and delineated the deposit at depths varying from 40 to 90 feet below the outcrop. The width penetrated varied from 20 to 60 feet.

The DEFENSE MINERALS EXPLORATION ADMINISTRATION

By O Mitchell Dorr
Administrator, Defense Minerals
Exploration Administration

Dated: NOV 13 1953

JTRobertson:gud 9/17/53

Copy to: Mr. Irving Gumbel, GSA
Mr. Thayer, 5216 GSA Bldg.
Mr. Hedges, 4604
Admr. R. File
Docket File

Field Team, Region V
Operating Committee
Mr. Chambers
Mr. Johnson
Mr. Houk
Finance Office

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

NOV 13 1953

Mr. Lewis W. Collingwood
Box 68
Custer, South Dakota

Re: Docket No. DMEA-2706 - Beryl-Mica
Dike No. 2 Lode
Custer County, South Dakota
Contract No. Idm-E438

Dear Mr. Collingwood:

Transmitted herewith is a Certification of Discovery or Development on Contract No. Idm-E438, Custer County, South Dakota.

By the terms of the Exploration Project Contract and of the Certification, all production from the property from the date of the Exploration Project Contract, November 6, 1952, is subject to the Government's percentage royalty as set forth in the contract until the sum of $3,260.70 is paid or until November 6, 1962, whichever occurs first.

Payments should be made to Mr. A. B. Needham, Executive Officer, Defense Minerals Exploration Administration Field Team, Region V, 2908 Colfax Avenue, South, Minneapolis 8, Minnesota. Checks should be drawn payable to the Treasurer of the United States. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward check direct 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 ore sold, the name of 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 have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for any extended period, please notify Mr. Needham at six-month intervals that no production has been made.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

Field Team, Region V
Mr. Thayer, 5216 GSA Bldg.
Operating Committee
Mr. Houk

JTRobertson:gad 9/17/53
Copy to: Admr. R. File
Docket File
Mr. Johnson
Mr. Hedges, 4604
Mr. Chambers

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

600

NOV 13 1953

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

Re: Docket No. [illegible]-7[illegible]6 - Beryl-[illegible]
Lewis H. Collingwood
Dean W. Collingwood
Dale E. Nelsenwood (partners)
Dyke No. [illegible]
[illegible]
Contract No. [illegible]

Dear Mr. Gumbel:

I am enclosing one copy of a Certification of Discovery or Development, and a final report of the Field Team both relating to the subject exploration contract.

The contract for 1,[illegible]0 feet of core drilling was signed November [illegible], 195[illegible], with the Government participating to the extent of 90% of $5,2[illegible]0.00 or $4,725.00. The total cost of the project was $5,6[illegible]3.[illegible] of which the Government's share was 90% or $5,[illegible]0.70.

The project work for the exploration of a beryl-rich pegmatite was started November 19, 195[illegible], and was terminated August 14, 1953, by mutual consent before the entire footage was drilled. Four holes, totaling 552 feet of diamond drilling, were completed. Three of the four holes penetrated the pegmatite to depths of 50 to 90 feet and served in a measure to delineate the shape and prove that it extended to a depth of at least 10[illegible] feet. Important data were obtained which should be of assistance in future development of the mine. It is the intention of the operator to proceed to develop the property by trenching and shaft work.

The DMEA is of the opinion that the work was of definite benefit to the property and, therefore, we have certified that a discovery or development resulted from the work performed.

Please refer to the final report and accompanying drill logs, plan and cross sections for a more comprehensive description of the project work and the results accomplished.

Sincerely yours,

C. O. [illegible]

Administrator

Enclosures 2

LCHenk:ged 10/5/53

Copy to: Adm. L. File
Mr. Thayer, 5216 GSA Bldg.
Field Team, Region V
Mr. Chambers
Docket File

Operating Committee
Mr. Hodges, 4604
Mr. Johnson
Mr. Hunt

Government Copy

Department of the Interior
Defense Minerals Administration
RECEIVED
AUG 6 1953

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

It is agreed this 14th day of August, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and

L. W. Collingwood
D. W. Collingwood
D. B. McDermand,

hereinafter called the "Operator," parties to that certain Exploration Project Contract I-dm-E 438, Docket No. DMEA- 2706, dated November 6, 1952, that the said contract shall be and is hereby terminated as of the first date above written.

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

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

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

UNITED STATES OF AMERICA

By O. B. Woodhem

Partner
(Operator)

By L. W. Collingwood

AMENDMENT NO. 2

Docket DMEA 2706, Contract Idm E-438, dated November 6, 1952 between the United States of America and Lewis B. Collingwood, Dean W. Collingwood, and Dale B. McDermand, a partnership, is amended as follows:

1. Completion date is extended to June 1, 1953.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount, or the percentage of the cost which the Government may pay under the provisions of Article 4 of the contract.

Dated: February 16, 1953

UNITED STATES OF AMERICA

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

RECEIVED
FEB 27 1953
BUREAU OF MINES
RAPID CITY, S. D.

By: Lewis Collingwood
L. W. Collingwood

Dean W. Collingwood
D. W. Collingwood

Dale B. McDermand
D. B. McDermand

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 6 1953

Governm[illegible]t's Copy

EXPLORATION PROJECT CONTRACT
LEWIS W. COLLINGWOOD, DEAN W. COLLINGWOOD
AND DALE B. MCDERMAND
DOCKET NO. DMEA-2706

AMENDMENT NO. 1

It is agreed this 29th day of January, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Lewis W. Collingwood, Dean W. Collingwood, and Dale B. McDermand, partners, hereinafter called the "Operator", as follows:

WHEREAS, these parties have heretofore entered into a certain Exploration Project Contract, Docket No. DMEA-2706, Idm-E438, providing for contribution by the Government to the costs of certain exploratory drilling on the basis of an agreed estimated cost of $5.25 per foot; and

WHEREAS, these parties entered into this exploration contract with the understanding and belief that the Operator could procure the performance of said drilling by an independent contractor at the said rate of $5.25 per foot, including any necessary cementing and drilling out or reaming and casing; and

WHEREAS, the price quoted by the independent contractor to the Operator for the performance of said work was actually exclusive of and intended to be exclusive of cementing, reaming, and casing; and the Operator is therefore required to pay said independent contractor the sum of $2.50 per foot for any necessary cementing and drilling out or reaming and casing;

NOW THEREFORE, in addition to the agreed unit price fixed by Exhibit "A" of the Exploration Project Contract, in the sum of $5.25 per foot of diamond drilling, the Government will contribute its agreed pro rata share of the cost of any necessary cementing and drilling out or reaming and casing, at the agreed unit price of $2.50 per foot; the amount of allowable diamond drilling to be reduced to the extent necessary to cover said additional cost of $2.50 per foot within the limits of the total agreed estimated cost of the work as originally fixed at the sum of $5,250.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total

amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay under the provisions of Article 4 of the contract form.

Executed in sextuplicate the day and year first above written.

UNITED STATES OF AMERICA

By _____
Partner

By _____
Partner

By _____
Partner

By _____
Administrator, Defense
Minerals Exploration
Administration

Doc[illegible] No. DMA 2706

Commodity Beryllium

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

[illegible]D

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 439

Date of Contract ~~or Amendment~~: November 6, 1952

Name and Address of Operator:

Lewis W. Collingwood, Dean W. Collingwood and
Dale D. McDermand
Box 68, Custer, S. D.

Amount of Government
participation ____ $ 4,725.00

Percent of Government
participation 90 %

Region: V State: S. D.

NOTE: Please release $1,464.30; Advice Contract Administration and Audit Division

(Name)

J. L. Chambers,
Chief, Contract Administration and
Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. 9/14/53 13808

Docket No. DMEA 2706

Commodity Beryl-Mica

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 438

Date of Contract ~~amendment~~: November 6, 1952

Name and Address of Operator:
Lewis W. Collingwood,
Dean W. Collingwood and
Dale B. McDermand
Box 68
Custer, S. D.

Amount of Government participation $ 4,725.00

Percent of Government participation 90 %

Region: V State: South Dakota

E. R. Talbert
(Name)

for J. L. Chambers,
Chief, Contract Administration
and Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington. Nov. 6, 1952 13808

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 26 1952

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2706

COMMODITY Beryl-Mica

Government's Copy

IDM-E 438

RECEIVED NOV 26 1952 BUREAU OF MINES REGION 4 MINING DIVISION

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

# EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 6th 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] Lewis W. Collingwood, Dean W. Collingwood and Dale B. McDermand, partners, Box 68, Custer, South Dakota

hereinafter called the "Operator," 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 Custer, described as follows:[3] Dyke No. 2 Lode Mining Claim, Survey No. 2143, situated in the SE¼ of Section 13, Township 4 South, Range 4 East, B.H.M., and the W½ of Section 18, Township 4 South, Range 5 East, B.H.M., as is more particularly described in metes and bounds in the patent thereof recorded in Book 2 of Mineral Patents, Page 61, in the Operator represents and undertakes:[4] the office of the Registrar of Deeds of Custer County, South Dakota

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

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

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, within 15 days from the date of this contract shall commence work on a project of exploration for[5] Beryl, Columbium-tantalum, and mica

in or upon the described land; and shall bring the project to completion within a period of 60 days from the date of this contract. 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 90 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 $4,725.00, which is 90 percent of $5,250.00, 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.

(*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 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.

Lawrence Callingwood
(~~CORPORATE~~ Partner

By Dean W. Callingwood
Partner

Dale B. McDermand
Partner

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals Exploration Administration

I, _____, certify that I am the _____ secretary of the corporation named as Operator herein; that _____, who signed this contract on behalf of the Operator, was then _____ 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.

_____ [CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
LEWIS W. COLLINGWOOD, DEAN W. COLLINGWOOD
AND DALE B. MCDERMAND
DOCKET NO. DMEA-2706

EXHIBIT "A"

Description of the Work

From the surface five diamond drill holes, each approximately 200 feet long, are to be drilled using size BX bits, to a total length of not more than 1,000 feet. The exact location, direction and extent of the work shall be specified by the Government.

Agreed Estimated Costs

| | |
|---|---|
| 1000 feet of diamond drilling @ $5.25 1/ per foot | $5,250.00 |
| Total Agreed Estimated Costs | $5,250.00 |
| Government Participation @ 90% | $4,725.00 |

1/ In the discretion of the Government, upon its paying the cost of transportation, the cores may be sent for filing to the Bureau of Mines Core Library.

MF-203

# OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Custer, described as

follows:1/ Dyke No. 2 Lode Mining Claim, Survey No. 2143, situated in the S.E. ¼ of Section 13, Township 4 South, Range 4 East, B.H.M., and the W. ½ of Section 18, Township 4 South, Range 5 East, B.H.M., as is more particularly described by metes and bounds in the Patent thereof recorded in Book 2 of Mineral Patents, Page 61, in the office of the Registrar of Deeds of Custer County, South Dakota

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Lewis W. Collingwood, Dean W. Collingwood and Dale B. McDermand, partners, Box 68, Custer, South Dakota

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 5,000.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or con- [illegible] claim or rights of the Government under the provisions of said contract.

RELEVANT CONTRACT PROVISIONS

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 six 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) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent 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) per cent 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) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(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, 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 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.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.