DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE — Idm-E NO. 438 — DMEA NO. 2706

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

**Left Side**

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

**Right Side**

- [ ] Project summary (final)
- [x] Work Comoleted analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [x] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab) Waived late 10/27/54
- [x] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

**Left Side**

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

**Right Side**

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

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

Folders No. _____ : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

Rsi
17963

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
E. D. Talbert, OME Auditor

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.

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 Ism-8458, Docket No. DMEA 2706, 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 royalties due the U. S. Government on the sales of Beryl, Columbium, Tantalum, and Mica, from property referred to as Ryke 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, 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.

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 31, 1953 ; 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

FILE COPY
SURNAME

Roberts
Houk
Chambers
Gilstrap
Ontry
Kimbel
Hedges
Martin
Johnson

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

600

[illegible]
[illegible]
[illegible] CONTRACT

To: Lewis [illegible] Collingwood
Hean [illegible] Collingwood
Dale [illegible] Scherrand
(Partners)
Box 68
Custer, South Dakota

Pursuant to the provisions of exploration project Contract No. [illegible], dated November 6, 1952, (Docket No. [illegible]-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 magnetite of the ore [illegible] 2 zone and intersected the deposit at depths varying from 40 to [illegible] feet below the outcrop. The width penetrated varied from [illegible] to 60 feet.

Cont sent to Custer, South Dakota

10/5/54 copy To L. T. Rohrmacher Denver, Colo.

The United States of America

By C. D. Mitterdorf
Administrator, Defense Minerals Exploration Administration

Dated: NOV 13 1953

JRobertson:gad 9/17/53

Copy to: Mr. Irving Gumbel, [illegible]
Mr. Thayer, [illegible] Bldg.
Mr. Hedges, [illegible]
Admr. A. File
Docket File

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

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. McDermand

Box 68
Custer, South Dakota

pertaining to Exploration Project Contract No. Idm-P438, 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

Docket Cop

Department of the Interior
Bureau Land Management
Received
AUG 1 1953

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

Cancel 8/2/53 Butler Chandler

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 Needham

Partner
(Operator)

By Lewis W Collingwood

18262-1

RECEIVED
AUG 24 1953
DEPT. OF INTERIOR
BUREAU OF MINES
MINNEAPOLIS MINN.
REGION V

Docket Copy

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:

Patin Hoffman

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

By: Lewis W. Collingwood
L. W. Collingwood

Dean W. Collingwood
D. W. Collingwood

Dale B. McDermand
D. B. McDermand

Docket 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 triplicate the day and year first above written.

UNITED STATES OF AMERICA

By Dale B. McDonald
Partner

By Lewis Collingwood
Partner

By Dean M. Collingwood
Partner

By C. F. Mitchendoy
Administrator, Defense Minerals Exploration Administration

Hoffman
Hunt
O'Keefe
Chandler

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 26 1952

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2706

COMMODITY Beryl-Mica

Docket Copy
IDM-E 438

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

# EXPLORATION PROJECT CONTRACT[1]
(Short Form)

RECEIVED NOV 1952 BUREAU OF MINES

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 A. 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 office of the Registrar of Deeds of Custer County, South Dakota

the Operator represents and undertakes:[4]

(*a*) ~~That the Operator is the owner in fee simple of the property and that the property is subject only to the~~

(*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.

16—6632

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

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

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

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

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

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

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

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

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

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

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

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* .....

Executed in sextuplicate the day and year first above written.

Lewis W. Collingwood
(Operator) Partner

By Dean W. Collingwood
Partner

Dale B. McDonald
Partner

THE UNITED STATES OF AMERICA

By [illegible]
Administrator, Defense Minerals Exploration Administration

Albert Hunt Talbot

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.

M

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 conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 17th day of November, 195 2

Lewis Theodore Radenmacher [Seal]

Lewis W. Collingwood

Dean W. Collingwood [Seal]

Dale B. McDermand [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

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.

MR-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

# APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

*Not to be filled in by applicant*

Docket No. Dmea-2706
Metal or Mineral
Date Received 9-19-52
Estimated Cost
Participation (Government %)

## INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Lewis W. Collingwood, Dean W. Collingwood, and Dale B. McDermand all of Box 68, Custer, South Dakota

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Dyke No. 2 Lode Mining Claim. Patent dated January 26, 1950. Mineral Survey No. 2143, embracing a portion of Sec. 13, T. 4 S. R. 4 E., and Sec. 18, T. 4 S. R. 5 E. B. H. M. in Custer County, South Dakota. Patent issued to: Lewis Theodore Rademacher, filed in Book 2 of Mineral Patents, p. 61.

(*b*) State any mine name by which the property is known.

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Lessees

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it None

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
SEP 19 1952

5. *The exploration project.*—(a) State the mineral or minerals for which you wish to explore Beryl, columbite-tantalite, and mica

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc. see supplemental sheets

(*c*) The work will start within / days and be completed within ..... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs?

[X] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

## CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated August 20th, 1952

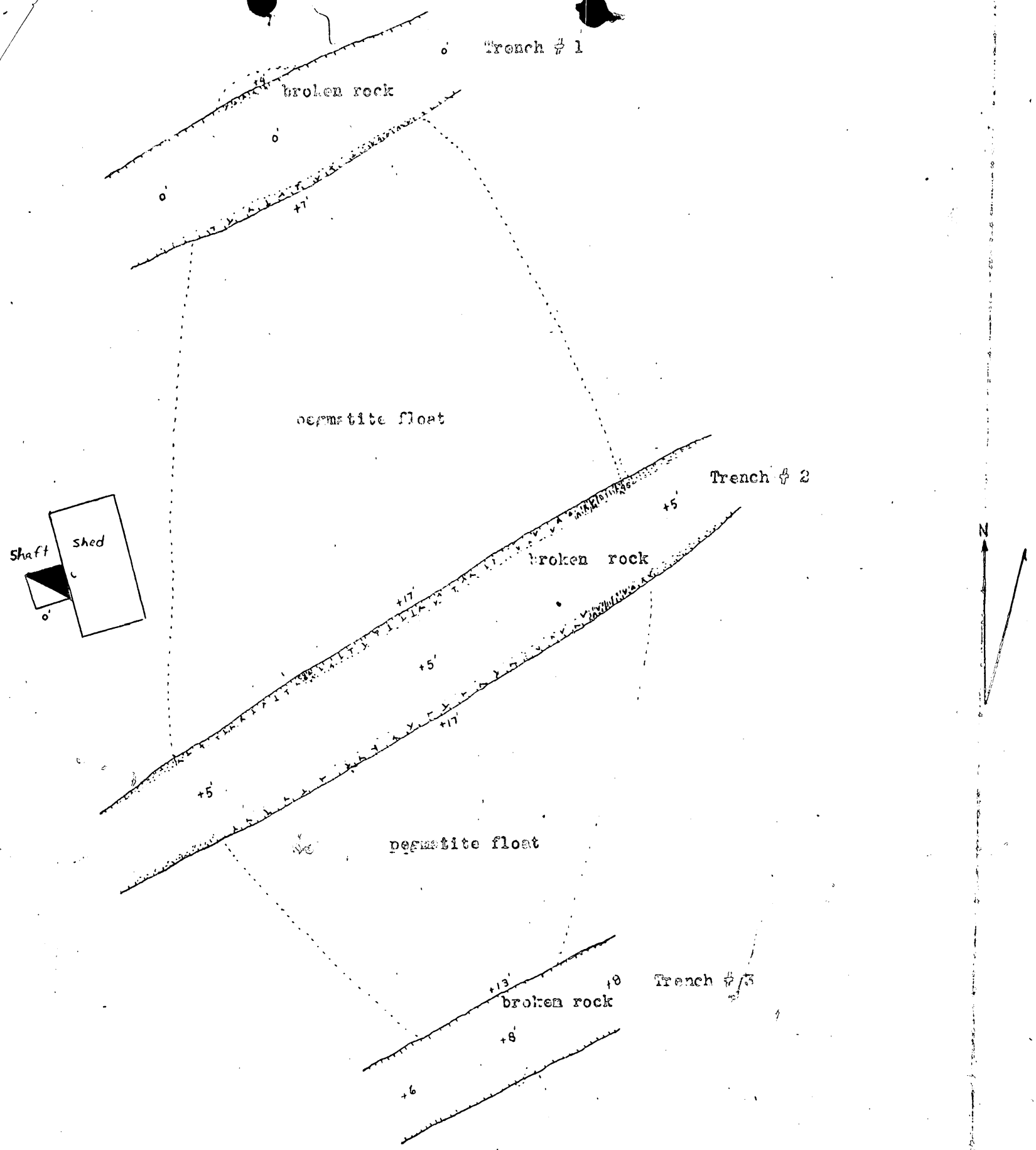
Lewis W. Collingwood (Applicant)
Lewis W. Collingwood

By Dean W. Collingwood
Dean W. Collingwood

Dale B. McDermand
Dale McDermand

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1




LEGEND

- Quartz-plagioclase-spodumene pegmatite
- Porthite-quartz pegmatite
- Quartz-plagioclase pegmatite
- Quartz-plagioclase-muscovite pegmatite
- Schist
- Inferred limits of pegmatite

Scale

1 inch = 20 feet

0 10 20

SKETCH MAP, DIKE #2 PEGMATITE, SE. ¼ sec. 13, T. 4 S., R. 5 E. and SW. ¼ sec. 18, T. 4 S., R. 6 E.

CUSTER COUNTY, SOUTH DAKOTA

MF-202

# LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Custer, State of South Dakota, described in a certain Exploration Project Contract dated August 14th, 1952, between Lewis W. Collingwood, Dean W. Collingwood, and Dale E. McDermand, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated July 7, 1952, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

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

Dated this 17th day of August, 1952.

Lewis Theodore Rademacher

Lewis Theodore Rademacher

U. S. GOVERNMENT PRINTING OFFICE 16—64532-1

SUPPLEMENTAL TO MF-103

Page One

1. See MF - 103

   (b) Individuals.
   (c) Not a corporation.
   (d) Lewis W. Collingwood, Box 68, Custer, South Dakota, Dean W. Collingwood, Box 68, Custer, South Dakota, and Dale B. McDermand, Custer, South Dakota.

2. DMEA Order 1, "Government Aid in Defense Exploration Projects" nor available at this time.

3. (a) See Form MF - 103.
   (b) Dyke No. 2 Lode.
   (c) See MF - 103.
   (d) Copy of lease included with this application.
   (e) See MF - 103.
   (f) Patented Claim.

4. (a) Fifty foot shaft with thirty foot drift at bottom. (Caved)
   (b) No production.
   (c) Pegmatite dike 300' wide by 1,000' long. Dike is an extention of the Beecher No. 3 Lode which has largest deposit of beryl yet discovered in the Southern Black Hills.
   (d) Approximately six miles from Custer and railroad shipping point. Gravel road within one half mile of property.
   (e) Man power available in Custer and from U. S. Employment office in Rapid City, South Dakota. Power line close to property, materials, supplies, and equipment available in Custer, Rapid City, and Deadwood.

5. (a) See MF - 103.
   (b) Five 200' core holes, to be located by geologist.
   (c) Work will start as soon as project is approved, and drill rig can be obtained.
   (d) Work to be carried on by experienced driller under direction U. S. Bureau of Mines and U. S. Geologist.

6. (a) Contracted core holes at approximately $6.00 per foot.
   (b) None.
   (c) None.
   (d) None.
   (e) None.
   (f) None.
   (g) None.
   (h) None.

7. (a) Yes.
   (b) Money to be furnished by the lessees.

# LEASE AGREEMENT

THIS AGREEMENT made and entered into this 7th day of July, 1952, by and between L. T. RADEMACHER of Boulder, Colorado, Party of the First Part, and DENIS COLLINGWOOD, DALE McDERMAND, and DEAN W. COLLINGWOOD, of Custer, Custer County, South Dakota, Parties of the Second Part, in manner and form following;

WITNESSETH:

That for and in consideration of the payment of the royalties hereinafter set out, and performance of the covenants herein contained, the Party of the First Part does hereby lease and let unto the Parties of the Second Part for a period of ten (10) years from the date of the execution of this Agreement the following described mining claims situated in the County of Custer and State of South Dakota, to-wit:

> 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 by metes and bounds in the Patent thereof recorded in Book 2 of Mineral Patents, Page 61, in the office of the Register of Deeds of Custer County, South Dakota; and
>
> DENNY LODE MINING CLAIM: Beginning at Corner No. 1 of the Denny Lode, identical with Corner No. 1 of Dyke No. 2 Lode; thence South 10°27' East 1329 feet to Corner No. 2, identical with Corner No. 2 of Dyke No. 2 Lode; thence North 60°33' East 593 feet to Corner No. 3; thence North 10°10' West 1331.3 feet to Corner No. 4, identical with the Corner of the Location on line 8-9 of M.M.S. No. 420; thence South 60°33' West 600 feet to Corner No. 1, the place of beginning.

The Parties of the Second Part shall within ninety (90) days from the day of the execution of this Lease enter upon the above described mining claims and continue exploring, developing, and operating said property for the purpose of developing, mining, and removing any and all valuable ores and minerals contained in said mining claims, and shall continually work, develop and operate the same during the period of this Agreement, except when prevented from doing so due to inclement weather, acts of God and causes beyond the control of the Parties of the Second Part, and in the event that the Parties of the Second Part shall cease exploration, development, or mining operations for a period of ninety (90) days or more at any time during the period of this Agreement, this Agreement shall be terminated.

The Parties of the Second Part shall pay to the Party of the First Part the sum of Fifty Cents (50¢) per ton for all feldspar mined and removed from the above described mining claims, and shall pay to the Party of the First Part twelve and one-half per cent (12½%) of the gross sales price of any and all other valuable ores or minerals mined and removed from said mining claims,

payment to be made within ten (10) days after the receipt of proceeds from the sale of said ores or other valuable ores and minerals by the Parties of the Second Part.

It is mutually agreed by and between the Parties hereto that the Parties of the Second Part may make application for an exploratory loan from the Government of the United States, and in the event that the same is approved, the Party of the First Part will execute such necessary consent or waiver as may be required by the Government under the provisions of the regulations of the Government of the United States relating to exploratory loans; provided that no lien shall be created upon the claims creating a greater burden than that created under the presently existing regulations with reference to exploratory loans.

In the event that the Party of the First Part shall during the term of this Agreement sell the above described mining claims, or either of them, then and in that event, the Parties of the Second Part shall receive thirty per cent (30%) of the sales price thereof, less any abstracting costs, legal fees, or actual costs of sale necessarily incurred by the Party of the First Part in connection with the making of the sale or perfecting of title for the purpose of sale only.

The Parties of the Second Part shall prosecute all exploration, development, and mining activities in a good and workmanlike manner so as not to damage the property beyond the extent which is reasonably necessary for the exploration, development and mining of the ores and minerals contained in said property, and shall not allow or cause to be placed upon said mining claims any liens other than those created by virtue of exploratory loan.

The Parties of the Second Part shall have the right and privilege any time during the period of this Agreement or within thirty (30) days after the termination thereof, to remove from said mining claims all machinery, equipment, structures, or other property placed thereon by or at the sole expense of the Parties of the Second Part.

In the event that the Parties of the Second Part shall fail to pay any royalties on the due date thereof, or cease to carry on any exploration, development, or mining activities for a period of ninety (90) days, or shall breach any of the other covenants herein contained, then and in that event, this Agreement may at the option of the Party of the First Part be terminated,

and upon the Party of the First Part giving to the Parties of the Second Part thirty (30) days notice in writing of intent to terminate for any of such reasons, the Parties of the Second Part shall at the expiration of said thirty (30) day period surrender possession of the above described mining claims to the Party of the First Part, and this Agreement shall be fully terminated, and the right of the Parties of the Second Part to receive thirty per cent (30%) of the sales price for any sale made after that date shall cease.

IN WITNESS WHEREOF the Parties hereto have hereunto affixed their signatures the day and year first above written.

Party of the First Part

Parties of the Second Part

STATE OF SOUTH DAKOTA)
: SS
COUNTY OF CUSTER )

On this 7th day of July, 1952, before me, the undersigned, a Notary Public within and for said County and State, personally appeared L. T. Mackenzie and Louis Collingwood, Dale McDermand, and Dean W. Collingwood, well-known to me to be the persons who are described in and who executed the within and foregoing instrument and acknowledged to me that they executed the same.

Notary Public

(Seal)

Mr. Jay L. Chambers
Defense Minerals Exploration Administration
Interior Building
Washington 25, D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGIONAL OFFICE
REGION VII
NORRIS, TENNESSEE
OFFICIAL BUSINESS

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 4/3 | Murphy | 500 |
| | Thomas | 500 |
| 4/3 | Talbert | 800 |
| | Selbrede | 120 |
| 4/3 | Johnson | 110 |
| 4/3 | Fumich | 100 |
| | | 220 |
| | | |
| | | |

APR 3 1963

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

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

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, 1952 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

FMMurphy/mm
4/3/63
cc: Director's Reading File
CA&A Division
Region III
Code 500
Docket

8623

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

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 1 1963

| DATE | INITIALS | CODE |
|---|---|---|
| 4/1 | | 800 |
| | | 120 |
| | | 500 |
| | | |
| | | |
| | | |

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.

Hugh M. Connors

Hugh M. Connors

Royalty period expired 11/6/62

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

March 11, 1963

REGISTERED MAIL
RETURN RECEIPT REQUESTED

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

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

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

The period during which royalty on production was due the Government has expired, but we cannot release the Government's lien against the property and close our books on the contract without receiving the above requested information.

Wrote for lessees? Wrote 11/22/62 returned marked "Moved: Left No Address" [illegible]

Sincerely yours,

W. R. Griswold, Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 19 1963

| DATE | INITIALS | CODE |
|---|---|---|
| 3/19 | [illegible] | 800 |
| | | ~~120~~ |
| | | 160 |
| | | 110 |
| | | 500 |
| | | |
| | | |

MME Form 63
Revised 3-62

## REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since April 9, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

At time of government lease Rodamacher owned the property. Has as I know he still does.

2. Since April 9, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☐

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Ground was core drilled never worked.

| | Quantity | Value |
|---|---|---|
| | | |

I haven't been on the ground for 10 years

B. If stockpiled awaiting sale, state quantity, grade, and location.

| Type | Quantity | Estimated Grade | Location |
|---|---|---|---|
| Ore | Tons | | |
| Concentrates | Tons | | |
| Other | Tons | | |

3. Since , has any production been transported through workings (see cf contract)? Yes ☐ No ☐

A. If so, state quantity, value, and disposition of material.

| Disposition of Material | Quantity | Value |
|---|---|---|
| | | |

Submitted by:

Name Dean Callaghan Title Lease

Address Custer S. Dale Date

4511

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 3/21 | Griswold | 500 |
| 3/22 | Talbert | 800 |
| | GLL | 130 |
| 3/22 | Johnson | 110 |
| 3/22 | Terrell | 100 |
| | | 220 |
| | | |
| | | |
| | | |

MAR 2 2 1963

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

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

With reference to the noted project, we would like to close the docket inasmuch as the royalty period expired November 6, 1962. You gave us a memorandum on it last December 5 and we have just received a returned Form 63 from Dean Collingwood. He knows of no recent production but states he has not been on the ground for ten years.

As a matter of record, would you be kind enough to check with the Regional Director, Defense Materials Service, Building 41, Denver Federal Center, Denver 25. The Custer depot wrote us April 9, 1962, and it is unlikely that any material from the property was purchased thereafter. Nevertheless, our docket would be more complete if you could get something specific for us covering the period after April 9, 1962.

George C. Selfridge (gla)

Enclosure (Form 63 cy completed by
Dean Collingwood)

WRGriswold/gla
3-21-63
cc to: Director's Reading File
Review Committee
Docket
Code 500

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 10 1962

| DATE | | |
|---|---|---|
| 12/10 | Ray | 800 |
| | | 120 |
| | Griswold | 500 |
| | Murphy | 500 |

December 5, 1962

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
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.

Hugh M. Connors

Hugh M. Connors

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

November 21, 1962

Re: DMEA-2706 (Beryl-Mica)
Lewis W. Collingwood,
Dean W. Collingwood, and
Dale B. McDermand
Dyke No. 2 Lode
Custer County, S. D.
Contract Idm-R438

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

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

The period during which royalty on production was due the Government has expired, but we cannot release the Government's lien on the property and close our books on the contract without receiving the above requested information.

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

MME Form 63
Revised 3-62

DMRA-2706
Idm-E438

# REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since April 9, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. Since April 9, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

| | Quantity | Value |
|---|---|---|
| _____ | | |
| _____ | _____ | _____ |

   B. If stockpiled awaiting sale, state quantity, grade, and location.

| Type | Quantity | | Estimated Grade | Location |
|---|---|---|---|---|
| Ore | _____ | Tons | _____ | _____ |
| Concentrates | _____ | Tons | _____ | _____ |
| Other | _____ | Tons | _____ | _____ |

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

| Disposition of Material | Quantity | Value |
|---|---|---|
| _____ | _____ | _____ |

Submitted by:

Name _____ Title _____

Address _____ Date _____

4511

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

OFFICIAL BUSINESS

Office of Minerals Exploration
Washington 25, D. C.

~~$600~~
~~500~~ Murphy
11/26/62

WASHINGTON 3 D.C.
NOV 22
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1962

DEFEAT
MUSCULAR DYSTROPHY
SUPPORT MDAA

[redacted]

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BOULDER
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Murphy
11/26/62

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

November 21, 1962

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

Mr. Lewis Theodore Rademacher

Boulder, Colorado

Dear Mr. Rademacher:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

The period during which royalty on production was due the Government has expired, but we cannot release the Government's lien on the property and close our books on the contract without receiving the above requested information.

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

MME Form 63
Revised 3-62

DMEA-2706
Idm-E438

# REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since April 9, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. Since April 9, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

| | Quantity | Value |
|---|---|---|
| | | |

   B. If stockpiled awaiting sale, state quantity, grade, and location.

| Type | Quantity | Estimated Grade | Location |
|---|---|---|---|
| Ore | _____ Tons | _____ | _____ |
| Concentrates | _____ Tons | _____ | _____ |
| Other | _____ Tons | _____ | _____ |

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

| Disposition of Material | Quantity | Value |
|---|---|---|
| | | |

Submitted by:

Name _____ Title _____

Address _____ Date _____

4511

# #1-INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee

☐ Show address where delivered

*(Additional charges required for these services)*

**RETURN RECEIPT**

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

Hazel Collingwood

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

| DATE DELIVERED | ADDRESS WHERE DELIVERED *(only if requested in item #1)* |
|---|---|
| 3/14/63 | |

C55—16—71548·4 GPO

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

U.S. DAK. CUST. MAR 14 4-PM 1969

POSTMARK OF DELIVERING OFFICE

INSTRUCTIONS: Fill in items below and complete #1 on other side, when applicable. Moisten gummed ends and attach to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

| REGISTERED NO. | NAME OF SENDER |
|---|---|
| 598009 | MIN. EXPLORATION |
| CERTIFIED NO. | STREET AND NO. OR P. O. BOX |
| | DEPT. INTEIOR |
| INSURED NO. | CITY, ZONE AND STATE |
| | WASHINGTON 25, D.C. |

POD Form 3811 Jan. 1958

C55—16—71548·4

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 14 1962

5/14 gla 50

May 9, 1962

220

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 Original signed by
For
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

IME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
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MAY 4 1962

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-E438

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

43683

# GENERAL SERVICES ADMINISTRATION

Materials Purchase Depot
Box 232
Custer, South Dakota

April 9, 1962

IN REPLY REFER TO:

DMEA-2706 (Beryl & Mica)
Lewis W. Collingwood
Dean W. Collingwood
Dale B. McDermand
Dyke No. 2 Lode
Contract: IDM- E438

U. S. Department of the Interior
Office of Minerals Explorations
Washington 25, D. C.

Attn: Director

Dear Sir:

Replying to your letter of April 2nd regarding the above subject this is to advise that we have not purchased any mica or beryl from the Dyke No. 2 Lode since 1959.

Very truly yours,

GENERAL SERVICES ADMINISTRATION
Materials Purchase Depot

J. F. McGinness
Depot Manager

JFM/kb

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 10 1962

| DATE | | |
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| 4/10 | | 800 |
| | Murphy | ~~500~~ |
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2 cys to Region III (4/10/62)

AME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
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| 4/2 | Murphy | 500 |
| | On leave | 500 |
| 4/2 | Talbot | 800 |
| " | Johnson | 110 |
| 4/2 | Selbrede | 110 |
| 4/2 | Fumich | 100 |
| | Murphy | 500 |
| | | |
| | | |

APR 2 1962

General Services Administration
G.S.A. Purchasing Depot
Custer, South Dakota

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

Gentlemen:

Under the terms of the subject contract, the Government has royalty rights on any minerals produced from the subject property.

The last information on the property, given by Mr. McGuiness of the G.S.A. Purchasing Depot, was that there had been no production or change in the ownership of the land through December 31, 1959.

Will you kindly advise if there has been any production or change in ownership since that date, if such information is available.

Sincerely yours,

George Fumich, Jr.

Director

FMMurphy/gla
4-2-62
cc to: Director's Reading File
Region III (2)
Docket

43683

| OFFICIAL FILE COPY O. M. E. RECEIVED APR 8 1960 | | |
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**OFFICE OF MINERALS EXPLORATION**

**REGION III**

**Statement in Lieu of ~~Interim~~ Annual Report of Certified Project**

**Reporting Period** 1-1-59 through 12-31-59

**Docket and Contract Number** DMEA 2706, Idm-E438 (Ta, Be-Cb & Mica)

**Operator** Collingwood, Collingwood & McDermand (Dyke No. 2)
Custer County, So. Dakota

**The project has been inactive during the reporting period** [X]

**Pertinent data relative to the subject contract has remained unchanged since the last report** [X]

**Remarks:**

Mr. McGuiness, G.S.A. representative at the Custer buying station reports as noted above.

**Signed** H. M. Connors

H. M. Connors

**Date** 4-4-60

MME Form 7
(10-58)

OFFICIAL FILE COPY

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JUN 16 1959

Memorandum

To: Mr. Donald T. Finch, OME Auditor

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

Subject: Docket No. DMEA-2706 (Beryl-Mica)
Lewis W. Collingwood, Dean W. Collingwood and
Dale B. McDermand
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

43683

| OFFICIAL FILE COPY O. M. E. RECEIVED APR 9 1959 | | |
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UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration
224 New Customhouse
Denver 2, Colorado
April 6, 1959

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Semiannual Report of Certified Project for the period July 1, 1958 through December 31, 1958

DMEA Docket 2706 (Ta-Be-Cb & Mica)
Contract Idm-E 438
Collingwood and McDermand
Custer County, South Dakota

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office, Memorandum 29, and Special Notice in Minutes of Operating Committee Meeting No. 692.

J. W. Townsend

Enclosures
HMC/ff

cc: Semiannual Report File Idm-E 438
Harshman
Marshall
Chron.

OME, REGION III

Statement in Lieu of Semiannual Report

Reporting Period July 1, 1958 through December 31, 1958
Docket and Contract Number DMEA 2706, Contract Idm-E438 (Ta-Be-Cb & Mica)
Operator Collingwood, Collingwood and McDermand
Custer County, South Dakota

The project has been inactive during the reporting period [x]

Pertinent data relative to the subject contract has remained unchanged since the last report [ ]

Remarks:

1. Property inspected March 24, 1959.
2. Mr. B. A. Gira, GSA Purchasing Depot, Custer, South Dakota, reports no purchases from the property during the report period. Mr. Gira also informally stated that to his knowledge there was no activity during report period.
3. The property is deserted and stripped of all mining equipment.

Signed M. H. Marshall

M. H. Marshall

Date 4-1-59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

DMEA
RECEIVED FEB 24 1958

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February 20, 1958

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Report of Certified Project for the period July 1, 1957 to December 31, 1957

DMEA Docket 2706 (Berl, Columbium, Tantalum, Mica)
Contract Idm-E 438, Collingwood, Collingwood, and McDermond (Dyke No. 2 claims) Custer County, S. D.

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office, Memorandum 29, and Special Notice in Minutes of Operating Committee Meeting No. 692.

W H King
Executive Officer, DMEA
Field Team, Region III

Enclosures
MHM:jy

cc: Semiannual Report File E 438
Harshman
DMEA,DFC - 2
Chron.

DMEA
DEPARTMENT OF THE INTERIOR
FEB 13 1958
REGION III
DENVER, COLORADO

DMEA, REGION III

Statement in Lieu of Semiannual Report

| | |
|---|---|
| Reporting Period | July 1 - December 31, 1957 |
| Docket and Contract Number | Docket No. 2706, Contract Idm-E438 |
| Operator | Collingwood, Collingwood, and McDermond<br>Custer County, S. D. |

The project has been inactive during the reporting period [X]

Pertinent data relative to the subject contract has remained unchanged since the last report [ ]

Remarks:

Signed E. O. Binyon
E. O. Binyon

Date 2/10/58

OFFICIAL FILE COPY
DMEA
RECEIVED
DATE

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

August 15, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Report of Certified Project for the period January 1, 1957 through June 30, 1957
DMEA Docket 2706 (Beryl-Columbium, Tantalum, Mica)
Contract Idm-E 438, Collingwood, Collingwood and McDermand (Dyke No. 2 Claim), Custer County, South Dakota

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office, Memorandum 29, and Special Notice in Minutes of Operating Committee Meeting No. 692.

E. M. Harshman

Acting Executive Officer
DMEA Field Team, Region III

Enclosures

MHM/vj

cc: Semiannual Report File E 438
Harshman
DMEA/DFC
Chron.

DMEA
DEPARTMENT OF THE INTERIOR
AUG 12 1957
REGION III
DENVER, COLORADO

DMEA, REGION III

Statement in Lieu of Semiannual Report

| | |
|---|---|
| Reporting Period | January 1 - June 30, 1957 |
| Docket and Contract Number | Docket No. 2706, Contract Idm-E438 |
| Operator | Collingwood, Collingwood, and McDermand<br>Custer, South Dakota Dyke No. 2 Lode<br>Ta-Cb, Beryllium, Mica |

The project has been inactive during the reporting period ☐

Pertinent data relative to the subject contract has remained unchanged since the last report ☒

Remarks:

OFFICIAL FILE COPY
DMEA
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Signed E O Binyon

E. O. Binyon

Date 8/5/57.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Washington 25, D. C.

224 New Customhouse
Denver 2, Colorado

Date: February 25, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Report of Certified Project for the period July 1, 1956 through December 31, 1956
DMEA Docket 2706 (Beryl-Columbium-Tantalum-Mica)
Contract Idm-E 438, Collingwood, Collingwood & McDermand (Dyke No. 2 Claim), Custer County, South Dakota

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office, ~~and~~ Memorandum 29., and Special Notice in Minutes of Operating Committee Meeting No. 692.

E. N. Harshman

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

Enclosures

MHM/vj
cc: Semiannual Report File E 438
J. F. Shaw (2)
E. N. Harshman
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 28 1957

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DMEA
DEPARTMENT OF THE INTERIOR
FEB 21 1957
DENVER, COLORADO

DMEA, REGION III

STATEMENT IN LIEU OF SEMIANNUAL REPORT

Reporting Period July 1 -- December 31, 1956
Docket and Contract Number Docket DMEA 2706 -- Contract Idm-E438
Operator Collingwood, Collingwood & McDermand
Custer County, South Dakota

The project has been inactive during the reporting period [X]

Pertinent data relative to the subject contract has remained unchanged since the last report [ ]

Remarks:

OFFICIAL-COPY
~~EXTRA COPY~~
DMEA
RECEIVED FEB 28 1957

| DATE | INITIALS | CODE |
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Signed E. O. Binyon

Date 2/6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Washington 25, D. C.

RECEIVED
SEP 24 1956

224 New Customhouse
Denver 2, Colorado

Date: September 20, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Report of Certified Project for the period January 1, 1956 through June 30, 1956
DMEA Docket 2706 (Beryl, Columbium, Tantalum, Mica)
Contract Idm-E438, Collingwood, Collingwood & McDermand (Dyke No. 2 Claim), Custer County, South Dakota

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office, ~~and~~ Memorandum 29, and Special Notice in Minutes of Operating Committee Meeting No. 692.

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

Enclosures
MHM/vj
cc: Semiannual Report File E 438
J. F. Shaw (2)
E. N. Harshman
Chron.

DMEA
DEPARTMENT OF THE INTERIOR
SEP 20 1956
REGION III
DENVER, COLORADO

DMEA, REGION III

STATEMENT IN LIEU OF SEMIANNUAL REPORT

| | |
|---|---|
| Reporting Period | January 1 - June 30, 1956 |
| Docket and Contract Number | DMEA 2706, Contract Idm-E438 |
| Operator | Collingwood, Collingwood & McDermond, Dyke No. 2 |

| | "X" one |
|---|---|
| The project has been inactive during the reporting period | ☐ |
| Pertinent data relative to the subject contract has remained unchanged since the last report | ☒ |

Remarks:

Inspected June 26, 1956

~~active~~ inactive?

Signed E. O. Binyon

Date August 10, 1956

U. S. DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

RECEIVED
MAY 28 1956

224 New Customhouse
Denver 2, Colorado

Date: May 24, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty payments, Docket DMEA 2706 (Beryl-Columbium-Tantalum-Mica), Contract Idm-E438, Collingwood, Collingwood & McDerman (Dyke #2 claim), Custer County, South Dakota

Period: March, 1956

During the above month the following royalty payments were received for ore or concentrates shipped from the subject property:

| Date | Lot No. | Dry Tons | Royalty Due | Royalty Paid | Bonus Roy. Due | Bonus Roy. Pd. |
|---|---|---|---|---|---|---|
| | | | (NONE) | | | |

Totals:

| | |
|---|---|
| Past Due Royalties Collected | None |
| Total Dry Tons (Ore or Cons.) Shipped to Date | None |
| Expiration Date of Royalty Repayment | November 6, 1962 |
| Amount of Government Participation | $3,260.70 |
| Total Royalty Payments to Date | None |
| Percent of Loan Repayment | ---- |

for W. M. Traver

vj

cc Royalty File E 438 w/Settlement Sheets
Monthly Royalty Payment File
S. M. Runke
Chron.

RECEIVED
MAR 14 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Washington 25, D. C.

224 New Customhouse
Denver 2, Colorado

Date: March 9, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Report of Certified Project for the period July 1, 1955 through December 31, 1955, DMEA Docket 2706 (Beryl, Columbium-Tantalum, Mica Contract Idm-E 438, Collingwood, Collingwood and McDermand, Dyke No. 2, Custer County, South Dakota

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office. and Memorandum 29.

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

Enclosures

RDB/vj
cc: Semiannual Report File E 438
E. O. Binyon
E. N. Harshman
Chron.

# Semi-Annual Report of Certified Projects

RECEIVED
MAR 14 1956

Reporting Period July 1, 1955 - December 31, 1955

Docket and Contract Number Docket DMEA 2706, Contract Idm-E438

Operator Collingwood, Collingwood, and McDermand

Commodity Beryl, columbium-tantalum, and mica

Mine Name Dyke No. 2

County and State Custer County, S. Dak.

Date of Contract November 6, 1952

Date of Certification November 13, 1953

Expiration Date of Royalty Payments November 6, 1962

Date of Examination for this Report January 6, 1956

DMEA
Date Rec'd
FEB 29 1956
BUREAU OF MINES
Denver, Colorado

Total Amount of Contract $5,250.00

Total Expenditures under Contract $3,623.00

Amount of Government Participation at 90 % $3,260.70

Royalty Payments this Period None

Previous Royalty Payments None

Total Royalty Payments to Date None

% Loan Repayment Completed 0

Amount of Royalty Due None

Royalty Remarks

Original Estimate of Reserves
(from Final Engr.-Geol. Report): No estimate could be made

Increase of Reserves by work performed subsequent to expiration or termination of contract: -

Revised Estimate of Reserves: -

Production this Period (Ore or Concentrates) None

Amount of Previous Production (since date of contract) None

Total DMEA Production to date None

% of Revised Reserves Mined 0

Production Remarks:

Note: On Uranium projects check with AEC to assure that our records are in agreement with theirs.

Other Remarks: The property has not been in operation since completion of the contract.

Signed E O Bunyon (Engineer)

Minneapolis 8, Minn.
January 6, 1955

Memorandum

To: Operating Committee
From: Exec. Off., Field Team, Reg. V.

Subject: Semi-Annual Report on Certified Projects.

Following is the status of certified projects in former Region V, as of 12/31/54

2706 438 Collingwood-McDermant Period: 7/1/54 to 12/31/54 None.

Inactive

Needham

Semi-Annual Report of Certified Project

January 1, 1955 to June 30, 1955

Docket: DMEA 2706, Contract Idm-E438

Commodity: Beryl, columbium-tantalum, mica

Operator: Collingwood, Collingwood and McDermand

Mine: Dyke No. 2

County and state: Custer County, S. Dak.

Date of certification: May 6, 1952

Date of examination for this report: May 31, 1955

Total contract amount: $5,250.00

Total expended: $3,623.00

Government participation: $3,260.70 (90%)

Expiration date of royalty payments: November 6, 1962

Production to date: None

Production this period: None

Royalty due for period: None

Royalty paid to date: None

Royalty due on production to date: None

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 17 1954

November 15, 1954

Lease gives address as Boulder, Colorado

2706

Mr. Lewis T. Rademacher
? Custer, South Dakota

Dear Mr. Rademacher:

For your information, here is a copy of a certification to L. T. Collingwood, B. L. Collingwood and B. E. McDermand, partners, Box 68, Custer, South Dakota, advising that a discovery or development was made as a result of exploration for mica and beryl on Mike No. 2 in the southern Black Hills, pursuant to DMEA exploration contract Idn 8-438.

As owner on part of the area on which work was done, you signed Landlord's Subordination Agreement on August 17, 1952, and subsequently signed an Owner's Consent to Lien Form on November 17, 1952.

Very truly yours,

A. B. [illegible]
Executive Officer
Field Team
Region V

Enclosure

cc DMEA, Wash. (2)
Dutton
Binyon
Redden

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

October 22, 1954

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

Dear Mr. Collingwood:

Reference is made to your Defense Minerals Exploration Contract Idm E-438, Docket 2706, pertinent to your exploration for mica-beryl in the southern Black Hills pegmatites.

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

We have concluded to waive the requirement of your having to submit that final report because we are of the opinion it will not add to the knowledge of the deposit as already reported by the Government's representatives.

You were advised the exploration resulted in certification that a discovery or development was made and royalties were to be paid on any production.

Very truly yours,

A. B. NEEDHAM
Executive Officer
Field Team
Region V

cc Operating Committee
Dutton
Binyon
Redden
Cupples

Minneapolis 8, Minnesota
July 2, 1954

Memorandum

To: Operating Committee
From: Exec. Off., Field Team, Region V

Subject: Semi-Annual Report on Certified Projects

Following is the status of certified projects in Region V as of June 30, 1954:

2706 438 Collingwood-McDermand Production royalties 1/1 to 6/30/54 None.

Same ownership.

Needham

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 20 1953

November 19, 1953

Memorandum

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

From: R. F. Griffith, Commodity-Industry Analyst
Rare and Precious Metals Br.

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

This office concurs with the field team recommendation that the subject project be certified as a discovery or development.

The certification has been sent to the Chief, Minerals Division, in accordance with the routing slip attached thereto.

R. F. Griffith

R. F. Griffith

FILE COPY
SURNAME

Robertson
Frank
Chamberlin
Coffee
Britin
Kimball
Hedges
Martin
Kilmason

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

NOV 13 1953

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

re: Docket No. [illegible]-27.6 - Berry-Allen
Mine No. 2 Lode
Custer County, South Dakota
Contract No. Ida-1438

Dear Mr. Collingwood:

Transmitted herewith is a Certification of Discovery or Development on Contract No. Ida-1438, 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, 195[illegible], is subject to the Government's percentage royalty as set forth in the contract until the sum of $[illegible] is paid or until November 6, 196[illegible], whichever occurs first.

Payments should be made to Mr. [illegible] Needham, Executive Officer, Defense Minerals Exploration Administration Field Team, Region V, 2915 Colfax Avenue South, Minneapolis 6, 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

Enc: Cours

Field Team, Region V
Mr. Thayer, 5216 Old Mlg.
Operating Committee
Mr. Hoult

JTRobertson:gsd 9/17/53
Copy to: Admr. A. File
Docket File
Mr. Johnson
Mr. Hedges, 4604
Mr. Chamberlin

A.C.S.
11-13-53

FILE COPY
SURNAME:

Hook
Dunmire
Oakes
Butrin
Lindsel
Hedges
Wagstaff
Johnson

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

NOV 13 1953

Mr. Irving [illegible], Director
Materials Division
Emergency Procurement Service
General Services Administration
[illegible]

[illegible] Doctor [illegible] Beryl-Mica
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]

Dear Mr. [illegible]:

[illegible] copy of a [illegible] discovery or development, and a final report [illegible] relating [illegible] the subject [illegible] mica.

The contract [illegible], a test of [illegible] signed November [illegible] with the [illegible] to the extent of [illegible]. The total cost of the project was [illegible] of which the Government's share was [illegible].

The [illegible] of the exploration of a beryl-mica pegmatite was started October 27, 1952, and was terminated [illegible] of the [illegible] operations were completed. [illegible] of the test [illegible] were [illegible] the shape and [illegible] to a depth of at least [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.

[illegible] opinion that the [illegible] of definite benefit to the property and, therefore, we have advised that a discovery or [illegible] be filed from the Government.

[illegible] to the final report and [illegible] drill logs, plan and [illegible] for a more [illegible] description of the project [illegible] and the results accomplished.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

Enclosures:

LHook:gad 11/5/53

Copy to: Adm. A. File
Mr. Thayer, 5416 G.A. Bldg.
Field Team, Region V
Mr. Zumbro
Docket File

Operating Committee
Mr. Hedges, 404
Mr. Johnson
Mr. Hook

R.C.J.
11-13-53

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

November 2, 1953

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Docket 2706, Contract Idm-E-438, Dyke No. 2, Custer County

Reference is made to your letter of October 14, 1953.

Our field team at Rapid City and Custer advises that as of this date no additional exploratory work by the operators has been performed. Consequently, the status of the project and conclusions as written in the final report still pertain.

A. B. Needham

A. B. NEEDHAM

FILE COPY
SURNAME:

Houk
Selfridge
Ferguson

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

OCT 14 1953

Mr. [illegible] Needham
Executive Officer, DMEA
Field Team, Region V
2973 Colfax Ave., South
Minneapolis 8, Minnesota

Subject: Docket No. [illegible]-700 - Beryl-Mica
Wyoe No. [illegible] Lode
Custer County, South Dakota
Contract No. Idm-[illegible]38

Dear Mr. Needham:

Reference is made to the final field team report and the statement that the operator intends to do additional work on the property.

Before this office reaches a final decision on a certificate of discovery, we would be pleased to have a field team report on the results of exploring this property since termination.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (J.H.B.)

Approved:

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

T. P. Thayer (J.H.B.)
Member, Geological Survey

LGHouk:gad 10/13/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.B. 10-14-53

FILE COPY
SURNAME

Robertson
~~Lawrence G. Hom~~
Martin

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

September 17, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Review of Docket No. DMEA-2706 - Beryl-Mica
L. W. Collingwood
Dyke No. 2 Lode
Custer County, South Dakota
Contract No. Idm-E438 - dated November 6, 1952
Amendment No. 1, January 29, 1953
Amendment No. 2, February 16, 1953
Property: Dyke No. 2 Lode Claim
Survey No. 2143 located in SE 1/4 Sec. 13 T. 4 S., R. 4 E., recorded in Book 2 of Mineral Patents Pg. 61, Custer County, South Dakota.
Operator: Lewis W. Collingwood,
Dean W. Collingwood and
Dale B. McDermand (A partnership)
Box 68, Custer, South Dakota
Contract amount approved $5,250.00
Accepted cost of project $3,623.00
Government participation @ 90% $3,260.70
Project work: Started Nov. 19, 1953, then suspended during winter. Completed May 27, 1953. The work consisted of four core-drill holes totaling 552 feet.
Final geological and engineering report by E. O. Binyon, USBM and J. A. Redding, USGS.
Map, Sections, and logs of holes included with report.
Field Team recommends that property should not be certified as a discovery but considers a certification of development justified.

Summary of Docket:

9/19/52 Received application, Form MF-103. Included lease agreement between Operators and L. F. Rademacher, lessor, Denver, Colorado. Lease dated 8/14/52.

9/23/52 Memo from R. E. Van Alstine, USGS, recommends field team referral.

9/24/52 Operating Committee reviewed Report of Examination by Field Team, Region V. Report by E. O. Binyon, USBM, and J. A. Redden, USGS. They recommend a small core-drilling program - 600 ft. @ $6.00/ft.

R. C. L. 11-13-53

| | |
|---|---|
| 9/25/52 | Memo from R. E. Van Alstine concurring in recommendation for a project. |
| 10/6/52 | Letter to Region V requesting more information. |
| 10/17/52 | Memo from Region V re information requested. |
| 10/31/52 | Memo from USBM concurring with Field Team report. |
| 11/6/52 | Original and five copies of a contract, Idm-E438, total amount $5,250, forwarded to Region V for execution. |
| 1/15/53 | Memo from Chief Counsel re an Amendment, No. 1. |
| 1/22/53 | Received first monthly MF-104 report. Hole No. 1 completed at 180 feet. |
| 1/26/53 | Nonmetallic Minerals Division recommends Amendment No. 1. This allows for cementing, etc. at $2.50 per foot but total contract amount is unchanged. |
| 1/29/53 | Amendment No. 1 approved and transmitted to Region V for signatures. |
| 2/16/53 | Amendment No. 2 - completion date extended to June 1, 1953. |
| 3/19/53 | Drilling contractor moved rig to site of Hole No. 2 to resume project after winter shut-down. |
| 3/26/53 | Nonmetallic Minerals Division approves Amendment No. 2. |
| 4/6/53 | Received March report, MF-104. Hole No. 2 completed to 100 feet. |
| 4/20/53 | Started Hole No. 3 |
| 5/13/53 | Received April report MF-104. Hole No. 3 completed to 132 ft. |
| 5/15/53 | Started Hole No. 4 |
| 6/4/53 | Received May report MF-104. Hole No. 4 completed to 140 ft. |
| 6/11/53 | Operating Committee to Region V, authorizing further extension in time of completion. |
| 7/8/53 | Received from Region V the original and three copies of final field team report. A comprehensive report including logs of holes together with maps. Final report recommends that no certification of discovery be made. |
| 7/20/53 | Selfridge to Needham in reference to final field team report and their recommendations of discovery. Selfridge indicates that work may have been of benefit and certification may be justified. Also inquiring about possibilities of better core recovery. |
| 7/27/53 | Needham memorandum in reply to Selfridge's letter of 7/20/53 stated "If in the opinion of the DMEA, the delineation of the pegmatite can be considered a development, then a certification of development is, in the opinion of the field team, justified and the Government is entitled to royalties for future production. |
| 7/27/53 | Statement of cost received from Region. Final accounting<br>Amount spent on project is $3,623.00<br>Government participation $3,260.70 |
| 8/6/53 | Operating Committee authorizes A. B. Needham, Executive Officer, Region V to terminate by mutual consent. |
| 8/7/53 | Memo from W. F. Dietrich, concurs in final field report that project should not be certified as a discovery. |

9/1/53 Report of Review by E. D. Talbert, Auditor. Total accepted cost $3,623.00. Government participation @ 90% $3,260.70.

9/9/53 Memo from D. M. Larrabee recommending a certification of discovery or development.

**Resume:**

The summary, conclusions and recommendations contained in the first page of the Final Field Team Report is quoted as follows:

"The Dyke No. 2 property comprises 2 patented lode mining claims located in the SE 1/4 sec. 13, T. 4 S., R. 4 E., and W. 1/2, sec. 18, T. 4 S., R. 5 E., B.H.B.M., Custer County, S. Dak.

"Exploration of the pegmatite was by core drilling and was started November 19, 1952, and completed May 27, 1953.

"Four BX-size holes were drilled with an aggregate total footage of 552 feet. Hole depth ranged from a maximum of 180 feet in hole 1 to a minimum of 100 feet in hole 2. The location, bearing, and inclination are shown on the accompanying map and the logs of individual holes, except for hole 2, which was drilled entirely in schist, are a part of this report.

"Owing to exceptionally bad ground, core recovery in the pegmatite was about 6 percent in holes 3 and 4 and about 60 percent in hole 1. No contacts were recovered in any of the holes.

"From the results of the drilling, little information as to the mineralogy of the pegmatite was obtained. Some beryl was observed but only in very small amounts and the poor core recovery does not permit an estimate of grade. The drilling did result in some information as to delineation of the pegmatite, however, other than this little exact data were obtained on structure.

"Based on the drilling results and poor drilling condition, additional exploration by core drilling or other methods with government assistance are not warranted. The applicant states that he intends to further explore the pegmatite by shaft and surface trenching. While it is possible that some minable beryl may be encountered in a shaft, it is not at all likely.

"A discovery has not resulted from the exploration and it is recommended that no certification be made.

"However, if in the opinion of DMEA officials, the delineation of the pegmatite can be considered a development, then a certification of development is, in the opinion of the field, justified and the government is entitled to royalties from any future production."

Work Outline and Unit Costs:

The original contract called for 1,000 feet of core-drilling @ $5.20 per foot. However, Amendment No. 1 permitted charge for casing and/or cementing @ $2.50 per foot. The hole footage was reduced to offset the extra cost of casing and cementing.

The project was terminated August 14, 1953, because of the small core recovery, after the completion of four holes, totaling 552 feet of drilling.

552 feet drilled @ $5.25/ft.
257 feet cased @ $2.50/ft.
33 feet cemented @$2.50/ft.

The overall cost totaled $3,623 in which the Government participated to the extent of 90% or $3,260.70.

Work Objective:

A poorly exposed and undeveloped pegmatite outcrop, approximately 200 feet long by 80 feet wide, situated on the Dyke No. 2 Lode Claim, was tested by the four drill holes above mentioned. The holes were inclined so as to cut the pegmatite at depths from 50 to 90 ft. below the outcrop. A similar pegmatite on the nearby Beecher No. 3 Claim contained rich beryl and other pegmatite minerals. The Dyke No. 2 was, therefore, considered a favorable prospect.

Work Results:

As a whole, the results of the project work performed was not very satisfactory, partly because of the difficult drilling, partly because of the poor core recovery, and partly because the three short holes which penetrated the pegmatite were not enough to sufficiently outline the lateral and vertical extent of the deposit. Further, the low core recovery made it impossible to appraise the grade and mineral content. The unsatisfactory drilling conditions resulted in the project being terminated.

A benefit, however, accrued to the property in the delineation of a considerable portion of the deposit and proving that the pegmatite extended to at least 100 feet below the outcrop. A useful purpose was served and the data obtained by the drilling is of value to the operator in the future development of the mine. A certification of discovery or development is, therefore, justified.

Comment and Recommendations:

The Nonmetallic Minerals Division is of the opinion that not enough holes were drilled to properly and satisfactorily explore the Dyke No. 2 Lode Claim. The poor core recovery and difficult

drilling encountered, in this instance, discouraged continuation of the project work and resulted in a termination. Determination of the grade and mineral content was impossible and consequently no estimate of reserves could be made. The value of the deposit remains undetermined.

A benefit, however, did accrue to the property as a result of the drilling by delineating to some extent the pegmatite and indicating that it extends in depth to at least 100 feet. The operator intends to continue to further develop the mine by trenching and shaft work. In view of the structural information obtained by the drilling of the four holes, in the future development of the mine, it is recommended that the contract be certified for a discovery or development.

Certification of Discovery or Development:

A copy of certification of discovery or development is attached hereto.

J. T. Robertson
Nonmetallic Minerals Division

Attachment

JTRobertson:gad

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

IN REPLY REFER TO:

DEPARTMENT OF ...G-MD-CNM
Defense Minerals Administration
(Washington)
SEP 16 1953

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

September 9, 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2706 (beryl)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Collingwood, Collingwood, and McDermand.
Name of property: Dyke No. 2 mine.
Location of property: Custer, South Dakota.
Date of field team final report: July 6, 1953.
Authorship of field team report: E. O. Binyon and J. A. Redden.
Field team's recommendation: Termination by mutual consent, with no issuance of certificate of discovery.
Comments:

1. The drilling has benefited the property by delineation of the pegmatite.
2. "There is still possibility that substantial beryl reserves are present."
3. The applicant intends to further explore the pegmatite by shafting and trenching.
4. It would appear from the above that to protect the interests of the Government in case of actual production, a certification should be made.

ACTION SUGGESTED:

Terminate contract and issue a certificate of discovery or development.

D. M. Larrabee

D. M. Larrabee

FILE COPY
SURNAME:
800

Talbert
Chambers

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

SEP 3 1953

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

Re: Louis W. Collingwood,
Dean W. Collingwood
& Dale B. McDermand
Idm-1438, 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.S.
9-3-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

August 24, 1953

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA-2706, Contract Idm E-438, L. W. Collingwood, et al

The subject project is completed and here are the original and two copies of the mutual termination.

One copy has been transmitted to the Regional fiscal section and one copy to our Rapid City office. Completion fund accounting was transmitted to you in July 1953.

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

Attachments

RECEIVED
SEP 2 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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

C O P Y

August 18, 1953

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Semi-annual report on certified projects in Region V

The following is the status of certified projects in Region V:

| Docket | Contract | Operator | Status |
|---|---|---|---|
| 1560 | 42 | Dodgeville-Weigle | No production made |
| 1227 | 50 | Vinegar Hill - Hancock | Paid in full |
| 1199 | 126 | L. W. Collingwood | Payments being made |
| 1561 | 167 | Dodgeville - Powell | No production made |
| 1315 | 178 | J. C. Miller | Payments being made |
| 1236 | 221 | Campbell & Ventling | No production made |
| 2392 | 352 | Mineral Mills - Glenwood | Payments being made |
| 2706 | 438 | Collingwood - McDermand | No production made |

During the 6-month period ending June 30, 1953, the following production and royalty payments apply:

| Docket | Contract | |
|---|---|---|
| 1199 | 126 | 91.74 tons feldspar valued at $504.57<br>Royalty $7.57. 9th and 10th payments |
| 1315 | 178 | 39,880 tons lead valued at $3,476.54<br>Royalty $173.83 (1st payment) |
| 2392 | 352 | 19,292 tons mica valued at $5,787.69<br>Royalty $289.06 (1st payment |

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

cc: C. E. Dutton
W. A. Grosh
E. O. Binyon
J. A. Redden
W. A. Broughton
Region V
Files
DF

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

August 7, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2706, Mica, Dyke No. 2, Custer County, South Dakota

I concur in the field team's recommendation that no certification of discovery be issued for this project.

W. F. Dietrich

W. F. Dietrich

Colluquered,

FILE COPY
SURNAME: 98

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

Robertson
Hedges
Selfridge
Hedges
Needham

AUG 6 1953

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

Subject: Docket No. DMEA-2706 - Beryl-Mica
Lewis W. Collingwood
Dyke No. 2
Custer, South Dakota
Contract No. Idm-E438

Dear Mr. Needham:

Reference is made to the subject docket in which the project work has been discontinued by mutual consent.

You are authorized to terminate this contract using the standard form, "Termination of Exploration Project Contract by Agreement After Commencement but before Completion of the Work".

Sincerely yours,

George C. Selfridge
(S)
Chairman, Operating Committee

Approved:

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

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

JTRobertson:gad 8/3/53

Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Larrabee, G-232 GSA Bldg.
Mr. Dietrich, 3526
Mr. Houk

R.C.S.
8-6-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Defense Minerals Administration
RECEIVED
JUL 2 5 1953

July 27, 1953

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA-2706, Idm E-438, L. W. Collingwood, Dyke No. 2 Custer, S. Dak.

Reference is made to your letter of July 20, 1953, regarding the subject docket. The Operator's Final Report has been received.

It is noted that the DMEA Operating Committee feels that the work accomplished has been beneficial to the property, even though an actual ore discovery was not made.

You will note that the last paragraph of the Summary, Conclusions, and Recommendations in the Field Team's Final Report states, "If, in the opinion of the DMEA, the delineation of the pegmatite can be considered a development, then a certification of development is, in the opinion of the field team, justified and the Government is entitled to royalties from future production." Accordingly, the field team would be in accord with your interpretation and a certification would be in order.

Regarding the last paragraph of your letter, this Region has been very successful in increasing and maintaining high core recovery in many of its own projects with the use of a S&H series "M" core barrel. On any DMEA exploration in which core drilling is undertaken and core recovery drops low, it would be our suggestion that the operator use this particular barrel. Unfortunately, this project is now completed.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Department of the Interior
Defense Minerals Administration
RECEIVED
JUL 28 1953

July 27, 1953

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA-2706, Contract Idm E-438
Collingwood and McDermand

Final accounting has been made on the subject contract and data is as follows:

| | |
|---|---|
| Total amount of contract | $5,250.00 |
| Government share of contract | 4,725.00 |
| Total amount spent | 3,623.00 |
| Government share of amount spent | 3,260.70 |
| Balance for general fund | 1,464.30 |

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

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C. 690

Houck
Selfridge
Johnson

JUL 20 1953

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

Subject: Docket No. DMA-2706 - Beryl-Mica
Levin L. Gollingwood
Dyke No. 2
Custer, South Dakota
Contract No. Idm-E438

Dear Mr. Needham:

Reference is made to final field team report on the subject contract and your recommendations on certification.

The final operator's report is a requisite part of the contract and final payments should be withheld from the operator until it is received. In this particular case, it is important that we have the operator's appraisal of the value of the work performed under the contract. From your statement that the operator intends to trench and sink a shaft, it is indicated that he believes the work has been of value. The DMA feels that this work has been beneficial to the property.

We would appreciate your suggestions as to how the core recovery may be increased.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

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

LGHouk:gad 7/17/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Larrabee, G-232 GSA Bldg.
Mr. Dietrich, 3526
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUL 8 1953

July 6, 1953

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA-2706, Contract Idm E-438, Collingwood, Collingwood and McDermand

Here are the original and three copies of the Government field team's final geological and engineering report on the subject project.

No certification is recommended.

The Operator's final report has not been received, but we will forward it when it is.

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

Attachments - 4

Field Team Final Rpt.

Reviewed by
DMEA OPERATING COMMITTEE
7-13-53
(date)

DEPARTMENT OF THE INTERIOR
Defense Mineral Exploration Administration
JUL 6 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERAL EXPLORATION ADMINISTRATION

# FINAL REPORT

# DYKE NO. 2 PEGMATITE

DMEA Docket 2706, Contract Idm E-438

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

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

Reviewed by
DMEA OPERATING COMMITTEE

7-13-53
(date)

FINAL REPORT
ON
EXPLORATION OF DYKE NO. 2 PEGMATITE
Custer County, S. Dak.

Contract: Idm E-438
DMEA Docket: 2706
Commodity Mica, Beryl, Columbite-Tantalite
Operator: Lewis B. Collingwood, Dean W. Collingwood, and Dale B. McDermand, a partnership, Custer County, S. Dak.

## SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

The Dyke No. 2 property comprises 2 patented lode mining claims located in the SE 1/4 sec. 13, T. 4 S., R. 4 E., and W. 1/2, sec. 18, T. 4 S., R. 5 E., B.H.B.M., Custer County, S. Dak.

Exploration of the pegmatite was by core drilling and was started November 19, 1952, and completed May 27, 1953.

Four BX-size holes were drilled with an aggregate total footage of 552 feet. Hole depth ranged from a maximum of 180 feet in hole 1 to a minimum of 100 feet in hole 2. The location, bearing, and inclination are shown on the accompanying map and the logs of individual holes, except for hole 2, which was drilled entirely in schist, are a part of this report.

Owing to exceptionally bad ground, core recovery in the pegmatite was about 6 percent in holes 3 and 4 and about 60 percent in hole 1. No contacts were recovered in any of the holes.

From the results of the drilling, little information as to the mineralogy of the pegmatite was obtained. Some beryl was observed but only in very small amounts and the poor core recovery does not permit an estimate of grade. The drilling did result in some information as to delineation of the pegmatite, however, other than this little exact data were obtained on structure.

Based on the drilling results and poor drilling condition, additional exploration by core drilling or other methods with government assistance are not warranted. The applicant states that he intends to further explore the pegmatite by shaft and surface trenching. While it is possible that some minable beryl may be encountered in a shaft, it is not at all likely.

A discovery has not resulted from the exploration and it is recommended that no certification be made.

However, if in the opinion of DMEA officials, the delineation of the pegmatite can be considered a development, then a certification of development is, in the opinion of the field, justified and the government is entitled to royalties from any future production.

## DESCRIPTION OF THE WORK

An aggregate total of 552 feet was core drilled in four BX-size holes numbers 1, 2, 3, and 4. In holes 2, 3, and 4 a total of 257 feet of casing was placed and in hole 3, 33 feet of cement was placed in addition to the 67 feet of BX-casing that was used.

The location, bearing, and inclination of the holes are shown on the accompanying map. Detailed logs of holes 1, 3, and 4 also are given. Hole 2 was drilled entirely in schist.

Core drilling equipment was moved in and preparatory work was started on November 19, 1952, but owing to adverse weather actual drill on hole 1 was not started until December 4, 1952. Following completion of the hole on December 16 the project was recessed pending approval of an amendment to the contract. This amendment was to permit including the cost of reaming, casing, and cementing as a part of the cost over and above actual drilling, but not to increase the total amount approved under the contract. Another amendment extending the time for completion was granted owing to some delay in approving amendment No. 1 and to adverse weather. Drilling was resumed until March 23, 1953. The project was completed May 27, 1953.

## GEOLOGY

The results of the drilling delineate the structure of the pegmatite, but provide very little information on the mineralogy of the pegmatite. Beryl was observed in the drill core, but the lack of core recovery makes it impossible to estimate grade. There is still possibility that substantial beryl reserves are present. No discovery has resulted from the exploration. Possibly the drilling may be considered a development. ?

Diamond drill hole No. 1 (see drill sections) was drilled at a -41° S. 85° W. near the center of the pegmatite and approximately normal to the one observed contact of the pegmatite. Pegmatite was encountered from 109 feet to 116 feet. It consisted of plagioclase-quartz pegmatite containing small beryl crystals. Core recovery of the pegmatite was fair.

Diamond drill hole 2 was drilled from the opposite side of the pegmatite to intersect the same section as hole 1. The location was based on the statement of the applicant concerning the location of

a crosscut at the bottom of the caved shaft. The bottom of the shaft and the crosscut were supposed to be in pegmatite (apparently corroberated by the visible dump material from the shaft). The drill hole, although directed as close to the shaft as practical, failed to encounter pegmatite. Three interpretations are possible: (1) the applicants' memory of pegmatite in the shaft bottom was erroneous or confused with altered pegmatite float material from the pegmatite, (2) the applicants are wrong about the depth of the shaft, (3) an east-west fault, or very sharp flexure exists in the pegmatite contact between the drill hole and the shaft. It is believed that the one or the other of the first two interpretations, or a combination of the first two, is more likely than the third interpretation.

Drill hole 3 was drilled from the northeast end of the pegmatite at a -25°, and a bearing of S. 85° W. Pegmatite was encountered from 58 feet to 109 feet. Part of the pegmatite was brecciated and all was heavily iron stained or converted to clay. Actual recovery of pegmatite was only 5 percent.

The last hole, hole 4, was drilled on the southwest side of the pegmatite at -41°, with a bearing of S. 85° W. Approximately 76 feet of pegmatite was encountered, but only 7 percent of core was obtained. The few fragments of core appeared to be mostly of quartz and plagioclase. Perthite was not noticeable, whereas pegmatite from hole 3 was mostly perthite. If the recovered core is representative of the pegmatite, the wall zones are quite thick on the south end of the pegmatite.

The structure of the pegmatite is still poorly known. Not a single outer contact of the pegmatite is exposed on the surface. Neither were there any contacts recovered in the drill holes. Apparently, the pegmatite is flat lying, and may be doubly plunging to the north and south. It has limited thickness and depth in its central portion. It's size is considerable however.

The composition of the interior of the pegmatite is very doubtful. There is apparently an extension of the perthite-rich outer zone with depth in hole 3. Hole 4 may have thick wall zones. Small crystals of beryl were encountered in the wall zone from hole 1. The recovered beryl was fresh, but the general state of the pegmatite alteration in the other drill holes, suggests that beryl may have been altered and BeO removed. However, in the Beecher No. 3 pegmatite a few hundred feet to the north, the beryl appears to be the most resistant mineral.

Based on the alteration and staining of the recovered core, it can be assumed that there are no saleable reserves of feldspar or spodumene within the depth limit of the drill holes. The possibility of recoverable beryl or columbite-tantalite from the pegmatite cannot be answered on the basis of the drill core and geology of the deposit. It is believed that any coarse-grained beryl present, will be so altered that it will be worthless.

The applicants may, by sinking a shaft or prospecting the north end of the wall zone, prove this belief to be false. The zoning as exposed on the surface of the pegmatite is very promising, if it were not for the highly altered state of the interior of the pegmatite.

## EXPENDITURES

The approved total expenditures under the contract amounted to $5,250.00, or a total of 1,000 feet of drilling at a unit price of $5.25 per foot.

Amendment 1 of the contract allowed a unit price of $2.50 per foot for reaming, casing, and cementing, in addition to the drilling price of $5.25.

A total of $3,623.00 was expended on the project. Of this $2,898.00 was for drilling 552 feet, $642.50 for 257 feet of casing, and $82.50 for 33 feet of cement.

The government's share of the cost, at 90% participation, amounts to $3,260.70, which leaves an unexpended balance of the total governments share of $1,464.30.

There was no production of any mineral from the property.

As all of the work of the project was confined to the contract drilling, the operator's supervision of the work was practically negligible.

It is doubtful that the operator will submit a final report, and if submitted by him, it would consist of only the factual data presented here.

The operator's have stated that they wish to terminate the contract, and termination would be by mutual agreement as far as the field team is concerned.

No equipment was purchased for the project and there are no outstanding obligations against the project. The $3,623.00 reported in the May 27, 1953 voucher is the total amount expended on the project.

Dyke No. 2 Pegmatite
Custer County, S. Dak.

Diamond Drill Hole No. 1

Location: 49.5 feet N. 85° E. from approximate contact, E. central side of pegmatite.
Elevation: 4,729.7
Inclination: -41°
Bearing: S. 85° W.
Length: 180 feet

| Length in feet | | |
|---|---|---|
| 0 - 35 | 1.9 feet of core | Light gray porous schist? Iron stained with white, chalky-appearing cross-cutting veins. |
| 35 - 62 | 4.1 feet of core | Porous, friable, light-colored, weathered schist, alternating with bluish-gray, fine-grained schist similar to material above. Light colored schist has fine-grained mica. Bluish schist resemble a silt-stone due to graphite. |
| 62 - 80 | 2.5 feet of core | Friable, crumbly schist. Heterogeneous, contains biotite. Also has 1/8" patches of white material, possibly altered feldspar. |
| 80-9- | 4.7 feet of core | Folded, crinkled, light gray fine grained quartzose schist. Is tougher than previous material and forms core up to 0.7 feet long. About 1 - 2% pyrite at 91 (?) feet. Crinkle axes are 50° to 60° to core wall. Has numerous cigar-shaped light-colored patches about 1/8" long, sillimanite (?). |
| 109 | 4.1 feet of core | Mostly small pieces. Two pieces of pegmatite totaling 0.15 feet long just above 109 feet interval. Schist is fine-grained quartzose schist. Foliation makes angles of 30° to 45° with core axis. Pegmatite stringer is quartz-rich portion of quartz-plagioclase-muscovite pegmatite below. Approximate contact of pegmatite, 109 feet. Quartz-plagioclase-muscovite contains about 50% quartz, 25% plagioclase, 25 muscovite |
| 109 - 117.3 (?) | 3.6 feet of core | All in pegmatite. Quartz-plagioclase-muscovite for entire length. Quartz, 40-50%, plagioclase, 30-40% muscovite - 10-20%. First piece below 109 is 0.5 feet |

Dyke No. 2 Pegmatite (Cont.)

Diamond Drill Hole No. 1

| Length in feet | | Description |
|---|---|---|
| 109 - 117.3 (?) 3.6 feet of core (Cont.) | | long and contains mica book 2" diameter and 1/2" thick, air stained and only 1 inch diameter that is not rules. Mica is mostly 0.5 inch diameter. At 112.2 (?) is small 0.3 inch beryl crystal containing 12.5% BeO. Two similar size beryl crystals at 117.3 feet. |
| 117.3(?)-122 | | Pegmatite contact at 117.3 (?). About 5.1 feet of core. Schist is fine-grained quartzose, light colored. 72° foliation angle to core wall. Longitudianl fractures have heavy black($\frac{FE}{Mn}$) stain. Schist has light spots of feldspar (?). |
| 122 - 133 | | Good pieces of core. Light gray brown schist with numerous light patches; possibly retrograde sillimanite. Most of mica is fine-grained. |
| 133 - 162 | Approximately 3.2 feet of core | Friable, crumbly altered material. May be badly weathered schist or amphibolite. |
| 162 - 180 | About 1.3 feet of altered material | Near 162 feet is some recognizeable schist, 0.2 feet long -- dark and fine-grained. |

Dyke No. 2 Pegmatite
Diamond Drill Hole No. 2

| | |
|---|---|
| Location: | On west side of pegmatite approximately 63' from inferred contact. |
| Elevation: | 4703 |
| Inclination: | -45° |
| Bearing: | N. 85° E. |
| Length: | 100 feet |

Length in feet:

| | |
|---|---|
| 0 - 100 | Schist |

Diamond Drill Hole No. 3, Dyke 2 Pegmatite
Custer County, South Dakota

| | |
|---|---|
| Location: | 42 feet from inferred contact, N. E. side of pegmatite; 5 feet S. of SE corner 3 x 3 prospect. |
| Elevation: | 4,715.5 |
| Inclination: | -25° |
| Bearing: | S. 85° W. |
| Length: | 132 |

| Length in feet | Description |
|---|---|
| 0 - 50 | No core of any description. |
| 50 - 56 (?) | Rounded chunks of hematite about golf ball size. Very poor recovery. |
| 56 (?) -58 | Brecciated zone, probably pegmatite. Hematite chunks containing angular fragments of quartz and feldspar - presumably pegmatite. Poor recovery. |
| 58 - 66 | Brecciated perthite-rich rock and fragments of wall zone (?) type pegmatite with fine muscovite. Approximately 0.5 feet core. |
| 66 - 109 (?) | Presumably perthite pegmatite from core. Only core is iron-stained perthite fragments and 2 or 3 small fragments of quartz. Approximately 1.5 feet of core by volume - 4 feet of fragments. Presumably wall zone present at contact, but there is no evidence of wall zone in the core. Approximate contact at 109 feet according to drillers log. |
| 109 (?) -132 | Schist. Garnetferous and iron-stained. Considerably altered, but presumably sillimanitic. Approximately 0.5 feet of core.<br>End of hole at 132 feet. Core recovery for pegmatite is approximately 6 percent. Recovery for country rock, 2 percent. Essentially no sludge recovered by small sludge bucket of driller. |

# Diamond Drill Hole No. 4, Dyke Pegmatite

Custer County, S. Dak.

Location: Approximately 30 feet east of SE inferred contact of pegmatite.
Elevation: 4,737.8 feet.
Inclination: -41°
Bearing: S. 85° W.
Length: 140 feet

| Length in feet | Description |
|---|---|
| 0 - 60(?) | Graphite-rich schist. Probably originally was amphibolite that has been mineralized. Lot of hematite and limonite. Very porous and has lattice work structures of typical altered sulphides. Graphite is very abundant in upper part of hole. Approximately 8 feet of core and sludge. Most of core is less than 1 inch diameter blocks. Core recovery actually about 10 percent. First core obtained at 20 (?) feet. |
| 60 (?) -71 | Pegmatite contact at approximately 60 feet. No core in interval, but sludge consists of quartz, feldspar and muscovite fragments. Presumably mostly wall zone pegmatite due to abundance of muscovite in cuttings. Driller records different type of drilling encountered at 61 feet. Core recovery zero. |
| 71 (?) -76 | Perthite-quartz-plagioclase. Brecciated and iron-stained. Total core consists of 8 walnut-size nubbins. Presumably is a main zone of brecciation. Possibly part of wall zone. |
| 76 - 81 | A few nubbins of pegmatite containing perthite-quartz, plagioclase, and small muscovite books. Accessory tourmaline. Possibly 0.5 feet of core. Also clay fragments and pegmatite sludge. If representative, is wall zone pegmatite. |
| 81 - 86 | Perthite and quartz fragments. Also clay, presumably spodumene or plagioclase. Not identifiable. |
| 86 - 111 | Fragments of quartz-plagioclase-muscovite pegmatite. Total core, about 2 feet of small fragments. Accessory tourmaline. A small fragment of altered spodumene at approximately 100 feet. Possibly fracture filling. If core is representative would be wall zone pegmatite. No beryl. |
| 116 - 136 (?) | No core. Sludge consists of quartz, feldspar, and muscovite. Considerable muscovite, so is probably wall zone. Contact may be erroneous due to lack of core. |
| 136(?) - 140 | Altered quartzitic schist. End of hole 140 feet. No beryl observed in pegmatite or sludge. Core recovery of pegmatite about 7 percent. Remainder of hole recovery about 7 percent. |

RECEIVED
JUL 2 1953
DEPT. OF INTERIOR
BUREAU OF MINES,
MINNEAPOLIS, MINN.
REGION V

FILE COPY
SURNAME:

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

JUN 11,

Houk
Chamberlin
Cochran
Ruby
Selfridge
Johnson
Williams

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

Subject: Docket No. DMEA-2706 - Beryl-Mica
Lewis W. Collingwood
Dyke No. 2
Custer, South Dakota
Contract No. Idm-E438

Dear Mr. Needham:

Reference is made to the subject contract which expired on June 1, 1953.

You are hereby authorized to extend the completion date beyond June 1st, if extra time is necessary to complete the work outlined in the contract. Please execute the amendment and make the usual distribution of the copies.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

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

6-11-53

LGHouk:gad 6/9/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

June 2, 1953

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA-2706, Contract Idm 3-438, L. B. Collingwood Operator's Monthly Report and Voucher for May 1953

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

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

Attachments - 2

CC C. E. Dutton
J. A. Redden
Region V
files
DF

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

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

39

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

Month of May 195 3 Docket No. DMEA 3706 Contract No. Mm 2-455

Operator's Name Lewis B. Collingwood, Dean W. Collingwood & Dale B. McDermand, Address Custer, S. Dak.

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 | 965.00 | 2,660.00 | 3,625.00 | 965.00 | 2,660.00 | 3,625.00 |
| 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 | $ 965.00 | $ 2,660.00 | $ 3,625.00 | $ 965.00 | $ 2,660.00 | $ 3,625.00 |

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 Partner Title

*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 AG

Signature L. A. 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. [redacted] in accordance with the terms of the contract.

Signature E. D. Bunyon Title [redacted] Date [redacted]

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature A. 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-104A
(April 1952)

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

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

39

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1953 Docket No. DMEA 1706 Contract No. [illegible]
Operator's Name Louis 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 | 2,895.00 | 552 | 5.25) | | |
| Drilling: Core (Casing | feet | 250.00 | 100 | 545.10 | 257 | 2.50) | 1000* | 5,250.00 |
| Drilling: Churn (Cementing | feet | — | — | 52.10 | 53 | 2.50) | | |
| Drilling: Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| Total Distributed Costs | | 985.00 | 240 Dr. 100 Ca. | 3,525.00 | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | — | — | — | | | | — |
| Initial Rehabilitation and Repairs | | — | — | — | | | | — |
| New Buildings, Improvements, etc. | | — | — | — | | | | — |
| | | | | [illegible] | | | | |
| Total Costs | | 985.00 | | 3,525.00 | | | | 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 Louis B. Collingwood, Dean W. Collingwood, & Dale B. McDermand

By Louis 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, 1955.
Custer, S. Dak.

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

Docket No. 2706
Contract Idm E-458

OPERATOR'S MONTHLY NARRATIVE REPORT

Hole No. 4 was started May 15th and completed to a depth of 140 feet on May 21, 1955. The hole was located 77 feet south of Hole No. 1 and approximately 30 feet East of the contact. The bearing was parallel to Holes 1,and 3 or S. 35° 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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

April 2, 1953

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Operator's Monthly Report and Voucher for February 1953
Docket DMEA-2706, Contract Idm E-438, L. B. Collingwood

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

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

Attachments

Form MF-104 (Rev.)
(April 1958)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R4036.3.
Approval expires 6-30-53.

Defense Minerals Administration
RECEIVED
MAY 13 1953

# OPERATOR'S MONTHLY REPORT AND VOUCHER

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

*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 AG

Signature L. W. Hee
(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-438 in accordance with the terms of the contract.

Signature E. O. Bunyon Title Mining Engineer Date May 1, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature J. B. Woodham 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.

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

## 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)

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
APR 6 1953

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March, 1953 Docket No. DMEA 2706 Contract No. Idm E-458
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

By Lewis Collingwood 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:

$ 675.00 AH

Signature L. A. Hill
(Authorized Certifying Officer)

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. Idm E-438 in accordance with the terms of the contract.

Signature E O Bimson Title Mining Engineer Date March 28, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature C B Needham Title Ex Off 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 ME-104A
(April 1952)

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

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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APR 6 1953

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1953 Docket No. DMEA 2706 Contract No. Idm- E-458

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

Per Lewis 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 1955
DEPT. OF INTERIOR
BUREAU OF MINES
MINNEAPOLIS, MINN.
REGION V

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

Dyke No 2 Pegmatite

Docket No. DMMA 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.

FILE COPY
SURNAME:

Robertson
Houk

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

600

March 26, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Recommendation of approval of Amendment No. 2 - Contract Idm-R438

Docket No. DMEA-2706 - Miss
Lewis W. Collingwood
Dyke No. 2
Custer, South Dakota

This Division recommends approval of Amendment No. 2 on the subject docket as written. This amendment advanced the completion date to June 1, 1953, to enable the Operator to work during more favorable weather.

/s/
Jasper T. Robertson
Nonmetallic Minerals Division

JTRobertson:gad 3/26/53

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

RECEIVED
APR - 9
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 6 1953

March 4, 1953

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA-2706, Contract Idm E-438, L. W. Collingwood, et al

Here are the original and two copies of Amendment No. 2 to the subject contract, duly executed.

One copy has been transmitted to the Regional finance section, one has been retained by the operator, one by this office, and one by the Rapid City, S. Dak., office.

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

Attachments

RECEIVED
APR - 9 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Cole 3-6

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

FEB 1 0 1953

February 13, 1953

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA 2706, Contract Idm E438, L. W. Collingwood, et al.

Here are the original and two copies of Amendment No. 1 to the subject contract duly executed.

One copy has been transmitted to the Regional finance section, one has been retained by the Operator, and one by this office.

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

Attachments - 3

Coe 2-16-53

FILE COPY
SURNAME:

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

JAN 29 1953

Houk
Wayne
Hilland
Chandler
Selfridge

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

Subject: Docket No. DMEA-2706 - Misc
Lewis W. Collingwood
Duke No. 2
Custer, South Dakota
Contract No. Idm-E438

Dear Mr. Needham:

Enclosed are six copies of Amendment No. 1 prepared by the Legal Division and signed by the Administrator.

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

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

In the future it may be in the interest of the Government to have the drilling contractor submit in writing the estimated per foot costs for reaming, cementing, and casing. In some cases it may be more economical to go to smaller core size especially when drilling is for structure. The contract of the driller with the Operator should also provide for the situation when casing is lost or destroyed. We realize the difficulties attendent to small drilling contracts of this type and regret the delay in the amendment approval.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

D.N.
(GB) 1-29-53

Approved:

J. H. Wadgos (GB)

Member, Bureau of Mines

A. R. Kinney, Jr. (GB)

Member, Geological Survey

Enclosures 6

LGHouk:gad 1/26/53
Copy to: Admr. R. File
Docket File
Operating Committee (2)
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

FILE COPY
SURNAME:

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

Houk
Hoffman

January 26, 1953

Memorandum

To: Operating Committee

From: Nonmetallic Minerals Division

Subject: Docket No. DMEA-2706 - Mica
Lewis W. Collingwood
Dyke No. 2
Custer, South Dakota
Contract Idm-E438

Subject: Recommendation of approval of Amendment No. 1

This Division recommends this Amendment No. 1 on the subject docket be approved as written. In the future it may be in the interest of the Government to complete the diamond drilling in smaller core sizes where the object of the drilling is merely to obtain structure. Future drilling contracts will contain provision to avoid this type of impasse

Attachments

LGHouk:gad 1/26/53

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

CLASS OF SERVICE

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

# WESTERN UNION

W. P. MARSHALL, PRESIDENT

1201

(237)

SYMBOLS
DL=Day Letter
NL=Night Letter
LT=Int'l Letter Telegram
WLT=Int'l Wetory Ltr.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 20 1953

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

1953 JAN 20 PM 12 25

.WP044 PD=MINNEAPOLIS MINN 20 1000A=

:OPERATING COMMITTEE, DEFENSE MINERALS EXPLORATION=
ADMINISTRATION INTERIOR BLDG=

:REMYLET OF JANUARY 7 DOCKET 2706 AMENDMENT 1 WORK AT PROJECT RECESSED PENDING APPROVAL PLEASE EXPEDITE=

A B NEEDHAM REGION 5=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

JAN 21 7 09 AM '53
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

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

January 19, 1953

I concur
Conn
JEF

Memorandum

To: The Administrator

From: G. C. Selfridge

Subject: Proposed Amendment No. 1
Docket DMEA 2706 (Mica)
Lewis W. Collingwood, Dyke No. 2
Custer, South Dakota
Idm-E438

I have now reviewed the subject docket with regard to Mr. Hofflund's memorandum of January 15, 1953.

The contract, which is written on the short form, provides for a maximum of 1,000 feet of BX core drill hole at $5.25 a foot. The contract does not mention what services or supplies and materials are to be furnished by the drilling contractor for this price.

Prior to recent years a contract written in this manner would have implied that the drilling contractor would have furnished everything and would have completed the hole at the contract price regardless of the amount of reaming and casing and/or cementing that he had to do.

In a supplementary report in justification of Amendment No. 1 by Binyon and Redden it is stated that the original application for exploration aid contained an independent core drilling contract with M. F. Fillmore in which the drilling price was $6.00 per foot and the price for cementing and for reaming and casing ( a single item) was $3.00 per foot. As the drilling price of $6.00 was considered too high, the drilling contract was refused and the applicants notified to that effect.

They then entered into an oral agreement with Joe T. Monger to core BX hole at a price of $5.25 a foot. The contract was signed at this price and it was only after the drilling contractor billed the operators for reaming and casing did it become apparent that there had been a misunderstanding as to what was included in the $5.25 a foot price.

On page 2 of the supplementary report mention is made of a discussion with the applicants and the drilling contractor prior to their signing the contract during which the Field Team was assured that the two first parties were agreed as to the unit price of $5.25 a foot of hole.

Just why the matter of cementing and/or reaming and casing was not thought of or discussed at this time is not understandable.

The price of $5.25 a foot for BX core is about average for at least the greater part of the United States.

In recent years all reliable drill companies usually quote a footage price for the actual drilling of the hole and quote additional prices for cementing and/or reaming and casing and delays.

It does not seem likely that the drilling contractor could drill and ream and case any amount of hole profitably at $5.25 a foot since the charge of $2.50 a foot for reaming and casing is reasonable and average.

I believe that Mr. Hofflund is entirely correct in his interpretation of the contract solely from a legal viewpoint.

In Article 6 of DMEA Circular 21 to which he refers an example is cited which sets forth the difficulty of amending a short form contract unless certain physical conditions are described.

In the particular case in question it would appear that the Government is somewhat at fault in the writing of the contract because of the loosely drawn phraseology describing the work.

Since it does not appear reasonable that the drilling contractor could drill and ream and case any amount of hole profitably at the contract figure of $5.25, I would recommend that the contract be amended to provide for cementing and/or reaming and casing as an extra charge.

In the future all contracts involving independent contracts for drilling should state the conditions in detail to which the drilling price applies.

G. C. Selfridge

G. C. Selfridge
Special Assistant

FILE COPY
SURNAME:

140

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

January 15, 1953

Memorandum

N.S. in R.R. RW

To: The Administrator

~~Through: T. G. Houk~~

From: Chief Counsel

Subject: Collingwood et al, DMEA Docket No. 2706, Contract No. E-438, proposed Amendment No. 1

Reference is made to memorandum dated January 7 from the Executive Officer, Region V, to which is attached a copy of a supplementary report from the Field Team, all relating to a proposed amendment No. 1 to the exploration contract.

The contract is written on the short form, and provides for drilling at an agreed cost of $5.25 per foot. The amendment would add an allowance of $2.50 a foot "for cementing and/or reaming and casing." The proposed amendment is justified by a statement to the effect that the Operator, before entering into the exploration contract, entered into a verbal agreement with a drilling contractor "to core drill BX hole at a price of $5.25 per foot." and that "upon completion of drill hole No. 1 the contractor /drilling contractor/ submitted an invoice for drilling 180 feet of BX hole at $5.25 per foot, or $945.00, plus $192.50 for reaming and casing 77 feet of hole."

I am unable to approve any amendment of the exploration contract for this increased allowance, on the showing now made. The description of the work in the exploration contract states that: "From the surface five diamond drill holes, each approximately 200 feet long, are to be drilled using BX bits, to a total length of not more than 1,000 feet." The agreed unit cost of this drilling is fixed at $5.25 per foot. In my opinion, this means doing everything necessary, including cementing, reaming, and casing, to accomplish the described diamond drilling.

It has been repeatedly pointed out that the theory and purpose of the short-form contract is to fix an agreed

unit cost on the basis of which the Government will contribute without cost accounting. If this agreed unit cost turns out to be too high, we may be sure that the Operator is not going to release the Government from its obligation to contribute on the basis agreed upon. Likewise, if the agreed unit cost turns out to be too low, the Government cannot be expected to contribute on any other basis than that agreed upon. This matter is discussed in Article 6 of DMEA Circular 21.

J. L. Hofflund
Chief Counsel

JLHofflund/em

Copy to: Mails and Files
L. G. Houk
J. L. Hofflund
chron.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 9 1953

January 7, 1953

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA 2706, Contract E-438 - L. W. Collingwood, D. W. Collingwood and D. B. McDermand Amendment No. 1

Here are seven copies of a proposed amendment to the subject contract, the purpose of which is to include in the drilling cost, $2.50 extra for cementing and/or reaming and casing.

Although the representatives in the field are of the opinion the total footage to be drilled will approximate only 500 or about half the amount provided for in the contract, by drilling less than is called for the proposed increase of $2.50 per foot will, therefore, not increase the total cost of the project.

However, the contract still provides for 1,000 feet and an increase of $2.50 a foot will increase the total cost unless the amount of drilling is decreased.

Since the amendment, as written by the field representatives, does not provide for less footage; and since, theoretically, there would be an increase in total cost, it appears to be a function of the Washington office to draw and approve an amendment increasing the cost per foot by $2.50. If the 1,000 feet of drilling is not done, and the information necessary to determine the potential can be done with 500 feet of drilling, well and good.

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

Attachments

AMENDMENT NO. 1

Docket No. 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, shall be amended as follows:

EXHIBIT "A"

The price for core drilling BX size hole shall remain at $5.25 per foot.

In addition, a price of $2.50 per foot for cementing and/or reaming and casing shall be allowed for each foot of hole that is cemented or reamed and cased as ordered in writing by the operator.

Expenditures for drilling, cementing, and/or reaming and casing shall not exceed $5,250.00. The total allowable footage to be drilled will be correspondingly reduced by the amount expended in cementing and/or reaming and casing.

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

UNITED STATES OF AMERICA

Dated:_____ BY_____
Executive Officer, DMEA

Dated:_____ BY_____

Supplementary Report in Justification of Amendment No. 1, Dyke No. 2

Docket No. 2706
Contract Idm E-165
Beryl
L. W. Collingwood
Dean W. Collingwood
Dale B. McDermand

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

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

Drill hole No. 1 was located approximately 35 feet east of the limit of the outcrop on the south side of the center trench cutting across the pegmatite. The hole was inclined at -41°, the assumption, based on the limited outcrop, being that the pegmatite dipped to the east, and was drilled to a depth of 180 feet.

The hole was in schist to 109.5 feet and in pegmatite from 109.5 to 118 feet; the remainder of the hole was schist. All of the schist was extremely soft and drilling was very difficult. No contact angles were obtained from either side of the pegmatite; consequently, the structural information available is still limited. The pegmatite encountered was mainly quartz-plagioclase-muscovite in composition and is what would be expected from the thinness of the pegmatite.

The pegmatite cut by the hole was either a thin branch from the main pegmatite or the keel of the main pegmatite. The bottom of the shaft was supposed to have been in pegmatite and it is entirely possible that the dip of the pegmatite is to the west, contrary to the only dips (to the east) obtained on the exposed pegmatite.

It is necessary to check this dip and a second short, steeply inclined hole should be located on the west side of the pegmatite along the same drill section as hole No. 1. If the second hole fails to encounter a considerable thickness of pegmatite, it is evident that the first hole cut the keel of the pegmatite and another hole is needed on the northern end of the pegmatite to obtain information on its structure and the inner zones.

The results from the first hole have not materially reduced the possibility of substantial discovery of beryl in the pegmatite and additional exploration by drilling is still warranted.

The original application was submitted with an independent core drilling contract with M. F. Fillmore in which the drilling price was $6.00 per foot and the price for cementing and/or reaming and casing (a single item) was $3.00 per foot. As the drilling price of

$6.00 was considered too high the drilling contract was rejected and the applicants were notified to that effect. The applicants then entered into a verbal agreement with Joe T. Monger to core drill BX hole at a price of $5.25 per foot. In the meantime the contract, Idm E-438, was sent to the field team for the applicant's signature. Under Exhibit "A" of the contract the price for drilling 1000 feet of BX hole was set at $5.25 per foot of hole and the cost of cementing and/or reaming and casing were not included and no price was set for these items.

The applicants, however, signed the contract as written and has since stated that he was under the impression that the price of $5.25, as agreed to with J. T. Monger the drilling contractor, was the total cost. The drilling contractor has stated that the price of $5.25 per foot was the price for drilling only and that he would not have considered taking the contract without the inclusion of $2.50 per foot for cementing and/or reaming and casing. In a discussion with the applicant and the drilling contractor prior to their signing the contract the field team was assured that they were agreed as to the unit price of $5.25 per foot of hole. Apparently, there has been a misunderstanding between the operator and the drilling contractor in failing to agree on the additional item for cementing and/or reaming and casing.

Upon completion of drill hole No. 1 the contractor submitted an invoice for drilling 180 feet of BX hole at $5.25 per foot, or $945.00, plus $192.50 for reaming and casing 77 feet of hole. The operator has refused to pay the additional $192.50 and the drilling contractor has refused to continue drilling unless an allowance of $2.50 per foot is made for cementing and/or reaming and casing on future holes. The operator was informed by the field team that $5.25 per foot was the total price the government could pay under the contract.

## Conclusions and Recommendations

The extremely poor character (for drilling) of the schist in the hole already drilled makes it advisable both for the protection of the government and the drilling contractor to prepare a contract permitting a unit drilling cost and also a unit cost for necessary casing. The necessary casing in the other holes proposed may be considerably less and the government would lose money if it was necessary for the drilling contractor to set a single unit price which would be sufficiently high to cover his unit rate for doing all casing necessary at a single unit price per foot of hole.

It is recommended that the attached amendment be approved.

Operator's Copy

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

RECEIVED
JAN 29 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

AMENDMENT NO. 1

It is agreed this ___ day of _____, 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, 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, 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 prorata share of the cost of any necessary cementing or reaming, ~~together with~~ casing, ~~where required,~~ at the agreed unit price of $2.50 per foot; ~~of such reaming and cementing together with any necessary casing,~~ 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

Page 1 of the amendment was rewritten at the suggestion of the Operating Committee.

Hazel

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 22 1953

January 20, 1953

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Operator's Monthly Report and Voucher for November 1952
Docket DMEA-2706, Contract Idm-E438
Lewis Collingwood, Dean W. Collingwood & Dale McDermand

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

A. B. Needham
ab

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

Attachments

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 29 1953

Washington

## OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Nov., 1952 Docket No. DMEA 2706 Contract No. Idm. E 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 1/10/53 *Payee Lewis D. Collingwood

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

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. Idm E-438 in accordance with the terms of the contract.

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature O. B. Weldhorn Title Ex Df 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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 22 1953

# OPERATOR'S UNIT COST AND PROGRESS REPORT

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

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Units | Unit Costs |
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | 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 D. Collingwood

Per _____ Title Partner

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 E-438
Docket No. 2706
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 at 109 feet and was 9.0 feet thick, or to 118 feet. 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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 26 1952

November 24, 1952

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA-2706, Contract Idm-E438
L. W. & D. W. Collingwood and D. B. McDermand

Here are the original and two copies of the subject contract duly executed.

A copy is being transmitted to the Regional Fiscal Section, one copy was retained by the operator, one copy is being retained for our files, and the Rapid City office made a copy for their use.

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

Attachments

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

cc 11-26

FILE COPY
SURNAME:

Hearne
Houk
Kinkel

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

NOV 6 1952

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

Subject: Docket No. DMEA-2706 - Beryl
Lewis W. Collingwood
Dyke No. 2
Custer, South Dakota

Dear Mr. Collingwood:

Reference is made to your application for exploration assistance as captioned above.

The enclosed "Landlord's Subordination Agreement", signed by Mr. L. T. Rademacher, is defective in that it gives the date of the Exploration Project Contract between the Government and your partnership as August 14, 1952, although no such contract is yet in existence.

The enclosed eight copies of "Owner's Consent to Lien" should be signed by Mr. Rademacher to replace the defective "Landlord's Subordination Agreement", which may be destroyed. You and Mr. Rademacher should each keep one copy and the six remaining copies should be returned to this office.

Sincerely yours,

Signed L.H. 11-6-52

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosures 9

LFHearne:gad 10/29/52

Copy to: Adm. R. File
Docket File
Field Team, Region V
Mr. Van Alstine, G-232 GSA Bldg.
Mr. Needleman, 1347
Mr. Houk

FILE COPY
SURNAME:

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

NOV 6 1952

Hearne
Houk
Lalbert

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

Subject: Docket No. DMEA-27.6 - Mica
Louis W. Collingwood
Dyke No. 2
Custer, South Dakota

Dear Mr. Needham:

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

If the contract meets with your approval, present it to the operator for his approval and signature after the Owner's Consent to Lien mentioned in enclosed copy of letter to Mr. Collingwood have been attached to the contract. If any provisions are unsatisfactory to the operator, return all copies to this office along with suggested changes for consideration.

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

Sincerely yours,

(signed) FRANK E. JOHNSON
GHB

Chairman, Operating Committee

11-6-52

Approved:

J. H. Hedges GHB
Member, Bureau of Mines

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

LFHearne:gad 11/3/52
Copy to: Adm. R. File
Docket File
Operating Committee (2)
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

Enclosures 8

FILE COPY
SURNAME:

Hearne
Houk

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

November 3, 1952

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Review of Docket No. DMEA-2706 - Mica
Lewis W. Collingwood
Dyke No. 2
Custer, South Dakota

9/19/52 Received application dated 8/20/52.
9/19/52 Received Field Report from Region V.
9/23/52 USBM recommends field examination.
9/24/52 Field Report reviewed by Operating Committee.
9/26/52 Memo from USGS suggests following Field Team's Recommendation.
10/6/52 Letter to Region V requests more information.
10/17/52 Memo from Region V re: information as requested.
10/31/52 Memo from USBM concurs in Field Team recommendation.

Laurance F. Hearne
Nonmetallic Minerals Division

LFHearne:gad

Copy to Docket File
Adm. R. File
Mr. Houk

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

October 31, 1952

Memorandum

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

From: A. J. Kauffman, Jr
Rare and Precious Metals Branch

Subject: DMEA Docket 2706, Lewis W. Callingwood,
Dyke No. 2, Custer, South Dakota.

This office concurs with the Field Team report and recommends that the proposed drilling be done in the two phases as outlined.

The exploration of pegmatites, by diamond drilling alone, often is not reliable because of the erratic distribution of the ore minerals. It is assumed, therefore, that, although it is not mentioned in the report, the Field Team considered the feasibility of reopening the shaft, drift, and trenches.

A. J. Kauffman, Jr.

Attachment

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

October 17, 1952

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA-2706, Lewis W. Collingwood
Dyke No. 2, Custer, South Dakota

Reference is made to your letter of October 6, 1952, on the subject docket.

The application is made as a partnership, but no formal agreement, except verbal, has been made between the parties involved. They do claim they are a partnership.

It was the intent of the field team that it would be well to do the project in two phases, the first to consist of 600 feet of drilling, and the second phase to consist of 400 feet - location and direction of holes to have prior approval of the Survey-Mines field team. Estimated costs would, therefore, be $3,600 and $2,400, respectively.

It would still be satisfactory to have the contract drawn for 1,000 feet, but holes would have to be approved in advance by the field team before proceeding and they could stop the drilling if they find no encouragement to proceed, even though the 1,000 feet had not been drilled.

We have, now, a copy of a sub-drill contract between the operators and Fillmore Drilling Co. and the rate is $6 per foot. We believe it slightly excessive because in previous contracts the price was $5 a foot; however, I suppose drill costs have gone up like everything else, but a 20 percent increase in considerable.

what contract?

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

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

FILE COPY
SURNAME:
Joe
Hearne
Houk
Mott

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

OCT 6 1952

Mr. A[illegible]ham
Exec[illegible]eer, DMEA
Field [illegible]gion V
290[illegible]enue, South
Minn[illegible], Minnesota

Subject: Docket No. DMEA-270[illegible] - Beryl
Lewis Collingwood
Ryke No. 2 Pegmatite
Custer County, South Dakota

Dear Mr. Needham:

Reference is made to the above-captioned application and to the Field Team's recommendation thereon.

Paragraph 1(b) states that the applicants are operating as individuals but, according to paragraph 1(d) they are organized as a partnership. Which of these statements is correct?

Paragraph 5(b) applies for five 200 foot core drill holes and paragraph 6(a) gives the contract price as approximately $6.00 per foot. Page two of the field report recommends that "funds for core drilling a maximum of 1,000 feet of BX hole" be approved. Page four of the report says that "core drilling is to be done under an independent contract with the maximum price of no more than $6.00 per foot. All holes are to be BX size and the total aggregate footage shall not exceed 600 feet without approval of the Government field team". The final paragraph of the report is as follows: "Estimated total cost of the project is $3,600 (600 feet @ $6.00 per foot) and Government participation is 90 percent, or $3,240.00."

Before a contract can be written, it will be necessary to know exactly what the contractor's price for drilling is and whether the total footage is one thousand or six hundred. Is the location of the holes subject to approval by the Field Team? If not, the number and location of the holes should be indicated.

S.H. 10-6-52

Sincerely yours,

(signed) FRANK E. JOHNSON (B.H.)

Chairman, Operating Committee

Approved:
J. H. Hedges
Member, Bureau of Mines (B.H.)
A. R. Kinkel Jr.
Member, Geological Survey B.H.

LFHearne:gad 10/3/52
Copy to: Adm. R. File
Operating Committee (2)
Mr. Needleman, 1347
Mr. Norton, G-232 GSA Bldg.
Mr. Houk
Docket File

per
Mr. Hearne

Custer S. Dak.
Sept. 30, 1952

United States
Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Dear Sir:

In reference to your letter dated Sept. 19, 1952.

The loan for Core drilling is to be $6000.00. At present time this is all we are interested about.

The Docket number is DMEA - 2706

Sincerely yours

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 6 1952

Lewis W. Collingwood
Dean W. Collingwood
Dale M. Desmond

AFTER FIVE DAYS RETURN TO

Custer to N.P.S.
Rapid C.

PRINGLE
OCT
1
P.M.
1952
S. DAK.

UNITED STATES POSTAGE
THOMAS JEFFERSON
1801-1809
3 CENTS 3

United States Department
of the Interior
Exploration [illegible]
Washington 2, D.C.

IN REPLY REFER TO:

G-MD-CNM

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

September 25, 1952

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2706 (Beryl, columbite-tantalite, mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: R. E. Van Alstine, U. S. Geological Survey
Applicant: L. W. and D. W. Collingwood and D. B. McDermand.
Name of property: Dyke No. 2 and Dewey Claims.
Location of property: Sec. 13, T. 4 S., R. 4 E., and sec. 18, T. 4 S., R. 5 E., Custer County, South Dakota.
Date of field team report: Not dated; examination 8/13/52.
Authorship of field team report. E. O. Binyon and J. A. Redden.
Field team's recommendation:

Not clear - p. 2 says approve application of funds for drilling a maximum of 1,000 feet of BX hole as requested in application.

P. 4 says the total aggregate footage shall not exceed 600 feet without approval of government field team. ----Estimated total cost of project is $3,600 (600 feet @ $6 per foot).

Comments:

Discrepancy as to extent and cost of drilling should be eliminated. Field team report does not indicate where the holes are to be drilled; presumably the field team is to locate the holes.

ACTION SUGGESTED:

See my comments on review of application DMEA-2706, which were made before the field team report was received.

Clarify position of field team and applicant on above discrepancies and follow field team's recommendation.

R. E. Van Alstine

R. E. Van Alstine

IN REPLY REFER TO:

G-MD-CNM

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

September 24, 1952

Memorandum

REVIEW OF APPLICATION DMEA-2706 (Beryl, columbite-tantalite, mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: R. E. Van Alstine, U. S. Geological Survey
Applicant: L. W. and D. W. Collingwood and D. B. McDermand.
Name of property: Dyke No. 2 Lode Mining Claim.
Location of property: Sec. 13, T. 4 S., R. 4 E., and sec. 18, T. 4 S., R. 5 E., Custer County, South Dakota.
Estimated cost of project: Not stated.
Summary of applicant's proposal:

Drill five 200-foot holes, to be located by geologist, at approximately $6 per foot. Total cost to be $6,000?

Sources of information on applicant's property:

No information on this property found in Survey files in Washington or in published reports. No previous production; probably a recent discovery.

Comments:

One of the applicants, L. W. Collingwood, previously was granted government assistance (DMEA-1199) in exploring for beryl and mica elsewhere in Custer County. The project resulted in the finding of a body of feldspar and some beryl, and a certification was made.

RECOMMENDATION:

Refer to field team for assistance in setting up a suitable exploration program if it is considered justifiable.

R. E. Van Alstine

R. E. Van Alstine

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

September 23, 1952

Memorandum

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

From: A. J. Kauffman, Jr.
Rare and Precious Metals Branch

Subject: DMEA Docket, 2706, Custer, South Dakota.

The critical need for the minerals convered by this docket seems to warrant examination by the field team.

A. J. Kauffman, Jr.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 24 1952

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

# REPORT OF EXAMINATION BY FIELD TEAM
REGION V

## Dyke No. 2 Pegmatite, Custer District

Custer County, South Dakota

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

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

DEPARTMENT OF THE INTERIOR
Denver Library
SEP 1 1952

Ch - Site Exam Rpt.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
Report of Field Examination

by

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

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

Property: Dyke #2 Pegmatite
Applicants: L. W. Collingwood,
D. W. Collingwood
Dale B. McDermand
Commodity: Beryl, columbite-tantalite

## SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The property, which consists of two claims, the Dyke No. 2 and Dewey, is in Custer County, S. Dak. in the SE¼ sec. 13, T. 4 S., R. 4 E., and the W½ sec. 18, T. 4 S., R. 5 E., 6 miles by good county road south of Custer.

It is held under a lease agreement between L. T. Rodemacher, the owner, and a partnership, Lewis W. Collingwood, Dean W. Collingwood, and Dale B. McDermand, the lessee.

The Dyke No. 2 pegmatite was examined by the field team on August 13, 1952 in company with J. J. Norton of the Geological Survey and Lewis W. Collingwood, one of the applicants. Approximately 2 hours was spent on the examination.

Owing to the topography, the pegmatite is not well exposed and, from the present workings, little geologic data can be obtained.

Estimated true thickness of the deposit is between 80 and 100 feet and the length is assumed to be not over 300 feet, the exposed portion being less than 200 feet. It strikes almost due north and dips 35 to 40 degrees to the east.

The Dyke No. 2 is approximately 500 feet south and along the strike of the Beecher No. 3 (an extremely rich beryl discovery was recently made on the Beecher No. 3), and is similar in attitude and in general mineralogical character to this beryl-rich pegmatite.

Although the Dyke No. 2 pegmatite has been partially explored by trenches and reportedly by a shaft and crosscut, the geologic information that may have been obtained from the work is not available at present. The shaft is caved and the trenches have sloughed to such an extent that only a small part of the deposit can be examined.

The limited geologic data indicates that the pegmatite has unexposed inner zones which should contain beryl, as well as spodumene. The presence of columbite-tantalite as claimed by the applicant is questionable. From this and the proximity and similarity of the deposit to the beryl-rich Beecher No. 3, the property warrants further exploration.

It is recommended that the application for exploration be approved and that the funds for core drilling a maximum of 1000 feet of BX hole, as requested in the application, be alloted.

## GEOLOGY

The pegmatite crops out as a gentle knoll and is deeply weathered, being for the most part covered by pegmatite float. A caved shaft, said to have been 51 feet deep, is located on the west side of the outcrop. A drift, approximately 30 feet in length, supposedly extended easterly into the pegmatite. All of this information is unauthenticated and no information is available on the nature of the rock encountered.

The other mine workings consist of three bulldozer trenches that crosscut the pegmatite. These trenches expose the only fresh pegmatite outcrop at the mine, but the walls have slumped considerably and pegmatite is visible only along the walls of the trenches.

Very little can be inferred about the pegmatite structure. A schist exposure in trench No. 2 dips about 40° to the east. Probably the main pegmatite has a similar dip to the east, since the nearby Beecher No. 3 pegmatite also dips about 35° to the east. Pegmatite was supposed to have been encountered in the shaft at a depth of 51 feet, and, if so, the pegmatite has a maximum thickness in excess of 80 feet.

Four mineralogic zones are visible at the pegmatite. Their relative composition and position are shown on the accompanying sketch map. The wall zone, as exposed around a schist parting, is about 2 feet thick. It contains about 10 percent of scrap mica but no other minerals of present economic interest were observed.

A second intermediate zone of perthite-quartz pegmatite is interesting because the zone is of large size and contains an unusually high content of perthite, averaging an estimated 80 percent of the total rock. Probably the perthite-rich zone forms a "hood" over inner lithia-rich zones. Unfortunately, the perthite is iron-stained and would require some beneficiation prior to marketing.

Spodumene crops out in a small exposure on the western end of trench No. 2. It is believed that this exposure is part of a fracture filling deposit that comes from an inner, unexposed zone that is rich in spodumene and possible other rare minerals.

Property rights are supported by the accompanying copy of lease and subordination agreement.

The starting date of the project is to some extent indefinite as there is only one core drilling contractor in the district, and any small drilling project is dependent on the contractor's schedule. The applicant,

however, intends to start as soon as the drilling contractor is available. It is estimated that the project can be completed in 40 drill shifts, or 7 weeks.

Core drilling is to be done under an independent contract with the maximum price of no more than $6.00 per foot. All holes are to be BX size and the total aggregate footage shall not exceed 600 feet without approval of the government field team.

The price per foot as submitted by the drilling contractor (maximum $6.00 per foot) shall include all items incidental to core drilling - core boxes, handling and local transportation of cores, etc. - and the cost of the supervision and engineering or technical services that may be required for the project. The applicant has not requested any funds for other items under section 17 of the application.

Estimated total cost of the project is $3,600 (600 feet @ $6.00 per foot), and government participation is 90 percent, or $3,240.00.

RECEIVED
SEP 15 '82

September 19, 1952

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

Subject: DMEA-2706
Re: Exploration Assistance
Dyke No. 2 Lode

My dear Mr. Collingwood:

The receipt of your application dated September 19, 1952 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-2706 and referred to the Non-Metallic Minerals Division.

Kindly refer to DMEA-2706 in any future correspondence relating to your application.

Sincerely yours,

R. E. ADAMS

Robert E. Adams
Chief, Operation's Control
and Statistics Division

Please advise total cost of project

25451

Dmea-2706

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

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

September 17, 1952

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Dyke No. 2 Pegmatite, Custer, S. Dak.

Here are the original and two copies of an application for exploration of the subject pegmatite by L. W. Collingwood, D. W. Collingwood, and D. B. McDermand, of Custer, S. Dak., together with the original and ~~two~~ 3 copies of the report by the field team recommending the project.

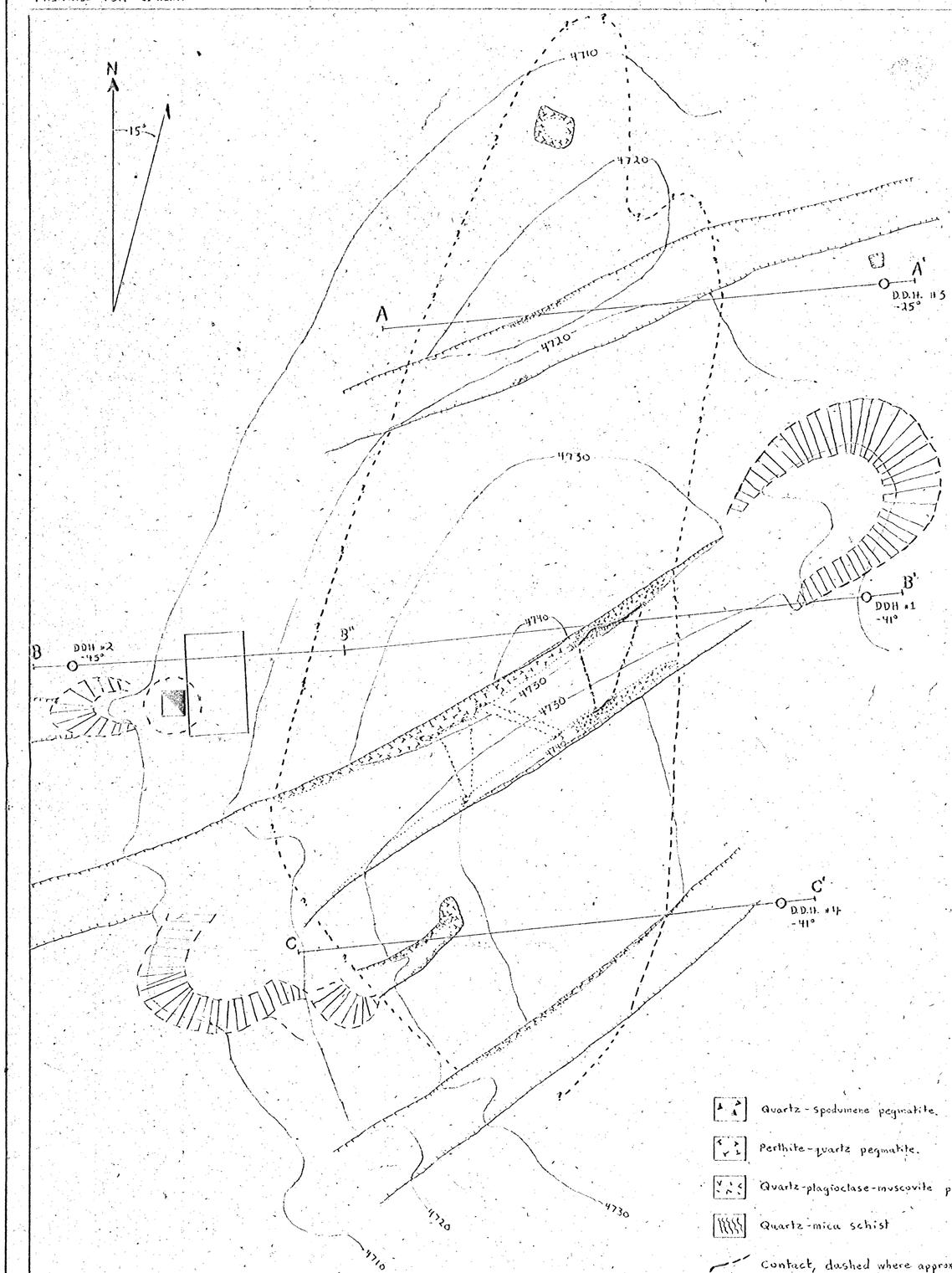
One copy of each has been retained by this office.

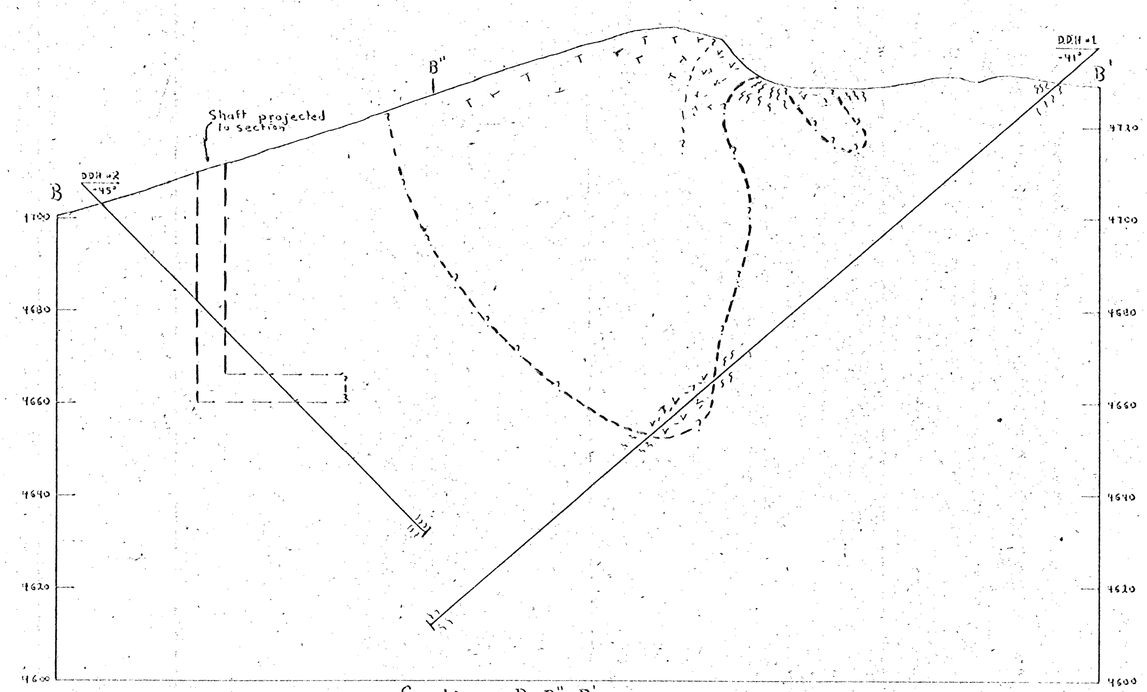
A. B. Needham
Executive Officer
Field Team, Region V

Attachments

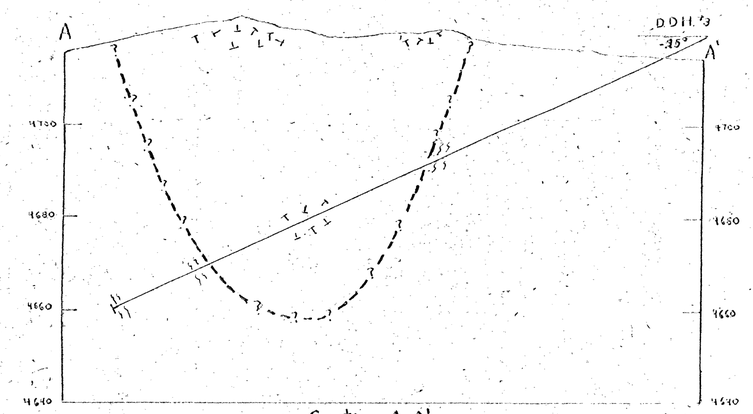
ABNeedham:dg
cc Dutton
Mullen
Redden
Region V
files
df

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
SEP 19 1952

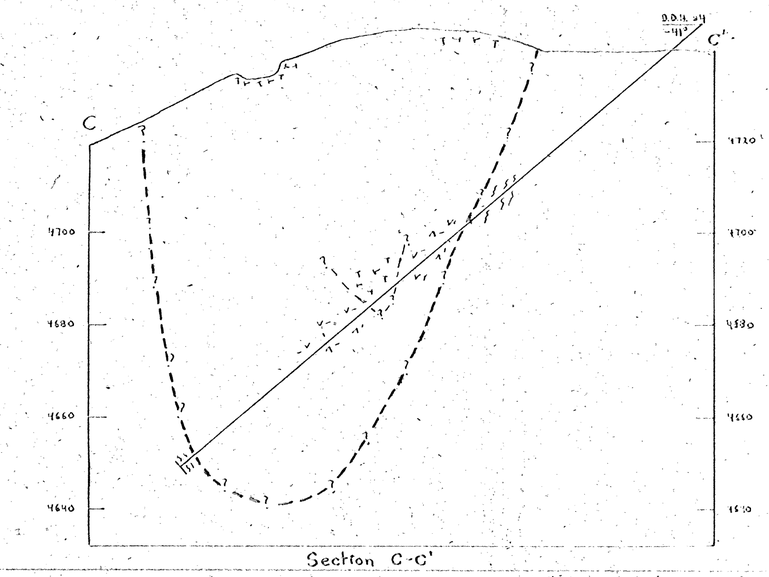



Section B-B''-B'




Section A-A'




Section C-C'

## LEGEND

- Quartz-spodumene pegmatite.
- Perthite-quartz pegmatite.
- Quartz-plagioclase-muscovite pegmatite.
- Quartz-mica schist
- Contact, dashed where approximate
- Inferred contact
- Contact between pegmatite units
- Inferred contact between pegmatite units
- Limit of outcrop
- Rim of excavation
- Dump
- Caved Shaft

Contour Interval 10 ft.

Scale

10 0 10 20 30

Feet

Surveyed and geology by
J.A. Kelley, R.L. Miller, J.E. Redlitz
May 1953

GEOLOGIC MAP AND DIAMOND DRILL SECTIONS, DYKE NUMBER TWO PEGMATITE, CUSTER COUNTY, SOUTH DAKOTA