MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2??

COMMODITY Mica - Beryl

Docket Copy

IDM-E 530

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 26th day of May, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Mineral Hills Incorporated, a corporation duly organized and existing under and by virtue of the laws of the State of South Dakota 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] the Great Northern Side Mining Claim also known as the [illegible] Mine located 3½ miles northwest of Custer in Sections 2 and 3, T. [illegible], R. [illegible], [illegible], and recorded in Book 14, page 22[illegible] of Mineral Locations, Custer County, South Dakota, and indicated further on the map attached hereto, made a part hereof, and entitled Plat of Mining Claims Mineral Hills, Inc. Custer, S. Dak.

the Operator represents and undertakes:[4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: None

(*b*) ~~That the Operator is a lessee in possession and entitled to possession and the owner's consent 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 60 days from the date of this contract shall commence work on a project of exploration for[5] mica and beryl

in or upon the described land; and shall bring the project to completion within a period of four (4) months 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 50 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $1,000.00, which is 50 percent of $2,100.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Mineral Mills Incorporated
(Operator)

By A. I. Johnson

By O. P. Mitteudorf
Administrator, Defense Minerals Exploration Administration

I, _____, certify that I am the Secretary of the corporation named as Operator herein; that A. I. Johnson, Secretary, 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.

A. I. Johnson

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
MINERAL MILLS INCORPORATED
DOCKET NO. DMEA-2877

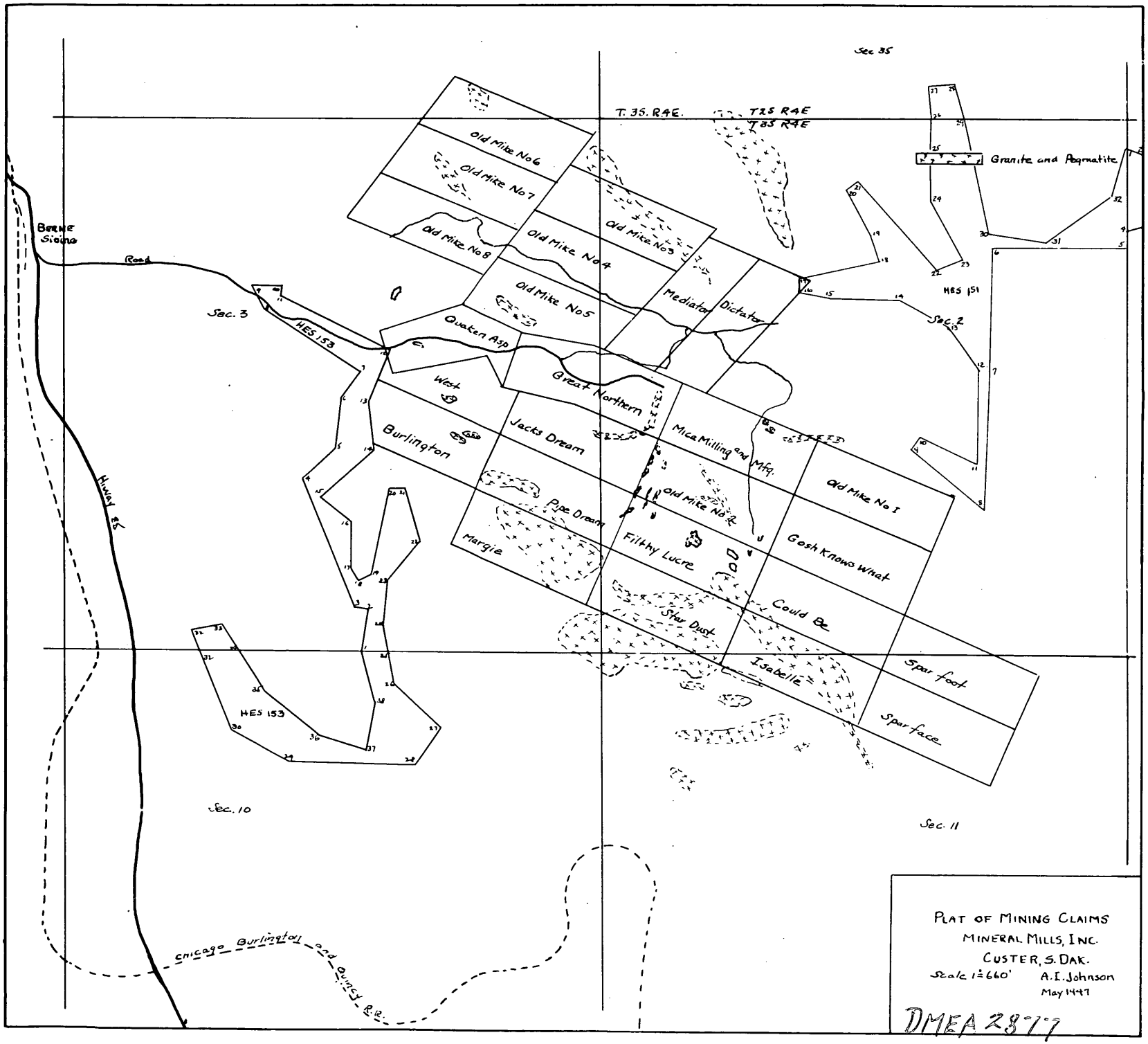
EXHIBIT "A"

Description of the Work

Two core drill holes of BX size with an aggregate depth of not more than 300 feet are to be drilled to cut a mica-pegmatite zone on the property. Not in excess of 200 feet may be cemented and drilled out or reamed and cased and the casing pulled, as required. The location, direction, depth, and inclination of the holes are to be designated by the Government engineers with the concurrence of the Operator.

Agreed Unit Costs

300 feet of BX core drill hole @ $5.50/ft.	$1,650.00	
200 feet of cementing and drilling out, reaming and casing and pulling casing @ $2.25/ft.	450.00	
Total Agreed Estimated Cost of Project		$2,100.00
Government Participation @ 90%		$1,890.00


Sec 35
T. 35. R4E.
T25 R4E
T35 R4E
Granite and Pegmatite
Berne Siding
Road
Sec. 3
HES 153
Old Mike No 6
Old Mike No 7
Old Mike No 8
Old Mike No 4
Old Mike No 3
Old Mike No 5
Mediator
Dictator
Quaken Asp
West
Great Northern
Burlington
Jacks Dream
Mica Milling and Mfg.
Old Mike No 1
Pipe Dream
Old Mike No 2
Gosh Knows What
Margie
Filthy Lucre
Could Be
Star Dust
Isabelle
Spar foot
Spar face
HES 151
Sec. 2
HES 153
Sec. 10
Sec. 11
Hwy 85
Chicago Burlington and Quincy R.R.
PLAT OF MINING CLAIMS
MINERAL MILLS, INC.
CUSTER, S. DAK.
Scale 1"=660'
A.I. Johnson
May 1947
DMEA 2877

DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 2877

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported. One copy to USGS. & USBM. Copy retained in Region V.

This document has been recorded as

EXPLORATION ASSISTANCE

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

Routing Slip

To:	Code 600, Room 4637	Date	2/10/53
To:	Robertson	Date	2/12/53
To:	Open Corr	Date	5-25-53
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
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DO NOT DETACH

CONTROLLED DOCUMENT

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 11 1955

224 New Customhouse
Denver 2, Colorado

April 8, 1955

Air Mail

Memorandum

To: L. R. Storms

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty Payments - DMEA Docket 2677 (Lead), Contract Idm-2050
Gordon R. French, Ray Lead-Silver Mine, Pinal County, Arizona

Reference is made to Gordon R. French's letter of January 4, 1955, to W. H. King regarding the above subject, our letters of January 6 and February 17, 1955, copies sent to you, and copies enclosed of subsequent correspondence and teletypes on the subject which you may not have in your files.

Before we can make the requested audit it will be necessary for us to obtain the settlement sheets referred to in the French letter of January 4. Will you contact Mr. French once more and undertake to obtain the settlement sheets, including also those since January 1. One copy of each will be sufficient providing that is all that are available as we can reproduce the required number and return his copies to him.

If you are unable to obtain the settlement sheets from French please proceed to obtain them from the American Smelting, Mining and Refining Company's El Paso smelter through Mr. Reed F. Welch, their representative, at 810 Valley Bank Building, Tucson, who is conversant with the operations and probably will be willing to oblige.

W. M. TRAVER

W. M. Traver

Enclosures

WMT:ia

Copy to: Chairman, Opr. Com. (3) w/encl.
L. H. Brading
[illegible]
J. [illegible] Townsend
Royalty, File [illegible]
Chron

224 New Customhouse
Denver 2, Colorado

February 28, 1955

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2887 (Lead), Contract Idm-E600, Gordon R. French, Ray Lead-Silver Mine, Pinal County, Arizona

With reference to the letter dated February 23, 1955, from the Chairman, Operating Committee, concerning royalty payments under Contract Idm-E600, we are enclosing a copy of the operator's reply dated January 4, 1955 to our letter of December 30, 1954.

Also, on February 17, we again wrote to Mr. French regarding payment of royalties due, copy of which was furnished to you.

If we do not hear from Mr. French by the deadline specified in our last letter this matter will be referred to your office for appropriate action.

W. M. Traver

Enclosure

RSB:lg

sub
chron

Royalty File

GSA TELE CENTER
MR 1 3 55 PM
DENVER, COLO.

WYB107-DN WAF 40 I-DON 35

WASHINGTON DC 4-1-55 413P

WASHINGTON DC 4-1-55 413P

W M TRAVER EXEC OFCR

DMEA FIELD TEAM 224 NEW CUSTOM HOUSE BLDG DN

RE YOUR MEMO MARCH 25 1955. PLEASE HAVE AUDITOR DETERMINE EXACT AMOUNT OF ROYALTY DUE FROM GORDON R FRENCH DOCKET 2886 19,54-15 3606 AND AMOUNT WITHHOLDING FROM EXPLORATION WHICH COULD BE APPLIED AGAINST ROYALTY DUE

GEORGE C SELFRIDGE

25 1955 2287 E606

AP 311P

END PLS ACK RT
HAVE ONE FOR U URS RECD OK VT

DN 235 OUR LINES 4-4-55 9-22 AM

CHAIRMAN, OPERATING COMMITTEE, DMEA

RELURTT APRIL 1, 1955, DOCKET 2886, CONTRACT IDM E-606, GORDON R FRENCH. OPERATOR HAS NOT SUPPLIED REQUESTED SETTLEMENT SHEETS. PLEASE GXX TELETYPE ADVICE AS TO WHETHER OR NOT AN ON-SITE AUDIT IS DESIRED.

W M TRAVER

END PLS ACK VT 9-23 AMMSG RECD OK RT
T

Royalty File . E 606

[redacted] DC BU MINES 3- 310 4-7-55 23-00 PM

MR W M TRAVER

REUR TELETYPE APRIL 4, 1955, DOCKET 2887, CONTRACT IDM-E606 GORDON R. XXX FRENCH, NECESSARY TO HAVE MORE DEFINITE INFORMATIONON ROYALTY DUE BEFORE SUBMISSION CAN BE MADE TO ATTORNEY GENERAL. ALSO MUST HAVE ANY AMOUNT WITHHOLDING FROM EXPLORATION COSTS WHICH COULD BE APPLIED AGAINST ROYALTY DUE. IF NECESSARY TO GET THIS INFORMATION AUDIT SHOULD BE MADE.

GOERGE C SELFRIDGE

IS THIS UNDERSTANDABLE PLS
BELIEVE WE CAN MAKE IT OK LOOKS OK ANYHOW
OK THKS HON END PLS ACK RT
MSG RED OK FTM

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

224 New Customhouse
Denver 2, Colorado

March 25, 1955

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty Payments - DMEA Docket 2877 (Lead), Contract Idm-E606, Gordon R. French, Ray Lead-Silver Mine, Pinal County, Arizona

Reference is made to our letter to the operator dated February 17, 1955, and previous correspondence, and also our memorandum to you dated February 28, 1955.

The operator as of this date has made no attempt to furnish us the information requested or to pay royalties due which our records indicate to be in excess of $4,000.00.

We recommend that legal action be taken by the Washington office to collect royalties due.

W. M. Traver

W. M. Traver

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

January 26, 1954

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Docket 2877, Contract Idm-E-520, Mineral Mills, Inc. - Old Mike Pegmatite

On January 15, 1954 we advised you that this office would accept the narrative which accompanied the operator's last monthly report as their final engineering report on the project, and accordingly advised our Fiscal Section to release the money which was withheld.

Since then this office has received what the operator calls the final report, and we are therefore sending you the original and two copies for your files. This report adds nothing to the one referred to which accompanied the monthly voucher - in fact, it is almost identical.

A. B. Needham
A. B. NEEDHAM

Attachments

Mr. E. O. Binyon, Mining Engineer,
United States Department of the Interior,
Bureau of Mines,
Rapid City Field Office,
Rapid City, S. Dak.

Dear Mr Binyon:

In reference to your letter of September 22nd and our conversation of recent date I am herewith inclosing a final summary on the diamond drilling operations at the old Mike Mine, Docket No. 2877, Contract Idm E- 520/

We are also inclosing checks covering sales todate and not reported on the Glenwood Mine Docket 2392 Idm-E 352 Lots C- 252 11/16-53 and Lot C 279- 1/ 21/54, in amounts of $23.39 and $32.87 respectively.

Very truly yours,

Mineral Mills Inc

A. I. Johnson

RECEIVED
OCT 22 1954
Dept. of Interior
Bureau of Mines
Rapid City
South Dakota

Final Report - Old Mike Diamond Drilling Project

Docket No. 2877, Contract Idm E-520

Hole No. 1 was drilled at an inclination of - 12 degrees and its location is indicated on the geological plan submitted. The hold passed thru 37 feet of pegmatite all of which of same nature as outcropping at the surface contacts. The pegmatite carried approximately 20% scrap mica and an examination of the core did not indicate any largecrystals of beryl. Freom an examination of the core we would estimate approximately .5% beryl in small crystals in the pegmatite section.

Hole No. 2 was driven to a distance of 161 feet but indications were that the hold passed under the pegmatite designated as Dike No. 2. The hole passed thru 14 feet of pegmatite near the surface contact of Dike No. 1. This pegmatite was similar to that exposed by the drilling in Dike No. 1 first hole. An examination of the core would indicate a percentage of beryl from .5% to 1.0%. The hold was drilled at an inclination of -10 degrees.

The drilling substantiated the original estimates of scrap mica available some 75,000 tons of mica pegmatite being indicated from the drilling program.

A. I. Johnson

JAN 22 1954
Rapid City, South Dakota

RECEIVED
JAN 28 1954

Mr. E. C. Binyon, Mining Engineer,
United States Department of the Interior,
Bureau of Mines,
Rapid City Field Office,
Rapid City, S. Dak.

Deer Mr Binyon:

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Very truly yours,

Mineral Mills Inc

A. I. Johnson

A. I. Johnson

RECEIVED
JAN 22 1954
Dept. of Interior
Bureau of Mines
Rapid City,
South Dakota

Bureau of Mines
Mineral
Feb 23 1954

Final Report - Old Mike Diamond Drilling Project

Docket No. 2877, Contract Idm 4-520

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The drilling substantiated the original estimates of scrap mica available some 75,000 tons of mica pegmatite being indicated from the drilling program.

S. I. Johnson

FILE COPY
SURNAME:

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

Robertson
Houk
Clayburn
Rabin
Hoffknecht

JAN 21 1954

Mr. A. I. Johnson, Secretary-Treasurer
Mineral Mills Incorporated
Custer, South Dakota

Re: Docket No. DMEA-2877 - Beryl-Mica
Old Mike Mine
Custer County, South Dakota
Contract No. Idm-E530

Dear Mr. Johnson:

This is with reference to the subject Exploration Contract between the Mineral Mills Incorporated and the Government.

The final audit of the contract expenditures and the final reports of the Operator and the Field Team have been received and accepted by this Administration. Of the total amount of $2,100.00 approved under the contract, the sum of $1,650.00 was expended, 90 percent of which, or $1,485.00, represented the Government's share. There were no unused materials, supplies or equipment to be disposed of for the joint account of the Operator and the Government.

Because the results of the exploration were unfavorable, it is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to Article 5 (d) of the Contract which requires the Operator to "keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract".

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

Sincerely yours,

C. O. Mittendorf (for)

Administrator

JTRobertson:gad 11/30/53
Copy to: Admr. R. File
Docket File
Field Team, Region V
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.J. 1-20-54

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 18 1954

January 15, 1954

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA 2877, Contract Idm-E-530, Mineral Mills, Inc., Old Mike Mine

Reference is made to your letter of January 7, 1954. This office has withheld $100 from the last MF-104 which was June-August, 1953, pending receipt of the operator's final engineering report. Otherwise the project has been completed.

From a further study of the project and narrative reports by the operator, it has been concluded that the narrative report accompanying the last MF-104 will be satisfactory for his final report.

We are authorizing our Fiscal Section to release the $100, and you may consider the subject project completed.

A. B. Needham

A. B. NEEDHAM

SURNAME COPY

Houk

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

JAN - 7 1954

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

Subject: Docket No. DMEA-2877 - Beryl-Mica
Mineral Mills Incorporated
Old Mike Mine
Custer County, South Dakota
Contract No. Idm-E530

Dear Mr. Needham:

Reference is made to the subject contract in which the work has been completed.

This office has received the final field team report and the report of review but no operator's report. If the last MR-104, June-August, 1953, can be accepted as the operator's final report then this contract can be closed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

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

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

LGHouk:gad 1/4/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Griffith, 3641A
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

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

Project Summary Report

By: Jasper T. Robertson November 30, 1953

1. DMEA Docket No. 2877 - Beryl-Mica
Contract No. Idm-E530
Property - Old Mike Pegmatite
Custer County, South Dakota
Operator's property rights - owner
Operator - Mineral Mills Incorporated
A South Dakota corporation. Custer, South Dakota
(A. I. Johnson, Secretary-Treasurer)

2. Contract - dated 5/26/53
Work authorized -

300 feet core-drill holes (BX Core) @ $5.50/ft.	$1,650.00
200 feet cementing, reaming, casing @ $2.25/ft.	450.00
Total estimated cost	$2,100.00
Government participation - 90%	$1,890.00

Amendments to contract - none.
Work completed -

300 feet core-drill holes (2 holes)	$1,650.00
Cementing, reaming, casing - none	-0-
Total cost of project	$1,650.00
Government's share - 90%	$1,485.00

Work started June 16, 1953.
Work completed July 20, 1953
Operator on own account deepened Hole #2 an additional 46 feet.

3. Audit Certificate - 10/14/53
Report of Review -

Total cost billed by contractor		$1,891.60
Exceptions:		
By DMEA Finance Officer	$241.60	241.60
Total accepted cost		$1,650.00
Government participation - 90%		$1,485.00

4. No certification of discovery or development. No ore reserves were added. The results of the project were negative and a certification of discovery is not recommended.

5. Comments -

The project was a small one consisting of the diamond drilling of two short holes. Hole No. 1, inclined at -14°, length 185 ft. and Hole No. 2, inclined at -10°, length 161 ft. (The last 46 ft. of this hole was drilled at the operator's own expense).

The work under the contract was intended to explore, for beryl and mica, the west end of the main pegmatite as well as a segment, or what appeared to be a separate deposit, in order to obtain more geologic data on structure, and to whatever extent possible, the grade of beryl and mica in the beryl bearing units.

Hole No. 1, drilled through a small pegmatite exposed on the west end of the main pegmatite. Apparently a new, unexposed pegmatite was encountered, although it is possible that the pegmatite exposed at the surface has flattened with depth.

"All of the pegmatite encountered was remarkably uniform wall-zone identical in composition with that of the main pegmatite. It contained approximately 22 percent of muscovite in small books averaging 1.2 inches in diameter. The maximum size observed in the core was 3 inches. The mica was ruby, but was heavy stained. A very small amount of beryl was encountered. The percentage of beryl is less than 0.5 percent, and is probably on the order of 0.2 percent.

"The extensive footage of the wall-zone encountered, (37 feet) suggests that a relatively small pegmatite was encountered at an acute angle with the dip of the pegmatite. The flat-lying pegmatite is exposed beneath the main pegmatite as shown in the geologic cross-sections of the Old Mike pegmatite in the South Dakota Pegmatite Professional Paper. This could have been encountered in the drill hole. It is also possible that the crest of a large pegmatite was encountered and that most of the pegmatite is at a greater depth. This latter possibility is not considered to be very probable.

"Hole No. II was drilled on a bearing of S 21° W. beneath the westend of the main pegmatite. Pegmatite was not encountered except for 14 feet of wall-zone pegmatite at the start of the hole. The drill hole exceeded the allotted footage of the DMEA contract, but the difference was paid by the Applicant. The hole would have been located elsewhere had the Applicant not insisted on the location and made an agreement to pay for the necessary extra footage to make sure that the main pegmatite was encountered.

"The drilling indicates that no discovery has resulted and that it would be unwise for the Applicant to attempt to develop the property by means of a long drift from the west end. A little knowledge has been learned of the scrap mica deposits. It is recommended that no certification be made."

The project required a minimum of supervision because of a separate drilling contract. The operation was fairly well conducted. No equipment was purchased and there was no equipment salvage for the joint account of the Operator and the Government.

Project Summary Report

By: Jasper T. Robertson November 30, 1953

1. DMEA Docket No. 2877 - Beryl-Mica
   Contract No. Idm-E530
   Property - Old Mike Pegmatite
   Custer County, South Dakota
   Operator's property rights - owner
   Operator - Mineral Mills Incorporated
   A South Dakota corporation. Custer, South Dakota
   (A. I. Johnson, Secretary-Treasurer)

2. Contract - dated 5/26/53

Work authorized -	
300 feet core-drill holes (BX Core) @ $5.50/ft.	$1,650.00
200 feet cementing, reaming, casing @ $2.25/ft.	450.00
Total estimated cost	$2,100.00
Government participation - 90%	$1,890.00

Amendments to contract - none.

Work completed -	
300 feet core-drill holes (2 holes)	$1,650.00
Cementing, reaming, casing - none	-0-
Total cost of project	$1,650.00
Government's share - 90%	$1,485.00

Work started June 16, 1953.
Work completed July 20, 1953
Operator on own account deepened Hole #2 an additional 46 feet.

3. Audit Certificate - 10/14/53

Report of Review -		
Total cost billed by contractor		$1,891.60
Exceptions:		
By DMEA Finance Officer	$241.60	241.60
Total accepted cost		$1,650.00
Government participation - 90%		$1,485.00

4. No certification of discovery or development. No ore reserves were added. The results of the project were negative and a certification of discovery is not recommended.

5. Comments -

The project was a small one consisting of the diamond drilling of two short holes. Hole No. 1, inclined at -44°, length 185 ft. and Hole No. 2, inclined at -10°, length 161 ft. (The last 46 ft. of this hole was drilled at the operator's own expense).

The work under the contract was intended to explore, for beryl and mica, the west end of the main pegmatite as well as a segment, or what appeared to be a separate deposit, in order to obtain more geologic data on structure, and to whatever extent possible, the grade of beryl and mica in the beryl bearing units.

Hole No. 1, drilled through a small pegmatite exposed on the west end of the main pegmatite. Apparently a new, unexposed pegmatite was encountered, although it is possible that the pegmatite exposed at the surface has flattened with depth.

"All of the pegmatite encountered was remarkably uniform wall-zone identical in composition with that of the main pegmatite. It contained approximately 22 percent of muscovite in small books averaging 1.2 inches in diameter. The maximum size observed in the core was 3 inches. The mica was ruby, but was heavy stained. A very small amount of beryl was encountered. The percentage of beryl is less than 0.5 percent, and is probably on the order of 0.2 percent.

"The extensive footage of the wall-zone encountered, (37 feet) suggests that a relatively small pegmatite was encountered at an acute angle with the dip of the pegmatite. One flat-lying pegmatite is exposed beneath the main pegmatite as shown in the geologic cross-sections of the Old Mike pegmatite in the South Dakota Pegmatite Professional Paper. This could have been encountered in the drill hole. It is also possible that the crest of a large pegmatite was encountered and that most of the pegmatite is at a greater depth. This latter possibility is not considered to be very probable.

"Hole No. II was drilled on a bearing of S 21° W. beneath the westend of the main pegmatite. Pegmatite was not encountered except for 14 feet of wall-zone pegmatite at the start of the hole. The drill hole exceeded the allotted footage of the DMEA contract, but the difference was paid by the Applicant. The hole would have been located elsewhere had the Applicant not insisted on the location and made an agreement to pay for the necessary extra footage to make sure that the main pegmatite was encountered.

"The drilling indicates that no discovery has resulted and that it would be unwise for the Applicant to attempt to develop the property by means of a long drift from the west end. A little knowledge has been learned of the scrap mica deposits. It is recommended that no certification be made."

The project required a minimum of supervision because of a separate drilling contract. The operation was fairly well conducted. No equipment was purchased and there was no equipment salvage for the joint account of the Operator and the Government.

JTRobertson:gad 11/30/53

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

FILE COPY
SURNAME:

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

Project Summary Report

By: Jasper T. Robertson November 30, 1953

1. DMEA Docket No. 2877 - Beryl-Mica
Contract No. Idm-E530
Property - Old Mike Pegmatite
Custer County, South Dakota
Operator's property rights - owner
Operator - Mineral Mills Incorporated
A South Dakota corporation. Custer, South Dakota
(A. I. Johnson, Secretary-Treasurer)

2. Contract - dated 5/26/53
Work authorized -

300 feet core-drill holes (BX Core) @ $5.50/ft.	$1,650.00
200 feet cementing, reaming, casing @ $2.25/ft.	450.00
Total estimated cost	$2,100.00
Government participation - 90%	$1,890.00

Amendments to contract - none.
Work completed -

300 feet core-drill holes (2 holes)	$1,650.00
Cementing, reaming, casing - none	-0-
Total cost of project	$1,650.00
Government's share - 90%	$1,485.00

Work started June 16, 1953.
Work completed July 20, 1953
Operator on own account deepened Hole #2 an additional 46 feet.

3. Audit Certificate - 10/14/53
Report of Review -

Total cost billed by contractor		$1,891.60
Exceptions:		
By DMEA Finance Officer	$241.60	241.60
Total accepted cost		$1,650.00
Government participation - 90%		$1,485.00

P.C.G. 10-7-54

4. No certification of discovery or development. No ore reserves were added. The results of the project were negative and a certification of discovery is not recommended.

5. Comments -

The project was a small one consisting of the diamond drilling of two short holes. Hole No. 1, inclined at -14°, length 185 ft. and Hole No. 2, inclined at -10°, length 161 ft. (The last 46 ft. of this hole was drilled at the operator's own expense).

The work under the contract was intended to explore, for beryl and mica, the west end of the main pegmatite as well as a segment, or what appeared to be a separate deposit, in order to obtain more geologic data on structure, and to whatever extent possible, the grade of beryl and mica in the beryl bearing units.

Hole No. 1, drilled through a small pegmatite exposed on the west end of the main pegmatite. Apparently a new, unexposed pegmatite was encountered, although it is possible that the pegmatite exposed at the surface has flattened with depth.

"All of the pegmatite encountered was remarkably uniform wall-zone identical in composition with that of the main pegmatite. It contained approximately 22 percent of muscovite in small books averaging 1.2 inches in diameter. The maximum size observed in the core was 3 inches. The mica was ruby, but was heavy stained. A very small amount of beryl was encountered. The percentage of beryl is less than 0.5 percent, and is probably on the order of 0.2 percent.

"The extensive footage of the wall-zone encountered, (37 feet) suggests that a relatively small pegmatite was encountered at an acute angle with the dip of the pegmatite. One flat-lying pegmatite is exposed beneath the main pegmatite as shown in the geologic cross-sections of the Old Mike pegmatite in the South Dakota Pegmatite Professional Paper. This could have been encountered in the drill hole. It is also possible that the crest of a large pegmatite was encountered and that most of the pegmatite is at a greater depth. This latter possibility is not considered to be very probable.

"Hole No. II was drilled on a bearing of S 21° W. beneath the westend of the main pegmatite. Pegmatite was not encountered except for 14 feet of wall-zone pegmatite at the start of the hole. The drill hole exceeded the allotted footage of the DMEA contract, but the difference was paid by the Applicant. The hole would have been located elsewhere had the Applicant not insisted on the location and made an agreement to pay for the necessary extra footage to make sure that the main pegmatite was encountered.

"The drilling indicates that no discovery has resulted and that it would be unwise for the Applicant to attempt to develop the property by means of a long drift from the west end. A little knowledge has been learned of the scrap mica deposits. It is recommended that no certification be made."

The project required a minimum of supervision because of a separate drilling contract. The operation was fairly well conducted. No equipment was purchased and there was no equipment salvage for the joint account of the Operator and the Government.

JTRobertson:gad 11/30/53

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 23 1953

November 19, 1953

Memorandum

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

From: R. F. Griffith, Rare and Precious Metals Branch

Subject: Docket DMEA 2877, Contract Idm-E-530, Mineral Mills, Inc. (Old Mike Pegmatite)

This office concurs that no certification of discovery or development be made.

The field team report has been forward to the Chief, Minerals Division, in accordance with the routing slip attached thereto.

R. F. Griffith

R. F. Griffith

IN REPLY REFER TO:

G-MD-CNM

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

Defense Minerals Administration
RECEIVED
NOV 20 1953

November 19, 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2877 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Mineral Mills, Inc.
Name of property: Old Mike Pegmatite.
Location of property: Custer County, South Dakota.
Date of Field Team report: October 16, 1953.
Authorship of field team report: E. O. Binyon and J. A. Redden.
Field Team's recommendation: Project completed; no certification to be made.
Comments: None.
ACTION SUGGESTED: Follow field team's recommendation.

D. M. Larrabee

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 16 1953

November 13, 1953

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA 2877, Contract Idm-E-530, Mineral Mills, Inc. (Old Mike Pegmatite)

Here are the original and three copies of the final report by the Field Team on the subject project. A copy has been retained by this office.

The drilling indicated that no discovery resulted, so the recommendation is that no certification be made.

A. B. NEEDHAM

Attachments

Reviewed by
DMEA OPERATING COMMITTEE
11-20-53
(date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 16 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM

REGION V

Old Mike Pegmatite

Custer County, South Dakota

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

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

October 16, 1953

Reviewed by
DMEA OPERATING COMMITTEE
11-20-53
(date)

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM

REGION V

by

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

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

DMEA Docket No.:	2877
Contract No.:	Idm E-530
Commodity:	Beryl - Mica
Applicant:	Mineral Mills, Inc. Custer, S. Dak. (Old Mike Pegmatite)

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

The property known as the Old Mike pegmatite is owned and operated by Mineral Mills, Inc., a South Dakota Corporation addressed in care of A. I. Johnson, Secretary - Treasurer of the company.

The Great Northern lode claim, the only claim held by the company included in the contract, is in Section 2 and 3, T. 3 S., R. 4 E., B.H.B.M., Custer County, S. Dak. It is 3 miles by good roads northwest of Custer, S. Dak., the nearest rail point and supply center.

In late 1951 the company made application for an expansion loan to construct a beryl-mica flotation. For various reasons this application was withdrawn and another in which the company applied for an exploration loan was submitted. The work under the latter application, Docket No. 2168, was to include bulk sampling and core drilling. A contract, Idm E-376, covering this application was drawn but was submitted to the field team in Rapid City for study and suggestions as to any changes. The field team, after a review of the application, recommended that it be denied and that the contract not be completed.

In January 1953 another application for exploration by adit and cross-cut was submitted and a supplementary field team report of examination was prepared recommending that the exploration be confined to core drilling and that no more than 300 feet of drilling be done. The application, Docket No. 2877, was approved and Contract Idm E-530 covering the work as outlined in the supplementary field team report was signed by the Operator.

The work under the contract was intended to explore the west end of the main pegmatite as well as a segment, or what appeared to be a separate deposit farther to the west and north, in order to obtain more geologic data on structure and, to whatever extent possible, the grade of beryl and mica in the beryl bearing units. As stated, two holes with an aggregate total footage of 300 feet were to be drilled.

The project was started June 16, 1953. Hole I was completed to a depth of 185 feet on July 7 and Hole II, which was started July 20, was drilled 161 feet and was completed on August 4, 1953. The total of 346 feet drilled exceeded that allowed under the contract by 46 feet, however, the operator and field team had, prior to drilling Hole No. II, agreed that any footage over 115 feet would be drilled at the expense of the operator.

Location of the holes and other hole data are shown on the accompanying map and in the section "Geology" of this report.

The total amount of the contract was $2,100.00 with the Governments share at 90% being $1,890.00. Total expenditures on the project amounted to $1,650.00 of this the Governments share is $1,485.00 leaving a balance of $405.00.

The Government has withheld $90.00 pending receipt of the Operator's final report.

LOCATION

The property is in the West 1/2 of Section 2, T. 3 S., R. 4 E., B.H.B.M., Custer County, S. Dak. and is approximately 5 miles by road north and slightly west of Custer the nearest rail point and supply center. A loading station on the C.B. & Q. railroad is located at Berne Siding 15 miles west of the property. From Custer access to the property is by way of U.S. Highway 16A for 3 miles, then by unimproved dirt road for approximately 2 miles. During periods of heavy snowfall or wet weather the unimproved road is practically impassable.

DESCRIPTION OF THE PROJECT

Exploration was by core drilling. Two holes located near the west end of the main pegmatite, see the accompanying map, were drilled to a total depth of 346 feet.

Hole No. I designed to explore a segment or separate pegmatite west and north of the main deposit was drilled at an inclination of -14° and the bearing was S. 19° W. It encountered the pegmatite at approximately 147 feet and continued in pegmatite to 179, or a thickness of about 37 feet, all wall zone. Total depth of the drill hole was 185 feet. The hole was started June 16 and completed July 7, 1953.

Hole No. II was designed to cut the extreme western end of the main pegmatite. The hole location was selected after considerable discussion with the company's resident engineer and it was agreed that any footage over that allowed by the contract would be at company expense.

The hole was collared in pegmatite and cut 14 feet of wall zone from 0 to 14 feet. The remaining footage, 147 feet, was drilled in schist. Bearing of the hole is S. 21° W. and the inclination -10°.

The project was completed August 4, 1953.

GEOLOGY

Hole No. I was drilled on a bearing of S. 19° W. at a minus 14° through the smaller pegmatite exposed on the west end of the main pegmatite. Apparently a new, unexposed pegmatite was encountered, although it is possible that the pegmatite exposed at the surface has flattened with depth and was encountered. All of the pegmatite encountered was remarkably uniform wall zone identical in composition with that of the main pegmatite. It contained approximately 22 percent of muscovite in small books averaging 1.2 inches in diameter. The maximum size observed in the core was 3 inches. The mica was ruby, but was heavily air stained. A very small amount of beryl was encountered. The percentage of beryl is less than 0.5 percent, and is probably on the order of 0.2 percent.

The extensive footage of the wall zone encountered (37 feet) suggests that a relative small pegmatite was encountered at an acute angle with the dip of the pegmatite. One flat-lying pegmatite is exposed beneath the main pegmatite as shown in the geologic cross-sections of the Old Mike pegmatite in the South Dakota Pegmatite Professional Paper. This could have been encountered in the drill hole. It is also possible that the crest of a large pegmatite was encountered and that most of the pegmatite is at a greater depth. This latter possibility is not considered to be very probable.

Hole No. II was drilled on a bearing of S. 21° W. beneath the west end of the main pegmatite. Pegmatite was not encountered except for 14 feet of wall zone pegmatite at the start of the hole. The drill hole exceeded the allotted footage of the DMEA contract, but the difference was paid by the Applicant. The hole would have been located elsewhere had the Applicant not insisted on the location and made an agreement to pay for the necessary extra footage to make sure that the main pegmatite was not encountered.

The drilling indicates that no discovery has resulted and that it would be unwise for the Applicant to attempt to develop the property by means of a long drift from the west end. A little knowledge has been learned of the scrap mica deposits. It is recommended that no certification be made.

The reserves and grade estimates as given in the original field team report by J. A. Redden and Glen Walker remains unchanged.

The results of the project were negative and a certification of discovery is not recommended.

EXPENDITURES

Total amount of the contract	$2,100.00
Government participation @ 90%	1,890.00
Total expenditures	1,650.00
Governments part of expenditures @90%	1,485.00
Balance of Governments share of the cost	405.00

The Government has withheld $90.00 pending receipt of the Operator's final report.

The project required a minimum of supervision as core drilling was done under separate contract. Conduct of the project was fairly efficient.

No equipment was purchased for the project.

98

FILE COPY
SURNAME

Talbert
Chambers

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

OCT 14 1953

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

Re: Mineral Mills, Inc.
Contract No. Idm-5530
Docket No. DMEA-2877

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 representative (Mr. E. O. Binyon, Mining Engineer) endorsed the Form MF-304A to confirm 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
October 14, 1953

Copy to: Docket
Admr. Reading File
Mr. Chambers

10-14-53

FILE COPY
SURNAME:

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

SEP 23 1953

Houk
Selfridge
Johnson

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

Subject: Docket No. DMEA-2877 - Mica and Beryl
Mineral Mills, Inc.
Old Mike Mine
Custer County, South Dakota
Contract No. Idm-E530

Dear Mr. Needham:

Reference is made to the subject contract which was executed May 26, 1953, program to be completed by September 26, 1953. We have had no report on the progress of the work to date. Please advise this office of the present status of this project and forward interim reports on the monthly progress.

In the event additional time is required beyond September 26, 1953, (the completion date), please prepare an amendment granting additional time.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (216)

Approved:

J. H. Hedges

Member, Bureau of Mines (216)

A. R. Kinkel, Jr.

Member, Geological Survey (216)

LGHouk:gad 9/23/53

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

R.C.S. 9-23-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

September 18, 1953

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA-2877, Contract Idm E-530
Mineral Mills, Inc. - Old Mike

The subject project field work was completed on September 4, 1953, and the following is a record of accounting:

Total amount of contract	$2,100.00
Government's share	1,890.00
Total amount spent	1,650.00
Government's share	1,485.00
Amount available to general fund	405.00

Both the operator's and Government's final reports are yet to be transmitted.

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

FILE COPY
SURNAME:

200

Adams

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

JUL 10 1953

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

Dear Mr. Needham:

Attached herewith is one copy of contract Idm-E530. This "extra copy" is for use of your office in making a report on this project.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Attachment
READams/meb
7-9-53
cc to: Adm.Reading File
Mails & Files Br.

R.C.G.
7-10-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

June 9, 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-2877, Contract Idm E-530, Mineral Mills, Inc., Old Mike

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

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

B. Needham
Executive Officer, Field Team
Region V

Attachments - 3

FILE COPY
SURNAME:

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

MAY 20 1953

Robertson
Houk
Chandler
Phillips
Carlson
Selfridge
Mica & Beryl
Johnson

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

Subject: Docket No. DMEA-2877
Mineral Mills Inc.
Old Mike Mine
Custer County, 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 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. Please explain to the Operator that when the contract is executed, it is a firm commitment under the terms of which he is obligated to complete the work outlined at the agreed unit costs for the work. If any part of this contract does not have either your approval or that of the Operator and cannot be amended within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

After execution of the contract, the copies are to be distrubuted in the usual manner.

Sincerely yours,

George C. Selfridge (JHB)
Chairman, Operating Committee

Approved:

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

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

Enclosures 6

JTRobertson:fls 5/20/53

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

MDS 5-26-53

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

March 19, 1953

Memorandum

To: The Administrator

Through: L. G. Houk

From: Chief Counsel

Subject: Mineral Mills Incorporated, Docket No. DMEA-2877

There is attached, in satisfactory legal form for execution, a contract covering the above-described project, subject to the attachment to the contract of the map referred to therein, prior to execution.

for J. L. Hoffland
Chief Counsel

Attachment

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Custer, S. Dak.
Feb. 27, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 3 1953

Memorandum

To: L. G. Houk, Defense Minerals Exploration Administration

From: James J. Norton JJNorton

Subject: Review of field team reports on DMEA-2877, Mineral Mills, Inc., Old Mike pegmatite, Custer County, South Dakota

Application DMEA-2877 and accompanying memoranda from the field team are the latest episodes in a long debate on whether or not Mineral Mills, Inc., should receive Government assistance to work on the Old Mike pegmatite, Custer County, South Dakota.

A field team report dated February 5, 1953, recommends 300 feet of drilling to explore down the plunge of the pegmatite in the hope of finding new reserves. A supplementary memorandum from Jack A. Redden, Survey author of the field team report, states that his views were misinterpreted when the field team report was compiled, and that he thinks that the chances of success are too slim to warrant undertaking this project.

I am agreeable either to: (1) denial of the application or (2) the small drilling project proposed in the field team report. In my opinion, this project is right on the borderline.

Diamond drilling would probably serve the intended purpose, and although an adit would be better, I agree that the risk is too great to warrant the very much larger cost, despite the fact that I once hoped the work could be done by this method.

One factor that has not been introduced into past discussions of this project is that the proposed exploration could have been done very inexpensively by a winze from the old workings if Mineral Mills had not permitted the workings to cave some years ago, rather than saving them until the necessary exploration could be done. Under these circumstances, I think the Government is less justified than it would otherwise be in undertaking this project.

If your opinions are as non-committal as mine, I will be glad to discuss this further with you in order to reach a definite conclusion. I will be back in Washington on March 9. If for some reason there is sufficient urgency for you to want to telephone me, I can be reached here in Custer until March 5, but don't forget that a telephone conversation should be carried on in the discreet manner necessary in all country towns.

IN REPLY REFER TO:

G-MD-CHM

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

RECEIVED
MAR 2 1953
Defense Minerals Administration

February 27, 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2877 (mica, beryl)

To: L. G. Houk, Defense Minerals Exploration Administration
From: R. E. Van Alstine, U. S. Geological Survey
Applicant: Mineral Mills, Inc.
Name of property: Old Mike pegmatite.
Location of property: Great Northern Lode Mining Claim; secs. 2 and 3, T. 3 S., R. 4 E., Custer County, South Dakota.
Date of field team report: January 22, 1953.
Authorship of field team report: E. O. Binyon and J. A. Redden.
Field team's recommendation: Drill two core-drill holes in places to be agreed upon by applicant and field team; total cost $2,100.00.
Comments:

1) In view of the past history of the proposed exploration of this pegmatite (cf. DMEA-2168X) and Redden's special memorandum of February 6 to DMEA, I have talked on the phone with Norton, who is now in Custer, about this application. Norton has reviewed the proposal with Redden; as a result we feel that the probability of significant discovery resulting from the proposed exploration is about fifty-fifty.

ACTION SUGGESTED:

Follow field team's recommendation.

R. E. Van Alstine

Van Alstine:jeh
G-2/27/53
cc: Director's reading 4212
Branch reading 4212
DMEA
files G-228
Van Alstine G-230

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

February 20, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2877, Mica, Old Mike Mine, Custer County, South Dakota

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 20 1953

I concur in the field team's recommendation for an exploration project in the amount of $2,100.00.

W. F. Dietrich

W. F. Dietrich

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
FEB 12 1953

February 12, 1953

Memorandum

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

From: Executive Officer, Field Team, Region V

DMEA-r877

Subject: Docket DMEA 2168, Mineral Mills, Inc.

On February 5, 1953, this office transmitted to you an application from Mineral Mills, Inc., together with the Field Team Report recommending modified exploration.

The last paragraph of our transmittal letter indicated that J. A. Redden, member of the Geological Survey, had corresponded with the Operating Committee regarding the application and the Field Team report. We were under the impression that he had sent a letter on to you, but we have now received a letter to you through this office. We believe that it might be the one referred to, therefore we are passing this one on to you.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Custer, S. Dak.
Feb. 6, 1953

Memorandum

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

Through: A. B. Needham, Executive Officer, Region V, DMEA

From: Jack A. Redden, U. S. Geological Survey

Subject: Review of Mineral Mills Application, Old Mike Pegmatite

The accompanying application was reviewed by the field team in early January, 1953. A supplementary report was prepared during the absense of the Survey field team member recommending two diamond drill holes. A further inquiry was directed to the field team from A. B. Needham, Executive Officer of Region V, DMEA concerning the Applicant's agreement to the supplemental report.

My absence during the period when the Supplemental Report by the field team was prepared resulted in certain misunderstandings of my views which are more fully explained in this memorandum.

Portions of the Old Mike pegmatite have produced a very high quality mica in the past. The sheet mica produced during the latter part of the mining operations was considerably poorer in quality. The pegmatite is irregular in shape and may contain rich, high quality, mica sheets. It is my opinion that the chances of a substantial discovery of sheet mica are considerably less than 50-50, and that the geologic evidence is against exploration. However, if it was decided that this pegmatite should be explored, it is believed that 1 or 2 diamond drill holes should be drilled to determine structure and the probable advisability of continuing with the drifting phase of the exploration.

The Washington office of the Survey has as much available information on the geology and possibilities of this pegmatite as the field team representative. DMEA officials in Washington are also more fully aware of the current thinking of DMEA and for DMPA, and it is recommended that the decision on this application should be made by Washington. It was originally suggested to the Applicant that he turn in his application directly to DMEA in Washington, but the application was turned in to the Bureau of Mines at Rapid City.

It is my personal opinion that the application should be denied on the basis of insufficient probability of making a substantial discovery and repayment of the loan. The property is more favorable than many of the applications for mica exploration received to date, and it is understood (not officially) that the local Government mica buying depot needs more

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

sheet mica from the Black Hills. It is mainly for these reasons that it is requested that a review of my denial be made by the Survey and DMEA in Washington.

I am not certain but I believe that in event of an outright recommendation of denial by the field team the application can be denied by the Executive Officer's office, and I specifically desire that this application go to DMEA in Washington for review.

Jack A. Redden

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

Mr Pebeeton

DMEA-2877

February 5, 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-2168x, Supplementary Report, Mineral Mills, Inc.

Here are the original and two copies of Form MF-103, application by Mineral Mills, Inc., Custer, S. Dak., for exploration at the Old Mike Pegmatite, together with the original and three copies of the Field Team's report recommending exploration in a modified way.

The difference in the type of exploration, as discussed in the application, from that in the report has been taken up with Mr. A. I. Johnson, the applicant's representative, and he is in full agreement with the Field Team's proposal for drilling, as set forth in their report.

J. A. Redden, the Geological Survey member of the Field Team, has corresponded with the Operating Committee, and we are sure you have a copy of his memorandum discussing this subject by now.

/s/ A. B. Needham

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

attachments

cc E. O. Binyon
cc J. A. Redden

Entered by
DMEA Office of Administration

2-13-53
(Date)

dmea 2877

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

SUPPLEMENTARY REPORT OF EXAMINATION BY FIELD TEAM
REGION V

Old Mike Pegmatite

Custer County, South Dakota

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

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

January 22, 1953

Reviewed by
WILL MINERALS COMMITTEE
2-13-58
(Date)

SUPPLEMENTARY FIELD TEAM REPORT ON EXAMINATION

of the

OLD MIKE PEGMATITE
Custer County, S. Dak.

Docket No.: 2877
Contract No.:
Applicant: Mineral Mills, Inc.
Commodity: Mica, beryl

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Early in 1952 an application, DMEA Docket No. 2168X, was filed for exploration of the Old Mike pegmatite. The proposed work was to be done in three phases; the first phase was to determine the grade of beryl in the outer zones of the pegmatite by bulk sampling. The second and third phases, consisting of drifting and core drilling, respectively, were to be carried out if the results of the first and second phases were favorable.

As set forth in the application, the primary purpose of the project was to determine the grade and reserves of beryl in the wall and adjoining intermediate zones, then to further explore the deposit by core drilling to obtain geologic data on the structure of the pegmatite in order to more accurately estimate the reserves of beryl, as well as mica and columbite-tantalite.

A revised contract, Idm E-376, was drawn up and submitted to the field team at Rapid City for suggestions. The field team then prepared a report in which it recommended that the contract not be completed and that the application be denied.

In the accompanying application it is proposed to explore the main pegmatite, as well as what appears to be a separate deposit to the northeast of the main pegmatite, with a 325-foot adit. The adit, as shown on the map, will cut the smaller or northeast pegmatite near the center and the main deposit at the northwest end.

In the opinion of the field team the proposed adit is, in part at least, development work and the geologic information that will be made available in the adit can be obtained with less expense by core drilling. The advantages of the adit for exploring the pegmatites are obvious; however, it is advisable to obtain additional geologic information on the pegmatites before expending $11,000 to $12,000 on the adit, and it is recommended that two core drill holes be drilled to cut the pegmatites at points to be agreed upon by the field team and the applicant. The location, direction, and inclination of the holes are to be designated by the field team, in agreement with the applicant. The adit or other development work is not recommended.

Holes shall be BX size and the maximum depth shall not exceed an aggregate total of 300 feet.

Drilling price shall not exceed $5.50 per foot, and the price for cementing and/or reaming and casing shall not exceed $2.25 per foot. All cementing and/or reaming and casing shall be done only when ordered in writing by the applicant's representative.

Total allowable expenditures for drilling:

300 feet @ $5.50 per foot	$1,650.00
Cementing and/or reaming and casing 200 feet @ $2.25 per foot	450.00
Total for project	$2,100.00

Should core drilling prove acceptable to the applicant, it is suggested that the contract between the applicant and driller be submitted prior to letting the contract in order that the agreed price for drilling, cementing and/or reaming and casing can be set up in the contract.

A short form contract with the unit prices as stated above is recommended.

All other information concerning the applicant is contained in the application. The two field team reports previously submitted contain the pertinent geologic data and other information on this property.

February 10, 1953

Mr. A. I. Johnson, Secretary
Mineral Mills Incorporated
Custer, South Dakota

Subject: DMEA-2877
Re: Exploration Assistance
Old Mike Mine

My dear Mr. Johnson:

The receipt of your application dated December 29, 1952 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-2877 and referred to the Nonmetallic Minerals Division.

Kindly refer to DMEA-2877 in any future correspondence relating to your application.

Sincerely yours,

R. E. ADAMS

Robert E. Adams
Chief, Operations Control
and Statistics Division

25451

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

February 10, 1953

Memorandum

To: Executive Officer, DMEA Field Team, Region V

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region V.

DMEA- 2877 **Mineral Mills Incorporated**

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

33980

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Defense Minerals Administration
RECEIVED
FEB 9 1953

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 2877
Metal or Mineral
Date Received 2-9-53
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: Mineral Mills Incorporated,
Custer, South Dakota.

(All questions answered on attached sheets)

(*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

(*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

(*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

(*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.

5. *The exploration project.*—(*a*) State mineral or minerals for which you wish to ore .....

.....

(*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.

(*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?

☐ 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 Dec. 29, 1952

Mineral Mills Inc
(Applicant)

By A. J. Johnson

Secretary- Treasurer

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

Mineral Mills Inc.
Custer, S. Dak.

Application for aid in an Exploration Project.
Name of applicant.

1.a. The name of the corporation is Mineral Mills Inc- Address, Custer, S. Dak.

b. Not applicable.

c. The officers and directors of the company are:
President- Albert Cushurst, Lead, S. Dak.
Secretary-Treasurer- A. I. Johnson, Keystone, S. Dak.
Vice President - Ben Bell- Jackson, California.
Directors: John Knecht- Rapid City, S. Dak.
Chas. Bennett- Rapid City, S. Dak.
Other Stockholders: Wray Sharp- Hollywood, California.

d. Not applicable.

Mineral Hills Inc
Custer, S. Dak.

Application for Aid in an Exploration Project.

3- Applicant's Property Rights

a. The land to be explored is the Great Northern Lode Mining Claim- located in Sections 2 and 3 T. 3 S., R. 4 W. BHM. Recorded in Bk/ 14, page 223.

b. The property is known under the name of "Old Mike" mine.

c. The corporation owns the property to be explored.

d. Not applicable.

e. There are no liens or encumbrances on the land to be explored.

f. The location certificate has been recorded in Bk. 14 on page 223 of location certificates in the Custer County county court house, Custer, S. Dak.

Mineral Hills Inc.
Custer, S. Dak.

Application for aid in an Exploration Project.

4. Physical Description.

a. The principal work has been carried on at the adit level on the southeast end of the dike. There an adit 300 feet in length has been driven into the dike and drifts to the northwest and south east totaling 225 feet in length have permitted stoping to a height of some 50 feet above the adit level. A geologic map by the U.S.G.S. under its Strategic Mineral Investigations shows work done to date on the property. Toward the northwest a cut has been started to develop the dike from the northwest end at an elevation of some 30 feet below the adit level. The mine has crushing and screening facilities as well as sorting facilities for handling the ore from the dike. The company has mining facilities which include an compressor, drills, pipe lines and auxiliary equipment for mining purposes. The mine workings are accessible for examination.

b. Past Production at the Old Mike mine by Mineral Hills Inc.

1942-	33,895# punch mica		$ 3601.32	
	1,624# sheet mica		5436.33	
	350 tons scrap mica		10009.39	
	6 tons beryl		540.00	
	200# tantalite		800.00	
		Total	$ 20277.74	$20,877.74
1943	3,075.2 # sheet mica		$ 15376.00	
	331 tons scrap		5451.35	
	15.736 tons beryl		1376.60	
	150# tantalite		311.72	
	22 tons feldspar		66.00	
		Total	$ 22,581.76	$22,581.76
1944	21,347# washer punch		661.25	
	4,670.06# sheet mica		27424.22	
	43.659 tons scrap mica		971.86	
	2.33 tons beryl		321.80	
	82.4# tantalite		147.68	
		Total	$29,526.81	$29,526.09
1945	2,264# sheet mica)			
	3756.05# punch mica)		9,702.37	
	44.176 tons scrap mica		970.07	
		Total	$10,672.74	$10,672.74
1946	1,000.15 tons scrap mica		$24,921.91	
	86.32 tons feldspar		345.28	
		Total	$25,327.19	$25,327.19
1947	197.05 tons scrap mica		$ 4,926.25	
	4 tons block mica		800.00	
	71.03 tons feldspar		284.12	
		Total	$ 5,810.37	$ 5,810.37
1948	61 tons scrap mica		$ 1,372.50	
	20 tons feldspar		80.00	
	800# beryl		80.00	
		Total	$ 1.532.50	$ 1,532.50
1949	33 tons scrap mica		825.00	
	2 tons beryl		400.00	
	15 tons feldspar		60.00	
		Total	$1,285.00	$1,285.00
	Total Forwarded			$117,614.19

Minor[illegible] Mills Inc
Custer, S. Dak.

Application for aid in an exploration project.

4. Physical Description- cont.

b. Past Production at the Old Mike mine by Mineral Mills Inc- Cont.

Forwarded			$117,614.19
1950	3.25 tons beryl	$650.00	
	10 tons scrap mica	225.00	
	Total	$875.00	875.00
	Total production to date		$118,489.19

The mine was previously operated during world war one as a sheet mica property and was reported on by Douglas B. Sterrett in his volume Mica Deposits of the United States during that period. We have no record of either past production of beryl or mica to the time Mineral Mills started operations in 1942.

Mineral Mills Inc
Custer, S. Dak.

Application for aid in an exploration Project

4 (c) Geologic Features.

The Old Mike deposit is a pegmatite dike extending for a length of 650' in a NW-SE direction. Some 11,633.76 pounds of sheet mica were produced from the dike during the years 1942 to 1945 inclusive having a total value of $55,929.31. Most of the work was done on the south- east end of the dike and it is proposed to explore the northwest end of the dike for quantities of sheet mica. Present indications are such as to indicate possibilities in this area for quantities of sheet mica. The deposit also carries quantities of beryl, feldspar, scrap mica and tantalite-columbite.

A photostatic copy of a geological map by the U.S.G.S. of the deposit is included with the application. On this plan is indicated the proposed tunnel to explore the possibilities for sheet mica.

Mineral Mills Inc
Custer, S. Dak.

Application for aid in an exploration Project.

Physical Description

(d) Accessibility of project:

The project is accessible from Higway 85 at Berne Siding on the Burlington Railroad. A plat of the properties of the company is included and accessibility is shown on the plat. Loading facilities are available at Berne Siding for shipment and it is approximately 4 miles to Custer from the mine. Residence and supply facilities are available at Custer, S. Dak.

(e) Power is available at the mine and the company owns the ncessary compressors, drilling equipment etc. Supplies are available at Custer, S. Dak.

Mineral Mills Inc
Custer, S. Dak.

Application for aid in an exploration Project.

5. The exploration project.

(a.) We wish to explore for sheet mica

(b) It is proposed to drive a 325' tunnel to cut the dikes indicated on the surface to explore their possibilities for sheet mica. The location of the tunnel is shown on the geological plan inclosed as a part of this application.

(c) It will require 4 months to complete the work or a total of 100 working days, with two shifts per day. The work can start within two weeks of notification of acceptance.

(d) The company has been operating mining properties for over ten years and has the back ground of the experience necessary to complete the job. The work will be under the supervision of A.I. Johnson Mining Engineer for the company who has had over 25 years experience.

Mineral Mills Inc
Custer, S. Dak.

An applicstion for aid in an exploration project.

6. Estimate of costs:

(a) Independent contracts:

None.

Mineral Mills Inc
Custer, S. Dak.

An application for aid in an exploration project.

6 (b) Labor, supervision etc.

2 miners @ 8 hrs per day @ $1.60/hr	$25.60
Overtime	2.14
Social security charge	.42
Compensation Insurance	1.31
Unemployment compensation Insurance	.14
2 helpers @ 8 hrs per day at $1.35/hr	21.60
Overtime pay	1.80
Social security	.35
Compensation insurance	1.17
Unemployment compensation Insurance	.12
Supervision	16.00
Social security charge	.22
Total daily labor cost	$70.87

100 working days @ $70.87/day.....$7,087.00

Mineral Mills Inc
Custer, S. Dak.

An application for aid in an exploration project.

6. Estimate of costs:

(c) Operating materials and supplies:

Power	$7.50	per day for 100 days	$750.00
Water	.50	" " " "	50.00
Powder	11.50	" " " "	1150.00
Caps	1.20	" " " "	120.00
Fuse	2.10	" " " "	210.00
Bits	6.50	" " " "	650.00
Oil	.70	" " " "	70.00
Pipe	325' of 1¼" -325' of 1"		169.00
Track	2½ tons @ $110/ton		275.00
		Total supplies	$3444.00

Mineral Mills Inc
Custer, S. Dak.

6. Estimate of costs:

(d) Operating equipment: Owned by the operator

450 cu. ft. Gardner Denver Compressor		$4730.00
Gardner Denver Mucking Machine		2250.00
Air Receiver		190.00
Cooling tank		125.00
Drill post		36.00
I. R. Drifter		325.00
Air & water hose		25.20
Mine cars		210.00
Drill tank		32.50
		$7923.70
Present value book 55%		$4358.04
Use value per month	$72.50	
4 months @ $72.50		$290.00

Mineral Mills Inc
Custer, S. Dak.

An application for aid in an exploration project.

6. Estimate of costs:

(e) Rehabilitation and repairs. Mucking machine $110.00

Mineral Mills Inc
Custer, S. Dak.

Applieation for aid in an exploration project.

6. Estimate of costs.

(f) None.

Mineral Mills Inc
Custer, S. Dak.

An application for aid in an exploration project

6. Estimate of costs:

(g) Missellaneous:

Repairs, maintenance of equipment, other supplies

Drill repairs- chucks, needles, etc	$180.00
Rethreading steel	100.00
Track spikes & bolts	35.00
Mucking machine chains etc	72.00
Track ties 175 @ 20¢	35.00
Total	$422.00

Workmans compensation, liability insurance
payroll taxes included in labor costs

Mineral Mills Inc
Custer, S. Dak.

An application for aid in an exploration project.

6. Estimate of costs:

(h) contingencies:

None

Mineral Mills Inc
Custer, S. Dak.

An application for aid in an exploration project:

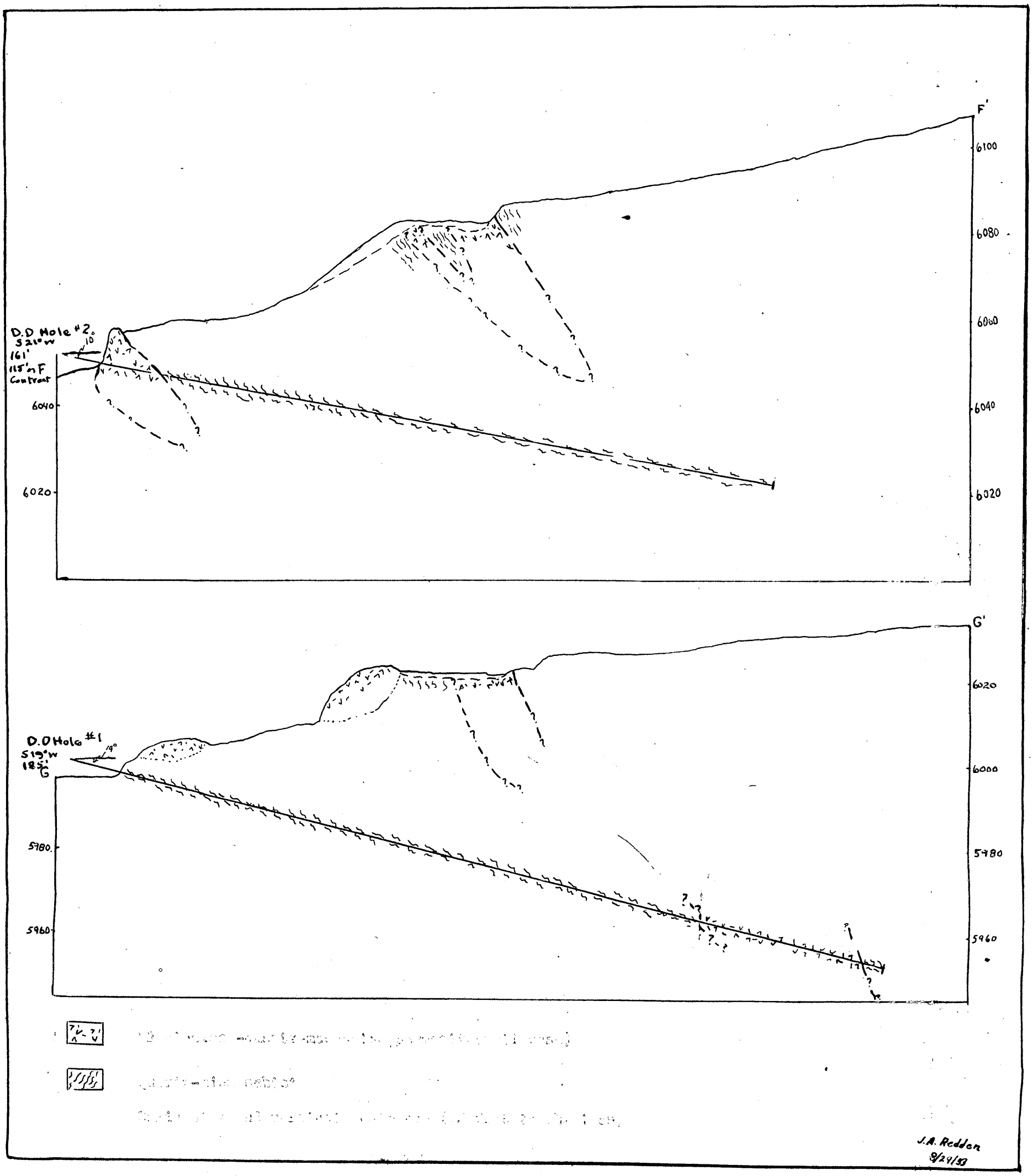
7. (a) The company is prepared to furnish its share of the proposed cost in accordance with the regualtions on government participation which is 10% of the total cost.

(b) The company will furnish its share of costs as follows:

Use of equipment	$290.00
Balance cash outlay	

Total cost of the Project

La bor	$7,087.00	
Supplies	3,444.00	
Equipment use	290.00	
Rehabilitation	110.00	
Misc costs	422.00	
Total	$11,353.00	for 325'
Total cost per foot		$34.93



DIAMOND DRILL SECTIONS, OLD MIKE PEGMATITE, CUSTER COUNTY SOUTH DAKOTA. (DMEA - 2877)

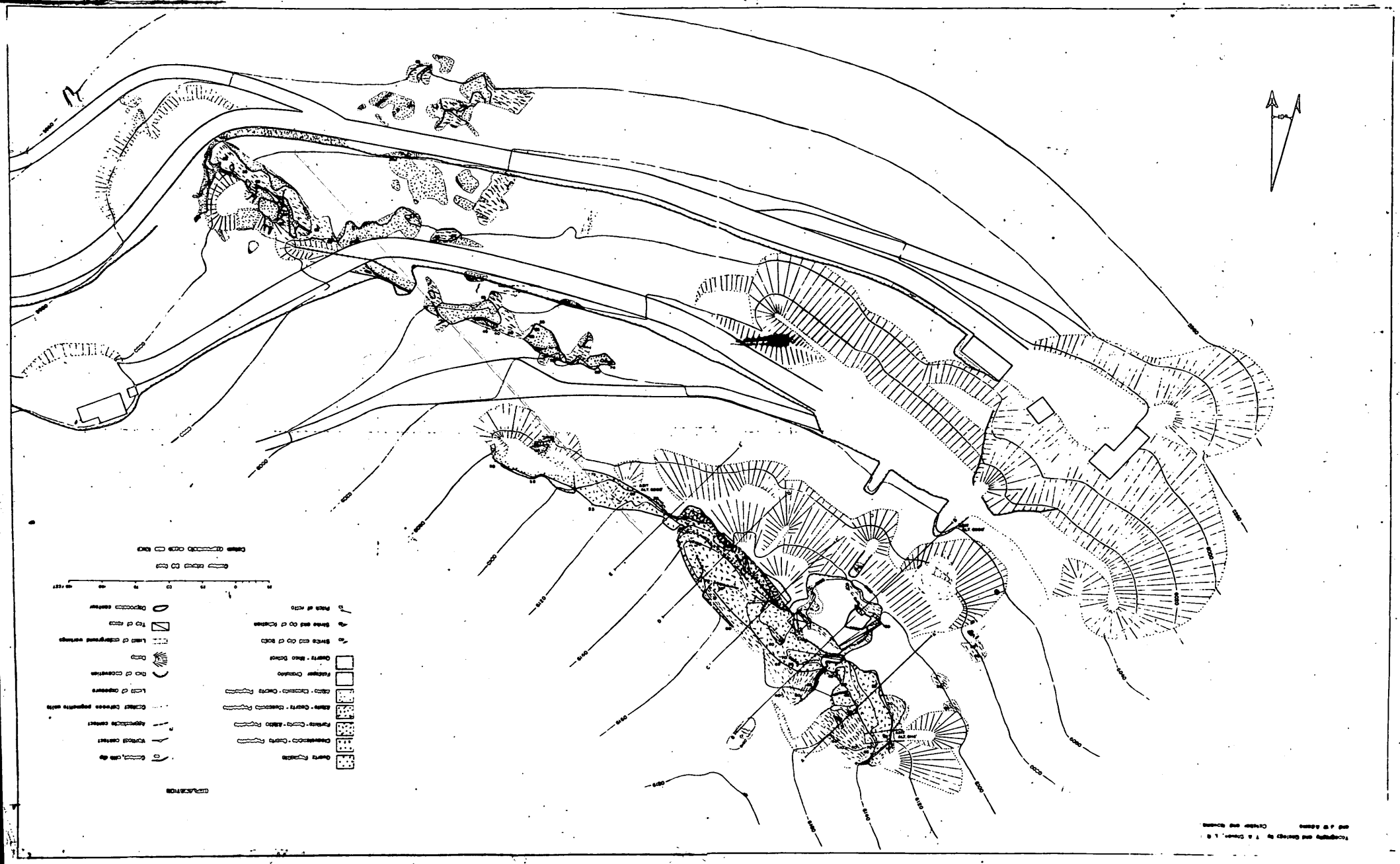
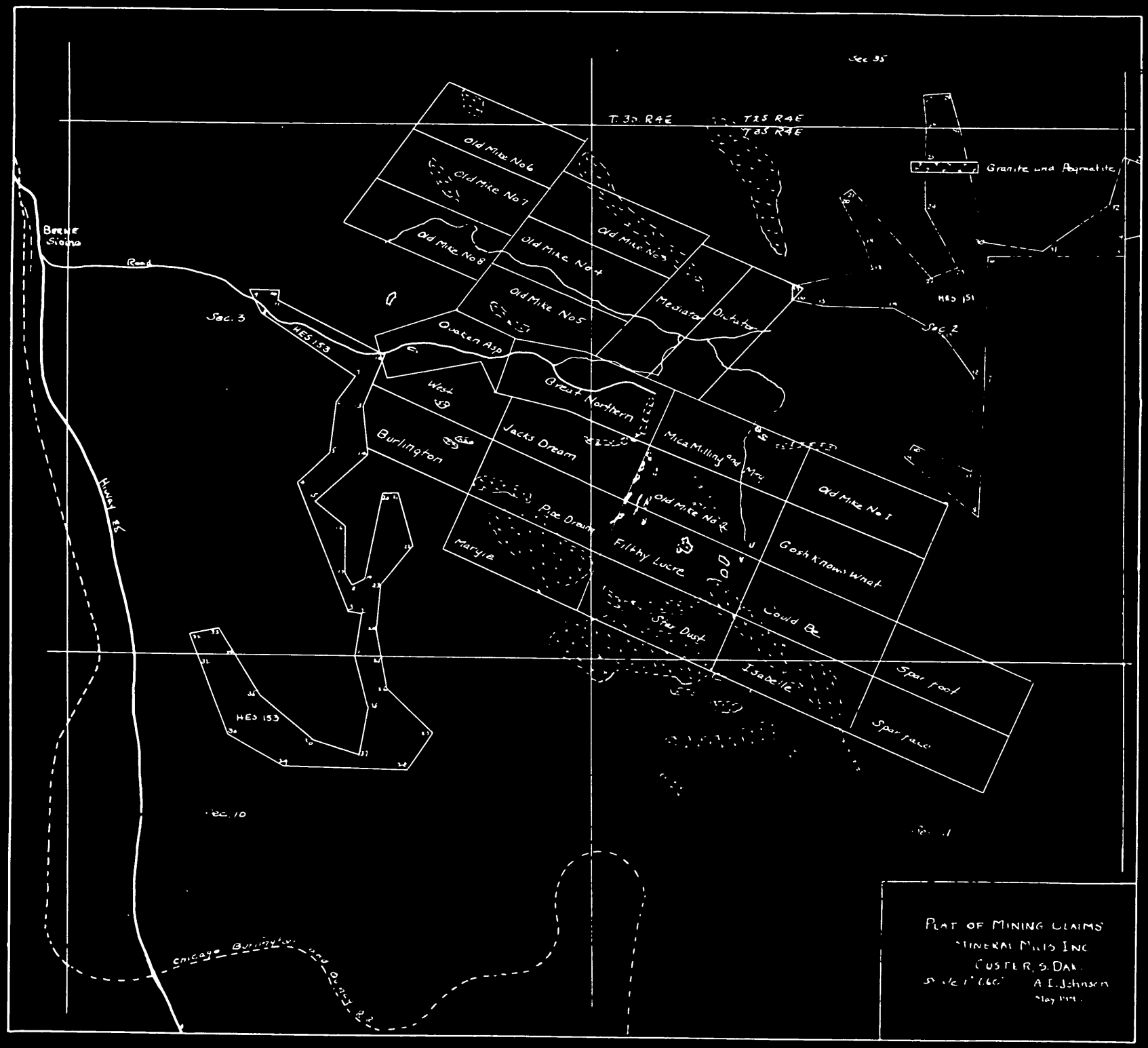


FIGURE 70. GEOLOGIC MAP, OLD MIKE MICA MINE, CUSTER COUNTY, SOUTH DAKOTA.


Sec 35
T. 3S. R4E
T2S R4E
T3S R4E
Granite and Pegmatite
Old Mike No 6
Old Mike No 7
Old Mike No 8
Old Mike No 4
Old Mike No 3
Old Mike No 5
Medjara
Dictator
Quaken Asp
West
Great Northern
Burlington
Jacks Dream
Mica Milling and Mfg
Old Mike No 2
Old Mike No 1
Poe Dream
Filthy Lucre
Gosh Know What
Marjie
Star Dust
Could Be
Isabelle
Spar Pool
Spar Face
Sec. 3
Sec. 2
Sec. 10
Sec. 1
HES 153
HES 151
Highway 85
Road
Burlington Northern
Plat of Mining Claims
Mineral Mills Inc
Custer, S. Dak.
A. E. Johnson

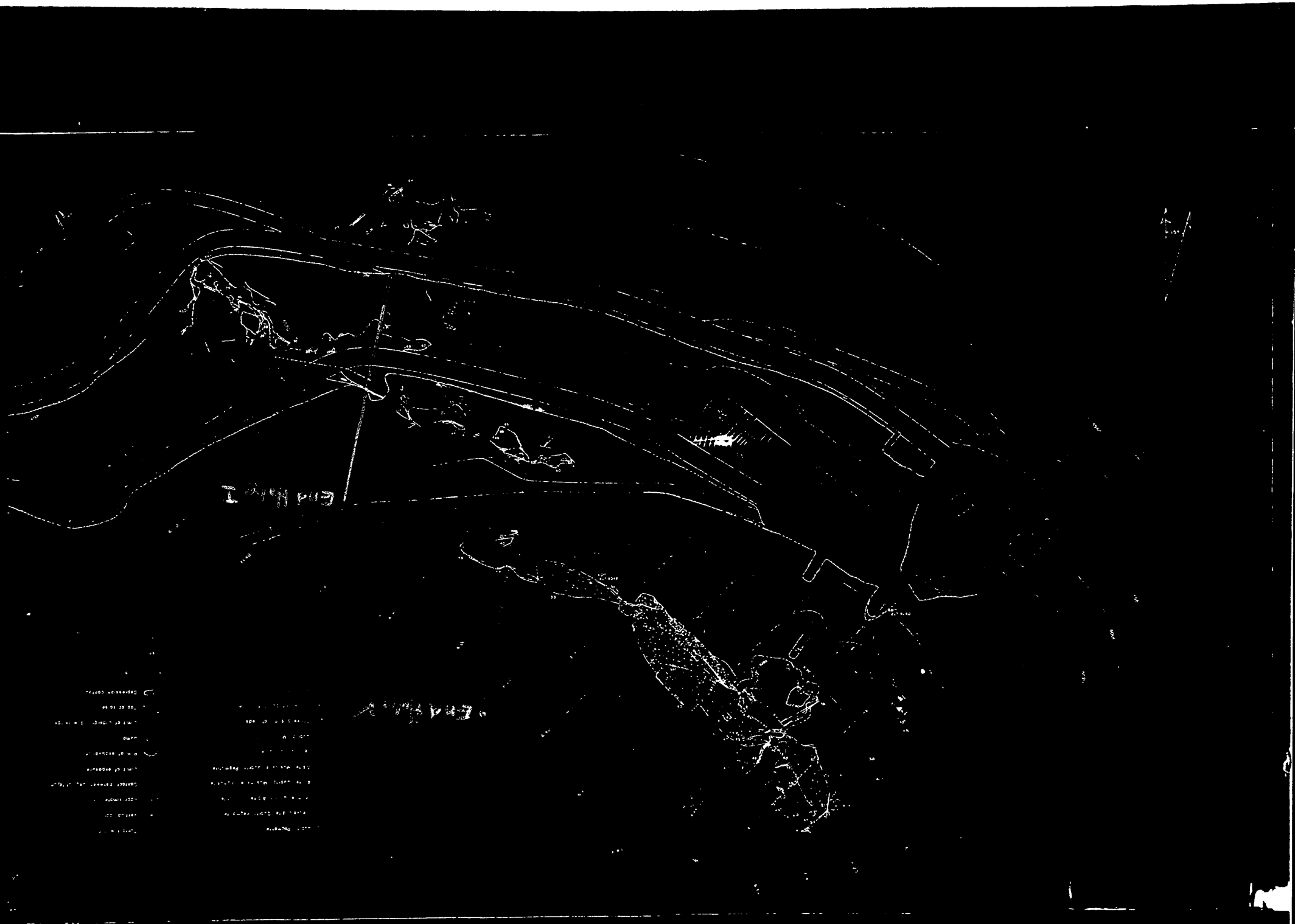
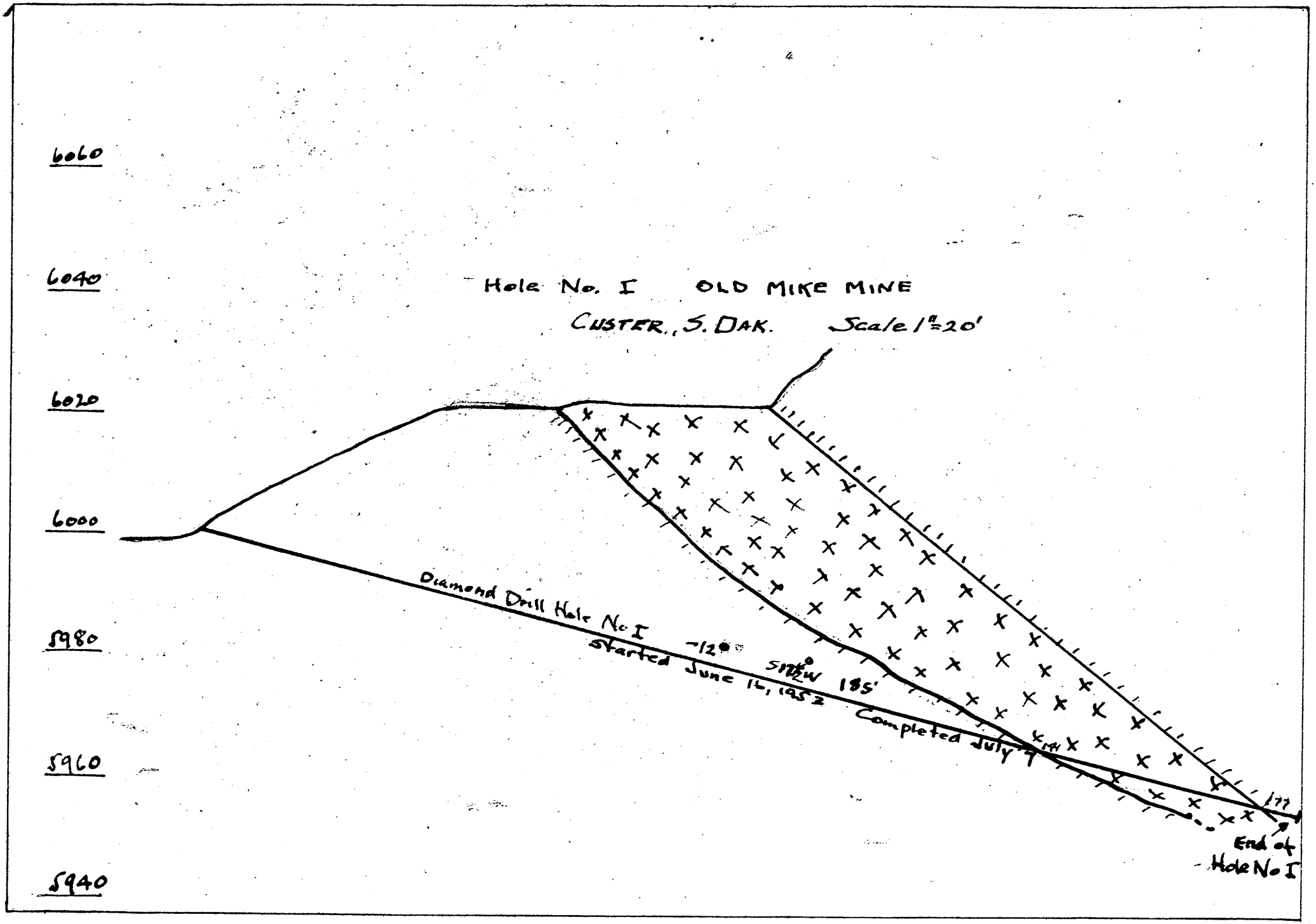
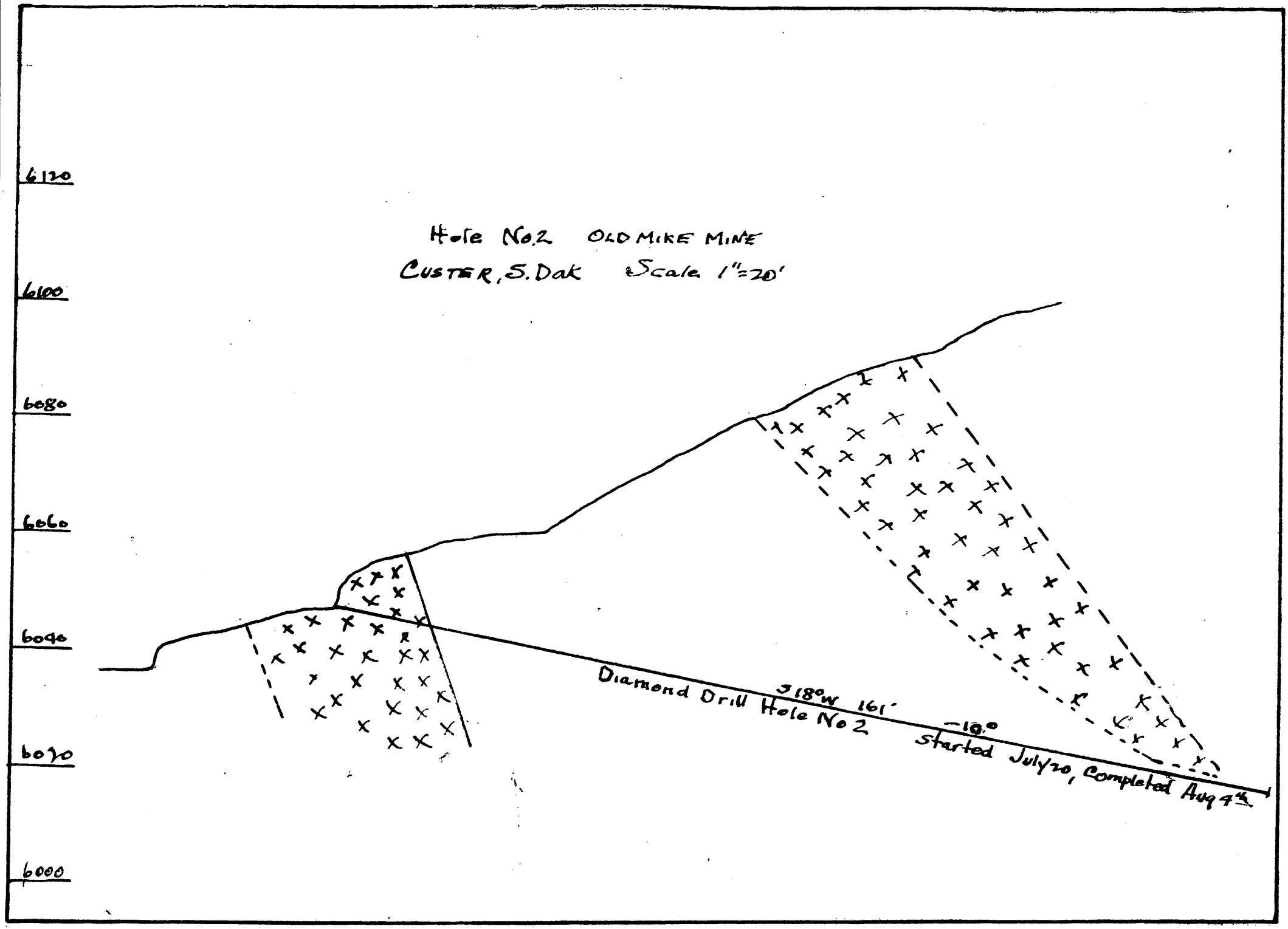


FIGURE 7C GEOLOGIC MAP OLD MIKE MICA MINE


Hole No. I OLD MIKE MINE
CUSTER, S. DAK. Scale 1" = 20'
6060
6040
6020
6000
5980
5960
5940
Diamond Drill Hole No. I
-12°
S 17½° W 185'
Started June 16, 1952
Completed July
177
End of Hole No I


Hole No.2 OLD MIKE MINE
CUSTER, S. Dak Scale 1"=20'
6120
6100
6080
6060
6040
6020
6000
Diamond Drill Hole No 2
318° W 161'
-10°
Started July 20, Completed Aug 4th

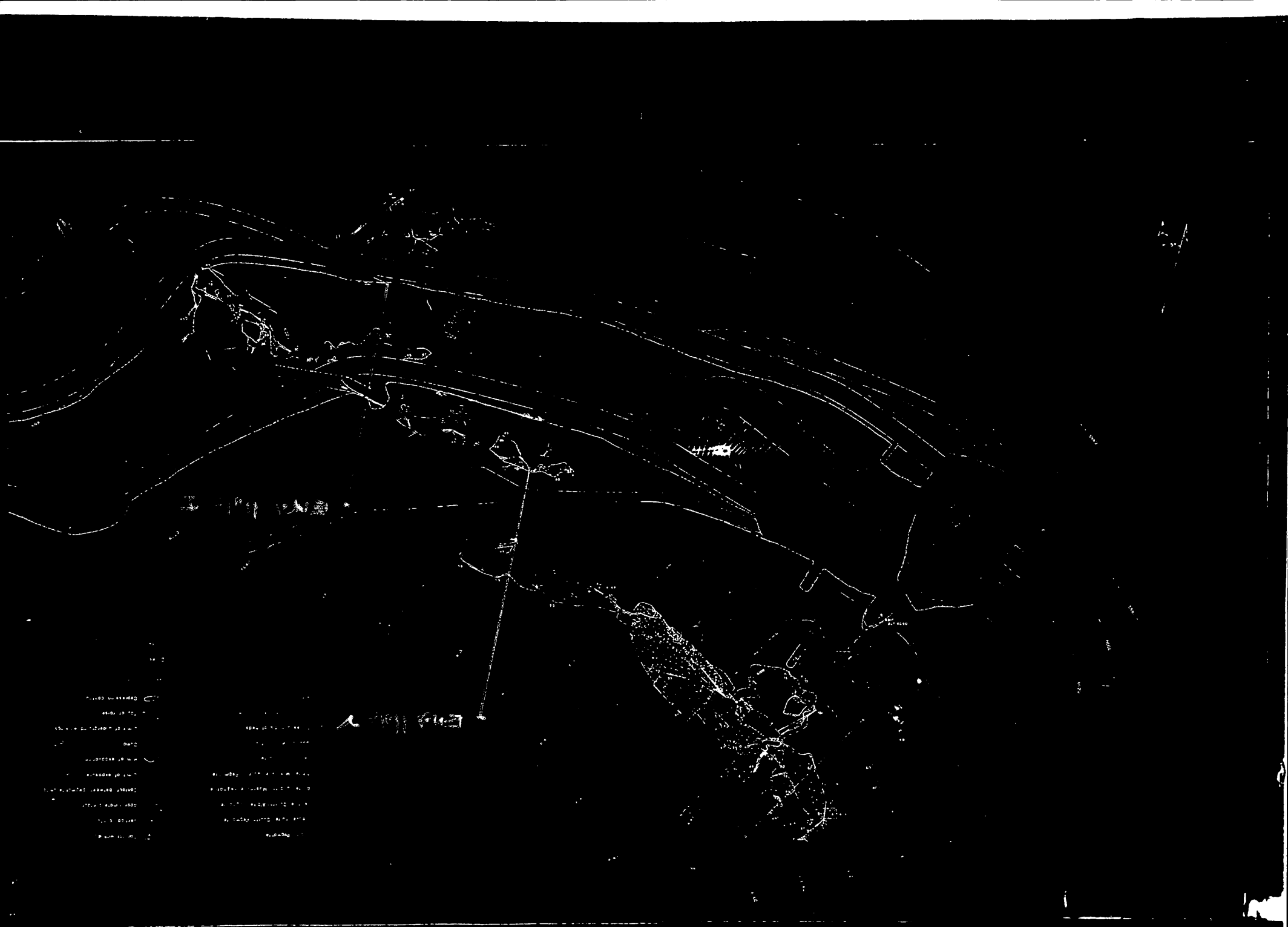
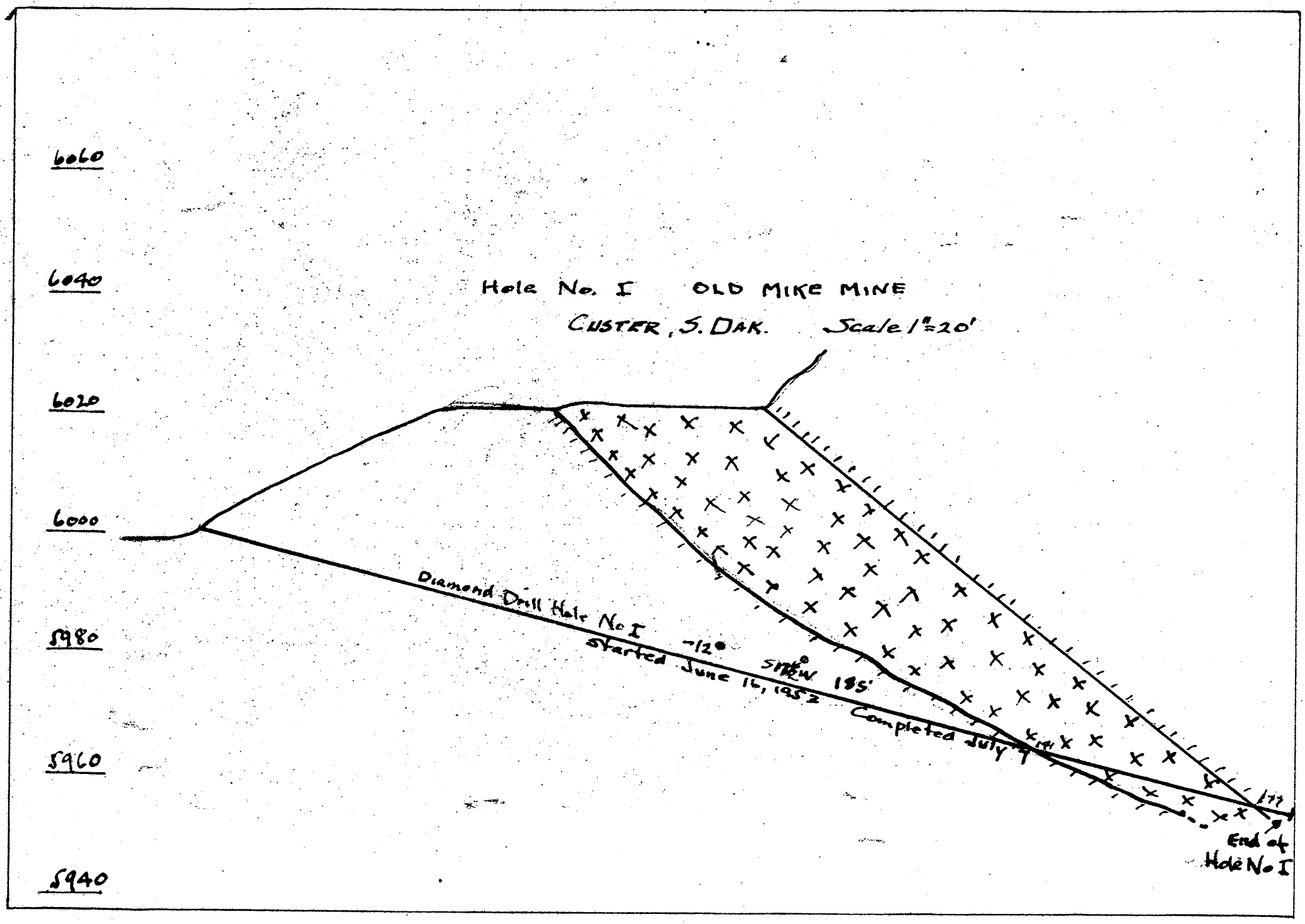
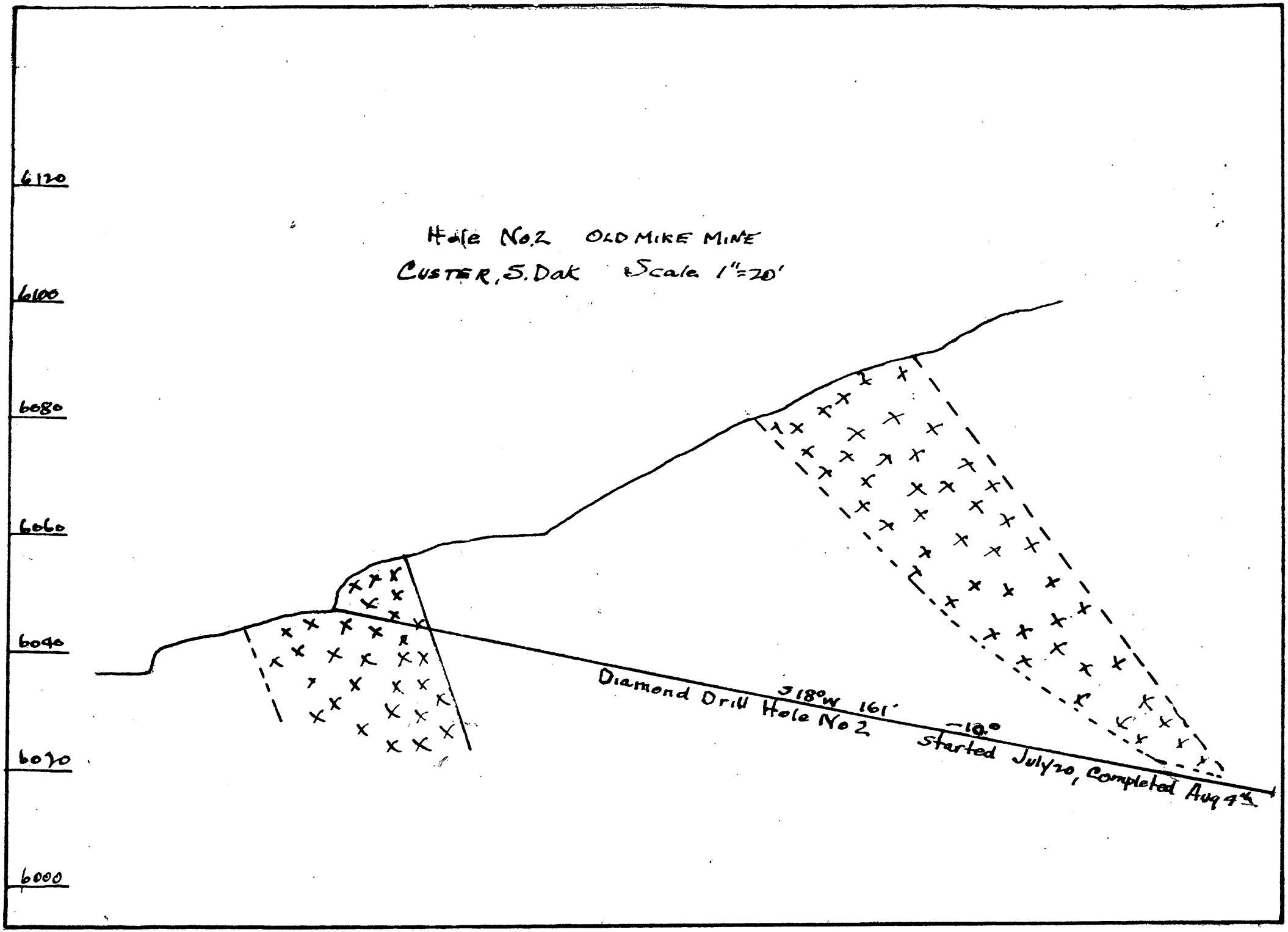


FIGURE 70 GEOLOGIC MAP OF MIKE MICA MINE, [illegible]


6060
6040
6020
6000
5980
5960
5940
Hole No. I OLD MIKE MINE
CUSTER, S. DAK. Scale 1" = 20'
Diamond Drill Hole No I -12° S18°W 185'
Started June 16, 1952 Completed July
177
End of Hole No I


Hole No.2 OLD MIKE MINE
CUSTER, S. Dak Scale 1"=20'
6120
6100
6080
6060
6040
6020
6000
Diamond Drill Hole No 2
318° W 161'
-10°
Started July 20, Completed Aug 4th

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

OFFICIAL BUSINESS

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

2877

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STRATEGIC MINERALS INVESTIGATIONS
PRELIMINARY MAP

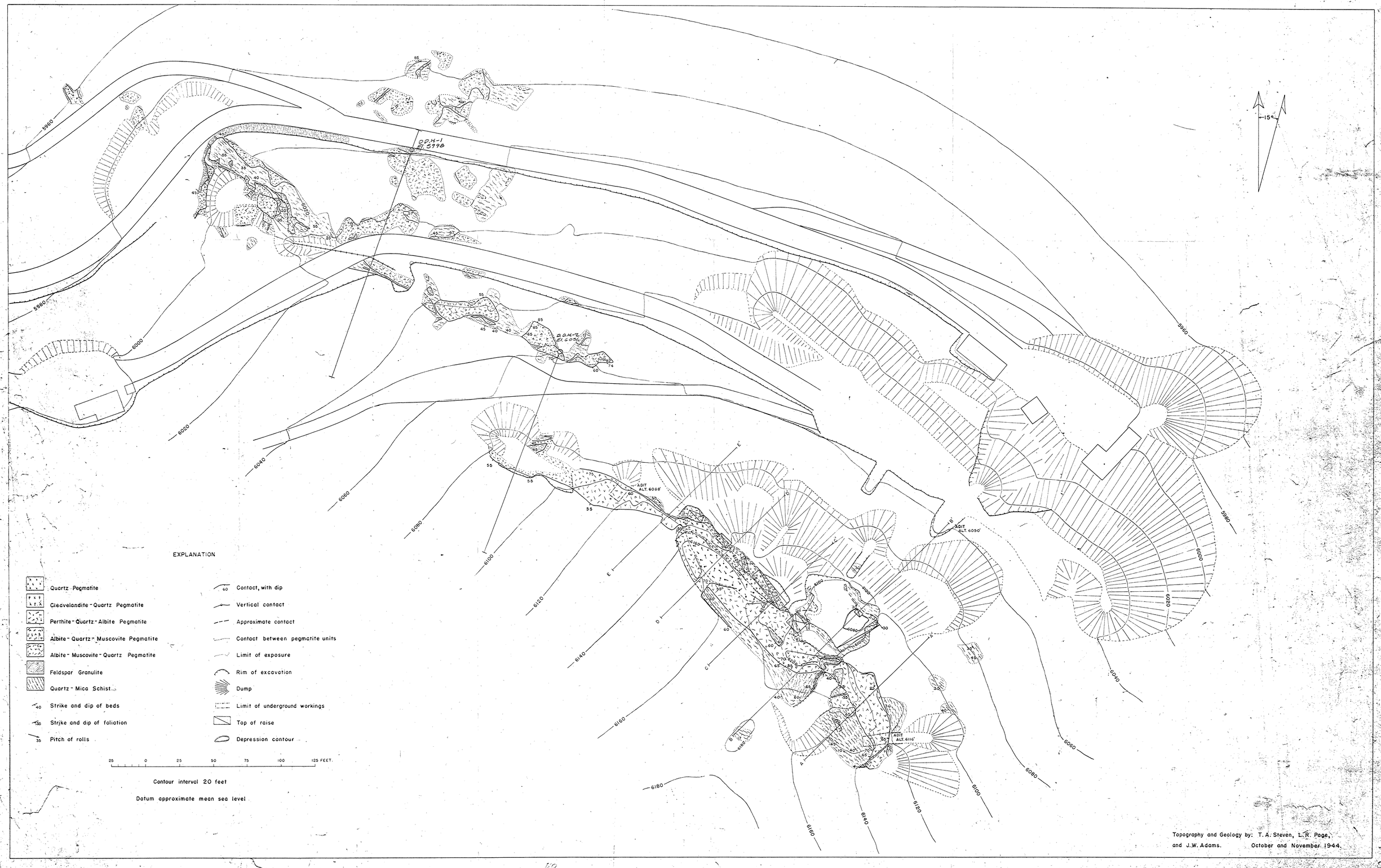


FIGURE 10. GEOLOGIC MAP, OLD MIKE MICA MINE, CUSTER COUNTY, SOUTH DAKOTA.