DMEA-2877(2173)
Mica, Beryl
Region V

MINERAL MILLS, INC., CUSTER, SOUTH DAKOTA. Old Mike Mine, Custer County, South Dakota.
Field Report recommending approval. Report referred to the Commodity Group. DMEA-2168 was withdrawn.

v-13-53

DMEA-2877(2168)
Mica, Beryl
Region V

MINERAL MILLS, INC., CUSTER, SOUTH DAKOTA. Old Mike Mine, Custer County, South Dakota.
Letter to the Field forwarding a contract, signed by the Administrator, for execution. Approved for referral.

5-25-53
No. 220

DMEA-2877(2168)
Ion-E530
Mica, Beryl
Region V

MINERAL MILLS, INC., CUSTER, SOUTH DAKOTA. Old Mike Mine, Custer County, South Dakota.
Letter to the Field asking present status of the project and that interim reports on the monthly progress be forwarded to the Washington Office.

271
9/23/53

☑ Audited 10/14/53

☐ Certified

Name Mineral Mills, Inc.

State South Dakota

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of December 27, 1954
Incl. Voucher for August, 1953

Commodity Mica + Beryl

☐ Actual Cost

☑ Agreed Unit Costs

Docket No. 2877

Idm-E No. 530

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify) BX Core Drill	300 Ft.	$2,100.00	300 Ft.	$1,650.00	$1,650.00
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		$2,100.00		$1,650.00	$1,650.00

Prepared by Walter C. Anderson

71626

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Report of:

Mineral Mills, Inc.

Custer, South Dakota

pertaining to Exploration Project Contract No. Idm-E530, Docket No. DMEA-2877, for the period of June 16, 1953 to August 4, 1953, inclusive, covering a project for the exploration of mica and beryl on the Great Northern Mining Claim, also known as the Old Mike Mine, located in Custer County, South Dakota.

My review included an examination of the Monthly Report (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of the units of work performed by reference to the Field Team representatives endorsement at the bottom of the Form MF-104A, and a determination of the reasonableness and propriety of the costs.

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

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

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

Total cost as billed by Contractor		$1,891.60
Exceptions:		
By DMEA Finance Officer	$ 241.60	
Herewith	-0-	241.60
Total Accepted Cost		$1,650.00

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Fourteen hundred eighty-five and no/100 Dollars,

$1,485.00

is considered valid and proper.

E. D. Talbert

E. D. Talbert, Auditor

October 14, 1953

MF-200 (A)
(February 1952)

DOCKET NO. DMEA [illegible]

COMMODITY [illegible]

Mr. Roberts

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

Division Copy
IDM-E 530

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 26th day of May, 195 3, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] [illegible] Mining Corporation, a corporation duly organized and existing under and by virtue of the laws of the State of South Dakota [illegible], 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 [illegible], described as follows:[3] [illegible] the Great Northern [illegible] also known as [illegible] northwest of [illegible] in [illegible] and [illegible] in Book [illegible], Page [illegible] Mineral Location, [illegible] County, South Dakota, and [illegible] further [illegible] any attached [illegible], made a part hereof, and the Operator represents and undertakes:[4] entitled Plat of Mineral Land Mineral Mills, Inc. [illegible], Custer, S. Dak.

(*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 not in possession and entitled to possession, and the owner's consent to lien is attached.~~

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within 6 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 [illegible] 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 $[illegible], which is [illegible] percent of $[illegible], 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

Uinta Mining Incorporated
(Operator)

By A. I. Johnson

By O. Mitchell Dorf
Administrator, Defense Minerals Exploration Administration

I, _____, certify that I am the _____ secretary of the corporation named as Operator herein; that A. I. Johnson, who signed this contract on behalf of the Operator, was then Secretary 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. DMRA-2877

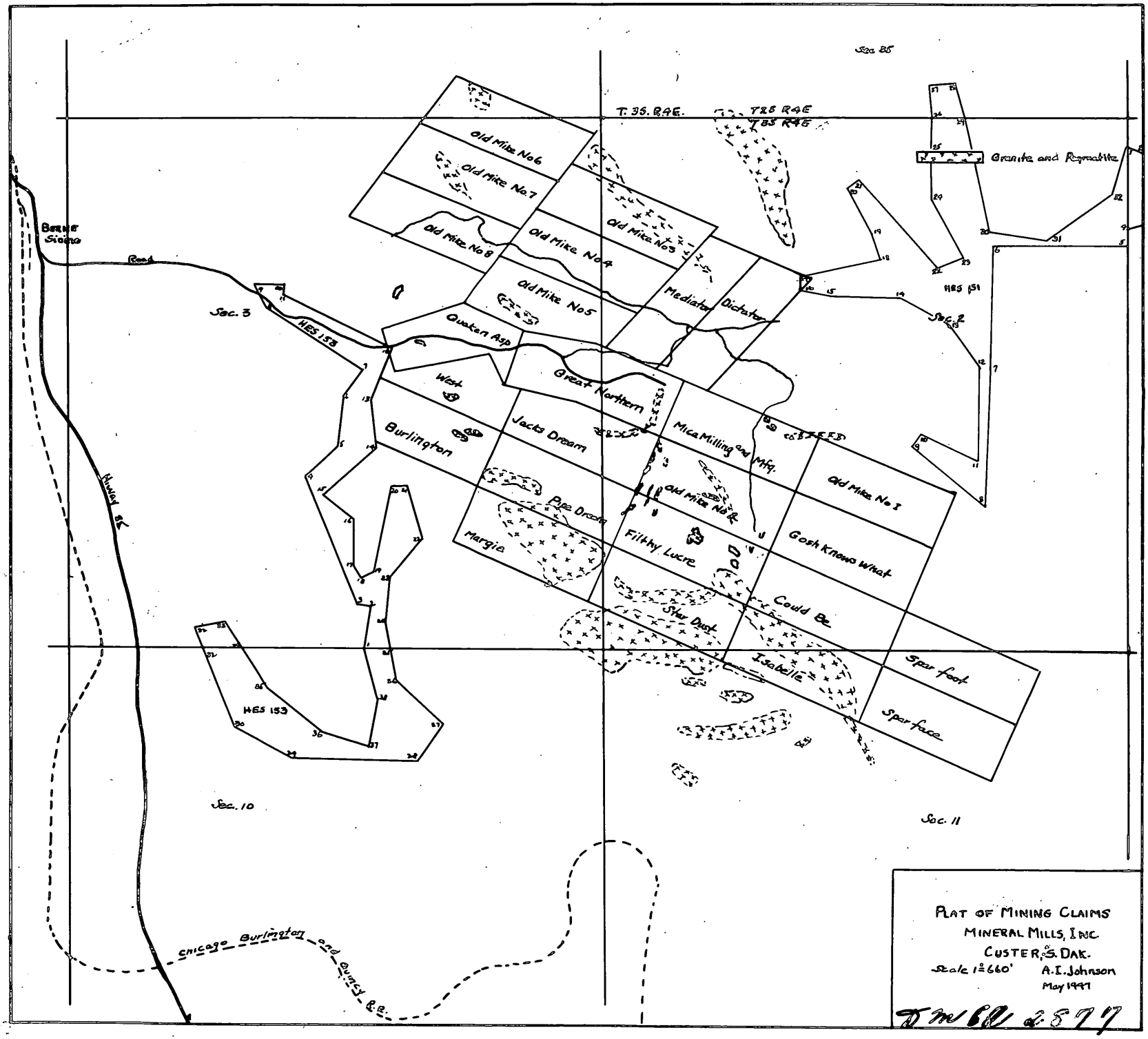
EXHIBIT "A"

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
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 153
HES 151
Sec. 3
Sec. 2
Sec. 10
Sec. 11
Berne Siding
Road
Hunley Sk
Chicago Burlington and Quincy R.R.
PLAT OF MINING CLAIMS
MINERAL MILLS, INC.
CUSTER, S. DAK.
Scale 1"=660'
A.I. Johnson
May 1997
TMBR 2577

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 Hills, 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

Attachments

Mr. E. C. 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 Ibr 3- 320.

We are also inclosing checks covering sales to date and not reported on the Glenwood Mine Docket 2302 Ibr-3 358 Lots G- 358 11/16-33 and Lot C 279- 1/ 21/64, in amounts of $55.39 and $32.67 respectively.

Very truly yours,

Mineral Hills Inc

A. I. Johnson

A. I. Johnson

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

Final Report - Old Mike Diamond Drilling Project

Docket No. 2377, Contract Idm S-520

Hole No. 1 was drilled at an inclination of - 12 degrees and its location is indicated on the geological plan submitted. The hole 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 large crystals of beryl. From 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 hole 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 hole 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

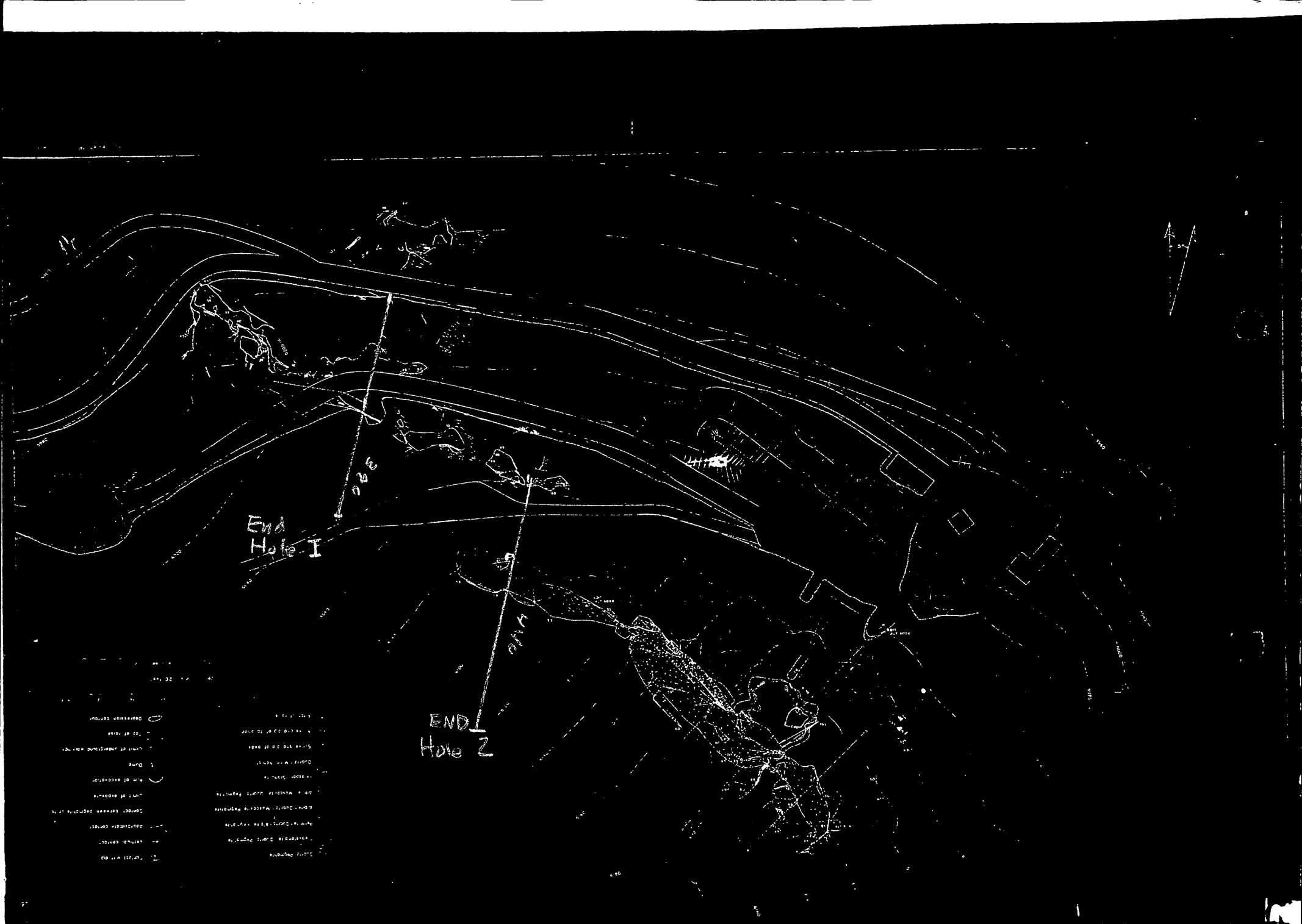
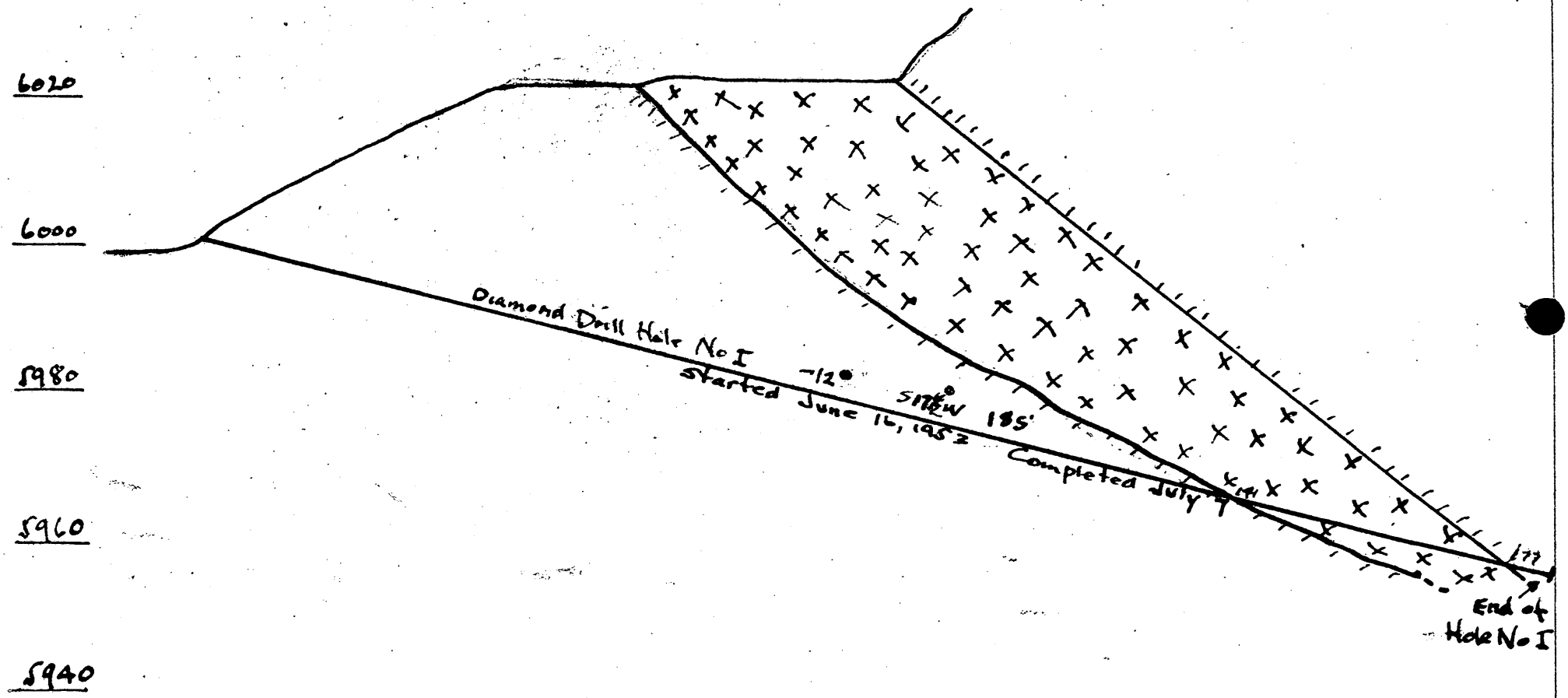
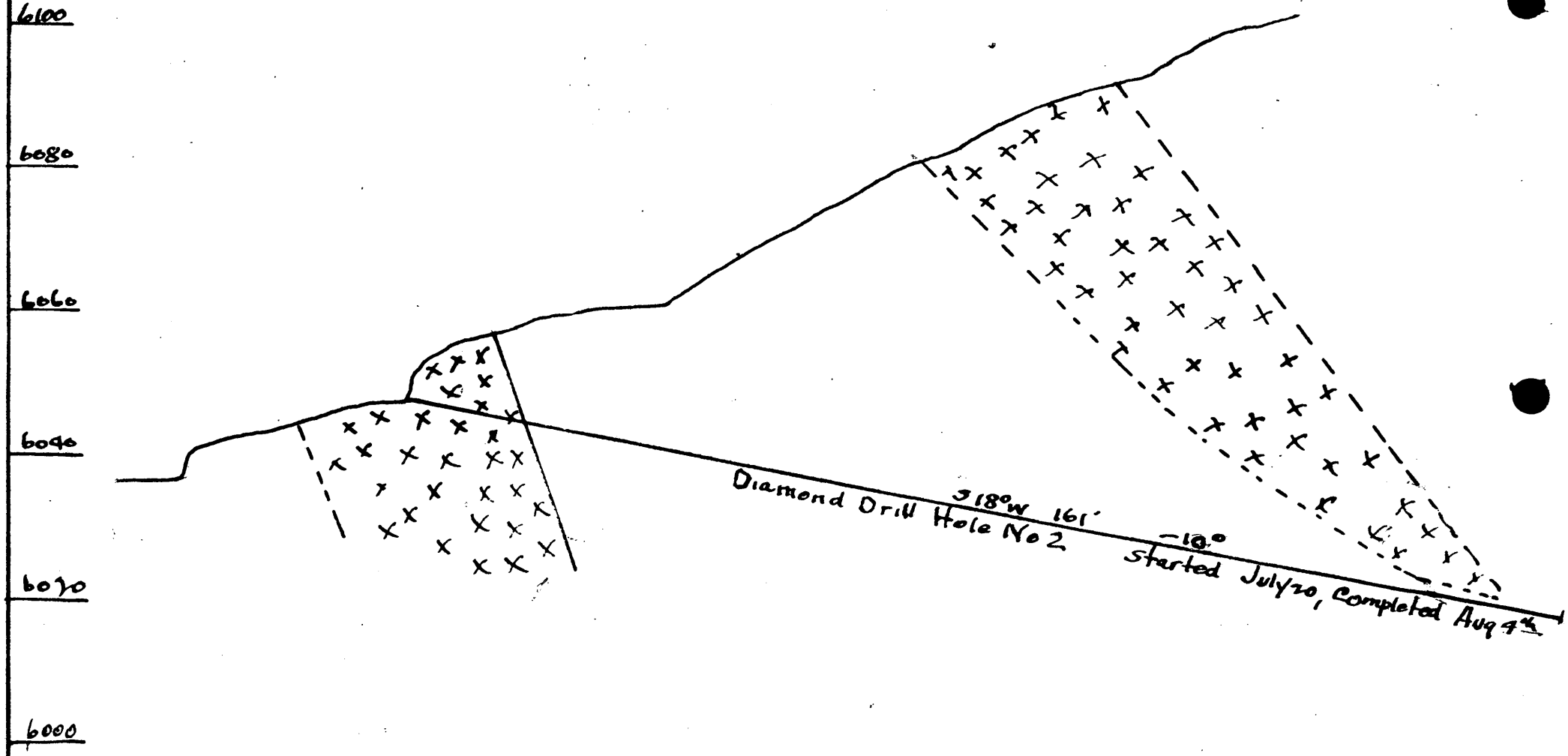


FIGURE 70 GEOLOGIC MAP, OLD MIKE MICA MINE, CARTER COUNTY, SOUTH DAKOTA


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° S17°W 185'
Started June 16, 1952 Completed July
End of Hole No I

Hole No.2 OLD MIKE MINE

CUSTER, S. Dak Scale 1"=20'



COPY

19

Washington

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~XXXXXXXXXXXXXXXXXX~~
DEFENSE MINERALS EXPLORATION ADMINISTRATION
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

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 accompaning 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

cc Dutton
Binyon
Redden
Hill

NOTE TO MR. HILL: As you will note above, it is requested that you release the $100 withheld on the subject contract.

ABN

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: $90.00

14X4401 Revolving Fund, Defense Production Act, Interior

Authorized Certifying Officer

JAN 21 1954 600

Mr. A. L. Johnson, Secretary-Treasurer
Mineral Hills Incorporated
Custer, South Dakota

Re: Docket No. DMEA-2877 - Beryl-Mica
Old Mike Mine
Custer County, South Dakota
Contract No. Ida-2550

Dear Mr. Johnson:

This is with reference to the subject Exploration Contract between the Mineral Hills 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, 50 percent of which, or $1,125.00, 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

Administrator

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

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

Department of the Interior
Defense Minerals Administration
RECEIVED
JAN 1 5 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

600

JAN - 7 1954

Mr. A. B. Needham
Executive Officer, DMEA
Field Team, Region V
2906 Colfax Ave., South
Minneapolis 8, Minnesota

Subject: Docket No. DMEA-2677 - 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-124, 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

Approved:

J. H. Hedges

Member, Bureau of Mines

D. M. Larrabee

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

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. 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

orig. in Docket MDS

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.

Signed

R. F. Griffith

IN REPLY REFER TO:

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

G-ND-CNM

United States Mineral Mission
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

Larrabee:jeh
G-11/19/53
cc: Director's reading 4212
Branch reading 4212
DMEA 3
Larrabee G-230

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
11-21-53
(Date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 16 1953

9cb
1/4/54

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

Released 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.

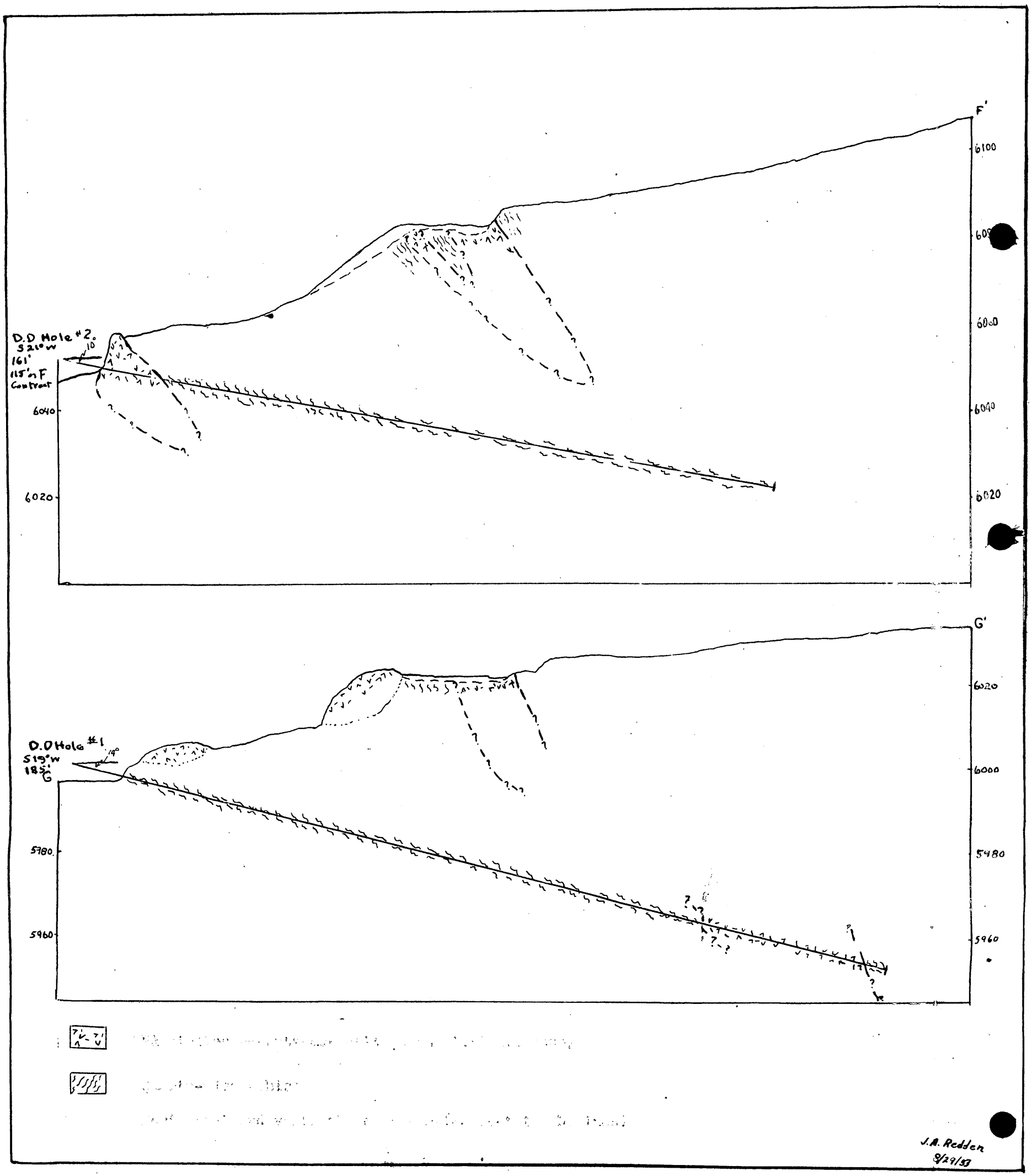
EXPENDITURES

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.



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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

cc: C. E. Dutton
E. O. Binyon
J. A. Redden
Region V
Files
Day Files

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,

Chairman, Operating Committee

Approved:

LEHouk:gad 9/23/53

Member, Bureau of Mines

Member, Geological Survey

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON, D.C.~~
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: Operator's Monthly Report and Voucher - June 16 to August 4, 1953, Mineral Mills, Inc. Docket DMEA-2877, Contract Idm E-530

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

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

Attachments - 2

cc: C. E. Dutton
E. O. Binyon (att)
Region V
Files
Day Files

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

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

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

7

Month of [illegible], 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $ [illegible] Government Participation: [illegible] % Amount, $ [illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling [illegible]	[illegible]	[illegible]	[illegible]	1,050.00	—	1,050.00
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision	[illegible]	[illegible]	[illegible]			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
[illegible]	[illegible]	[illegible]	[illegible]			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
[illegible]						
[illegible]	[illegible]	[illegible]	[illegible]			
(8) Contingencies (specify):						
TOTALS	[illegible]	[illegible]	[illegible]	[illegible] 150.00	withheld	[illegible]

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

Date [illegible] *Payee [illegible]

Per [illegible] Title [illegible]

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

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

(Instructions on reverse)

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

$ 1395.50 — 46

Signature L. W. Hill
(Authorized Certifying Officer)

Date SEP 16 1953 Vou. No. 7
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IDMEE 530 in accordance with the terms of the contract.

Signature E. Robinson Title Mining Engineer Date Sept 11, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature J. B. Needham Title Ex Off Date 9/14/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

7

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 1954, [illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Churn		[illegible]		[illegible]		[illegible]		[illegible]
Auger		[illegible]		[illegible]		[illegible]		[illegible]
Stripping	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]		[illegible]
Trenching								
Test Pits								
Roads and Trails								
								TOTAL COSTS AUTHORIZED BY CONTRACT
TOTAL DISTRIBUTED COSTS		[illegible]		[illegible]		[illegible]		
Operating Equipment Purchased								[illegible]
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		[illegible]		[illegible]				[illegible]

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

Date [illegible] Operator [illegible]

Per A. E. Johnson Title [illegible]

A. E. Johnson

REMARKS:

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

(Instructions on reverse)

Two holes, No. 1 and No. 2, were drilled for an aggregate total depth of 346 ft. Hole No. 1 being drilled to a depth of 185 ft. and Hole No. 2 to 161 ft. By agreement the footage in Hole 2, in excess of the 115 ft., or the amount allowed under the contract for a total of 300 ft., would be paid for by the operator.

Unit	Cost this month	Units this month	Cost to date	Units to date	Unit Cost to date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Ft.	1,650.00	300	1,650.00	300	55.50	300	55.00

E. Benson

INSTRUCTIONS

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

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

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

GPO 83-38475

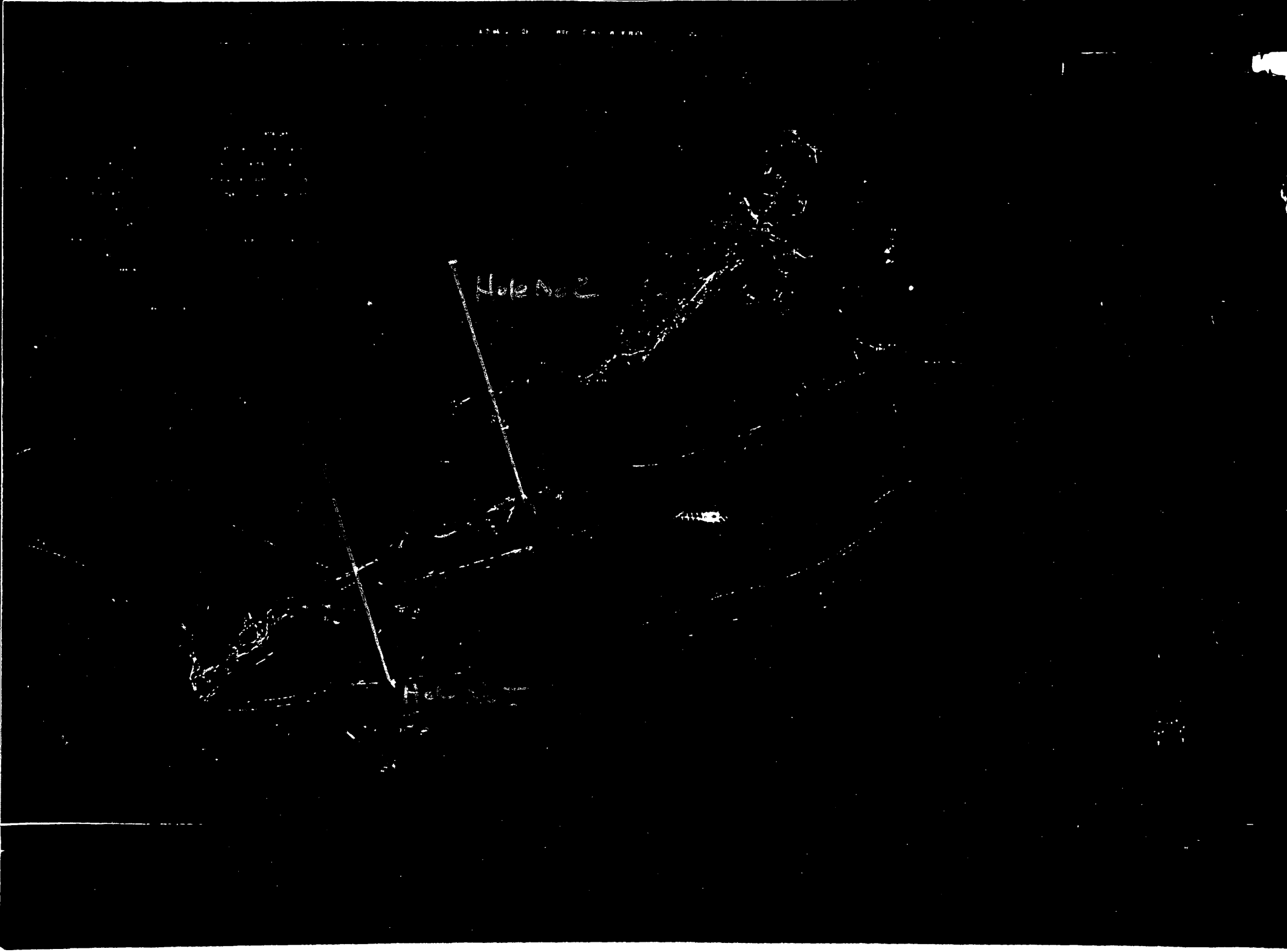
Executive.

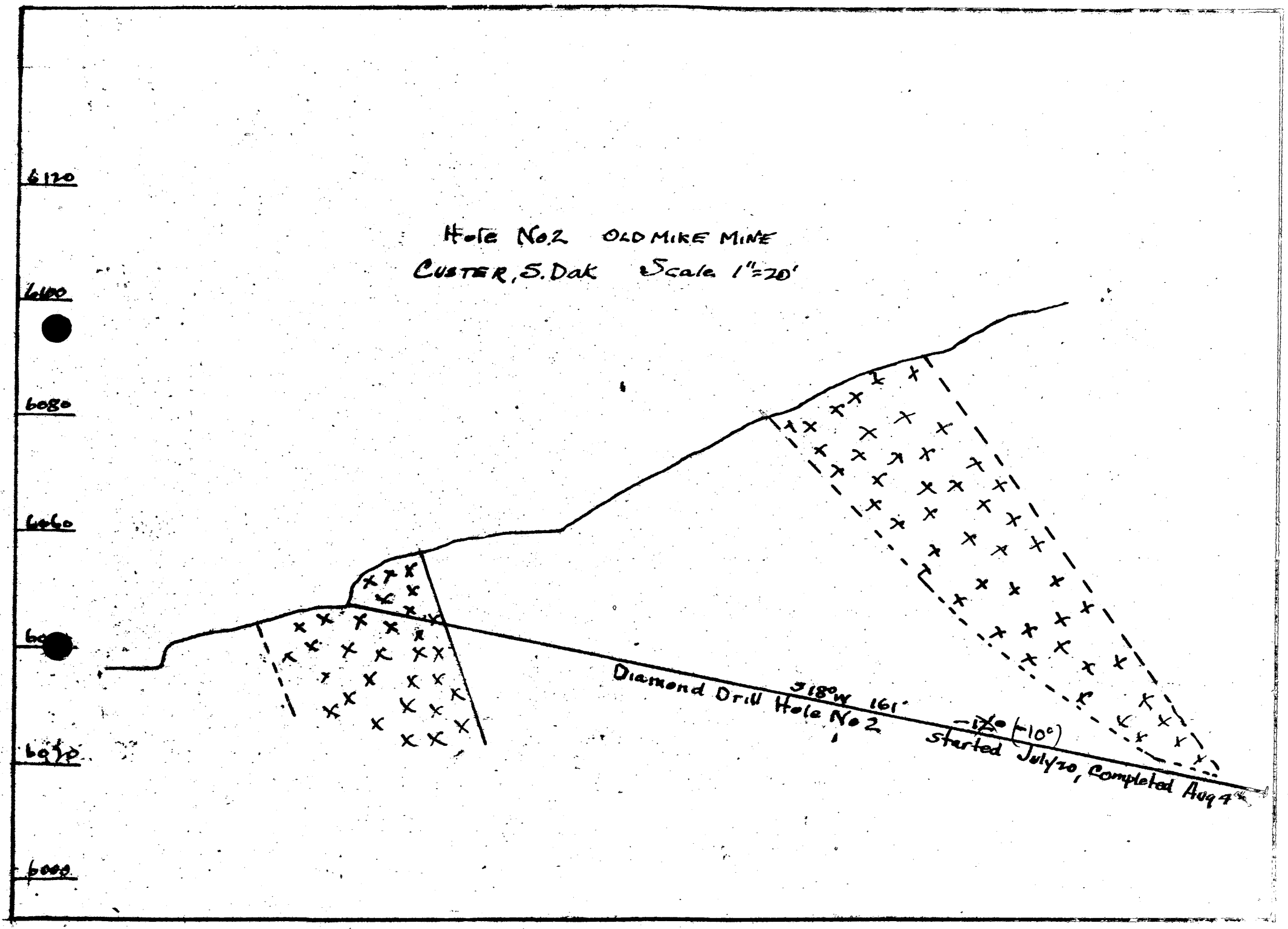
Drilling on Hole No. 1 started June 16th 1952. The hole was set at an inclination of - 10° (-10°) on a bearing of S 13 W true Azm. The hole was started at an elevation of 6,620 feet and reached 101 feet. The hole was completed July 9, 1952. A section of the hole is attached with this report. The formations encountered at a distance of 145 feet and present then at a distance of 197 feet at a total of 97' of penetration. The potential is multiple - there is possible connection of some part of the vein of ore from 0 feet to 8 feet in size.

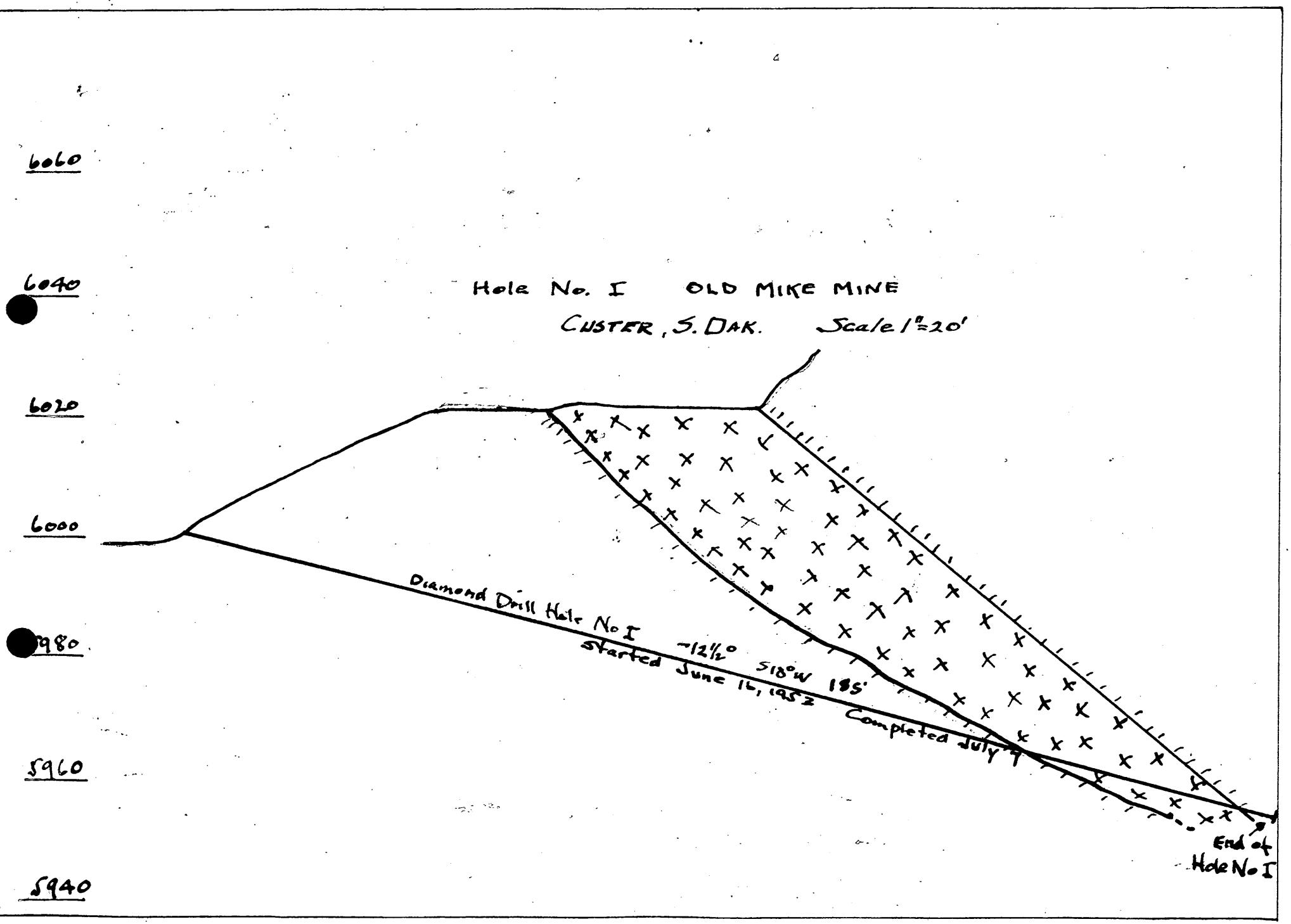
Drilling of Hole No. 2 was started July 20th and completed August 6th to a total depth of 101 feet. Hole No. 2 was drilled at an inclination of - 10 (-10°) degrees and on a bearing of S 13 deg. W. The hole passed under the second ore vein which lies 6 to 8 feet thick. There is a distance of 30 feet between the two ore veins. This material is similar to that encountered in Hole No. 1. The location of the holes is indicated on the plot map in connection with the hole indicates the conditions encountered.

A. I. Johnson

Why not accepted this as final report?


Hole No 2


Hole No.2 OLD MIKE MINE
CUSTER, S. Dak Scale 1"=20'
6120
6100
6080
6060
6040
6000
Diamond Drill Hole No 2
318° W 161'
-17° (-10°)
Started July 20, Completed Aug 4


6060
6040
6020
6000
5980
5960
5940
Hole No. I OLD MIKE MINE
CUSTER, S. DAK. Scale 1" = 20'
Diamond Drill Hole No I -12½° S18°W 185'
Started June 16, 1952 Completed July 9
End of Hole No I

NARRATIVE

Drilling on hole No. 1 started June 16, 1953. The hole was set at an inclination of 12½ degrees on a bearing of S 18 degrees West. The hole was collared at an elevation of 6,000 feet and drilled 185 feet. The hole was completed July 7, 1953. A section of the hole is submitted with this report. The pegmatite was contacted at a distance of 140 feet and passed thru at a distance of 177 feet or a total of 37 feet of pegmatite. The pegmatite was entirely a mica pegmatite consisting of scrap mica of the size on one inch to 2 inches in size.

Drilling of hole No. 2 was started July 20th and completed August 4th at a distance of 161 feet. Hole No. 2 was drilled at an inclination of 12 degrees and on a bearing of S 18 degrees W. The hole passed under the second dike and only pegmatite in the first dike for a distance of 14 feet was encountered. This material was similar to that exposed in hole No. 1. The location of the holes is indicated on the plan and a section of the hole indicates the conditions encountered.

A. I. Johnson

Copied 9/11/53

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

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

7

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

Month of June 16 to Aug. 4, 1953 Docket No. DMEA 2877 Contract No. IDM E-530
Operator's Name Mineral Mills, Inc. Minerals Mica - Beryl
Address Custer, S. Dak.
Contract Amount, $ 2,100.00 Government Participation: ____% Amount, $ 1,890.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Core	346' - $1730	none	346' $1730.00			
Building Core, Piling				1,660.00	—	1,660.00
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision	$100	none	$100.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Core boxes 8	$20.00	none	$20.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Labor lining up water for drilling	$41.60	none	$41.60			
(8) Contingencies (specify):						
TOTALS	$1891.60	none	$1891.60	1660.00 Withheld 100.00		1,660.00

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

Date Sept. 8, 53 *Payee Mineral Mills, Inc.

Per /s/ A.I. Johnson Title Secretary - Treasurer

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

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

(Instructions on reverse)

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

$ 1295.00 NO

Signature L. A. Hill
(Authorized Certifying Officer)

Date SEP 16 1953 Vou. No. 7
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IdME-530 in accordance with the terms of the contract.

Signature E B Bunyon Title Mining Eng Date Sept. 11, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title [illegible] Date 9/14/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

7

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of 6/16 - 8/4 1953 Docket No. DMEA 2877 Contract No. Idm E-530
Operator's Name Mineral Mills, Inc. Minerals Mica-Beryl
Address Custer, S. Dak.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Ft.	1730.00	346	1730.00	346	1730.00	300	1500.00
Core boxes		20.00		20.00		20.00		20.00
Water		41.60		41.60		41.60		41.60
Supervision per hole		100.00	2	100.00		100.00		88.40
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$1891.60		$1891.60		$1891.60		TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								$1650.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$1891.60		$1891.60				$1650.00

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

Date Sept. 8, 1953 Operator Mineral Mills, Inc.

Per /s/ A. I. Johnson Title Secretary - Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

Two holes, No. 1 and No. 2, were drilled to an aggregate total depth of 346 feet. Hole No. 1 being drilled to a depth of 185 feet and Hole No. 2 to 161 feet. By agreement the footage in Hole 2, in excess of the 115 feet, or the amount allowed under the contract for a total of 300 feet, would be paid for by the operator.

By Contract:

Unit	Cost this month	Units this month	Cost to Date	Units to Date	Unit Cost to Date	Authorized by Contract Units	Authorized by Contract Unit Costs
Ft.	1650.00	300	1650.00	300	$550	300	$550

C. B. Bunyon

INSTRUCTIONS

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

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

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

GPO 83-38475

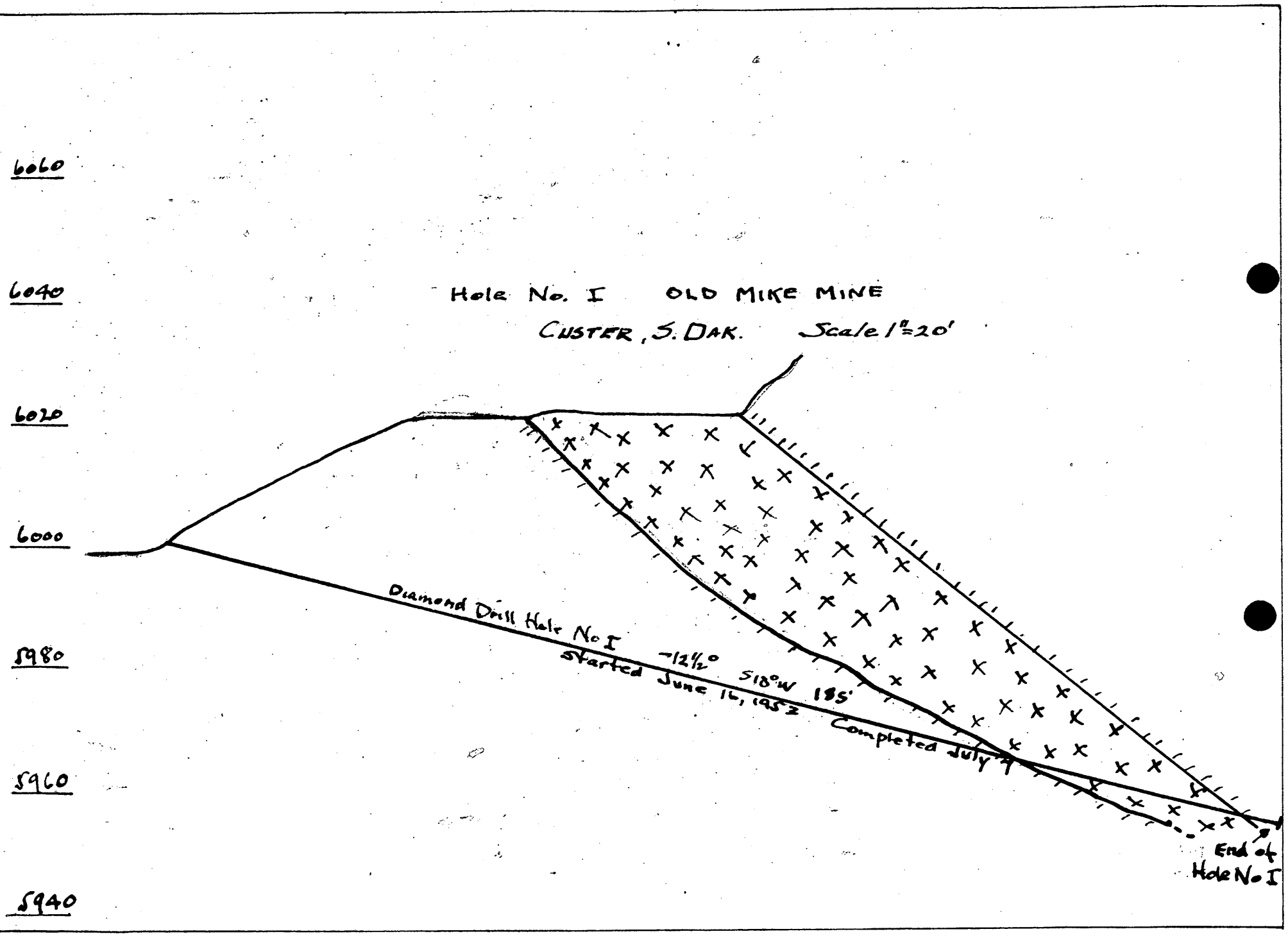
Narrative.

Drilling on hole No. 1 started June 16th 1953. The hole was set at an inclination of - 12½ degrees on a bearing of S 18 degrees West. The hole was collared at an elevation of 6,000 feet and drilled 185 feet. The hole was completed July 7, 1953. A section of the hole is submitted with this report. The pegmatite was contacted at a distance of 140 feet and passed thru at a distance of 177 feet or a total of 37' of pegmatite. The pegmatite was entirely a mica pegmatite consisting of scrap mica of the size of one inch to 2 inch in size.

Drilling of hole No. 2 was started July 20th and completed August 4th at a distance of 161 feet. Hole No. 2 was drilled at an inclination of - 12 (-10°) degrees and on a bearing of S 18 deg. W. The hole passed under the second dike and only pegmatite in the first dike for a distance of 14 feet was encountered. This material was similar to that exposed in hole No. 1. The location of the holes is indicated on the plan and a section of the hole indicates the conditions encountered.

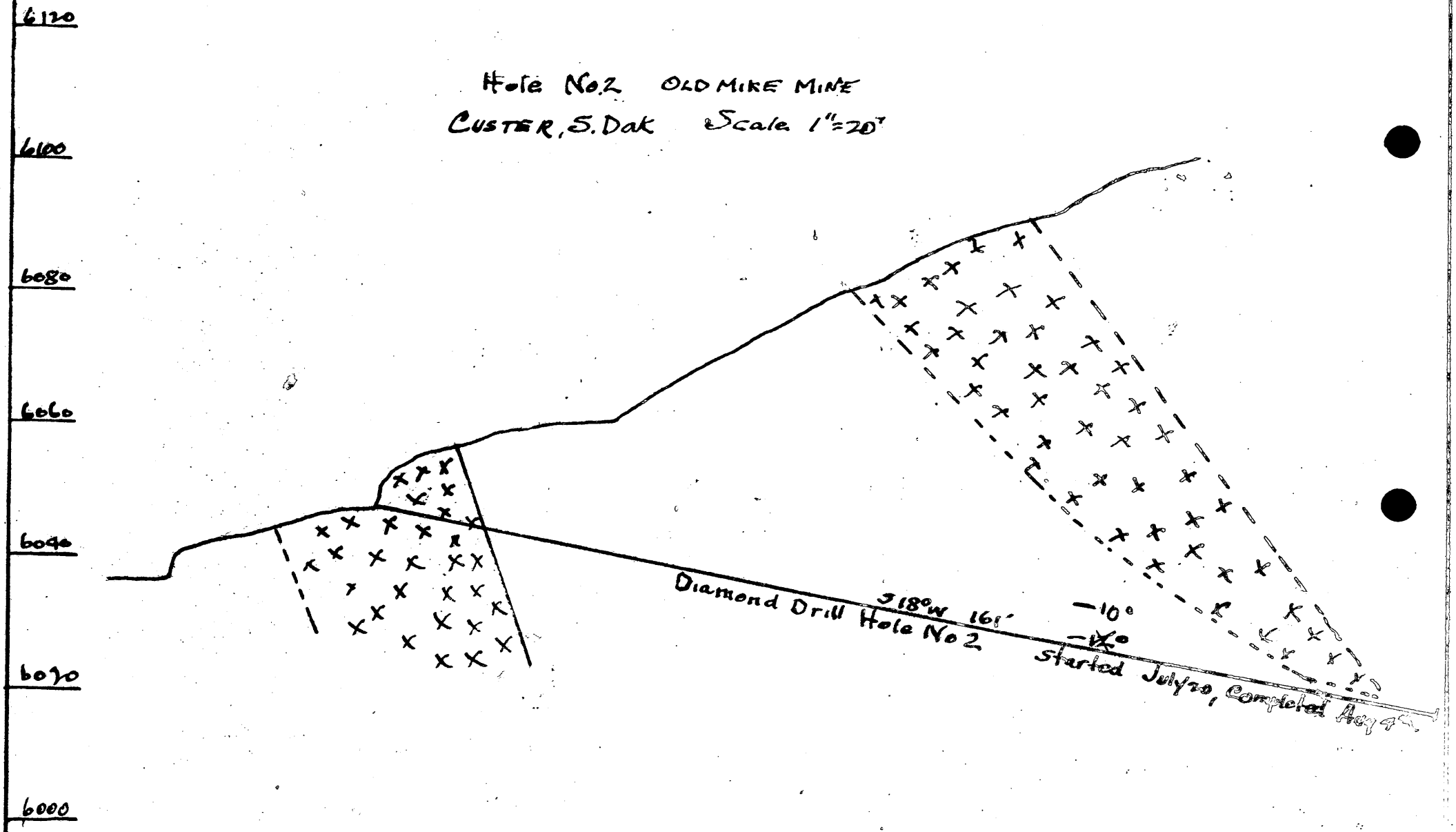
A. I. Johnson

Hole No 2


6060
6040
6020
6000
5980
5960
5940
Hole No. I OLD MIKE MINE
CUSTER, S. DAK. Scale 1" = 20'
Diamond Drill Hole No I -12½° S18°W 185'
Started June 16, 1952
Completed July
End of Hole No I

Hole No.2 OLD MIKE MINE

CUSTER, S. Dak Scale 1" = 20'



600

SEP 23 1953

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-2530

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

Approved:

J. H. Hedges
Member, Bureau of Mines

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

WASHINGTON, D.C.
Region V
[illegible] Colfax Avenue South
Minneapolis 3, Minnesota

June 9, 1953

Memorandum

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

From: Executive Officer, Field Team, Region V

Subject: Docket [illegible]-2877, Contract Idm [illegible]-530, Mineral Hills, 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.

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

Attachments - 3

cc - L. A. Hill (att)
C. [illegible] Dutton
J. A. Redden
E. C. Binyon
Region V
Files
Day Files

MAY 6 1953

600

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

Subject: Docket No. AT(49-2)877 - Alan & Beryl
Mineral Mills Inc.
Old Mine 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 or 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 distributed in the usual manner.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

JTRobertson:fla 5/20/53

Copy to: Admr. n. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232, Ch. Clap.
Mr. Houk

Enclosures 6

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.

JEH

J. L. Hofflund
Chief Counsel

Attachment

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

Subject: Docket No. DMEA-2392 - Mica
Mineral Mills, Inc.
Glenwood Mine
Custer, South Dakota
Contract No. Ida-8352

Dear Mr. Needham:

Reference is made to the Certification of Discovery dated October 17, 1952, on the subject contract.

The Custer Purchase Depot duplicate warranty, acceptance and invoices on file at Bureau of Mines in Washington show the Mineral Mills, Inc., sold 12,533 pounds of hand-cobbed mica as of January 20, 1953. This office has no record of royalty payments.

It is suggested that you write the applicant pointing out his obligations under the contract by reciting the transmittal letter that accompanied the Certification of Discovery, and request payment of all royalties due.

Further action on DMEA-2877 (Old Mike Mine) will be held in abeyance until information on this matter is received from you. Please let us hear from you at your earliest convenience.

Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

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

LGHouk:gad 3/19/53

Mr. A. B. Needham
Executive Officer, DMEA
Field Team, Region V
2908 Colfax Avenue, South
Minneapolis 4, Minnesota

Subject: Docket No. DMEA-2392 - Mica
Mineral Mills, Inc.
Glenwood Mine
Custer, South Dakota
Contract No. Idm-E352

Dear Mr. Needham:

Reference is made to the Certification of Discovery dated October 17, 1952, on the subject contract.

The Custer Purchase Depot duplicate warranty, acceptance and invoices on file at Bureau of Mines in Washington show the Mineral Mills, Inc., sold 12,533 pounds of hand-cobbed mica as of January 20, 1953. This office has no record of royalty payments.

It is suggested that you write the applicant pointing out his obligations under the contract by reciting the transmittal letter that accompanied the Certification of Discovery, and request payment of all royalties due.

Further action on DMEA-2877 (Old Mike Mine) will be held in abeyance until information on this matter is received from you. Please let us hear from you at your earliest convenience.

Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

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

LGHouk:gad 3/19/53

FILE COPY
SURNAME:
140

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.

aek for
J. L. Hofflund
Chief Counsel

Attachment

AEKane/mef
cc to: Mails and Files
Mr. Houk
Mr. Hofflund
Mr. Kane
Chron.

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.

AEK for
J. L. Hofflund
Chief Counsel

Attachment

AEKane/mef
cc to: Mails and Files
Mr. Houk
Mr. Hofflund
Mr. Kane
Chron.

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

February 20, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
FEB 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

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

Signed

W. F. Dietrich

IN REPLY REFER TO:

G-MD-CNM

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

February 27, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 2 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

R. E. Van Alstine

dmea 2877

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
FEB 9 1953

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.

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

attachments

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

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

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

January 22, 1953

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.

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
MAR 2 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*) [redacted] the mineral or minerals for which you wi[redacted] explore .....

.....

(*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

By C. 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- Adress, Custer, S. Dak.

b. Not applicable.

c. The officers and directors of the company are:

President- Albert Gushurst, 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: Wrey Sharp- Hollywood, California.

d. Not applicable.

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 E. 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.

Mi[illegible]al Mills 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. Here 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 heigth 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 working the ore from the dike. The company has mining facilities which include compressor, drills, pipe lines and auxiliary equi ment for mining purposes. The mine workings are accessible for examination.

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

1942-	35,893# punch mica	$ 6601.62	
	1,624½ # sheet mica	3426.53	
	250 tons scrap mica	10009.68	
	6½ tons beryl	540.00	
	200# tantalite	300.00	
	Total	$ 20877.74	$20,877.74
1943	3,075.2 # sheet mica	$ 15376.00	
	231 tons scrap	5451.35	
	13.766 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	
	48.639 tons scrap mica	971.86	
	2.33 tons beryl	321.80	
	82.4# tantalite	147.68	
	Total	$29,526.89	$29,526.89
1945	2,264# sheet mica)		
	3756.05# punch mica)	9,702.67	
	44.176 tons scrap mica	970.07	
	Total	$10.672.74	$10,672.74
1946	1,006.13 tons scrap mica	$24,981.91	
	86.32 tons feldsapr	345.28	
	Total	$25,327.19	$25,327.19
1947	197.05 tons scrap mica	$ 4,926.25	
	4 tons block mica	600.00	
	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 Forsarded		$117,614.19

Mineral 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

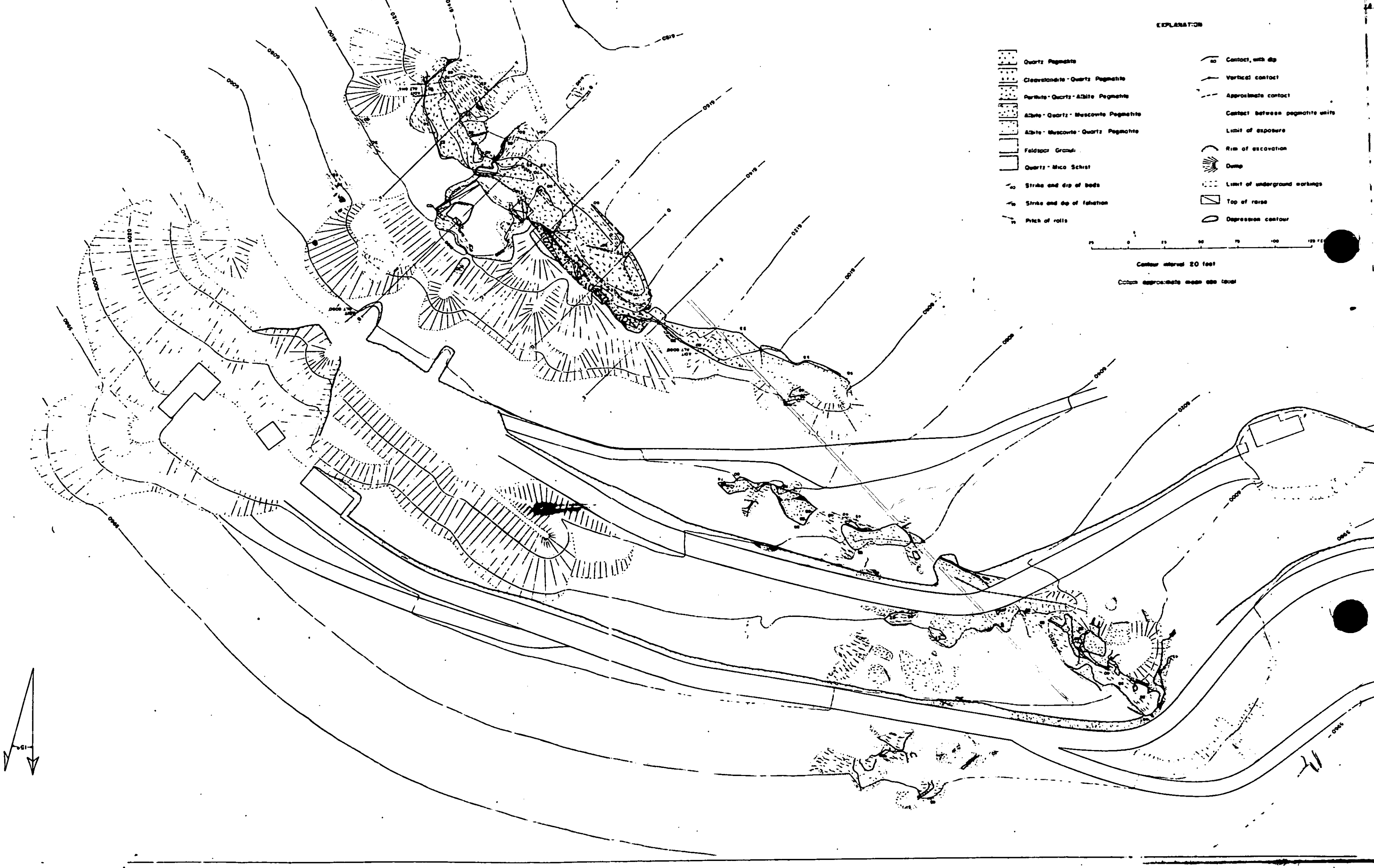
4 (c) Geologic Features.

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 d[redacted]t 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 [redacted]lore the possibilities for sheet mica.

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

Topography and Geology by T. A. Steven and J. W. Adams, October and November



MINERALS INVESTIGATIONS
PRELIMINARY MAP

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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. D.k.

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 Insuram e	.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.

Application 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

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STRATEGIC MINERALS INVESTIGATIONS
PRELIMINARY MAP

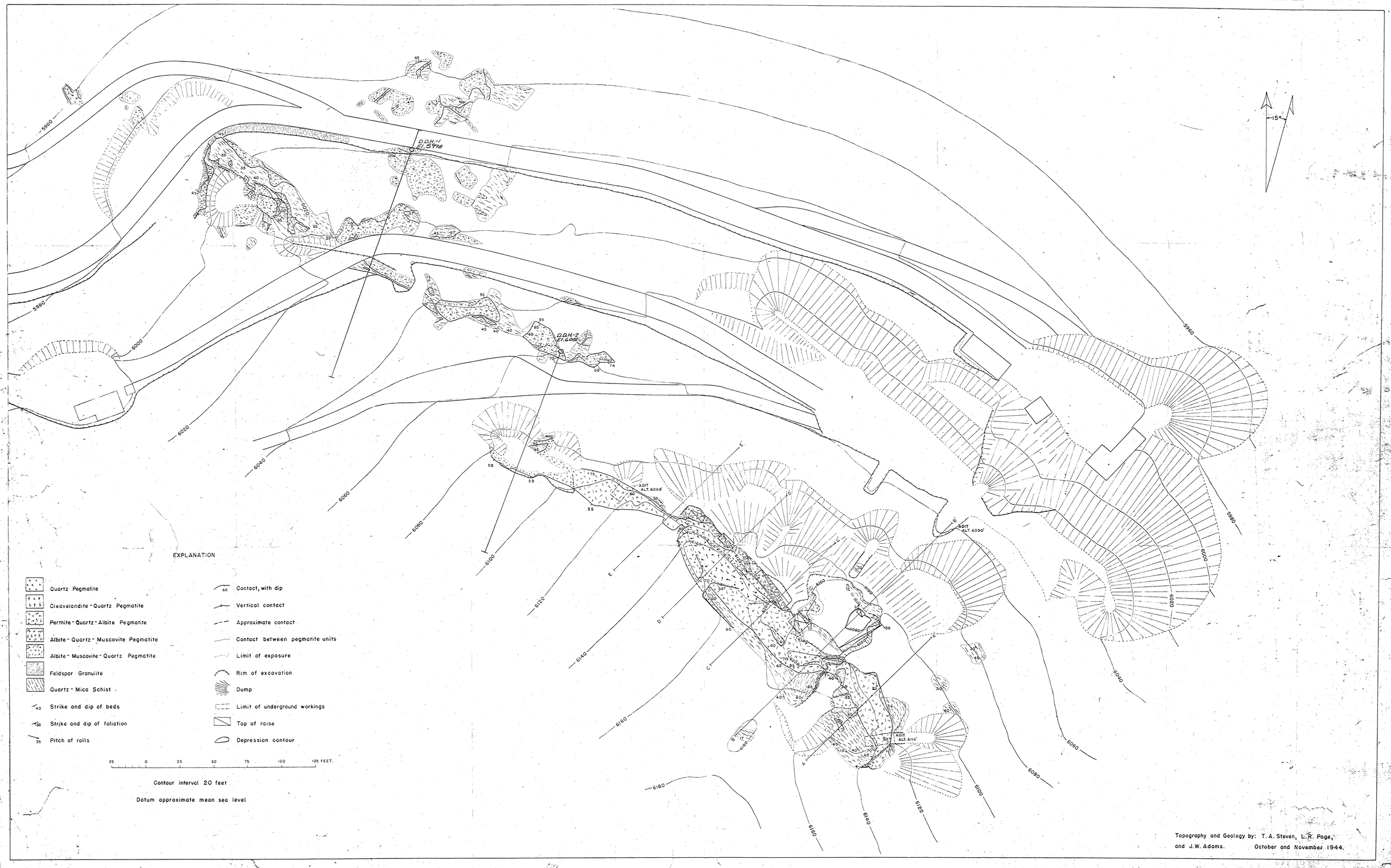


FIGURE 1. GEOLOGIC MAP, OLD MIKE MICA MINE, CUSTER COUNTY, SOUTH DAKOTA.