DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Big Bend Mining, Inc.
Box 269
Abilene, Texas

pertaining to Exploration Project Contract No. Idm-E893, DMEA No. 3776, including Amendment Nos. 1, 2 and 3, for the months of April 1956, to January 1957, inclusive, covering a project for the exploration of mercury on property, known as the Centrabendo Dome located in Presidio County, Texas.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team reports, drill logs, and correspondence, 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:

all of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs 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		$35,780.75
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$35,780.75

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Twenty-six thousand eight hundred thirty-five and 56/100 Dollars

$26,835.56

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

E. D. Talbert

(E. D. Talbert, Auditor

May 24, 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Box 431
Joplin, Missouri

EXTRA COPY DMEA RECEIVED JUN 3 1957		
DATE	INITIALS	CODE
		800

May 31, 1957

Mrs. Cora A. Bailey
Fiscal Officer
Bureau of Mines, Region IV
206 Federal Building
Bartlesville, Oklahoma

Re: DMEA-3776(Mercury)
Big Bend Mining, Inc.
Presidio County, Texas
Project Contract Idm-E693

Dear Mrs. Bailey:

Signifying my concurrence with the "Report of Review" on the subject account, received May 27 from the DMEA Contract Administration and Audit Division, forwarded herewith for your file are the original and one copy.

You will note that in accordance with this the total accepted cost of the project will be $35,780.75, as soon as I have had time to approve and forward you copies of the Operator's final claims.

Sincerely yours,

CCK/jd

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

encl. 2

cc: DMEA Op.Com.(2)
King,USGS,Denver
3776 file

MAY 24 1957

Mr. Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV
Box 431
Joplin, Missouri

Re: Docket No. DMEA-3776, mercury
Big Bend Mining, Inc.
Presidio County, Texas
Contract No. Idm-[illegible]

Dear Mr. Knox:

In a letter dated May 17, 1957, addressed to the Chairman, DMEA Operating Committee, you confirmed the acceptable performance of the units of work claimed by the referenced Operator and requested the issuance of a Report of Review in lieu of a final audit.

The original and two copies of the Report of Review are enclosed. If you concur with the facts stated therein, one copy should be retained in your files and the original and one copy should be forwarded to the regional finance officer. If, for any reason, you do not concur please return the original and both copies to this Division.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosure

EFTalbert/wb
May 24, 1957

Copy to: Docket
Admr. Reading File
Cora Piper
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
xxxxxxxxxxxxxxxxxxxx
Box 431
Joplin, Missouri

EXTRA COPY
DMEA
RECEIVED MAY 20 1957

DATE	INITIALS	CODE

May 17, 1957

Mr. George C. Selfridge, Chariman
DMEA Operating Committee
Department of the Interior
Washington 25, D. C.

Re: DMEA-3776(Mercury-Uranium)
Big Bend Mining, Inc.
Contrabando Dome project
Presidio County, Texas
Contract Idm-E893

Dear Mr. Selfridge:

This is in reply to your April 26 letter about details of the terminated project cited above.

The suggested Contract Amendment No. 3 is prepared and sent in sextuplicate for the Operator's signature.

While I was on the Field inspection of the project, covered in the August 3 Interim Report, virtual approval was given for drilling holes No. 8-5 and No. 5-8, then the most practical-appearing locations for reaching the project objectives by penetrating the inferred igneous laccolith, originally believed not to exceed 350 feet in thickness. We were aware that this approval would entail considerable bulldozing. I saw the need for repairs of washouts on the roads which had been built at the beginning of the project to only the first seven designated drilling sites mentioned in that Interim Report, and for extensions of about 2 miles of new roads to reach the No. 8-5 and 5-8 drilling sites as designated by Amendment No. 2. The Operator explained that because the bulldozer subcontractor expected the original job to be large and was nearby on other employment, no transportation charge was made or cost claimed on the April MF-104. Knowing that the bulldozer would have to be transported back to the project only from Lajitas, about 7 miles by the existing roads, I suggested immediately rehiring that nearest available subcontractor in July for the minimum necessary road extensions and repairs so that the other "Stage I" drilling sites would be accessible as needed. Later, I approved drilling "Stage II" hole No. 9-9, concurrently with completing the "Stage I" drilling and road building. While completing that road building, the work was interrupted by another heavy rain necessitating rebuilding much of the new road to hole site No. 5-8 in a box canyon which was washed out.

On the next Field inspection September 14, I verified that the subcontractor had transported the bulldozer back to the project toward the close of July and completed the necessary work in a total of 27½ hours, charging $12.50 per hour, including two hours required for the one-way transporting of the bulldozer from Lajitas, later approved by me as claimed in the Operator's August MF-104 for $318.75 and $25.00, respectively. I also had urged deepening "Stage I" hole No. 9-2 which I eventually found to have required about 2 hours of that bulldozing time to rebuild the road to that site. While there, leveling of that site was extended a few feet eastward, requiring an estimated 1/2-hour of bulldozing, to permit also drilling "Stage II" hole No. 9-9. Although aware of that, in approving the August MF-104 I considered the prorated amount of transportation that properly should have been chargeable to "Stage II" as negligible pennies. Inadvertently, however, I failed to explain all such minor details in the Interim Report dated last October 25.

Field approval of the Operator's final MF-104 cost claim covering the work of last December and extending into January, will be withheld pending issuance of the Report of Review by the Contract Administration and Audit Division. For that use, one of your copies of the final MF-104 reports, which I inadvertently failed to forward previously, also is enclosed herewith.

I made the final Field inspection of the project February 20, about a month after termination of the project work but accompanied by the Operator's representatives, Mr. P. S. Kendrick and Mr. L. C. Whittiker. The cores from all holes drilled intermittently since the previous Field inspection of September 14, 1956, were found properly stored and labeled, and my detailed examination of them verified that the logs of all holes as furnished with the Operator's MF-104 Report were substantially correct; likewise, the mapped locations, collar elevations, and other essential information required in those reports.

By referring back to all the MF-104 Reports, special reports or justifications and correspondence from this Operator for the drill hole logs, assays, detailed plane-table sketch maps of the various project drilling sites, "geologic" narrations and other essential information ordinarily required in accordance with your Memorandum No. 36, I found the Operator's Final Engineering and Geologic Report otherwise acceptable, as received here April 1, 1957, and forwarded to you. Therefore, I recommend its acceptance by DMEA and issuance of a Report of Review by the Contract Administration and Audit Division on the total $35,780.75 cost claim, subject to execution of the tendered Amendment No. 3. I also hereby confirm that the number of units of work as listed on the first page of the Operator's Final Engineering and Geological Report were acceptably performed.

I have started preparation of a Field Team Final Report which will be completed during available time. No worthwhile mineralization was indicated by the project work so no Certification will be recommended.

Sincerely yours,

Clinton C. Knox
Executive Officer

encl. 1

cc: DMEA Op. Com.
King, USGS, Denver
Finance Officer, USBM, Bartlesville
w/c Operator's Final Eng.&Geol.Rpt
3776 File

DMEA Field Team Rec'd

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

December 1956 & January 1957

3776

Month of December 1956 & January 1957 — Contract No. DMEA Idm-E893

Operator's Name Big Bend Mining, Inc. — Minerals Mercury & Uranium

Address Box 269, Abilene, Texas

Contract Amount, $ 132,000.00 — Government Participation: 75 % — Amount, $ 99,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
~~XXXXXXX~~						
(1) Independent Short Form Contracts:	2676.00	29322.00	31998.00			
Drilling	-0-	893.75	893.75			
~~Bulldozing~~ Redrill	-0-	1256.00	1256.00			
Crosscutting Reaming & Casing	432.00	1160.00	1592.00			
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	-0-	16.00	16.00			
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Bulldozing (transport)	-0-	25.00	25.00			
(8) Contingencies (specify):						
TOTALS	3108.00	32672.75	35780.75			

RECEIVED MINERALS TECHNOLOGY DIVISION FEB 6 1957 BUREAU OF MINES JOPLIN, MO.

RECEIVED MAY 20 1957 D.M.E.A.

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

Date February 4, 1957 *Payee Big Bend Mining, Inc.

Per [signature] Title President

*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:

$ 2,331.00

Signature _____ (Authorized Certifying Officer)

Date 6-13-57 Vou. No. 4-18

(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. ..... in accordance with the terms of the contract.

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

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 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1956 & January 195 7 Docket No. DMEA 3776 Contract No. Idm-E893

Operator's Name Big Bend Mining, Inc. Minerals Mercury and Uranium

Address Box 269, Abilene, Texas

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.	2676.00	448	31998.00	5333	6.00	18000	6.00
Cement & ~~xxx~~ Redrill Churn	Ft.	-0-	-0-	1256.00)	1424)	2.00	9000)	2.00
Ream & ~~xxxx~~ case Auger	Ft.	432.00	216	1592.00)	)		)	
~~xxxxx~~ Sample Analysis ~~Stripping~~	smpl	-0-	-0-	16.00	4	4.00	1360	4.00
Trenching								
Test Pits								
Roads and Trails Bulldozing	Hr.	-0-	-0-	893.75	71 1/4	12.50	300	12.50
Total Distributed Costs		3108.00		35755.75				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc. Bulldozer transport		-0-	-0-	25.00				170.00
Total Costs		3108.00	-0-	35780.75				132000.00

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 February 4,1957 Operator Big Bend Mining, Inc.

Per [signature] Title President

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)

RECEIVED MAY 20 1957 D.M.E.A.

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 872894

DRILL RECORD

Kendrick Oil Co.
Box 269
Abilene, Texas

Hole No. 5-6 Area 6 Re-entered and deepened

Land Big Bend Mining, Inc. Date: From 11/23/56 to 1/17/57
Hiedsor et al
Location of Hole 1000' N. & 750' E of SW cor. of Sec.105,Blk 341,TC Ry.Sur.Presidio Co.,Tex
in E. rim of supposed sink as indicated by Wilson map Elevation 2627
Struck Water at - 0 - Stands at - 0 - Casing Used 216'

FORMATION	TOP	BOTTOM	REMARKS
Igneous Rock	216	662	Gray, fractured with veinlets of calcite & pyrite. See attached report of L.C.Whittiker for further classification.

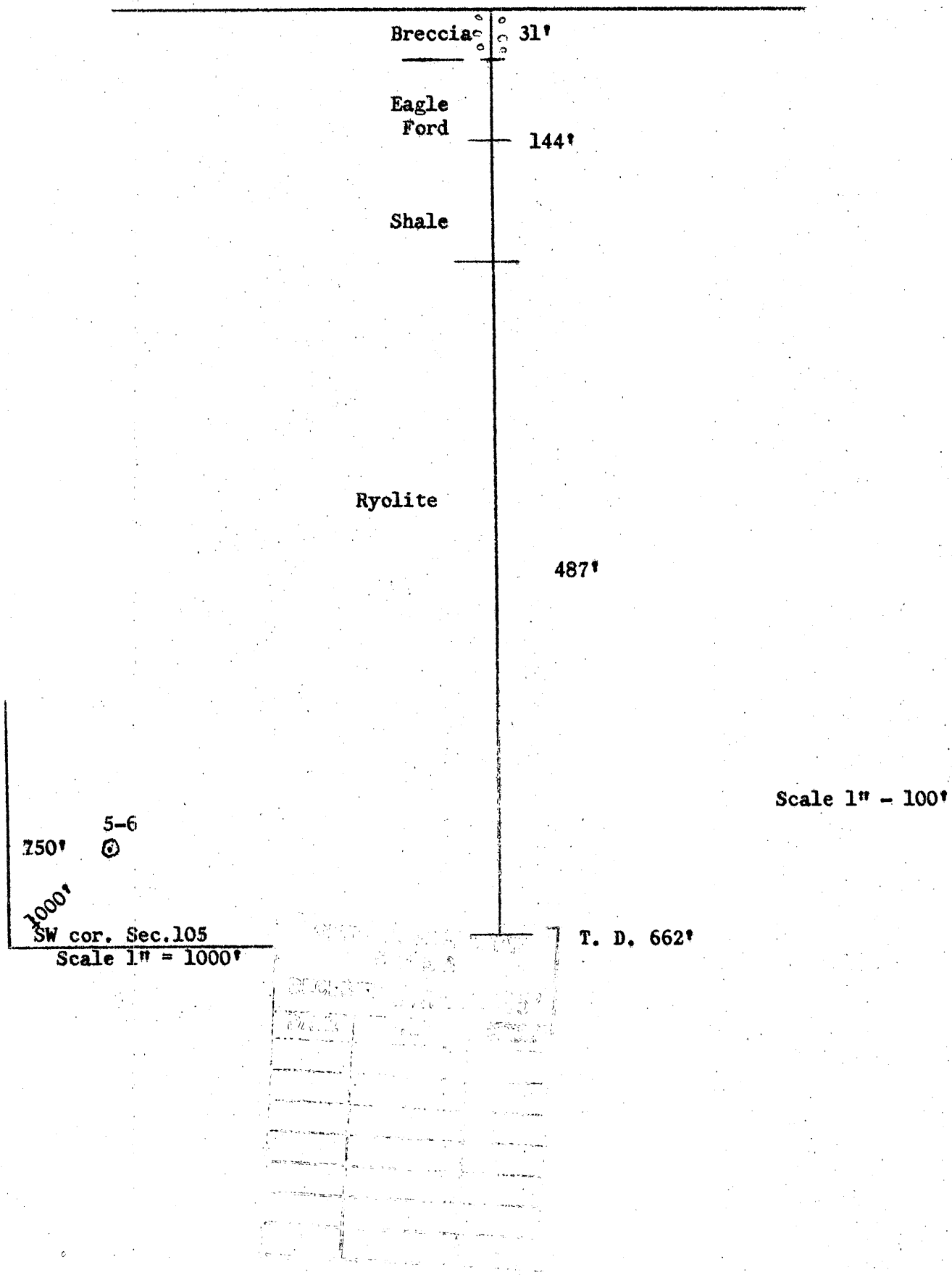
Hole 5-6 re-entered and deepened from 216 to 662.
After completing Hole 8-5 on Nov.22, 1956 we were ordered, via telephone, by Mr. Robert U. King, acting Exec. Officer, DMEA Field Team, Region IV and confirmed by his letter to us dated Nov. 26, 1956 to re-occupy hole 5-6 Area 6 and for the purpose of penetrating the igneous "sill".
We reentered hole 5-6 Nov. 28rd cleaned up hole set 216 feet of 2" casing and started coring with AX bbl. On 12/11/56 rods were dropped in hole at 387 feet necessitating a fishing job. The rig was shut down for the holidays. Another driller was put on the job on 1/7/57, fish recovered and on 1/17/57 hole was bottomed at 662 feet in hard igneous rock and by agreement with Mr. Clinton C. Knox, Executive Officer, DMEA field team, the hole was abandoned.
Reference is made to June 1956 report for data on first 216 feet of 5-6. From 216 feet to 662 feet 21 AX diamond core bits were used. or an average of 21½ feet per bit. It took 186 hours rig time which was less than 236 feet per hour. The formation was extremely hard igneous with fractures and veinlets of calcite and pyrite.
Willemite screen was run on cores for mercury with negative results. All cores were checked with Geiger counter and no radiation was detected.
The deepening of 5-6 to 662 feet completes State 1 of the captioned contract with no indication of cinnabar or uranium present on Contrabando Dome. [redacted]

Driller: V. L. Hancock - from 216' to 387'
Driller: W. G. Freeman - from 387 to 662'

RECEIVED MAY 20 1957
DATE INITIALS

KENDRICK OIL CO.
By [signature], Pres.

Hole 5-6 Elev. 2666



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DMEA
RECEIVED MAY 20 1957

DATE	INITIALS	CODE

PROGRESS REPORT ON EXPLORATION PROJECT CONTRACT

NO. IDM - E893. DOCKET NO. DMEA - 3776.

Dec 1956 and Jan 1957

CONTRABANDO DOME PRESIDIO CO., TEXAS, BIG BEND MINING, INC.

Report on Reentry of Drill Hole, 5 - 6

Section 105 From 216' to 662' - AW Core

216' - 247'
Hard light grey igneous rock, vertical and high angle, fracture, some pyrite dissemination, white calgareous material with pyrite crystals on fracture faces.

247' - 281'
Hard light grey igneous rock, occasional vertical fracture, bottom section grading into mottled greenish grey spots resembling fine grained granitic rock, occasional feldspar phenocryst, some spotty pyrite dissemination, white calcareous material with pyrite crystals on fracture faces.

281' - 294'
Light greenish grey mottled granitic rock, hard and dense, occasional high angle and vertical fracture, white calcareous material with pyrite on fracture faces.

294' - 326'
Light greenish grey mottled granitic rock with occasional brownish spots, spotty pyrite dissemination, green tinted calcareous material with pyrite crystals on fracture faces, hardness decrease.

326' - 334'
Light greenish grey to brownish mottled granitic rock, vertical and high angle fracture pyrite crystals on fracture faces.

334' - 366'
Light grey mottled igneous with redish brown spots, high and low angle fracture. Pyrite on fracture faces.

366' - 397'
Light grey mottled igneous, occasional brownish spot, some pyrite present, high angle fracture broken and blocky, bottom section shows some porosity filled with white calcareous material, green tinted calcareous material noted on fracture faces.

397' - 425'
Light grey igneous rock with mottled spots, some porosity noted filled with white calcareous material, hardness decrease. Uniform with little fracture some pyrite present.

425' - 445'
Light grey igneous rock with mottled spots, calcite veinlets with pyrite cementing vertical fracture, some porosity filled with white calcareous material, hardness decrease.

445' - 479'
Light grey igneous rock porosity increase, white calcareous material on vertical fracture and filling porosity, hardness decrease, some pyrite present.

479' - 500'
Light grey porus igneous rock, consistant hard and soft spots, white calcareous material filling porosity, some pyrite crystals noted on high angle fracture.

500' - 518'
Light grey porus igneous rock, vertical fracture white calcareous material filling porosity and with pyrite crystals on fracture faces.

518' - 541'
Light grey igneous rock softer and porus, vertical fracture, fractures and porosity filled with white calcareous material spotty pyrite dissemination.

541' - 569'
Light grey igneous rock pronounced vertical fracture, broken, pyrite crystals on fracture faces, hardness increase some porosity.

569' - 592'
Light grey igneous rock with high angle fracture, hardness decrease, pyrite on fracture faces, slightly porus.

592' - 594'
Light grey igneous rock vertical fracture filled with calcite and pyrite,

594' - 619'
Light grey igneous rock, vertical fracture, hard and soft spots pyrite on fracture faces, slightly porus.

619' - 632'
Light grey igneous rock occasional vertical fracture hardness increase, pyrite on fracture faces.

632' - 662'
Light grey igneous rock, uniform, slightly porus hardness increase.

This Drill hole was reentered November 26, 1956 and bottomed January 17, 1957, AW core was taken from 216' to 662', estimated core recovery 95%. No shows of Uranium or Mercury where encountered except for minute traces of Mercury tested with Willemite Screen.

L. C. Whittiker

L. C. WHITTIKER

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
Box 431
Joplin, Missouri

June 18, 1957

Official
EXTRA COPY
DMEA
RECEIVED JUN 21 1957

DATE	INITIALS	CODE
6/21	C	220
1/25	COM	100
		800

DMEA Operating Committee
Department of the Interior
Washington 25, D. C.

Re: DMEA-3776 (mercury)
Big Bend Mining, Inc.
Contrabando dome
Presidio County, Texas
Project Contract Idm-E893

Dear Sirs:

Furnished herewith is your other copy of the cited Operator's MF-104 Report covering the project work approved for last December-January with the voucher data of the Finance Officer posted thereon.

One copy of this MF-104 Report, which covers the final work done on this project, was forwarded to you May 15, 1957 for use of the DMEA Auditor in preparing the final Report of Review. This case is therefore closed with the exception of submitting our joint final Field Team report which is in preparation.

Sincerely yours,

CCK/jd

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

encl. 2

cc: DMEA Op.Com.
King,USGS,Denver
3776 File

April 9, 1957

Memorandum

To: Chief, Division of Iron and Ferro-Alloys

From: (Signed) J. L. Chambers
Chief, Contract Administration and Audit Division

Subject: Docket No. DMEA-3776 (Mercury-Uranium),
Big Bend Mining, Inc., Contrabando Dome,
Presidio County, Texas, Contract No. Idm-2893

In a letter dated April 4, 1957, transmitting copies of the subject Operator's final report, the Acting Executive Officer, DMEA Field Team, Region IV, has recommended to the Operating Committee the allowance of 62 feet of drilling footage in excess of the 600 feet maximum specified by Amendment No. 1 to the contract for hole 5-6. A preliminary review of this project indicates that this excess 62 feet, together with an excess of 2 feet over the maximum of 700 feet specified by Amendment No. 2 for hole 8-5, necessarily must be disallowed in final audit unless the contract is appropriately amended.

The records also indicate that the Operator has claimed $25.00 (2 hrs. @ $12.50) for bulldozer transport during August 1956, the month during which the only Stage II hole authorized (hole 9-9) was drilled. As the contract does not provide for bulldozer transport in Stage II, this amount does not appear to be allowable. On the other hand the Operator has not claimed the fixed unit cost of $170.00 provided in Stage I for transportation of bulldozer to the project site. Unless the move-in was prior to the date of the contract, it appears that this $170.00 is a properly allowable cost.

It is suggested that, in the reply giving your decision on the excess footage, the Acting Executive Officer, DMEA Field Team, Region IV, be requested to:

(1) furnish an explanation of the Operator's claim of $25.00 for bulldozer transport and his failure to claim the unit cost of $170.00;

(2) withhold payment of the final MF-104 (for December 1956-January 1957) until a Report of Review is issued by this Division; and

(3) forward to this Division for review a copy of the final MF-104, together with the communication required by memorandum of January 9, 1957, as promulgated to the Executive Officer for compliance by the Operating Committee's letter of January 17.

EDTalbert/wb 4-9-57

Copy to: Docket
Admr. Reading File
Mr. Chambers Mr. Talbert

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

2nd Copy - Wash.

Budget Bureau No. 42-R1036.5

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

Month of November, 1956 Docket No. DMEA 3776 Contract No. IDM-E893

Operator's Name Big Bend Mining, Inc. Minerals Mercury & Uranium

Address Box 269, Abilene, Texas

Contract Amount, $ 132,000.00 Government Participation: 75 % Amount, $ 99,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~[illegible]~~ Short Form Contracts:						
Drilling	4212.00	25110.00	29322.00	✓	✓	✓
Bulldozing	-0-	893.00	893.00	—	893.75	893.75
Cement & Dressing Redrill	-0-	1256.00	1256.00	—	✓	✓
Reamer & Case	568.00	592.00	1160.00	✓	✓	✓
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	-0-	16.00	16.00	—	✓	✓
Payroll Taxes						
Liability Insurance						
Bulldozer Transport	-0-	25.00	25.00	—	✓	✓
(8) Contingencies (specify):						
TOTALS	4780.00	27892.00	32672.00	4,780.00	27,892.75	32,672.75

RECEIVED MAR 21 1957 D.M.E.A.

RECEIVED MINERALS TECHNOLOGY LAYLOR 2 10 1956 BUREAU OF MINES JOPLIN, MO.

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

Date 12/7/56 *Payee Big Bend Mining, Inc.

Per B Kendrick Title President

*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:

$3,585.00

Signature
(Authorized Certifying Officer)

Date 3-15-57 Vou. No. 4-13

(See other side)

D. O. No. 56923

(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. John-E893 in accordance with the terms of the contract.

Signature Clinton C. Knox Title Mining Engineer Date February 25, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Clinton C. Knox Title Executive Officer Date March 8, 1957

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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
MINERALS TECHNOLOGY DIVISION
DEC 10 1956
BUREAU OF MINES
JOPLIN, MO.

2nd Copy - Wash.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1956 Docket No. DMEA 3776 Contract No. IDM-E893

Operator's Name Big Bend Mining, Inc. Minerals Mercury & Uranium

Address Box 269, Abilene, Texas

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	-0-	-0-						
Crosscutting	-0-	-0-						
Raising	-0-	-0-						
Shafts	-0-	-0-						
Winzes	-0-	-0-						
Drilling: Core	ft.	4212.00	702	29322.00	4887	6.00	18000	6.00
Cement ~~Core~~ & Redrill	ft.	-0-	-0-	1256.00	1208	2.00	9000	2.00
Ream ~~Auger~~ & Case	ft.	568.00	284	1160.00				
~~Drilling~~ Sample Analysis	smpl	-0-	-0-	16.00	4	4.00	1360	4.00
Trenching	-0-	-0-						
Test Pits	-0-	-0-						
Roads and Trails	-0-	-0-						
Bulldozing	Hr.	-0-	-0-	893.75	71½	12.50	300	12.50
TOTAL DISTRIBUTED COSTS		4780.00		32647.75				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Bulldozer Transport		-0-	-0-	25.00				
TOTAL COSTS		4780.00		32672.75				

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 12/7/56 Operator Big Bend Mining, Inc.

Per [signature] Title President

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)

RECEIVED
MAR 21 1957
D.M.E.A.

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 872894

DRILL RECORD

Hendrick Oil Co.
Box 269
Abilene, Texas

Hole No. 8-5 Date from 10-22-56 to 11-22-56

Big Bend Mining Inc.
Land: Bledsoe et al Location of Hole: 720 ft. East and 865 ft. North from Southwest cor. of Sec. 108, Blk. 341, T C Ry. Survey, Presidio County, Texas
Near so-called Shoemaker underground mine workings.

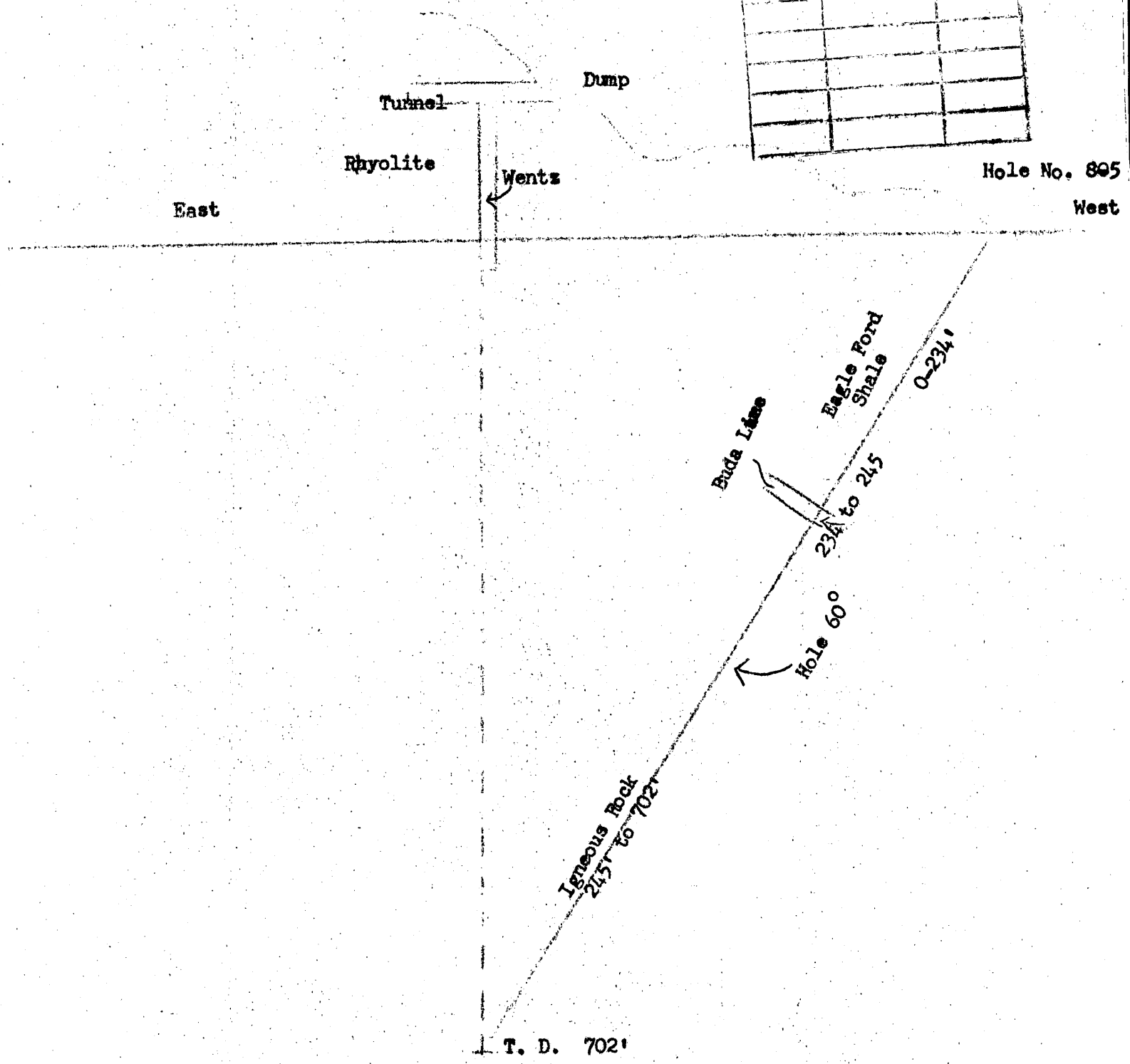
Struck Water At: None Stands at None Casing Used: 284 feet

Shale	0	12	Dark, bentonetic, some hematite and calcite beds dip 65°.
Shale	12	20	Dark, hematite and calcite present. Beds dip 65°.
Shale	20	32	Black w/lime strks, calcite & altered pyrite. Beds Dip 65°.
Shale	32	100	Hard dark with grey and black strks. throughout section. Some calcite and pyrite seams. Dips 65°.
Shale	100	116	Same as above except occasional high angle fractures
Shale	116	136	Same as above except occasional slip break and breccia spots. Dip 65o.
Shale	136	234	Same as above except no breccia.
Lime	234	245	Buda with some high angle fracture. Some pyrite disseminated.
Igneous Rock	245	702	Grey, with occasional coloring, calcite and pyrite veinlets.

RECEIVED
MAR 21 1957
D.M.E.A.

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 21 1957

DATE	INITIALS	CODE



RECEIVED MAR 21 1957
DATE | INITIALS | CODE

PROGRESS REPORT ON EXPLORATION PROJECT CONTRACT

NO. IDM - E893. DOCKET NO. DMEA - 3776.

CONTRABANDO DOME PRESIDIO CO., TEXAS, BIG BEND MINING, INC.

Report on 60° Angle Drill Hole No. 8-5

Section 108 From 0 to 702'

0 - 12' - Soft dark bentonetic shale, some hematite and calcite. Beds dip 65°.

12'- 20' - Firm dark shale, hematite and calcite present. Beds dip 65°.

20'- 32' - Black shale with lime streaks, calcite and altered pyrite. Beds dip 65°.

32'- 44' - Firm dark grey shale with grey lime streaks, some calcite and pyrite. Beds dip 65°.

44'- 50' - Compact dark shale with lime streaks, calcite and pyrite present occasional bentonite seam. Beds dip 65°.

50'- 63' - Hard dark shale with lime streaks. Some calcite and pyrite. Beds dip 65°.

63'- 70' - Hard grey to light grey shale with lime streaks. Calcite present. Beds dip 65°.

70'- 86' - Hard black shale with light grey lime streaks. Some calcite replacing lime streaks. Beds dip 65°.

86'- 100' - Hard grey to black shale with lime streaks. Calcite and pyrite present. Beds dip 65°.

100'- 116' - Hard dark grey shale with lime streaks. Calcite and pyrite replacing lime streaks on bedding plane. Occasional high angle fracture filled with calcite veinlets. Some pyrite dissemination in shale and lime. Beds dip 65°.

116'- 136' - Dark grey shale with pronounced lime beds and limy streaks. Calcite veinlets on high angle fractures. Some pyrite replacing lime streaks on bedding plane. Occasional slip break and breccia spots. Beds dip 65°.

136'- 156' - Dark grey to black shale with lime streaks. Calcite and pyrite replacing lime streaks on bedding plane. Minute calcite veinlets cementing high angle fractures. Occasional slip break. Beds dip 65°.

156'- 186' - Dark grey shale with lime streaks. Calcite replacing lime streaks. Pyrite with calcite veinlets cementing vertical and high angle fractures. Beds dip 65°.

186'- 193' - Dark grey to black shale with lime streaks. Weak vertical fracture. Calcite and pyrite replacing lime streaks on bedding planes. Beds dip 65°.

193'- 215' - Grey shale with lime streaks. Minute calcite veinlets cementing high angle fractures. Calcite with pyrite replacing lime streaks on bedding plane. Beds dip 65°.

215'- 234' - Light grey lime with shale streaks. Some lime beds entirely replaced with calcite. Minute calcite veinlets cementing weak vertical fractures. Occasional slip break. Beds dip 65°.

234'- 245' - Light grey compact massive lime. (Buda) with occasional shale streaks. High angle fracture. Some pirite disseminated.

245'- 256' - Slightly porus light grey igneous rock highly fractured. White calcareous material with pyrite crystals coating fracture faces. Porosity partially filled with white calcareous material.

256'- 275' - Light grey porus igneous rock. Vertical and high angle fracture. Well developed pyrite crystals on fracture faces.

275'- 283' - Light grey to blueish grey igneous rock. Hardness increase. Weak vertical fracture. Some pyrite dissemination.

283'- 294' - Light grey to Blueish grey mottled igneous rock grading into granitic. Hardness increase. Occasional isolated feldspar phenocryst. Weak high angle fracture. White calcareous material with pyrite crystals on fracture faces.

294'- 302' - Mottled light grey to blue grey granitic rock. Occasional brownish spots. Isolated feldspar phenocrysts. Vertical fracture strong. Pyrite with white calcareous material coating fracture faces. Very hard. Some pyrite dissemination.

302'- 306' - Light grey mottled granitic rock with greenish tint. Light vertical fracture. Small isolated iridescent feldspar crystals. Green tinted calcareous material with pyrite coating fracture faces. Some pyrite disseminated. Very hard, blocky, and difficult to core.

306'- 342' - Mottled light blueish grey granitic rock with isolated iridescent feldspar phenocrysts. Some pyrite dissemination. High angle fracture. Pyrite on fracture faces. Very hard.

342'- 372' - Light greenish grey mottled granitic rock. High angle fracture. Pyrite on fracture faces with green tinted calcareous material. Very hard.

372'- 410' - Light greenish grey mottled granitic rock. High angle fracture. Pyrite in fractures. Occasional feldspar phenocryst. Very hard.

410'- 474' - Greenish grey mottled granitic rock. Occasional brownish spot. Small isolated feldspar phenocrysts. White calcareous material with pyrite coating fracture faces. Very hard.

474'- 537' - Light grey to blueish grey mottled granitic rock. High angle fracture. White calcareous material with pyrite on fracture faces. Very hard.

537'- 595' - Mottled greenish grey granitic rock. Occasional redish spot. High angle fracture. Green tinted calcareous material with pyrite on fracture faces. Hardness decreases slightly. Some porosity.

595'- 657' - Mottled greenish grey to light grey spots granitic. Vertical fracture. Green tinted calcareous material on fracture and in porosity. Hardness decrease. Small isolated feldspar phenocrysts. Some pyrite dissemination.

657'- 702' - Light grey igneous rock. Some porosity noted. Hardness decrease. White calcareous material with pyrite coating. Vertical fracture faces.

This drill hole was started October 22, 1956 and bottomed at 702' November 22, 1956 with no shows of mercury or uranium except for minute traces of mercury in the igneous section.

NX core was taken to a depth of 264'. Balance of core was cut with AW equipment.

Estimated core recovery 88%.

L. C. WHITTIKER

P. S. Mercury tests were made with Willemite screen.

Moved on Hole 5-6 to deepen - 11/23/56.

Division of Administration

206 Federal Building
Bartlesville, Oklahoma

March 18, 1957

RECEIVED
MINERALS ... DIVISION

MAR 19 1957

BUREAU OF MINES
JOPLIN, MO.

Memorandum

To: Clinton C. Knox

From: Cora A. Piper

Subject: Payment MF-104, Contract IDM-E-893 for October and November 1956

Payment has been made on MF-104, Contract IDM-E-893 for the months of October and November 1956. The Bureau Voucher No. was 4.-13, The D. O. No. 56923 paid March 15, 1957 in the amount of $ 3,585.00.

Cora A. Piper
Fiscal Officer

wll

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 21 1957

DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~XXXXXXXXXXXXXXXXXXXX~~
Box 431
Joplin, Missouri

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 21 1957

DATE	INITIALS	CODE

March 19, 1957

Mr. P. S. Kendrick, President
Big Bend Mining, Inc.
Box 269
Abilene, Texas

Re: DMEA-3776 (mercury-uranium)
Contrabando Dome Project
Lajitas, Presidio County, Tex.
Project Contract Idm-E393

Dear Mr. Kendrick:

This is to advise that I approved your October-November MF-104 Report March 8, 1957 in the amount of $4,780.00.

Approval of your Monthly Report for the work done in December and up to completion of Stage I drilling in January must be withheld however, pending receipt of your Final Engineering-Geologic Report, its acceptance and an Audit Review and Certificate by the Washington Office of DMEA covering the total cost claims on the project.

I am looking forward to receiving your Final Engineering-Geologic Report so that processing of the terminal settlement for you can begin.

Sincerely yours,

CCK/jd

Clinton C. Knox
Executive Officer
DMEA Field Team, Reg. IV

cc: DMEA Op.Com.(2)
King,USGS,Denver
3776 file

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
Box 431
Joplin, Missouri

EXTRA COPY
DMEA
RECEIVED

DATE	INITIALS	CODE

March 19, 1957

Mr. P. S. Kendrick, President
Big Bend Mining, Inc.
Box 269
Abilene, Texas

Re: DMEA-3776 (mercury-uranium)
Contrabando Dome Project
Lajitas, Presidio County, Tex.
Project Contract Idm-E893

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This is to advise that I approved your October-November MF-104 Report March 8, 1957 in the amount of $4,780.00.

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I am looking forward to receiving your Final Engineering-Geologic Report so that processing of the terminal settlement for you can begin.

Sincerely yours,

CCK/jd

Clinton C. Knox
Executive Officer
DMEA Field Team, Reg. IV

cc: DMEA Op.Com.(2)
King, USGS, Denver
3776 file

Copy - Wash.

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

Budget Bureau No. 42-R1036.5

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

Month of Sept., 1956 Docket No. DMEA 3776 Contract No. IDM-E893
Operator's Name Big Bend Mining Inc. Minerals Mercury & Uranium
Address Box 269, Abilene, Texas
Contract Amount, $ 132,000.00 Government Participation: 75 % Amount, $ 99,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) In[redacted] Short Form } Contracts:						
Drilling	3306.00	21804.00	25110.00			
Bulldozing	-0-	893.75	893.00			893.75
Cement & Redrill	-0-					
Drifting	268.00	988.00	1256.00			
Ream & Case	24.00	568.00	592.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	-0-	16.00	16.00			
Payroll Taxes						
Liability Insurance						
Bulldozer Transport	-0-	25.00	25.00			
(8) Contingencies (specify):						
TOTALS		24,294.75	27,892.00	$ 59,100	26,994.75	27,892.75

RECEIVED JAN 17 1957 D.M.E.A.

RECEIVED MINERALS TECHNOLOGY DIVISION OCT 15 1956 BUREAU OF MINES JOPLIN, MO.

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

Date Oct. 13, 1956 *Payee Big Bend Mining, Inc.

Per [signature] Title President

*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:

$ 2,698.50

Signature
(Authorized Certifying Officer)

Date 1-10-57 Vou. No. 4-11
(See other side)

D.O. Vou. No. 41014

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm: E893 in accordance with the terms of the contract.

Signature Clinton C. Knox Title Mining Engineer Date Oct. 25, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Clinton C. Knox Title Executive Officer Date Jan. 3, 1957

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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Sept. 1956 Docket No. DMEA 3776 Contract No. IDM-E893

Operator's Name Big Bend Mining, Inc. Minerals Mercury & Uranium

Address Box 269, Abilene, Texas

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	0							
Crosscutting	0							
Raising	0							
Shafts	0							
Winzes	0							
Drilling: Core	ft.	3306.00	551	25110.00	4185	6.00	18,000	6.00
Cement & Redrill	ft.	268.00	134	1256.00	924	2.00	9,000	2.00
Ream & Case	ft.	24.00	12	592.00				
Sample Analysis	Sample	-0-	-0-	16.00	4	4.00	1,360.00	4.00
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Hr.	-0-	-0-	893.75	71½	12.50	300.00	12.50
TOTAL DISTRIBUTED COSTS		3598.00		27867.75				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Bulldozer transport		-0-	-0-	25.00				170.00
TOTAL COSTS		3598.00		27892.75				132000.00

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 Oct. 13, 1956 Operator Big Bend Mining, Inc.

Per [signature] Title President

REMARKS:

RECEIVED JAN 17 1957 D.M.E.A.

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)

RECEIVED
MINERALS TECHNOLOGY
DIVISION

OCT 15 1956

BUREAU OF MINES
JOPLIN, MO.

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 872894

DRILL RECORD

Kendrick Oil Co.
Box 269
Abilene, Texas

Big Bend Mining, Inc. Hole 5-8
Land: Bledsoe et al Date from: Aug. 24, 1956 to Sept.20,1956.
Location of Hole: 2750 ft. N. 27° East from SW corner Sec. 105, Blk. 341, TC Ry. Co.Sur.
Presidio County, Texas (Contrabando Dome) Elev. 2666'
Struck Water at: None Stands at: None Casing used: 12 feet

Breccia	0	349	See Progress Report by L. C. Whittiker
Shale	349	451	" " " " "
Igneous	451	508	" " " " "

NX diamond cored - 96% recovery. Total depth 508 feet. Hole open and capped. Set 12' of 4" casing. Lost circulation 168-194'. Cemented 194-60'. Drilled out cement with circulation back 100%.

Breccia material broken and fractured causing blocking in the core barrel making frequent trips necessary.

Igneous became progressively harder with depth making bit costs very expensive.

Cores classified by L. C. Whittiker. Drillers - James R. Johnson and W. L. Hancock.

Contractor: Kendrick Oil Co.

I certify that the above log and statements are true and correct to the best of my knowledge and belief.

P. S. Kendrick

RECEIVED
JAN 17 1957
D.M.E.A.

PROGRESS REPORT ON EXPLORATION PROJECT CONTRACT

No. IDM. - E893. Docket No. DMEA - 3776.

Contrabando Dome Presidio Co., Tex., Big Bend Mining, Inc.

Report on Drill Hole No. 5-8 - From 0' to 508'.

0 - 12' - Broken light buff weathered lime, surface beds collapse breccia.

12' - 20' - Light buff lime breccia, calcite and hemitite present.

20' - 25' - Light buff lime breccia with shale and bentonite streaks, some calcite and pyrite.

25' - 35' - Light buff lime and shale breccia with calcite and pyrite.

35' - 47' - Shale and light grey lime breccia, calcite increase, some pyrite.

47' - 63' - Shale and lime breccia with opaque calcite.

63' - 71' - Dark shale and lime breccia with calcite and pyrite.

71' - 84' - Dark shale and lime breccia with bentonite seams, calcite and pyrite present.

84' - 102'- Lime and dark grey shale breccia, calcite and pyrite.

102' - 123'- Shale and lime breccia with calcite and pyrite.

123' - 140'- Dark shale and lime breccia with calcite and pyrite.

140' - 151'- Shale and lime breccia with calcite and pyrite filling voids in breccia.

151' - 154'- Soft light grey bentonite bed with well developed pyrite crystals.

154' - 166'- Lime and shale breccia with calcite and pyrite filling voids and slip breaks.

166' - 179'- Shale and lime breccia, some vertical beds adjacent to horizonal, calcite filling voids and slipbreaks.

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451' - 478' - Light grey porus ignedus rock with vertical fracture, white calcareous material coating fracture faces with pyrite crystals.

478' - 495' - Light grey igneous rock, porosity decrease, white calcareous material with pyrite coating vertical fracture faces, hardness increase.

495' - 508' - Grey close graine igneous rock, no fracture, hardness increase very difficult to cut with diamond bit.

This drill hole was started August 24, 1956 and bottomed at 508' September 20, 1956 with no shows of uranium or mercury.

L. C. WHITTIKER

L. C. Whittiker

5-8

Surface El. 2346'

Breccia

349'

349'

102'

150'

Eagle Ford Shale

451'

57'

Igneous

T. D. 508'

RECEIVED MAY 17 1951 DMES

D R I L L R E C O R D

Kendrick Oil Co.
Box 269
Abilene, Texas

Hole 9-2 Area 1, Stage 1 (Deepened)

Big Bend Mining, Inc.
Land: Bledsoe et al

Sept. 21, 1956 to Sept. 28, 1956

Igneous	612	655	Hard and tough with some fracturing small amount of pyrite and calcite in seams.

9-2 was re-entered on Sept. 21, 1956 and stopped Sept. 28, 1956. The hole was left in good shape. It was taking a diamond bit every 7 or 8 feet and we shut down to try to find some way to drill this igneous with less expense.

NX diamond cored - 98% recovery.

Total depth 655 feet - hole open and capped.

Contractor: Kendrick Oil Co.

Core classified by L. C. Whittiker

Driller: W. L. Hancock

I certify that the above log and statements are true and correct to the best of my knowledge and belief.

P. S. Kendrick

P. S. Kendrick

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JAN 17 1957
D.M.E.A.

SUPPLEMENTAL PROGRESS REPORT FOR
SEPTEMBER, 1956
No. IDM- E893 Docket No. DMEA-3776
Additional Drilling On Hole 9-2 Area 1

After completing hole 5-8, Stage 1, Area 7, rig was moved over hole 9-2 Stage 1 area 1 and same was deepened 43 feet to a total depth of 655 feet where drilling was stopped due to extreme difficulty in coring. This hole will be re-entered and drilled deeper in the event field team deems it advisable.

Formation:

612 - 655' Igneous with some fracturing. Very dense and pyritic.

Drilling began 9-21-56 and bottomed 9-28-56.

No shows of mercury or uranium.

P. S. Kendrick

P. S. Kendrick

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JAN 27 1957
D.M.E.A.

179' - 194' - Lime and shale breccia, pyrite veinlets on high angle fractures, calcite filling voids.

194' - 221' - Lime and shale breccia, calcite filling voids, pyrite veinlets in fractures.

221' - 239' - Shale and Lime breccia, opaque white calcite filling voids in breccia, some pyrite present.

239' - 250' - Shale and lime breccia with calcite and pyrite.

250' - 267' - Shale and lime breccia, calcite and pyrite filling voids and slipbreaks.

267' - 277' - Dark shale with lime streaks, breccia diminishes, beds consolidated, dip 15°, calcite veinlets in vertical fracture, some pyrite present.

277' - 297' - Predominant dark shale breccia with bentonite seams, calcite and pyrite present in breccia voids, poor core recovery.

297' - 325' - Dark shale breccia with limy streaks calcite in vertical fractures, bentonite seams. Poor core recovery.

325' - 335' - Dark grey shale breccia, occasional open vug lined with calcite crystals, calcite veinlets in vertical fractures and slipbreaks. Some pyrite present.

335' - 349' - Dark shale breccia with lime streaks. Very little calcite.

349' - 367' - Apparent bottom of breccia zone, beds consolidate, Dip 15° calcite veinlets in vertical fracture occasional slip break, no pyrite.

367' - 391' - Dark shale, undisturbed beds except for minute vertical fractures filled with calcite, beds dip 15°.

391' - 411' - Dark shale with lime streaks, calcite with pyrite in minute veinlets in high angle fractures. Beds dip 15°.

411' - 431' - Dark shale with lime streaks calcite veinlets in vertical fractures. Beds dip 15°.

431' - 451' - Dark shale with lime streaks, small amounts of calcite and pyrite. Bed dip 15°.

JAN 17 1957
DMEA

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

Budget Bureau No. 42-R1036.5

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

Month of August, 1956 Docket No. DMEA 3776 Contract No. Idm-E893
Operator's Name Big Bend Mining, Inc. Minerals Mercury & Uranium
Address Box 269, Abilene, Texas
Contract Amount, $ 132,000.00 Government Participation: 75 % Amount, $ 99,000.00

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	3672.00	18,132.00	21,804.00			
Bulldozing	318.75	575.00	893.75			
Crosscutting						
Cement & ~~Mixbox~~ Redrill	-0-	988.00	988.00			
Ream & Case	124.00	444.00	568.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	PBK 16.00	—	PBK 16.00			
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Bulldozer Transport	25.00	None	25.00			
(8) Contingencies (specify):						
	PBK		PBK			
TOTALS	~~4,139.75~~ 4155.75	20,139.00	~~24,278.75~~ 24,294.75			

RECEIVED
MINERALS TECHNOLOGY DIVISION
SEP 10 1956
BUREAU OF MINES
JOPLIN, MO.

JAN 17 1957
D.M.E.A.

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

Date 9/7/56 *Payee Big Bend Mining, Inc.

Per [signature] Title President

*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:

$ 3,116.81

Signature
(Authorized Certifying Officer)

Date 1-10-57 Vou. No. 4-11
(See other side)

D.O. Vou. No. 41014

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm: E893 in accordance with the terms of the contract.

Signature Chilton C. Knox Title Mining Engineer Date Oct. 25, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Chilton C. Knox Title Executive Officer Date Jan. 3, 1957

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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1956 Docket No. DMEA 3776 Contract No. Idm-E893

Operator's Name Big Bend Mining, Inc. Minerals Mercury & Uranium

Address Box 269, Abilene, Texas

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	-0-							
Crosscutting	-0-							
Raising	-0-							
Shafts	-0-							
Winzes	-0-							
Drilling: Core	ft.	3,672.00	612	21,804.00	3634	6.00	18,000	6.00
Cement & Redrill	ft.	None	None	988.00	778	2.00	9,000	2.00
Ream & Case	ft.	124.00	62	568.00				
~~Stripping~~ Sample Sample	each	PBK 16.00	4	PBK 16.00	4	4.00	1,300	4.00
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Hr.	318.75	25½	893.75	71½	12.50	300	12.50
TOTAL DISTRIBUTED COSTS		~~4114.75~~ 4130.75 PBK		~~24253.75~~ 24269.75 PBK				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		None		None				
Initial Rehabilitation and Repairs		None		None				
New Buildings, Improvements, etc.		None		None				
Bulldozer Transport		25.00		25.00				170.00
TOTAL COSTS		~~4139.75~~ 4155.75 PBK		~~24278.75~~ 24294.75 PBK			PBK	~~170.00~~ 132,900.00

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.

REMARKS: Bulldozing about 2 miles of roads to and drilling sites at hole locations no. 8-5, 9-9, and 5-8. PBK

Date 9/7/56 Operator Big Bend Mining, Inc.

Per [signature] Title President

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)

RECEIVED JAN 17 1957 D.M.E.A.

RECEIVED MINERALS TECHNOLOGY DIVISION SEP 10 1956 BUREAU OF MINES JOPLIN, MO.

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 872894

PROGRESS REPORT ON EXPLORATION PROJECT
Contract No. Idm-E893 Docket No. DMEA-3776
Contrabando Dome - Presidio County, Texas
Big Bend Mining, Inc.

Report on Drill Hole 9-9 Area #1, Stage 2

Drilling began on drill hole #9-9 July 31, 1956 and terminated August 24, 1956. Vertical hole with cellar elevation of 2610 located 1200 feet S. and 2955 feet West of NE corner of Section 109. Drilling started with 3 7/8 rock bit which was replaced after 6 feet of drilling with a diamond core bit, NX core was taken from 6' to 612', estimated core recovery 96%. Formations penetrated were as follows:

0	6'	Broken surface altered lime
6	12'	Light grey lime and shale streaks, vertical fracture, calcite veinlets, cementing fracture, beds dip 15°.
12	15'	Grey altered lime, calcite on bedding plane, some oxidation staining, beds dip 15°.
15	17'	Light grey lime, broken, cemented with minute calcite veinlets, beds dip 15°.
17	19'	Medium light grey broken igeneous vertical fracture cemented with calcite veinlets.
19	43'	Light grey broken igneous, high and low angle fracture, brown & yellow staining on fracture faces, shows mercury vapor on screen test.
43	66'	Porous, medium dark grey mottled igneous rock, high & low angle fracture cemented with calcite and white calcareous material.
66	82'	Porous, light grey mottled igneous rock, vertical & high angle fracture white calcareous material disseminated in porosity.
82	92'	Light grey igneous breccia with shale and lime fragments, white calcareous material cementing breccia, some pyrite present. Isolated cinnabar crystals occur from 84' to 84' 8".
92	109'	Light grey porous igneous rock with small vugs lined with calcite, small breccia spots, pyrite present.
109	126'	Dark grey compact shale with lime streaks, breccia spots and slip breaks, beds dip 60° calcite seams on bedding plane and fractures
126	136'	Dark grey compact shale and lime streaks gradual bed dip change from 60° to 45°. Weak vertical fracture and slip breaks, calcite veinlets cementing breaks and fractures, small amount of pyrite present.
136	151'	Dark grey compact shale and lime streaks, weak vertical fracture, bed dip change from 45° to 30°, calcite veinlets on fractures, very little pyrite.
151	183'	Dark grey compact shale and lime streaks, no fracture except for occasional slip break, calcite seams on bedding planes and slips, beds dip 30°, no pyrite.
183	242'	Dark grey compact shale and lime streaks, occasional high angle fracture, and slip break, calcite seams on bedding plane, beds dip 25°.

242 293' Medium light grey shale with light grey lime streaks, calcite seams on bedding planes, weak vertical fracture, beds dip 20°.

293 406' Medium light grey shale with light grey lime streaks, weak vertical fracture, occasional bentonite seam from 1/2 inch to 6 inches, pyrite in bentonite beds dip 20°.

406 462' Grey to dark grey shale and lime streaks, bentonite seams on bed plane no fracture, beds dip 15°.

462 558' (Buda Lime) Light grey compact lime with shale seam breaks, some pyrite, occasional stylite parting, excellent core recovery, medium hard, weak high angle fracture.

558 568' Del Rio shale, dark grey (compact) shale with light grey limey streaks, weak vertical fracture calcite veinlets on fractures, beds dip 10°.

568 612' Light grey porous igneous rock, medium hard, vertical and high angle fracture, pyrite, present on fracture faces, hardness increases near bottom of this section.

This hole was bottomed at 612' all cores were checked with a Geiger Counter and no radiation was detected. A small show of cinnabar present from 84' to 84' 8". Willemite screen tests were run on cores with fairly good results in the top section of igneous material.

The following attached assays for mercury were run on the igneous rock.

No. 1 - 84' to 84' 8"

No. 2 - 85' to 87'

No. 3 - Random sample from 66' to 92'

No. 5 - Random sample from 19' to 43'

L. C. Whittiker

RECEIVED
JAN 17 1957
D.M.E.A.

BIG BEND MINING, INC. Hole No. 9-9 Area 1, Stage 2

Land Hledsoe, et al Dates From 7/31/56 to 8/24/56

Location of Hole 1200' South and 2955' West of NE cor. Sec. 109, Blk. 3A1, T C Ry. Sur.

Presidio County, Texas (Contrabando Dome) Elevation 2510

Water at -0- Stands at -0- Casing Used 62 feet NX

Lime & Shale	0	17	Broken and altered probably Austin
Rock	17	109	Igneous, some breccia, calcite and pyrite
Shale	109	462	Eagle Ford with lime shells
Lime	462	558	Buda
Shale	558	568	Del Rio
Rock	568	612	Igneous. Gets progressively harder with depth with considerable pyrite which makes it difficult to core.

NX diamond cored - 96% recovery.

Total depth 612 feet. Hole open and capped.

Reamed and set 62 feet of NX vasing - lost circulation and shattered material falling in off wall.

Formations were baked and very hard. Brittle and fractured making coring difficult and expensive.

Contractor: Kendrick Oil Co.

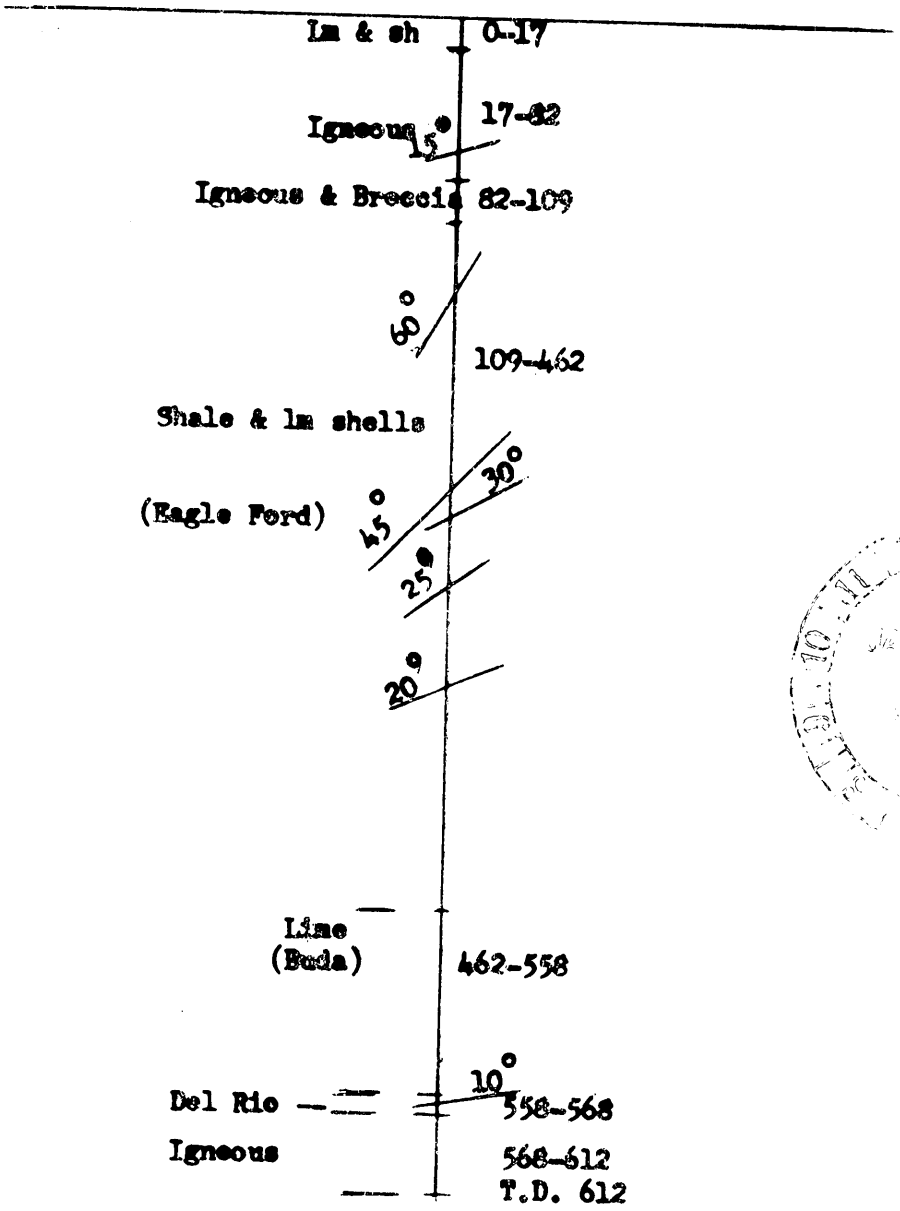
Cores classified by L. C. Whittiker.

Driller: James R. Johnson

I certify that the above log and statement is true and correct to the best of my knowledge and belief.

P. S. Kendrick

RECEIVED JAN 17 1957 D.M.E.A.


Lm & sh
0-17
Igneous
15°
17-82
Igneous & Breccia
82-109
60°
109-462
Shale & lm shells
(Eagle Ford)
45°
30°
25°
20°
Lime
(Buda)
462-558
10°
Del Rio
558-568
Igneous
568-612
T.D. 612

GEO. L. DICKINSON—PRESIDENT
GEO. G. DICKINSON—VICE-PRESIDENT
ROBERT L. DICKINSON—VICE-PRESIDENT
DR. J. A. HANCOCK, PH. D.—CONSULTING CHEMIST

DICKINSON LABORATORIES, INC.

ASSAYERS — CHEMISTS — METALLURGISTS
UMPIRES
WATER ANALYSIS
PHONE 2-9264 — P. O. BOX 7006
1300 WEST MAIN ST. EL PASO, TEXAS

Aug. 29, 1956.

CERTIFICATE OF ASSAY

Lab No. 10035

ASSAYED FOR: Mr. L. C. Whittiker,

ADDRESS: Alpine, Texas.

MARKED: Samples for Kendrick Oil Co.

Gold Ozs. per ton	Silver Ozs. per ton	% Lead	% Copper	% ~~Mex~~ Mercury	% Silica	% Calcium Fluoride	Effective Units	% Manganese	% Iron
		#1		0.04					
		#2		0.00					
		#3		0.03					
		#5		0.03					

Geo L Dickinson ASSAYER

CHARGES $16.00

SUBSIDIARIES: Texas Testing Laboratories • Cottonseed Oils • Physical Testing • Farm Service Laboratory • Soil and Water Analyses

3rd Orig. Wash.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July 1956 Docket No. DMEA 3776 Contract No. Ida-1893

Operator's Name Big Bend Mining, Inc. Minerals Mercury & Uranium

Address Box 269, Abilene, Texas

Contract Amount, $ Government Participation: 75 % Amount, $ 99,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~[illegible]~~ Short Form Contracts:						
Drilling	3,222.00	14910.00	18132.00			
Bulldozing	-0-	575.00	575.00			
Crosscutting						
~~Drilling~~ Cement & Redrill	670.00	318.00	988.00			
Ream & Case	22.00	422.00	444.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3914.00	16225.00	20139.00			

RECEIVED
MINERALS TECHNOLOGY DIVISION
AUG 16 1956
BUREAU OF MINES
JOPLIN, MO.

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

Date Aug. 14, 1956 *Payee Big Bend Mining, Inc.

Per [signature] Title President

*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:

$ 2,935.50

Signature
(Authorized Certifying Officer)

Date 11-1-56 Vou. No. 4-7
(See other side)

D.O. Vou. # 26986

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E893 in accordance with the terms of the contract.

Signature Clinton C. Knox Title Mining Engineer Date Oct 25, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Clinton C. Knox Title Executive Officer Date Oct. 25, 1956

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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED NOV 9 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1956 Docket No. DMEA 3776 Contract No. Ida-5893
Operator's Name Big Bend Mining, Inc. Minerals Mercury & Uranium
Address Box 269, Abilene, Texas

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.	3222.00	537	18132.00	3022	6.00	18000	6.00
Cement ~~XXX~~ & Redrill Onurn	ft.	670.00	335	988.00	716	2.00	9000	2.00
Ream & ~~XXXX~~ case	ft.	22.00	11	444.00				
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Hr.	-0-	-0-	575.00	46	12.50	300	12.50
Total Distributed Costs		3914.00		20139.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								

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 August 14, 1956 Operator Big Bend Mining, Inc.

Per [signature] Title President

→ 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)

Remarks:

(For Government use only)

RECEIVED
MINERALS TECHNOLOGY
DIVISION

AUG 16 1956

BUREAU OF MINES
JOPLIN, MO.

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 872894

DRILL RECORD

Kendrick Oil Co.
Box 269
Abilene, Texas

BIG BEND MINING, INC.

Hole No. 9-4 Area 3

Land Bledsoe et al — Dates From 6-26-56 to 7-30-56

Location of Hole 1860 ft. S. [illegible] ft. W of NE cor. Sec. 109, Blk. 341, T.C.Ry.Sur. Presidio County, Texas

Struck Water at None — Stands at -0- — Casing Used 11' of 4" — Elevation 2645

Shale	0	124	Eagle Ford, black limy with numerous cacite veins and some pyrite limonite.
Rock	124	151	Igneous sill.
Shale	151	213	Eagle Ford. Brecciated and sheared from 151 to 171 feet. Fault zone?
Rock	213	235	Igneous Sill.
Shale	235	305	Eagle Ford. Some calcite veins and dissemination of pyrite.
Shale	305	360	Eagle Ford.
Rock	360	537	Igneous. Soft and porous at top, Grading into fine grained and granite like formation at bottom - very hard and dense.

NX Diamond cored 537 feet bottom of hole.

Set 11 feet of 4" casing which was left in hole and capped. Hole left open to bottom.

Lost circulation	11	13	Cement & Redrill	6 feet
" "	13	105	" "	93 "
" "	13	326	" "	236 "
			Total	335 feet

This hole 9-4, and holes 9-3, 5-6 and 5-7 were exceptionally hard to drill due to so much fracturing, crevases, baked lime and shale which made them very hard, and the igneous rock got progressively harder in all holes with depth into the igneous until it drilled like granite.

The bit cost on holes 9-3, 9-4, 5-6 and 5-7 was out of all proportion to ordinary drilling - one truck was kept busy most of the time hauling water for holes 9-3 and 9-4 due to water loss.

Contractor: Kendrick Oil Co.
Cores classified by L. C. Whittiker
Driller, James R. Johnson

I certify that the above log and statement is true and correct to the best of my knowledge and belief.

P. S. Kendrick

PROGRESS REPORT ON EXPLORATION PROJECT CONTRACT
No. Idm- E 893. Docket DMEA-3776

Contrabando Dome, Presidio County, Texas
Big Bend Mining, Inc.

Report on Drill Hole No. 9-4 From 0 to 537'

0 - 124' Eagle Ford formation, black limy shale with numerous calcite veinlets. Some pyrite and limonite.

124 - 151' Igneous sill.

151 - 213' Eagle Ford. Brecciated and sheared from 151 to 171'. Probably fault zone.

213 - 235' Igneous sill.

235 - 246' Hard shale, compact, limy streak; dark grey, beds dip 30°, pyrite present on bedding planes and vertical fractures.

246 - 262' Compact dark grey hard shale with lime streaks, strong vertical fracture cemented with calcite veinlets.

262 - 274' Dark grey shale with lime streaks, hard and soft spots, calcite and pyrite on bedding planes, weak vertical fracture filled with minute calcite veinlets, beds dip 30°.

274 - 286' Dark grey shale with lime streaks, broken, hard and soft spots, vertical fracture filled with calcite, some breccia spots and slip breaks, pyrite present, beds dip 30°.

286 - 292' Hard dark grey shale with lime streaks vertical fracture filled with calcite veinlets, small amounts of pyrite present, beds dip 30°.

292 - 326' Hard dark grey shale with lime streaks, vertical fracture filled with calcite in size from veinlets to 1/3 in. in width, some pyrite present, beds dip from 25° to 30°.

326 - 347' Hard dark grey shale with lime streaks, at 327'. 1' of finely brecciated shale & lime with abundant pyrite, weak vertical fracture cemented with calcite veinlets, beds dip 25° to 30°.

347 - 354' Hard dark grey shale with pronounced lime streaks, calcite veinlets up to 1/2 in. in width cementing vertical fracture, some replacement of lime with calcite on bedding planes, beds dip 30° plus.

354 - 360' Soft to hard dark shale and lime streaks, some breccia with calcite cementation, pyrite present, beds dip 30°.

360 - 369' Dark grey mottled igneous rock with vertical fractures filled with calcite veinlets, top 4' shows brecciation with shale and lime fragment, color changes to predominant light grey at 367', some pyrite present on fracture faces.

369 - 390' Light grey igneous rock slightly porous, broken with vertical fracture, pyrite present on fracture faces.

390 - 412' Light grey igneous rock, high vertical fracture, broken, slightly porous, good core recovery, hardness increase

412 - 448' Light grey igneous, this section shows very little fracture, relatively hard 100% core recovery, no mineralisation.

448 - 460' Light grey igneous rock, hard, difficult to cut with diamond bit, very blocky, some vertical fracture with pyrite present.

460 - 486' Light grey igneous rock, very little fracture hardness increase, no mineralization except for calcareous material coating fracture faces.

486 - 506' Light grey igneous, compact extremely hard and difficult to cut, vertical fracture, white calcareous material coating fracture faces, no mineralization.

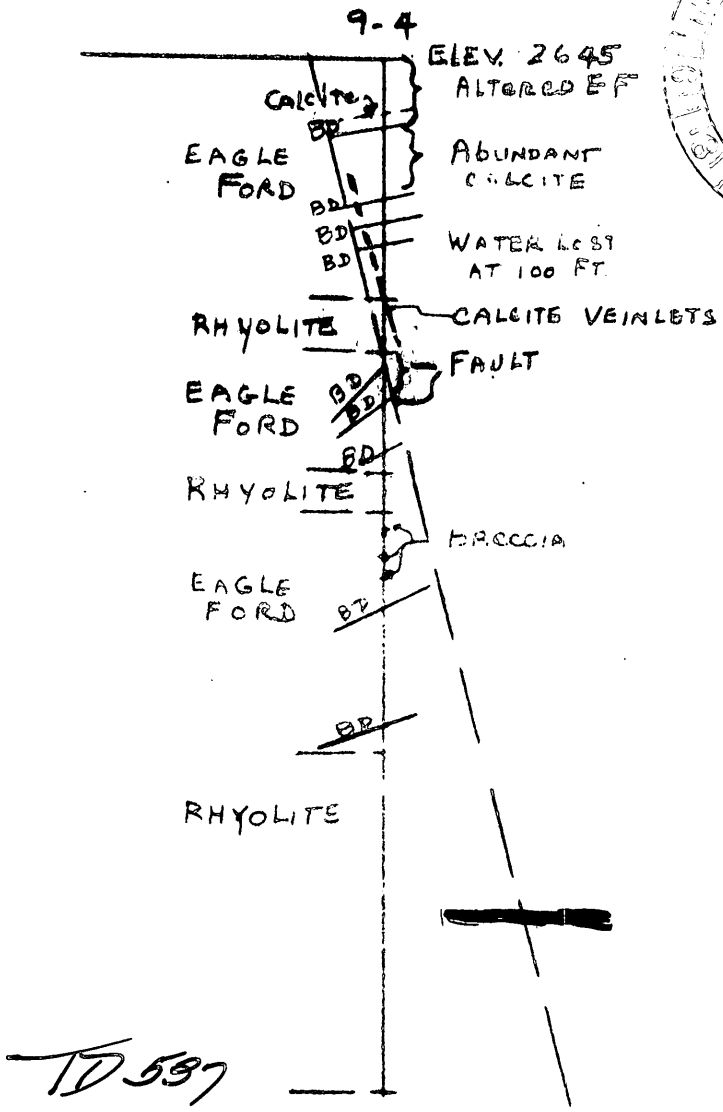
506 - 537' Fine grained granetic rock mottled light pink and grey extremely hard and difficult to cut, vertical fracture, no mineralization.

This drill hole was bottomed at 537', July 30, 1956, with no shows of mercury or uranium, except for traces of mercury on Willemite screen tests in igneous rock.

Estimated NX. Core recovery 92%.

L C Whittiker By BK

L. C. Whittiker



RECEIVED 1956

3rd Copy - Wash.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 27 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

IDM-E893

Month of June 195 6 Docket No. DMEA 3776 Contract No.

Operator's Name Big Bend Mining, Inc. Minerals Mercury & Uranium

Address

Contract Amount, $ 132,000.00 Government Participation: 75 % Amount, $ 99,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling	3666.00	11244.00	14910.00	✓		
Bulldozing	-0-	575.00	575.00	—		
Crosscutting						
~~Drilling~~ drlg. Cementing & out	54.00	264.00	318.00	✓		
Reaming & Case	210.00	212.00	422.00	✓		
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3930.00	12,295.00	16225.00	3930.00		

RECEIVED
MINERALS TECHNOLOGY DIVISION
JUL 30 1956
BUREAU OF MINES
JOPLIN, MO.

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

Date 7/24/56 *Payee Big Bend Mining, Inc.

Per [signature] Title President

*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:

$ 2,947.50

Signature
(Authorized Certifying Officer)

Date 9-7-56 Vou. No. 4-4
(See other side)

D.O. Vou. # 14584

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E893 in accordance with the terms of the contract.

Signature Clinton C. Knox Title Mining Engineer Date August 3, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Clinton C. Knox Title Executive Officer Date August 28, 1956

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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
MINERALS TECHNOLOGY
DIVISION
JUL 30 1956
BUREAU OF MINES
JOPLIN, MO.

RECEIVED
SEP 27 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1956 Docket No. DMEA 3776 Contract No. IDM-E393
Operator's Name Big Bend Mining, Inc. Minerals Mercury & Uranium
Address Box 269, Abilene, Texas

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.	3666.00	611	14910.00	2485	6.00	18000	6.00
Cement & Bank Redrill	Ft.	54.00	27	318.00	370	2.00	9000	2.00
Ream & Accec Case	Ft.	210.00	105	422.00				
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Hr.	-0-	-0-	575.00	46	12.50	300	12.50
Total Distributed Costs		3930.00		16225.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Bulldozer Transport		None		None				170.00
Total Costs								132000.00

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 7/14/56 Operator Big Bend Mining, Inc.

Per [signature] Title President

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.

Remarks:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 87 2894

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Box 431
Joplin, Missouri

RECEIVED
SEP 27 1956

September 25, 1956

DMEA Operating Committee
Department of the Interior
Washington 25, D. C.

Re: DMEA-3776 (mercury)
Big Bend Mining, Inc.
Contrabando dome, Presidio County, Tex.
Project Contract Idm-E893

Dear Sirs:

Forwarded herewith are your two copies of the MF-104 Monthly Report by the cited Operator covering the June project work. The voucher data of the Finance Officer are posted on each.

Also enclosed for your immediate information is one copy each of this Operator's Monthly Reports for July and August excepting the MF-104 vouchers on which Field Team approval yet is being withheld.

Also forwarded herewith are three copies each of three sketch maps received yesterday from this Operator which pertain to holes number 9-1, 9-2, 9-9, 5-6, and 5-8, which I believe will be self-explanatory when related to the respective Monthly Reports covering each of those holes.

Sincerely yours,

Clinton C. Knox

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/enn

encl.(14)
cc: DMEA Op.Com.
Harshman,USGS,Denver-Airmail,w/3 copies of maps
3776 file

RECEIVED
SEP 27 1956

Progress report on Exploration Project Contract No. Idn. -- 8893. Docket No. DMEA -- 3776. Contrabando Dome Presidio Co., Texas, Big Bend Mining, Inc.

REPORT ON DRILL HOLE NO. 5-6, AREA NO. 6

Drilling began on drill hole no. 5-6, area no. 6, on May 23, 1956, and terminated on June 8, 1956. Vertical hole with collar elevation of 2632 feet was drilled. Drilling started with a rock bit which was replaced after 10 feet of drilling with a diamond core bit. NX core was taken from 10' to 216'. Formations penetrated were as follows:

0 to 10 -- Rock bit, NX core from there down.

10 to 16 -- Shale, black, calcareous, dense and petroliferous in places.

16 to 31 -- Breccia, consists of fragments of grey limestone and black shale, cemented with calcite.

31 to 175 -- Shale, black, dense, light grey calcareous streaks and some calcite filled vertical fractures.

175 to 216 -- Igneous rock, acidic. Igneous rock grades from a frothy, white, porous, light weight rock on top to a dense, grey, non-porous rock on the bottom. Pyrite filled vertical fractures are present in this rock.

Drill hole was bottomed at 216' with an estimated core recovery of 98%. All cores were checked with geiger counter and no radiation was detected. A willemite screen test was run on cores for mercury with negative results except for traces in igneous rock.

L. C. Whittier

RECEIVED
SEP 27 1956

Progress report on Exploration Project Contract No. Idm. -- E893. Docket No. DMEA -- 3776. Contrabando Dome, Presidio Co., Texas, Big Bend Mining, Inc.

REPORT ON DRILL HOLE 5-7, AREA NO. 14

Drilling began on drill hole no. 5-7, area 14, on June 8, 1956, and terminated on June 25, 1956. Vertical hole with collar elevation of 2684' was drilled. Drilling started with a rock bit which was replaced after 12' of drilling with a diamond core bit, NX core was taken from 12' to 395'. Formations penetrated were as follows:

0 to 12 -- Rock bit, NX core on down.

12 to 39 -- Limestone, buff colored, porous and chalky.

39 to 340 -- Shale, black, dense, light grey calcareous streaks. Calcite fillings along bedding planes and in vertical fractures which are present. A two foot bed of volcanic ash lies between 136' and 138'.

340 -- 395 -- Igneous rock, grades from frothy, white, fine grain on top to a dense medium grain, grey on the bottom. Pyrite filled vertical fractures are present in this rock.

Drill hole was bottomed at 395' with an estimated core recovery of 97%. All cores were checked with a geiger counter and no radiation was detected. A willemite screen test was run on cores for mercury with negative results except for traces in the igneous rock.

L. C. Whittaker

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

3rd Copy - Wash

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1956 Docket No. DMEA 3776 Contract No. IDM-E 893
Operator's Name BIG BEND MINING INC. Minerals Mercury, Uranium
Address Box 269, Abilene, Texas
Contract Amount, $ 132,000 Government Participation: 75 % Amount, $ 99,000

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	3,468.00	7,776.00	11,244.00			
Bulldozing	-0-	575.00	575.00			
~~Crosscutting~~ Cement and redrill	100.00	164.00	264.00			
Drifting						
Ream and Case	90.00	122.00	212.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3,658.00	8,637.00	12,295.00	3,658.00	✓	12,295.00

RECEIVED
MINERALS TECHNOLOGY DIVISION
JUN 18 1956
BUREAU OF MINES
JOPLIN, MO.

CC/K

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

Date June 8, 1956 *Payee BIG BEND MINING INC.

Per [signature] Title President

*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)

RECEIVED AUG 16 1956

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

$ 2,743.50

Signature
(Authorized Certifying Officer)

Date 8-7-56 Vou. No. 4-2
(See other side)

D.O. Vou. No. 8032

(For Government use only)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E893 in accordance with the terms of the contract.

Signature Clinton C. Kirov Title Mining Engineer Date July 26, 1956

Approval by DMEA Executive Officer or Alternate:

Signature Clinton C. Kirov Title Executive Officer Date July 31, 1956

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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1956 Docket No. DMEA 3776 Contract No. IMI-E-893
Operator's Name BIG BEND MINING INC. Minerals Mercury, Uranium
Address Box 269, Abilene, Texas

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	feet	3,468.00	578	11,244.00	1,874	6.00	18,000	6.00
Cement and redrill	"	100.00	50	264.00	238	2.00	9,000	2.00
Ream and case	"	90.00	45	212.00				
Stripping								
Trenching								
Test Pits								
Roads and Trails Bulldozer	Hr.	-0-	-0-	575.00	46	12.50	300	12.50
Total Distributed Costs		3,658.00		12,295.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Bulldozer transport		none		none				170.00
Total Costs								132,000

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 June 8, 1956 Operator BIG BEND MINING INC.

Per [signature] Title President

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)

RECEIVED
AUG 16 1956

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 872894

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Box 431
Joplin, Missouri

August 14, 1956

DMEA Operating Committee
Department of the Interior
Washington 25, D. C.

Re: DMEA-3776 (mercury-uranium)
Big Bend Mining, Inc.
Contrabando dome, Presidio County, Tex.
Project Contract Idm-E893

Dear Sirs:

Transmitted herewith is your copy of the cited Operator's Monthly Report for the May project work with the Finance Officer's Voucher data posted thereon. Your other copy of this report was forwarded for your review with my June 18 letter on the subject project.

Sincerely yours,

Clinton C. Knox

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

CCK/enn

encl.
cc: DMEA Op.Com.
3776 file

RECEIVED
AUG 16 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
Box 431
Joplin, Missouri

August 14, 1956

DMEA Operating Committee
Department of the Interior
Washington 25, D. C.

Re: DMEA-3776 (mercury-uranium)
Big Bend Mining, Inc.
Contrabando dome, Presidio County, Tex.
Project Contract Idm-E893

Dear Sirs:

Transmitted herewith is your copy of the cited Operator's Monthly Report for the May project work with the Finance Officer's Voucher data posted thereon. Your other copy of this report was forwarded for your review with my June 18 letter on the subject project.

Sincerely yours,

CCK/enn

Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

encl.
cc: DMEA Op.Com.
3776 file

RECEIVED
AUG 16 1956

Extra copy to [illegible]

August 8, 1956

RECEIVED
MATERIALS TECHNOLOGY
DIVISION
AUG 9 1956
BUREAU OF MINES
JOPLIN, MO.

Memorandum

To: Clinton C. Knox

From: Cora A. Piper

Subject: Payment - Contract IDI-[illegible]-893

Payment of MP 104 for the month of May 1956, Contract IDI-[illegible]-893 was made on Bureau Voucher No. 4.-2, D. C. Voucher No. 8032, August 7, 1956, in the amount of $2,743.50.

Cora A. Piper

RECEIVED
AUG 1 8 1956

COPY COPY

BIG BEND MINING, INC.
Box 269
Abilene, Texas

June 9, 1956

United States Department of the Interior
Defense Minerals Exploration Administration
Box 431
Joplin, Missouri

Attention: Mr. Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

Re: DMEA-3776 (Mercury)
Contrabando Dome Presidio
County, Texas
Project Contract Idm-E893

Dear Mr. Knox:

We have completed the drilling of hole #9-3, Stage 1, Area 2 on Contrabando Dome and enclosed are the following:

1. Five copies - Form MF-104
2. Five copies - Form MF-104A.
3. Five copies - Progress report by P. S. Kendrick.
4. Five copies - Drill record signed by P. S. Kendrick.
5. Five copies - Cross section plat by L. C. Whittiker.
6. One copy - Drillers log for your file

I trust you will find these in better shape than the April report.

Referring to your letter of June 5, 1956, we will, as soon as possible, get a geologist on the ground and try to correct the discrepancies pointed out in same.

After completing #9-3, we moved on 5-6 and Mr. Reynolds, the driller, got sick, and we were shut down all last week. We started up again last Monday, June 4, and we haven't received Mr. Whittiker's report, but we will be talking with him tonight or tomorrow, and we will call you Monday and bring you up to date on our operations.

Yours very truly,

BIG BEND MINING, INC.

By
(signed) P. S. Kendrick, President

PSK:ijb
Encls.

RECEIVED
MINERALS TECHNOLOGY
DIVISION

JUN 18 1956

BUREAU OF MINES
JOPLIN, MO.

Abilene, Texas
June 8, 1956

PROGRESS REPORT on Exploration Project Contract No. Idm.--E893. Docket No. DMEA --3776. Contrabando Dome Presidio Co., Texas, Big Bend Mining, Inc.

REPORT ON DRILL HOLE NO. 9--3, AREA NO. 2

Drilling began on drill hole no. 9-3, area no. 2, on May 2, 1956, and terminated on May 23, 1956. Vertical hole with collar elevation of 2616 feet was drilled at a point 90 feet S. 21° W. from the smaller of two Igneous outcrops mapped along the major fault trace, as indicated on Escar W. Armstrong map, and 2070' from E. line and 2270' from N. line of Section 109, Block 341, T. C. Ry Co. Survey, Presidio County, Texas.

The hole was drilled vertically to a depth of 578'. The first 12' was drilled with 5-5/8" rock bit and 4½" casing was cemented. From 12' to 578' was cored with NX diamond bit resulting in approximately 97% recovery. Thickness and detailed description of formations encountered in this hole are set out in detail in the attached drill record to which reference is here made.

One hundred per cent water loss was encountered at 36' and the hole mudded, and one hundred per cent water loss encountered again at 48'. The hole was reamed to 57' and that amount of NX casing set with good results.

Forty per cent water loss was encountered again at 150', but no effort was made to seal this off. From 217' to 267' one hundred per cent water loss was encountered again at which depth the hole was cemented. 50' of cement was drilled out with little result. No further effort was made to correct water loss as formation all the way down was fractured and at places very porous.

One new diamond bit was worn out in making the last 23' and the formation was getting progressively harder. 57' of NX casing were recovered and plug put in the top of 4½" casing left in hole. The hole was left open to bottom.

All cores were checked with a gieger counter and no radiation was detected. Willemite screen tests were run on cores for mercury minerals with negative results except for traces in Breccia material and Igneous rock.

The Breccia material referred to in the Drill Record contained considerable fragments of Buda and Georgestown Limestone.

H Kindrick

DRILL RECORD

Kendrick Oil Co.
Box 269
Abilene, Texas

RECEIVED
MINERALS TECHNOLOGY
DIVISION
JUN 18 1956
BUREAU OF MINES
JOPLIN, MO.

Big Bend Mining Inc.

Hole No. 9-3

Land Bledsoe et al

Date: From 5/2/56 to 5/22/56

Location of Hole 90' S 21° W from smaller of two igneous outcrops mapped along a major fault trace as specified in contract

Elevation 2616

Struck Water at -0- Stands at -0- Casing Used

Limestone	0	12	light to brown weathered
Shale	12	297	black calcareous, prominent vertical fractures filled with secondary calcite, horizontal slippage is evidenced by slickensides, some sections are pyritic, calcitic and argillaceous, bedding planes dip 20 degrees.
Igneous Rock	297	337	Light colored, fine grained with calcite filled seams and large metamorphosed Xenoliths of light and dark gray limestone and black shale.
Shale	337	342	Fractured black metamorphosed, slightly calcareous with calcite seams. 35 degree inclined bedding planes.
Igneous Rock	342	384	Light colored porous, slightly pyritic, and contains Xenoliths of black metamophosed shale and light and dark gray metamprphosed limestone.
Shale	384	413	Black brecciated, light and dark limestone, calcitic cementation.
Igneous Rock	413	470	Light colored, very fine grained with Xenoliths of black shale and light and dark limestone in contact zone.
Limestone and shale	470	538	Brecciated light and dark gray limestone and black shale, cemented with calcite.
Igneous Rock	538	578	Light colored, very fine grained porous, grading into darker, dense coarse grained.

All cores were checked with a gieger counter and no radiation was detected. Willemite screen tests were run on cores for mercury minerals with negative results except for traces in Breccia material and Igneous rock.

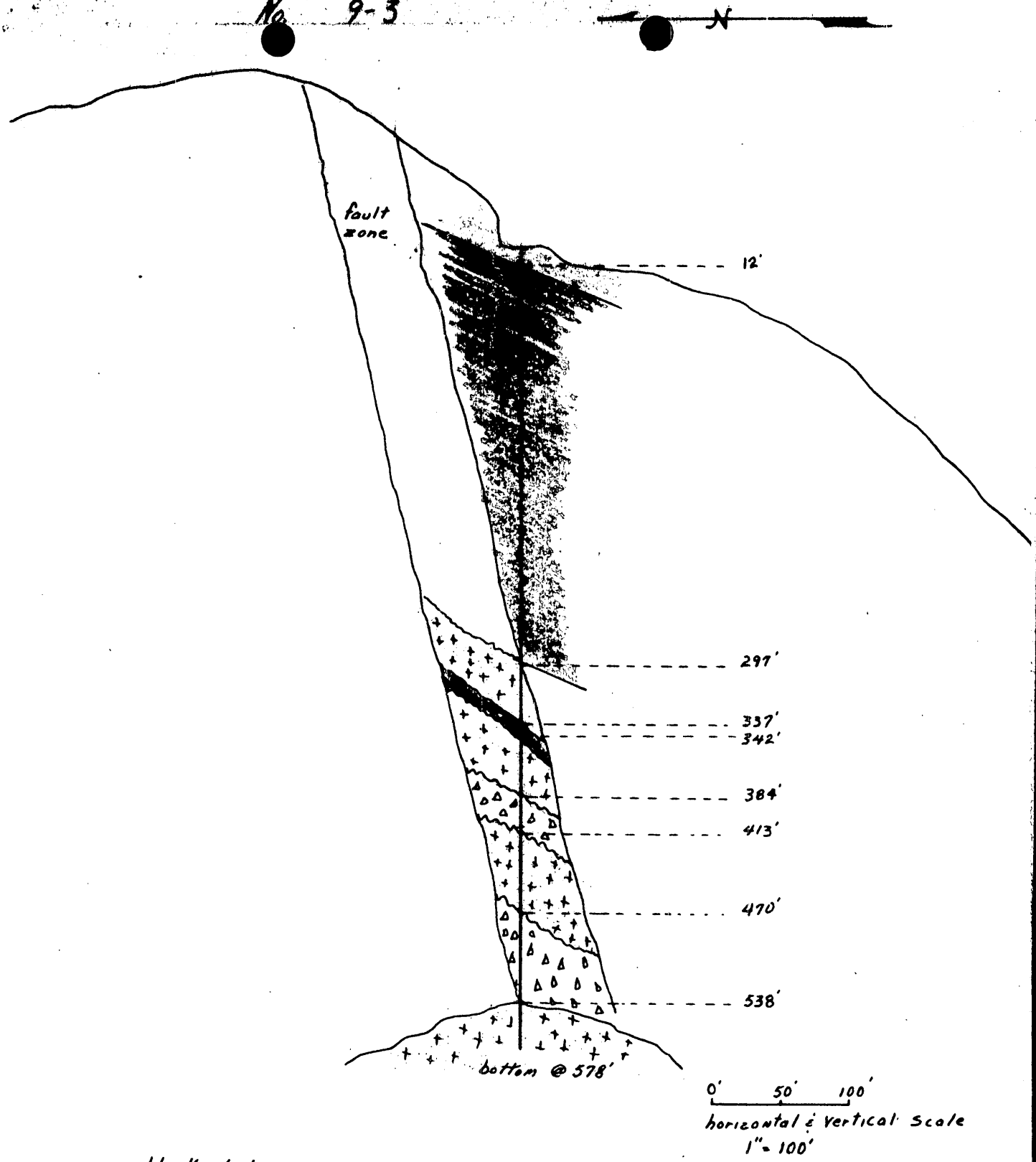
Contractor--Kendrick Oil Co.
Cores Classified by L. C. Whitaker
Driller--Oscar E. Reynolds

I certify that the above is true and correct to the best of my knowledge and belief.

B Kendrick

June 8, 1956

No. 9-5



black shale

breccia

igneous

limestone

L. C. Whittaker

Form MF-104 (Rev.)
(April 1953)

3rd copy Wash.

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

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JUN 20 1956

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

Month of April 1956 Docket No. DMEA 3776 Contract No. 1DM-B 893
Operator's Name Big Bend Mining, Inc. Minerals Mercury-Uranium
Address Box 269, Abilene, Texas
Contract Amount, $ 132,000 Government Participation: 75 % Amount, $ 99,000

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	7776.00	None	7776.00	✓		
Bulldozing	575.00	None	575.00	✓		
Crosscutting						
Drilling cement & drill	164.00	None	164.00	✓		
Ream & Case	122.00	None	122.00	✓		
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	8637.00	None	8637.00	8,637.00	—	8,637.00 ccr.

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MINERALS TECHNOLOGY DIVISION
MAY 14 1956
BUREAU OF MINES
JOPLIN, MO.

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 4/10/56 *Payee Big Bend Mining, Inc.
Per Phil S. Kendrick Jr. Title 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:

$6,477.75

Signature C.A.P.
(Authorized Certifying Officer)

Date 6-13-56 Vou. No. 4-4
(See other side)

O.O. Vou No. 78013

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMA-E893 in accordance with the terms of the contract.

Signature Clinton C. Knox Title Mining Engineer Date June 5, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Clinton C. Knox Title Executive Officer Date June 5, 1956

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 1962)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

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JUN 20 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1956 Docket No. DMEA 3776 Contract No. 1DM-9 893
Operator's Name Big Bend Mining, Inc. Minerals Mercury-Uranium
Address Box 269, Abilene, Texas

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Feet	7776.00	1296	7776.00	1296	6.00	18,000	6.00
Cement & Surr re-drill	"	164.00	82	164.00	143	2.00		2.00
Ream & Case	"	122.00	61	122.00		2.00	9,000	
Stripping								
Trenching								
Test Pits								
Roads and Trails Bulldozer	Hr.	575.00	46	575.00		12.50	300	12.50
Total Distributed Costs		8637.00		8637.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Bulldozer Transport		None		None				170.00
Total Costs								132000.00

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 4/10/56 Operator Big Bend Mining, Inc.

Per Phil S. Kendrick Jr. Title Treasurer

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)

Remarks:

(For Government use only)

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DIVISION

MAY 14 1956

BUREAU OF MINES
JOPLIN, MO.

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 872894

April [illegible]
Big [illegible]
Contract

[illegible]
[illegible]

3rd Copy
transmit to [illegible] when
contractor officer's [illegible] data
is ready

CCK:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
XXXXXXXXXXXXXXXXXXXX

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JUN 20 1956

June 18, 1956

DMEA Operating Committee
Department of the Interior
Washington 25, D. C.

Re: DMEA-3776 (mercury-uranium)
Big Bend Mining, Inc.
Contrabando dome, Presidio County, Tex.
Project Contract Idm-E893

Dear Sirs:

Transmitted herewith is your copy of the cited Operator's Monthly Report for the April project work with the Finance Officer's Voucher data posted thereon. Your other copy of that report was forwarded with my Interim Report of May 16 on which you will want the above-mentioned Voucher data also posted.

Also enclosed here for your information is one of your copies of this Operator's Monthly Report for the May project work. Your other copy will be forwarded when approved by me and "Certified" by the Finance Officer. The Interim Report by John Faick, U.S.G.S., Tuscon, on his inspection of the project last week for this Field Team will be forthcoming shortly.

To Eng. Div.

Sincerely yours,

Clinton C. Knox

Clinton C. Knox
Executive Officer
Region IV

CCK/enn

encl.3
cc: DMEA Op.Com.
Finance Off.,USBM,Bartlesville
3776 file

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JUN 20 1956

June 15, 1956

Memorandum

To: Clinton C. Knox, Executive Officer, DMEA Field Team, Region IV

From: Fiscal Officer, Region IV

Subject: Payment-Contract and IDI-E-393

NF 104 payment for April 1956, Contract and IDI-E-393 was paid on Bureau Voucher No. 4.-4 in the amount of $6,477.75 by E. E. Waters, Disbursing Officer, symbol 411, D. C. Voucher No. 78013, June 13, 1956.

Cora A. Piper

REVISED

Alpine, Texas
May 9, 1956

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Progress report on Exploration Project Contract No. Idm. — E893. Docket No. DMEA-3776. Contrabando Dome, Presidio County, Texas, Big Bend Mining, Inc.

Bulldozer work started on March 14, 1956, and was in progress until the completion of four (4) miles of road and drill hole sites in project areas nos. 1, 2, 3, 6, 11, 14 and 18. The total bulldozer time was forty-six (46) hours.

REPORT ON DRILL HOLE NO. 9-1, Area no. 1

Drilling began on drill hole No. 9-1, area no. 1, on March 23, 1956, and terminated on April 14, 1956. Vertical hole with collar elevation of 2640 feet was drilled at 150' N 65°W of open cut as plotted on Armstrong map. Drilling started with a rock bit which was replaced after 5' of drilling with a diamond core bit. NX core was taken from 5' to 700'. Formations penetrated were as follows:

5 to 30' - light buff to brown calcareous argillaceous brecciated limestone

30 to 93' - brecciated limestone and dark shale with showings of calcite and pyrite.

93 to 509'- predominately dark to black shale with thin bedded gray lime. Petroliferous odor was present throughtout this section and accasional fractures with bleeding oil were noted in cores. Calcite seams occured along the bedding planes and numerous bentonitic clay seams are in evidence. Traces of pyrite were found.

509 to 603'- dense gray mottled limestone with stylite partings, some interbedded shale and slightly pyritic.

603 to 630'- dark altered pyritic and calcareous shale.

630 to 700'- porous light gray igneous rock vertical fracture, white to yellow pyrite.

Drill hole was agandoned at 700' with an estimated core recovery of 98%. All cores were checked with a gieger and no radiation was detected. Willemite screen test was run on cores for mercury with negative results except for traces in igneous rock.

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JOPLIN, MO.

DRILL HOLE NO. 9-2, AREA NO. 1

Drilling began on Drill hole No. 9-2, area no. 1, on April 16, 1956, and terminated on May 1, 1956. Vertical hole with collar elevation of 2600 feet was drilled 100' S 16°W along road from open cut as per specifications in P. 1 of Amendment #1 to contract. Drilling started with rock bit which was replaced after 10'6" of drilling with a diamond core bit, NX core was taken from 10' 6" to 596'. Formations penetrated were as follows:

0 to 10' 6" - light buff to brown weathered lime

10'6" to 38' - light brown brecciated lime

38 to 459' - predominately dark to black shale with thin bedded gray lime, occasional bentonitic clay seams, some pyrite present.

459 to 555' - dense gray mottled limestone with stylite partings some interbedded shale, slightly pyritic.

555 to 580' - dark altered pyritic and calcareous shale.

580 to 596' - porous light gray igneous rock with vertical fracturing white to yellow pyrite.

Drill hole was bottomed at 596' estimated core recovery 98%.

All cores were checked with a gieger counter and no radiation was detected. Willemite screen tests were run on cores for mercury minerals with negative results except for traces in igneous rock.

Bedding plane dip on both drill holes is 25 to 30° southwest off of Dome structure.

Please find attached hypothetical sketch showing rock column penetrated, also relation of holes to fracture zone.

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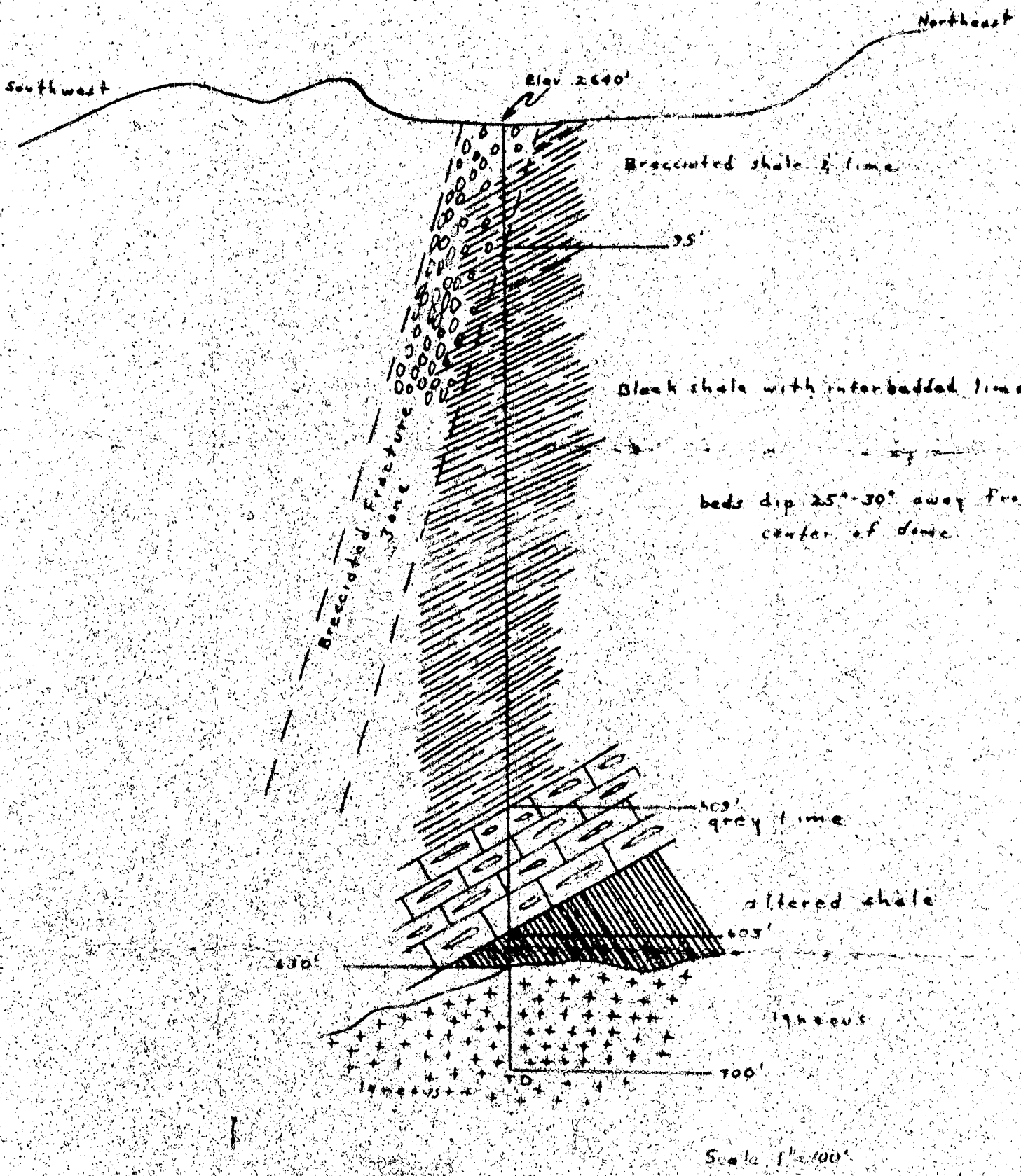
JOPLIN, MO.

Drill-hole No. 9-1



L.C. Whitten

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JUN 20 1956

COPY COPY

BIG BEND MINING, INC.
Box 269
Abilene, Texas
May 10, 1956

United States Department of the Interior
Defense Minerals Exploration Administration
Box 431
Joplin, Missouri

Attention: Mr. Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

Re: DMEA-3776 (Mercury)
Contrabando Dome Presidio
County, Texas
Project Contract Idm-E893

Dear Mr. Knox:

We have completed the drilling of holes #9-1 and 9-2 of stage 1 on Contrabando Dome and enclosed are the following:

1. Five copies - Form MF-104.
2. Five copies - Form MF-104A.
3. Five copies - progress report by L. C. Whittiker
4. One copy - drillers log for holes #9-1 and 9-2.
5. One copy - Mineral lease M-43695 dates April 9, 1956 from Commissioner General Land Office, Austin, Texas covering Sec. 108, Blk. 341, T.C.Ry. Co. Survey, Presidio County, Texas.
6. One copy - Assignment of extension contract covering the lease on Sec. 105 and 109, Blk. 341, T.C.Ry. Co. Survey, Presidio County, Texas executed by P. S. Kendrick, L. C. Whittiker and Geo. F. Fry.

Forms MF-104 and MF-104A cover total footage cored of 1296 feet, cement and re-drill 82 feet, ream and case 61 feet and bulldozer 46 hours at a total cost of $8,637.00 which amount represents 100% at contract price.

We trust you will find these in order but if there is any additional information you may need or any corrections, please let us know at once and we will give it our immediate attention.

We enjoyed your visit both at Lajitas and Abilene and hope you will be seeing us often, at least until we complete our contract on Contrabando Dome.

Yours very truly,

BIG BEND MINING, INC.

By
/s/ P. S. Kendrick, President

PSK:vv
Encls.

Alpine, Texas
May 9, 1956

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JUN 20 1956

Progress report on Exploration Project Contract No. Idm. -- E893. Docket No. DMEA -- 3776. Contrabando Dome Presidio Co., Tex., Big Bend Mining, Inc.

Bulldozer work started on March 14, 1956, and was in progress until the completion of four (4) miles of road and drill hole sites in project areas nos. 1, 2, 3, 6, 11, 14 and 18. The total bulldozer time was forty-six (46) hours.

REPORT ON DRILL HOLE NO. 9--1, AREA NO. 1

Drilling began on drill hole no. 9--1, area no. 1, on March 23, 1956, and terminated on April 14, 1956. Vertical hole with collar elevation of 2640 feet was drilled at 150' N 65°W of open cut as plotted on Armstrong map. Drilling started with a rock bit which was replaced after 5' of drilling with a diamond core bit. NX core was taken from 5' to 700'. Formations penetrated were as follows:

5 to 30' -- light buff to brown calcareous argillaceous brecciated limestone

30 to 93' - brecciated limestone and dark shale with showings of calcite and pyrite

93 to 509'- predominately dark to black shale with thin bedded gray lime. Petroliferous odor was present throughout this section and occasional fractures with bleeding oil were noted in cores. Calcite seams occurred along the bedding planes and numerous bentonitic clay seams are in evidence. Traces of pyrite were found.

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JOPLIN, MO.

Drill hole was abandoned at 596' with an estimated core recovery of 98%. All cores were check with same results as drill hole 9-9. DRILLER- OSCAR E. REYNOLDS

Bedding Plane dip on both drill holes is 25 to 30° Southwest off of Dome Structure.

L. C. Whittiker

L. C. WHITTIKER

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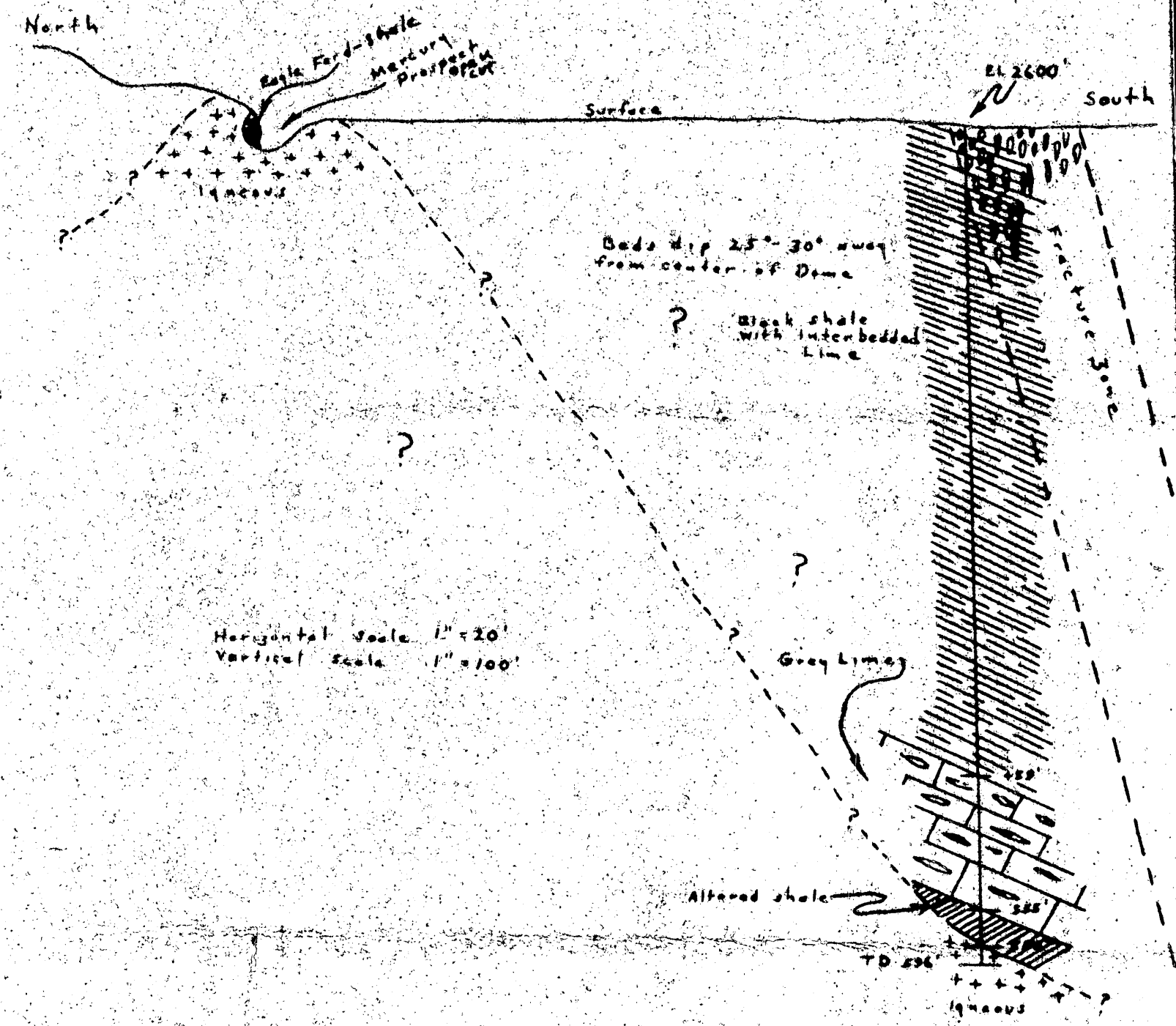
JOPLIN, MO.

Drill hole No. 9-2



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DENVER

509 to 603' - dense gray mottled limestone with stylite partings, some interbedded shale and slightly pyritic

603 to 630' - dark altered pyritic and calcareous shale

630 to 700' - porous light gray igneous rock vertical fracture, white to yellow pyrite

Drill hole was abandoned at 700' with an estimated core recovery of 98%. All cores were checked with a gieger and no radiation was detected. Willemite screed test was run on cores for mercury with negative results except for traces in igneous rock. DRILLER - OSCAR E. REYNOLDS.

DRILL HOLE NO. 9--2, AREA NO. 1

Drilling began on drill hole No. 9-2, area no. 1, on April 16th, 1956, and terminated on May 1, 1956. Vertical hole with collar elevation of 2600 feet was drilled 100' southward along road from open cut as platted on Armstrong map, drilling started with a rock bit which was replaced after 10'6" of drilling with a diamond core bit, NX core was taken from 10'6" to 596'. Formations penetrated were as follows:

0 to 10'6" - light buff to brown weathered lime

10'6" to 38' - light brown brecciated lime

38' to 459' - same as drill hole 9-1 FROM 93-509 except no bleeding oil in cores were noted.

459' to 555' - Same as drill hole 9-1 - FROM 509-603.

555 to 580' - Same as drill hole 9-1 - FROM 603-630.

580 to 596' - Same as drill hole 9-1 - FROM 630-670.

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DIVISION
MAY 14 1956
BUREAU OF MINES
JOPLIN, MO.

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JUN 20 1956

THE STATE OF TEXAS
COUNTY OF PRESIDIO

WHEREAS, E. G. Bledsoe and Elizabeth Bledsoe, L. B. Horton, W. E. Yaggy, Gordon Kenley, and C. A. Duncan, as Lessors, and P. S. Kendrick, L. C. Whittiker, and George F. Fry, as Lessees, did on April 23, 1955, enter into a certain lease contract covering Surveys 105 and 109, Block 341, T. C. Ry. Co., Presidio County, Texas, reference being here made to said contract for all relevant purposes; and

WHEREAS, the said lease contract has been assigned by the said P. S. Kendrick, L. C. Whittiker, and George F. Fry, to Big Bend Mining, Inc.; and

WHEREAS, that certain provision of said lease contract with reference to the date on or before which work was to be commenced has been extended from time to time until March 23, 1956, but the last of the extension agreements was made and entered into subsequent to the date of the assignment from the said P. S. Kendrick, L. C. Whittiker, and George F. Fry to the said Big Bend Mining, Inc., and a question has been raised as to the sufficiency of said assignment to convey all of the rights held and owned by the said P. S. Kendrick, L. C. Whittiker, and George F. Fry, by virtue of said lease and extension agreements;

NOW, THEREFORE, Know All Men By These Presents, that P. S. Kendrick, L. C. Whittiker, and George F. Fry, in consideration of the premises, and for the purpose of eliminating any question as to the ownership of said lease contract, do hereby Grant and Convey unto the said Big Bend Mining, Inc., the said lease as extended, and all rights thereunder or incident thereto, upon the same terms and conditions contained in the original assignment, and the said assignment is hereby ratified, adopted, and confirmed.

EXECUTED this 28th day of February, A. D. 1956.

/s/ _____
P. S. KENDRICK

/s/ _____
L. C. WHITTIKER

/s/ _____
GEORGE F. FRY

THE STATE OF TEXAS ⎫
COUNTY OF TAYLOR ⎭

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared P. S. Kendrick, L. C. Whittiker, and George F. Fry, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 28 day of February, A. D. 1956.

/s/ Vivian Yardley
Notary Public, Taylor County, Texas

COPY COPY

THE STATE OF TEXAS)
COUNTY OF PRESIDIO) I, DELLA BOND, County Clerk in and for said County, do hereby certify that the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 27 day of April A.D., 19 56, at 3:30 o'clock P.M. and duly recorded the 30 day of April A.D., 19 56 at 9:40 o'clock A.M., in the Deed Records of said County, in Vol. 147 on page 3.

WITNESS my hand and the seal of office, at my office in Marfa, Texas.

By: _____ /s/ DELLA BOND
Deputy County Clerk, Presidio County, Texas

COPY COPY

MINERAL LEASE M- 43695

Date: April 9, 1956

RECEIVED
JUN 20 1956

WHEREAS, Big Bend Mining, Inc.

of Abilene, Texas on the 9th day of April 19 56, filed in the General Land Office his application to lease, in accordance with Chapter 497, Acts 54th Legislature, 1955, Article 5421c-7, Vernon's Civil Statutes, the following described tract of land:

Sec. 108, Blk. 341, TC Ry Co Survey, Presidio County, 640 acres

NOW THEREFORE, I, J. EARL RUDDER, Commissioner of the General Land Office of the State of Texas, by virtue of the authority vested in me, do hereby lease and grant unto Big Bend Mining, Inc. who has paid the amount of $1,280.00 the exclusive right to prospect for, produce and take out of the aforesaid area for a period of five years and as long thereafter as production in paying quantities is obtained, uranium, thorium or other fissionable materials, or gold, silver, platinum, cinnabar and other metallic ores and precious stones that may be therein, upon the following conditions, to-wit:

1. The owner of this lease shall pay to the Commissioner of the General Land Office, at Austin, Texas, for the use and benefit of the State of Texas annually in advance One Dollar ($1.00) per acre for the second year and each succeeding year thereafter during the primary term hereof which shall be payable unless production in paying quantities is being obtained and royalty being paid the State thereon.

2. When production in commercial quantities of the minerals covered by this lease is secured, the owner shall pay to the Commissioner of the General Land Office at Austin, Texas, for the use and benefit of the State of Texas one-sixteenth (1/16th) of the value of the metallic ores and precious stones, and one-sixth (1/6th) of the value of uranium, thorium or other fissionable materials produced from the area embraced herein, the amount so payable being based on the value of the production at the mouth of the mine.

3. All royalty that may become due the State shall be paid on the twentieth (20th) day of the month following the month in which the minerals, uranium, thorium or other fissionable materials were produced. The payment shall be accompanied by the sworn statement of the owner, manager, or other authorized agent showing the gross amount of production since the last report and the market value of the same together with a copy of all checks or memoranda of the amount produced.

4. The books, accounts, records and contracts pertaining to the production, transportation, sale and marketing of the minerals, uranium, thorium or other fissionable materials, shall at all times be subject to inspection and examination by the Commissioner of the General Land Office, the Attorney General, and the Governor, or the representatives of either of them.

4-20-56

5. The State shall have a first lien upon all production from the area covered by this lease to accure the payment of all unpaid royalty and other sums of money that may become due under said lease.

6. A log of each core test drilled on the area covered by this lease must be filed in the General Land Office within thirty (30) days after such drilling shall have been completed or abandoned, and the correctness of such log shall be sworn to by the owner, manager or driller.

7. All development must be done in such a manner as to prevent, as far as practicable, the pollution of water. When any claim or mine is abandoned, all shafts, mines, or openings of any kind which, if left exposed, would be dangerous to human beings or livestock shall be covered or enclosed in such a manner as to remove the danger.

8. The owner of this lease may fell and remove for mining purposes any timber upon the area included herein, and shall also have the right to occupy within the limits of the lease so much of the surface as may be necessary for the development of the minerals and substances herein; and shall have the right of ingress and egress to and from the area embraced herein.

9. This lease may be assigned in quantities of not less than forty (40) acres unless there be less than forty (40) acres remaining out of the tract originally leased in which case such lesser area may be assigned. Such assignments shall be recorded in the county in which the land is located and a certified copy thereof, certified by the county clerk from his records, forwarded to the General Land Office within ninety (90) days from the date of recordation, accompanied by a One Dollar ($1.00) filing fee for each tract affected.

10. The owner of this lease may relinquish it back to the State at any time by recording the relinquishment in the county where this area is situated and filing a certified copy, certified by the county clerk, in the General Land Office within ninety (90) days after its execution, accompanied by a filing fee of One Dollar ($1.00). Such relinquishment will not have the effect of releasing the owner from any liability theretofore accrued in favor of the State.

11. If the owner of this lease should fail or refuse to make the payment of any sum due either as rental on this lease or for royalty on the production when it shall become due, or if the owner or his authorized agent should knowingly make any false return or false report concerning production, royalty, or drilling or mining as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if the owner or his agent should refuse the proper authority access to the records pertaining to operations under this lease, or if such owner or his authorized agent should knowingly fail or refuse to give correct information to the proper authority as provided herein, the lease shall be subject to forfeiture by the Commissioner of the General Land Office.

12. When required by the Commissioner of the General Land Office, the authority of a manager or agent to act for the owner of this lease must be filed in the Land Office.

COPY COPY

13. Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this lease and any rules and regulations adopted relative thereto.

IN TESTIMONY WHEREOF, I have caused the Seal of the General Land Office to be affixed hereto at the City of Austin, on the 9th day of April, 19 56.

/s/ J. Earl Rudde
Commissioner of the General
Land Office

Audit C.L.L.
Legal A.M.

4-20-56

COPY COPY

RECEIVED
JUN 20 1956

Compared

THE STATE OF TEXAS)
COUNTY OF PRESIDIO) I, DELLA BOND, County Clerk in and for said County, do hereby certify that the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the 27 day of April A.D., 19 56, at 3:30 o'clock P.M. and duly recorded the 30 day of April A.D., 19 56, at 9:15 o'clock A.M., in the Deed Records of said County, in Vol. 147 on pages 1-2.

WITNESS my hand and the seal of office, at my office in Marfa, Texas.

Indexed

By: _____
Deputy

/s/ Della Bond
County Clerk, Presidio County, Texas

FILED FOR RECORD

April the 27 1956 at 3:30 o'clock P.M.

/s/ Della Bond
County Clerk, Presidio County, Texas
2.00

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

Big Bend Mining, Inc.
Box 269
Abilene, Texas

Re: Docket No. DMEA 3776- Mercury
Contrabando Dome Project
Presidio County, Texas
Contract No. Idm-1893

Gentlemen:

This is with reference to the subject exploration Contract between you and the Government.

It is not our intention to issue a certification of discovery or development which would create a lien against the property. We are therefore closing our books and records with respect to this project. At this same time your attention is called to the provisions of the contract requiring the operator to keep and preserve certain records for the period indicated.

We regret that the exploration work performed did not result in a discovery or development. Your participation in the exploration program, however, is sincerely appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

TLCHAPMAN/dlm 5-9-58

cc to : Code 400
Admr. R. File
Oper. Comm.
BURTON IV
Code 800
Code 110

CC to: Messrs. L. B. Horton
W. E. Yaggy
Gordon Kenley
C. A. Duncan

Members. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

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

Letters to:
Mr. W. E. Yaggy
San Angelo, Texas

Mr. C. A. Duncan
San Angelo, Texas

Mr. Gordon Kenley
San Angelo, Texas

Mr. L. B. Horton
San Angelo
Tom Green County, Texas

Re: Docket No. [illegible] 3776 - Tarbury
[illegible] and Mining, Inc.
Concrete and Rose
Presidio County, Texas
Contract No. [illegible]-[illegible]3

Dear Mr. Horton:

Reference is made to the consent to lien which you executed on October 11, 1955, in connection with the DMEA contract for an exploration project on your property located in Presidio County, Texas.

For your information, there is enclosed a copy of our letter of this date to Big Bend Mining, Inc., advising that the Government retains no lien or claim against the property described in the contract or any future production therefrom.

Sincerely yours,

C. O. Mittendorf

Administrator

CLCHAPMAN/dlm 5-9-56
cc to: Code 400
Admr. R. File
Oper. Comm.
Mg. Div. IV
Code 800
Code 110
Messrs. J. W. Pennington, USGS
T. H. Killsgaards, USGS

"Audit Copy"

RECEIVED
MINERALS TECHNOLOGY
DIVISION
MAY 20 1957
BUREAU OF MINES
JOPLIN, MO.

EXPLORATION PROJECT CONTRACT IDM-E893
BIG BEND MINING, INC.
DOCKET NO. DMEA-3776(MERCURY-URANIUM)

AMENDMENT NO. 3

It is hereby agreed that Contract No. Idm-E893(Docket No. DMEA-3776), dated November 15, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, termed therein as the "Government", and Big Bend Mining, Inc., the "Operator", which with subsequent Amendments No. 1 and No. 2, altogether referred to here as the "Contract", is hereby further amended, effective November 15, 1956, as follows:

1. In the third line, paragraph 2 under item one, page one of Amendment No. 2, executed and made a part of said Contract as of July 30, 1956, the stipulation of "700 feet" hereby is changed to "702 feet", the maximum depth for drilling hole No. 8-5.

2. In the third line, paragraph 3 concerning "Area No. 6", on page two of Amendment No. 1, executed and made a part of said Contract as of January 20, 1956, the stipulation of "600 feet" hereby is changed to "662 feet", the maximum depth for drilling hole No. 5-6.

This Amendment No. 3 shall not be construed to increase the estimated cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in sextuplicate this 15th day of May 1957.

BIG BEND MINING, INC.

By [signature]

Title President

THE UNITED STATES OF AMERICA

By Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

EXTRA COPY
D M E A
RECEIVED
DATE
CODE

JUSTIFICATION FOR AMENDMENT NO. 3
TO CONTRACT IDM-E893
BIG BEND MINING, INC.
DOCKET DMEA-3776(MERCURY-URANIUM)
CONTRABANDO DOME PROJECT, PRESIDIO COUNTY, TEXAS

by

Clinton C. Knox, Mining Engineer

May 15, 1957

The preliminary core drilling specified under "Stage I" of the Contract, amended as of January 20 and July 30, 1956, was nearing completion when the Field Team inspected the project September 14, 1956. The holes were located at the specified wide-spread sites selected on the basis of geologic projection at depth on structures with superficial prospect exposures of significant cinnabar occurrences. The drilling, however, had failed to penetrate through the inferred Contrabando laccolith to reach the designated prime exploration target, the Georgetown limestone strata ordinarily regarded as the most favorable host rock for the mercury mineralization of the region.

Upon the Operator's formal request, on July 30, 1956, I approved drilling a "Stage II" hole(No. 9-9) concurrently with "Stage I" work. That hole No. 9-9 was completed August 24 on the specified location near one of the most favorable-appearing shallow cinnabar prospects. The results confirmed that the cinnabar extended downward in a steeply dipping fracture zone in igneous rock.

Therefore, at the instigation of the Field Team and with its prior approvals(in accordance with the memorandums of November 16 and 26, 1956, from King, USGS, to me), the Operator with some renewed enthusiasm agreed to make every reasonable effort to core drill through the inferred igneous laccolith in two of the "Stage I" holes(no. 8-5 and No. 5-6). On the basis of the stratigraphic, structural and mineralogical implications of the results of all the previous drilling, those hole locations were selected geologically as the most likely and practical for success in the final "Stage I" deep test warranted to probe the prime exploration target, the intersection of the steeply dipping mercury-bearing fracture zones with the upper Georgetown strata. If the recommended deep tests by those two holes failed or proved impractical, then all concerned were resigned to termination of the project work.

Thus Amendment No. 3 was justifiable to permit the drilling that could be accomplished to depths in excess of the previously estimated Contract maximums even though drilling through the inferred igneous laccolith and reaching the project objective proved virtually to be impossible, or at least impractical.

GOVERNMENT'S COPY

EXPLORATION PROJECT CONTRACT NO. IDM-E893
BIG BEND MINING, INC.
DOCKET NO. DMEA-3776 (MERCURY-URANIUM)

RECEIVED
AUG - 8 1956

AMENDMENT NO. 2

It is agreed this 30th day of July, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Big Bend Mining, Inc., hereinafter called the "Operator", parties to that certain Exploration Project Contract No. Idm-E893 (Docket No. DMEA-3776), dated November 3, 1955, as amended, hereinafter called the "Contract", that effective as of the date first above written, said Contract hereby is further amended as follows:

1. In Amendment No. 1, effective January 20, 1956 as a part of said Contract, the second paragraph on page two referring to drilling in "Area No. 11", hereby is deleted and the following stipulations substituted:

In the area of the so-called Shoemaker underground mine workings in the southwest part of section 108, included under the Contract, hole No. 8-5 shall be drilled to a maximum depth of 700 feet from a point designated in the ravine approximately 720 feet east and 865 feet north of the southwest corner of that section. This hole shall be drilled bearing due east on an inclination of -60 degrees.

2. In Amendment No. 1 of the Contract, the fifth paragraph on page two, referring to drilling in "Area No. 18", also hereby is deleted and the following stipulations substituted:

In Area No. 7 in section 105, indicated on the maps attached as a part of the Contract, hole No. 5-8 shall be drilled vertically to a maximum depth of 800 feet in the indicated "sink" structure at a designated point approximately 2,750 feet N 27° E from the southwest corner of that section.

The table of relationships between the drill hole numbers at the bottom of page two in Amendment No. 1 of the Contract, also hereby is changed in accordance with stipulations in the two foregoing items.

This Amendment No. 2 in no way alters the total drilling allowable, or the total and Fixed Unit Costs for "Stage I" work set by the Contract.

RECEIVED
MINERALS TECHNOLOGY
DIVISION

AUG 6 1956

BUREAU OF MINES
JOPLIN, MO.

The fourth paragraph on page 3 in Amendment No. 1 to the Contract is hereby deleted and the following stipulations substituted:

Total and Fixed Unit Costs of work and the methods for doing the work under Stages II and III, as set by the original Contract, shall apply to any such work under those stages as may be approved and specified in writing by the Government upon prior written request and adequate justification by the Operator.

This Amendment No. 2 shall not be construed to increase the estimated cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in sextuplicate as of the day and year first above written.

THE UNITED STATES OF AMERICA

By: Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

BIG BEND MINING, INC.

BY: [illegible]
President

MAR 16 1956

Mr. Clinton C. Knox, Executive Officer
DMEA Field Team, Region IV
P. O. Box 431
Joplin, Missouri

Re: Docket No. DMEA-3776, Mercury
Big Bend Mining, Inc.
Contrabando Dome
Presidio County, Texas
Contract No. Idm-E893

Dear Mr. Knox:

With regard to Amendment No. 1 of the referenced contract, the fourth paragraph on page 3 is susceptible to the interpretation that the Fixed Unit Costs for work under Stages II and III may be changed (may be increased), and thus may conflict with the last paragraph of the amendment.

The amendment is now in force. However, if another change in the contract should become necessary, the new amendment, whether to be signed by you or signed in Washington, should be prepared here in order that the above-mentioned paragraph may be restated.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

cc: Docket
Code 400
Code 800
Oper. Committee
Adm. Read. File
T. Kiilsgaard, USGS
Helena Meyer, USBM
FT, Region 4

WSMartin/ls
3/16/56

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

Memorandum

To: The Administrator, DMEA
Attention: Chief, Iron and Ferro-Alloys Division

From: Associate Solicitor, Division of Mineral Resources

Subject: DMEA-3776 (Marvery)
Big Bend Mining, Inc.
Contrabando Dome
Presidio County, Texas

We have reviewed the subject amendment.

The fourth paragraph on page 3 is susceptible to the interpretation that the Fixed Unit Costs for work under Stages XI and XII may be changed (may be increased), and thus may conflict with the last paragraph of the amendment.

In this regard, it is our understanding that the parties were thinking of a different kind of drilling than is provided for in the Contract. We have approved the amendment based upon this understanding.

Robert P. Dwyer

HCRubin/wog
March 12, 1956
Copy to: Solicitor's Docket (2)
DMEA Docket
W.S.Martin (2)
G.C.Selfridge
J.L.Chambers
R.P.Dwyer
H.C.Rubin
Chron.

GOVERNMENT'S COPY

EXPLORATION PROJECT CONTRACT
BIG BEND MINING, INC.
DOCKET NO. DMEA-3776

RECEIVED MINERALS TECHNOLOGY DIVISION
FEB 15 1956
FEB 13 1956
BUREAU OF MINES

AMENDMENT NO. 1

It is agreed this 20th day of January, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Big Bend Mining, Inc., hereinafter called the "Operator", parties to the Exploration Project Contract No. Idm-E893, Docket No. DMEA-3776, dated November 9, 1955, hereinafter called the "Contract", that said Contract hereby is amended as follows:

A photostatic reduction of a map entitled Surface Structure Map, Southwest Flank of Contrabando Dome, by Escar W. Armstrong, Consulting Geologist, is attached to this amendment.

Delete all of the stipulations in "Stage I" under "Description of the Work" in "Exhibit A" of said contract and substitute the following:

Bulldoze approximately 3 to 4 miles of access roads and prepare the drill hole sites in project Areas No. 1, 2, 3, 6, 11, 14, and 18.

In Area 1, drill hole No. 9-1 at a point 150 feet N. 65° W. of the open cut, to an approximately depth of 510 feet or bottomed in Georgetown limestone.

In Area No. 1, drill hole No. 9-2 at a point 100 feet along the road southward from the open cut. In case undue difficulty is experienced during a realistic attempt to drill this hole, the drill may be moved 30 to 40 feet southwest to complete this hole in the hanging wall strand of the mapped fracture zone. Completed depth of this hole shall be approximately 510 feet or bottomed in Georgetown limestone.

In Area No. 2, drill hole No. 9-3 at a point 90 feet S. 21° W. from the smaller of two igneous outcrops mapped along a major fault trace. If it was necessary to move the location of Hole No. 9-2 from the fracture zone, then this hole location may be moved likewise approximately the same distance. This hole shall have an approximate completed depth of 485 feet or bottomed in Georgetown limestone.

In Area No. 3, drill hole No. 9-4 at a point 140 feet N. 12° E. of the small isolated igneous outcrop 70 feet southeast of the east end of the larger igneous outcrop mapped along the major fault trace. This hole shall be drilled to an approximate depth of 505 feet or bottomed in Georgetown limestone. Should the hanging wall area in Hole No. 9-2 prove favorable, then this hole location likewise may be moved as much as 100 feet to a corresponding location with respect to the mapped fault trace.

In Area No. 11, (shown only on the Reconnaissance Structure Map of Contrabando Dome which remains a part of the Contract) drill hole No. 5-5 on northwest side and within 5 feet of the fault to a maximum depth of 700 feet. (Proposed hole No. 5 in Area 4A is not to be drilled under this amendment). Ord see Amd #2

In Area No. 6, (shown only on the contract map), drill hole No. 5-6 at the center of the indicated "sink" area, to a maximum depth of 600 feet.

In Area No. 14, (shown only on the contract map), drill hole No. 5-7 on the southeast side and within 5 feet of the fault to a maximum depth of 700 feet.

In Area No. 18, (shown only on the contract map), drill hole No. 5-8 on the northwest side and within 5 feet of the fault, to a maximum depth of 800 feet. Ord see Amd #2

The relationship between the drill hole numbers as designated in this amendment, those in "Exhibit A" of the Contract, and those indicated on the attached Armstrong map, are as follows:

New drill hole numbers as designated by this amendment	Drill hole location numbers previously designated in Contract	Drill hole location numbers shown on attached Armstrong map	Estimated Completed hole depths	Project Area Numbers	Area Location shown on
9-1	1	1	510'	1	Armstrong map
9-2	2	2	510'	1	Armstrong map
9-3	3	3	485'	2	Armstrong map
9-4	-	4	505'	3	Armstrong map
5-5	5	-	700'	11	Contract map
5-6	4	7	600'	6	Contract map
5-7	6	9	700'	14	Contract map
5-8	7	10	800'	18	Contract map
			4,810'		

In at least one hole of the above-specified Stage I drilling, Georgetown limestone, when found, is to be penetrated to a depth of 100 feet beyond the upper contact thereof.

The total drilling for Stage I under this Amendment No. 1 shall not exceed 4,900 feet.

This Amendment in no way alters the Fixed Unit Costs, for Stage I work, as set by the Contract.

Total and fixed unit costs of work stipulated in the Contract under Stages II and III shall be determined by new Amendments redescribing work of these stages, if other than the above-specified Stage I work is approved by the Government, whenever justifiable.

This Amendment shall not be construed to increase the estimated cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

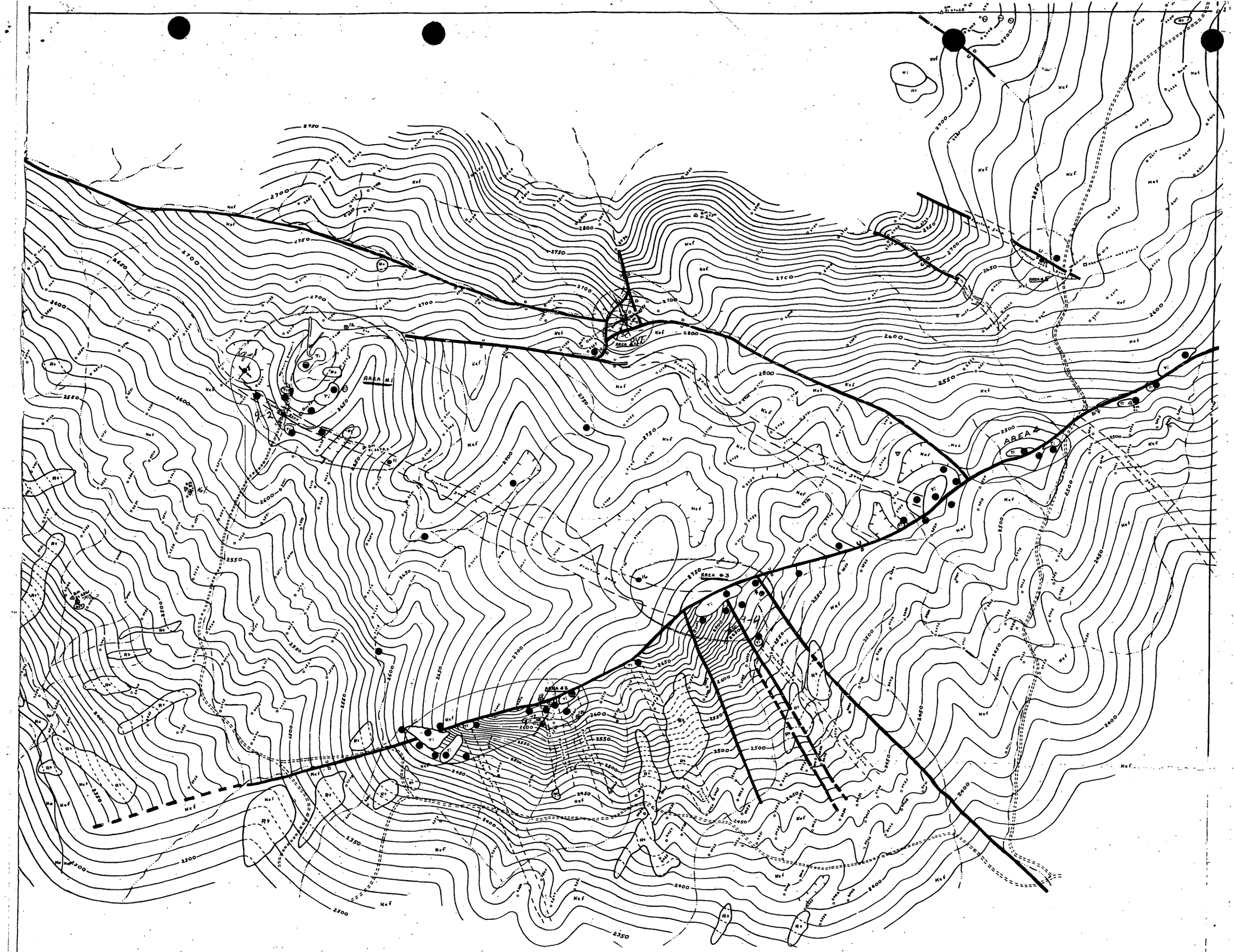
Executed in sextuplicate as of the day and year first above written.

THE UNITED STATES OF AMERICA

By: Clinton C. Knox
Executive Officer
DMEA Field Team, Region IV

BIG BEND MINING, INC.

BY: T. Kendrick, Pres.



Done for

Big Bend Mining, Inc.

by

Escar W. Armstrong - Consulting Geologist

Escar W. Armstrong 9 January 1956

Instrument - J. J. Herb & R. Carter

X 9-5 Amend. #1, Stage I drill hole Locations shown on this Map

SURFACE STRUCTURAL MAP

SOUTHWEST FLANK OF CONTRABANDO DOME

PRESIDIO COUNTY, TEXAS.

CONTOUR INTERVAL 10 FT. SCALE 0' 50' 100' 200'

NORTHEAST ¼, SECTION 109, BLOCK 241, T.C. RY. CO. SURVEY.

C
O
P
Y

RECEIVED
FEB 15 1956

BIG BEND MINING, INC.
Box 269
Abilene, Texas

February 9, 1956

Mr. Clinton C. Knox
Defense Minerals Exploration Admin.
Box 131
Joplin, Missouri

Re: DMEA-3776 (mercury)
Contrabando Dome
Presidio County, Texas

Dear Mr. Knox:

Referring to your letter of January 31st with amended contract enclosed, we return herewith the original and four copies signed by Mr. Kendrick as President.

Some parties have been negociating with us for an interest in the Big Bend properties and we have delayed starting the work on Contrabando until that is out of the way. We secured another 60 day extension so we would not be caught in a bind for ~~a~~ time.

We hope to get things cleared away so we can start work within the next week or ten days. Will give you notice in time for you to be on hand when we start the first well, if you so desire.

Yours very truly,
BIG BEND MINING, INC.

By (signed)
[illegible] Kendrick, President

PEK:vy
Encls.

Copies made and sent by knox, Feb. 13, 1956, to:

✓ DMEA Operating Committee (2) with Orig., Docket, and Division copies of Amendment 1, executed

Cora A. Piper, Regional Finance Officer, USBM, Bartlesville, with Finance Officer's copy of Amend. 1, executed

Donald R. MacLaren, USGS, Denver, P.T. Member

CCK

DMEA Form 14

Contract No. Idm-E 893

Docket No. 3776

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
November 3, 1955	IV	Texas	Mercury-Uranium

Name and Address of Operator: Big Bend Mining, Inc.
702 Oakes Boulevard
Abilene, Texas

	Reserve	Obligation
Prior Amount	0	99,000.00
Increase	0	0
Decrease	0	72,164.44
Revised Amount	0	26,835.56

Remarks:

ALLEN S. DAKAN
(Name)

Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 8/19/57

16418

Docket No. 3776

Commodity Mercury-Uranium

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 893

Date of Contract ~~or Amendment~~: Nov. 3, 1955

Name and Address of Operator:

Big Bend Mining, Inc.
702 Sales Boulevard
Abilene, Texas

Amount of Government participation $99,000.00

Percent of Government participation 75 %

Region: IV State: Texas

E. P. Talbert
(Name)

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

Date Delivered to Bureau of Mines, Washington. 11/3/55

54458

Government's Copy

RECEIVED
NOV 1 3 1955

MF-200A
(Revised June 1954)

Docket No. DMEA 3776

Commodity Mercury, Uranium

Contract No. Idm-E 893

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this NOV 8 1955 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Big Bend Mining, Inc., a Texas corporation,

whose mailing address is 702 Sales Boulevard, Abilene, Texas,

hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and 3 maps.

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Texas, County of Presidio, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the[4] See Annex I of[5] all mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a[6] See Annex I,[7] recorded in Book --, page --, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien of lessors of nonmetallic minerals; and Guaranty of P. S. Kendrick, George F. Fry, and L. C. Whittiker in lieu of Consent to Lien of lessors of metallic minerals.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

16—70618-1

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of mercury and uranium. The work to be performed is described in Exhibit "A." The Operator on or before [illegible] shall commence the work, and on or before June 30, 1957 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work, except as otherwise provided in Exhibit "A" with respect to stages of work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $132,000.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $99,000.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

BIG BEND MINING, INC.
(Operator)

By P S Kendrick

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator, Defense Minerals
Exploration Administration

I, PHIL S. KENDRICK, JR., certify that I am the secretary of the corporation named as Operator herein; that P.S. KENDRICK who signed this contract on behalf of the Operator, was then PRESIDENT 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.

Phil S. Kendrick Jr.

[CORPORATE SEAL]

BIG BEND MINING INC. SEAL

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

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NOV 1 6 1955

EXPLORATION PROJECT CONTRACT
BIG BEND MINING, INC.
DOCKET NO. DMEA-3776

ANNEX I

The land referred to in Article 2 of the contract form consists of three land sections as follows:

A. Sections 105 and 109 (referred to as survey numbers in leases), Block 341, T. C. Ry. Company Survey, Presidio County, Texas, contain 1,280 acres more or less, held by the Operator under two separate leases dated March 25, 1955, one of the metallic minerals and the other of the nonmetallic minerals.

B. Section 108, in the same Block as sections 105 and 109 above, held by the Operator under Prospecting Permit No. M-43695, from the State of Texas.

The three sections are outlined in green on the attached maps, Figures 1 and 2. The general location of the land is shown on the attached map entitled "Location of Mercury Mines . . . Big Bend Region of Texas."

Should the operator acquire an interest in Section 104 (otherwise called Survey 104, Block 341, T. C. Railway Company, Presidio County, Texas), or the claims in the northwest corner thereof, set forth on maps, Figures 1 and 2, said section, survey, or claims, shall be included as a part of the land referred to in Article 2 of the contract.

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NOV 1 6 1955

EXPLORATION PROJECT CONTRACT
BIG BEND MINING, INC.
DOCKET NO. DMEA-3776

EXHIBIT "A"

Description of the Work

The project is divided into three stages, as set forth below. The Operator shall perform Stage I, and shall perform as much of Stages II and III as the Government approves in writing. When approved by the Government, work under different stages may be performed concurrently.

The total diamond drilling shall not exceed 18,000 feet.

All drill holes shall be not less than AX in size.

All core shall be tested for uranium with a Geiger Counter or Scintillator.

All core from mineralized zones shall be split, and assayed for mercury and uranium if warranted. All core not used for assaying shall be marked and properly stored for inspection.

All drill holes shall be drilled vertically, unless otherwise approved by the Government.

Where necessary, drill holes shall be reamed and cased, or cemented and redrilled.

Stage I

Bulldoze approximately 3 to 4 miles of access roads to drill sites, and prepare drill areas 1, 2, 6, 11, 14, and 18 at locations shown on Figure I.

In Area 1, drill hole No. 1 at a point 450 feet S. 45° W. of the open cut to a maximum depth of 460 feet. It is expected that the measured dip of the dike at the open cut does not vary down the dip.

In Area 1, drill hole No. 2 at a point 950 feet S. 45° W. of the open cut to a maximum depth of 690 feet. However, should hole No. 1 indicate a change

in the dip of the dike, then hole No. 2 should be moved accordingly to cut the Georgetown limestone at about the depth indicated for this hole.

In Area No. 2, drill hole No. 3 on the north side of and within 5 feet of the fault, to a maximum depth of 750 feet.

In Area No. 6, drill hole No. 4 at the center of the sink hole, to a maximum depth of 600 feet.

In Area No. 11, drill hole No. 5 on the northwest side of and within 5 feet of the fault, to a maximum depth of 700 feet.

In Area No. 14, drill hole No. 6 on the southeast side of and within 5 feet of the fault, to a maximum depth of 700 feet.

In Area No. 18, drill hole No. 7 on the northwest side of and within 5 feet of the fault, to a maximum depth of 800 feet.

In at least one hole of Stage I, approved by the Government, the Georgetown limestone, when found, shall be penetrated to an approximate depth of 100 feet beyond the upper contact thereof.

The total drilling for this Stage I shall not exceed 4,900 feet.

Stage II

Bulldoze approximately 1,500 feet of access roads to drill areas, and prepare drill sites for 17 holes.

In Area No. 1, at points 100 feet N. 45° W. and 100 feet S. 45° E. from either holes Nos. 1 or 2, drill holes 8 and 9 to intersect the Buda limestone or the Georgetown limestone, or both, with a maximum depth of 680 feet for each hole.

In Areas 2, 11, and 18, drill three holes each at points 100 feet northeast, 100 feet southwest, and 50 feet northwest of holes 3, 5, and 7, respectively. Holes drilled

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in Area 2 shall have a maximum depth of 750 feet each, holes drilled in Area 11 shall have maximum depths of 700 feet each, and holes drilled in Area 18 shall have maximum depths of 800 feet each.

In Area 6, three holes shall be drilled at points of an equilateral triangle, each point to be 100 feet distant from hole No. 4. The maximum depth of each hole shall be 600 feet.

In Area 14, three holes shall be drilled at points 100 feet northeast, 100 feet southwest, and 50 feet southeast of hole No. 6. The maximum depth of each hole shall be 700 feet.

In at least one hole of Stage II, approved by the Government, the Georgetown limestone, when found, shall be penetrated to an approximate depth of 100 feet beyond the upper contact thereof.

The total drilling for Stage II shall not exceed 12,000 feet.

Stage III

Bulldoze approximately 3,000 feet of access road, and prepare drill sites for not to exceed 9 holes, if remaining footage from Stage II so warrants.

Drilling under this stage shall be performed in Area 3, or Areas 8 and 9, as approved by the Government.

In at least one hole of Stage III, approved by the Government, the Georgetown limestone, when found, shall be penetrated to an approximate depth of 100 feet beyond the upper contact thereof.

The total footage drilled in Stage III shall not exceed 1,100 feet plus any footages not used in Stages I and II.

Fixed Unit Costs

Stage I

Transportation of bulldozer to project site (no additional allowance is provided under this contract for transportation of bulldozer from the project site)	$ 170.00

Bulldozing 200 hours @ $12.50/hr.	$ 2,500.00	
Diamond drilling 4,900 feet @ $6.00/ft.	29,400.00	
2,450 feet of cementing and re-drilling or reaming and casing @ $2.00/ft. for either	4,900.00	
140 samples assayed for mercury 1/ @ $4.00 each sample	560.00	
Estimated Total Cost of Stage I		$ 37,530.00

Stage II

Bulldozing 40 hours @ $12.50/hr.	500.00	
Diamond drilling, 12,000 feet @ $6.00/ft.	72,000.00	
6,000 feet of cementing and re-drilling or reaming and casing @ $2.00/ft. for either	12,000.00	
340 samples assayed for mercury 1/ @ $4.00 each sample	1,360.00	
Estimated Total Cost of Stage II		85,860.00

Stage III

Bulldozing 60 hours @ $12.50/hr.	750.00	
Diamond drilling, 1,100 feet @ $6.00/ft.	6,600.00	
550 feet of cementing and re-drilling or reaming and casing @ $2.00/ft. for either	1,100.00	
40 samples assayed for mercury 1/ @ $4.00 each sample	160.00	
Estimated Total Cost of Stage III		8,610.00
Estimated Total Cost of Project		$132,000.00
Government Participation @ 75%		$ 99,000.00

1/ Including uranium assays when warranted.

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Re: DMEA -3776 (Mercury)
Contrabando Dome
Presidio County, Texas

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OCT 17 1955

G U A R A N T Y

In consideration of the waiver by the United States of America of the requirement of the Owner's Consent to Lien, as set forth in paragraph 2(C) of the attached Exploration Project Contract made and entered into between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration and Big Bend Mining, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Texas with an office located at 623 Mims Building, Abilene, Texas, the undersigned hereby guarantees the payment to the United States of America of royalties, under the terms of said contract and any amendment thereof, If for any reason the net smelter returns or other net amounts, from operations that would be subject, under said Contract and any amendment thereof, to such payments to the United States of America, are not available as a means of measuring the amount of such payment, then the undersigned agrees and undertakes to make such payment according to the best estimates of the amount that can reasonably be made, and in the event of dispute as to such estimate, the undersigned agrees that the determination thereof by either the Administrator of Defense Minerals Exploration Administration, or his designee, shall be final and binding upon the undersigned.

Dated: October 15, 1955

P. S. Kendrick

Geo. F. Fry

L. C. Whittiker

THE STATE OF TEXAS
COUNTY OF TAYLOR

BEFORE ME, the undersigned authority on this day personally appeared P. S. Kendrick, Geo. F. Fry and L. C. Whittiker known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN under my hand and seal of office this 15th day of October, 1955.

Vivian Yardley, Notary Public, Taylor County, Texas

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OCT 1955

EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA 3776
Contract No. Idm-E _____
Contract Date _____

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of PRESIDIO, State of Texas, described as follows:

Sections 105 and 109, Block 341, T.C. Railway Company, Presidio County, Texas

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract; and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:

NONE

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto, provided, however, that no such amendment or assignment shall serve to create any personal liability on the part of the undersigned.

5. Added Provision: NONE

Dates this 14th day of October, 1955.

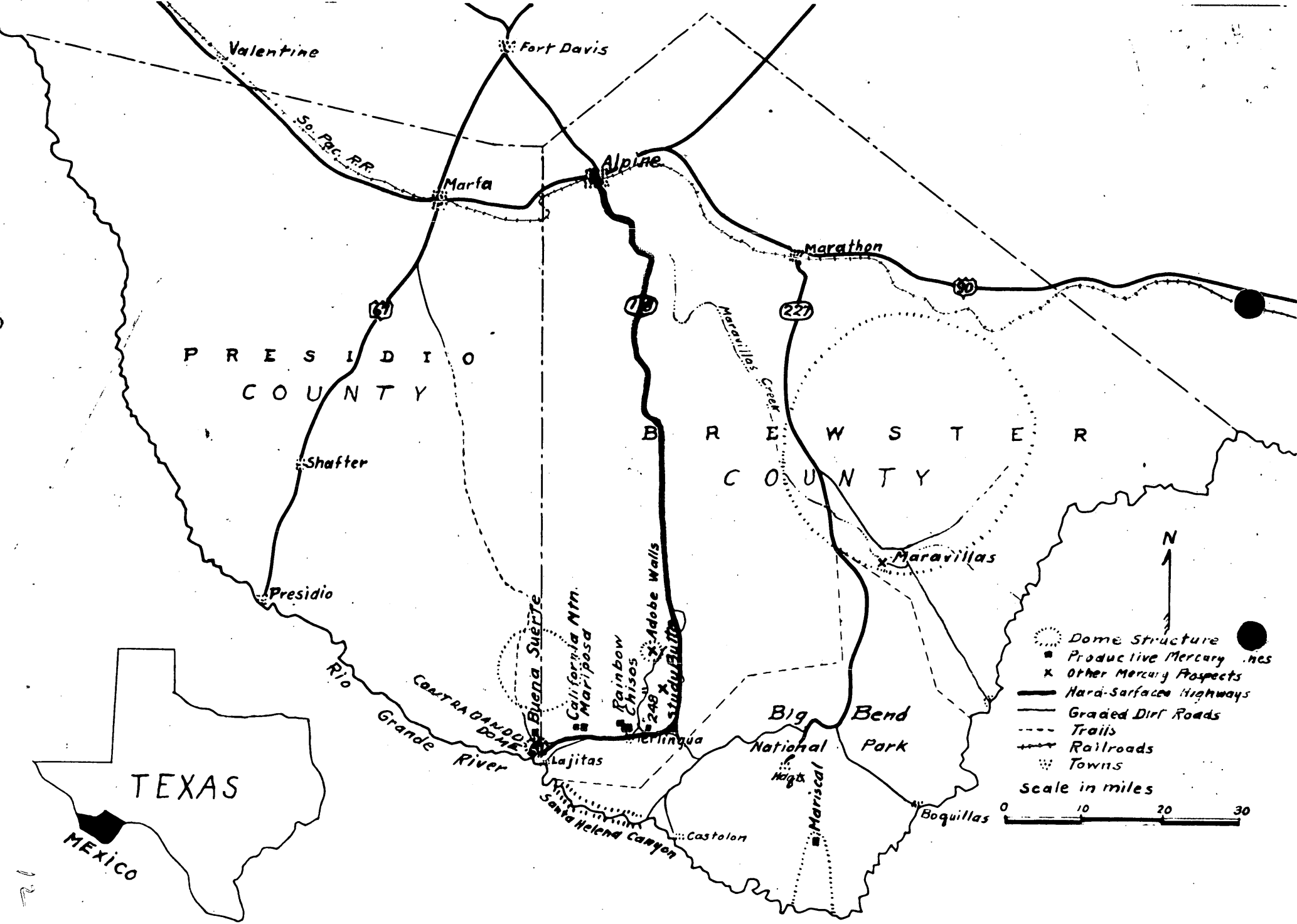
THE STATE OF TEXAS

COUNTY OF TOM GREEN.

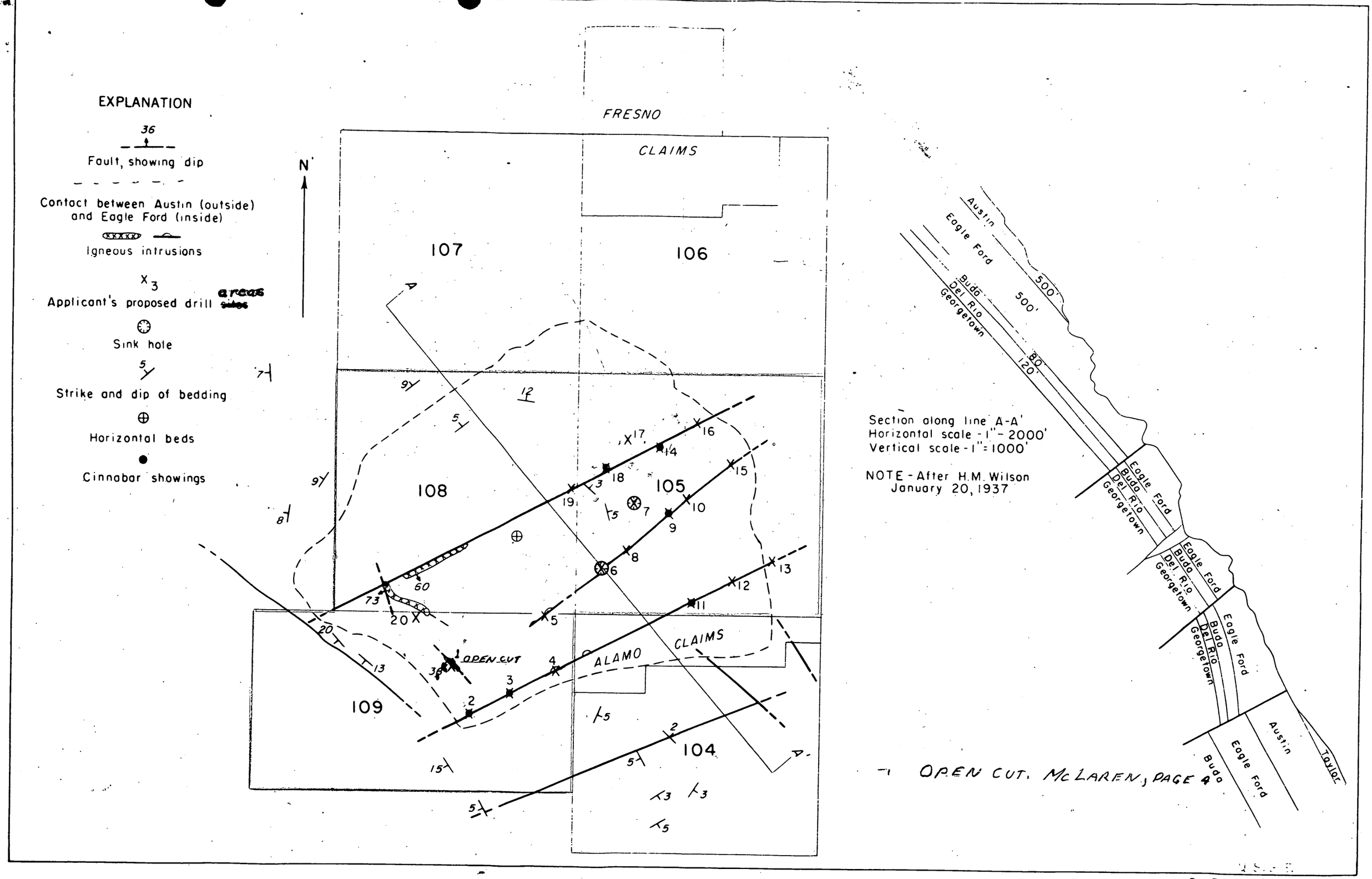
BEFORE ME, the undersigned, a Notary Public, in and for said County, Texas, on this day personally appeared L. B. Horton, Walter E. Yaggy, Gordon Kenley and C. A. Duncan, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 14th day of October, 1955.

Notary Public in and for Tom Green County, Texas.



Location of Mercury Mines and Prospects in the Big Bend Region of Texas



D. R. McLaren June 1955

FIGURE 1 -PLAN AND SECTION SHOWING GEOLOGY CONTRABANDO DOME, TERLINGUA MERCURY DISTRICT, PRESIDIO COUNTY, TEXAS

Reconnaissance Structure Map of Contrabando Dome

Presidio Co., Tex.

Taylor - Tertiary (lava & tuff cont).
Taylor - Austin.
Austin - Eagle Ford.
" - Tertiary
Igneous Sills & dikes.
Sills & Dikes (Intr.)
Tertiary Volcanics (Extr.)
Taylor.
Austin.
Eagle Ford.
Buda.
Del Rio
Geo - Edw.
Faults.
Faults (concealed)
Datum - Sea level.
Contours - top Eagle Ford.
Contour Interval - 100'
Collapsed caverns or sinks.
Quicksilver Mines - ⚒
Quicksilver Prospects - x
Quicksilver Showings - •
Scale - 1" = ~~2000'~~ 1000'

Geology by - H.M. Wilson.
1-20-1937.

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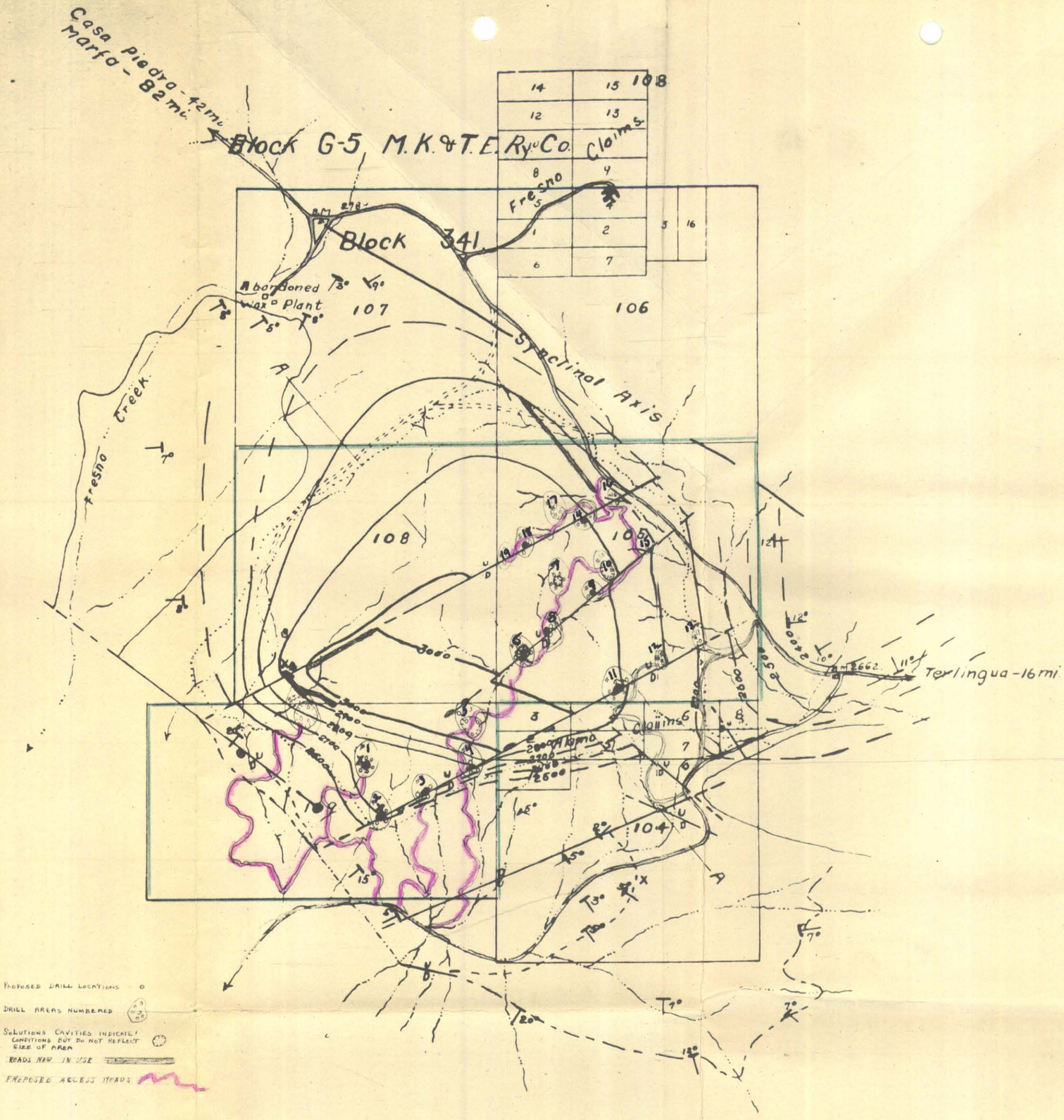
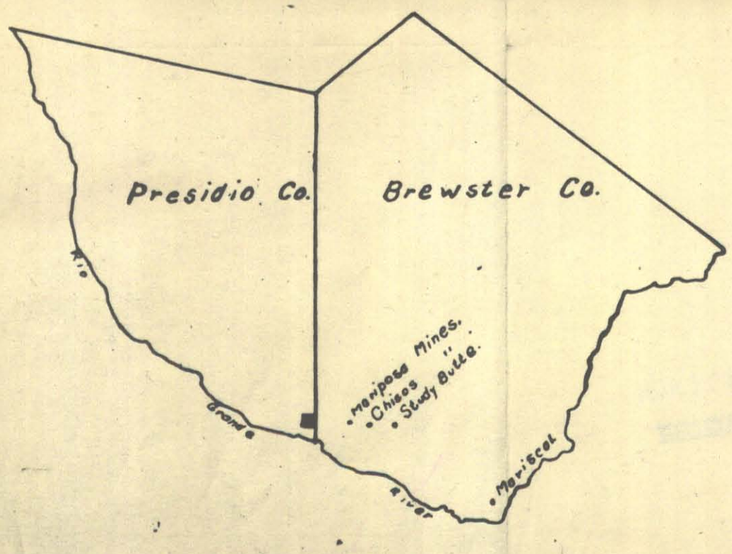


Index Map.



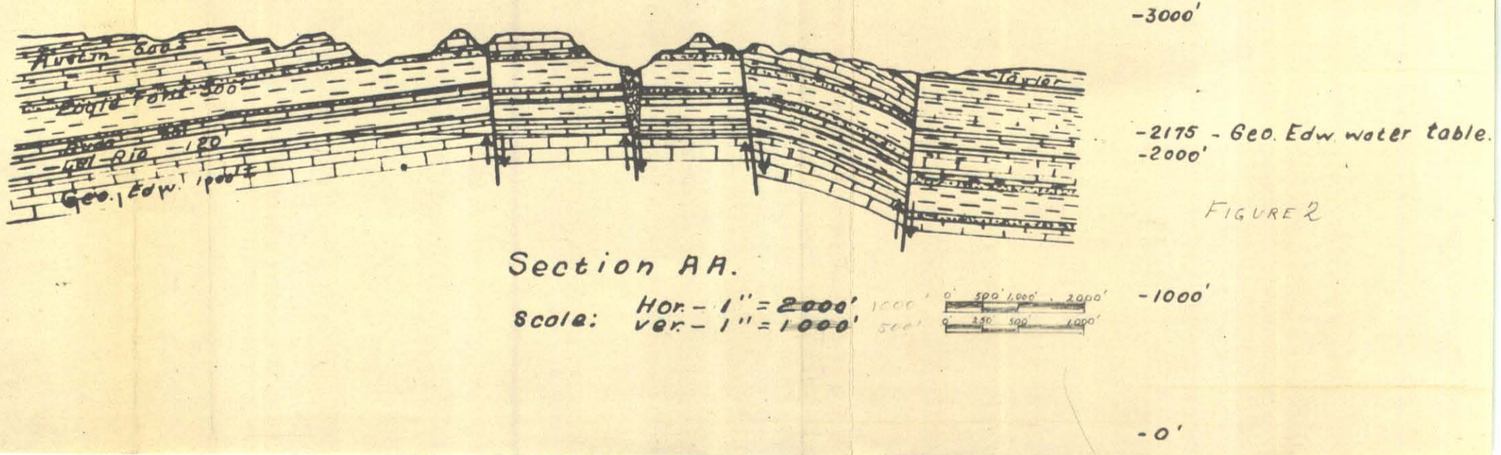


FIGURE 2