E-1009

For refund of overpayment of royalty of $29.80, dated October 2, 1961, see transmittal letter file.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-61009, DMEA-4242 (Lead-Zinc), dated September 14, 1956, with

Privateer Mining Company
211 South 3rd East Street
Springville, Utah

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Privateer Mine located in Juab County, Utah, during the period May 7, 1960, through September 5, 1961.

A certification of discovery or development was issued on December 13, 1957, and, in accordance with Article 6 and Amendment No. 1 of the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated October 9, 1957, indicated accepted costs under the exploration contract amounting to $5,547.00 with the Government's contribution, on a 50 percent basis, being $2,773.50.

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

This review established the total sales of crude ore for the period to be $1,170.63. Royalty due the Government at rates specified in the contract is $47.05.

A prior Report of Royalty Review dated May 10, 1960, found the sales subject to Government royalty through May 6, 1960, to be $2,849.31 which added to the sales for this subsequent period make a total of $4,019.94. The royalty account as of May 6, 1960, was:

Total Royalty Due	$124.15
Total Royalty Paid	142.47
Overpayment of Royalty	$ 18.32

At September 5, 1961, the royalty account of this project was found to be:

Total Royalty Due	$171.20
Total Royalty Paid	201.00
Overpayment of Royalty	$ 29.80

September 11, 1961

E. D. Talbert, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW AND REASONS THEREFOR

The only mining operations on the property since the date of the prior Report of Royalty Review were during the summer of 1960. International Smelting and Refining Company continued to withhold and pay to the Government royalty at 5 percent of the net value of each lot instead of basing such payments on the percentage rates provided by the contract. This resulted in the overpayment of royalty during the period in the amount of $11.48, which added to the overpayment stated in the prior Report of Royalty Review, results in a net overpayment to date of $29.80, computed as follows:

Smelter Lot	Net Proceeds	Value per SDT	Royalty Paid Rate	Royalty Paid Amount	Royalty Due Rate	Royalty Due Amount	Royalty Over-payment	
I-2186	$678.27	$11.41	5%	$33.91	4½%	$30.52	$3.39	
I-2200	608.10	10.39	5%	30.41	4%	24.32	6.09	
I-2213	588.90	10.15	5%	29.45	3½%	20.61	8.84	$18.32
I-2397	469.41	11.00	5%	23.47	4½%	21.12	$2.35	
774	128.98	4.86	5%	6.45	1½%	1.93	4.52	
I-2412	131.78	7.83	5%	6.59	1½%	1.98	4.61	11.48
								$29.80

The property is now inactive. Only ten lots of production were sold, of which five were during the period covered by the prior review and five were during the period covered by this review. Lot No. 10 shipped during August 1960 was sold at a loss to the Operator.

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

(1) Inspection reports by representatives of the Acting Field Officer, Region III, and other information in that office indicate that all production from the subordinated land has been reported and proper royalty has been received by the Government except as indicated above; and

(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

MME Form 22
Dec. 60

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name and Address

Privateer Mining Company

Privateer Mine

Juab County, Utah

Contract No.	Docket No.
Idm-E1009	DMEA-4242 (Lead-Zinc)

Prepared by (Signature)	Date
T. N. Nomelo	9/5/61

Yes	No		
	x	1.	(a) Does the Operator stockpile ore subject to royalty repayment?
			(b) If so, is segregation and identification procedure adequate?
	x	2.	(a) Does the Operator commingle production subject to DMEA or OME royalties with exempt production?
			(b) If so, is the allocation of the commingled production equitable?
	x	3.	(a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?
			(b) If so, are adequate records maintained on such material to protect the Government's interest?
x		4.	Are the assay controls in effect adequate?
x		5.	Does the manner of disposing of production give the Government its fair royalty returns?
x		6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?
	x	7.	Does the Operator buy from or sell to other Operators?

8. Current status of property. (Check one).

- [ ] Operating.
- [x] * Inactive.
- [ ] Abandoned.

Date of last production if not operating.

Comment on items 1(b), 2(b), 3(b), and 4 to 6, if answer is No:

* All activity ceased during August 1960
Renewal of mining operations dependent upon more favorable economic conditions.

84961-60

EXTRA COPY
O. M. E
RECEIVED SEP 16 1961

DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

September 15, 1961

Memorandum

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

From: Hugh M. Commers, Acting Field Officer, OME, Region III

Subject: Docket No. DMEA-4242 (Lead-Zinc)
Contract No. Ida E1009
Privateer Mining Company
(Privateer Mine)
Juab County, Utah

Enclosed is the original of the Report of Royalty Review on the subject property dated September 11, 1961 covering the period May 7, 1960, through September 5, 1961.

Original signed by

Hugh M. Commers

Attachment

HMC/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E1009
Chron

SEP 12 1961

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-4242 (Lead-Zinc)
Privateer Mining Company
Privateer Mine
Juab County, Utah
Contract Idm-81009

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

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.;
(b) One copy to the Operator; and
(c) One copy for your files.

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

Attachments

EDTalbert/ama
September 11, 1961

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

AUG 25 1961

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-4242 (Lead-Zinc)
Privateer Mining Company
Privateer Mine
Juab County, Utah
Contract Idm-31009

This Division is preparing a Report of Royalty Review on the subject contract. Accordingly, your submission of an original and one copy of MME Form 22, Check Sheet of Examining Engineer, will be appreciated.

It appears that this project has been inactive since August 1960. If this is so, please make an appropriate statement under item 8 of MME Form 22.

EDTalbert/ama
August 25, 1961

Copy to: Docket
Director's Reading File
CA & A Division

EXTRA COPY O. M. E. RECEIVED AUG 14 1961		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

August 10, 1961

Mr. Clinton C. Jenkins, President
Privateer Mining Company
211 South 3rd East Street
Springville, Utah

Re: Docket No. IMRA-4242 (Lead-Zinc)
Contract No. Idm E1009
Privateer Mining Company
(Privateer mine)
Juab County, Utah

Dear Mr. Jenkins:

According to our records the following 4 lots of Privateer ore were purchased by the International Smelting and Refining Company during 1960.

Mine Lot No.	Smelter Lot No.	Dry Tons
6	I-2383	27.752
7	I-2397	42.6695
8	774	26.5395
9	I-2412	16.8255

Please advise this office if the above four lots represent all ore produced from the Privateer mine during 1960 and 1961. If there was additional production, advise tonnage and grade of ore stockpiled, and/or furnish two copies of settlement sheets for ore shipped.

Yours very truly,

Original signed by

Hugh M. Commers
Acting Field Officer, OME
Region III

TMR/lm
cc Chief, Division of Field Operations, OME
Idm E1009
Chron

E-1009

For royalty payment of $6.59, dated August 26, 1960, see transmittal letter file.

E-1009

For royalty payments of $23.47 and $6.45, dated August 12, 1960, see transmittal letter file.

E-1009

For royalty payment of $22.02, dated July 26, 1960, see transmittal letter file.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., and the Acting Field Officer, OME Region III, Denver, Colorado, pertaining to Contract No. Idm-81009, Docket No. DMEA-4242 (Lead-Zinc), dated September 14, 1956, with

Privateer Mining Company
308 East 1st South
Provo, Utah

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Privateer Mine located in Juab County, Utah, during the period September 14, 1956, through May 6, 1960.

A certification of discovery or development was issued on December 13, 1957, and, in accordance with Amendment No. 1 of the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final audit dated October 9, 1957, indicated accepted costs under the exploration contract amounting to $5,547.00 with the Government's contribution, on a 50 percent basis, being $2,773.50.

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

This review established the total sales of crude ore for the period to be $2,849.31. Royalty due the Government at rates specified in the contract is $124.15. The royalty paid and the balance due are as follows:

Total Royalty Due	$124.15
Total Royalty Paid	142.47
Overpayment of Royalty	$ 18.32

C. E. Fisher

C. E. Fisher, OME Auditor

May 10, 1960

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Privateer Mining Company

Address 308 East 1st South

Provo, Utah

Exploration Contract No. Idm-E1009 Docket No. DMEA-4242

			Check One Yes	Check One No
1.	(a)	Does the Operator stockpile ore subject to royalty repayment?		X
	(b)	If so, is segregation and identification procedure adequate?		
2.	(a)	Does Operator commingle production subject to DMEA or OME royalties with exempt production?		X
	(b)	If so, do you consider the allocation of the commingled production equitable?		
3.	(a)	Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		X
	(b)	If so, are adequate records maintained on such material to protect the Government's interest?		
4.		Do you consider the assay controls in effect are adequate?	X	
5.		Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6.		Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?	X	
7.		Does the Operator buy from or sell to other Operators?		X
8.		Comment on any item 2 (b) to 6 if answer is No.		

Operations were discontinued in August, 1959, due to the smelter strike. May be resumed in 1960, dependent upon the price of zinc, low grade ore.

Original signed by

May 10, 1960
Date

Hugh M. Connors
~~Mining Engineer~~
Actg. Field Officer, OME, Region III

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY O. M. E RECEIVED JUN 6 1960		
DATE	INITIALS	CODE
		800

June 1, 1960

Memorandum

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

From: Hugh M. Commers, Acting Field Officer, OGE, Region III

Subject: Docket No. DMMA 4242 (Lead-Zinc)
Contract No. I4s-K1909
Privateer Mining Company
(Privateer Mine)
Juab County, Utah

Attached is the original of the Report of Royalty Review on the subject contract covering the period September 14, 1956, through May 6, 1960.

Original signed by

Hugh M. Commers

Enclosure

HMC/lm
cc: Chief, Division of Field Operations (2)
Royalty Corres. K1909
Chron

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY O. M. E. RECEIVED JUN 6 1960		
DATE	INITIALS	CODE
		800

June 1, 1960

Clinton C. Jenkins, President
Privateer Mining Company
308 East First Street
Provo, Utah

Re: Docket No. [illegible] 4262 (Lead-Zinc)
Contract No. XAm-R1009
Privateer Mining Company
(Privateer Mine)
Juab County, Utah

Dear Mr. Jenkins:

Enclosed is your copy of the Report of Royalty Review covering the period September 14, 1956, through May 6, 1960.

Very truly yours,

Original signed by

Hugh M. Cowmore
Acting Field Officer
OME, Region III

Enclosure
HMC/lm
CC: Chief, Division of Field Operations (2)
E. D. Talbert, Acting Chief,
Contract Administration and Audit Division
Royalty Corres. R1009
Chron

QUADRUPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

BX 9/1/59 (Date sent) 26 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Denver, Colorado

Deposited with Federal Reservebank of Kansas City,Mo.,Denver,Colo.
(Name and location of depositary)

(3) The Sum of $ 25.99

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 25.99		$ E-1099

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5) 14-23-010
Office of Minerals Exploration
224 New Custom House
Denver 2,Colorado

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Donnell
(Authorized signature)

SEP 1 1959
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

C-1009 Prentiss Mining Co- 25.99

DENVER BRANCH
FEDERAL RESERVE BANK

1959 SEP 1 PM 12 16

MAIL DEPT-2

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 4 1959
DATE | NOTES | CODE
808

E-1009

For Certificate of Deposit No. 20, dated August 19, 1959, giving royalty payment of $44.10, see E-987.

QUADRUPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

Identification of Accountable Officer Affected

(Date sent)	(Deposit No.)	(1) Office Deposit Symbol:	(2) For Consolidated Abstract of Treasury Regional Office at (city and state):
8/10/59	15	9013	Denver, Colorado

Deposited with Federal Reserve Bank of Kansas City, Mo., Denver, Colo.
(Name and location of depositary)

(3) The Sum of $ 30.41

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 30.41		$ 1009

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5) 14-23-040
Office of Minerals Exploration
224 New Custom House
Denver 2, Colorado

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

AUG 1 0 1959
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

C-1009 Printer
mining Co. 30.41

DENVER BRANCH
FEDERAL RESERVE BANK

1959 AUG 10 AM 11 33

MAIL DEPT-2

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 13 1959

DATE	INITIALS	CODE
		800

E-1009

For Certificate of Deposit No. 11, dated July 30, 1959, giving royalty payment of $33.91, see E-866.

E-1009

For Certificate of Deposit No. 20, dated August 1, 1958, giving royalty payment of $8.06, see E-877.

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 14 1957
CODE
4/15 C 320

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Privateer Mining Company,
308 East 1st South Street
Provo, Utah

pertaining to Exploration Project Contract No. Idm-E1009, Docket No. DMEA-4242, including Amendments Nos. 1 and 2, for the months of October, 1956 to Sept., 1957, covering a project for the exploration of Lead-Zinc on property known as Privateer et al. Mining Claims located in Juab County, Utah.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Officer, DMEA Field Team, 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 for 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		$5,547.00
Exceptions:		
By DMEA Finance Officer	$0.00	
Herewith	0.00	0.00
Total Accepted Cost		$5,547.00

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Two thousand, seven hundred seventy-three and 50/100ths Dollars

** $2,773.50 **

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.

October 9, 1957

T. H. Brading, Auditor

Mr. Thomas H. Breding
DMEA Auditor
224 New Customhouse
Denver 2, Colorado

Re: Report of Review
Privateer Mining Company
Idm-F1009, DMEA-4242

Dear Mr. Breding:

Your Report of Review in lieu of a final audit of the referenced project is accepted and distribution authorized after correction in the first paragraph of the period covered to read "October, 1956 to September, 1957."

The final MF-104 is indicated as being for the months of "August and September 1957" and the attached narrative specifies completion of the work "on September 10, 1957."

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

EDTalbert/wb
October 15, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 28 1957
DATE

224 New Customhouse
Denver 2, Colorado
October 18, 1957

Memorandum

To: T. A. Christensen

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-424 (Lead-Zinc) Contract Idm-E1009
Privateer Mining Company (Privateer et al mining claims) Juab County, Utah - FINAL PAYMENT

Reference is made to our memorandum of September 30, 1957, whereby we transmitted final Form MF-104, Operator's Monthly Report and Voucher, for the period August-September, 1957, and requested that you withhold the amount of $500.00 from reimbursement to the Operator, pending resolution of matters prerequisite to closing the account.

The Operator's final report has been received, therefore we recommend that final payment to the Operator be made on the following basis, which is in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, dated October 9, 1957:

Basis for Final Payment

Total accepted cost	$5,547.00
Government participation at 50%	2,773.50
Total prior payments	2,273.50
Balance due the Operator	$ 500.00

Original signed by
E. N. HARSHMAN
E. N. Harshman

JDC:hmh
cc: Chmn. Op. Comm. (2)
Harshman (2)
DMEA, SLC
Townsend
Corres.file, Reg.III
MF-104 file, Reg.III
Chron

Paid $500.00
RKC
Richard K. Condee
Authorized Certifying Officer
OCT 22 1957

DMA-58-49

224 New Customhouse
Denver 2, Colorado

October 7, 1957

Memorandum

To: T. N. Breding, DMEA Auditor

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4942 (Lead-Zinc), Contract No. I4m-E1009, Privateer Mining Company (Privateer et al. mining claims), Juab County, Utah

Authorized work under the subject contract was completed September 10, 1957 and the Operator has rendered a final engineering and geologic report and final accounting, as required by the contract.

Therefore, final payment of the Operator's account is in order, contingent on release to this office of a Report of Review of reported project costs.

Exploration work or service completed under the contract on a fixed unit cost basis consisted of 200 feet of adit drifting, 15 feet of timbering, and chemical analysis of 24 samples.

The sum of $500.00 was withheld from reimbursement to the Operator in processing the final accounting report, which was for the period of August and September, 1957.

Original signed by
E. N. HARSHMAN

E. N. Harshman

JWT:prl

cc: Chem. Op. Comm. (2)
Harshman
Townsend
Corres. file
Chron.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August and September 7 Docket No. DMEA 4242 Contract Idm - E 1009

Operator's Name Privateer Mining Company Minerals Lead - Zinc

Address 308 East 1st South - Provo, Utah

Contract Amount, $ 5,820.00 Government Participation: 50 % Amount, $ 2,910.00

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						
Bulldozing						
Crosscutting	2,673.00	2,727.00	5,400.00			
Timbering	none	75.00	75.00			
(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	30.00	42.00	72.00			
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$2,703.00	2,844.00	5,547.00	2,703.00	2,844.00	5,547.00

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

Date Sept 13, 1957 *Payee Clinton C. Jenkins

Per Clinton C. Jenkins Title Pres. & Genl. Mgr.

*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:

$ 851.50

Signature (Authorized Certifying Officer)

Date 10/3/57 Vou. No. DMA 58-41

(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. E1009 in accordance with the terms of the contract.

Signature M. H. Power Title Mining Engineer Date 9/12/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature J. W. Lemmond Title Alternate acting Executive Officer Date SEP 30 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 OCT 7 1957 D.M.E.A.

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

Month of August and September 7, 195 Docket No. DMEA 4242 Contract No. 1009

Operator's Name Privateer Mining Company Minerals Lead - Zinc

Address 308 East 1st South - Provo, Utah

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	Feet	2,673.00	99	5,400.00	200	27.00	200	27.00
Timbering	Feet	none	none	75.00	15	5.00	60	5.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assaying	Spls.	30.00	10	72.00	24	3.00	40	3.00
Total Distributed Costs		2,703.00		5,547.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2,703.00		5,547.00				

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

Date Sept. 13, 1957 Operator Clinton C. Jenkins

Per Clinton C. Jenkins Title Pres. & Genl. Mgr.

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)

M. H. Howes, Mining Engineer, 9/17/57

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

FINAL DISTRIBUTION
MADE OCT 3 1957

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III
224 New Custom House, Denver 2, Colorado
Administrative Audit Difference Statement

Privateer Mining Company
308 East 1st South
Provo, Utah

Date: October 3, 1957
Payee's
Reference: August, September
1957

Gentlemen:

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ 2,703.00

Difference $

Amount Approved $ 2,703.00

The reason for the difference was due to:

Withhold: an amount of $500.00 pending resolution of matters which are prerequisite to closing t o account.

OFFICIAL FILE COPY
D M E A
RECEIVED OCT 7 1957

DATE	INITIALS	CODE
10/7	C	220
9	com	100
		800

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-III-B & F Form No. 4
4-15-52 D

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 7 1957

DATE	INITIALS	CODE

224 New Customhouse
Denver 2, Colorado
September 30, 1957

Memorandum

To: T. A. Christensen

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 4242 (Lead-Zinc) Contract Idm-E1009
Privateer Mining Company (Privateer et al claims)
Juab County, Utah - Operator's Monthly Progress Report, for the month of August, and September, 1957

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator for 50 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report, except for the following deduction:

<u>Withhold</u> an amount of $500.00 from reimbursement to the Operator pending resolution of matters which are prerequisite to closing the account. The project was completed September 10, 1957.

Remarks:

Date of Report----------September 13, 1957
Date Received in Field Office---------September 15, 1957
Date Received in Region Office--------September 25, 1957

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures
JDC:hmh
cc: Chmn. Op. Comm. (2)
DMEA, SLC)w/copy of
MF-104 file, Reg. III) complete report
Harshman)
Townsend)w/copy of Engr's report
Caron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

DMEA
DEPARTMENT OF THE INTERIOR
SEP 25 1957
REGION III
DENVER, COLORADO

September 23, 1957

Memorandum

To: W. H. King, Executive Officer, DMEA Field Team, Region III

From: M. H. Howes

Subject: Docket No. DMEA-4242 (Lead-zinc), Contract Idm-E1009, Privateer Mining Co., Juab County, Utah. Progress report for August and September 1957

The Privateer Mining Co. property was inspected September 17, 1957. It is verified that 99 feet of adit progress and 10 samples during August and September, 1957, as reported on form MF-104A, are correct, and that the work was performed in accordance with the contract. The total allowable adit advance of 200 feet has been completed, thus terminating the contract.

The adit was driven southwesterly along the breccia zone. Very weak mineralization, with scattered specks of galena, was encountered.

The operator's narrative report and maps are considered to be adequate.

It is recommended that the amount due the operator of $1,351.50, which is 50 percent of $2,703.00, the allowable cost of $2,673.00 for 99 feet of adit advance at $27.00 per foot plus $30.00 for assay of 10 samples at $3.00 each, be approved, but that payment be withheld until operator's final report and final audit have been submitted.

M. H. Howes

M. H. Howes

cc: J. B. Clemmer
Enclosure

ORIGINAL FILE COPY
DMEA
RECEIVED OCT 7 1957
DATE | INITIALS | CODE

Privateer Mining Company
Clinton C. Jenkins, Pres.
308 East 1st South Street
Provo, Utah

OFFICIAL FILE COPY
RECEIVED OCT 7 1957

DATE	INITIALS	CODE

September 13, 1957

W. H. King
Executive Officer, DMEA
Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4242 (Lead-Zinc)
Contract No. Idm - E 1009
Privateer Mining Company
(Privateer et al. mining claims)
Juab County, Utah

August & September 1957, Narative Report

Dear Mr. King:

Work was completed on our DMEA contract development, on September 10, 1957, after having driven a total of two hundred feet of drift, as per contract NO. Idm - E 1009.

Our progress for August and September, beginning at one hundred one feet from the portal, consists of having driven S 40° W - 17 feet; S 53° W - 18 feet; S 80° W - 13 feet; N 86° W - 18 feet; S 78° W - 26 feet; and thence S 74° W - 8 feet.

As the drift advanced past 101 feet, it became evident that we were leaving the breccia zone and getting into the thin-bedded compact limestones which lie above the hanging wall of the breccia zone. Accordingly, we altered the course of the drift by bearing to the right. At 149 feet, we encountered the breccia zone again and for the remaining footage, we continued to drift within the breccia zone, as planned.

As is evident, from the attached assay map, mineralization steadily decreased from 101 feet, until at 151 feet, the values were nil.

The mineralization in the face of the drift, at 200 feet, was very encouraging. Small rusty cavities were noted and the dolomite, which cements the breccia fragments, was altered to a orange - yellow, which seems to be characteristic of the zone when in the vicinity of intense mineralization.

As operator, I would like to express my sincere appreciation for the DMEA participation in this project and trust that our work meets with your approval.

Very truly yours,

Clinton C. Jenkins

Clinton C. Jenkins, President
Privateer Mining Company

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-52

U.S. BUREAU OF MINES
RECEIVED (C)
AUG 5 1957
SALT LAKE CITY, UTAH

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

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

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	[illegible]	1,377.00	[illegible]			
[illegible]	[illegible]	75.00	[illegible]			
(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	[illegible]	6.00	[illegible]			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	[illegible]	1,458.00	[illegible]	1,386.00	1,458.00	2,844.00

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

Date [illegible] *Payee [illegible]

Per Clinton C. Jenkins Title [illegible]

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

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

(Instructions on reverse)

RECEIVED
AUG 29 1957
DMEA

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

$693.00

Signature [illegible]
(Authorized Certifying Officer)

Date 8/26/57 Vou. No. DMA 58-22
(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. Fdg-E 1009 in accordance with the terms of the contract.

Signature M. H. Howes Title Mining Engineer Date Aug. 19, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title alternate acting Executive Officer Date AUG 22 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-194A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

U. S. BUREAU OF MINES
RECEIVED (C)
AUG 5 1957

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1957 Docket No. DMEA [illegible] Contract No. SALT LAKE UTAH 1009
Operator's Name Silverado Mining Company Minerals [illegible] Inc
Address 208 East 100 South, Provo, Utah

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	feet	1,[illegible]50.00	50	2,7[illegible]7.00	102	[illegible]7.00	100	[illegible]7.00
Crosscutting Timbering	foot	none	none	70.00	10	5.00	00	5.00
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assaying	lc.	30.00	10	42.00	14	3.00	40	3.00
Total Distributed Costs		1,[illegible]6.00		2,844.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1,3[illegible]6.00		2,844.00				

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 Aug. 5, 1957 Operator Clinton C. Jenkins

Per Clinton C. Jenkins Title Prop. & Genl. Mgr.

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)

M. H. Howes, Mining Engineer, 8/19/57

INSTRUCTIONS

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

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

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

GPO 83-38475

FINAL DISTRIBUTION
AUG 27 1957

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 29 1957

DATE	INIT.	CODE
8/29	C	220
"	CBM	100
		800

224 New Customhouse
Denver 2, Colorado

August 22, 1957

Memorandum

To: T. A. Christensen

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket-4242 (Lead-Zinc), Contract Idm-E1009 Privateer Mining Company (Privateer et al mining claims) Juab County, Utah - Operator's Monthly Progress Report for the month of July, 1957

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator for 50 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Remarks

Date of Report----------August 5, 1957
Date Received in Field Office----------August 5, 1957
Date Received in Region Office----------August 21, 1957

Original signed by
J. W. TOWNSEND
J. W. Townsend

Enclosures
JDC:hmh
cc: Chmn. Op. Comm. (2)
DMEA, SLC
Harshman, w/copy of Engr's report
MF-104 file, Reg. III
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 12, UTAH

August 19, 1957

DMEA
DEPARTMENT OF THE INTERIOR
AUG 21 1957
REGION III
DENVER, COLORADO

Memorandum

To: W. H. King, Executive Officer, DMEA Field Team, Region III

From: N. H. Howes

Subject: Docket No. DMEA-4242 (Lead-zinc), Contract Idm-M1009, Privateer Mining Co., Juab County, Utah. Progress report for July 1957.

The Privateer Mining Co. property was inspected August 15, 1957. It is verified that 50 feet of adit progress and 12 samples during July 1957, as reported on form MP104A, are correct, and that the work was performed in accordance with the contract.

The adit was advanced southwesterly along the breccia zone where strong mineralization, 7 feet or more in thickness, was encountered. The operator took 12 samples, of 7-foot cut, at 5-foot intervals along 50 feet of advance. The values ranged from 1.1 to 10.15 percent lead, 0.8 to 17 percent zinc, and 0.3 to 7.7 ounces silver per ton.

The operator's narrative report and maps are considered to be adequate.

It is recommended that the operator be reimbursed $693.00, which is 50 percent of $1,386.00, the allowable cost of $1,350.00 for 50 feet of adit advance at $27.00 per foot plus $ 36.00 for assay of 12 samples at $3.00 each.

N. H. Howes

N. H. Howes

cc: J. B. Clemmer

Privateer Mining Company
Clinton C. Jenkins, Pres.,
308 East 1st South Street
Provo, Utah

August 5, 1957

W. H. King
Executive Officer, DMEA
Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4942 (Lead-Zinc)
Contract No. Idm-E1009
Privateer Mining Company
(Privateer et al. Mining Claims)
Juab County, Utah

Dear Mr. King:

July 1957, Narrative Report

Work was resumed on our DMEA contract development, on July 15, 1957.

We have driven fifty feet of drift from July 15, 1957, to and including July 31, 1957, on a bearing of N 36° W, and in following said course have stayed within the breccia zone which we desire to prospect.

Our development during July has continued to be entirely within the breccia zone, with the roof of our drift coinciding with the hanging wall of the breccia zone. As exposed, the breccia zone has a minimum thickness of six feet.

Twelve samples were cut, having a channel length of seven feet, during July. Nos. 48, 53, 58, 63 and 68 were cut from roof to floor along the right rib of the drift. Nos. 73, 78, 83, 88, 93, 98 and 101 were cut from roof to floor, down the center of the face of the drift, when exposed at the respective distances named. Note: (the sample numbers represent the respective number of feet from the portal of the adit, that each sample was cut).

Our development has continued to expose the breccia zone which is composed of fragments of limestone, cemented with hydrothermal dolomite, and having mineral replacements within the dolomite filling. The hanging wall of the breccia zone continues to be thin-bedded limestone of a very compact nature.

From 83 feet to 101 feet the breccia zone is but sparsely mineralized, having galena disseminated throughout the zone with little oxidized alteration.

Very truly yours,

Clinton C. Jenkins

Clinton C. Jenkins, Pres.
Privateer Mining Company

224 New Customhouse
Denver 2, Colorado
August 19, 1957

Memorandum

To: T. A. Christensen

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-4442 (Lead-Zinc) Contract Idm-81022, Privateer Mining Company (Privateer et al claims), Juab County, Utah - Reinstatement of Amounts suspended and withheld from October 1956 Voucher

Reference is made to our memorandum to you, dated November 2, 1956, whereby we forwarded Form MF-104, Operator's Monthly Report and Voucher for October, 1956. Due to severe winter conditions the project was recessed October 20, 1956, for the winter months, and the inspecting engineer was unable to verify part of the reported progress for October, 1956. The cost of the unverified work was suspended and an amount of $200.00, was withheld from reimbursement to the Operator, pending resumption of work under the contract.

The contract work was resumed July 15, 1957, and the balance of the October progress was verified by the inspecting Engineer, July 18, 1957, as outlined in the attached memorandum dated August 15, 1957, by M. H. Howes, Mining Engineer, Bureau of Mines. Reinstatement of the amounts suspended and withheld from the October 1956, Voucher is recommended as follows:

Reinstate amount suspended from October, 1956 voucher, pending verification of work	$534.00
Government participation at 50%	$267.00
Reinstate amount withheld from reimbursement to the Operator, pending resumption of work	200.00
Amount due the Operator	$467.00

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman (2)
DMEA, SLC
Townsend
MF-104 file, Reg. III
Corres. file, Reg. III
Chron

w/copy of M.H. Howes' memo of Aug. 15, 1957

Original signed by
J. W. TOWNSEND
J. W. Townsend

427.00

8/22/57 DMA 58-20

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 12, UTAH

DMEA
DEPARTMENT OF THE INTERIOR
AUG 19 1957
REGION III
DENVER, COLORADO

August 15, 1957

Memorandum

To: W. H. King, Executive Officer, DMEA Field Team, Region III

From: M. H. Howes

Subject: Docket No. DMEA-4442 (Lead-zinc), Contract 14m-K1009, Privateer Mining Co., Juab County, Utah. Recommendation for payment of $534, amount suspended from October 1956 settlement

It is reported that DMEA work was resumed July 15, 1957. Inspection of the property was made July 18, 1957. Measurement of the adit showed a total advance of 73 feet, including 15 feet of timbering. On the last previous inspection October 5, 1956, an advance of 34 feet had been made. Contract work was stopped October 20, 1956, because of severe winter conditions. The operator reported an advance of 51 feet of drifting and 15 feet of timbering. Since 34 feet of progress was made and no timber installed at the time of inspection (October 5, 1956), it was recommended that an amount of $534, the cost of 17 feet of adit advance and 15 feet of timbering, be suspended from the October 1956 settlement. Since the inspection made July 18, 1957, shows that the above work has been accomplished, it is recommended that the operator be reimbursed the suspended amount of $534.

M. H. Howes
M. H. Howes

cc: J. B. Clemmer

FINAL DISTRIBUTION

MADE AUG 23 1957

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III
[illegible]
Administrative Audit Difference Statement

Date: August 21, 1957
Payee's
Reference: _____

Privateer Mining Company
308 East 1st South
Provo, Utah

Gentlemen:

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ _____

Difference $ _____

Amount Approved $ _____

The reason for the difference was due to:

Reinstate amount suspended from October 1956 to date, pending verification of work $534.00.

Government participation @ 50% $267.00

Reinstate amount withheld pending resumption of work. $200.00

Total Reinstated $467.00

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 26 1957

DATE	INITIALS	CODE
8/26	C	220
8/26	Com	100
		800

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-III-B & F Form No. 4
4-15-52 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

Month of October, 1956 Docket No. DMEA 4242 Contract No. Idm-E1009
Operator's Name Privateer Mining Company Minerals Lead & Zinc
Address 308 East 1st South, Provo, Utah
Contract Amount, $5,820.00 Government Participation: 50 % Amount, $ 2910.00

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						
Bulldozing						
Crosscutting						
Drifting	$1,377.00	None	$1,377.00			
Timbering	75.00	None	75.00			
(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	$ 6.00	None	$ 6.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1,458.00		$1,458.00	924.00	—	924.00

RECEIVED 15 1956

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 10/26/56 *Payee Clinton C. Jenkins
Per Clinton C. Jenkins Title Pres. & Genl. Mgr.

*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:
$ 462.00
Signature (Authorized Certifying Officer)
Date 11/6/56 Vou. No. DMA 57-55
(See other side)

Note: Withhold 200.00

(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 E1009 in accordance with the terms of the contract.

Signature M. H. Howes Jr. Title Mining Engineer Date 10/31/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Lowry Title Executive Officer Date NOV 2 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 October 1950 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Foot	2,577.00	52	2,577.00	52	57.00	[illegible]	57.00
Crosscutting	Foot	70.00	15	70.00	15	5.00	60	5.00
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
[illegible]	[illegible]	0.00	0	0.00	0	0.00	00	0.00
Total Distributed Costs		2,400.00		2,400.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2,400.00		2,400.00				

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 10/30/50 Operator Clinton G. Jenkins

Per Clinton G. Jenkins Title Prop. & Genl. Mgr.

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)

M. D. Hoover, Mining Engineer, 10/31/56
SRD

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

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

RECEIVED NOV 15 1956 D.M.E.A.

Administrative Audit Difference Statement

Privateer Mining Company
300 East 1st South
Provo, Utah

FINAL DISTRIBUTION

MADE NOV 13 1956

Date: November 6, 1956
Payee's Reference: October 1956

Gentlemen:

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ 2,450.00

Difference $ 526.00

Amount Approved $ 924.00

The reason for the difference was due to:

Suspend - 17 ft adit advance @ $37.00	$629.00
15 ft timbering @ $5.00	75.00
This work was not inspected by the Gov't. because operations have been suspended due to snowfall.	$554.00

Withhold - $200.00 pending resumption of work under the contract.

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-III-B & F Form No. 4
4-15-52 D

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

RECEIVED NOV 15 1956 DMEA

224 New Customhouse
Denver 2, Colorado

November 2, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 4242 (Lead-Zinc) Contract Idm-E1009, Privateer Mining Company (Privateer et al claims) Juab County, Utah - Operator's Monthly Progress Report for the month of October, 1956

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

Except as otherwise noted below, it is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made on the following basis, contingent on your verification of arithmetical accuracy within the report.

Suspend an amount of $534.00, the cost of 17 feet of adit advance and 15 feet of timbering, which work was not inspected by the Government because operations have been suspended due to snowfall.

Withhold an amount of $200.00 pending resumption of work under the contract.

Reconciliation with Amount Reported by the Operator on Form MF-104 for October, 1956

Amount reported on Form MF-104 for October, 1956 - - -	$1,458.00
Amount to be suspended -	534.00
Total accepted cost for October, 1956	$ 924.00
Government participation at 50 percent - - - - - - - - - - -	$ 462.00
Amount to be withheld -	200.00
Recommended payment to the Operator	$ 262.00

Remarks

Date of Report - - - - - - - - - - - - - - October 26, 1956
Date Received in Field Office - - - - - October 29, 1956
Date Received in Region Office - - - November 2, 1956

Original signed by
W. M. TRAVER

W. M. Traver

Enclosures

JDC:jy
cc: MF-104 File E1009
Chm. Op. Comm. (2)
Wilson
Harshman)
Townsend) w/copy engr's report
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 12, UTAH

DMEA
DEPARTMENT OF THE INTERIOR
NOV 2 1956
REGION III
DENVER, COLORADO

October 31, 1956

Memorandum

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

From: S. R. Wilson

Subject: Docket No. DMEA-4242 (Lead-zinc), Contract Idm-E1009, Privateer Mining Co., Juab County, Utah. MF-104 forms for October 1956

Enclosed are the necessary copies of the subject operator's report covering exploration completed during October 1956. The property was inspected by M. H. Howes October 5, 1956. Because of winter weather conditions, DMEA work was suspended October 20, 1956.

The operator has reported a total adit advance during the period of 51 feet. Fifteen feet of timbering in the adit and the cost of assaying two samples are also reported by the operator. As of the date of inspection, 34 feet of advance was verified by the inspecting engineer. It appears doubtful that additional inspection of the property will be possible prior to June 15, 1957.

Work reported by the operator and verified by the inspecting engineer conforms to the contract terms. It is recommended that the operator be reimbursed by 50 percent of the allowable costs as shown in the inspecting engineer's memorandum.

An operator's report was received in this office October 29, 1956.

S. R. Wilson

S. R. Wilson

cc: J. Bruce Clessner

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 12, UTAH

October 31, 1956

RECEIVED NOV 16 1956

Memorandum

To: S. R. Wilson

From: M. H. Howes

Subject: Docket No. DMEA-4242 (Lead-zinc), Contract Idm-E1009, Privateer Mining Co., Juab County, Utah. Progress report for October 1956

The Privateer Mining Co. property was inspected October 5, 1956, after advice was received from the operator that work on the DMEA project would commence on or before October 8, 1956. The work was actually started October 1, 1956. At the time of inspection the adit had been advanced 34 feet. The location of the portal of the adit was changed to a point slightly higher in elevation and westerly from the original location because of advantages in topographic position and the solid condition of the rock.

The breccia zone was encountered about 14 feet from the portal of the adit. Weak mineralization was present at this point. At approximately 30 feet from the portal, strong mineralization 3 feet thick was exposed. The operator reports that the mineralization has continued to the present face.

On October 20, 1956, it was necessary to suspend mining operations at the mine due to snowfall. Work will be resumed on or before June 15, 1957.

On form MF-104A the operator reports 51 feet of adit progress, 15 feet of timbering in the adit, and 2 samples assayed. It is doubtful if the above progress can be verified by inspection of the mine before resumption of operations on or before June 15, 1957.

The operator's narrative report and maps are considered to be adequate.

It is recommended that the operator be reimbursed $462.00, which is 50 percent of $924.00, the allowable cost of $918.00 for 34 feet of adit advance at $27.00 per foot plus $6.00 for assay of 2 samples at $3.00 each, and that $534.00 for the cost of $459.00 for 17 feet of adit advance plus $75.00 for 15 feet of adit timbering, be withheld until inspection is made.

M. H. Howes

M. H. Howes

Privateer Mining Company
Clinton C. Jenkins, President
308 East 1st South Street
Provo, Utah
October 26, 1956

RECEIVED
NOV 15 1956
D.M.E.A.

W. M. Traver
Executive Officer, DMEA
Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4242 (Lead-Zinc)
Contract No. Idm-E1009
Privateer Mining Company
(Privateer et al. mining claims)
Juab County, Utah

October Narative Report

Work was begun on our 'DMEA Contract' project, on October 1, 1956, and operations were suspended, for the Winter months, on October 20, 1956, due to the onset of inclement Winter weather.

In our application, of March 30, 1956, for DMEA assistance, we advised you that our new development entry, would be located at a point approximately forty five feet West and thirty feet above Adit 345. After due consideration was given to all factors involved, as to the most favorable location for the portal of the Contract development, the entry was made at a point 104 feet west and 65 feet above Adit 345, thus giving the Portal a relative elevation of 410' (to be hereafter referred to as Adit 410). This change of location, for the Adit entry, was approved in a letter from W. M. Traver, dated October 23rd.

Our progress to date, beginning at the portal, consists of having driven 21 feet on a bearing of S 4° W and thence 30 feet on a bearing of S 36° W, or an aggregate of 51 feet.

We encountered the breccia zone at a distance of 14 feet from the portal, which at this point was weakly mineralized. Another seven feet was then driven to the hanging wall of the zone and a 32° turn made to the West, afterwhich an additional 30 feet were driven in the breccia zone.

At a distance of 31 feet from the portal, we encountered intense mineralization in the breccia zone, about three feet in thickness, which has continued for the last 20 feet, and is evident in the face at present.

The operator feels that the present showing of mineralization, in Adit 410, can not be properly evaluated until more development work has been done, but that it is a significant discovery and very encouraging. Attached hereto are 3 maps, indicating the course of development and the results thereof.

Very truly yours,

Clinton C. Jenkins

Clinton C. Jenkins, President
Privateer Mining Company

EXPLANATION

D M E A Progress Map

Adit 410

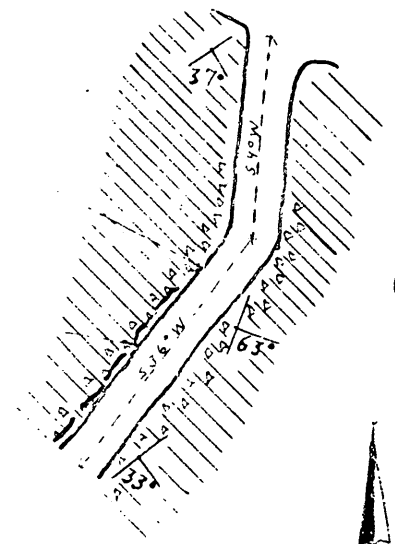
Massive to Thin-bedded Limestone

Brecciated Limestone (includes Hydrothermal Dolomite)

Lead-Zinc-Silver Mineralization

15" cut sple.
Sample No. 1
Pb 4.10
Zn 26.25
Ag 3.40

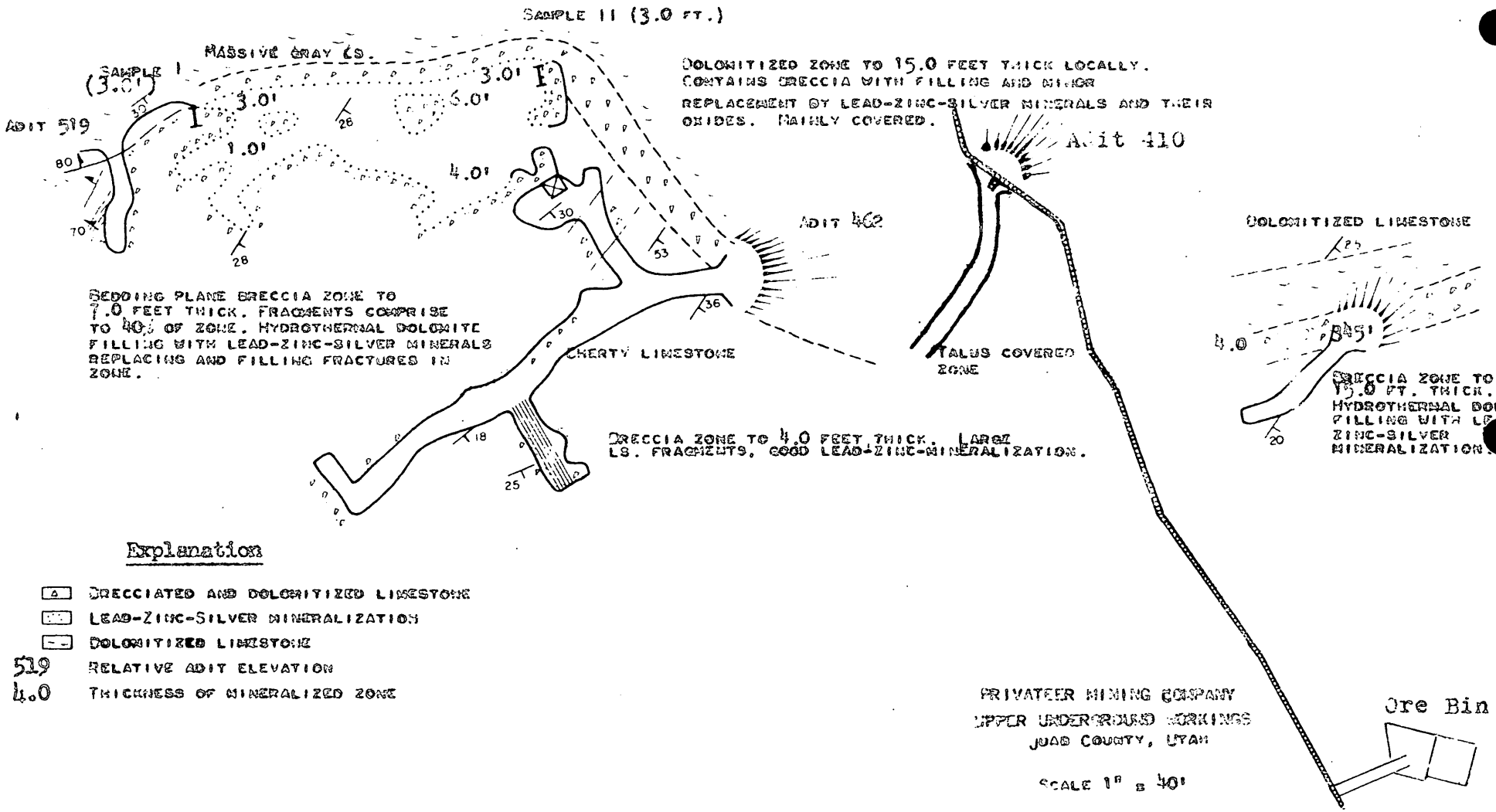
36" cut sple.
Sample No. 2
Pb 2.40
Zn 20.50
Ag 2.50

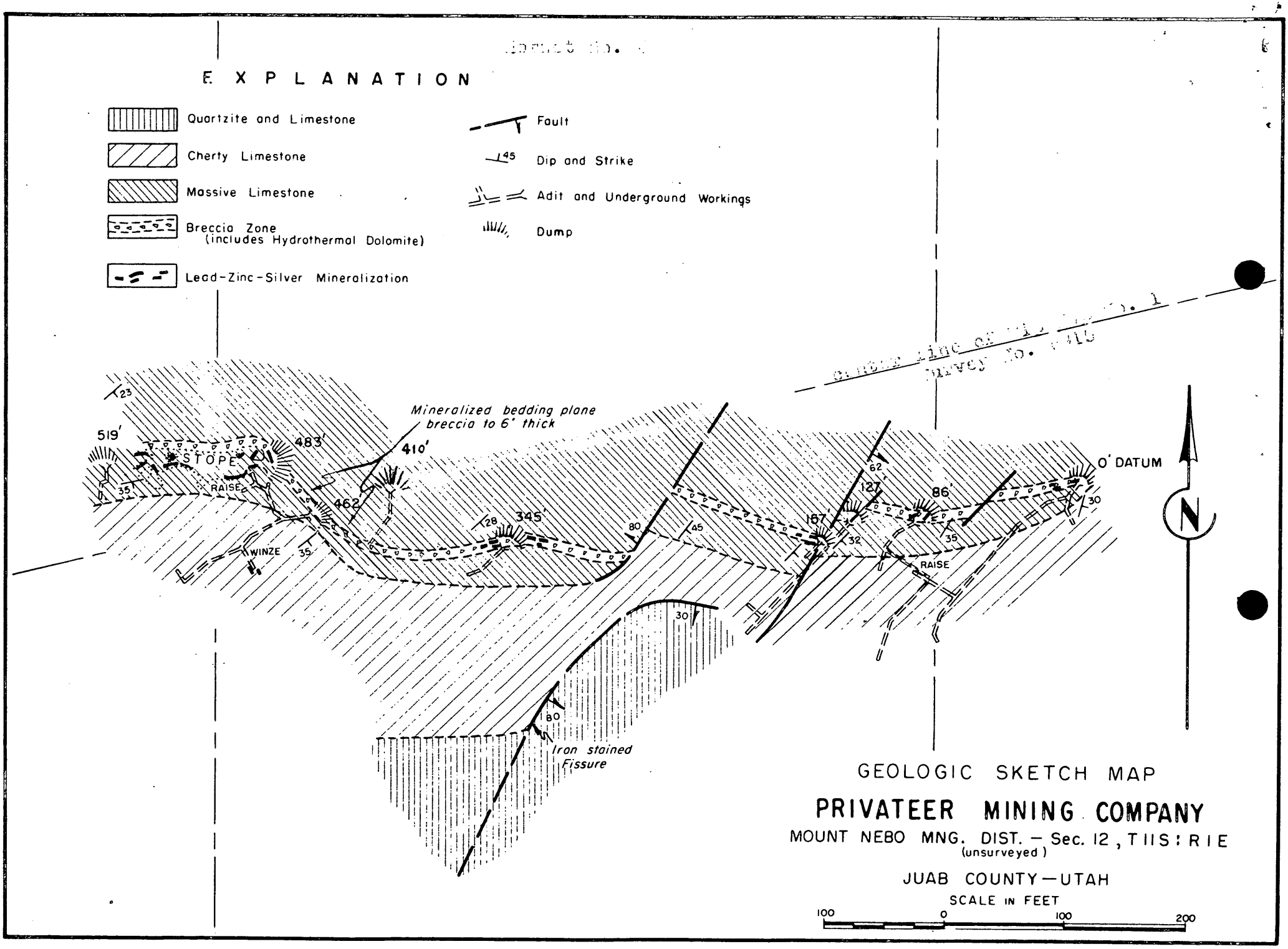


PRIVATEER MINING COMPANY
Geologic Sketch Map

Scale 1" = 20'

20 0 20 40


SAMPLE 11 (3.0 FT.)
MASSIVE GRAY LS.
SAMPLE 1
(3.0')
ADIT 519
3.0'
3.0'
6.0'
1.0'
4.0'
DOLOMITIZED ZONE TO 15.0 FEET THICK LOCALLY. CONTAINS BRECCIA WITH FILLING AND MINOR REPLACEMENT BY LEAD-ZINC-SILVER MINERALS AND THEIR OXIDES. MAINLY COVERED.
Adit 410
ADIT 462
DOLOMITIZED LIMESTONE
BEDDING PLANE BRECCIA ZONE TO 7.0 FEET THICK. FRAGMENTS COMPRISE TO 40% OF ZONE. HYDROTHERMAL DOLOMITE FILLING WITH LEAD-ZINC-SILVER MINERALS REPLACING AND FILLING FRACTURES IN ZONE.
CHERTY LIMESTONE
TALUS COVERED ZONE
4.0
BRECCIA ZONE TO 15.0 FT. THICK. HYDROTHERMAL DOLO. FILLING WITH LEAD-ZINC-SILVER MINERALIZATION.
BRECCIA ZONE TO 4.0 FEET THICK. LARGE LS. FRAGMENTS, GOOD LEAD-ZINC-MINERALIZATION.
Explanation
BRECCIATED AND DOLOMITIZED LIMESTONE
LEAD-ZINC-SILVER MINERALIZATION
DOLOMITIZED LIMESTONE
519 RELATIVE ADIT ELEVATION
4.0 THICKNESS OF MINERALIZED ZONE
PRIVATEER MINING COMPANY
UPPER UNDERGROUND WORKINGS
JUAB COUNTY, UTAH
SCALE 1" = 40'
Ore Bin


EXPLANATION
Quartzite and Limestone
Cherty Limestone
Massive Limestone
Breccia Zone (includes Hydrothermal Dolomite)
Lead-Zinc-Silver Mineralization
Fault
Dip and Strike
Adit and Underground Workings
Dump
Mineralized bedding plane breccia to 6' thick
519'
483'
410'
462'
345'
157'
127'
86'
0' DATUM
STOPE
RAISE
WINZE
RAISE
Iron stained Fissure
N
GEOLOGIC SKETCH MAP
PRIVATEER MINING COMPANY
MOUNT NEBO MNG. DIST. — Sec. 12, T11S: R1E
(unsurveyed)
JUAB COUNTY—UTAH
SCALE IN FEET
100 0 100 200

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

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Mr. Clinton C. Jenkins, President
Privateer Mining Company
300 East First Street
Provo, Utah

Pursuant to the provisions of Exploration Project Contract No. Ida-[illegible], dated September 14, 1956, Docket No. DMEA-422, hereinafter called the "contract", between Privateer Mining Company, a Utah corporation, and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows: Drifting on the 410 Adit level has proved the existence of lead-zinc ores occurring as replacements and fracture fillings within a breccia zone in limestone.

Dated: DEC 13 1957

THE UNITED STATES OF AMERICA

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

WROriswold/cr 12/4/57
Copy to: Docket
Admr R File
Mr. C.A. Fredell, DR.TDS.DMS
Mr. Lamb, USBM
Mr. Kiilsgaard, USGS
Oo. Committee
Cont. Adm & Audit Div.
Finance Office
Region III (2)
F. E. Johnson
W. R. Griswold
Chron.

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

DEC 1 ...

Mr. Clinton C. Jenkins, President
Privateer Mining Company
308 East First Street
Provo, Utah

Re: Docket No. DMEA-424.2 (Lead-Zinc)
Privateer Mining Company
Privateer Mine
Juab County, Utah
Contract No. Idm-21009

Dear Mr. Jenkins:

Transmitted herewith is a certification of discovery or development related to the Exploration Project Contract No. Idm-21009, dated September 14, 1956, on the lands described in the contract.

By the terms of the Exploration Project Contract and of the certification, all minerals mined or produced from September 14, 1956, to September 14, 1967, are subject to the Government's percentage royalty as set forth in the contract until the sum of $2,771.50 which the Government has advanced as its participating interest is repaid.

Payments should be made to Mr. W. H. King, Executive Officer, DMEA Field Team, Region III, 224 New Customhouse Building, Denver 2, Colorado. Checks should be drawn in favor of the Defense Minerals Exploration Administration. The purchaser should be advised to deduct royalties from the amount due on each shipment and forward the checks to the Executive Officer.

Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify Mr. King of any changes in ownership or production rights that might affect the Government's right to its percentage royalty. Also, if production ceases at any time for an extended period please notify Mr. King at six-month intervals that such is the case.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures

Adm R File
Op. Committee
Cont.Adm & Audit Div. — Mr. F.E. Johnson
Finance Officer — Mr. W.R. Grimwald
Region II/(2) — Chron.

WRGrimwald/cr 12/4/57
Copy to: Docket
Mr. C. A. Fredell, DR.TDS.DMS
Mr. Lamb, USBM
Mr. Kilbgard, USGS

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

DEC 13 1957

Mr. Clarence A. Fredell, Acting Director
Technical Services Division
Defense Materials Service
General Services Administration
7th and D Street, S. W.
Washington 25, D. C.

Re: Docket No. DMEA-4242 (Lead-Zinc)
Privateer Mining Company
Privateer Mine
Juab County, Utah
Contract No. Idm-E1009

Dear Mr. Fredell:

Enclosed is a copy of a certification of discovery or development related to Exploration Project Contract No. Idm-E1009.

The contract was dated September 14, 1956, with the Government participating to the extent of 50 per cent in an exploration project estimated to cost $5,820.00. Actual expenditures were $5,547.00, with the Government's share being half of such amount, or $2,773.50.

The total amount of work provided for under the contract consisted of two hundred feet of drifting, with not more than sixty feet to be timbered. Work actually done consisted of the two hundred feet of drifting, of which fifteen feet were timbered.

The discovery consisted of lead-zinc ores occurring as replacements and fracture fillings within a breccia zone in limestone. Estimated ore reserves are 7000 tons with a grade of 5.5 per cent lead, 8.0 per cent zinc and two ounces of silver per ton.

Sincerely yours,

C. O. Mittendorf
Administrator

WRGriswold/er 12/4/457
Copy to: Docket
Admr R File
Op. Committee
Mr. Lamb, USBM
Mr. Kiilsgaard, USGS
Cont. Adm & Audit Div.
F. E. Johnson
W. R. Griswold
Region III (2)
Chron.

Enclosures

Audit Copy

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 8 1957
DATE | CODE
800

EXPLORATION PROJECT CONTRACT
PRIVATEER MINING COMPANY
DOCKET NO. DMEA 4242
CONTRACT NO. Idm-E1009

AMENDMENT NO. 2

It is agreed this 24th day of July, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Privateer Mining Company, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1009, Docket No. DMEA 4242, dated September 14, 1956, hereinafter called the "Contract," that the Contract is amended, effective June 15, 1957, as follows:

1. The date fixed by Amendment No. 1 for the end of suspension of operations is extended from June 15, 1957 to July 15, 1957.

2. The period fixed in Article 1, as amended by Amendment No. 1, within which the Operator shall complete the work, is increased from eleven (11) months to twelve (12) months from the date of the Contract.

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

Executed in quintuplicate the day and year first above written.

PRIVATEER MINING COMPANY

By Clinton C. Jenkins
Clinton C. Jenkins
President, General Manager,
and Director

(SEAL)

UNITED STATES OF AMERICA

By E. M. Hardeman
Acting Executive Officer, DMEA
Field Team, Region III

WO

EXPLORATION PROJECT CONTRACT
PRIVATEER MINING COMPANY
DOCKET NO. DMEA 4242
CONTRACT NO. Idm-E1009

RECEIVED 1956

AMENDMENT NO. 1

It is agreed this 14th day of November, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Privateer Mining Company, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1009, Docket No. DMEA-4242, dated September 14, 1956, that:

1. (a) Work under the Contract shall be suspended during the period beginning October 21, 1956, and ending not later than June 15, 1957.

   (b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government and the Government shall not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of work.

   (c) The Operator, at his own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work and any property in which the Government has an interest.

2. The period fixed in Article 1, within which the Operator shall complete the work, is increased from five (5) months to eleven (11) months.

3. The maximum period for royalty payments and lien for payment thereof provided for in the contract, is increased to eleven (11) years.

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

Executed in sextuplicate the day and year first above written.

PRIVATEER MINING COMPANY

By Clinton C. Jenkins
Clinton C. Jenkins
President, General Manager, and
Director

UNITED STATES OF AMERICA

By W. M. [illegible]
Executive Officer, DMEA
Field Team, Region III

(SEAL)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 12, UTAH

November 1, 1956

RECEIVED DEC 3 1956 D.M.E.A.

Memorandum

To: H. M. Traver, Executive Officer, DMEA Field Team, Region III

From: S. R. Wilson

Subject: Docket No. DMEA-4242 (Lead-zinc), Contract Idm-E1009, Privateer Mining Co., Juab County, Utah

Enclosed are the original and eight copies of a letter received from Clinton C. Jenkins, President, Privateer Mining Co. Because of winter weather conditions, Mr. Jenkins requests permission to recess the project work until June 15, 1957. Also attached are copies of a memorandum prepared by M. H. Howes recommending that the recess period be granted.

I am in accord with the recommendation that the operator be allowed to recess the project work until June 15, 1957.

S. R. Wilson

S. R. Wilson

Enclosures
cc: J. Bruce Clemmer

Privateer Mining Company
Clinton C. Jenkins, Pres.
303 East 1st South Street
Provo, Utah
October 26, 1956

RECEIVED DEC 3 1956 DMEA

Mr. L. Traver
Executive Officer, DMEA
Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4242 (Lead-Zinc)
Contract No. Ids-1003
Privateer Mining Company
(Privateer et al. mining claims)
Juab County, Utah

Dear Mr. Traver:

Reference is made to your letter of October 4, 1956, wherein you advised us, that if it became necessary to suspend operations over the Winter months, that we supply you with the following information:

1. Development work was suspended at the mine on October 20th, 1956, due to inclement weather.

2. Operations will be resumed on or before June 15th, 1957.

3. The work, as outlined in our contract, will be completed on or before August 15, 1957.

At this time, we would like to request the Governments approval for the suspension of operations, as hereinabove described.

Very truly yours,

Clinton C. Jenkins, Pres.
Privateer Mining Company

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 12, UTAH

October 31, 1956

Memorandum

To: S. R. Wilson

From: M. H. Howes

Subject: Docket No. DMEA-4242 (Lead-zinc), Contract Idm-E1009, Privateer Mining Co., Juab County, Utah. Memorandum report recommending recess of project work for duration of winter.

A letter, dated October 26, 1956, from the operator to the Executive Officer, requests Government approval for suspension of operations from October 20, 1956, to June 15, 1957, because of severe winter conditions during that period.

The mine is situated at an altitude of approximately 10,000 feet, and is reached by steep, dugway roads. On account of low temperatures and high winds, it is extremely difficult and costly for continued snow removal from the roads. Because of the hazardous winter conditions likely to prevail, it is recommended that suspension of operations between October 20, 1956, and June 15, 1957, be approved.

M. H. Howes

M. H. Howes

cc: J. Bruce Clemmer

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

RECEIVED
OCT 25 1956

224 New Customhouse
Denver 2, Colorado

October 23, 1956

Mr. Clinton C. Jenkins, President
Privateer Mining Company
308 East 1st South
Provo, Utah

Re: Docket No. DMEA 4242 (Lead-Zinc)
Contract No. 14m-21009
Privateer Mining Company
(Privateer et al. Mining claims)
Juab County, Utah

Dear Mr. Jenkins:

Consistent with provisions in the contract pertaining to approval by the Government of the site and direction for the driving of the adit described in Exhibit "A" of Contract No. 14m-21009, this confirms the Government's approval for the actual location of the adit as shown on the map, "Figure 3a No. 1500-1177-8, dated Oct. 15, 1956," a copy of which is attached hereto and made a part of this confirmation of the Government's approval for the location and direction of the work to be performed under the contract.

The adit is to be driven south for a distance of approximately 21 feet, then driven in a direction of approximately S. 40° W. the balance of the distance authorized to explore the mineralized zone.

Nothing in this confirmation of work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

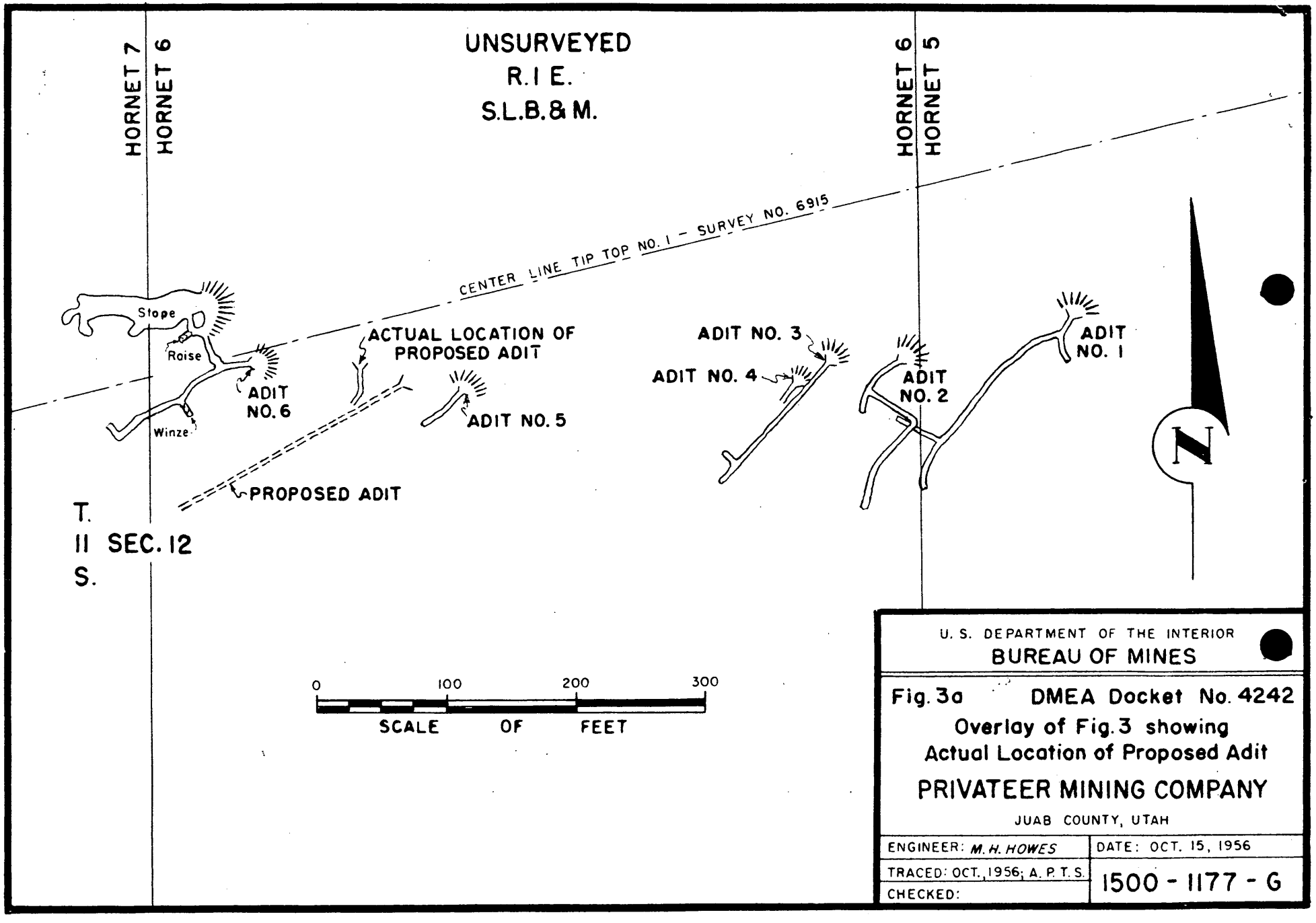
Very truly yours,

DMEA Field Team, Region III

By W. M. Traver
W. M. Traver
Executive Officer

JWT:prl

cc: Chairman, Op. Comm. (4)
Finance Office, Reg. III
Amendment file, Reg. III
Hartshorn (2)
Wilson
Townsend
Corres. file
Chron.


UNSURVEYED
R. 1 E.
S.L.B.& M.
HORNET 7
HORNET 6
HORNET 6
HORNET 5
CENTER LINE TIP TOP NO. 1 - SURVEY NO. 6915
Stope
Raise
Winze
ADIT NO. 6
ACTUAL LOCATION OF PROPOSED ADIT
ADIT NO. 5
PROPOSED ADIT
ADIT NO. 3
ADIT NO. 4
ADIT NO. 2
ADIT NO. 1
N
T. 11 S.
SEC. 12
0
100
200
300
SCALE OF FEET
U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Fig. 3a
DMEA Docket No. 4242
Overlay of Fig. 3 showing
Actual Location of Proposed Adit
PRIVATEER MINING COMPANY
JUAB COUNTY, UTAH
ENGINEER: M. H. HOWES
DATE: OCT. 15, 1956
TRACED: OCT., 1956; A. P. T. S.
CHECKED:
1500 - 1177 - G

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 12, UTAH

RECEIVED
OCT 25 1956

October 15, 1956

Memorandum

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

From: Stephen R. Wilson

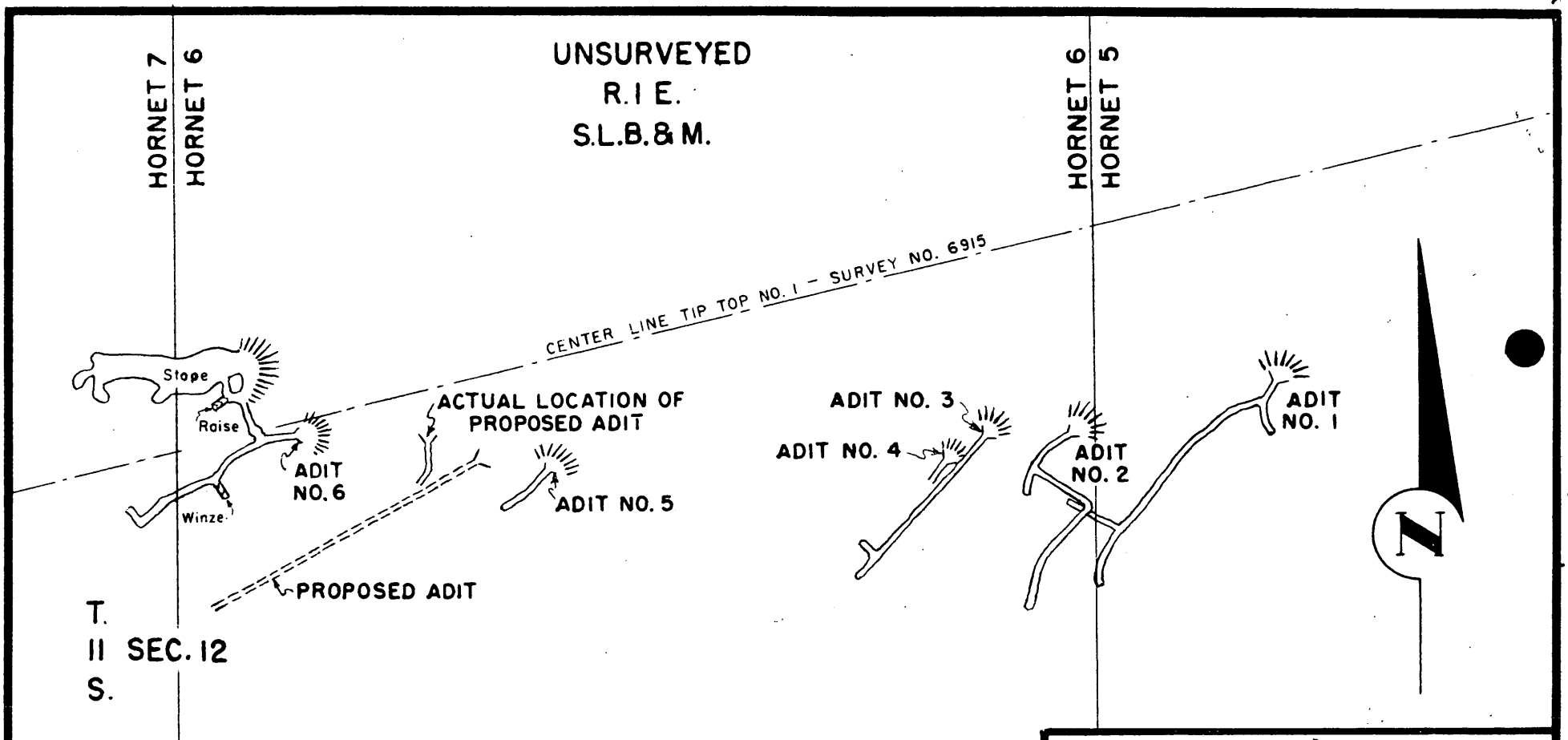
Subject: Docket No. DMEA-4242 (Lead-zinc), Contract Idm-E1009, Privateer Mining Co. (Privateer mine), Juab County, Utah

The subject operator commenced contract work October 1, 1956, from a point established by the inspecting engineer. The approximate position of the portal of the allowable adit is shown on figure 3, a plan map attached to the contract. However, because of advantages resulting from topography, lack of slide rock and dump material, the portal of the adit was changed to a point as illustrated on the enclosed sketch. This portal lies N. 75° W., a distance of 80 feet from the portal of adit No. 5. The contract adit will be driven due south for a distance of 21 feet, then in a direction S. 40° W. to explore the mineralized zone.

Position of the portal of the adit and direction of advance are approved by this office.

Stephen R. Wilson
Stephen R. Wilson

cc: J. Bruce Clemmer



U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Fig. 3a DMEA Docket No. 4242
Overlay of Fig. 3 showing
Actual Location of Proposed Adit

PRIVATEER MINING COMPANY

JUAB COUNTY, UTAH

ENGINEER: *M. H. HOWES*	DATE: OCT. 15, 1956
TRACED: OCT., 1956; A. P. T. S.	1500 - 1177 - G
CHECKED:	

DMEA Form 14

Contract No. Idm-E 1009

Docket No. 4242

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
Sept. 14, 1956	III	Utah	Lead-Zinc

Name and Address of Operator: Privateer Mining Co.
308 East 1st South
Provo, Utah

	Reserve	Obligation
Prior Amount	0	2,910.00
Increase	0	0
Decrease	0	136.50
Revised Amount	0	2,773.50

Remarks:

ALLEN S. DAKAN
(Name)

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

Date delivered to Bureau of Mines, Washington 10/29/57

22845

Contract No. Idm-E-1009

Docket No. 4242

DEPARTMENT OF THE INTERIOR

Executed contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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
Sept. 14, 1956	III	Utah	Lead-Zinc

Name and Address of Operator: Privateer Mining Company
308 East 1st South
Provo, Utah

	Reserve	Obligation
Prior Amount	$2,910.00	0
Increase	0	$2,910.00
Decrease	2,910.00	0
Revised Amount	0	$2,910.00

Remarks:

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

Date Delivered to Bureau of Mines, Washington 10/11/56

98963

Government's Copy

RECEIVED
OCT - 8 1956

MF-200A
(Rev. April 1956)

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

DMEA No.	*Commodity*	*Contract No. Idm-E*	*County*	*State*
4242	Lead-Zinc	1009	Juab	Utah

SEP 14 1956

It is agreed ....., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Privateer Mining Company, a Utah Corporation

whose mailing address is 308 East 1st South
Provo, Utah
hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) 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 Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before October 8, 1956, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within five months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $5,820.00. The Government will contribute 50 percent of the fixed unit cost of the work performed, not exceeding $2,910.00, in accordance with the provisions of Articles 4 and 5.

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

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: See Annex I

(b) 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: None

(c) 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. 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. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(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 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 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. 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 will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *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 all pertinent books, documents, papers, and records of the Operator.

(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 6. *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 the Operator has rendered a sufficient final report (see Article 5), 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 (for example, if the Operator either transfers or fails to retain his interest in the land), 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, for 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, 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, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(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 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 7. *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 Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *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 the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *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 10. *Changes and added provisions.*—

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Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

PRIVATEER MINING COMPANY
(Operator)

By Clinton C. Jenkins

Title President, General Mgr. & Director

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

I, Louis L. Cook, certify that I am the secretary of the corporation named as Operator herein; that Clinton C. Jenkins, who signed this contract on behalf of the Operator, was then Pres. General Mgr. & Director 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.

Louis L. Cook

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

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OCT - 8 1956

EXPLORATION PROJECT CONTRACT
PRIVATEER MINING COMPANY
DOCKET NO. DMEA-4242

ANNEX I

The land referred to in Article 2 of the Contract is owned by the Operator and consists of 4 patented and 39 unpatented lode mining claims, located in the Mount Nebo Mining District, Juab County, Utah, as follows:

Patented Lode Mining Claims

Name of Claim	Mineral Survey No.
Champion	5969
Champion No. 1	6080
Good Luck	4481
Tip Top No. 1	6915

Unpatented Lode Mining Claims

Notices of location are recorded in Office of County Recorder, Juab County, Utah, as follows:

Name of Claim	Book No.	Page No.
Privateer No. 1	166	444
Privateer No. 2	166	445
Privateer No. 3	166	446
Privateer No. 4	166	447
Privateer No. 5	166	448
Privateer No. 6	166	449
Privateer No. 7	166	450
Privateer No. 8	166	451
Privateer No. 9	166	452
Privateer No. 10	166	453
Sphinx Fraction	166	454
Alta No. 1	166	455
Alta No. 2	166	456
Alta No. 3	166	457
Alta No. 4	166	458
Alta No. 5	166	459
Alta No. 6	166	460
Alta No. 7	166	461
Alta No. 8	166	462

Name of Claim	Book No.	Page No.
Alta Fraction	166	463
Downcast No. 1	166	464
Downcast No. 2	166	465
Downcast No. 3	166	466
Hornet No. 1	166	467
Hornet No. 2	166	468
Hornet No. 3	166	469
Hornet No. 4	166	470
Hornet No. 5	166	471
Hornet No. 6	166	472
Hornet No. 7	166	473
Hornet Fraction	166	474
Retriever No. 1	168	47
Retriever No. 2	168	48
Retriever No. 3	168	49
Retriever No. 4	168	50
Retriever No. 5	168	51
Retriever No. 6	168	52
Retriever No. 7	168	53
Retriever No. 8	168	54

These claims are shown on the map (Figure 2) entitled: "Property of: Privateer Mining Company, Mount Nebo Mining District, Juab County, Utah," attached hereto and made a part hereof.

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EXPLORATION PROJECT CONTRACT
PRIVATEER MINING COMPANY
DOCKET NO. DMEA-4242

EXHIBIT A

Description of the Work

From a site and in a direction approved by the Government, the Operator shall drive not to exceed 200 feet of adit to explore the downward extension of lead-zinc mineralization exposed at the surface and in a nearby winze. The adit shall be timbered where necessary, but the Government will contribute to the cost of not more than 60 feet of timbering. The size of the adit shall be not less than 5 feet by 7 feet in cross section in the clear of timber.

Not to exceed 40 samples shall be assayed for lead, zinc, and silver.

The approximate location and direction of the adit are shown on the map (Figure 3) entitled: "Geologic Sketch Map, Privateer Mining Company, Mount Nebo Mng. Dist. - Sec. 12, T 11S: R 1E, Juab County - Utah," attached hereto and made a part hereof.

Fixed Unit Costs

200 feet of adit	@ $27.00/ft.	$5,400.00	
60 feet of timbering	@ $5.00/ft.	300.00	
40 samples assayed	@ $3.00/sample	120.00	
Estimated Total Cost of the Project			$5,820.00
Government Participation @ 50%			$2,910.00

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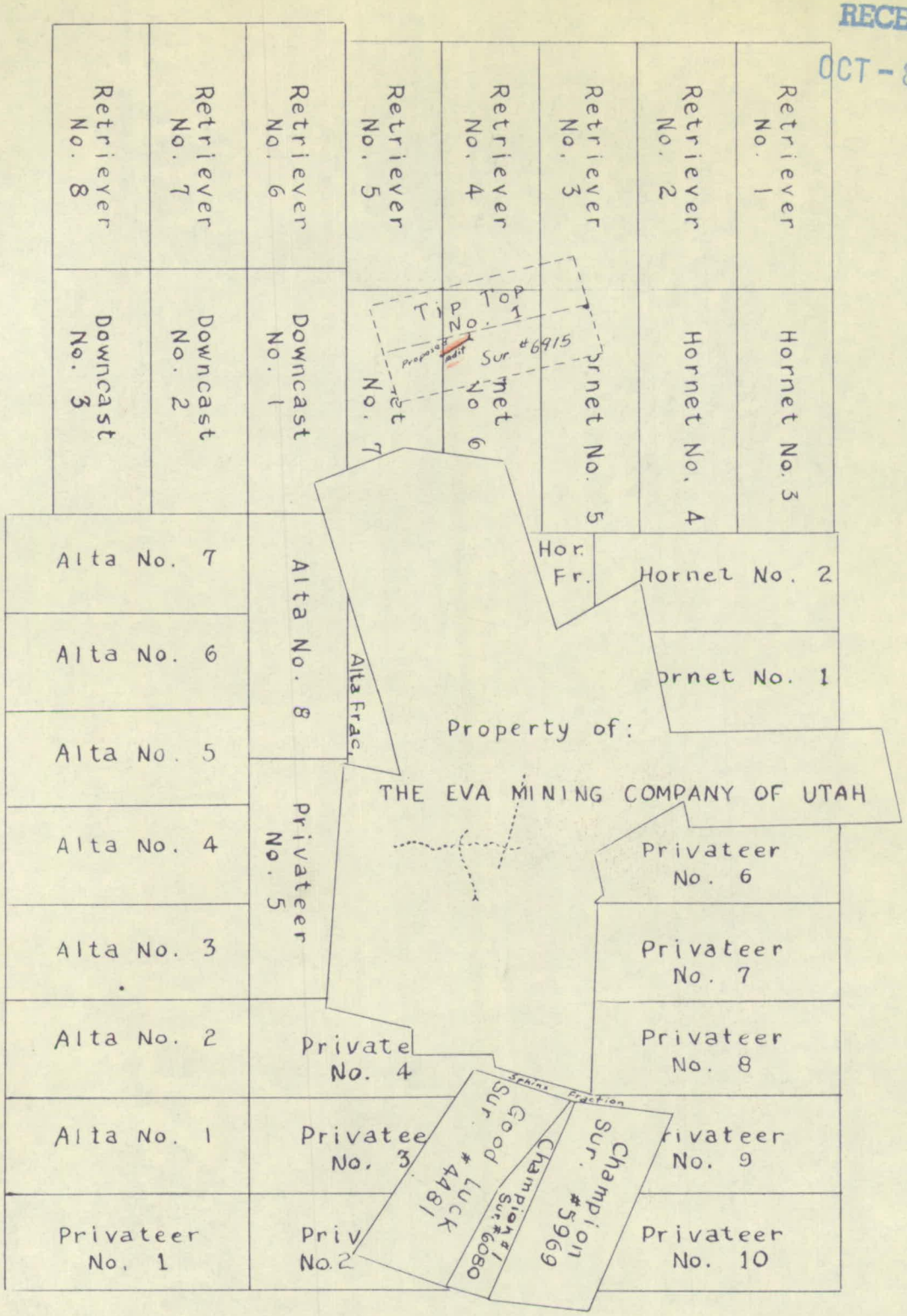


Property of:

PRIVATEER MINING COMPANY

Mount Nebo Mining District
Juab County, Utah

Scale: 1000 Feet to the Inch

Fig. 2

Traced from applicant's map Oct. 7-56

1500 - 1167 - G

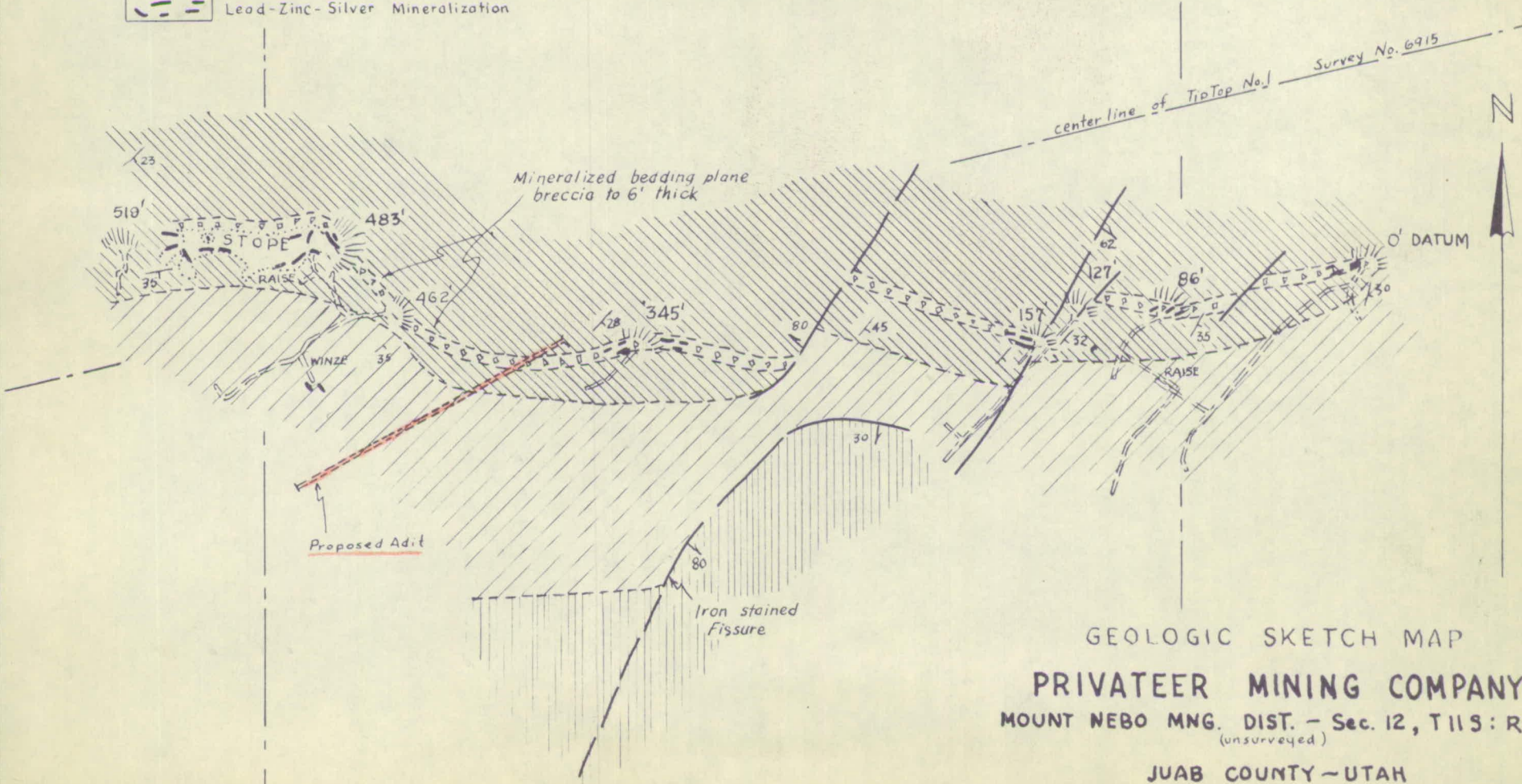
U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET NO. 4242

Hornet No. 6

EXPLANATION

- Quartzite and Limestone
- Cherty Limestone
- Massive Limestone
- Breccia Zone (includes Hydrothermal Dolomite)
- Lead-Zinc-Silver Mineralization
- Fault
- Dip and Strike
- Adit and Underground Workings
- Dump



GEOLOGIC SKETCH MAP

PRIVATEER MINING COMPANY

MOUNT NEBO MNG. DIST. – Sec. 12, T11S: R1E
(unsurveyed)

JUAB COUNTY – UTAH

SCALE IN FEET
100 0 100 200

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Traced from applicant's map

Fig. 3

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

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524 New Customhouse
Denver 2, Colorado

March 4, 1956

Mr. Clinton C. Jenkins, President
Privateer Mining Company
306 East 1st South
Provo, Utah

Re: Docket No. DMEA 4242 (Lead-Zinc)
Contract No. I4m-X1009
Privateer Mining Company
(Privateer et al. mining claims)
Juab County, Utah

Dear Mr. Jenkins:

Enclosed herewith is the "Operator's Copy" of Exploration Project Contract No.I4m-X1009, Docket No. DMEA 4242.

Also enclosed are six copies of form MF-104, "Operator's Monthly Report and Voucher," and six copies of form MF-104A, "Operator's Unit Cost and progress Report." At the end of the first calendar month after work is commenced, and monthly thereafter, you are required to submit the original and four copies of each form to Mr. Stephen R. Wilson, U. S. Bureau of Mines, 1600 East First South Street, Salt Lake City 1, Utah. The extra copy is for your records.

Forms MF-104 and MF-104A are to be combined into five sets of one of each form; each set of the combined forms is to be accompanied by a map or sketch showing the location and extent of work performed, and a signed narrative report which describes the work performed, conditions encountered, and results of the work. The monthly accounting report will not be processed for reimbursement to you unless it is accompanied by a signed narrative report and other required or pertinent data. Additional copies of forms MF-104 and MF-104A will be forwarded to you each month on receipt of your report for the prior month.

The contract is prepared on form MF-200A, and under its provisions and as outlined in Exhibit "A", the work is to be performed at "Fixed Unit Costs," which will be the basis of reimbursement to you as units of work are completed and reported on forms MF-104 and MF-104A.

Your requests to this office for work approval, changes in the contract, or any other communication pertaining to operations under the contract, must be in writing, of which please supply the original and five copies, each copy complete with maps or other pertinent data. Each request for action by this office must pertain to one matter only, and such requests are not to be incorporated in your narrative report accompanying monthly progress report forms MF-104 and MF-104A.

No oral statement of any person shall be construed to modify or change the terms of the contract. Field representatives of the Government are not authorized to approve any changes in the work program or contract provisions. Such approval can only be given by the Washington Office, DMEA, or by the DMEA Field Team, Region III.

It is a regulation that reimbursement for the cost of work accomplished prior to the date of the contract will not be allowed. It is a requirement and imperative that you notify this office in writing the date work actually commences under the contract, with a copy of your letter to Mr. Wilson.

Very truly yours,

W. M. Traver

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

Enclosures

JWT:prl

cc: Chairman, Op. Comm. (3)
Finance Office, Reg. III
Amendment File, Reg. III
Barnhsen (2)
Wilson
Townsend
Corres. file
Chron.

Contract No. Idm-E 1009

Docket No. 4242

DEPARTMENT OF THE INTERIOR

Approved contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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
~~August~~ SEPT. 14, 1956	III	Utah	Lead-Zinc

Name and Address of Operator: Privateer Mining Company
308 East 1st South
Provo, Utah

	Reserve	Obligation
Prior Amount	0	0
Increase	$2,910.00	0
Decrease	0	0
Revised Amount	$2,910.00	0

Remarks:

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

Date Delivered to Bureau of Mines, Washington 9/17/56

98963