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

FINAL DISTRIBUTION
MADE JAN 29 1958

Administrative Audit Difference Statement

[redacted]

Date: [redacted]
Payee's Reference: [redacted]

[redacted]

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

Amount Claimed $ [redacted]

Difference $

Amount Approved $ [redacted]

The reason for the difference was due to:

[redacted]

RECEIVED FEB 3 1958

DATE	Initials	CODE
2/3	C	220
"	FEJ	110
	~~[illegible]~~	~~500~~

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

224 New Customhouse
Denver 2, Colorado
January 24, 1958

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4653 (Copper-Lead-Zinc) Contract Idm-E1081, Western Resources, Inc., (Sunbeam mine) Juab County, Utah - Operator's Monthly Progress Report for the month of November, 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.

The work is being performed partly under independent subcontract, and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

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. Payment is recommended for 50 percent of the amount reported on Form MF-104 for November, 1957, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deduction:

Withhold an amount of $500.00 pending resolution of matters which are prerequisite to closing the account. The Operator has requested that the contract be terminated in its present status without requiring performance of the balance of work provided for.

Remarks: Date of Report----------December 12, 1957
Date Received in Field Office----------December 18, 1957
Date Received in Region Office----------January 10, 1958
Held pending documentation, received January 23, 1958

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

Original signed by
W. H. KING

W. H. King

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

DMEA
DEPARTMENT OF THE INTERIOR
JAN 10 1958
REGION III
DENVER, COLORADO

January 9, 1958

Memorandum

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

From: H. H. Howes

Subject: Docket No. DMEA-4853 (Copper-lead-zinc), Contract Idm-X1081, Western Resources, Inc. (Sunbeam mine), Juab County, Utah. Progress report for November 1957

The Western Resources, Inc. property was inspected December 10, 1957. It is verified that hole No. 2 was completed in November 1957, with 451 feet of noncore drilling, 48 feet of core drilling between 0 and 500 feet, and 263 feet of core drilling between 500 and 763 feet, for a total depth of 763 feet, and that the work was performed in accordance with the contract.

Comparatively fresh, unaltered, unmineralized monzonite porphyry was encountered in hole No. 2 from 0 to 500 feet. From 500 to 695 feet fine, disseminated pyrite was disclosed in partly altered porphyry. From 695 to 715 feet a fissure, thought to be the Sunbeam vein, was encountered. It is heavily mineralized with quartz and pyrite, but no copper, lead or zinc minerals are visible. From 715 to 763 feet, the bottom of the hole, altered monzonite porphyry containing a small quantity of scattered, fine pyrite was found.

The operator's MF-104 and MF-104A forms were checked, and it is verified that all charges for services and supplies were necessary and that they do not appear to be excessive.

The operator's narrative report, map, and drill log are considered to be adequate.

It is recommended that the operator be reimbursed in the amount of $3,440.88, which is 50 percent of $6,921.77, the allowable cost for the work consisting of $45.00 for 20 feet of lost casing at $2.25 per foot, plus $2,706.00 for 451 feet of noncore drilling at $6.00 per foot, plus $416.50 for 48 feet of core drilling at $8.50 per foot, plus $2,761.50 for 263 feet of core drilling at $10.50 per foot, plus $50.00 for 3-1/3 hours of bulldozing at $15.00 per hour, plus $802.77 for incidental

allowance on 763 feet of drill hole at $0.79 per foot, plus $40.00 for 32 core boxes at $1.25 each, plus $200.00 for demobilization of drill equipment and crew, but that payment be withheld until the operator's final report and the final audit report have been submitted.

M. H. Howes

M. H. Howes

Enclosure
cc: J. B. Clemmer

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

U. S. BUREAU OF MINES
RECEIVED (C)
DEC 18 1957
SALT LAKE CITY, UTAH

Budget Bureau No. 42-R1036.5

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1957 Docket No. DMEA 4653 Contract No. Idm E 1081
Operator's Name Western Resources, Inc. Minerals Copper, Lead, Zinc
Address c/o D.H.Moffat, Continental Bk. Bldg. Salt Lake City, Ut.
Contract Amount, $ 33,268.00 Government Participation: 50 % Amount, $ 16,634.00

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: Bulldozing	50.00	150.00	200.00	2/25/58		
~~Drilling~~ Non Core	2,706.00	2,580.00	5,286.00			
~~Bulldozing~~ Core 0-500	416.50	595.00	1,011.50			
Crosscutting Core 500-750	2,761.50	945.00	3,706.50			
Drifting Cementing	--	195.00	195.00			
Mobilization	300.00	300.00	600.00			
Lost Casing	45.00	--	45.00			
(2) Labor and Supervision:						
~~Labor~~						
~~Supervision~~ Incl. All.	602.77	466.10	1,068.87			
Technical Services Assays	--	12.00	12.00			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Core Boxes	40.00	20.00	60.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	6,921.77	5,263.10	12,184.87	6,921.77	5,263.10	12,184.87

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

Date 12/12/57 *Payee Western Resources, Inc.

Per James Dunlay Title President

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: $2960.89

Signature (Authorized Certifying Officer)

Date 1/28/58 Voucher No. 58-83

(See other side)

RECEIVED FEB 3

Note: Withhold 500.00

(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. E-1081 in accordance with the terms of the contract.

Signature M. H. Reeves Title Mining Engineer Date 1/9/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature C. H. King Title Executive Officer Date JAN 24 1958

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 1962)

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 November 1957 Docket No. DMEA 4653 Contract No. Idm E 1081

Operator's Name Western Resources, Inc. Minerals Copper, Lead, Zinc

Address c/o D.H. Moffat, Continental Bk. Bldg. Salt Lake City, Uth.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
~~Raising~~ Reaming	ft.	--	--	--	--	--	600	4.50
~~Shafts~~ Cementing	hr.	--	--	195.00	13	15.00	36	15.00
~~Winzes~~ Lost Casing	ft.	45.00	20	45.00	20	2.25	144	2.25
~~Drilling: Core~~ Non-Core	ft.	2,706.00	451	5,286.00	881	6.00	2700	6.00
~~Churn~~ Core 0-500	ft.	416.50	49	1,011.50	119	8.50	300	8.50
Auger 500-750	ft.	2,761.50	263	3,706.50	353	10.50	600	10.50
~~Stripping~~ Bulldozing	hr.	50.00	3-1/3	200.00	13-1/3	15.00	48	15.00
Trenching Incidental All.	ft.	602.77	763	1,068.87	1353	.79	3600	.79
~~Test Pits~~ Core Boxes	ea.	40.00	32	60.00	48	1.25	72	1.25
~~Roads and Trails~~ Assaying	det.	--	--	12.00	12	1.00	400	12.00
Mobilization	job	300.00	1/2	600.00	1	600.00	1	600.00
TOTAL DISTRIBUTED COSTS		6,921.77		12,184.87				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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

Date 12/12/57 Operator Western Resources, Inc.

Per James Quigley Title President

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

REMARKS: Hole No. 2 bottomed at 763. Cut quartz 694-716 heavy pyrite, no values. 716-760 clay alteration. 700-763 fresh monzonite. Request stop project because of lack of values in vein.

(Instructions on reverse)

(For Government use only)

M. H. Howe, Mining Engineer 1/9/58

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

WESTERN RESOURCES, INC.
MONTHLY REPORT
NOVEMBER - 1957

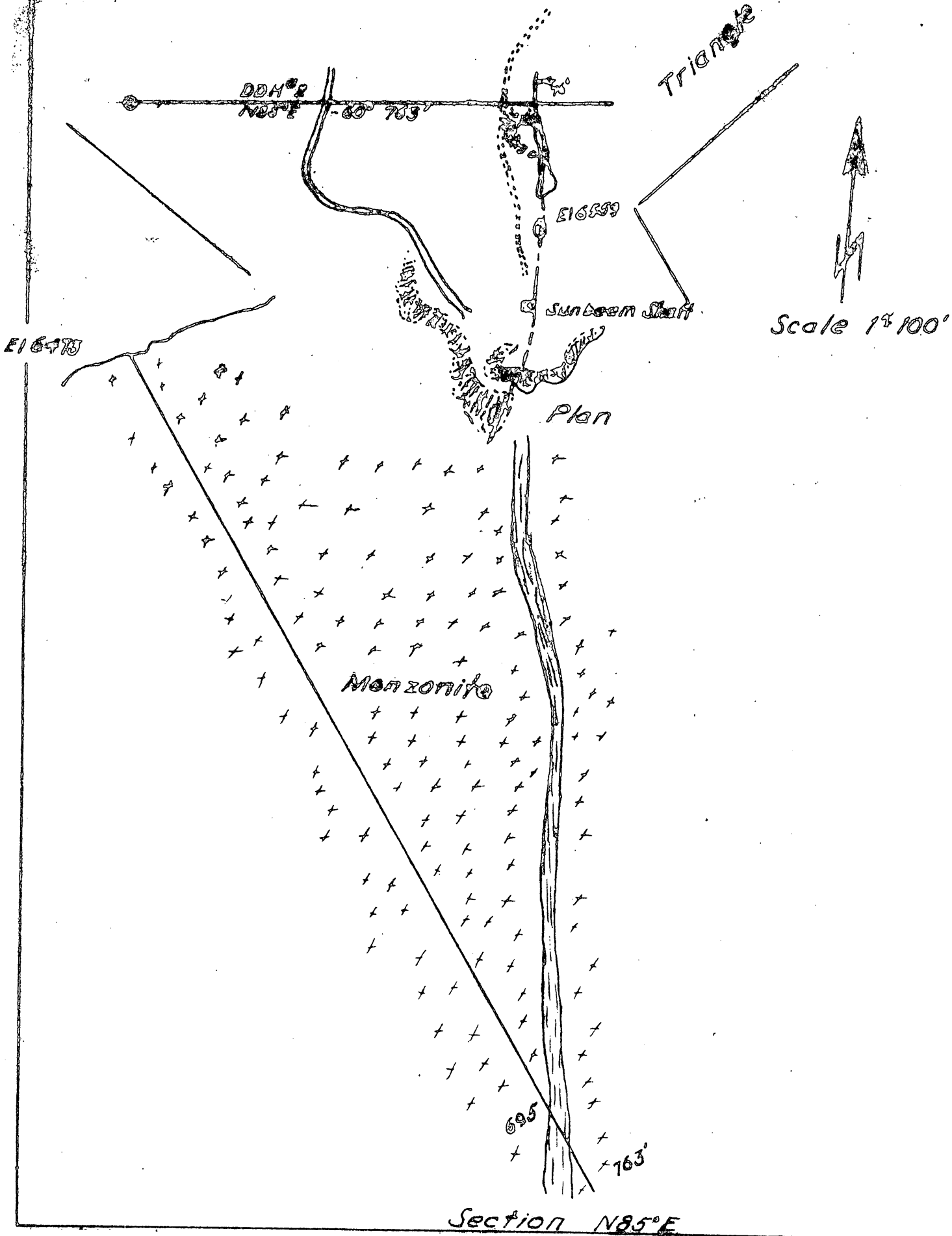
Hole No. 2 was completed to 763 cutting a quartz vein heavily impregnated with pyrite from 694-716. The assays of this section showed only minor values. Therefore since Hole No. 1 was equally barren of metal values of interest the conclusion that the Sunbeam vein contains little or no values at depth seems evident. It is possible that ore shoots occur in the pyritized vein. Drilling blindly to pick up these ore shoots is too costly in terms of the limited tonnages that could be developed in this manner.

James Quigley, President

James Quigley

WESTERN RESOURCES, INC.

DDH #2 SUNBEAM TINTIC DISTRICT, UTAH NOV. 1957



SUNBEAM LCG DDH #2

Date Started: September 28, 1957 Depth Hole 763 ft.

Date Finished: November 27, 1957

0 - 369	Plugged Bit.
369 - 373	Monzonite.
373 - 455	Plugged Bit.
455 - 501	Monzonite.
@ 501	Quartz fissure 1" - No mineralization.
501 - 599	Monzonite - Fine grained pyrite - Biotite.
@ 599	4" Quartz fissure - No mineralization.
599 - 695	Monzonite - Fine grained pyrite At 680 monzonite altered clay appearance.
695 - 705	Fissure - Quartz large crystals pyrite - No commercial mineralization.
705 - 716	Fissure - Quartz pyrite.
716 - 745	Monzonite - Altered fine grained pyrite.
745 - 763	Monzonite - Altered.

Assays (Core)

Footage	Au	Ag	Cu	Pb	Zn
625 - 629	0.01	0.50			
629 - 632	0.01	0.20			
634 - 637	Tr	Tr			
637 - 643	0.01	0.20			

Footage	Au	Ag	Cu	Pb	Zn
643 - 645	0.01	0.20			
645 - 647	0.01	0.20			
695 - 700	0.01	0.20	0.20		
700 - 705	0.01	0.30	0.20		
705 - 712	Tr	0.20	0.30		
712 - 715	Tr	0.20	0.20		
715 - 722	Tr	0.20	0.15		
		Sludge			
706 - 710	0.01	0.40	0.50		
710 - 712	0.01	0.30	0.20		
712 - 716	0.01	0.30	0.20		

FINAL DISTRIBUTION

MADE DEC 5 1957

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

Administrative Audit Difference Statement

Western Resources, Inc.
D. Moss Moffat, Esq. Fabian, Clendenin,
Moffat & Mabey
Continental Bank Bldg.
Salt Lake City 1, Utah

Date: Dec. 3, 1957
Payee's
Reference: Sept. 1957

DmeA-4653

Gentlemen:

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

Amount Claimed $ 5,140.10

Difference $ 27.00

Amount Approved $ 5,113.10

The reason for the difference was due to:

Disallowance

Reported 39 assays	39.00
Contract allowable 12 Assays	12.00
	27.00

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 9 1957

DATE		CODE
12/9	C	220
"	FJ	110
12/9	Klug.	500

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

224 New Customhouse
Denver 2, Colorado

November 25, 1957

Memorandum

To: T. A. Christensen

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

Subject: Docket DMEA-4653 (Copper-Lead-Zinc) Contract Idm-R1081, Western Resources, Inc. (Sunbeam mine) Juab County, Utah. Operator's Monthly Progress Report for the month of 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.

The work is being performed partly under independent subcontract and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

Except as otherwise indicated below, 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. Payment is recommended on the following basis, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Exhibit "A" of the contract specifies that core and sludge shall be assayed for zinc, lead, copper, and silver. The Operator requests reimbursement for 39 analyses. Assay certificates indicate that only 3 samples, aggregating 12 determinations, were analyzed for all four metals; hence, we recommend the following disallowance.

<u>Disallowance, Assay</u>

Operator reported costs for 39 determinations ------	$39.00
Contract allowable, 12 determinations ----------	12.00
Disallow	$27.00

No determination was made for lead in several samples. The Operator may request reimbursement for the cost of determinations allowable by the contract when the samples have been analyzed as required.

Reconciliation with Amount Reported by the Operator on Form MF-104 for September 1957

Amount reported on Form MF-104 for September 1957	$5,140.10
Amount to be disallowed	27.00
Total accepted cost	$5,113.10

Government participation at 50 percent ---------- $2,556.55

REMARKS:

Date of Report ---------- October 20, 1957
Date Received in Field Office ---------- November 14, 1957
Date Received in Region Office --------- November 23, 1957

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

MHM:jy

cc: Chm. Op. Comm. (2)
DMMA, SLC
MF-104 file, Reg. III
Harshman (2) w/one copy of Engr's. report
Townsend w/copy of Engr's. report
Chron.

R. R. CASTO | P. M. CRISMON | ORRIN FISHER | HAROLD E. CULVER

CRISMON & NICHOLS

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

PHONE EM 3-7417 | P. O. BOX 1708

REPORT OF ASSAY

SALT LAKE CITY, UTAH November 20, 1957

Western Resources Inc.

WE HAVE ASSAYED YOUR one SAMPLES AND FIND it TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	Per-cent Cadmium				
Sunbeam Wurtzite	2	0.340				

DMEA
DEPARTMENT OF THE INTERIOR
DEC 4 - 1957
REGION III
DENVER, COLORADO

REMARKS: Copies mailed to S. H. Moffat, M. S. Howes, and Trent Parker

CRISMON & NICHOLS

CHARGES $ 4.00

R. R. CASTO | P. M. CRISMON | ORRIN FISHER | HAROLD E. CULVER

CRISMON & NICHOLS

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

PHONE EM 3-7417 | P. O. BOX 1708

REPORT OF ASSAY

SALT LAKE CITY, UTAH November 26, 1957

Western Resources Inc.

WE HAVE ASSAYED YOUR eight SAMPLES AND FIND them TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF GOLD PER TON
Sunbeam #2										
Core 695-700		0.01	0.20		0.20					35¢
" 700-705		0.01	0.30		0.20					35¢
Sludge 706-710		0.01	0.40		0.50					35¢
" 710-712		0.01	0.30		0.20					35¢
712-716		0.01	0.30		0.20					35¢
Sunbeam 80E #2										
Core 705-712		Trace	0.20		0.30					
712-715		Trace	0.20		0.20					
715-722		Trace	0.20		0.15					

REMARKS: Copies mailed to M.S.Howes, S.H.Moffatt, & Trent Parker

CRISMON & NICHOLS

CHARGES $ 20.00

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

November 8, 1957

Memorandum

To: E. M. Harshman, Acting Executive Officer, DMEA Region III

From: M. M. Howes

Subject: Docket No. DMEA-4653 (Copper-lead-zinc), Contract Western Resources, Inc. (Sunbeam mine), Juab County, Progress report for September 1957

The Western Resources, Inc., property was inspected November 1, 1957. It is verified that hole No. 1 was completed in September 1957, with 430 feet of noncore drilling, 70 feet of core drilling to a depth of 500 feet, and 90 feet of core drilling between 500 and 750 feet of depth, for a total length of hole of 590 feet, and that the work was performed in accordance with the contract. From 175 to 430 feet the hole was drilled with an NX bit, and from 430 to 590 feet a BX bit was used.

From 412 to 520 feet fresh monzonite porphyry and quartz monzonite porphyry, with minor amounts of disseminated pyrite and a few quartz seams, were encountered. From 520 to 536 feet a 21-percent core recovery was made, showing altered monzonite with disseminated pyrite. From 536 to 548 feet altered monzonite with pyrite was encountered. From 548 to 577 feet a few erratic spots and some disseminated specks of wurtzite, together with a sporadic dissemination of pyrite, quartz, and chalcopyrite, occur in an altered monzonite. From 577 to 590 feet, the bottom of the hole, monzonite with occasional specks of pyrite was encountered. A core recovery of 95 percent was made from 536 to 590 feet. Hole No. 1 was completed at 590 feet.

The operator's unit cost and progress report were checked, and it is verified that all charges for services and supplies were necessary and that they do not appear to be excessive, except for the charge for assays. The contract allows for a total of 400 determinations of silver, copper, lead, and zinc, to be made at a cost of $1.00 each. A total of 30 determinations are reported on the MF-104 forms. However, 11 of the determinations were made for gold, and inasmuch as gold is not permitted under terms of the contract, the cost of these determinations should be disallowed.

The operator's narrative report is considered to be adequate.

It is recommended that the operator be reimbursed by $2,564.28, which is 20 percent of $5,128.16, the allowable cost of $195.00 for 13 hours of cementing at $15.00 per hour, plus $2,880.00 for 480 feet of nonacre drilling at $6.00 per foot, plus $595.00 for 70 feet of core drilling at $8.50 per foot, plus $945.00 for 90 feet of core drilling at $10.50 per foot, plus $468.10 for 670 feet of incidental allowance at $0.70 per foot, plus $20.00 for 16 core boxes at $1.25 each, plus $28.00 for 28 assay determinations at $1.00 each, plus $200.00 for one-half the cost of mobilization.

M. H. Howes

M. H. Howes

Enclosure

cc: J. B. Clemmer

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 September, 1957 Docket No. DMEA 4653 Contract No. IdmE1081

Operator's Name Western Resources Inc. Minerals Copper, Lead, Zinc

Address c/o D. H. Moffat, Continental Bank Bldg., Salt Lake City,

Contract Amount, $ Government Participation: % Amount, $

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 Contractor:						
Short Form Bull dozing	--	150.00	150.00	12/12/57		
Drilling Non-Core	2,580.00	--	2,580.00			
~~Bulldozing~~ Core 0-500	595.00	--	595.00			
~~Crosscutting~~ " 500-750	945.00	--	945.00			
~~Drifting~~ Cementing	195.00	--	195.00			
Mobilization	300.00	--	300.00			
(2) Labor and Supervision:						
Labor						
~~Supervision~~ Incid. all.	466.10	--	466.10			
~~Technical Services~~ Assay	39.00	--	39.00			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Core boxes	20.00	—	20.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	5,140.10	150.00	5,290.10	5113.10	150.00	5263.10

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

Date 10/2/57 *Payee Western Resources Inc.

Per James Quigley Title President

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

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

(Instructions on reverse)

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

$2556.55

Signature (Authorized Certifying Officer)

Date 12/2/57 Voucher No. 58-66

(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. E-1081 in accordance with the terms of the contract.

Signature M. H. Harris Title Mining Engineer Date 11/4/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature E. M. Hardman Title Acting Executive Officer Date NOV 25 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.

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1957 Docket No. DMEA 4653 Contract No. IdmE1081

Operator's Name Western Resources Inc. Minerals Copper, Lead, Zinc

Address c/o D.H. Moffat, Continental Bank Bldg. Salt Lake City, 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								
Crosscutting								
~~Raising~~ Reaming	ft.	--	--				600	4.50
Shafts Cementing	hr.	195.00	13	195.00	13		36	15.00
Winzes Lost Casing	ft.	--	--	--	--		144	2.25
Drilling: ~~Core~~ Non Core	ft.	2,580.00	430	2,580.00	430	6.00	2,700	6.00
~~Churn~~ Core 0-500	ft.	595.00	70	595.00	70	8.50	300	8.50
~~Auger~~ Core 500-750	ft.	945.00	90	945.00	90	10.50	600	10.50
~~Stripping~~ Bulldozing	hr.	--	--	150.00	10	15.00	48	15.00
~~Trenching~~ Incidental All.	ft.	466.10	590	466.10	590	.79	3,600	.79
~~Test Pits~~ Core boxes	ea.	20.00	16	20.00	16	1.25	72	1.25
~~Roads and Trails~~ Assays	det.	39.00	39	39.00	39	1.00	400	1.00
Mobilization	job	300.00	1/2	300.00	1/2		1	600.00
Total Distributed Costs		5,140.10		5,290.10				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		5,140.10		5,290.10				

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 10/20/57 Operator Western Resources Inc.

Per James Quigley Title President

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

Remarks: Drill hole No. 1 completed at 590 ft. 430 - 590 cored BX. Mineralized zone 534 - 581 split and assayed. Drill moved to No. 2 drill site and hole at 180 ft. on October 17th.

(Instructions on reverse)

(For Government use only)

M.H. Howes, Mining Engineer, 11/4/57

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.

RECEIVED
BUREAU OF MINES
OCT 2 1964

GPO 872894

REPORT

SUNBEAM DRILLING PROJECT, SEPTEMBER 1957

Hole No. 1 was completed at a depth of 590 ft. 530' to 590' was cored BX and the core from 534 to 581 was split and assayed. The zone 534 to 581 consists of strong clayey altered monzonite with small stringers carrying galena, sphalerite and a dark sulphide which was assumed to be enargite similar to the enargite found on the dumps. This black sulphide has been identified by the Bureau as wurtzite.

The hole was surveyed after completion and the inclination was found to have fallen off from 55 degrees to 62 degrees from the vertical. The mineralized zone plots directly under the vertical shaft on the road. It is not evident whether the zone represents an eastward dipping structure related to the north end of the vein system, or a westerly dipping structure related to the southern part of the Sunbeam vein. The most reasonable explanation is that the zone is a cymoid loop structure between the two vein projections.

As such the area between the two vein systems appears to be negative because although the structure is highly altered and carries metal the mineralization is far below ore grade.

Hole No. 2 was collared on September 28th.

Western Resources, Inc.

James Quigley

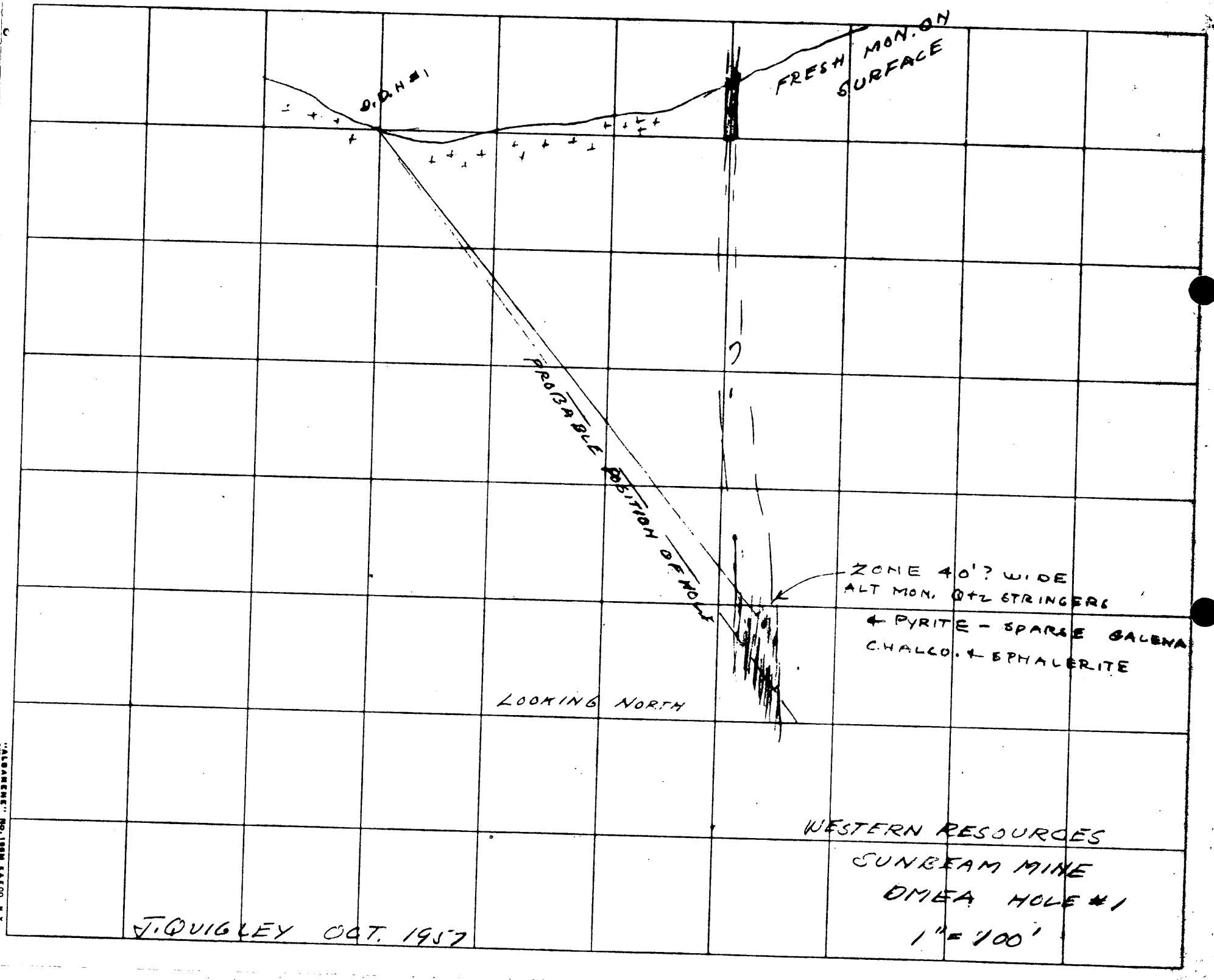
James Quigley

JQ/ce

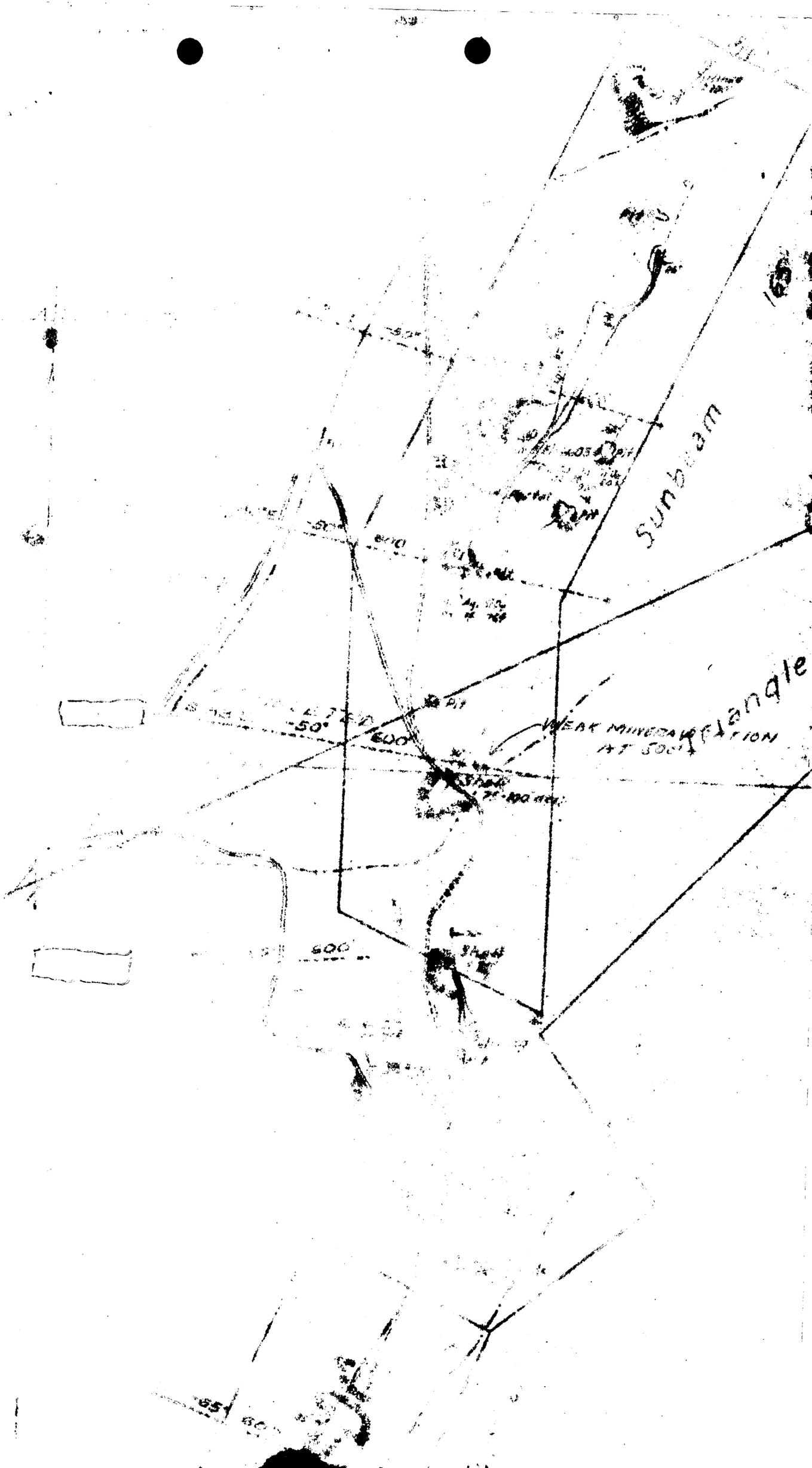
SUNBEAM NO. 1 DRILL HOLE

529 - 536 ft.	Fragments of core - 18" out of 84 = 21%. Altered monzonite, disseminated pyrite.
536 - 548 ft.	95% recovery. Altered monzonite with pyrite.
548 - 552 ft.	95% recovery. Black sulphide in cracks - quartz crystals, some chalcopyrite.
552 - 558 ft.	95% recovery. Dark sulphide (enargite?) less abundant, some chalco.
558 - 561 ft.	95% recovery. Pyrite, chalcopyrite as specks, some dark sulphides as specks in clayish altered monzonite.
561 - 577 ft.	95% recovery. Pyrite chalcopyrite as specks, some sulphides as specks and some in cracks in altered monzonite.

cc: Mr. D. H. Moffat
Mr. M. S. Howes
Mr. Trent Parker



"ALBANENE" No. 190M K&E CO., N.Y.


Sunbeam
Triangle
WEAK MINERALIZATION
AT 500'
50'
600
600

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 1 1957

DATE	INITIALS	CODE
11/1	C	220
11/4	Kling	STD

October 29, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4653 (Copper-Lead-Zinc), Contract No. Idm-E1081, Western Resources, Inc. (Sunbeam mine), Juab County, Utah

Enclosed are three copies of a memorandum Interim Report, dated October 25, 1957, from F. B. Moore, Geologist, Geological Survey, pertaining to operations under the subject contract.

E. N. Harshman

E. N. Harshman

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

IN REPLY REFER TO:
DMEA
DEPARTMENT OF THE INTERIOR
OCT 28 1957
REGION III
DENVER, COLORADO

Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

October 25, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 1 1957

DATE	INITIALS	CODE

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: E. W. Harshman

From: F. B. Moore

Subject: Docket DMEA 4653 (Copper-lead-zinc), Contract No. Idm-E 1081
Western Resources, Inc. (Sunbeam mine), Juab County, Utah
INTERIM REPORT

On September 26, 1957, M. H. Howes, U. S. Bureau of Mines, and F. B. Moore, U. S. Geological Survey, visited the Sunbeam mine area to inspect progress on drilling under the above contract.

One drill hole (No. 1 on the approved program) has been completed for a length of about 590 feet. The hole, which is in monzonite, cut highly altered rock between 530 and 580 feet. Traces of galena and sphalerite were found in the altered interval; one seam of galena-sphalerite with siderite (?) was about 1 inch thick. Core recovery was generally high--95 percent on most runs. Sludge assays compared closely with core assays for the same interval so appear to be reliable where core recovery was poor. No large vein zone that could be identified as such was cut.

The inclination of hole No. 4 is 60° at the collar. A survey of the hole showed that it had steepened 5° at depth. As this is one of the three northerly holes in that portion of the vein where the dip may reverse, the possibility exists that the hole may be too steep. The altered portion of core may have come from a place where the hole approached the vein without cutting it. The company plans to flatten the next hole by 5° to allow for the steepening during drilling.

F. B. Moore

F. B. Moore, Geologist

FBMoore:mp

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 14 1957

DATE		CODE
10/14	C	220
10/14		800
10/14		500

224 New Customhouse
Denver 2, Colorado
October 9, 1957

Mr. James Quigley, President
Western Resources, Inc.
c/o Fabian, Clendenin, Moffat & Mabey
Continental Bank Building
Salt Lake City 1, Utah

Re: Docket DMEA-4653 (Copper-Lead-Zinc)
Contract Idm-E1081
Western Resources, Inc.
(Sunbeam mine)
Juab County, Utah

Dear Mr. Quigley:

Form MF-104, Operator's Monthly Report and Voucher, for August 1957, has been received in this office and is being processed for payment.

Hole No. 1 has not been completed to the contract objective, therefore the incidental allowance reported for 412 feet of drilling in this hole is disallowed. Incidental allowance may be reported for the entire footage drilled in hole No. 1, on a subsequent voucher, after the hole is completed to the contract objective.

You will be further advised of the disallowance by means of an Administrative Audit Difference Statement, which will be forwarded to you by the Finance Office, Region III. Please make the necessary adjustment of units and costs on the next reports submitted on Forms MF-104 and MF-104A. No units of work are to be reported until the contract requirements regarding the work have been complied with, to the extent that the costs may also be reported.

Yours very truly,

Original signed by
E. N. HARSHMAN
E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

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

FINAL DISTRIBUTION
MADE OCT 11 1957

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

Western Resources, Inc.
Continental Bank Building
Salt Lake City 1, Utah

DMEA-4653

Date: October 10, 1957
Payee's Reference: July 15- August 31, 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 $ 475.48

Difference $ 325.48

Amount Approved $ 150.00

The reason for the difference was due to:

Incidental allowance for 432 feet @ $0.79 per foot disallowed pending completion of drilling in hole No. 1.

EXTRA COPY
DMEA
RECEIVED OCT 1957

DATE		CODE
10/10		440
~~10/14~~	~~Chg.~~	~~500~~

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

Very sincerely yours,

RRC

N. E. Stokes
Audit Section

Randel R. Cooper
Fiscal Officer, Region III

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

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DMEA
RECEIVED 1957
DATE CODE

224 New Customhouse
Denver 2, Colorado
October 9, 1957

Memorandum

To: T. A. Christensen

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

Subject: Docket DMEA-4653 (Copper-Lead-Zinc), Contract Idm-E1081, Western Resources, Inc., (Sunbeam mine) Juab County, Utah, Operator's Monthly Progress Report for the month of August, 1957 (Period actually covered: July 15-August 31, 1957)

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

All of the work performed during the period at fixed unit costs, therefore documentation is not required.

Except as otherwise noted below, 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. Payment is recommended on the following basis, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

The Operator has reported incidental allowance for 412 feet of drilling in hole No. 1. As this hole has not been completed to the contract objective, the incidental allowance is disallowed as follows, but may be reported on a subsequent voucher after the hole has been completed.

<u>Disallowance, Incidental Allowance</u>

Disallow Incidental Allowance for 412 feet of drilling at $0.79 per foot----------$325.48.

Reconciliation with Amount Reported by the Operator on Form MF-104, for August 1957

Amount reported on Form MF-104 for August, 1957	$475.48
Amount to be disallowed	325.48
Total accepted cost	$150.00

Government participation at 50 percent ---------- $ 75.00

Remarks:

Date of Report ---------- September 20, 1957
Date Received in Field Office ---------- October 3, 1957
Date Received in Region Office ---------- October 3, 1957

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

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2))
IMEA, SLC) w/copy of complete report
MF-104 file, Reg. III)
Harshman (2) - w/one copy of Engr's report
Townsend - w/copy of Engr's report
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 12, UTAH

DMEA
ARTMENT OF THE INTERIOR
OCT 3 - 1957
REGION III
DENVER, COLORADO

October 2, 1957

Memorandum

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

From: M. H. Howes

Subject: Docket No. DMEA-4653 (Copper, lead, zinc), Contract Ldm-R1081, Western Resources, Inc., (Sunbeam mine) Juab County, Utah. Progress report for August 1957

The subject property was inspected September 17, 1957. It is verified that 10 hours of bulldozing and 412 feet of noncore drilling progress during August 1957, as reported on form MF-10ha, are correct, and that the work was performed in accordance with the contract.

Bulldozer preparation of drill sites for hole No. 1 and hole No. 2 was started July 15, 1957. Drill hole No. 1 was commenced July 26, 1957. From 0 to 120.5 feet a 4-1/4 inch rotary bit was used in an altered monzonite porphyry. From 120.5 to 175 feet a 3-1/2 inch core bit drilled fresh monzonite porphyry and quartz monzonite porphyry. From 175 to 412 feet an NX bit was used to drill fresh monzonite porphyry and quartz monzonite porphyry. Minor amounts of disseminated pyrite and a few quartz seams were encountered.

The operator's narrative report is considered to be adequate.

Since hole No. 1 had not been completed, the operator did not include its cost in the August statement. It is recommended that the operator be reimbursed $237.74, which is 50 percent of $475.48, the allowable cost of $150.00 for 10 hours of bulldozing at $15.00 per hour plus $325.48 for incidental allowance for 412 feet at $0.79 per foot.

M. H. Howes

M. H. Howes

Enclosures

EXTRA COPY
DMEA
RECEIVED OCT 1957

DATE	REMARKS	CODE

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

RECEIVED OCT 14 1957 DMEA

Month of August, 1957 Docket No. DMEA 4653 Contract No. Idm-E 1081
Operator's Name Western Resources Inc. Minerals Copper, Lead, Zinc
Address c/o D. H. Moffat, Continental Bank Bldg. S.L.C.
Contract Amount, $ 33,268.00 Government Participation: 50 % Amount $ 16,634.00

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	Hole No. 150.00	1 Uncomplete ----	150.00	12/12/57	BPK	
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
~~Supervision~~ Incidental allowance	325.48	0	325.78			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
				✓		✓
TOTALS	475.48		475.48	150.00		150.00

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

Date October 1957 *Payee Western Resources Inc.

Per James Quigley Title President

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

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

(Instructions on reverse)

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

$ 75.00

Signature RRO
(Authorized Certifying Officer)

Date 10/10/57 Vou. No. DMA-58-45
(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. E1081 in accordance with the terms of the contract.

Signature M. L. Hower Title Mining Engineer Date Oct. 1, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature D. M. Hachman Title Acting Executive Officer Date OCT 9 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED OCT 14 1957

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1957 Docket No. DMEA 4653 Contract No. Idm-E 1081

Operator's Name Western Resources Inc. Minerals Copper, Lead, Zinc

Address c/o D. H. Moffat, Continental Bank Bldg., Salt Lake City

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
~~Raising~~ Reaming	ft.	--	--				600	$ 4.50
~~Shafts~~ Cementing	hr.	--	--				36	15.00
Winzes Lost Casing	ft.	--	--				144	2.25
Drilling: Core Non Core	ft.	--	412		412		2,700	6.00
Core ~~Diam~~ 0-500	ft.		0		0		300	8.50
Core Auger 500-750	ft.		0		0		600	10.50
~~Stripping~~ Bulldozing	hr.	150.00	10	150.00	10		48	15.00
~~Trenching~~ Incidental allow.	ft.	325.48	412	325.48	412		3,600	.79
~~Forms~~ Core Boxes	ea.	--	0	--	--		72	1.25
~~Assays~~ Assaying	det.	--	0	--	--		400	1.00
Mobilization	job	--	1/2	--	1/2		1	600.00
TOTAL DISTRIBUTED COSTS		475.48		475.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		475.48		475.48				$33,268.00

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 9/20/57 Operator Western Resources Inc.

Per James Douglas Title President

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

REMARKS: Drill sites 1 and 2 prepared Drill crews moved in July 20th, set up, drilled hole No. 1 to a depth of 412 ft. Sprague & Henwood, the drill contractors, at their own option stopped non core drilling at 120.5 because of roller bit cost and are drilling to 450 with core bits.

(Instructions on reverse)

(For Government use only)

M. L. Howes, Mining Engineer, 10/1/57

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

OPERATORS PROGRESS REPORT
WESTERN RESOURCES CONTRACT 1081
DOCKET 4653

Drill sites for hole No. 1 and hole No. 2 were prepared.

The drill was moved on the job site on July 20th, drill hole No. 1 was started on July 26th, on August 31st the bottom of the hole was 412 ft. The log follows.

0 - 120.5	4 1/4" roller bit hole. Cuttings showed surface weathered monzonite porphyry.
120.5 - 175	3 1/2" core drill bit. Cores saved. Fresh monzonite, porphyry and quartz monzonite porphyry with quartz seams up to 1/4 thick. Minor amounts of pyrite.
175 - 412	NX core drill hole. Cores saved. Fresh monzonite porphyry and quartz monzonite porphyry. Thin quartz seams, some disseminated pyrite and some pyrite coatings on joints.

Cores and sludges have been saved and are stored in Eureka for inspection by DMEA officials.

Respectfully submitted,

James Quigley

James Quigley
President, Western Resources Inc.