extra
None To Oper.

UNITED STATES DEPARTMENT OF THE INTERIOR

OFFICE OF SURVEY AND REVIEW
AUDIT OPERATIONS
WASHINGTON, D.C.

Report of Royalty Review-Contract IDM-E1218
Docket No. DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company (Operator)
Mayflower Mine
Wasatch County, Utah

Report Issued: May 1967

An examination of the cash receipts records in the Branch of Budget and Finance, Administrative Division, U.S. Geological Survey, and a review of the Office of Minerals Exploration contract files pertaining to royalty received by the Government as provided by the subject minerals exploration contract was made at Washington, D.C., on May 22, 1967.

An on-site audit was performed on April 29, 1966, at the Heber, Utah, mine office of Hecla Mining Company, which has operated the Mayflower Mine since November 1961 under an operating agreement with New Park Mining Company, the original Operator specified in the contract. This audit determined that the Government's contribution to exploration costs subject to repayment through royalty on the value of production from that portion of the mine property subject to the contract prior to June 23, 1973, amounted to $133,022.03 of which $100,949.33 had been repaid leaving a balance of $32,072.70 subject to repayment from production after March 31, 1966.

The present review has determined that the latter amount has been paid based on the value of production from the subordinated area of the mine during the months April 1966 through March 1967. In a letter dated February 6, 1967, Hecla Mining Company advised the Field Officer, OME Region II, Denver, Colorado, that their records indicate a balance of $3,138.65 unpaid on the contract

as of February 1, 1967, after application of the remittance for January 1967. In a letter dated February 27, 1967, the Field Officer confirmed the balance due. Hecla paid $2,686 applicable to the value of production during February 1967 and the remaining amount of $452.65 on its settlement for March 1967.

The records of the Branch of Budget and Finance and those of OME Washington, D.C., office indicate that the Government participation in contract exploration costs of $133,022.03 has been fully repaid.

C. E. Fisher

C. E. Fisher, Auditor

Reviewed by:

Dwight E. Savage

D. E. Savage, Office of Survey and Review

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/5/67		110
		220

JUL 5 1967

United States Smelting Refining
and Mining Company
Newhouse Building
Salt Lake City, Utah 84110

Re: DMEA-4981 (Lead, Zinc, Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Gentlemen:

Enclosed is a copy of a self-explanatory letter of today to the Hecla Mining Company under the subject contract.

This correspondence relates to the Consent to Lien and Subordination Agreement, dated June 13, 1958, signed by Mr. C. G. Rice, Executive Vice President of your company, and the Lien and Subordination Agreements, dated October 16, 1961, signed by Mr. J. George Gange, Senior Vice President of your company, under the Defense Minerals Exploration program.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology file
Branch of Budget & Finance
DMEA docket
OME Reading File
OME Region III
130

GLAult/a 7-5-67

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/5/67		110
		220

JUL 5 1967

Hecla Mining Company
Star Route - Box 18-A
Heber City, Utah 84032

Re: DMEA-4981 (Lead, Zinc, Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-H1218

Gentlemen:

Thank you for repaying in full the Government's participation of $133,022.03 in the subject exploration contract. As a result of the repayment, the Government retains no lien or claim against the property or on any future production therefrom.

We appreciate your interest and participation in the DMEA program.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to: United States Smelting Refining
and Mining Company
Newhouse Building
Salt Lake City, Utah 84110

cc: Director's Reading File
Division File
Economic Geol. file
Branch of Budget & Finance
DMEA docket
OME Reading File
OME Region III
130

GLAult/a 7-5-67

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/5/67		110
		220

New Park Mining Company
904 Walker Bank Building
Salt Lake City, Utah 84111

Re: DMEA-4981 (Lead, Zinc, Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Gentlemen:

This is to advise that the final payment made by the Hecla Mining Company completes repayment in full of the Government's participation of $133,022.03 in the subject exploration contract. As a result of the repayment, the Government retains no lien or claim against the property or any future production therefrom.

Your interest and participation in the DMEA program is appreciated.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Econ. Geol. file
Branch of Budget & Finance
DMEA docket
OME Reading File
OME Region III
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GLAult/a 7-5-67

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MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/26/67		110
		120
		220

JUN 27 1967

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: DMEA-4981 (Lead, Zinc, Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Enclosed is a copy of a memorandum dated June 23, 1967, from the Field Officer, Region III, concurring in the facts stated in the enclosed copy of the Report of Royalty Review issued in May 1967.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
OME Region III

GLAult/a 6-26-67

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration

IN REPLY REFER TO:

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 26 1967
MINERALS CODE
Ja 120 M
110
120 M

June 23, 1967

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: DMEA-4981 (Lead, Zinc, Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm E-1218

I have reviewed the Report of Royalty Review issued May, 1967 concerning the subject contract and concur in the facts stated in the report.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/3/67		110
		120
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		120M

Memorandum JUN 2 1967

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: DMEA-4981 (Lead, Zinc, Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Enclosed is a copy of a Report of Royalty Review for your files. The report was prepared for record purposes only; therefore, a copy should not be furnished the Operator.

If you concur in the facts as stated in the Report of Royalty Review, please furnish this office with an appropriate memorandum, in duplicate. If you do not concur, please return the copy of the report, giving your reasons for nonconcurrence.

FRANK E. JOHNSON

Frank E. Johnson

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
130

FEJohnson/gla 6-2-67

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

MAY 2 6 1967

Memorandum

To: Director, U.S. Geological Survey

From: Assistant Director, Contract and Grant Audit
Audit Operations, Office of Survey and Review

Subject: Royalty Review of Contract IDM-E1218
Docket No. DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company (Operator)
Mayflower Mine
Wasatch County, Utah

Pursuant to a request dated April 4, 1967, from the Chief, Office of Minerals Exploration, we have made a royalty review of Contract IDM-4981, examining the contract and accounting records and files of OME and the Branch of Budget and Finance, U.S. Geological Survey. Four copies of the report of review are attached.

The review found that the entire amount, $133,022.03, of the Government's participation in the exploration costs under the contract has been repaid through royalty on the reported value of production from that portion of the mining property subject to the contract.

No exceptions have been taken with respect to the royalty settlements received by the Government.

Alwyth E. Savage
for/Donald R. Moysey

Enclosures

RECEIVED
U.S. GEOLOGICAL SURVEY
MAY 23 2 44 PM 1967
OFFICE OF THE DIRECTOR

177313

AME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/11		120
		110
		220

August 11, 1966

Memorandum

To: The File

From: Harold Kirkemo, Office of Minerals Exploration

Subject: DMEA-4981 (Lead, Zinc, Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

J. W. Hasler, Field Officer, Region III, reported by phone August 9, 1966, that his records for royalty payments on the subject contract during the period May 1965-March 31, 1966 did not agree with the Report of Royalty Audit dated June 1966 for the same period. Hasler's records show royalties received during the period totalled $34,147.26, whereas the audit review shows payments received totalled $36,311.67.

Miss Curtin's records agree with Hasler's summation of individual royalty payments received during the period. Her records of the cumulative sum of royalties paid agree also with the total reported in the Report of Royalty Audit.

We will advise Hasler by a copy of this memorandum not to forward a copy of this Report of Royalty Audit to the Operator until the discrepancy is resolved by the auditors.

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Field Officer, Region III
OME Reading File
Mr. Kirkemo
130

HKirkemo/gla 8-11-66

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/27		110
6/28/66	Kirkorno	120
		220

JUN 28 1966

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Enclosed are two copies of a Report of Royalty Audit issued in June 1966 on the subject contract.

If you concur in the facts stated in the report, one copy should be sent to the Operator and the other copy retained for your files. As evidence of your concurrence in the report, two copies of your letter to the Operator transmitting a copy of the report should be furnished this office. If for any reason you do not concur, both copies of the report should be returned to this office with your appropriate comments.

FRANK E. JOHNSON (gla)

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
130
120M

FEJohnson/gla 6-27-66

23263

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

OFFICE OF THE DIRECTOR

JUN 16 1966

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 17 1966

INITIALS	CODE
	~~120~~
	110

Memorandum

To: Chief Geologist
Through: Assistant Director

From: Chief Auditor

Subject: Internal Audit of Contract Idm-E1218
Docket No. DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah

Enclosed are four copies of the report of our royalty audit of the subject contract. This audit was made at the request of the Chief, Office of Minerals Exploration.

William T. McClelland

Enclosure

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/10	Johnson	110
	Gallagher	120
		220

FEB 9 1966

United States Smelting Refining
and Mining Company
Newhouse Building
Salt Lake City, Utah 84110

Re: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Gentlemen:

Thank you for your letter of February 3, 1966, enclosing two copies of your letter of January 25, 1966, to the Hecla Mining Company giving notice of the Government's rights under the Lien and Subordination Agreements relating to the subject contract.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file

FEJohnson/bih 2/9/66

23263

P. O. BOX 1980

UNITED STATES SMELTING REFINING AND MINING COMPANY
NEWHOUSE BUILDING
SALT LAKE CITY, UTAH 84110

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 8 1966
INITIALS | CODE

February

United States Department of the Interior
Office of Minerals Exploration
Washington, D. C. 20025

Re: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Gentlemen:

On June 13, 1958, United States Smelting Refining and Mining Company executed a Consent to Lien and Subordination Agreement which grants to the Government a lien on some of the lands (and the production therefrom) described in the above designated Exploration Project Contract. On October 16, 1961, United States Company executed another Lien and Subordination Agreement which affects the same lands. Both of these Agreements state that United States Company will give advance notice of the Government's rights under them to any subsequent transferee.

Prior to the dates of said Lien and Subordination Agreements, January 27, 1956, United States Company granted New Park Mining Company a Lease and Option to purchase the lands covered by the Lien and Subordination Agreements and other lands. On January 12, 1966, New Park Mining Company assigned the Lease and Option to Hecla Mining Company. Hecla Mining Company exercised its option to purchase, and on January 26, 1966, United States Company delivered a deed to Hecla Mining Company conveying said lands.

Enclosed are two copies of letter of January 25, 1966, from United States Company to Hecla Mining Company giving notice of the Government's rights under the Lien and Subordination Agreements. Indorsed on the letter is acknowledgment of Hecla's receipt on the same date.

Very truly yours,

Benton Boyd,
Vice President and General Manager
of Western Operations.

CERTIFIED MAIL
Return Receipt Requested

Assign-
ment
of Lease
to Helen

FORM C. O. 23

COPY

5-65

UNITED STATES SMELTING REFINING AND MINING COMPANY

SALT LAKE CITY, UTAH

For.....

January 25, 1966

Hecla Mining Company
Box 320
Wallace, Idaho

Gentlemen:

Reference is made to the Lease and Option from United States Smelting Refining and Mining Company to New Park Mining Company, dated January 27, 1956, recently assigned to you. You have given notice of exercise of that option.

In 1958, New Park Mining Company entered into an Exploration Project Contract with The United States of America, identified as "DMEA-4981, Contract Idm-E 1218." On June 13, 1958, United States Company executed a Consent to Lien and Subordination Agreement, which grants to the Government a lien upon all of United States Company's right, title and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production that may be provided for by the Contract. Attached is a copy of the Consent to Lien and Subordination Agreement. The land affected is described in the Consent to Lien and Subordination Agreement. On October 16, 1961, United States Company signed a Lien and Subordination Agreement which affects the same lands. A copy of this Lien and Subordination is also attached.

By letter of April 5, 1962, the United States Department of the Interior, Office of Minerals Exploration, advised United States Company of a Certification of Discovery or Development and attached is a copy of that letter, together with a copy of a letter of April 5, 1962 to New Park Mining Company enclosing a Certification of Discovery or Development, issued pursuant to the terms of Contract Idm E-1218. The Office of Minerals Exploration's letter of August 29, 1962 refers to the April 5 letter and states that an audit has determined the amount contributed by the Government under the project to be $133,022.03, which is repayable through royalty on production.

Both of the Lien and Subordination Agreements provide that United States Company will give advance notice of the Government's rights under the Agreement to any subsequent transferee of any of United States Company's right, title, claim or interest in or to the land, or any production therefrom, furnishing the Government with two copies of such notice.

Accordingly, you are hereby given notice of the Government's rights under the Lien and Subordination Agreements referred to above.

Very truly yours,

Benton Boyd,
Vice President and General Manager
of Western Operations.

Received original and one copy of
this letter on January 25, 1966.
SENIOR & SENIOR
Attorneys for Hecla Mining Co.

By Raymond T. Senior
Raymond T. Senior

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

New Park Mining Company
904 Walker Bank Building
Salt Lake City 11, Utah

AUG 29 1962

Re: DMMA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Ldm-E1218

Gentlemen:

Reference is made to our letter of April 5, 1962, enclosing a certification of discovery or development covering the subject property.

At the time of our letter the exact amount contributed by the Government under this project was subject to audit. Subsequently, an audit determined the amount to be $133,022.03 which is repayable by your company through royalty on production. Payments should be made in accordance with the instructions contained in the above-mentioned letter.

Sincerely yours,

George [illegible] Jr.

Director

Copy to:
United States Smelting Refining and
Mining Company
1819 Brunswick Building
P. O. Box 1900
Salt Lake City 10, Utah

RECEIVED
GEN'L. MGR'S OFFICE
SALT LAKE CITY, UTAH

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

APR 5 1962

United States Smelting Refining and
Mining Company
1019 Newhouse Building
P. O. Box 1980
Salt Lake City 10, Utah

Re: IDMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Gentlemen:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter to the Operator, which has been issued pursuant to the terms of the subject contract.

This correspondence relates to the Consent to Lien and Subordination Agreement signed by Mr. C. G. Rice, executive vice president of your company, on June 13, 1958. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

Director

Enclosures

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

New Park Mining Company
904 Walker Bank Building
Salt Lake City 11, Utah

Re: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1210

Gentlemen:

Enclosed is a certification of discovery or development that covers all the land described in Article 2 of the contract.

By the terms of the Exploration Project Contract, as amended, and the certification, all minerals mined or produced from June 23, 1958, to June 23, 1973, are subject to the Government's percentage royalty as set forth in the contract until the amount contributed by the Government is repaid. In addition, ores transported through DMEA workings are subject to the payment of royalty in accordance with Article 13(b) of Annex II of the contract.

Royalty payments as heretofore should be made to the Field Officer, OME, Region III, Building 20, Denver Federal Center, Denver 25, Colorado, with checks drawn payable to the Office of Minerals Exploration. Each check should be accompanied by suitable sales evidence - such as copies of settlement sheets - showing the name of the purchaser, the quantity and grade of the products sold, and the price and charges, certified to be correct by the purchaser.

You are requested to notify the Field Officer of any changes in ownership or production rights that may have any effect on the Government's right to its percentage royalty. Also if production ceases at any time for an extended period, please notify the Field Officer accordingly at six-month intervals.

Sincerely yours,

George Fumich, Jr.

Director

Enclosure

United States Smelting Refining and
Mining Company

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

To: New Park Mining Company
904 Walker Bank Building
Salt Lake City 11, Utah

Pursuant to the provisions of Exploration Project Contract No. Idm-E1218, dated June 23, 1958, (Docket No. DMEA-4981), hereinafter called the "contract," between the New Park Mining Company, a Nevada 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 therefor 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:

Work of drifting, crosscutting, raising, diamond drilling, and long-hole drilling on the 2005 level of the Mayflower mine has shown the existence of lead-zinc-silver-gold ores occurring in the Mayflower and Pearl fissure zones, both in the diorite and in the limestones and dolomites of the Deseret formation. Such ores occur as veins and also as replacement pods and lenses.

THE UNITED STATES OF AMERICA

By [illegible]
Director, Office of Minerals Exploration

Dated: April 5, 1962

OME Form 52
Mar 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OMF -
Contract No. 14-[illegible]
Contract Date

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the Counties of Summit and Wasatch, State of Utah, described as follows: 2/ See Exhibit 1

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and New Park Mining Company 3/ hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of its right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates its claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same. 4/

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

3. Represents and undertakes that it does not know of any claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

An equitable claim of New Park Mining Company in 0.90 acres in the easterly portion of said Martha claim and the paramount title of the United States in the Link, Martha and Marne unpatented claims.

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page ____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MSE Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto.

6. Added provisions None (State "None" or "See Annex No. ____".)

Dated this 16th day of October, 19 61.

United States Smelting Refining and Mining Company	(Seal)	1019 Newhouse Building (Street) (P. O. Box 1980) (City &) ~~Salt Lake City, Utah~~ (State)
By: J. George Gange J. George Gange, Senior Vice President	(Seal)	(Street) (City &) (State)
	(Seal)	(Street) (City &) (State)
	(Seal)	(Street) (City &) (State)
	(Seal)	(Street) (City &) (State)
	(Seal)	(Street) (City &) (State)

I, Francis Fiske (Name), certify that I am the Secretary (Title—Secretary, etc.) of the corporation named herein; that J. George Gange (Name), who signed this agreement was then Senior Vice President (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

Francis Fiske (Corporate Seal)

EXHIBIT I

Those certain lode mining claims situate in Section 34, Township 2 South, Range 4 East, Salt Lake Meridian, in Blue Ledge Mining District, in Wasatch County, State of Utah, particularly described as follows:

All of the following patented lode mining claims:

Dew Drop, Ethel, Hornet, Lookout Mountain, Lookout Mountain No. 2, all Mineral Survey No. 7130 and all patented under United States Patent Number 1174018, recorded in the records of Wasatch County, in Book 11 at pages 213 and 214.

The described portions of the following patented lode mining claims:

Ben Butler, Mineral Survey No. 6642.

All that part of said Ben Butler lode mining claim lying West of the West end line of the Success No. 1 and Phyllis Lode mining claims, Mineral SurveyNo. 6810, and West of a line projected North from the northwest corner (Corner No. 1) of said Success No. 1 lode.

Sitka, Mineral Survey No. 7126.

All that part of said Sitka lode mining claim lying South of a line drawn from the southeast corner of the San Diego lode mining claim, Lot No. 207, to the southwest corner of Oom Paul lode mining claim, Mineral Survey No. 5027.

A two-thirds undivided interest in and to that part of said Sitka lode mining claim lying North of the above described line.

All of the Martha unpatented lode mining claim, the Amended Location Notice of which is recorded in the records of Wasatch County in Book 8 at page 341.

All of the following unpatented lode mining claims situate in Sections 27 and 34, Township 2 South, Range 4 East, Salt Lake Meridian, in Uintah and Blue Ledge Mining Districts, in Summit and Wasatch Counties, State of Utah.

Location Notice or Amended Location Notice
Recorded in Records of

Claim	Summit County		Wasatch County	
	Book	Page	Book	Page
Link	5	10	8	366
Marne			6	235

EXPLORATION PROJECT CONTRACT
NEW PARK MINING COMPANY

ANNEX I

The land referred to in Article 2 of the proposed contract consists of all or portions of the patented and unpatented claims listed below as delineated hereinafter in this Annex I:

Patented lode-mining claims owned by New Park Mining Company

	Mineral Survey No.		Mineral Survey No.
Miriam No. 1	206	Sofia	99
Miriam No. 2	206	Mazzeppa	169
Fisher No. 1	6980	Riseing Star	170
*Sitka (1/3 int.)	7126	Estella	167
W. H. C.	200	Success No. 1	6810
Ammie	200	Crescent	5087
Sun Set No. 2	168	Phyllis	6810
Glencoe	98	Mary Jane	6810
North Side No. 3	100		

Patented lode-mining claims leased from U. S. Smelting, Refining and Mining Co.

	Mineral Survey No.
Lookout Mountain	7130
Lookout Mountain No. 2	7130
Ben Butler	6642
Dew Drop	7130
Ethel	7130
Hornet	7130
Sitka	7126

* Jointly owned byNew Park Mining Company and U. S. Smelting, Refining and Mining Company. New Park Mining Company has a lease for U. S. Smelting, Refining and Mining Company's interest.

Unpatented lode-mining claims leased from U. S. Smelting, Refining and Mining Co.

Patents not completed

	Mineral Survey No.
Link	7130
Marne	7130
*Martha	7130

Land Excluded from the Contract

All of the area covered by the claims listed herein lying above the 1880 level and east of a vertical plane at approximately 2,120 feet S. 65 degrees W. of the Mayflower shaft, the plane being more particularly described as follows:

> A vertical plane striking N. 25 degrees W. through mine survey coordinate point 7570 North 7400 East, which bears S. 65 degrees W., 325.0 feet from survey station 5539 on the 1630 west level. The vertical plane is approximately indicated on the attached map entitled "Figure 10, Longitudinal Section Along the Mayflower - Pearl Fissure System...".

excepting new veins and extensions thereof which may be discovered or in part developed by the work done under this contract.

* * * * * * * * * * * * * *

The land included in the contract is shown on the attached map entitled "New Park Mining Company, Property Map".

MF-205
(Combines and supercedes MF-2[illegible] and MF-203)
June 1956

Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E
Contract Date

DOC NO 2096
COMPANY USSRom
MINE Park City

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Summit and Wasatch, State of Utah, described as follows: 2/

See Exhibit 1

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

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

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that it does not know of any claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

An equitable claim of New Park Mining Company in 0.90 acres in the easterly portion of said Martha claim and the permanent title of the United States in the Link, Martha and Horne unpatented claims.

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this 13th day of June, 1958.

United States Smelting Refining and Mining Company	[Seal]	1019 Keyhouse Building (P. O. Box 1980)	[Address]
By C. G. Rice, Executive Vice President	[Seal]	Salt Lake City 10, Utah	[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

I, Francis Fiske certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that C. G. Rice who signed this agreement was then Executive Vice President (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

Francis Fiske

[Corporate Seal]

2096
USSR-02
Park City

EXHIBIT I

Those certain lode mining claims situate in Section 34, Township 2 South, Range 4 East, Salt Lake Meridian, in Blue Ledge Mining District, in Wasatch County, State of Utah, particularly described as follows:

All of the following patented lode mining claims:

Dew Drop, Ethel, Hornet, Lookout Mountain, Lookout Mountain No. 2, all Mineral Survey No. 7130 and all patented under United States Patent Number 1174018, recorded in the records of Wasatch County in Book 11 at pages 213 and 214.

The described portions of the following patented lode mining claims:

Ben Butler, Mineral Survey No. 6642.

All that part of said Ben Butler lode mining claim lying West of the West end line of the Success No. 1 and Phyllis lode mining claims, Mineral Survey No. 6810, and West of a line projected North from the northwest corner (Corner No. 1) of said Success No. 1 lode.

Sitka, Mineral Survey No. 7126.

All that part of said Sitka lode mining claim lying South of a line drawn from the southeast corner of the San Diego lode mining claim, Lot No. 207, to the southwest corner of Oom Paul lode mining claim, Mineral Survey No. 5027.

A two-thirds undivided interest in and to that part of said Sitka lode mining claim lying North of the above described line.

All of the Martha unpatented lode mining claim, the Amended Location Notice of which is recorded in the records of Wasatch County in Book 8 at page 341.

All of the following unpatented lode mining claims situate in Sections 27 and 34, Township 2 South, Range 4 East, Salt Lake Meridian, in Uintah and Blue Ledge Mining Districts, in Summit and Wasatch Counties, State of Utah.

	Location Notice or Amended Location Notice Recorded in Records of			
	Summit County		Wasatch County	
Claim	Book	Page	Book	Page
Link	5	10	8	366
Marne			6	235

- - - - - -

June 11, 1958

FORM C. O. 23

UNITED STATES SMELTING REFINING
AND MINING COMPANY

SALT LAKE CITY, UTAH

COPY

8-63

For.....

January 25, 1966

Hecla Mining Company
Box 320
Wallace, Idaho

Gentlemen:

Reference is made to the Lease and Option from United States Smelting Refining and Mining Company to New Park Mining Company, dated January 27, 1956, recently assigned to you. You have given notice of exercise of that option.

In 1958, New Park Mining Company entered into an Exploration Project Contract with The United States of America, identified as "DMEA-4981, Contract Idm-E 1218." On June 13, 1958, United States Company executed a Consent to Lien and Subordination Agreement, which grants to the Government a lien upon all of United States Company's right, title and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production that may be provided for by the Contract. Attached is a copy of the Consent to Lien and Subordination Agreement. The land affected is described in the Consent to Lien and Subordination Agreement. On October 16, 1961, United States Company signed a Lien and Subordination Agreement which affects the same lands. A copy of this Lien and Subordination is also attached.

By letter of April 5, 1962, the United States Department of the Interior, Office of Minerals Exploration, advised United States Company of a Certification of Discovery or Development and attached is a copy of that letter, together with a copy of a letter of April 5, 1962 to New Park Mining Company enclosing a Certification of Discovery or Development, issued pursuant to the terms of Contract Idm E-1218. The Office of Minerals Exploration's letter of August 29, 1962 refers to the April 5 letter and states that an audit has determined the amount contributed by the Government under the project to be $133,022.03, which is repayable through royalty on production.

Both of the Lien and Subordination Agreements provide that United States Company will give advance notice of the Government's rights under the Agreement to any subsequent transferee of any of United States Company's right, title, claim or interest in or to the land, or any production therefrom, furnishing the Government with two copies of such notice.

Accordingly, you are hereby given notice of the Government's rights under the Lien and Subordination Agreements referred to above.

Very truly yours,

Benton Boyd

Benton Boyd,
Vice President and General Manager
of Western Operations.

Received original and one copy of
this letter on January 25, 1966.
SENIOR & SENIOR
Attorneys for Hecla Mining Co.

By Raymond T. Senior
Raymond T. Senior

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

New Park Mining Company
904 Walker Bank Building
Salt Lake City 11, Utah

AUG 2 9 1962

Re: DMMA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Gentlemen:

Reference is made to our letter of April 5, 1962, enclosing a certification of discovery or development covering the subject property.

At the time of our letter the exact amount contributed by the Government under this project was subject to audit. Subsequently, an audit determined the amount to be $133,022.03 which is repayable by your company through royalty on production. Payments should be made in accordance with the instructions contained in the above-mentioned letter.

Sincerely yours,

George [illegible] Jr.

Director

Copy to:
United States Smelting Refining and
Mining Company
1019 Exchange Building
P. O. Box 1900
Salt Lake City 10, Utah

RECEIVED
GEN'L. MGR'S OFFICE
SALT LAKE CITY, UTAH

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

APR 5 1962

United States Smelting Refining and
Mining Company
1019 Newhouse Building
P. O. Box 1980
Salt Lake City 10, Utah

Re: IMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Gentlemen:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter to the Operator, which has been issued pursuant to the terms of the subject contract.

This correspondence relates to the Consent to Lien and Subordination Agreement signed by Mr. C. G. Rice, executive vice president of your company, on June 13, 1958. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

Director

Enclosures

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

New Park Mining Company
904 Walker Bank Building
Salt Lake City 11, Utah

Re: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Gentlemen:

Enclosed is a certification of discovery or development that covers all the land described in Article 2 of the contract.

By the terms of the Exploration Project Contract, as amended, and the certification, all minerals mined or produced from June 23, 1958, to June 23, 1973, are subject to the Government's percentage royalty as set forth in the contract until the amount contributed by the Government is repaid. In addition, ores transported through DMEA workings are subject to the payment of royalty in accordance with Article 13(b) of Annex II of the contract.

Royalty payments as heretofore should be made to the Field Officer, OME, Region III, Building 20, Denver Federal Center, Denver 25, Colorado, with checks drawn payable to the Office of Minerals Exploration. Each check should be accompanied by suitable sales evidence - such as copies of settlement sheets - showing the name of the purchaser, the quantity and grade of the products sold, and the price and charges, certified to be correct by the purchaser.

You are requested to notify the Field Officer of any changes in ownership or production rights that may have any effect on the Government's right to its percentage royalty. Also if production ceases at any time for an extended period, please notify the Field Officer accordingly at six-month intervals.

Sincerely yours,

George Fumich, Jr.

Director

Enclosure

United States Smelting Refining and
Mining Company

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

To: New Park Mining Company
904 Walker Bank Building
Salt Lake City 11, Utah

Pursuant to the provisions of Exploration Project Contract No. Idm-E1218, dated June 23, 1958, (Docket No. DMEA-4981), hereinafter called the "contract," between the New Park Mining Company, a Nevada 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 therefor 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:

Work of drifting, crosscutting, raising, diamond drilling, and long-hole drilling on the 2005 level of the Mayflower mine has shown the existence of lead-zinc-silver-gold ores occurring in the Mayflower and Pearl fissure zones, both in the diorite and in the limestones and dolomites of the Deseret formation. Such ores occur as veins and also as replacement pods and lenses.

THE UNITED STATES OF AMERICA

By [illegible]
Director, Office of Minerals Exploration

Dated: April 5, 1962

OMF Form 52
Mar 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OMF -
Contract No. 14-13 090 -
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County/ies of Summit and Wasatch, State of Utah, described as follows:[2] See Exhibit 1

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

New Park Mining Company[3]

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of its right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates its claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same.[4]

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

3. Represents and undertakes that it does not know of any claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

An equitable claim of New Park Mining Company in 0.90 acres in the easterly portion of said Martha claim and the paramount title of the United States in the Link, Martha and Marne unpatented claims.

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease (or contract, deed, or other document) dated _____, and recorded in Book _____, Page ____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MMX Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto.

6. Added provisions None (State "None" or "See Annex No. ____".)

Dated this 16th day of October, 19 61.

1019 Newhouse Building (Street)
(P. O. Box 1980) (City &)
Salt Lake City, Utah (State)

United States Smelting Refining and Mining Company (Seal)

(Street)
(City &)
(State)

By: J. George Gange (Seal)
J. George Gange, Senior Vice President

(Street)
(City &)
(State)

(Seal)

(Street)
(City &)
(State)

(Seal)

(Street)
(City &)
(State)

(Seal)

(Street)
(City &)
(State)

(Seal)

I, Francis Fiske (Name), certify that I am the Secretary (Title—Secretary, etc.) of the corporation named herein; that J. George Gange (Name), who signed this agreement was then Senior Vice President (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

Francis Fiske (Corporate Seal)

EXHIBIT I

Those certain lode mining claims situate in Section 34, Township 2 South, Range 4 East, Salt Lake Meridian, in Blue Ledge Mining District, in Wasatch County, State of Utah, particularly described as follows:

All of the following patented lode mining claims:

Dew Drop, Ethel, Hornet, Lookout Mountain, Lookout Mountain No. 2, all Mineral Survey No. 7130 and all patented under United States Patent Number 1174018, recorded in the records of Wasatch County, in Book 11 at pages 213 and 214.

The described portions of the following patented lode mining claims:

Ben Butler, Mineral Survey No. 6642.

All that part of said Ben Butler lode mining claim lying West of the West end line of the Success No. 1 and Phyllis Lode mining claims, Mineral SurveyNo. 6810, and West of a line projected North from the northwest corner (Corner No. 1) of said Success No. 1 lode.

Sitka, Mineral Survey No. 7126.

All that part of said Sitka lode mining claim lying South of a line drawn from the southeast corner of the San Diego lode mining claim, Lot No. 207, to the southwest corner of Oom Paul lode mining claim, Mineral Survey No. 5027.

A two-thirds undivided interest in and to that part of said Sitka lode mining claim lying North of the above described line.

All of the Martha unpatented lode mining claim, the Amended Location Notice of which is recorded in the records of Wasatch County in Book 8 at page 341.

All of the following unpatented lode mining claims situate in Sections 27 and 34, Township 2 South, Range 4 East, Salt Lake Meridian, in Uintah and Blue Ledge Mining Districts, in Summit and Wasatch Counties, State of Utah.

Location Notice or Amended Location Notice
Recorded in Records of

Claim	Summit County		Wasatch County	
	Book	Page	Book	Page
Link	5	10	8	366
Marne			6	235

EXPLORATION PROJECT CONTRACT
NEW PARK MINING COMPANY

ANNEX I

The land referred to in Article 2 of the proposed contract consists of all or portions of the patented and unpatented claims listed below as delineated hereinafter in this Annex I:

Patented lode-mining claims owned by New Park Mining Company

	Mineral Survey No.		Mineral Survey No.
Miriam No. 1	206	Sofia	99
Miriam No. 2	206	Mazzeppa	169
Fisher No. 1	6980	Riseing Star	170
*Sitka (1/3 int.)	7126	Estella	167
W. H. C.	200	Success No. 1	6810
Ammie	200	Crescent	5087
Sun Set No. 2	168	Phyllis	6810
Glencoe	98	Mary Jane	6810
North Side No. 3	100		

Patented lode-mining claims leased from U. S. Smelting, Refining and Mining Co.

	Mineral Survey No.
Lookout Mountain	7130
Lookout Mountain No. 2	7130
Ben Butler	6642
Dew Drop	7130
Ethel	7130
Hornet	7130
Sitka	7126

* Jointly owned byNew Park Mining Company and U. S. Smelting, Refining and Mining Company. New Park Mining Company has a lease for U. S. Smelting, Refining and Mining Company's interest.

Unpatented lode-mining claims leased from U. S. Smelting, Refining and Mining Co.

Patents not completed

	Mineral Survey No.
Link	7130
Marne	7130
*Martha	7130

Land Excluded from the Contract

All of the area covered by the claims listed herein lying above the 1880 level and east of a vertical plane at approximately 2,120 feet S. 65 degrees W. of the Mayflower shaft, the plane being more particularly described as follows:

> A vertical plane striking N. 25 degrees W. through mine survey coordinate point 7570 North 7400 East, which bears S. 65 degrees W., 325.0 feet from survey station 5539 on the 1630 west level. The vertical plane is approximately indicated on the attached map entitled "Figure 10, Longitudinal Section Along the Mayflower - Pearl Fissure System...".

excepting new veins and extensions thereof which may be discovered or in part developed by the work done under this contract.

* * * * * * * * * * * * * *

The land included in the contract is shown on the attached map entitled "New Park Mining Company, Property Map".

MF-205
(Combines and supercedes MF-202 and MF-203)
June 1956

Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E
Contract Date

DOC NO 2096
COMPANY USSRom
MINE Park City

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Summit and Wasatch, State of Utah, described as follows: 2/

See Exhibit 1

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

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

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

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2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this 13th day of June, 1956.

United States Smelting Refining and Mining Company	[Seal]	1019 Newhouse Building (P. O. Box 1980)	[Address]
	[Seal]	Salt Lake City 10, Utah	[Address]
By C. G. Rice, Executive Vice President	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

I, Francis Fiske certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that C. G. Rice who signed this agreement was then Executive Vice President (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

Francis Fiske

[Corporate Seal]

2096
USSRoom
Park City

EXHIBIT I

Those certain lode mining claims situate in Section 34, Township 2 South, Range 4 East, Salt Lake Meridian, in Blue Ledge Mining District, in Wasatch County, State of Utah, particularly described as follows:

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Sitka, Mineral Survey No. 7126.

All that part of said Sitka lode mining claim lying South of a line drawn from the southeast corner of the San Diego lode mining claim, Lot No. 207, to the southwest corner of Oom Paul lode mining claim, Mineral Survey No. 5027.

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	Location Notice or Amended Location Notice Recorded in Records of			
	Summit County		Wasatch County	
Claim	Book	Page	Book	Page
Link	5	10	8	366
Marne			6	235

- - - - - -

June 11, 1958

ME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/2	Johnson	110
		220
	Long	140
	ARM'S. ... C.T.	
		110
11/4	On leave	120
		220

K-65-2022.11

INTERIOR DEPT.
NOV 3 - 1965
SOLICITOR AIRMAIL

NOV 4 1965

Mr. C. J. Barber
U. S. Smelting Refining and Mining Company
Newhouse Building
Salt Lake City, Utah 84110

Re: BMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Dear Mr. Barber:

In reply to your letter of October 27, 1965, the amount of the Government's contribution to the costs of the exploration work under the subject contract remaining unpaid as of November 1, 1965, is $55,401.45.

Sincerely yours,

(Signed) FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

FEJohnson/gla (11-2-65)
cc to: Director's Reading File
Division File
Economic Geology File
Division of Budget & Finance, Rm. 5408
Assoc.Sol.-MR, Rm. 6554
OME File
OME Reading File
OME Region III
120M

NOV 4 1965

RECEIVED
NOV 1965
Division of Mineral Resources
Mineral Legal Section

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO

NOV 4 1965

AIR MAIL

October 28, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 29 1965
INITIALS | CODE
120
~~120~~

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Co.
Mayflower Mine
Wasatch County, Utah
Idm-E1218

Attached is a copy of a letter from C. J. Barber dated October 27, 1965.

I am not sure that I should reply to it for two reasons. He may not be entitled to the information and my records are subject to audit.

For your information my records show;

$ 133,022.03	Government Participation
77,620.58	Royalty paid through Sept. 1965 correct 10/29
$ 55,401.45	Royalty from future production until June 23, 1973

Hugh M. Connors

HMC - 10/28/65

cc: E1218
Chron

October 28, 1965

AIR MAIL

Mr. C. J. Barber
U.S. Smelting Refining & Mining Co.
P. O. Box 1980
Salt Lake City, Utah 84110

Re: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Co.
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Dear Mr. Barber:

I am forwarding your letter of October 27, 1965, to the OME Washington office by air mail for their reply to you.

Yours very truly,

ORIGINAL SIGNED BY

Hugh M. Connors
Field Officer, OME
Region III

HMC - 10/28/65
cc: Chief, OME
E1218
Chron

P. O. BOX 1980

UNITED STATES SMELTING REFINING AND MINING COMPANY
NEWHOUSE BUILDING
SALT LAKE CITY, UTAH 84110

October 27, 1965

AIR MAIL

U. S. Bureau of Mines
Building 20, Federal Center
Denver, Colorado 80225

ATTENTION: Mr. H. M. Connors

Gentlemen:

Mr. Stephen Wilson, of the Bureau of Mines in Salt Lake City, referred me to you for information regarding Contract Idm-E 1218, Docket DMEA-4981.

Under this Contract, the Government has a lien on certain properties owned by New Park Mining Company, and on claims owned by United States Smelting Refining and Mining Company, and on the production of minerals from these properties. The properties are in Summit and Wasatch Counties, Utah. OK

Please let me know the amount of royalties due the Government at this time under the above contract.

Yours very truly,

C. J. Barber

C. J. Barber
Engineer of Mines

CJB:mlc

Copy to Chief, OME

Bldg. 20, Denver Federal Center
Denver, Colo. 80225

June 28, 1965

New Park Mining Co.
907 Walker Bank Bldg.
Salt Lake City, Utah

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 30 1965
INITIALS | CODE
120
120
220

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Gentlemen:

Attached is a copy of the Royalty Audit Certificate and Royalty Audit Report dated May 29, 1965. This shows the balance of royalty due is $309.05.

Will you please forward this office your check for $309.05 to bring the royalty account to balance.

Yours very truly,

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosures

H.M.Connors (6-28-65)
cc: G. C. Selfridge
C. E. Fisher
E1218
Chron

Bldg. 20, Denver Federal Center
Denver, Colo. 80225

June 28, 1965

Memorandum

To: Fiscal Section, Office of Management Operations
Office of the Secretary, U.S. Department of the Interior
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Attached is the original Royalty Audit Certificate and Royalty Audit Report dated May 29, 1965.

Hugh M. Connors

Attachment

H.M.Connors (6-28-65)
cc: G. C. Selfridge
C. E. Fisher
E1218
Chron

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

JUN 2 2 1965

Memorandum

To: Acting Field Officer, Region III

/s/ C. E. Fisher

From: Contract Administration and Audit Division

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

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

(a) Original to the Fiscal Section, Office of Management Operations, Office of the Secretary, U. S. Department of the Interior, Washington, D. C. 20240;

(b) One copy for the Operator; and

(c) One copy for your files.

As evidence of your concurrence, a copy of your letter transmitting the Operator's copy of the report should be furnished to 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.

Enclosures

CEFisher/fh/6/11/65

cc:
Docket
Director's reading file
CA & A Division
Fiscal Section

23263

Bldg. 20, Denver Federal Center
Denver, Colo. 80225

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 19 1965
INITIALS | CODE
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120
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May 17, 1965

Mecla Mining Company
Star Route - Box 18-A
Heber, Utah

Re: DMEA-4981 (Copper-Lead-Zinc)
Contract Idm-E 1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Dear Sir:

Mr. Clarence E. Fisher of the Contract Administration and Audit Division from the Washington OME office has scheduled an on-site audit of the subject contract's royalty account on May 28, 1965.

Mr. T. M. Romslo, who is acquainted with the work carried out under the contract, will assist Mr. Fisher by inspecting the mine workings concerned. They expect to arrive at the mine office about 8:00 a.m., Thursday, May 28, and complete the audit in 4 or 5 hours.

Please have available the necessary mine maps and royalty calculations, and a guide to accompany Mr. Romslo underground.

Yours very truly,

ORIGINAL SIGNED BY

Hugh M. Connors
Acting Field Officer, OME
Region III

T.M.R. (5-17-65)

cc: Chief, Division of Field Operations
C. E. Fisher, Contract Administration and Audit Division
Royalty Corres. 1218
Chron

OFFICIAL
COPY
O. M. E.
RECEIVED
MAR 29 1965
INITIALS CO. E
100
~~110~~
~~120~~
220

c.c. G.C. Selfridge
E1218

4981

New Park reports Mayflower vein may be wider than expected

Charles A. Steen, president of **New Park Mining Co.,** said that further drilling has indicated its previously-discovered gold vein at the **Mayflower** mine in Utah may be considerably wider than originally estimated. He cautioned, however, that the grade and tonnage of the orebody have not yet been fully determined. **Hecla Mining Co.** of Wallace, Idaho, operates the property and will retain all net income from the mine until it recovers its $2.5 million investment. Thereafter, Hecla and New Park will share profits on a 50-50 basis. Officials report that Hecla still has about $1.8 million to recoup before New Park begins to share in profits.

Production to start at Bunker Hill's super phosphoric acid plant

The Bunker Hill Co. will begin production of super phosphoric acid this month at the new plant located at Kellogg, Idaho. This is the result of the joint venture announced last spring whereby **Stauffer Chemical Co.** was to construct the acid plant and dry ammonium phosphate fertilizer facilities which will be operated by Bunker Hill. The joint venture will operate as the **North Idaho Phosphate Co.**

Great Lakes Chem. reports possible new moly discovery

Rumor of a possible molybdenum ore find by **Great Lakes Chemical Corp.** was given cautious and qualified confirmation by Charles S. Hale, president. Mr. Hale said that molybdenum values have been found in the company's **Kergon** mine in Kern Canyon near Lake Isabella, Kern County, Calif. He warned, however, that it is far too early at this stage to tell whether the deposit will have any commercial value. The Kern Canyon area is part of a large granite batholith which has long been known to contain a number of pitch-blende deposits. Molybdenum minerals are commonly associated with uranium in such formations. "Speculative digging on the property (a former uranium prospect) some months ago disclosed significant molybdenum values," Mr. Hale reported. Further exploratory development of the property was started about a month ago. At the present time a shaft has been sunk to a depth of 130 ft. At this point the ore averages 1.8 percent molybdenum oxide, and is associated with sooty pitchblende grading to 3.8 percent uranium oxide. The shaft is being sunk further through this zone of secondary enrichment.

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

May 7, 1964

OFFICIAL FILE COPY
O. M. F.
RECEIVED
DATE

New Park Mining Co.
907 Walker Bank Bldg.
Salt Lake City, Utah

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Gentlemen:

Attached are copies of the Royalty Audit Certificate and Royalty Audit Report dated April 29, 1964 on the subject contract.

Very truly yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enc.

cc: G. C. Selfridge (2)
E1218
Chron

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

May 7, 1964

Memorandum

To: Fiscal Section, Office of Management Operations
Office of the Secretary
Department of the Interior
Washington, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Attached is the original Royalty Audit Certificate and Royalty Audit Report dated April 29, 1964 on the subject contract.

Original signed by

Hugh M. Connors

cc: G. C. Selfridge (2)
E1218
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/30	[illegible]	800
		220

APR 30 1964

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

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

(a) Original to the Fiscal Section, Office of Management Operations, Office of the Secretary, U. S. Department of the Interior, Washington, D. C. 20240;
(b) One copy for the Operator; and
(c) One copy for your files.

As evidence of your concurrence, a copy of your letter transmitting the Operator's copy of the report should be furnished to 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.

Enclosures

CEFisher/ama 4-30-64

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

43683

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 13 1964

DATE	INITIALS	CODE
~~March 12, 1964~~		
		500
		220

Mr. George L. Wilhelm, Superintendent
Hecla Mining Co.
Star Route
Kober City, Utah

Re: DMMA-4981
Contract Idm-E1218
Mayflower Mine
Wasatch County, Utah

Dear Mr. Wilhelm:

I have been advised that Mr. Clarence E. Fisher will visit your office on or about April 9, 1964 to make a royalty audit of the captioned account.

Any courtesies shown Mr. Fisher will be greatly appreciated.

Yours very truly,

ORIGINAL SIGNED BY
Hugh M. Connors
Acting Field Officer, OME
Region III

cc: G. C. Selfridge
E. D. Talbert
C. E. Fisher
E1218

Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

May 9, 1963

Hecla Mining Company
Star Route
Heber City, Utah

OME
DEPARTMENT OF THE INTERIOR
MAY 27 1963
REGION III
DENVER, COLORADO

Re: DMEA-4981 (Copper-Lead-Zinc)
Contract Idm-E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Gentlemen:

Enclosed is a copy of the Report of Royalty Review on the subject contract dated May 1, 1963, covering the period March 1, 1962, through April 5, 1963.

Please note that the balance due the Government according to this Report of Review is $144.90. Your prompt payment of $144.90 to this office will be appreciated.

Sincerely yours,

T. M. Romslo
Acting Field Officer, OME
Region III

Enclosure
cc New Park Mining Company
904 Walker Bank Building
Salt Lake City 11, Utah

Bill No. 5033
Order No. —
Frt. Chg.
Distbn. Royalty Payments
Date Rec'd 5/11
Month May $144.90
OK'D by CLW

OK
CLW

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 13 1963
DATE CODE
Received 500
220

May 9, 1963

Hecla Mining Company
Star Route
Heber City, Utah

Re: DMEA-4981 (Copper-Lead-Zinc)
Contract Idm-E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Gentlemen:

Enclosed is a copy of the Report of Royalty Review on the subject contract dated May 1, 1963, covering the period March 1, 1962, through April 5, 1963.

Please note that the balance due the Government according to this Report of Review is $144.90. Your prompt payment of $144.90 to this office will be appreciated.

Sincerely yours,

Original signed by
T. M. Romslo

T. M. Romslo
Acting Field Officer, OME
Region III

Enclosure
cc New Park Mining Company
904 Walker Bank Building
Salt Lake City 11, Utah
Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E1218
Chron
TMR/lm

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
1963

May 8, 1963

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMEA-4981 (Copper-Lead-Zinc)
Contract Idm-E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Attached is the original Report of Royalty Review dated May 1, 1963, on the subject property covering the period March 1, 1962, through April 5, 1963.

T. M. Romslo

Attachments
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E1218
Chron
TMR/lm

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/30	Fisher	800
		220

MAY 1 1963

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMRA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

The original and three copies of a Royalty Audit Certificate and Royalty Audit Report covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

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

As evidence of your concurrence, a copy of your letter transmitting the Operator's copy should be furnished this Division. If for any reason you do not concur, the original and all copies of the report should be returned to this Division with your comments.

Enclosures

CEFisher/ama 4-30-63

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

43683

Building 20 - Federal Center
Denver 25, Colorado

February 20, 1963

Mr. George L. Wilhelm
Superintendent, Mayflower Mine
Hecla Mining Company
Star Route
Heber City, Utah

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 25 1963

DATE	INITIALS	CODE
2/25		800
		120
		500
		250

Re: DMEA-4981 (Copper-Lead-Zinc)
Contract Idm-E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Dear Mr. Wilhelm:

Thank you for your letter of February 18, 1963 regarding the DMEA boundary on the Annie and Sunset No. 2 claims.

Your suggestion that Government royalty on production from the stope on the 2005 level be deferred until you establish the true DMEA boundary on that level, meets with Government approval provided you make the survey as soon as the weather and snow conditions permit and you furnish this office two copies of the resulting map.

Sincerely yours,

Original signed by

Hugh H. Connors
Acting Field Officer, OME
Region III

cc Chief, Division of Field Operations, OME
Royalty Corres. E1218
Chron
HMC/lm

Re: DMBC-4981

Pls. note contract provides royalty on production transported through DMBC workings as well as production from the property under the contract.

Talbut
2/25/63

MAYFLOWER MINE

HECLA MINING COMPANY

STAR ROUTE

MIDDER CITY, UTAH

February 18, 1963

Acting Field Officer
O.M.B. Region III
Building 20, Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 4981
Contract E-1218
New Park Mining Co.

Dear Sir:

Under the Operating Agreement of December 1, 1961 between New Park Mining Company and Hecla Mining Company, Hecla has continued operation and development work at the Mayflower Mine in Park City District, Utah. Stope production is now commencing from the Pearl vein on the 2005 Level, and some of this will be from the Annie and Sunset No. 2 Claims, which are included in the DMEA Contract. In the process of establishing the DMEA boundary (east end lines of the Annie Claim, Mineral Survey 202 and Sunset No. 2 Claim, Mineral Survey 168) on the 2005 Level, we found that there may be some inaccuracy in the location of this end line as shown on the maps accompanying New Park's DMEA application. A royalty is paid the government on ore produced from the claims included in the DMEA Contract; hence, an accurate location of this claim boundary is necessary and important for the accounting of ore on which a royalty is due.

A search of the engineering and survey records indicates that we are unable to accurately establish this line with our present data. Because of this it will be necessary to conduct a survey which will tie the claim corners in question to our underground survey, and this will be done as soon as weather and snow conditions permit.

Until such a survey can be made and the boundary line established accurately, we propose that royalty payments to the government from production in this area be deferred. As soon as the boundary is established, an adjustment for royalty payments will be made.

We are sorry this matter did not come to our attention until this late date. Would you please advise us if the suggested manner of handling this meets with your approval?

Very truly yours,

George L. Wilhelm

George L. Wilhelm
Superintendent

GLW/bl

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 30 1962

DATE	INITIALS	CODE
11/30		800
		120
11/30		500
11/30		
		100
		620

November 27, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: T. M. Romslo, Mining Engineer

Subject: DMEA-4981 (Lead-Zinc-Copper)
Contract Idm-E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Attached is one of the couple copies of the 2005 level map requested in your memorandum dated October 15, 1962. One of the two copies of the map obtained from Mr. Bob F. Archer, senior geologist, has been retained by this office.

The mapped workings colored green were completed from November 1, 1961 to November 1, 1962.

T. M. Romslo

T. M. Romslo

Attachment

Building 20 - Federal Center
Denver 25, Colorado

November 27, 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 30 1962

DATE		
11/30		9.00
	Refund	5.00
		220

Mr. Bob F. Archer
Senior Geologist
Hecla Mining Company
Star Route
Heber City, Utah

Re: IMEA-4981 (Lead-Zinc-Copper)
Contract Hm-E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Dear Mr. Archer:

This will acknowledge receipt of your letter of November 23, 1962 with the two maps requested by Mr. Romslo.

Thanks to you and the Hecla Mining Company for the cooperative attitude shown in this and other IMEA matters.

Yours very truly,

Original signed by

Hugh M. Connors

HMC/lm
cc Chief, Division of Field Operations, OME
Royalty Corres. E1218
Chron

Docket Copy

10/15 GLS 120
Johnson ~~110~~
Finch ~~100~~
220
10/17 Talbot ~~800~~
~~10-24 [illegible]~~ ~~500~~
220

October 15, 1962

Memorandum

To: The Director

From: Chief, Division of Field Operations

Subject: Field Trip
DMRA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-K1218

Part of the afternoon of September 25 was spent in the New Park office studying maps and making arrangements to go underground the following day with Bob Archer, the company geologist. Seemingly, Hecla has entirely revamped the mine yard and buildings so that a person previously acquainted would hardly know the place. It was learned that Hecla will have spent approximately $2,000,000 in preparing the property for mill production. The writer did not meet the mine manager as he seemed too occupied at the time of the visit. G. A. Hansen is no longer with the company as, reportedly, he and the Hecla man did not see "eye-to-eye" concerning certain operations. Mr. Hansen is now employed by Kennicott in the Tintic district.

The company hopes that the mill will be ready by November 1, and ore is being stockpiled for that event. Two underground bins have been built just outside the mine portal, one for Mayflower ore, and the other for Pearl ore. Research work is being done to see if the two ores cannot be milled together. Ore from the bins is to be carried to the mill by traveling belts.

On September 26, a long morning was spent in the mine visiting only the work that had been done on the 2005 level under the subject contract. A good rehabilitation job had been done on the mine adit under the contract. The track was largely dry, and the transite pipe had been covered with gravel and wedged down. The adit, which is 7,200 feet long into the shaft, is a little small at places but, as a whole, should handle all of the ores and supplies contemplated for the future operation. At the time of the visit, a new skip was being installed in the shaft, and one of the dumping plates was stuck in the adit because of its size. This necessitated walking out the full distance from the shaft after completing the underground examination. The company has already installed a large sand tank near the shaft for sand filling of the stopes with mill tailings. Use of these tailings should

lower costs and expedite stoping operations when compared to stope filling with development waste.

On the 2005 level, the pump station was examined. This station has two smaller pumps in addition to the two large ones which are used for auxiliary purposes or when only a smaller amount of water is to be pumped. The Hecla Company has sunk the shaft approximately 130 feet below projected 2200 and 2400 levels. For the type of ore deposits involved, the 200-foot interval between levels seems a little long. However, should diffisulties develop, sublevels can always be run. The company plans to drive the two new levels as rapidly as possible to the west in order to drain the 2005 and higher levels which will make stoping much easier. The ore tends to wash out of the fissures with excess water which always causes trouble.

Near the shaft the shaft diorite, or D-1, was examined. This is a fine-grained rock favorable to mineralization. Beyond, the D-4 diorite was examined. This is a medium-grained porphyry unfavorable to mineralization.

Both the Pearl and the Mayflower fissure zones consist of several strands occurring in a braided fashion. In addition, there are veins connecting the two zones, toward the west where they will junction at a lower level. The company feels that as the two systems approach each other the ground will be more broken and contain more and larger ore bodies. It calculates that there is now 250,000 tons of good grade ore available for the mill and is counting heavily on future ore bodies at depth being able to supply the 400-ton-a-day mill.

The Pearl fissure area near the shaft was first examined. Recently crosscuts had been driven in this area for ventilation and other purposes. Apparently, one of the crosscuts will eliminate the need of transporting non-BMRA ore through BMRA workings, thereby eliminating royalty payments. The area is quite hot and apparently is comparable to what all of the 2005 level was before the ventilation raises and crosscuts were driven. The Pearl system is marked by an early barren mineralization consisting of pyrite, quartz, and calcite. The economic minerals followed, among which there was strong copper. Splits off the Pearl system reach the Mayflower system which is predominantly lead-zinc. Seemingly, this lead-zinc mineralization preceded the economic mineralization of the Pearl fissure zone but was subsequent to the barren mineralization of that zone. The United States Geological Survey recently assigned a geologist, L. Bromfield, to the district who will work up largely the underground geology and paragenesis of the minerals in the district. Max Crittenden will map the surface geology.

Originally, the company classified the first limestone encountered on the level to the west as Deseret. Since then they have considered it as the Humbug limestone in keeping with the classification used by United Park City. This is followed by about 300 feet of massive white dolomite of the upper Deseret. This limestone and those that follow occur on the east limb of a northward-trending anticline and are traversed by the drift reasonably normal to their ~~dips~~* Below the white dolomite the company has divided the remainder of the Deseret formation into upper and lower chert members with a black shaly limestone at the base of the latter. This is followed by cherty limestone of the Madison formation, first occurring near the face of the drift. To the writer it seemed that the cherty limestones might be further divided as they appeared to have distinctive features which could be easily identified. The rather hurried examination of the drift suggested that the chert in good part was of hydrothermal origin rather than sedimentary, and thus did not augur well for possible ore bodies ahead. There seems to be little doubt but that the mineralization in the shaft area had its center of origin there. This would imply that there would have to be another center of mineralization to the west which was the target area of the exploration contract. Also to the west the extent of limestone below the level will not be too great before reaching the Ophir formation. The mineralization occurring in the fissures on the eighth level to the west, where the EMKA had a previous contract, could well have originated from the shaft area. Eventual driving of the 2005 drift will give the answer.

In driving the drift very large equipment was used and one might say that it is as "big as a house." The cars used have a 9-ton capacity. In places, the drift is 12 feet by 12 feet in cross section due to sloughing. In heavy ground it was necessary to use rectangular steel sets instead of collapsible arched sets. The Washington Office was correct in its original criticism of using such large equipment and driving such a large drift which was far beyond the potential of any ore tonnage that could be expected. The size of the equipment caused a lot of trouble, and only near the face where the ground stood better was a good rate of advance made. The track sets on sills which are wholly or in part planked for walking purposes. A crosscut to the south near the face exposes what is probably one strand of the Mayflower fissure. The immediate area of the fissure is badly caved. Only a little mineralization was found. The face of the drift itself has been extensively drilled and grouted, cutting down the amount of water considerably. However, the drift as a whole develops a good deal of water. All of the cracks in the rock at and near the face have had wooden wedges driven into them as a means of decreasing water flow.

* strikes

The ore shoots on this level, while occurring in much the same form as they do along the fissures in the United Park City and Keystone mines, appear to be bigger and sulfides within them occur in more massive form. The drift is the deepest penetration of the formations exposed in the district. The favorability of the Humbug and upper Deseret formations to mineralization suggests that ore should occur in the same formations in the United Park City mine where workings have not penetrated below the Weber quartzite.

During the examination the water door was examined. The frame was well placed and appeared sufficiently strong to withstand much more pressure than the door itself. The door consisted of an I-beam frame and a front plate. The latter was backed by a series of horizontal rectangular welded compartments. It was something new in the writer's experience.

The commingling of ores and royalties were discussed with Mr. Archer. Arriving at metal balances now will be more complicated with both stockpile and current production going into the mill.

George C Selfridge

GCSelfridge/gla (10-15-62)
cc to: Director's Reading File
Mr. Selfridge
Docket

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/12	GCS	120
10/15	Johnson	110
10/15	Franch	100
		220
		500
		120

OCT 15 1962

Memorandum

To: T. M. Romslo, Mining Engineer, Region III

From: Chief, Division of Field Operations

Subject: OME-6079 (Lead-Zinc)
Keystone Mining Company
Keystone Mine
Summit County, Utah
Contract 2114
and
DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-H1218

You will recall that I mentioned a map when in the United Park City office which showed the stopes in the area more or less terminated along a northward-trending line and raised the question whether there was a known structure that accounted for the apparent termination of the ore bodies. The map I was referring to is Figure 2. Composite map, Park City Mining District, Wasatch and Summit Counties, Utah, submitted with your on-site report of May 20, 1960. This report was written in collaboration with Mr. R. U. King of the Geological Survey. You might call this to the attention of Mr. Barnes when you visit the property again.

Also, when you are at the New Park property again, will you see if the company will give you a couple copies of a map showing the work that has been done on the 2805 level since termination of the subject contract.

George C. Selfridge

(RH)

GCSelfridge/gla (10-12-62)
cc to: Docket OME-6079
Docket DMEA-4981
Director's Reading File
G. C. Selfridge
H. M. Connors, Region III (2)

43683

OFFICIAL FILE COPY

Date	Surname	Code
8/28	[illegible]	500
8/28	[illegible]	800
8/29	[illegible]	120
		110
8-29	[illegible]	100
		220

New Park Mining Company
904 Walker Bank Building
Salt Lake City 11, Utah

Re: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Gentlemen:

Reference is made to our letter of April 5, 1962, enclosing a certification of discovery or development covering the subject property.

At the time of our letter the exact amount contributed by the Government under this project was subject to audit. Subsequently, an audit determined the amount to be $133,022.03 which is repayable by your company through royalty on production. Payments should be made in accordance with the instructions contained in the above-mentioned letter.

Sincerely yours,

George Fumich, Jr.

Director

(RK)

Copy to:
United States Smelting Refining and
Mining Company
1019 Newhouse Building
P. O. Box 1980
Salt Lake City 10, Utah

GLAult/a
8-28-62
cc to: Director's Reading File
Contract Division
Region III (2)
Docket
Code 500

43683

OFFICE OF MINERALS EXPLORATION
NTRACT ADMINISTRATION AND AUDIT DIVISION

ROYALTY AUDIT CERTIFICATE

hed the production, sales, and royalty accounts and aining to the production of ore for the period May 1, gh February 28, 1962, by

New Park Mining Company
907 Walker Bank Building
Salt Lake City, Utah
and
Hecla Mining Company
Box 320
Wallace, Idaho

the Mayflower Mine located in Wasatch County, Utah, on which royalty is payable to the U. S. Government under terms of Contract Idm-51218, Docket OMEA-4981 (lead-zinc-copper), dated June 23, 1958, as amended.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

This audit established the total value of ores produced during this period, subject to Government royalty, to be $257,266.12. Royalty payable to the Government at the rates specified in the contract is $12,863.30.

A prior royalty audit report dated June 9, 1961, found the value of ore subject to Government royalty through April 30, 1961, to be $183,049.59 which added to the sales for the subsequent period make a total of $440,315.71. The royalty account as of April 30, 1961, was:

Total Royalty Payable	$ 9,098.95
Total Royalty Paid	9,098.95
Balance of Royalty Due	$ -0-

At February 28, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$21,962.25
Total Royalty Paid	21,962.25
Balance of Royalty Due	$ -0-

June 1, 1962

C. E. Fisher, OME Auditor

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

ROYALTY AUDIT REPORT

I. INTRODUCTION

962, an audit was made of the production, sales, and nts and records of

New Park Mining Company
907 Walker Bank Building
Salt Lake City, Utah
and
Hecla Mining Company
Box 320
Wallace, Idaho

taining to the value of crude ore produced during the period May 1, 1961, through February 28, 1962, from property known as Mayflower Mine located in Wasatch County, Utah, on which royalty is payable to the U. S. Government under terms of Contract Idm-E1218, Docket TMEA-4981 (lead-zinc-copper), dated June 23, 1959.

Exploration, development, and mining operations were conducted by New Park Mining Company (hereinafter referred to as Operator) through November 1961. Subsequent operations have been by Hecla Mining Company under an operating agreement.

This audit was based on an examination of the production and assay records maintained at the mine office at Heber, Utah, which were made available by William Anderson, Jr., General Mine Superintendent, Hecla Mining Company. In addition, the royalty payment records of New Park Mining Company maintained by Francis M. Smith, accountant, at that company's Keetley, Utah, office were reviewed. The cooperation of each of these gentlemen greatly facilitated the audit work.

II. GENERAL INFORMATION

Article 8 and Annex II of the contract provide that if the Government makes a certification of discovery or development the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2 of the contract within a period of 15 years from the date of the contract, or until the total net amount contributed by the Government to the exploration costs without interest is fully repaid, whichever occurs first.

Annex II further provides for the payment by the Operator of royalty on any production, regardless of where it comes from, that is

through any workings to the cost of which the Govern-
buted, and for the payment of a 5 percent royalty on the
sportation charges received by the Operator on any pro-
om outside the boundaries of the land described in Article
contract transported through such workings.

ication of discovery or development was issued by the Gov-
on April 5, 1962.

t of Review in lieu of final cost audit dated May 17, 1962,
acceptable costs under the exploration contract to be
44.06 with the Government's proper contribution, on a 50 per-
basis, being $133,022.03. However, the Government actually had
ibuted $133,091.15 and, therefore, a refund of $369.12 was due
Government.

The land under the contract consists of all or portions of 23 patented and 3 unpatented claims located in sec. 34, T. 2 S., R. 4 E., Salt Lake Meridian, Blue Ledge Mining District. Excluded, however, is the area of the claims above the 1880 level and east of a vertical plane at approximately 2,120 feet S. 65 degrees W. of the Mayflower shaft. At the time the contract was executed the Operator owned part of the land and leased the remainder from the United States Smelting, Refining and Mining Company, which company executed a Consent to Lien and Subordination Agreement on June 13, 1958.

Through November 1961 the Operator continued to make monthly payments of royalty on the value of ore obtained from the exploration drifts and raises and from production from beyond the boundaries of the land described in Article 2 of the contract in the manner set forth in my audit report dated June 9, 1961. This practice has been continued by Hecla Mining Company with a slight modification in the method of computing the amount of royalty payable.

Under Hecla's system of computing royalty payable to the Government, car records for tonnage production and grab samples for grade calculations are used for each working area the same as was the prior practice. At the end of the month when the actual production and grade are settled through smelter returns for the total mine production, each working place is adjusted for tons and assay to correspond to the month's production and the actual settlements received. Royalty is computed on values relating to that portion of production from areas subject to royalty under terms of the contract. In this auditor's opinion the method currently used is equitable to the Government. From discussion with T. M. Romslo, mining engineer, and Hugh M. Connors, Acting Field Officer, OME Region III, Denver, Colorado, I understand that they are in agreement, although written formal approval of the procedure by OME has not been made.

At the present time Hecla Mining Company is constructing a flotation mill and making other substantial changes in the mining property.

Mr. Anderson stated that the only ore currently being recovered is a small tonnage of drift ore which is being stockpiled. Tonnage and assay records are being kept with respect to the production from the various areas so that the quantity and value of the concentrates produced on which the Government is entitled to royalty may be computed when the flotation mill is placed in operation, about November 1, 1962.

The last shipment of ore prior to stockpiling was mine lot No. 12 shipped to United States Smelting, Refining and Mining Company on March 24, 1962. The necessary computations for determining the Government's royalty on the March 1962 production (mine lots 11 and 12) had not been completed at the time of this audit. Mr. Anderson stated that the computations would be made and the royalty paid within a short time.

III. SCOPE OF AUDIT AND FINDINGS

A considerable amount of preaudit work was accomplished in the OME Washington, D. C., office prior to the field audit. During this preaudit work a statement of royalty received was prepared from copies of monthly statements showing royalty computations by the Operator and by Hecla Mining Company in support of royalty payments. All of the data included in the statement were confirmed by detailed recomputation. This statement, which is filed as a part of my audit work papers, was reconciled with the production and sales records in the mine office during the on-site audit.

IV. CONCLUSION

A summary analysis of the production from exploration drifts and raises, and on ore transported through such workings, value thereof, and royalty payable and paid follows:

Month	Value			Royalty Payable	
	Tons	Per Ton	Total	Rate	Amount
New Park Mining Company					
May 1960	238	$9.00	$ 2,142.00	2½%	$ 53.55
June 1960 thru April 1961	9,173	*	180,907.59	5%	9,045.40
Totals-Prior audit	9,411		$183,049.59		$ 9,098.95

Month	Tons	Value Per Ton	Value Total	Royalty Payable Rate	Royalty Payable Amount
New Park Mining Company					
May 1961 thru Nov. 1961	11,368	*	$235,640.57	5%	$11,782.02
Totals-New Park	20,779		$418,690.16		$20,880.97
Hecla Mining Company					
Dec. 1961 thru Feb. 1962	1,362	*	21,625.55	5%	1,081.28
Grand totals	22,141		$440,315.71		$21,962.25
Royalty paid					21,962.25
Balance of royalty due					$ -0-

* Various. Monthly average values in excess of $11.50 per ton in each instance.

The audit has confirmed the accuracy and propriety of the royalty payments received applicable to production during the period May 1, 1961, through February 28, 1962. It has also determined that all indicated production of ores during that period have been properly accounted for.

C. E. Fisher

C. E. Fisher, OMR Auditor

June 1, 1962

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/4	Fisher	800
		220

JUN 4 1962

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMIA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-81218

The original and two copies of a Royalty Audit Certificate and Royalty Audit Report covering the subject contract are enclosed. 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 for the Operator; and
(c) One copy for your files.

As evidence of your concurrence, a copy of your letter transmitting the Operator's copy 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.

Enclosures

CEFisher/ama 6-4-62

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

43683

Docket copy

Project Summary Report

By: W. R. Griswold August 27, 1962

1. DMEA-4981 (Lead, Zinc)
Contract Idm-E1218

Operator - New Park Mining Company
907 Walker Bank Building
Salt Lake City 11, Utah

Property - Mayflower Mine
Wasatch County, Utah

Operator's Property Rights - Owner and Lessee
Consent to Lien by U. S. Smelting Refining and Mining Company, dated June 13, 1958.

2. Contract dated June 23, 1958.

Work Authorized -

(1) Install 7,140 feet of 16" transite drainage pipe in 800 level.

(2) Install 12" steel water column from 2005 to 800 drainage level; install pumps, with necessary sumps, on 2005 level.

(3) 8,600 feet of drifting and crosscutting on 2005 level.

(4) Drive two ventilation raises from 2005 level, each 125 feet.

(5) Install two steel and concrete water doors.

(6) 20,000 feet of percussion drilling.

(7) 11,000 feet diamond drilling, AX.

Amendments -

No. 1, dated February 13, 1959, provides for larger pumps and changes depreciation account.

No. 2, dated March 20, 1957, allows rock bolting.

No. 3, dated April 1, 1959, permits corsscutting on 800 level.

No. 4, dated August 11, 1959, permits closer spacing of percussion drill holes.

Amendments (continued) -

No. 5, dated October 9, 1959, crosscutting footage allowed for diamond drill stations.

No. 6, dated November 27, 1959, sump excavation allowed as cost.

No. 7, dated June 21, 1960, places contract on fixed unit cost base.

Work Completed -

7,149.5 feet drainage pipe	$41,036.71
Pump and column installation	32,807.55
Drifting and crosscutting, 3,339 feet	150,255.00
Timbering, 953.5 feet	10,488.50
2 ventilation raises 272.5 feet	12,535.00
1 water door	980.00
Percussion drilling, 7,255.5 feet	7,255.50
Diamond drilling, 1,718 feet	9,191.30
Assaying 1,065 determinations	1,065.00
Incidental allowance, 1,718 feet @ $0.25	429.50
Total Acceptable Cost of Project	$266,044.06
Government's share @ 50%	$133.022.03

Final Reports:

Operator's final report January 25, 1962
Field final report August 20, 1962
Termination Agreement, dated March 1, 1962, effective November 1, 1961.

3. Report of Review, dated May 17, 1962.

4. Certification, dated April 5, 1962.

Ore Estimate

88,000 tons of which 18,000 already mined.
Grade 0.22 oz.Au, 4.2 oz. Ag, 8.5% Pb, 7.0% Zn, 0.9% Cu.

5. Comments -

The project never reached its objective, which is still some 2,000 feet westerly of the present drift face. It was believed that the Jefferson dolomite and the Maxfield limestone and, possibly, even the Ophir shale, could be traversed in the far

westerly section. However, due to heavy water flows, the work was discontinued, though a more determined stand on the part of the Operator might have overcome the obstacle.

Such work as was done was done well, but in a very slow and halting manner. The ores found were merely continuations of known ore bodies.

W. R. Griswold, Chief
Division of Minerals

WRGriswold/gla
cc: Director's Reading File
Mr. Johnson
Docket

Project Summary Report

By: W. R. Griswold August 27, 1962

1. RMEA-4961 (Lead, Zinc)
Contract Lim-X1218

Operator - New Park Mining Company
907 Walker Bank Building
Salt Lake City 11, Utah

Property - Mayflower Mine
Wasatch County, Utah

Operator's Property Rights - Owner and Lessee
Consent to Lien by U. S. Smelting Refining and Mining Company, dated June 13, 1958.

2. Contract dated June 23, 1958.

Work Authorized -

(1) Install 7,140 feet of 16" transite drainage pipe in 800 level.

(2) Install 12" steel water column from 2005 to 800 drainage level; install pumps, with necessary sumps, on 2005 level.

(3) 8,600 feet of drifting and crosscutting on 2005 level.

(4) Drive two ventilation raises from 2005 level, each 125 feet.

(5) Install two steel and concrete water doors.

(6) 20,000 feet of percussion drilling.

(7) 11,000 feet diamond drilling, AX.

Amendments -

No. 1, dated February 13, 1959, provides for larger pumps and changes depreciation account.

No. 2, dated March 20, 1957, allows rock bolting.

No. 3, dated April 1, 1959, permits crosscutting on 800 level.

No. 4, dated August 13, 1959, permits closer spacing of percussion drill holes.

Amendments (continued) -

No. 5, dated October 9, 1959, crosscutting footage allowed for diamond drill stations.

No. 6, dated November 27, 1959, sump excavation allowed as cost.

No. 7, dated June 21, 1960, places contract on fixed unit cost base.

Work Completed -

7,149.5 feet drainage pipe	$41,036.71
Pump and column installation	32,[illegible].56
Drifting and crosscutting, 3,339 feet	130,255.00
Timbering, 953.5 feet	10,4[illegible].50
2 ventilation raises 272.5 feet	12,5[illegible].00
1 water door	[illegible].00
Percussion drilling, 7,255.5 feet	7,255.50
Diamond drilling, 1,718 feet	9,191.30
Assaying 1,065 determinations	1,[illegible].00
Incidental allowance, 1,718 feet @ $0.25	[illegible]
Total Acceptable Cost of Project	$266,[illegible].06
Government's share @ 50%	$133,[illegible].00

Final Reports:

Operator's final report January 25, 1962
Field final report August 20, 1962
Termination Agreement, dated March 1, 1962, effective November 1, 1961.

3. Report of Review, dated May 17, 1962.

4. Certification, dated April 5, 1962.

Ore Reserves

86,000 tons of which 18,000 already mined.
Grade 0.22 oz.Au, 4.2 oz. Ag, 8.5% Pb, 7.0% Zn, 0.9% Cu.

5. Comments -

The project never reached its objective, which is still some 2,000 feet westerly of the present drift face. It was believed that the Jefferson dolomite and the Mayfield limestone and, possibly, even the Ophir shale, could be traversed in the far

westerly section. However, due to heavy water flows, the work was discontinued, though a more determined stand on the part of the Operator might have overcome the obstacle.

Such work as was done was done well, but in a very slow and halting manner. The ores found were merely continuations of known ore bodies.

W. R. Griswold, Chief
Division of Minerals

WRGriswold/gla
cc: Director's Reading File
Mr. Johnson
Rochet

Project Summary Report

By: W. R. Grimold August 27, 1962

1. DMMA-4981 (Lead, Zinc)
Contract Ldm-K1218

Operator - New Park Mining Company
907 Walker Bank Building
Salt Lake City 11, Utah

Property - Mayflower Mine
Wasatch County, Utah

Operator's Property Rights - Owner and Lessee
Consent to Lien by U. S. Smelting Refining and Mining Company, dated June 13, 1958.

2. Contract dated June 23, 1958.

Work Authorized -

(1) Install 7,140 feet of 16" transite drainage pipe in 800 level.

(2) Install 12" steel water column from 2005 to 800 drainage level; install pumps, with necessary sumps, on 2005 level.

(3) 8,600 feet of drifting and crosscutting on 2005 level.

(4) Drive two ventilation raises from 2005 level, each 125 feet.

(5) Install two steel and concrete water doors.

(6) 20,000 feet of percussion drilling.

(7) 11,000 feet diamond drilling, AX.

Amendments -

No. 1, dated February 13, 1959, provides for larger pumps and changes depreciation amount.

No. 2, dated March 20, 1957, allows rock bolting.

No. 3, dated April 1, 1959, permits crosscutting on 800 level.

No. 4, dated August 11, 1959, permits closer spacing of percussion drill holes.

Amendments (continued) -

No. 5, dated October 9, 1959, crosscutting footage allowed for diamond drill stations.

No. 6, dated November 27, 1959, sump excavation allowed as cost.

No. 7, dated June 21, 1960, places contract on fixed unit cost base.

Work Completed -

7,149.5 feet drainage pipe	$41,036.71
Pump and column installation	32,087.55
Drifting and crosscutting, 3,339 feet	150,255.00
Timbering, 953.5 feet	10,488.50
2 ventilation raises 272.5 feet	12,535.00
1 water door	900.00
Percussion drilling, 7,255.5 feet	7,255.50
Diamond drilling, 1,718 feet	9,191.30
Assaying 1,065 determinations	1,065.00
Incidental allowance, 1,718 feet @ $0.25	429.50
Total Acceptable Cost of Project	$266,044.06
Government's share @ 50%	$133,022.03

Final Reports:

Operator's final report January 25, 1962
Field final report August 20, 1962
Termination Agreement, dated March 1, 1962, effective November 1, 1961.

3. Report of Review, dated May 17, 1962.

4. Certification, dated April 5, 1967.

Ore Estimate

88,000 tons of which 18,000 already mined.
Grade 0.22 oz.Au, 4.2 oz. Ag, 8.5% Pb, 7.0% Zn, 0.9% Cu.

5. Comments -

The project never reached its objective, which is still some 2,000 feet westerly of the present drift face. It was believed that the Jefferson dolomite and the Maxfield limestone and, possibly, even the Ophir shale, could be traversed in the far

westerly section. However, due to heavy water flows, the work was discontinued, though a more determined stand on the part of the Operator might have overcome the obstacle.

Such work as was done was done well, but in a very slow and halting manner. The ores found were merely continuations of known ore bodies.

W. R. Griswold, Chief
Division of Minerals

WRGriswold/gla
cc: Director's Reading File
Mr. Johnson
Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 23 1962

DATE	INITIALS	CODE
		130
8/24	Freiwald	500

August 20, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

cy to USGS, Rm 5225

From: Acting Field Officer, OME, Region III

Subject: DMEA-4981 (Lead-Zinc-Copper)
Contract No. Idm-E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah
FINAL GEOLOGICAL AND ENGINEERING REPORT

Enclosed are the original and two copies of a Final Geological and Engineering Report dated August 1962 by T. M. Romslo, Mining Engineer.

The original and two copies of the Operator's Final Report were forwarded by memorandum dated February 14, 1962.

The exploration work completed resulted in a discovery or development of a significant quantity of lead-zinc-copper ore, on which a Certification was issued April 5, 1962.

Hugh M. Connors

Hugh M. Connors

Attachments

FINAL FIELD REPORT

UNITED STATES
DEPARTMENT OF THE INTERIOR
STEWART L. UDALL, SECRETARY

OFFICE OF MINERALS EXPLORATION
REGION III

DOCKET NO. DMEA-4981
CONTRACT NO. IDM-E1218

NEW PARK MINING COMPANY

Mayflower Mine

Wasatch County, Utah

Copper-Lead-Zinc

Final Geological and Engineering Report

By

T. M. Romslo, Mining Engineer, Bureau of Mines

August 1962

DOCKET NO. DMEA-4981
CONTRACT NO. IDM-E1218

NEW PARK MINING COMPANY
Mayflower Mine
Wasatch County, Utah

CONTENTS

	Page
Introduction, Summary, and Conclusions	1
Geology and Ore Deposits	2
The Project	4
Authorized Work and Costs	4
Work Performed and Allowed Costs	7
Results of the Project	8

DMEA-4981
NEW PARK MINING COMPANY
Mayflower Mine
Wasatch County, Utah

INTRODUCTION, SUMMARY, AND CONCLUSIONS

The New Park Mining Company's Mayflower mine in Wasatch County, Utah was explored for lead, zinc, and copper with Government aid from July 1, 1958 to November 1, 1961. The exploratory project was carried out under Docket Number DMEA-4981, and was authorized by Contract Number Idm-E1218.

Contract Idm-E1218, covering work costing an estimated total $564,880.00, was authorized after Defense Minerals Exploration Administration investigations indicated that conditions were favorable for the discovery of substantial ore reserves in two zones west of the Mayflower shaft.

The Mayflower ore deposits are associated with two roughly parallel and steeply dipping fissure zones, the Mayflower and Pearl, in diorite and in favorable limestones. Fissure filled deposits occur in both rocks as lenticular ore shoots. The size of the ore shoots range from a few feet to possibly 15 feet in thickness and from a few tens of feet to a few hundred feet in length along the strike and dip. The ore also replaces favorable limestones, but seldom extends more than 10 feet into the walls of the fissures. Ore associated with the Mayflower fissure consists mainly of galena and sphalerite. The Pearl type ore contains mainly enargite and chalcopyrite and locally contains significant amounts of gold.

All authorized work concerned with the disposal of mine water was completed. The completed work also included 3,339 feet of the authorized 6000 feet of drifting and crosscutting, 7255.5 feet of the authorized 20,000 feet of longhole percussion drilling, and 1718 feet of the authorized 11,000 feet of diamond drilling. Also completed were 2 ventilation raises, 1 water door, and 1065 assay determinations. The approved total cost of the project was $266,044.06, of which the Government's share at 50 percent was $133,022.03.

The project resulted in the discovery of an estimated 87,810 tons of ore in the zone adjacent to the Mayflower shaft. Of the 87,810 tons, 17,780 tons was mined and shipped during the life of the project. Royalty paid the Government on the shipped ore totalled $17,880.47.

The results of the project in the zone explored, the zone adjacent to the Mayflower shaft, are considered favorable. A substantial amount of ore was discovered, and an extension in depth of the favorable limestone formations was indicated. They were disappointing, however, in that probably the most favorable zone was not reached due to difficulties experienced in handling the large quantities of water encountered.

GEOLOGY AND ORE DEPOSITS

In the Mayflower mine area, sedimentary rocks, ranging in age from Cambrian to Pennsylvanian, have been intruded by dioritic and

monzonitic rocks that occur as stocks, sills, and dikes. The sedimentary rocks, dipping 15° to 30° easterly, are on the east flank of a broad anticline that plunges gently eastward. A series of steeply dipping, easterly to northeasterly trending faults cut the sedimentary and igneous rocks. The ore deposits are associated with two of the faults, the Mayflower and the Pearl, and subsidiary fissures. The two faults are approximately parallel in strike, and are 400 to 500 feet apart at the surface. They converge in depth to the present lowest workings, the 2005-foot level, where they are about 200 feet apart.

The ore occurs as fissure filling in the diorite and in the limestones. It also replaces favorable limestone beds. The fissure deposits occur mainly as lenticular bodies ranging up to possibly 15 feet thick and a few hundred feet long. Bedded ore seldom extends more than 10 feet from the fissures. Mineralogically, there are two main types of ore, the Mayflower and the Pearl. The Mayflower type consists chiefly of galena, sphalerite and minor amounts of chalcopyrite. The Pearl type contains enargite, chalcopyrite and minor amounts of of sphalerite, galena, chalcopyrite, and bornite.

The average grade of ore discovered by the project is 8.5 percent lead, 7.0 percent zinc, 0.9 percent copper, and 0.22 ounce gold and 4.2 ounces silver a ton. The Pearl ore in diorite contained relatively high gold and silver values -- 0.46 ounce gold and 9.0 ounces silver.

THE PROJECT

Authorized Work and Costs

Contract Idm-E1218, as amended, authorized work to be done on the bases of actual and fixed costs, as follows:

Items Nos.	Cost
1. Water disposal facilities.	
Install 7,140 feet of sixteen-inch transite pipe in the Mayflower 800 level.	Actual 1/.
2. Pumps and pump column installation.	
Install a twelve-inch steel water column from the new 2005 level to the 1630 level. From the 1630 level to the 800 level (drainage tunnel), install a ten-inch steel water column; install two 350 HP pumps on the 1630 level; and install two 450 HP submersible pumps on the 2005 level; and make the necessary rock excavation on the 2005 level for pump installation and adequate sump.	Actual 1/.
3. Drifting and Crosscutting	Fixed
Drift and crosscut westerly on the 2005 level an estimated 6,000 feet. Also crosscut approximately 2600 feet additional on the 2005 level and on the 800 level, to explore favorable areas and for diamond	$ 45.00/ft.

1/ The actual costs are those that are direct, reasonable, necessary, and that are estimated by categories in Exhibit "A" of the contract.

drill stations. The drifts and crosscuts initially shall be approximately 7 feet by 10 feet in rock section, but periodically the bottom two feet may be backfilled in connection with the construction of a drainage ditch. The total of all drifting and crosscutting may not exceed 8,600 feet.

4. Timbering

Drifts and crosscuts shall be supported as necessary using standard drift sets, steel ring sets, or rock bolts and head plates. $ 11.00/set

5. Ventilation Raises — Allowable Maximum

Two timbered ventilation raises, each approximately 125 feet long, shall be driven from the 2005 to the 1800 level at proper locations. Raise shall be approximately 6 by 10 feet in the clear of timber. $ 48.00/ft.

6. Water Doors — Fixed

Two steel and concrete doors shall be installed on the 2005 level at proper locations to protect against unforseen heavy flooding. $980.00

7. Longhole Percussion Drilling

An estimated 20,000 feet of longhole drilling shall be performed to probe the walls of the crosscuts and drifts. The locations of the $ 1.00/ft.

holes shall be subject to Government approval.

8. Diamond Drilling — Actual

One diamond drill hole shall be drilled an estimated length of 1,000 feet from a point near the westerly end of the 801-A drift, to probe for structure. Then, an estimated total of ten thousand feet of diamond drilling shall be performed along the course of the new 2005 level, to probe for ore occurrences. Diamond drilling shall be done with AX size, or larger, coring bits. The locations, directions, inclinations, and depths of the holes are subject to prior Government approval. — $ 6.35/ft. 2/

9. Assaying — Fixed

Sludge samples shall be taken as the diamond drilling progresses and, when core recovery in significantly mineralized areas is less than seventy percent, the equivalent sludges shall be sampled and these samples assayed as described below. — $ 1.00 per determination

All significantly mineralized areas encountered in drifting, crosscutting, longhole drilling and diamond drilling shall be sampled and the samples assayed for lead, zinc, copper, gold and silver,

---

2/ Includes all costs of drilling whatsoever except compressed air and water.

as appropriate. It is estimated that 500 such samples will be required.

10. Incidental Allowance $ 0.25/ft.

For compressed air and water utilized in diamond drilling.

Work Performed and Allowed Costs

The project was started July 1, 1958 and was continued to November 1, 1961, the termination date of the contract. Units of work performed and the approved costs, by categories, were as follows:

Item Nos.		Cost
1.	Water disposal facilities, 7,149.5 feet	$ 41,036.71
2.	Pumps and Pump Column installation, 1513 feet	32,807.55
3.	Drifting and Crosscutting, 3,339 feet	150,255.00
4.	Timbering drifts and crosscuts, 953.5 feet	10,488.50
5.	Ventilation raises, 272.5 feet in 2 raises	12,535.00
6.	Water Doors, one	980.00
7.	Longhole Percussion Drilling 7255.5 feet in 59 holes	7,255.50
8.	Diamond drilling, 1718 feet in 3 holes	9,191.30
9.	Assaying, 1065 determinations	1,065.00
10.	Incidental allowance, 1718 feet	429.50
	Total	$ 266,044.06
	Government's share at 50 percent	$ 133,022.03

O.K.

RESULTS OF THE PROJECT

Ore was first encountered on the 2005 level during May 1960, and the Operator has estimated that through October 1962 a total 87,810 tons of ore had been discovered by the project. During the life of the project, 17,780 tons of the discovered ore was produced from drifts, raises, and stopes. Royalty payments to the Government on the 17,780 tons of ore totalled $17,880.47, which amounts to 16.75 percent of the $133,022.03 paid to the Operator.

Ore reserves on November 1, 1962 totalled an estimated 70,030 tons, of which 47,265 tons containing 8.5 percent lead, 7.0 percent zinc, 0.9 percent copper, and 0.22 ounce gold and 4.2 ounces silver a ton, is in the subordinated area. The remaining 22,845 ton is an extension of the Pearl Fissure into subordinated ground.

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 18 1962

DATE		CODE
7/19		800
		500

July 16, 1962

David H. Clegg, Secretary
New Park Mining Company
857 First Security Bldg.
Salt Lake City 11, Utah

Re: IMPA-4981 (Copper-Lead-Zinc)
Contract No. Idm-E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Dear Mr. Clegg:

Attached is your copy of the executed Termination Agreement signed by the Director, Office of Minerals Exploration.

This Termination Agreement is to replace the agreement of the same date signed by the office manager of New Park Mining Company.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Attachment
HMC/lm
cc Chief, Division of Field Operations, OME
Idm-E1218
Chron

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 16 1962
DATE | INITIAL | CODE
7/16 | glr | 500
~~220~~

July 12, 1962

New Park Mining Company
857 First Security Bldg.
Salt Lake City 11, Utah

Re: EMEA-4981 (Lead-Zinc-Copper)
Contract Idm-E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Gentlemen:

Enclosed is a copy of the Report of Royalty Review on the subject contract dated June 1, 1962 covering the period May 1, 1961, through February 28, 1962 which shows that no royalty is due the Government at this time.

Yours very truly,

(Original signed by) TMR

for
Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosure
cc Hecla Mining Company
Box 320
Wallace, Idaho

TMR/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres Idm-E1218
Chron

Building 20 - Federal Center
Denver 25, Colorado

July 12, 1962

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMEA-4981 (Lead-Zinc-Copper)
Contract Idm-E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Attached is the original Report of Royalty Review on the subject property dated June 1, 1962 covering the period May 1, 1961, through February 28, 1962.

Original signed by
TMR

for
Hugh M. Connors

Attachments
TMR/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. Idm-E84
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/10	[illegible]	500
7/10	[illegible]	800
7/11	[illegible]	130
7/11	[illegible]	110
7/11	[illegible]	100
7/11	[illegible]	220
		500

JUL 11 1962

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4981 (Copper-Lead-Zinc)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

The Director has signed all copies of the Termination Agreement, dated March 1, 1962, signed by David H. Clegg, Secretary of New Park Mining Company, and enclosed with your memorandum of July 5, 1962.

Accordingly, the Operator's and Field Office's copies are enclosed to replace the agreement of the same date signed by the office manager of New Park.

George C. Selfridge

(HB)

Enclosures

GLAult/a
7-10-62
cc to: Director's Reading File
Review Committee
Contract Division
Docket

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 6 1962

DATE		CODE
7/6	[illegible]	800
7/9	Steinwald	120
		500

July 5, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMEA-4981 (Copper-Lead-Zinc)
Contract No. Idm-E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

On Mr. Romslo's visit to the subject property, he was informed that the original Termination Agreement was not signed by an official who had the right to sign such a document.

Attached are the original and six copies of a Termination Agreement signed by David H. Clegg, Secretary of the New Park Mining Company. This Termination Agreement is purported to be a copy of the original Termination Agreement which was signed by an unauthorized person.

If this Termination Agreement is satisfactory, will you please return a copy for the Operator and one for the Region III Field Office.

Hugh M. Connors

Hugh M. Connors

Attachments

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 2 1962

DATE	INITIALS	
7/2	HMC	800
		120
		500

June 29, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMEA-4981 (Copper-Lead-Zinc)
Contract No. Idm E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

I have had no reply to my letter to the office manager of New Park Mining Company dated June 5, 1962.

Mr. Romslo will contact him on his trip to Utah the week of July 1, and I will advise you.

Hugh M. Connors

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
RECEIVED
DATE
6/8 8 00
6/9 Reserved 500

June 5, 1962

New Park Mining Company
P. O. Box 929
Park City, Utah

Re: DMEA-4981 (Copper-Lead-Zinc)
Contract No. Idm E1218
New Park Mining Company
(Mayflower mine)
Wasatch County, Utah

Attention: Office Manager

Dear Sir:

This will acknowledge receipt of the Government's, Contract Division's, Fiscal Section's, and Field Office's copies of the Termination Agreement dated the first day of March 1962 and signed by you.

Will you please furnish this office evidence of your authority to sign such documents. If you are unable to do so please advise.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
Contract Corres. E1218
Chron

Re: DMEa - 4981

This puts me "on the spot". I released Rpt. of Review on basis of Term. Agree. not knowing that it was being questioned.

Talbut
5/29/62

PS: See my transmittal memo 5/18/62

STATES
F THE INTERIOR
ORATION ADMINISTRATION
ON 25, D. C.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/29	Griswold	500
5/29	Noted Falkit	800
5/29	GCS	130
"	On leave	110
"	on leave	100
5/29	cal	220
		500

MAY 29 1962

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

With reference to your May 15 memorandum covering the Termination Agreement of the referenced contract, we are enclosing a copy of a memorandum from the Associate Solicitor on the subject.

Please request the Office Manager of the New Park Mining Company to furnish you with evidence of his authority to sign such documents. If he is unable to do so, we shall have to prepare a new set of agreements here and forward to you.

George C. Selfridge

(ot)

Enclosure

WRGriswold/gla
5-29-62
cc to: Director's Reading File
Review Committee
Docket

43683

IN REPLY REFER TO:

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

MAY 25 1962

Memorandum

To: Chief, Division of Minerals
Office of Minerals Exploration

From: Associate Solicitor, Division of Mineral Resources

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

The Termination Agreement accompanying your undated memorandum received here on May 21, 1962, must be signed by an official of New Park Mining Company having authority from the corporation so to act. Either the Office Manager, who signed the document, should furnish evidence of his authority, or the agreement should be returned for execution by the proper official.

C. Stuart Brown

C. Stuart Brown

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY O. M. E. RECEIVED MAY 25 1962		
DATE	INITIALS	CODE
		500

May 22, 1962

New Park Mining Company
P. O. Box 929
Park City, Utah

Re: DMEA-4981 (Copper-Lead-Zinc)
Contract Mm-E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Gentlemen:

Enclosed is a copy of the Report of Royalty Review on the subject contract dated May 17, 1962 covering the period June 1958, through October 1961.

Please note that the balance due the Government according to this Report of Review is $369.12. Your prompt payment of $369.12 to this office will be appreciated.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosures

HMC/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres E1218
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/21		

(May 21, 1962)

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: W. R. Griswold, Chief, Division of Minerals

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Please refer to the Termination Agreement, dated March 1, 1962, and the question raised by the Acting Field Officer, Region III, in his memorandum of May 15 and let us have your opinion so we may write Mr. Connors as promptly as possible.

Please return the attachments with your reply and the docket.

W. R. Griswold (glc)

Attachments

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/18	Selfridge	220
		220

MAY 18 1962

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-4981 (Lead, Zinc, and Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

As requested by your February 15 memorandum, a Report of Review in lieu of a final audit was prepared for the subject contract. Release, however, was withheld pending formal termination of the contract. As this now has been accomplished, the original and two copies of the report are enclosed. ?

If you concur in the facts stated in this Report of Review, please make the distribution authorized by section 4 of OME Circular 2 dated February 17, 1960. As evidence of your concurrence, a copy of your letter transmitting the Operator's copy of the report should be furnished this Division. If for any reason you do not concur, the original and both copies should be returned to this Division with your comments.

Your letter to the Operator should request prompt refund of the $369.12 overpayment stated in the Report of Review. Also, your memorandum transmitting the original of the report to the Department's Fiscal Section should request that the $500.00, which was withheld from the Operator and placed in a suspense account, be returned to the project account.

Enclosures

EDTalbert/ama 5-18-62

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

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

May 15, 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 17 1962

DATE		
5/17	Received	500
		140
		500

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region ~~III~~

Subject: DMEA-4981 (Copper-Lead-Zinc)
Contract No. Idm-E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Enclosed are the Government's, Contract Division's and Fiscal Section's executed copies of the Termination Agreement.

It is noted that this Agreement is signed for the New Park Mining Company by the office manager. My letter to the Operator, dated May 7, 1962, requested specifically that all copies of the Termination Agreement should be signed by an official of the company who is authorized to sign such a document.

Am I to question the office manager's right to sign this Termination Agreement?

Hugh M. Connors

Hugh M. Connors

Attachments

Building 20 - Federal Center
Denver, 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 10 1962
DATE

May 7, 1962

5/11 WCJ 800
Received 500

Mr. F. M. Smith
New Park Mining Company
P. O. Box 929
Park City, Utah

Re: DMEA-4981 (Copper-Lead-Zinc)
Contract No. Idm-E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Dear Mr. Smith:

Enclosed are the Government's, Operator's, Contract Division's, Fiscal Section's, and Field Office's copies of the proposed Termination Agreement to the subject contract signed by the Director for the Government.

If the proposed Termination Agreement is satisfactory to you and the Operator, all copies should be signed by an official of the company who is authorized to sign such a document. Please retain the Operator's copy and return all other signed copies to this office.

If any part of the Agreement does not have your approval, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosures
HMC/lm
cc Chief, Division of Field Operations, OME
Contract Corres. Idm-E1218
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/26	Greenwald	500
4/30	Selfridge	140
5-1	B Rand	140
	Dept. Int. Sol.	
5/1	Talbutt	800
~~5/1~~	~~Selfridge~~ ~~On Leave~~	130 (5/2)
"	Swanson	110
5-1	Fennell	100
5/2	Cole	220
		500

MAY 2 1962

Memorandum

INTERIOR DEPT
APR 27 1962
SOLICITOR

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

As requested in your April 24 memorandum and attachments, a duplicate set of the Termination Agreement to the subject contract has been prepared and is transmitted for presentation to the Operator for signature in accordance with my memorandum of March 1, 1962.

George C. Selfridge (2/2)

Enclosures

GLAult/a
4-26-62
cc to: Director's Reading File
Review Committee
Docket

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 26 1962

DATE		
4/26	New	800
	Previous	500

April 24, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMEA-4981 (Lead-Zinc-Copper)
Contract Idm-E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Enclosed are the original and one copy of a letter from F. M. Smith, Accountant, for New Park Mining Company and copies of my reply.

It is my understanding that when Mr. Harper left the Company it was not under friendly circumstances and all copies of the Termination Agreement were probably destroyed.

Will you forward this office a new set of the Termination Agreement.

Hugh M. Connors

Hugh M. Connors

Attachments

Building 20 - Federal Center
Denver 25, Colorado

April 24, 1962

RECEIVED
APR

Mr. F. M. Smith
New Park Mining Company
P. O. Box 929
Park City, Utah

Re: DMEA-4981 (Copper-Lead-Zinc)
Contract No. Idm E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Dear Mr. Smith:

This will acknowledge receipt of your letter dated April 19, 1962 requesting five more copies of the Termination Agreement to replace those forwarded with my letter of March 6, 1962.

I have requested our Washington Office to prepare five more copies of the Termination Agreement.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME (2)
Contract Idm E1218
Chron

(2)

NEW PARK MINING COMPANY

KEETLEY, UTAH

April 19, 1962

OME
DEPARTMENT OF THE INTERIOR
APR 24 1962
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors
Acting Field Officer, OME
Region 111
Building 20 - Federal Center
Denver 25, Colorado

Dear Mr. Connors:

In reference to your letter of April 16, 1962. Due to the recent changeover of personnel the five copies of the Termination Agreement you sent us have either been lost or missplaced.

We would appreciate it if you would forward us five more copies of the agreement.

Yours very truly,

NEW PARK MINING COMPANY

F. M. Smith

FMS:sr

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/25	[illegible]	500
4/25	Talbot	800
4/25	GCS	130
"	Johnson	110
[illegible]	[illegible]	100
4/26	COC	220
		500

APR 26 1962

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4961 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

As requested in your memorandum of April 23, two copies each of the certification and transmittal letters, dated April 5, 1962, are forwarded for your files.

George C. Selfridge

(262)

Enclosures

GLAult/a

4-25-62
cc to: Director's Reading File
Review Committee
Docket

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 25 1962
DATE
500

April 23, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMEA-4981 (Lead-Zinc-Copper)
Contract Idm-E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah
CERTIFICATION OF DISCOVERY OR DEVELOPMENT

The Minutes of the Review Committee dated April 6, 1962, received in this office April 23, 1962, indicated that letters have been forwarded the Operator and U. S. Smelting, Refining and Mining Company enclosing Certifications of Discovery.

I would appreciate having copies for the file in this office.

Hugh M. Connors

Hugh M. Connors

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/24	Griswold	500
4/24	Talbut	800
4/24	[illegible]	130
"	Johnson	110
4/24	Turner	100
4/24	[illegible]	220
		500

APR 2 4 1962

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Responding to your inquiry of April 19 concerning certification of the subject project, we mailed copies of the certification and transmittal letters to you on April 5. If they were not received, please advise us and we will forward duplicates.

The six-month period during which certification must be made began on January 25, 1962, the date when the Operator's final report was received in your office.

George C. Selfridge

WRGriswold/gla
4-24-62
cc to: Director's Reading File
Review Committee
Docket

43683

Re: DMEC-4981

Shouldn't Connor's questions be answered? Suggest addition of:

"The six month period in which certification is to be made begins on January 25, 1962, ~~the date on which~~ upon the operator's final report was received in your office." Yes

Talbot
4/24/62

Where are our copies of the interpretations?

UNITED

DEPARTMENT OF

DEFENSE MINERALS EXPL

WASHINGT

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/24	Brunell	500
4/24	Talbot	800
		~~130~~
		110
		100
		220
		500

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Responding to your inquiry of April 19 concerning certification of the subject project, ~~we wonder if you have overlooked the~~ certification and transmittal letters mailed April 5, 1962. If the copies sent you at that time have not been located, please advise us and we will forward duplicate copies.

GLAult/a
4-24-62
cc to: Director's Reading File
Review Committee
Docket

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 23 1962

DATE		
4/23		800
	Reserved	500

April 19, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMEA-4981 (Copper-Lead-Zinc)
Contract No. Idm E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah
Certification of This Project

I am not clear regarding the length of time we have to certify the subject project.

For my information will you please advise.

Hugh M. Connors

Hugh M. Connors

2

Ctfd 4/5/62
Final Rpt rec'd 1/23/63

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/18	Talbert	800
	Emery	500
4/18	Selbridge	120
"	Stewart	110
4/18	Fumich	100
4/18	cc	220

APR 18 1962

Mr. F. M. Smith, Accountant
New Park Mining Company
Keetley, Utah

Re: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Dear Mr. Smith:

Your April 10 letter addressed to our Acting Field Officer, OME Region III, requests an identification of the items covered by a $3,761.40 check.

This check covers the Government's 50% contribution to the $5,621.80 and $2,901.00 costs claimed on your September 1961 and October 1961 vouchers, less $500.00 withheld pending execution of a termination agreement and audit of the contract account.

Sincerely yours,

George Fumich, Jr.

Director

EDTalbert/ama 4-18-62

cc:
Docket
Director's Reading File
CA & A Division
Acting Field Officer, Region III (2)

43683

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 19 1962

DATE		
4/19	4/23	800 500

April 16, 1962

Mr. F. M. Smith
New Park Mining Company
P. O. Box 929
Park City, Utah

Re: BMEA-4981 (Copper-Lead-Zinc)
Contract No. Idm E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Dear Mr. Smith:

On March 6, 1962 I forwarded Carl D. Harper, Secretary, who I understand is no longer with your company, five copies of a proposed Termination Agreement to the subject contract.

Will you please advise the date on or before which we may expect to receive the executed copies of the agreement.

Yours very truly,

Original signed by

High M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME (2)
Contract Idm E1218
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/13	Selfridge	120
		220

APR 13 1962

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Your April 10 memorandum to the Chief, Division of Field Operations, in reply to my April 4 memorandum concerning Mr. Fisher's proposed trip, questions the omission of the subject contract from the Couer D'Alene area audit program.

Royalty remittances and summary accounting for production during December 1961 and January and February 1962 were received under cover of letterheads reading "Mayflower Mine, Hecla Mining Company, Star Route, Heber, Utah". Accordingly, I assumed that Hecla's records on this contract are in Heber, Utah, rather than its Wallace, Idaho, office, and scheduled the contract for audit during Mr. Fisher's visit to the Salt Lake area.

Since Mr. Fisher's visit in the Couer D'Alene area will predate his arrival at Salt Lake City, he will be enabled to audit the records regardless of location.

EDTalbert/ama 4-13-62

cc:
Docket
Director's Reading File
CA & A Division
Mr. Fisher

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building [illegible] Federal [illegible]
Denver [illegible]

COPY

1962

April [illegible], 1962

Memorandum

To: [illegible] Bridge [illegible]
Division [illegible] Mill [illegible], MM

From: [illegible] ME, Region III

Subject: [illegible] Visit of [illegible] Fisher to Region III

Attached [illegible] my letter to the [illegible] Mining Company in [illegible] Wallbart, [illegible], 1962.

We are [illegible] made in addition the [illegible] Elzic, New Park [illegible] Mining Company was [illegible] also included while in the Coeur D'Alene area.

Mr. [illegible] for Utah [illegible] will inform the Operators [illegible] templated [illegible] audit.

Hugh M. [illegible]

[illegible] Chief
[illegible] Administration and Audit Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 16 1962

DATE		
4/16		800
		500

April 12, 1962

Memorandum

To: George C.Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: Docket No. DMEA-4981 (Lead-Zinc-Copper)
Contract No. Idm E1218
New Park Mining Company
(Mayflower mine)
Wasatch County, Utah

Attached is a copy of a letter from Mr. F. M. Smith, Auditor for the subject Operator and a copy of my reply.

Will you please furnish Mr. Smith a breakdown for a check he received for $3,761.40 and forward this office one copy of the letter for our file.

Hugh M. Connors

Hugh M. Connors

Attachments

Building 20 - Federal Center
Denver 25, Colorado

April 12, 1962

Mr. F. M. Smith
Accountant
New Park Mining Company
P. O. Box 989
Park City, Utah

Re: Docket No. DMEA-4981 (Lead-Zinc-Copper)
Contract No. Idm E1218
New Park Mining Company
(Mayflower mine)
Wasatch County, Utah

Dear Mr. Smith:

This will acknowledge receipt of your letter dated April 10, 1962 requesting a breakdown of your check for $3,761.40.

I am unable to give you this breakdown so I am referring the matter to our Washington Office and they will advise you.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
Contract Idm E1218
Chron

NEW PARK MINING COMPANY

KEETLEY, UTAH

April 10, 1962

OME
DEPARTMENT OF THE INTERIOR
APR 12 1962
REGION III
COLORADO

Mr. Hugh M. Connors
Acting Field Officer, OME
Region 111
Building 20-Federal Center
Denver 25, Colorado

Dear Mr. Connors:

Would you please furnish this office a breakdown of what our last check received would cover? The amount of the check was $3,761.40.

There has been a change of personnel at this office and the correspondence has been misplaced.

Thank you,

NEW PARK MINING COMPANY

F. M. Smith
Accountant

FMS/sr

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/11	[illegible]	500
4/11	[illegible]	800
4/11	[illegible]	130
[illegible]	[illegible]	110
4/11	[illegible]	100
4/11	[illegible]	220
		500

APR 1 1 1962

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: IDMA-4931 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-K1218

Referring to our memorandum of March 1 and your letter of March 6, 1962, transmitting the proposed Termination Agreement to the subject contract to the Operator for signature, please inquire and advise us when we may expect to receive the executed copies of the agreement.

George C. Selfridge

(GHB)

GLAult/a
4-11-62
cc to: Director's Reading File
Review Committee
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/28	[illegible]	500
	Seller	140
	Brown	140
4/5	Talbert	800
4/5	Selbridge	130
"	Johnson	110
4/5	Furnich	100
4/6	[illegible]	220
		500

New Park Mining Company
904 Walker Bank Building
Salt Lake City 11, Utah

APR 5 1962

INTERIOR DEPT.
MAR 29 1962
SOLICITOR

Re: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Gentlemen:

Enclosed is a certification of discovery or development that covers all the land described in Article 2 of the contract.

By the terms of the Exploration Project Contract, as amended, and the certification, all minerals mined or produced from June 23, 1958, to June 23, 1973, are subject to the Government's percentage royalty as set forth in the contract until the amount contributed by the Government is repaid. In addition, ores transported through DMEA workings are subject to the payment of royalty in accordance with Article 13(b) of Annex II of the contract.

Royalty payments as heretofore should be made to the Field Officer, OME, Region III, Building 20, Denver Federal Center, Denver 25, Colorado, with checks drawn payable to the Office of Minerals Exploration. Each check should be accompanied by suitable sales evidence - such as copies of settlement sheets - showing the name of the purchaser, the quantity and grade of the products sold, and the price and charges, certified to be correct by the purchaser, or as agreed upon.

You are requested to notify the Field Officer of any changes in ownership or production rights that may have any effect on the Government's right to its percentage royalty. Also if production ceases at any time for an extended period, please notify the Field Officer accordingly at six-month intervals.

Sincerely yours,

RECEIVED
MAR 29 1962

George Furnich, Jr.
Director

Enclosure

WRGriswold/gla 3-20-62
Rewritten: 3-28-62
cc to: United States Smelting Refining and Mining Company
Director's Reading File
Mr. Johnson
Review Committee
Harold Kirkemo, USGS
Contract Division
Region III (2)
Docket

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/28	Arnold	500
	Seller	140
~~4/2~~	~~Tate~~	140
4/2	Talbot	800
4/2	Aldridge	130
4/5	Johnson	110
4/6	Fumich	100
		220

500

APR 5 1962

United States Smelting Refining and
Mining Company
1019 Newhouse Building
P. O. Box 1980
Salt Lake City 10, Utah

Re: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Gentlemen:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter to the Operator, which has been issued pursuant to the terms of the subject contract.

This correspondence relates to the Consent to Lien and Subordination Agreement signed by Mr. C. G. Rice, executive vice president of your company, on June 13, 1958. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

George Fumich, Jr.

Director

Enclosures

GLAult/a 3-20-62
Rewritten: WRGriswold/gla 3-28-62
cc to: Director's Reading File
Region III (2)
Docket

RECEIVED

43683

Building 20 - Federal Center
Denver 25, Colorado

Official
~~EXTRA~~ COPY
O. M. E
RECEIVED MAR 12 1962

DATE	INITIALS	CODE
3/14	[illegible]	500

March 9, 1962

Memorandum

To: E. D. Talbert, Acting Chief
Division of Contract Administration and Audit, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMEA-4981 (Copper-Lead-Zinc)
Contract No. Idm E1218
New Park Mining Company
(Mayflower mine)
Wasatch County, Utah

This responds to your memorandum of February 26, 1962 on the subject contract.

Attached is a copy of the reply from the Operator showing the footage of core recovery for each of the three holes.

Original signed by

Hugh M. Conners

Attachments
HMC/lm
cc Chief, Division of Field Operations, OME
Idm E1218
Chron

Building 59 - Federal Center
Denver 25, Colorado

March 1, 1962

Carl D. Berger, Secretary
New Park Mining Company
P. O. Box 527
Park City, Utah

Re: DVRA-1611 (Berger-Lund-Sims)
Contract No. Ms 1603
New Park Mining Company
(Mayflower mine)
Wasatch County, Utah

Dear Mr. Berger:

Please furnish this office the footage of core recovered from each of the three holes drilled under the subject contract.

Yours very truly,

Original signed by

High H. Shutts
Acting Field Officer, GGS
Region III

ehl

HOLE #1 402.91 ft. recovered

HOLE #2 541.60 ft. recovered

HOLE #3 275.60 ft. recovered

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 8 1962

DATE		
3/8	Greenwood	8.00
"		500

March 6, 1962

Carl D. Harper, Secretary
New Park Mining Company
P. O. Box 929
Park City, Utah

Re: DMEA-4981 (Copper-Lead-Zinc)
Contract No. Idm E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Enclosed are the Government's, Operator's, Fiscal Section's, Audit's, and Field Office's copies of a proposed Termination Agreement to the subject contract.

If the proposed Termination Agreement is satisfactory to you please sign all five copies, retain the Operator's copy, and return the remaining copies to this office.

If any part of the Agreement does not have your approval, the original and all copies are to be returned to this office together with your proposed changes for consideration.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosures
HMC/lm
cc Chief, Division of Field Operations, OME (2)
Contract Corres E1218
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/1	Friend	500
3/1	Talbert	800
3/1	GL	130
"	Johnson	110
3/1	Jamieson	100
3/1	Cole	220
		500

MAR 1 - 1962

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: IMRA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

We are enclosing the original and four copies of a proposed Termination Agreement (two pages) to the subject contract, signed by the Director for the Government.

If the proposed Termination Agreement is satisfactory to you and the Operator, all five copies should be signed by the Operator. Therafter, please distribute the copies in the usual manner.

If any part of the agreement does not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies are to be returned to this office together with the proposed changes for consideration.

An extra copy of the Termination Agreement is also enclosed for your use.

George C. Selfridge
(GLA)

Enclosures

GLAult/a
3-1-62
cc to: Director's Reading File
Review Committee
Docket

43683

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
RECEIVED Mar 5 1962
3/5

March 1, 1962

Carl D. Harper, Secretary
New Park Mining Company
P. O. Box 929
Park City, Utah

Re: DMEA-4981 (Copper-Lead-Zinc)
Contract No. Idm E1218
New Park Mining Company
(Mayflower mine)
Wasatch County, Utah

Dear Mr. Harper:

Please furnish this office the footage of core recovered from each of the three holes drilled under the subject contract.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

TMR/ lm
cc E. D. Talbert, Chief, Division of Contract Administration

E1218
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/26	[illegible]	120
3/26	[illegible]	220
3/5	[illegible]	500

FEB 26 1962

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-81218

Please disregard my February 19 memorandum requesting the originals of the subject Operator's September and October 1961 MME Forms 60 and 61. These vouchers were paid by the Department's Fiscal Section on the same date as my memorandum and I now have them in hand.

In reviewing this project it is noted that the diamond drilling was done under the Mayflower Lease rather than under an independent contract as required by the contract. The Mayflower Lease has consistently been recognized by the Washington office as a labor contract rather than an independent contract. This was the position taken in two prior audits and in the Acting Director's April 14, 1960, letter to the Operator.

The Operator has claimed a total of 1,718 feet of diamond drilling in three holes at $6.35/ft., the maximum allowable under the contract. Its claims are supported by certified copies of invoices showing footage costs at $6.35, less an aggregate of $3.35 for equipment and materials supplied by the Operator. In effect, Mayflower Lease was paid for labor only at the rate of $3.00/foot.

Although the work was not done by an independent contractor, as required by the exploration contract, it appears equitable to allow costs to the extent of acceptableness under the low bid on which the contract's $6.35/ft. maximum price was based. This was Boyles Bros. Drilling Company's May 22, 1958, bid of $4.75/ft. plus bonuses of $.60/ft. to $1.60/ft. for various percentages of core recovery.

The reports and other documents submitted to the Washington office do not disclose either the footage or percentage of core recovery. Accordingly, your advice as to the footage of core recovery for each of the three holes will be appreciated.

EDTalbert/ama
2-26-62

cc: Docket
Director's Reading File
CA & A Division
Mr. Talbert

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 1 1962

DATE		
3/1		800
		500

February 26, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMEA-4981 (Lead-Zinc-Copper)
Contract Idm-E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

This responds to Mr. Talbert's memorandum of February 19, 1962 on the subject contract.

The original and two copies of MME Forms 60 and 61 for September and October 1961 were forwarded the Fiscal Section, Airmail, on February 12, 1962 and a copy of the transmittal letter was forwarded you by regular mail. On February 15 I requested a Report of Review in accordance with OME Circular 2.

It appears to me that something is wrong with your mail distribution system.

Hugh M. Connors
Hugh M. Connors
Acting Field Officer, OME
Region III

See my memo 2/26/62, which crossed in mail with this memo. Talbert 3/1/62

2/21/62
WRGriswold/gl
DRAFT

Draft for the docket

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1962, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and New Park Mining Company, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1218, Docket No. DMEA-4981, dated June 23, 1958, as amended, hereinafter called the "Contract," that:

1. Effective November 1, 1961, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the unit costs of the work performed prior to said effective date, except for subsequent assays.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including ~~furnishing to the Government~~

(a) furnishing to the Government five copies of a final report (in addition to the final monthly report) which 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.

4. All rights of the Government respecting certification of possible production, percentage royalty and liens to secure the payment thereof, reports (including preservation of the Operator's records), accounts, audits, and the right to recover any overpayment are hereby preserved.

5. The Operator hereby releases and agreesto save the Government harmless from all claims or demands under or arising out of said Contract except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Director, Office of Minerals Exploration

NEW PARK MINING COMPANY

By_____

Title_____

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/19	[illegible]	120
2/19	[illegible]	220
2/20	[illegible]	500

FEB 19 1962

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Please forward to this Division the original MME Forms 60 and 61, together with supporting documentation, submitted by the subject Operator for September and October 1961. These unpaid vouchers were not attached to your February 15 memorandum requesting a Report of Review in accordance with OME Circular 2.

EDTalbert/ama 2-19-62

cc:
Docket
Director's Reading File
CA & A Division

43683

Orig rec'd to 800

Building 20 - Federal Center
Denver 25, Colorado

RECEIVED FEB 19 1962

2/19 5 00

February 15, 1962

Memorandum

To: Contract Administration & Audit Division, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: MMEA-4981 (Lead-Zinc-Copper)
Contract No. Mm-R1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Work under the subject contract was terminated effective November 1, 1961 in accordance with the contract dated June 23, 1958.

The number of units of work completed by the Operator and accepted by this office as conforming to contract specifications were:

Crosscutting	3,339	feet
Timbering	953 ½	feet
Raising	272 ½	"
Pumps and pump column	1,513	"
Sample analyses	1,065	"
Water door	1	job
Diamond drilling	1,718	feet
Incidental allowance	1,718	"
Long hole drilling	7,255 ½	feet
Transite pipe	7,149 ½	"

A final engineering and geological report was received from the Operator on January 25, 1962.

A Report of Review, or final audit, is in order and requested.

Original signed by

Hugh M. Connors

HMC/lm
cc Chief, Division of Field Operations, OME
Contract No. 2109
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICE FILE COPY
O. M. E
RECEIVED FEB 19 1962

DATE		
2/19		800
"		500

February 14, 1962

1 cy to Mr. Kirkemo USGS

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMEA-4981 (Lead-Zinc-Copper)
Contract No. Idm-E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah
FINAL REPORT

Enclosed are the original and two copies of the Operator's Final Report on the subject contract.

It is Mr. Romslo's belief that the Operator's estimate of developed, probable, and possible ore is a very conservative one.

I recommend that the Operator's Final Report be accepted.

Hugh M. Connors

Hugh M. Connors

Attachments

OPERATOR FINAL REPORT

Mr. Hugh M. Connors
Acting Field Officer
O.M.E. Region 111
Building 20 - Federal Center
Denver 25, Colorado

OME
DEPARTMENT OF THE INTERIOR
JAN 25 1962
REGION III
DENVER, COLORADO

November 30, 1961

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 19 1962
DATE

Re: Docket No. DMEA 4981-Contract E-1218
New Park Mining Company-Mayflower Mine
Final Report.

Dear Sir:

Work completed under the D.M.E.A. contract from July 1, 1958 to October 31, 1961 is as follows:

Item No. 1 - Water disposal facilities: A total of 7,149½ ft. of 16" transite pipe was installed on the Mayflower 800 tunnel level to carry water from the collar of the Mayflower shaft to the portal of the tunnel.

Item No. 2 - Pumps and pump column installation: A total of 932 ft. of 10" pump column was installed between the main pump station on the 1630 level and the transite pipe on the 800 Level. 581 ft. of 12" pump column was installed from the 2005 level pumps to the 1630 level sump.

Two 450 H. P. submersible pumps were installed on the 2005 level and the 2005 sump was enlarged to accomodate these pumps with an active storage capacity of approximately 83,000 gallons. This was followed by concreting, rock bolting, and guniting of the sump and pump station. Two 350 H. P. pumps were installed on the 1630 level.

Item No. 3 - Drifting and Crosscutting: Under the terms of the DMEA contract, 2644 ft. of drifting and 695 ft. of crosscutting were completed making a total of 3,339 ft. 953½ ft. of the drifts and crosscuts required timbering.

Item No. 4 - Ventilation Raises: Two ventilation raises were driven in waste rock from the 2005 level to the 1880 level for a total of 272½ ft.

Item No. 5 - Water Doors: A steel and concrete water door designed for a working pressure of 250 psi. was installed as a safety measure in 2005 West Drift.

Item No. 6 - Long hole percussion drilling: 59 long holes were completed on the 2005 level for a total of 7255½ ft. of drilling.

Item No. 7 - Diamond Drilling: Three diamond drill holes were completed for a total footage of 1718 ft.

1065?

Analytical: A total of 215 assays and 1075 determinations were made on cut samples and samples from long hole and diamond drilling.

For total costs involved in each unit refer to attached unit cost and progress report.

Description of the Work: Drifting on the 2005 level under the terms of the DMEA contract was started in January 1959 on the 2005 station at a point approximately 54 feet west of the shaft.

The drift was run at a bearing of approximately N 65° W until the first strands of the Mayflower Fissure Zone were crossed about 500 feet west of the shaft. The drift was then turned and run at a bearing of approximately S 70° W for 1400 feet, angling across the main strands of the Mayflower zone and a connecting vein between the Mayflower and Pearl Fissures. At this point, the drift was turned and advanced for 750 feet at a bearing of S 57° W until a very heavy flow of water was encountered in November 1960 and further advance to the west was halted.

As the drift was advanced, a series of short crosscuts were run at intervals of 250 to 300 feet for use as long hole and diamond drilling stations.

After advance in the west drift was halted because of the water problem, two longer crosscuts were driven from the main drift. 20-895 Crosscut was driven north to prospect the Pearl Fissure in the diorite approximately 500 feet west of the shaft, and 20-784 S. Crosscut was run to cut the Mayflower Zone in the sediments approximately 1600 feet west of the shaft and to serve as a drill station for a long diamond drill probe to the south.

The long hole drilling program was started during April, 1960, and a total of 59 holes were drilled for a total of 7255½ ft. A series of long probing holes were drilled from the various drill stations and from locations along the drift to locate the fissure zones, probe for projected ore shoots, and determine rock types. These were followed by shorter, more closely spaced holes in favorably mineralized areas.

Three diamond drill holes were drilled for a total footage of 1718 ft. A long probing hole was drilled north from 20-812 Crosscut and another was drilled south from 20-784 South Crosscut. A vertical hole was drilled downward from 20-812 Crosscut to determine structure and stratigraphy.

Results of the Work: The locations of the drifts, crosscuts, and drill holes and the geologic results of the work can be seen on the accompanying geologic map of the 2005 Level. The 2005 West Drift advanced in diorite and diorite porphyry for the first 1050 ft., crossing the contact between diorite and sedimentary rocks about 1000 ft. west of the shaft. At this point, the drift encountered the limestone unit near the top of the Deseret limestone. As the drift progressed westerly in the east dipping sediments, a good section of the Deseret limestone was cut, and several strands of the Mayflower Fissure zone were crossed. The base of the Deseret limestone was reached approximately 2400 feet west of the shaft and the upper part of the Madison limestone was penetrated before advance was halted by excessive water.

Several ore zones were developed along the Mayflower Fissure Zone by long hole drilling and drifting. The first of these zones was in the diorite on an ore shoot projected from the 1880 Level. The remainder of the ore occurs as replacement pods and lenses in the limestone and dolomite along various strands of the Mayflower Fissure.

Drifting eastward on the Pearl Fissure from 20-895 Crosscut has developed ore for a strike length of approximately 700 feet on the Pearl Fissure and the Pearl Foot Wall Split Vein.

Ore Production and Reserves: Ore was first encountered on the 2005 Level during May 1960, and in the period from May, 1960 through October, 1961, 17,780 tons of ore at an average net smelter return value of $20.17 per ton were produced by drifting, raising, and stoping.

Estimated reserves of developed, probable, and possible ore within the limits of the D. M. E. A. Project as of November 1, 1961 are as follows: (Refer to numbers on enclosed geology map for location.)

Location	Tons	Ave Width	Au	Ag	Pb	Cu	Zn	Present Net Smelter Value
Block 1	2,705	12.4'	.46	9^{0}	4^{2}	0^{9}	4^{3}	$ 22.80
Block 2								
854-869	20,779	13.7'	.29	3^{8}	8^{2}	0^{5}	7^{8}	$ 20.05
853-862	6,111	9.5'	.18	3^{8}	6^{7}	0^{4}	5^{6}	13.50
Block 3								
843-847	1,589	7.5'	.04	1^{4}	7^{2}	0^{3}	10^{5}	$ 13.00
	1,589	7.5'	.45	1^{4}	7^{2}	0^{3}	10^{5}	24.40
Block 4	2,868	9.5'	.07	5^{1}	14^{0}	1^{5}	3^{9}	$ 19.40
Block 5	453	6.1'	.04	4^{3}	22^{9}	0^{7}	1^{6}	$ 24.00
	244	7.2'	.06	3^{5}	16^{1}	1^{0}	17^{9}	33.55
Block 6								
785-800	6,074	8.2'	.05	4^{0}	7^{6}	1^{2}	9^{3}	$ 16.20
786-790	649	5.9'	.10	2^{8}	8^{3}	2^{7}	6^{1}	16.40
785-790	4,204	6.7'	.06	2^{6}	7^{6}	2^{1}	8^{6}	16.05
TOTAL	47,265	10.8'	.22	4^{2}	8^{5}	0^{9}	7^{0}	$18.70

An additional 22,845 tons of ore reserves have been developed on the Pearl and Pearl Split veins between the 2005 and 1880 Levels east of the DMEA line.

The 215 assays and 1075 determinations made under the terms of the DMEA contract were made on drill hole samples and a few cut samples and were reported in detail on the monthly progress reports.

All ore developed on the 2005 Level was encountered on known ore shoots on the Mayflower and Pearl Fissure zones projected downward from the levels above.

Although substantial ore reserves have been developed on the 2005 Level, the main objective of the DMEA project was not reached because of the difficulties experienced in handling the large quantities of water encountered in the West Drift. The principal target zone is approximately 4500 feet west of the Mayflower Shaft, and is on the projection of a strong, well mineralized fissure system downward into a series of favorable sedimentary horizons. The target area is approximately 1800 feet west of the present face of the 2005 West Drift and remains as a good geologic bet for future projects on either the 2005 Level or the 1630 Level.

Very truly yours,

NEW PARK MINING COMPANY

Bob F. Archer

Bob F. Archer
Chief Geologist and Engineer

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. 4981
Contract No.
14-23-090- E-1218
Contract Amount $ 564,880.00
Gov't. Participation % 50 $ 282,440.00
Mineral(s) Lead, Zinc & Copper

OPERATOR'S MONTHLY VOUCHER

For Month of Final Report

Operator's Name New Park Mining Company
Address 907 Walker Bank Bldg., Salt Lake City, Utah

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
~~xxxxxxx~~ Timbering			10,488.50			
Drifting & Crosscutting			150,255.00			
~~xxxxxxx~~ Raising			12,555.33			
Drilling Percussion			7,255.50			
" Diamond			10,909.30			
Analytical Work			1,065.00			
(2) ~~xxxxxxx~~ Water Door			980.00			
Incidental Allowance			429.50			
~~xxxxxxx~~						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
Transite Pipe			41,036.71			
Pumps & Column			32,807.55			
TOTALS			267,782.39			

OME
DEPARTMENT OF THE INTERIOR
JAN 25 1962
DENVER COLORADO

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

Date 1-24-62 *Payee New Park Mining Company

Per [signature] Title Secretary

* 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.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$

Signature
(Authorized Certifying Officer)

Date Vou. No.

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. _____

Signature _____ Title _____ Date _____

Approved by OME Executive Officer or Alternate:

Signature _____ Title _____ Date _____

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

INT.DUP.,D.C.59- 61579

MME FORM 61
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of Final Report Docket No. 4981

Operator's Name New Park Mining Company Contract No. 14-23-090- E-1218

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
#3 Drifting & Crosscutting	Feet	None	3,339	150,255.00			
Timbering	"	"	953½	10,488.50			
#4 Raising	"	"	272½	12,555.33			
Pumps & Column	"	"	1,513	32,807.55			
Analytical	Each	"	1,065	1,065.00			
#5 Other Underground	"	"	1	980.00			
#7 Drilling, Core-Diamond	Feet	"	1,718	10,909.30			
Incidental Allowance	"	"	1,718	429.50			
Drilling, Non-core-Diamond							
Rotary							
Churn							
#6 Percussion	"	"	7,255½	7,255.50			
Miscellaneous							
#1 Transite Pipe	"	"	7,149½	41,036.71			
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				267,782.39			

OME
DEPARTMENT OF THE INTERIOR
JAN 25 1962
REGION II
DENVER, COLORADO

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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 1-24-62 Operator New Park Mining Company

Per Carl D. Hoy Title Secretary

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature

Title

Government Representative

Date

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 29 1962
DATE
1/29
Original 800
500

January 26, 1962

Carl D. Harper, Secretary
New Park Mining Company
P. O. Box 929
Park City, Utah

Re: DMEA-4981 (Lead-Zinc-Copper)
Contract No. Idm E1218
New Park Mining Company
(Mayflower mine)
Wasatch County, Utah
Operator's Reports for September and October 1961

Dear Mr. Harper:

This is to acknowledge receipt of the referenced reports, and to advise you that our processing of the reports cannot be completed until we receive a certified true statement of diamond drilling costs for each report.

It appears that a statement with costs similar to yours of April 1, 1961 covering March 1961 drilling costs will suffice.

Yours very truly,

Original signed by

Hugh M. Commors
Acting Field Officer, OME
Region III

TMR/lm
cc Chief, Division of Field Operations, OME
Idm E1218
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 22 1962

DATE		CODE
1/22	mdj	800
1/23		~~500~~
		~~220~~

January 18, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMEA-4981 (Lead-Zinc-Copper)
Contract Idm-E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Reference is made to your memorandum dated January 15, 1962 on the subject contract.

Mr. Romslo was informed by company personnel January 3, 1962, that their Progress Reports for September and October 1961, and Final Report were about complete and would soon be forwarded to this office.

Hugh M. Connors

Hugh M. Connors

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
RECEIVED
JAN 19 1962
DATE
1/19
1/22
Returned
800
500

January 16, 1962

William Anderson, Jr.
General Mine Supt.
Hecla Mining Company
Star Route
Heber City, Utah

Re: Docket DMEA 4981 (Copper-Lead-Zinc)
Contract I&M E1218
New Park Mining Company
(Mayflower mine)
Wasatch County, Utah

Dear Mr. Anderson:

Thank you for your letter of January 12, 1962 informing us that Hecla Mining Company is now the Operator of the Mayflower Mine.

On Mr. Romslo's next trip to Utah he will contact you and explain the method of calculating and reporting royalty due the Government.

It appears that the method of calculating and reporting royalties used by New Park Mining Company in the past has been entirely satisfactory.

Very truly yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
Contract Corres E1218
Romslo
Chron

Fmc

LOCLA MINING COMPANY

MAYFLOWER MINE

STAR ROUTE

DOC CITY, UTAH

OMC

DEPARTMENT

January 12, 1962

Acting Field Officer
OMC Region III
Building 20 Federal Center
Denver 25, Colorado

In: Docket No. DRA 4981
Contract No. I-1218
Ken Park Mining Company

Dear Sir:

As of December 1, 1961, Locla Mining Company has taken over the operation of the Mayflower Mine through an agreement between Ken Park Mining Company and Locla Mining Company.

The first time you are in the district, I would like to discuss the method used for calculating and reporting royalties to be paid to the Government.

Very truly yours,

William Anderson

William Anderson, Jr.
General Mine Supt.

WA/bl

cc: Calo Hanson
W. E. Love

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/12	Griswold	500
1/15	Fahlquist	800
1/15	[illegible]	130
"	Johnson	110
1-15	Fennell	100
1/15	Case	220
		500

JAN 15 1962

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

In that the referenced contract expired as of November 1, 1961, will you kindly instruct the Operator concerning its obligation as to the rendering of the final accounts, final report, et cetera?

/s/ George C. Selfridge

(242)

WRGriswold/gla
1-12-62
cc to: Director's Reading File
Review Committee
Docket

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 8 1962

DATE	INITIALS	CODE
1/8		120
"		800
		500

January 5, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: Docket DMEA-4981 (Lead-Zinc-Copper)
Contract Idm E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

We understand that the Hecla Mining Company has taken over the operation of the Mayflower mine.

We note in Mr. Cranmer's letter to the Director, OME, dated October 24, 1961, that Mr. Cranmer stated he would furnish you with copies of the contract and option with the Hecla people. We have had no further advice and are wondering what the ownership or operating status of the property is at the present time.

You undoubtedly have this information since you are presently processing the new OME application of New Park Mining Company on the Mayflower mine.

Will you please advise.

Hugh M. Connors

Hugh M. Connors

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/1		500
12/4	Notified Fallhart	800
		120
		500

December 1, 1961

Memorandum to the File

From: W. R. Griswold, Chief, Division of Minerals

Subject: OME-6186 (Lead, Zinc, Gold, Silver, and Copper)
New Park Mining Company
Mayflower Mine, 1630 Project
Wasatch County, Utah

The previous contract, DMEA-4981, provided for drifting westerly on the bottom level (2005) of the Mayflower mine for a distance of 6,000 feet; 2,600 feet were also provided for necessary crosscutting.

Work actually completed consisted of 2,648 feet of westerly drifting and 691 feet of crosscutting (as of September 1, 1961). Total expenditures, as of this date, were $259,259.29 of an estimated contract total of $564,880.00.

While the project fell far short of reaching its primary objective, nevertheless, some ore was found. On April 14, 1961, Mr. Connors reported:

> "The results of the exploration work to date are considered excellent. A total of 7 apparently separated ore bodies have been discovered . . . the operator estimated 63,000 tons of ore . . ."

(not including Pearl fissure ore body). A probable total figure would be 100,000 tons.

Royalty payments for the past year have averaged around $1200.00 monthly.

The present contract provides for similar westerly drifting, but on the 1630 level, due to heavy water flow on the 2005 level. It lacks the truly exploratory appeal of the former project since the favorable Maxfield and Jefferson beds cannot be penetrated by the drifting at so high a level. However, the Desert limestone and probably the Madison limestone will be penetrated and there appears a fair possibility of reasonable results.

W. R. Griswold (glo)

cc: DMEA-4981

43683

NEW PARK MINING COMPANY

KEETLEY, UTAH

SALT LAKE CITY OFFICE
904 WALKER BANK BUILDING

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 30 1961

DATE	INITIALS	CODE
10/30		800
		~~500~~
"		500

October 24, 1961

George Fumich, Jr., Director
U. S. Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Re: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company Mayflower Mine
Wasatch County, Utah
Contract Idm-E-218

Dear Sir:

Thank you for your letter of October 18th calling our attention to the requirements of your office in regard to the provisions of the DMEA Contract which our company has with the government.

At the present time we have sent in a request for the termination of the old DMEA Contract and a request for the issuance of a new contract under OME. Y ou may be assured that we will comply with the articles you call our attention to in the old DMEA Contract, as well as with any that are present should the OME Contract requested be granted, and we will secure the acquiescence and agreement of the Hecla people should they exercise their option to make the proposed lease effective. We will furnish you with copies when the contract and option have been finally entered into and become effective. Again, thank you for your courtesy in calling our attention to the provisions of the government contracts.

(6186)

Yours very sincerely,

NEW PARK MINING COMPANY

W. H. H. Cranmer
President

WHHC:jw

2 Thermofax copies to Region III, 10/30/61

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/17	Truesell	500
10/17	Talbot	800
10/17	Selfridge	120
"	Johnson	110
10/17	Fumich	100
		220
		500

OCT 18 1961

New Park Mining Company
904 Walker Bank Building
Salt Lake City 11, Utah

Re: IMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Gentlemen:

We have noticed the article in the October issue of MINING WORLD referring to a lease of the Mayflower Mine to the Hecla Mining Company.

Please note Article 1 of the contract which states:

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

We also call your attention to contract Article 2(d):

> "... 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."

Sincerely yours,

/s/ George Fumich, Jr.

Director

P.S. We would appreciate having a copy of any agreements entered into as may pertain to the lands covered in the contract.

WRGriswold/gla
10-17-61
cc to: Director's Reading File
Region III (2)
Docket

43683

NEW PARK MINING COMPANY

KEETLEY, UTAH

SALT LAKE CITY OFFICE
904 WALKER BANK BUILDING

August 16, 1961

OFFICIAL FILE COPY O. M. E RECEIVED AUG 18 1961		
DATE	INITIALS	CODE
8-18	[illegible]	100
		500
		500
8/18	[illegible]	110
		920

George Fumich, Jr.
Director, OME
Department of the Interior
Washington 25, D. C.

Dear Mr. Fumich:

Thank you for your letter of August 1st in regard to our DMEA project at the Mayflower Mine. I have presented the program to our Company officers and approval has been granted by them to continue the West Mayflower exploration via the 1630 level under an OME program. We will complete the application forms in the very near future and send them to the Denver office for processing.

I am pleased to have made your acquaintance while I was in Washington, D. C. Thank you for your assistance in this matter.

Very truly yours,

NEW PARK MINING COMPANY

Gale A. Hansen

Gale A. Hansen
General Superintendent

GAH:jw

E Form 7
0-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/27	Hansen	500
"	Johnson	110
7/31	Dallew	140
7-31	Brown	140
8/1	Appld. Sol. Off.	800
8/1	Selfridge	120
"		~~110~~
"	Tumeh	100
8/1	Ogard	220
		500

AUG 1 1961

Mr. Gale A. Hansen
General Superintendent
New Park Mining Company
Keetley, Utah

INTERIOR DEPT.
JUL 28 1961
SOLICITOR

Re: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-K1218

Dear Mr. Hansen:

FROM SOLICITOR
JUL 31 1961
FOR SIGNATURE

This is with reference to our recent discussions in Washington concerning the problems involved in completing the exploration of the Mayflower mine under the present DMEA contract.

As you know, we suggested that under the present circumstances, possibly the DMEA contract should be terminated and your company apply for financial assistance under the OME program. We mentioned some of the conditions under which we could entertain such an approach and called your attention to the royalty requirements under both the DMEA and OME contracts. As the same land would be involved if an OME contract was executed, the total royalties on production under the two contracts would aggregate 10 percent. You felt that this would be an undue hardship on the company in view of the grade of the ore produced and present and foreseeable market prices and asked if there was some way in which relief could be granted. We advised that we would explore the possibility with the Department's legal staff.

We have now been informed that a possible solution of this problem could be found by deferring royalty payments under an OME contract if it can be determined to be necessary and in the public interest, and provided the Government's interest is protected.

As you were informed, consideration could be given to granting an OME contract which included:

1. All of the land under the DMEA contract.

2. An agreement to pay the Government royalty regardless of certification on any production mined during the time specified in the contract.

RECEIVED
JUL 31 1961
ASSOC. SOLICITOR
MINERAL RESOURCES

43683

3. A provision that payment of such royalties would not start until the amount of the Government's contribution under the DMEA contract was paid in full or until the termination of the period specified for repayment under the DMEA contract, whichever occurred first.

4. A provision that the repayment period under the OME contract would extend until 25 years after the date of the contract.

The foregoing should not be considered as a commitment that an OME contract would be granted. However, if you are willing to accept an OME contract which included the provisions mentioned above, it is suggested that you apply for an OME contract on the forms provided for that purpose including a schedule and map showing of the work to be performed and cost estimates. Reference should be made to the DMEA application and contract for other data required under the application form. As you were informed, a field examination would not be necessary. At the same time you should request that the DMEA contract be mutually terminated and explain why you would be unable to pay the royalty normally called for under an OME contract.

Your attention is called to paragraph 1, Financial Eligibility, of the application form. The information requested in this paragraph should also accompany your application. In addition you should furnish us with a copy of a recent financial statement showing the current assets and liabilities of the applicant. Five copies of a new Lien or Subordination Agreement from the U. S. Smelting, Refining and Mining Company also would be required. (Necessary copies of the application and Lien or Subordination Agreement forms are enclosed.)

We feel that the proposed total cost of an OME project should not be greater than a sum roughly equivalent to the unexpended balance remaining for the DMEA project.

Upon receipt of the foregoing documents and information, we shall process the new application as promptly as possible. To expedite the processing, we suggest that the application be filed through the Denver Office.

Sincerely yours,

George Fumich, Jr.

Director

RECEIVED
JUL 28 1961
ASSOC. SOLICITOR
MINERAL RESOURCES

Enclosures

FEJohnson/bih/gla
7-27-61

cc to: Director's Reading File
Mr. Johnson
Docket
Region III (2)

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 12 1961

DATE	INITIALS	CODE
7-12	gad	VVO
7/12	[illegible]	800
		500
"	[illegible]	100

Building 20 - Federal Center
Denver 25, Colorado

July 10, 1961

New Park Mining Company
P. O. Box 929
Park City, Utah

Re: Docket DMFA 4981 (Copper-Lead-Zinc)
Contract Idm E1218
New Park Mining Company
(Mayflower mine)
Wasatch County, Utah

Gentlemen:

Enclosed is a copy of the Report of Royalty Review on the subject contract dated June 9, 1961 covering the period June 23, 1958, through April 30, 1961, which shows that no royalty is due the Government at this time.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosure
HMC/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres E1218
Chron

Official

EXTRA COPY
O. M. E
RECEIVED JUL 12 1961

DATE	INITIALS	CODE
7-12	gad	800
7/12		500
		500

Building 20 - Federal Center
Denver 25, Colorado

July 10, 1961

Memorandum

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

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

Subject: Docket No. DMRA 4981 (Copper-Lead-Zinc)
Contract Idn E1218
New Park Mining Company
(Mayflower mine)
Wasatch County, Utah

Attached is the original Report of Royalty Review on the subject property dated June 9, 1961 covering the period June 25, 1958, through April 30, 1961.

Original signed by

Hugh M. Connors

Attachments
HMC/lm
cc Chief, Division of Field Operations OME (1)
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E879
Chron

Building 20 - Federal Center
Denver 25, Colorado

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7-7	gad	VVO
7/7	[illegible]	VVO
		800
"	[illegible]	500
		500

July 5, 1961

Mr. Gale A. Hansen
General Superintendent
New Park Mining Company
P. O. Box 929
Park City, Utah

Re: Docket DMEA-4981 (Lead-Zinc-Copper)
Contract No. Ida E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Dear Mr. Hansen:

This responds to your letter to Mr. Romslo, dated June 22, 1961, requesting reconsideration of your proposed amendment.

The OME Washington Office informs us that they are authorized to extend DMEA contracts only as may be necessary to complete the work or to achieve the original purpose of the contract. They are not authorized to change the target area or increase the financial commitment where a project is certifiable as a discovery or development.

The work under the contract was designed to explore the favorable target area on the 2005 level which seemed likely to have the most potential for the future life of the Mayflower Mine as well as the district. To change the work to explore a target area on the 1650 level with far less potential would not achieve the original purpose of the contract. Under the circumstances, they are unable to comply with your request.

The contract has been in force since June 23, 1958, and will expire on November 11, 1961, about 3½ years after the termination of the DMEA program. They are responsible for the orderly liquidation of this program and have no authority to continue projects under it indefinitely. They feel that you had sufficient time to complete the project within the time limit if you had been able to concentrate your efforts on the exploration work. They realized the seriousness of the water problem and, therefore, made their suggestion

regarding the possible extension of the contract to complete the work in accordance with its provisions. You feel that additional time beyond that which they could reasonably approve would be required to complete either the original work under the contract on the 2005 level or the proposed change in the work to the 1650 level.

In view of the considerable length of time estimated to complete the project as presently authorized, they suggest that the contract be terminated and sufficient time taken to drain the area involved. When the water problem is solved, they could then entertain an application for exploration of the original target area on the 2005 level under OME. This would be exploration for new or unexplored ore bodies and would meet the criteria as to geological probability and relation of costs to size and grade of potential deposits.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

TMR/lm
cc Chief, Division of Field Operations, OME
Contract Corres E1218
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/29	Arnold	500
6/30	Johnson	110
6/30	Halbert	800
6/29	GCS	130
6/29	Turner	100
6/30	gad	220
		500

JUN 30 [illegible]

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

Reference is made to your memorandum of June 23, 1961, transmitting letter, dated June 22, 1961, to Mr. Remslo from the New Park Mining Company.

In regard to the Operator's request to amend the contract, OME is authorized to amend DMEA contracts only as may be necessary to complete the work or to achieve the original purpose of the contract. We are not authorized to change the target area or increase the financial commitment where a project is certifiable as a discovery or development.

The work under the contract was designed to explore the favorable target area on the 2005 level which seemed likely to have the most potential for the future life of the Mayflower Mine as well as the district. To change the work to explore a target area on the 1630 level with far less potential would not achieve the original purpose of the contract. Under the circumstances, we are unable to comply with the Operator's request.

The contract has been in force since June 23, 1958, and will expire on November 11, 1961, about 3½ years after the termination of the DMEA program. We are responsible for the orderly liquidation of this program and have no authority to continue projects under it indefinitely. We feel that the Operator had sufficient time to complete the project within the time limit if it had been able to concentrate its efforts on the exploration work. We realized the seriousness of the water problem and, therefore, made our suggestion regarding the possible extension of the contract to complete the work in accordance with its provisions. The Operator feels that additional time beyond that which we could reasonably approve would be required to complete either the original work under the contract on the 2005 level or the proposed change in the work to the 1630 level.

43683

In view of the considerable length of time estimated to complete the project as presently authorized, we suggest that the contract be terminated and sufficient time taken to drain the area involved. When the water problem is solved, we could then entertain an application for exploration of the original target area on the 2005 level under OME. This would be exploration for new or unexplored ore bodies and would meet the criteria as to geological probability and relation of costs to size and grade of potential deposits.

/s/

George C. Selfridge

FEJohnson/bih/gla
6-29-61
cc to: Director's Reading File
Review Committee
Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 26 1961

DATE	INITIALS	CODE
6/26	gad	VVO
		1VO
6/27	[illegible]	800
		~~500~~
"	Approved	500

June 23, 1961

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D.C.

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

Subject: Docket DMEA-4981 (Lead-Zinc-Copper)
Contract No. Idm E1218
New Park Mining Company
(Mayflower mine)
Wasatch County, Utah

Attached is a letter from the subject Operator and a copy of my letter to him.

Will you please advise what I am to tell the Operator?

Hugh M. Connors

Hugh M. Connors

Attachments

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY O. M. E. RECEIVED JUN 26 1961		
DATE	INITIALS	CODE

June 23, 1961

Mr. Gale A. Hansen
General Superintendent
New Park Mining Company
Box 989
Park City, Utah

Re: Docket DMEA-4961 (Lead-Zinc-Copper)
Contract No. Idm E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Dear Mr. Hansen:

This will acknowledge receipt of your letter dated June 22, 1961.

I am forwarding your letter to the Washington Office OME, since it is not within my delegated authority to grant your request.

I will advise you of their final action.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations
Contract Corres E1218
Chron

NEW PARK MINING COMPANY

KEETLEY, UTAH

SALT LAKE CITY OFFICE
904 WALKER BANK BUILDING

June 22, 1961

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 26 1961
DATE | INITIALS | COL
OME
DEPARTMENT OF THE INTERIOR
JUN 23 1961
REGION III
DENVER, COLORADO

T. M. Romslo, Acting Field Officer
OME, Region III
Building 20, Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 4981
Contract No. Idm E-1218

Dear Mr. Romslo:

We were very disappointed in the OME Washington office in regard to the requested amendments to our DMEA project. We still believe that the original objective of this project was to look for the known ore shoots some 6,000 feet west of the Mayflower ore body. We realize that discoveries of the downward extensions of the Mayflower ore bodies have been made while enroute to the far western target area. However, we do not regard these discoveries as the primary target outlined in our DMEA Contract. In view of these factors, and the potential virgin area that is to be explored to the west of the Mayflower ore body, New Park Mining Company would still very much like to continue this project.

As you well know the water problem encountered on the 2005 level is rather serious from the standpoint of economics, time necessary to drain the area, and the time limit imposed on our DMEA Contract. Our engineering staff and officers still believe that the proper approach to successfully exploring this western target area at this date would be via the 1630 level. Again, we would like to emphasize that the water pressure encountered on the 2005 level could be cut approximately in half and that water encountered can be economically pumped from our main 1630 level pumping station.

Following this procedure would allow us to complete the

OME
DEPARTMENT OF THE INTERIOR
JUN 23 1961
REGION III
DENVER, COLORADO

project in approximately eighteen months time, and through core drilling would allow the area to be thoroughly tested. If a time extension to the DMEA Contract cannot for some reason be allotted, then perhaps the project can be completed under a new OME Contract. We do not feel that such an excellent project should be abandoned or forced to continue under adverse economic conditions when such a situation can be properly engineered and made feasible through a few necessary contract amendments.

Again, we would like you to reconsider our proposed amendment to the problem by continuing this project from the 1630 level. In view of the present situation it is our firm conviction that such an exploration approach to the area is sound, both geologically and economically.

Very truly yours,

NEW PARK MINING COMPANY

Gale A. Hansen

Gale A. Hansen
General Superintendent

GAH:jw
cc: Robert L. Cranmer

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 16 1961

DATE	INITIALS	SCALE
6/16	gad	VVO
		1VO
6/19	[illegible]	~~600~~
"	Received	500
		~~100~~

Building 20 - Federal Center
Denver 25, Colorado

June 13, 1961

Mr. Gale A. Hansen
General Superintendent
New Park Mining Company
Box 929
Park City, Utah

Re: Docket DMEA-4981 (Lead-Zinc-Copper)
Contract No. Idm E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Dear Mr. Hansen:

The OME Washington office informs me that the proposal outlined in your letter dated May 17, 1961, has been carefully considered.

The extent to which the OME could help in solving the water problem and continue the exploration project remains as stated in Hugh M. Connors' letter to you dated May 10, 1961. The Washington office would be unable to extend the life of the contract 18 months, and would be unable to amend the contract for a six month's recess and extend the completion date unless the New Park Mining Company can make the pumping test and install the required water door at its own expense (beyond contract allowance). If the company undertook this work, it would be required to concentrate on the exploration work in order to complete it within another six months.

They would like to see the project completed, but regret they cannot extend OME help beyond that indicated.

If you desire to carry out the program in accordance with the indicated conditions, please advise Mr. Connors, who will return shortly from a vacation, and the Washington office will prepare the necessary amendment.

Yours very truly,

Original signed by

T. M. Romslo
Acting Field Officer, OME
Region III

TMR/lm
cc Chief, Division of Field Operations, OME
Corres File E1218
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/8	[illegible]	500
6/9	[illegible]	800
6/9	[illegible]	130
"	Johnson	110
6/8	Turnich	100
6/9	gad	220
		500

JUN 9 1961

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

The proposal outlined in the letter of May 17, 1961, from New Park Mining Company, has been carefully considered.

Our letter of May 4, 1961, set forth the extent to which the OME could help in solving the Operator's water problem and continue the exploration project. We, of course, could not participate in the additional cost of draining the areas and the extra cost of the stronger water door required.

The Operator estimates that 18 months would be required to complete the work. We would be unable to grant such an extension of time to complete a DMEA contract. Progress of the exploration work has been very slow even considering the difficulties of the Operator. Possibly, the Operator concentrated on production at the expense of the exploration work in order to obtain funds for operating. This no doubt added to the delay and cost of exploration.

Unless the Operator can make the pumping test and install the required water door at its own expense (beyond contract allowance), we would be unable to amend the contract for a six months' recess and extend the completion date. If the Operator undertook this work, it would be required to concentrate on the exploration work in order to complete it within another six months.

We would like to see the project completed, but regret we cannot extend our help beyond that indicated.

We note that about 2600 feet have been completed of the 6000 feet contemplated for the main westerly heading. To March 1, 1961, 3314.5 feet of total drifting and crosscutting is recorded and some $250,000 has b een spent of an estimated total cost of $564,880. You were quite correct in your April 10 letter to the Operator ad-

8600' - 6000 drift - 2600 cut in contract
contract [illegible] - finish Nov. 60.
Drifting - Feb. 59 - Nov. 60
22 months; ave. 120' monthly

43683

vising that auxiliary drifting from the crosscuts was not within the provisions of the contract. The contract did not sharply delineate the locations of the various crosscuts to be driven as, obviously, such locations would be dependent upon drilling results to a considerable degree. Nevertheless, we feel that you would be well within your rights in insisting that crosscuts not be unduly clustered, and that crosscut footage be at least generally allotted in accordance with main heading advance.

/s/

George C. Selfridge

(248)

FEJohnson/gla
6-8-61
cc to: Director's Reading File
Review Committee
Docket

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 5 1961

DATE	INITIALS	CODE
6/5	gad	920
6/5		800
"		500

May 31, 1961

Mr. Carl D. Harper, Secretary
New Park Mining Company
Box 929
Park City, Utah

Re: Docket DMEA-4981 (Lead-Zinc-Copper)
Contract Idm E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah
Operator's Report for March 1961

Dear Mr. Harper:

Our review of the referenced report shows that the cost of diamond drilling, an actual cost item of the contract, has not been adequately documented. To further support the detailed cost, please furnish this office with a copy of the contract and a signed statement of costs submitted by the Mayflower Lease. A copy of the statement will suffice providing it is certified as such by the company.

We also found that the fixed cost for an incidental allowance for each foot of diamond drilling at $0.25/ft. has not been vouchered.

We are returning herewith for replacement the original and four copies of Forms MME-60 and MME-61 and the statement of diamond drilling costs. All copies of the remainder of the report, the narrative section and map, have been retained by us.

An early receipt of the corrected forms and requested additional data will be appreciated.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Attachments
TMR /lm

cc: Chief, Division of Field Operations, OME
Contract Corres E1218
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/23	[illegible]	500
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5/23	[illegible]	130
	[illegible]	110
5/23	gad	220
		500

MAY 2 3 1961

AIR MAIL

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

We have received the New Park letter to you of May 17 and a copy of your reply of May 18. Mr. Frank E. Johnson, Acting Director, should be in your office within the next few days. Kindly discuss this request with him at that time, as well as the results to date of the New Park project in general.

George C. Selfridge

WRGriswold/gla
5-23-61
cc to: Director's Reading File
Review Committee
Docket

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 22 1961

DATE	INITIALS	CODE
5/22	gad	VVO
		130
5/22		800
		500

May 18, 1961

Mr. Gale A. Hansen
General Superintendent
New Park Mining Company
Box 929
Park City, Utah

Re: Docket DMEA 4981 (Lead-Zinc-Copper)
Contract Idm E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Dear Mr. Hansen:

Thank you for your letter dated May 17, 1961, which I am forwarding to the Washington Office, OME.

I feel sure that they are well aware of your high pumping costs and will give due consideration to your request for an amendment to put the power cost on a horsepower basis rather than the tonnage basis as it now stands.

I will advise you of their final action in this matter.

Very truly yours,

Original signed by

High M. Connors
Acting Field Officer, OME
Region III

cc: Chief, Division of Field Operations

NEW PARK MINING COMPANY

KEETLEY, UTAH

SALT LAKE CITY OFFICE
904 WALKER BANK BUILDING

May 17, 1961

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 22 1961

DATE	INITIALS	CODE

OME
DEPARTMENT OF THE INTERIOR
MAY 18 1961
REGION III
DENVER, COLORADO

Hugh M. Connors, Acting Field Officer
OME, Region III
Building 20, Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 4981
Contract No. Idm E-1218
(Your letter dated May 10, 1961)

Dear Mr. Connors:

We have given considerable thought to your proposal of thoroughly determining what can be done to permit advancing the 2005 west heading rather than our requested amendment to continue the program from the 1630 level. We still believe that the western target area is an excellent geologic bet and has a good chance of finding a substantial tonnage of lead-zinc-copper ore and, therefore, we would like to continue the DMEA exploration program.

The DMEA operational approach to the water problem is a logical one and may prove that the water flow can be pumped down sufficiently to allow us to continue the advance on the 2005 level. However, we are faced with a power cost for pumping this increased water flow, and we sincerely believe that an amendment is justified that would put the power cost on a horsepower basis rather than the tonnage basis as it now stands. We believe that such a procedure would be fair, and certainly necessary in sharing the water pumping costs.

Our estimates in the cost of pumping 3,200 gpm are as follows: Based on a 24 hour day, 30 days per month @ 475 amps and 2,300 volts, requires 786,600 KWA, plus the 28,195 KWA per month for the 500 gpm 75 horsepower 440 volt pump. Our total power consumption for the month of March was 1,196,352 KWA @ .0082¢ per KWA, for a total cost of $10,551.65. Pumping costs, according to our estimates, consume 814,795 KWA at a cost of $7,186.49. It was estimated that an

average flow of 3,200 gpm was pumped during the month of March, and that approximately 80% of this water flow was being pumped from the 2005 level.

The cost of pumping the water can be easily calculated on a monthly basis to arrive at a fair cost item to New Park and DMEA. Costs for compressed air, ventillation, hoisting, etc., can be calculated on a footage or tonnage basis as now established, in addition to the pumping costs.

We are in complete agreement that an additional water door would have to be installed farther to the west in order to offer adequate protection to the program. Our experience in the installation of the 250 lb. pressure water door indicates that such an installation costs approximately $5,331.08. In checking these costs with U. S. Smelting & Refining Company, who has had considerable experience in water door installations, our costs are about equal. We estimate that the cost of installing a 300 psi water door can be done for approximately $6,000.00. New Park Mining Company is indeed willing to try and reach the westerly target area via the 2005 level providing that our contract with DMEA can be amended to where the cost in power for pumping water can be put on a required horsepower basis and provisions made for the cost involved in the installation of an additional water door.

We will make every effort to complete the cross cutting and drilling program in the area now accessable on the 2005 level. Advance of the 2005 level can be started as soon as additional drilling from the face can be completed and we can determine what additional water flow will be encountered. Our engineers estimate that it would require approximately eighteen months to complete the necessary 2,008 feet of drifting and cross cutting and the proposed diamond drilling program.

We will be happy to supply you with any additional information that you may need that will enable us to continue with this DMEA project.

Very truly yours,

NEW PARK MINING COMPANY

Gale A. Hansen

Gale A. Hansen
General Superintendent

GAH:jw
cc: W. H. H. Cranmer Bob Archer
Robert L. Cranmer Carl D. Harper

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/11	Griswold	500
5/11	Talbert	800
5/11	Selfridge	130
"	Johnson	110
5/11	gad	220
		500

MAY 1 1 1961

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

We have your May 5 memorandum, with enclosure, which was sent prior to your receiving ours of May 4.

The second paragraph of our May 4 memorandum explains our obligations covering outstanding DMEA contracts.

/s/
George C. Selfridge

WRGriswold/gla
5-11-61
cc to: Director's Reading File
Review Committee
Docket

43683

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 12 1961

DATE	INITIALS	CODE
5/12	gad	VNO
[illegible]	[illegible]	VNO
5/15	[illegible]	800
[illegible]	[illegible]	500

Building 20 - Federal Center
Denver 25, Colorado

May 10, 1961

Mr. Gale A. Hansen
General Superintendent
New Park Mining Company
Box 929
Park City, Utah

Re: Docket DMEA 4981 (Lead-Zinc-Copper)
Contract Idm E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Dear Mr. Hansen:

The OME Washington office informs me that they do not favor your requested amendment. They point out that they are under obligation to liquidate the DMEA program and cannot approve an amendment to change the work where a project can be certified as a discovery or development.

However, they are willing to prepare an amendment recessing the project for six months, with a proper extension of the completion period for the work under the contract. Such a recess would permit a thorough testing of the possibility of draining down the water in the westerly area. They believe that a stronger water door should be installed, diamond drilling done substantially in advance of the present heading, and water drawn off at least at the rate of 3,000-g.p.m. A 500-g.p.m. centrifugal pump could be installed at the 2005 station so that such a pumping load could be carried and one of the large pumps still be had on standby.

If you desire to undertake some such program of thoroughly determining what can be done to permit advancing the 2005 west heading at a later date, please advise me and the Washington office will prepare the necessary amendment.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations
OME
Contract Corres E1218
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 8 1961

DATE	INITIALS	
5-8	gad	V'r0
		130
"	Shirwell	500

May 5, 1961

AIR MAIL

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D.C.

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

Subject: Docket DMEA-4981 (Lead-Zinc-Copper)
Contract Idm-E1218
New Park Mining Company
(Mayflower mine)
Wasatch County, Utah

Enclosed are the original and one copy of a letter from the subject Operator requesting further consideration of his proposed Amendment to the Contract.

We have already found sufficient ore to certify this project and I recommend that you give further consideration to the Applicant's request.

Hugh M. Connors

Hugh M. Connors

Attachments

NEW PARK MINING COMPANY

KEETLEY, UTAH

SALT LAKE CITY OFFICE
904 WALKER BANK BUILDING

May 4, 1961

OME
OFFICIAL FILE COPY
RECEIVED MAY 5 1961
MAY 8 1961
REGION III
DATE | INITIALS | CODE

Hugh M. Connors, Field Officer
OME, Region III
Building 20, Federal Center
Denver 25, Colorado

Re: DMEA Docket No. 4981
Contract No. E 1218
Requested Amendment to
the 2005 Level Project

Dear Mr. Connors:

On the 28th of April, our water door on the 2005 level was drained and opened for a minor repair job. At this date pumping measurements indicate that we are pumping 3,200 gallons per minute, and the flow from the heading appears to have increased over the previous measurements. In cleaning out the muck at the face of the 2005 heading it disclosed a heavy flow of water coming up from the bottom. All drill holes that were previously drilled are still flowing water, and because of the apparent increase in flow, no attempt was made to blast the drilled round and try to advance the face.

It does not appear at all practical to try and advance the 2005 heading any further at this time and risk an additional increased flow that is indicated in the drill holes previously drilled. We still believe that the target area can be reached from the 1630 level and that the water problem, if encountered, can be economically pumped from the 1630 level pumping station.

Again, may I emphasize that if ore is encountered on the 1630 level then New Park may be justified in installing the necessary pumps

and continue the advance of the 2005 level at a later date.

Past experience at the Mayflower Mine suggests that the water cone can be pumped down; however, to accomplish this it would require a minimum period of time from one to two years.

We would like very much to continue this exploration program under DMEA, and would appreciate your earliest favorable consideration to the proposed amendment.

Yours very truly,

NEW PARK MINING COMPANY

Gale A. Hansen
General Superintendent

GAH:jw
cc: Carl D. Harper
Bob Archer

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/4	Selfridge	120
5/4	Johnson	110
5/4	gad	220

MAY 4 1961

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

We have your April 18 memorandum, with enclosure, relating to the Operator's request for changes in the Mayflower project. Kindly inform the Operator that we do not favor the requested amendment.

We also wish to point out that we are under obligation to liquidate the DMEA program and cannot approve an amendment to change the work where a project can be certified as a discovery or development.

As an alternative, we are willing to prepare an amendment recessing the project for six months, with a proper extension of the completion period for the work under the contract. Such a recess would permit a thorough testing of the possibility of draining down the water in the westerly area. It seems obvious that a stronger water door should be installed, diamond drilling done substantially in advance of the present heading, and water drawn off at least at the rate of 3,000 g.p.m. A 500-g.p.m. centrifugal pump could be installed at the 2005 station so that such a pumping load could be carried and one of the large pumps still be had on standby.

If the Operator desires to undertake some such program of thoroughly determining what can be done to permit advancing the 2005 west heading at a later date, please advise us and we shall prepare the necessary amendment.

/s/ George C. Selfridge

WRGriswold/FEJohnson/gla/bih
5/4/61
cc to: Dir. reading file
Review Committee
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/3	Mrsamel	500
5/3	Talbert	800
5/4	GCS	130
		110
		220
		500

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: D MEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

We have your April 18 memorandum, with enclosure, relating to the Operator's request for changes in the Mayflower project. Kindly inform the Operator that we do not favor the requested amendment.

Insert A →

As an alternative, we are willing to prepare an amendment recessing the project for six months, with a proper extension of the completion period for the work under the contract. Such a recess would permit a thorough testing of the possibility of draining down the water in the westerly area. It seems obvious that a stronger water door should be installed, diamond drilling done substantially in advance of the present heading, and water drawn off at least at the rate of 3,000 g.p.m. A 500-g.p.m. centrifugal pump could be installed at the 2005 station so that such a pumping load could be carried and one of the large pumps still be had on standby.

If the Operator desires to undertake some such program of thoroughly determining what can be done to permit advancing the 2005 west heading at a later date, please advise us and we shall prepare the necessary amendment.

/s/ George C. Selfridge

(24B)

WRGriswold/gla
5-3-61
cc to: Director's Reading File
Review Committee
Docket

43683

Building 20 - Federal Center
Denver 25, Colorado

May 1, 1961

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DATE	INITIALS	
5-4	gad	VVO
5/4	[illegible]	800
5/10	Grieve	500

Carl D. Harper, Secretary
New Park Mining Company
P. O. Box 929
Park City, Utah

Re: Docket DMEA-4981 (Lead-Zinc-Copper)
Contract IDm E1218
New Park Mining Company
(Mayflower mine)
Wasatch County, Utah

Dear Mr. Harper:

Returned herewith for correction are the original and 4 copies of OME Form 61, Operator's Progress Report, which accompanied your report for February 1961. I believe you will find that the correct units of timbering for February and to date should be as pencilled on the forms.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosures
TMR/lm

cc Chief, Division of Field Operations, OME (2)
IDm E1218
Chron

Official
EXTRA COPY
O. M. E
RECEIVED

DATE	INITIALS	CODE

Building 20 - Federal Center
Denver 25, Colorado

April 21, 1961

Memorandum

To: E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Washington 25, D.C.

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

Subject: Proposed Visit of C. E. Fisher to Region III

4981

Attached are copies of letters to New Park Mining Company and United Park City Mines Company in reply to your memorandum of April 19, 1961.

Mr. Romslo will meet Mr. Fisher in Salt Lake City at any time and any address furnished him beforehand by Mr. Fisher. Mr. Romslo will have a car and will accompany Mr. Fisher to Heber and Kheetley.

About thirteen certified projects in this Region will reach the end of the repayment period during 1961 and I suggest that when Mr. Fisher arrives in this office he might review these contracts on which the expiration date of royalty is about to become due.

Original signed by

Hugh M. Connors

Attachments

Building 20 - Federal Center
Denver 25, Colorado

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500

April 21, 1961

Mr. Gale A. Hansen
General Superintendent
New Park Mining Company
Box 929
Park City, Utah

Re: Docket DMEA 4381 (Lead-Zinc-Copper)
Contract Idm E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Dear Mr. Hansen

Mr. Clarence E. Fisher of the Contract Administration and Audit Division from the Washington OME office expects to be in Salt Lake City May 25th and 26th. He would like to audit your account on one of those days.

Mr. Fisher will be accompanied by Mr. T. M. Romslo who will conduct him to your office.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc E. D. Talbert, Acting Chief
Contract Administration and Audit Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

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April 18, 1961

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

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

Subject: DMEA 4981 (Lead-Zinc-Copper)
Contract Idm E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Enclosed are the original and one copy of a letter from the subject Operator which replies to your memorandum to us dated April 7, 1961.

Hugh M. Connors
Hugh M. Connors
Acting Field Officer, OME
Region III

Attachments

NEW PARK MINING COMPANY

KEETLEY, UTAH

SALT LAKE CITY OFFICE
904 WALKER BANK BUILDING

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 21 1961
DATE INITIALS CODE
OME
DEPARTMENT OF THE INTERIOR
APR 18 1961
REGION III
DENVER COLORADO

April 14, 1961

Hugh M. Connors
Acting Field Officer, OME
Region III, Building 20 Federal Center
Denver 25, Colorado

Re: DMEA Docket No. 4981 (lead-zinc-copper)
Contract Idm E-1218
Proposed Amendment dated March 27, 1961

Dear Mr. Connors:

I received your letter of April 10, 1961, requesting additional information in regard to our recent proposed amendment to the DMEA Contract. I will try to answer your questions in more detail so as to arrive at a better understanding of the operational and geologic problems that now exist.

Our original plan of exploration on the 2005 level was to explore for ore occurrences in the Madison, Jefferson and Maxfield Formations via the 2005 level. We feel that the Madison Formation can be successfully explored from the 1630 level and that the Jefferson, Maxfield, and possibly ? the Ophir Formation can be explored from the 1630 level from several diamond drill holes drilled down from this level. Diamond drill holes could be placed at geologically favorable locations to test for mineral occurrences at and below the 2005 elevation, without jeopardizing our operation by excessive water flows recently encountered on the 2005 level.

New Park has purchased a new Longyear wireline diamond drilling unit with a capacity of 1,000 feet. This machine is now in operation and could be used for the necessary work on the 1630 level.

Ore occurrences that have been encountered and mined from the Deseret and Humbug Formations in the Park City District to date represent a very large tonnage. These horizons, as demonstrated in

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DEPARTMENT OF THE INTERIOR
APR 18 1961
REGION III
DENVER COLORADO

the Mayflower Mine and in the Ontario area of the United Park City Mine, have produced about 85% of the District's production over the past several years, and is considered one of the best horizons in the District. The 1630 level proposed amendment would explore the complete section of the Deseret Formation and the top of the Madison Formation by drifting, d rilling and cross cutting. Mineralized structures found in the Deseret and Madison can be explored at additional depth by diamond drilling.

"With regard to the flooding of the 2005 level", pumping capacity has been installed on this level to pump a maximum of 5,000 gpm. This installation consists of 2 - 450 h.p. pumps each having a capacity of 2,000 gpm under full load. This pumping installation allows us to safely pump the 3,000 and 4,000 gpm surges that are periodically encountered. Until recently these water surges have levelled off to about 2,400 gpm, of which one pump can adequately handle. The second pump acts as a stand-by unit in case of mechanical or electrical breakdown. We feel that it is good mining practice not to pump a water flow over your installed stand-by pumping capacity. Water storage area for 2,500 gpm on our 2005 level is approximately 30 minutes before a run-over would fill our shaft below this level. Men and equipment working in the shaft cannot be regarded as working under safe conditions without adequate stand-by pumping units. Past history in pumping water at the Mayflower Mine has proven to be a very costly item and the lower levels were flooded because of a mechanical breakdown when all the main pumps were overloaded. Because of this experience we have established a strict policy of maintaining adequate stand-by pumping units.

The following information is a brief history of the water testing and pumping of the 2005 level to date.

On November 6, 1960, an excessive flow of water was encountered at the face of the 2005 west drift and it was deemed advisable to halt further progress until the pumping capacity of the main pumps on the 1630 level could be increased. Prior to this time the quantity of water being pumped from the 1630 station, as measured at a wier outside the portal of the mine, was approximately 1,700 gpm. After the increased flow of water from the 2005 level, measurement showed that 2,200 gpm were being pumped

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DEPARTMENT OF THE INTERIOR
APR 18 1961
DENVER, COLORADO

from the 1630 level. This amount was in excess of the safe pumping capacity of the 3 - 1,000 gpm pumps of the 1630 level, which was considered to be 2,000 gpm with one pump as a stand-by unit.

After an additional 1,000 gpm capacity pump was installed on the 1630 level, long hole drilling was started from the face of the 2005 west drift to test water conditions ahead. The first hole drilled encountered a flow of approximately 400 gpm eight feet ahead of the face. The second hole was started three feet away from the first hole and hit a heavy flow of water under extreme pressure at a distance of six feet from the face. This flow was estimated at approximately 1,000 gpm from the $2\frac{1}{2}$" drill hole, and the hole was immediately plugged to control the flow of water.

At this time the work in the face was stopped and a steel-concrete water door was installed in solid ground 280 feet from the face. In addition, another 1,000 gpm pump was installed on the 1630 level, bringing the 1630 pumping capacity up to 4,000 gpm with a 1 - 1,000 gpm stand-by unit.

The water door was completed during February and two tests were made to determine if the water draining out of the face was still under pressure, and to see how rapidly the pressure would build up with the door closed. On February 18th the door was closed and in four hours the water pressure reached 92 psi, or 212 feet of head. At this point the valve was opened and the water was allowed to drain down. In one hour the pressure steadily decreased to zero, indicating that the water draining out of the face was not under excessive pressure. On March 4th the door was again tested and pressure was allowed to build up to 149 psi before the valves were opened. This is equal to 344 feet of head and required only four hours to build up. During the four month period that the drift did not advance the flow from the face was about 1,600 gpm and did not decrease during that time. Total pumping from the mine was 2,400 gpm. After the water door was tested for the second time it was decided to try to advance the drift and two rounds were blasted ahead. The quantity of water rapidly increased to 2,600 gpm in the face and it became apparent that a further advance would develop quantities of water that would present a serious pumping problem on the 2005 level without another large stand-by unit. A decision was made to stop the drift and close the water door, but before this was done another long

hole was drilled from the face. It appears that the water is coming from a fractured zone near a strong north dipping fault in the south wall of the drift, and a hole was drilled to test this fault. The hole reached the fault 18 feet south of the drift and another flow of approximately 1,100 gpm under pressure was encountered. It is apparent that further drifting could rapidly develop a flow of water in excess of 3,600 gpm and establish a pressure beyond the 250 psi capacity of our water door.

The water door was closed on March 27th, and by letting a flow of 800 gpm out the pressure has been established at 147 psi, or a static head of 390 feet. Total quantity now being pumped from the mine is about 1,820 gpm.

In regard to your question of "what evidence is there that the same conditions will not be encountered on the 1630 level and eventually curtail exploration work there", the water encountered on the 2005 level appears to be related to a flat reverse fault dipping approximately 45° to the north. The water zone is along this fault and at the contact of the bottom of the Deseret Formation and the top of the Madison Formation a cross cut driven south through the fault encountered what appeared to be the white altered dolomite of the Deseret Formation. The projection of the 45° north dipping fault toward the surface would mark its location approximately 400 feet south of the 1630 level west workings. We feel that most of the water encountered recently on the 2005 level is along this structure and in the footwall to it. Therefore, it may be a reasonable assumption that this same water flow would not be encountered in the westerly advance of the 1630 level. There is no doubt that some water would be encountered in driving the 1630 level westerly; however, water encountered on this level can be economically pumped from the main 1630 level pumping station. We believe that this area above the 1630 can be drained of its water content, as the 800 level, 1380, 1505, 1630 and 1755 levels are not making water at this time. All of these levels have been driven west about the same distance as the 1630 level (note map).

A quartz diorite in the 800 level area has not been encountered in any of the lower levels and at this time does not represent a problem below the 1200 level.

I might add that we have no intention of abandoning the 2005 level and will continue exploration by cross cutting and drilling in the area now accessible. Although we have installed and closed the water door we are still draining the westerly area on the 2005 level through a controlled water valve, and over a period of time this controlled drainage system may drain the area to the west.

Should exploration on the 1630 level prove to be a success then New Park would be in a position to install additional pumping equipment, d rive the 2005 level, connect an air raise to the 1630 level and enter into a development program. It is quite obvious, however, that such a program would hinge on the quantity of water, water drainage time, grade, and metal prices.

Under the circumstances we still feel the proposed amendment is the proper approach, both operational and geology-wise, in reaching the westerly target area.

I sincerely hope this information will clarify the situation and result in approval to the proposed amendment. Should you have any further questions, or be in need of any additional inforna tion, please let us know and we will do whatever possible to comply.

Very truly yours,

NEW PARK MINING COMPANY

Gale A. Hansen
General Superintendent

GAH:jw

cc: Robert L. Cranmer
W. H. H. Cranmer
Carl D. Harper

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/18	Griswold	500
4/18	Talbot	800
4/18	[illegible]	130
4	Jameson	110
4/18	gad	220
		500

APR 18 1961

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: D MEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-21218

We have your memorandum of April 14 and we are pleased with your summation of results to date under the project. We have had very many lead-zinc projects in the general Utah area and it has been so seldom that we have encountered a favorable horizon with results that "are considered excellent." In view of your summation, we would indeed be most reluctant to run away from a promising geologic locale such as this, to gamble on an uncertainty.

We favor your idea of testing the area ahead of the present face, probably with a narrow diamond drill hole fan. Quite probably any heavy flows encountered could be drained off within a reasonable time period.

/s/ George O. Selfridge

WRGriswold/gla
4-18-61
cc to: Director's Reading File
Review Committee
Docket

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

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RECEIVED APR 17 1961

DATE	INITIALS	CODE
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April 14, 1961

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

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

Subject: DMEA 4981 (Lead-Zinc-Copper)
Contract Idm E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Reference is made to your memorandum of April 7, 1961 relative to a proposed change in levels for the subject project.

I have asked the Operator, in a letter dated April 10, 1961, to furnish most of the requested information. When the information is received, it will be forwarded immediately to you.

map folder

Two copies of the Operator's complete map of the 2005 level were forwarded you, March 29, 1961. The location of the water door is shown on the map.

The results of the exploration work to date are considered excellent. A total of 7 apparently separated orebodies have been discovered by the project, and have been partially developed at the Operator's expense by drifts, crosscuts and raises (Operator's map of 2005 level). The 7 ore bodies include one on the Pearl fissure that was recently intersected by 20-895 North crosscut and partially developed by 200 feet of drift. Ore reserves of the 7 deposits is tentatively estimated at 830 tons per foot of depth. The ore should contain about 4 percent lead, 5 percent zinc, 0.6 percent copper, and 0.1 ounce gold and 3 ounces silver a ton; the average grade of the 6954 tons produced through February 1961 from 5 of the 7 deposits. The tonnage estimate, based largely on information obtained during project inspections, as well as the grade estimate; is in line with the Operator's reserve estimate made prior to discovery and partial development of the Pearl fissure ore body. At that time the Operator estimated assured reserves between the 1880 and 2005 level at about 63,000 tons of ore similar in grade to to that of our estimate.

The safety factor of the installed water door, reportedly designed for a 250-pound-per square-inch pressure, may or may not be adequate. The absence of water inflow at the faces of most westerly levels above the 2005 level and the initial results of a gauging test of water pressure against the closed door would indicate the safety factor is adequate. According to information obtained at the property, a pressure of 145 pounds had been maintained for about 2 days while roughly 700 G.P.M. was being drawn off. On this basis, the door can be expected to safely hold back the water from what appears to be a weak fissure. However, It may not be strong enough to withstand pressures developed by stronger and more extensive water filled fissures which may be present in the West end of the project area. Consequently, from the standpoint of safety, the 2005 West drift should not be advanced until probing of the drift area with long-holes or diamond-drill holes indicates that very large flows of water will not be encountered.

The amount of water entering the 2005 level between the water door and the shaft has reportedly ranged from roughly 1000 to 4000 G.P.M. The larger flows, up to possibly 2000 G.P.M., were encountered by long-holes and persisted for periods ranging from a few hours to a few days. At the face of the West drift, flows up to 2000 G.P.M. were encountered on 2 occasions when attempts were made to advance the drift. These flows are said to have persisted for a few days.

Hugh M. Connors

TMR/lm

Building 20 - Federal Center
Denver 25, Colorado

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April 10, 1961

Mr. Gale A. Hansen
General Superintendent
New Park Mining Company
Keetley, Utah

Re: Docket No. DMEA-4981 (Lead-Zinc-Copper)
Contract Idm-E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Dear Gale:

This responds to a letter by Mr. Bob Archer, chief geologist and engineer, dated March 17, 1961, relative to proposed north and south crosscuts, long-hole and diamond drilling, and drifting from the crosscuts. As you know, maps showing the locations of the proposed work were not received by this office until March 29, 1961.

You are hereby advised that the contract does not provide for the proposed drifting.

Yours very truly,

Original signed by

High M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME (2)
Contract Corres E1218
Chron

Building 20 - Federal Center
Denver 25, Colorado

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April 10, 1961

AIR MAIL

Mr. Gale A. Hansen
General Superintendent
New Park Mining Company
Keetley, Utah

Re: DMEA 4981 (Lead-Zinc-Copper)
Contract Idm-E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah
Proposed Amendment, dated March 27, 1961, that outlines a new approach to the target area by drifting westerly on the 1630 level.

Dear Mr. Hansen:

I have a memorandum from our Washington office stating that they are not inclined to approve the subject proposed amendment before receiving additional information. Some of their comments and questions are as follows:

"We went into the project to test the Madison, Jefferson, Maxfield, and Ophir formations, which historically have a much better potential than the overlying Doughnut, Humbug, and Deseret formations. Work done so far on the 2005 level has demonstrated that it is a favorable horizon, whereas the 1630 level appears to be less favorable. We do not believe that the bottom contact of the diorite porphyry has been positively established.

"With regard to the 'flooding of the 2005 level,' it has been our understanding that the installed pumping capacity here is 5000 G.P.M. Please refer to the Operator's letter to Mr. Townsend of December 23, 1958, stating:

> 'The pump supplier furnished new bids indicating a 450 h. p. pump available to handle 2,500 g.p.m. at 500 feet with sufficient horsepower available to operate a larger pump for additional capacity if needed. The quote for this equipment is as follows: 2 Byron Jackson 16 inch - 2CXH - 5 stage, submersible pumps with starting equipment at $13,650.00, totalling $27,300.00. These pumps have been purchased for the project.'

"Obviously, it is difficult to plan on operating pumps for long periods at a hundred percent of installed capacity, but by full-time use of one pump and part-time use of another, it would seem possible to handle 4,000 G.P.M., which we are advised is the installed capacity at the 1630 level. The recently constructed water door should provide for flexibility.

"We also should know how much water the level makes when the water door is closed. What has been the effect on the water flow in the extreme westerly area of the 800 level, since the heavy water increase in the westerly 2005 level? What water testing has been done on the 2005 level via pressure gauging of the diamond drill holes showing heavy flows of high pressure water, and by other means, to estimate water expectancy should the 2005 level be continued as planned? Possibly additional holes should be drilled to make a test of the water flow and perhaps a bit more drifting ahead should be done. We feel that a pumping test of two or three weeks should be made before any decision is reached as to abandoning the 2005 level. What evidence is there that the same conditions would not be encountered on the 1630 level and that, therefore, work on this level would also have to be discontinued after it had advanced 400 to 500 feet? Obviously, if very large flows are encountered, and which will not drain down in a foreseeable period, the logical alternative would be for the company to deepen the Mayflower shaft, on its own account."

Your letter of March 21, 1961 intimates that later on you may wish to continue 2005 level work with OME funds. However, the OME criteria would not permit any such 2005 level work to follow after DMEA work on the 1630 level. Your attention is called particularly to the fact that under OME the exploration must be for new or unexplored deposits and the potential of the deposits must justify the cost.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

TMR/lm
cc: Chief, Division of Field Operations, OME (2)
Contract Corres E1218
Chron

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/7	Bussel	500
4/7	Talbert	800
4	Johnson	130
		110
4-10	gad	220
		500

APR 7 1961

AIR MAIL

Memorandum

To: Acting Field Officer, Region III

From: ACTING Chief, Division of Field Operations

Subject: DMEA-4981 (Lead-Zinc-Copper)
New Park Mining Company
Mayflower Mine
Wasatch County, Utah
Contract Idm-E1218

We have your memorandum of March 29, with the various enclosures, covering a proposed change in levels for the Mayflower project. We are not inclined to accede to the Operator's request. We went into the project to test the Madison, Jefferson, Maxfield, and Ophir formations, which historically have a much better potential than the overlying Doughnut, Humbug, and Deseret formations. Work done so far on the 2005 level has demonstrated that it is a favorable horizon, whereas the 1630 level appears to be less favorable. We do not believe that the bottom contact of the diorite porphyry has been positively established.

With regard to the "flooding of the 2005 level," it has been our understanding that the installed pumping capacity here is 5000 G.P.M. Please refer to the Operator's letter to Mr. Townsend of December 23, 1958, stating:

> "The pump supplier furnished new bids indicating a 450 h. p. pump available to handle 2,500 g.p.m. at 500 feet with sufficient horsepower available to operate a larger pump for additional capacity if needed. The quote for this equipment is as follows: 2 Byron Jackson 16 inch - 2CXH - 5 stage, submersible pumps with starting equipment at $13,650.00, totalling $27,300.00. These pumps have been purchased for the project."

Obviously, it is difficult to plan on operating pumps for long periods at a hundred percent of installed capacity, but by full-time use of one pump and part-time use of another, it would seem possible to handle 4,000 G.P.M., which we are advised is the installed capacity at the 1630 level. The recently constructed water door should provide for flexibility.

8623

We must withhold further consideration of the Operator's request until we receive a copy of a complete map of the 2005 level, as requested in your March 1st letter to the Operator. Please be sure this map shows the location of the main water door. We also should know how much water the level makes when the water door is closed. What has been the effect on the water flow in the extreme westerly area of the 800 level, since the heavy water increase in the westerly 2005 level? What water testing has been done on the 2005 level via pressure gauging of the diamond drill holes showing heavy flows of high pressure water, and by other means, to estimate water expectancy should the 2005 level be continued as planned? Possibly additional holes should be drilled to make a test of the water flow and perhaps a bit more drifting ahead should be done. We feel that a pumping test of two or three weeks should be made before any decision is reached as to abandoning the 2005 level. What evidence is there that the same conditions would not be encountered on the 1630 level and that, therefore, work on this level would also have to be discontinued after it had advanced 400 to 500 feet? Obviously, if very large flows are encountered, and which will not drain down in a foreseeable period, the logical alternative would be for the ,company to deepen the Mayflower shaft, on its own account.

Kindly get us the information as soon as possible, since we must hold everything in status quo meanwhile. Please furnish us with an estimation of the results of the exploration work to date. An estimate of the ore discovered should be included. Also, please let us have your further comments. What is your thought concerning the safety factor in the recently installed water door, which the Operator (narrative of January 10, 1961) states is designed for a 250-pound-per-square-inch pressure, about a 577-foot head. We understand that heavy water flows were encountered in the westerly area of the 800 level, which might indicate that such a 2005 level door would be far from adequate.

Mr. Gale A. Hansen, in his letter to you of March 21, intimates that later on they may wish to continue 2005 level work with OME funds. However, the OME criteria would not permit any such 2005 level work to follow after DMEA work on the 1630 level. Your attention is called particularly to the fact that under OME the exploration must be for new or unexplored deposits and the potential of the deposits must justify the cost.

/s/ W. R. Griswold

WRGriswold/gla
4-7-61
cc to: Director's Reading File
Review Committee
Docket

(5-4-6)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 7 1961

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		500

April 6, 1961

AIR MAIL

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

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

Subject: Docket No. DMEA-4981 (Lead-Zinc-Copper)
Contract No. Idm E1218
New Park Mining Company
(Mayflower mine)
Wasatch County, Utah
Proposed Amendment

Mr. Romslo has just returned from his monthly inspection trip to Utah and states that the Operator would like to know if his request for an Amendment to do exploration work on the 1630 level will be granted.

If he is certain that the Amendment will be forthcoming he will, on his own account, do some rehabilitation on the 1630 level and extend the level about 60 feet in a southwesterly direction to the DMEA boundary line.

Will you please advise.

Hugh M. Connors

Hugh M. Connors

Region III
Advised 4/7/60 Airmail

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 3 1961

DATE	INITIALS	CODE
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March 29, 1961

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

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

Subject: Docket No. DMEA-4981 (Lead-Zinc-Copper)
Contract No. Idm E1218
New Park Mining Company
(Mayflower mine)
Wasatch County, Utah
Proposed Amendment

Attached are the original and one copy of the following:

(1) Letter from Gale A. Hansen dated March 20, 1961
(2) Letter from Gale A. Hansen dated March 21, 1961
(3) Letter from Gale A. Hansen dated March 27, 1961
(4) Map D of the 1630 Level
(5) Copy of memorandum from T. M. Romslo dated March 29, 1961.

You will note in Mr. Hansen's letter of March 20, 1961 that he believes this work on the 1630 Level can be completed before the expiration date of the contract. I believe the proposed work is the best choice we have left after the flooding of the 2005 Level.

I recommend approval of the requested Amendment and if you concur will you please prepare the Amendment.

Hugh M. Connors

Hugh M. Connors

Attachments

NEW PARK MINING COMPANY

KEETLEY, UTAH

SALT LAKE CITY OFFICE
904 WALKER BANK BUILDING

March 20, 1961

OME
DEPARTMENT OF THE INTERIOR
MAR 22 1961
REGION III
DENVER, COLORADO
O. M. E

OFFICIAL FILE COPY

RECEIVED APR 3 1961

DATE	INITIALS	CODE

Hugh M. Connors, Acting Field Officer
OME, Region III
Building 20, Federal Center
Denver 25, Colorado

Re: DMEA Docket No. 4981,
Contract No. D-1218

Dear Mr. Connors:

After completion of our water door installation on the 2005 level of the Mayflower Mine, drifting westerly was again undertaken. An advance of a round and a half was made and an additional ground water flow was encountered. This additional flow increased the 2005 level water to approximately 2,600 gallons per minute, and at this time we have reached our pumping capacity on the 2005 level. It is quite apparent that any additional westward advance on this level would at this time continue to increase our water flow, and certainly jeopardize the Mayflower Mine by flooding. In order to continue the westward advance additional power and pumping facilities would have to be installed.

New Park Mining Company is still very enthusiastic about continuing this exploration work westerly for 1,800 feet to the first target area. This area is the downward projection of the ore shoot that was encountered on the Star Tunnel levels and the 801-A Galena Tunnel level (please refer to the original DMEA proposal).

Our geologists and engineers are convinced that this westward advance should now be stopped on the 2005 level and the exploration contract be amended to allow the exploration work to continue westerly 1,800 feet from the west end of the 1630 level. We are confident that this exploration project can continue west from this level

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MAR 22 1961
REGION III
DENVER, COLORADO

and quite thoroughly explore, by cross cutting and drilling, the downward projection of these ore shoots. Any additional water flow that is encountered from this level can be economically pumped from the main 1630 level pumping station. Pumping capacity on this level is now installed at 4,000 gallons per minute. The 1630 level is in good condition and will serve very well as a haulage adit. Please note the location on the map recently sent you of the 1630 level in relation to the 2005 level. You will note that the 2005 level is only 400 feet further west than the 1630 level.

Our engineers feel that with an all out effort this work can be completed during the next eight months. This would require an advance of approximately 300 feet per month. The diamond drilling and long hole drilling will be completed as the drift advances west. Exploration in the north and south cross cuts on the 2005 level will continue as scheduled, along with the long hole and diamond drilling. An ore discovery on the western extensions of the 1630 level in the Deseret or Madison Limestone Formation would mean a new mine for the Park City District. After the 2005 level has been drilled it could be driven westerly under the 1630 level. A connecting raise would complete a ventillation system and development work could be started. In order to complete this project under our DMEA CONTRACT we are requesting an amendment that will allow the exploration work to continue from the 1630 level. This would require approximately 1,800 feet of drifting and 1,000 feet of cross cutting and drill station installations. Due to the excellent geologic potential and the importance of this project we would appreciate your fullest consideration towards this amendment.

Sincerely yours,

NEW PARK MINING COMPANY

Gale A. Hansen

Gale A. Hansen
General Superintendent

GAH:jw
cc: Robert L. Cranmer
Clark L. Wilson
Carl D. Harper

NEW PARK MINING COMPANY

KEETLEY, UTAH

SALT LAKE CITY OFFICE
904 WALKER BANK BUILDING

March 21, 1961

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DEPARTMENT OF THE INTERIOR
MAR 22 1961
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REGION III
DENVER, COLORADO
RECEIVED APR 3 1961

DATE	INITIALS	CODE

Hugh M. Connors, Acting Field Officer
OME, Region III
Building 20, Federal Center
Denver 25, Colorado

Re: Docket No. 4981
Contract No. D-1218

Dear Mr. Connors:

I have talked over the future of our DMEA program with our Company officers in regard to the possibility of entering into a contract under OME. New Park is indeed interested in continuing this exploration along with the office of DMEA or OME. However, it would be necessary to have action from New Park's Board of Directors before we could continue the 2000 level project under OME funds. Also, this would require negotiations with other property owners that are involved.

This situation will then require a certain amount of time, and as time is of the essence here we would like very much to continue our westerly exploration by an amendment to our DMEA Contract that would allow the work to continue on the 1630 level. If this is at all possible, then New Park would have the necessary time during the next eight months to make applications and continue to work under OME funds.

Int the event that the westerly exploration should prove to be unsuccessful because of an igneous intrusion or some other unfavorable geologic reason, it will be necessary for New Park to sink the Mayflower shaft an additional 200 feet in order to maintain ore reserves. All in all, the whole economic structure of our exploration work is a matter

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DEPARTMENT OF THE INTERIOR
MAR 22 1961
REGION III
DENVER, COLORADO

of timing, and we sincerely feel that a time lag in converting over to OME funds at this time would not be in our best interests. Therefore, we would appreciate very much any influence your office may have that would bring about a favorable amendment to our present DMEA contract.

I might add that our geologists have just completed the necessary mapping, etc., for another exploration program that will be undertaken above the water zone from the 800 level of the Mayflower Mine. This project would involve about 2,500 feet of drifting northerly ~~to~~ under the Humbug Formation towards the quartz monzonite intrusive. There are several large fissures in this area that are mineral producers and have produced ore farther to the west. The top of the Deseret Limestone just under the Humbug Formation has been proven as an excellent host rock in the Mayflower Mine and the United Park City Mine, and where intersected by these fissures we would expect to find an ore body. Geologically the program looks very good, and I am sure it would meet the requirements for OME participation. The program does involve some property negotiations and finance problems that are now being worked out. However, it should be ready for an OME application by mid-summer or fall. I am quite sure your office would agree to the geologic potential of this program.

Thanking you for your prompt attention to this matter, I am

Sincerely yours,

NEW PARK MINING COMPANY

Gale A. Hansen

Gale A. Hansen
General Superintendent

GAH:jw
cc: W. H. H. Cranmer
Robert L. Cranmer
Clark L. Wilson
Carl D. Harper

Ame

NEW PARK MINING COMPANY

KEETLEY, UTAH

SALT LAKE CITY OFFICE
904 WALKER BANK BUILDING

March 27, 1961

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OFFICIAL FILE COPY
MAR 28 1961
O. M. E
RECEIVED
APR 3 1961
DENVER, COLORADO

DATE	INITIALS	CODE

Hugh M. Connors, Acting Field Officer
OME, Region III
Building 20, Federal Center
Denver 25, Colorado

Re: DMEA Docket No. 4981
Contract No. D-1218

Dear Mr. Connors:

Enclosed please find three (3) map copies of the proposed amendment to our 2005 level DMEA project, that outlines a new approach to the target area by drifting westerly on the 1630 level.

The primary objective of the 2005 level DMEA project is to reach a strongly mineralized fissure zone that was encountered at the Star Tunnel level and in the west end of the Mayflower 800 level. The fissure zone was in a quartz diorite on the 800 level and did not contain commercial grade ore in this unfavorable igneous rock. There is strong evidence that the quartz diorite (sill-like in deposition) bottoms about 200 feet below the 800 level, and that sediments favorable to ore depositions exist below this point. The 2005 project was to explore the mineralized fissure zone in the sediments about 4,000 feet southwest of the Mayflower shaft. Because of an excessive flow of ground water beyond our installed pumping capacity on the 2005 level, it will be necessary to alter our approach to the target area. This same objective can be reached by extending the 1630 level to the southwest. what?

Exploration of the main target zone on the 1630 level will require drifting westerly about 1,800 feet from the present face and cross cutting approximately 500 feet south and 500 feet north from the end of the drift.

The project will also require about 5,000 feet of diamond drilling and 11,000 feet of long hole percussion drilling. Several diamond drill holes should be drilled from the end of these cross cuts in a west, ?

OME
DEPARTMENT OF THE INTERIOR
MAR 28 1961
REGION III
DENVER, COLORADO

north and south direction (note enclosed map). Additional diamond drill holes should be based on geologic information obtained from drilling and the drift and cross cuts.

Long hole percussion drill stations will be established every 300 feet in the drift and holes drilled north and south to probe the favorable fissure intersections.

It has been our past experience throughout the mine and on the 2005 level DMEA project that drill holes can best be located on the basis of geologic information obtained and added to as the work progresses. Because of this, we feel that a rigid drilling program should not be outlined in advance, and that flexibility should be allowed in selecting drill hole locations.

One factor that makes the 1630 level project inviting is that the drift will reach the target area just under the Deseret-Madison Contact. We have always considered that this should be a very favorable horizon for ore deposition, and should make the chances of finding ore just as good as they were on the 2005 level project.

The current calculated costs incorporated in our DMEA contract can be used for the 1630 level project under the proposed amendment. Operational experience indicates that costs for the proposed work on the 1630 level will be comparable with the costs experienced on the 2005 level. All phases of the project are under very similar conditions and costs for the project should remain the same. The 1630 level exploration program will require the installation of a power line for ventillation, some water ditch preparation, and clean-up of approximately 400 feet of drift. All other facilities, including shaft pockets, pumps, air and water lines are installed and in operational condition. This program can be started immediately.

Very truly yours,

NEW PARK MINING COMPANY

Gale A. Hansen
General Superintendent

GAH:jw
Encl.
cc: W. H. H. Cranmer Carl D. Harper
Robert L. Cranmer

Official

EXTRA COPY
O. M. E
RECEIVED APR 1961
DATE CODE

Building 20 - Federal Center
Denver 25, Colorado

March 29, 1961

Memorandum

To: Hugh M. Connors, Acting Field Officer, OME, Region III

From: T. M. Romslo

Subject: Docket No. DMEA-4981 (Lead-Zinc-Copper)
Contract No. Idm E1218
New Park Mining Company
(Mayflower mine)
Wasatch County, Utah
Proposed Amendment

In Mr. Gale A. Hansen's letter dated March 17, 1961, the Operator requests that the contract be amended to provide for exploring the western end of the project area from the 1630 level. Operational experience has indicated that the costs of the proposed work will be the same as the costs now allowed. Further reference to the proposed work is contained in the Operator's letters dated March 20, 1961 and March 21, 1961.

The request is recommended for approval for the following reasons:

1. The West 2005 drift cannot be continued because the water inflow, mainly at the face of the drift, now exceeds the installed pumping capacity on the 2005 level.

2. The primary objective of the project has not been changed.

Mr. Hansen has informed us orally that present exploration on the 2005 level, crosscutting and drilling to the north and south of the drift, will be continued. Closing the water door installed near the face of the 2005 level has decreased the water inflow to an amount well below the capacity of the pumps on the 2005 level.

Original signed by

T. M. Romslo

TMR/lm

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

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March 29, 1961

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

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

Subject: Docket DMEA-4981 (Lead-Zinc-Copper)
Contract Idm E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Enclosed are two copies of the 2005 level geology map, which we requested from the Operator early in March.

The maps were delayed in the mail and were not received until March 28, 1961.

Also enclosed are copies of Bob Archer's letter dated March 17, 1961.

Hugh M. Connors

Hugh M. Connors

Attachments

2 maps in folder #4

sent to Mr. Kirkemo
USGS 4/3/61

OME
DEPARTMENT OF THE INTERIOR
MAR 20 1961
REGION III
DENVER, COLORADO

Mr. Hugh M. Conners
Acting Field Officer
O.M.E. Region III
Building 20, Federal Center
Denver 25, Colorado

March 17, 1961

Re: Docket No. DMEA 4981 Contract E-1818

Dear Sir:

As requested, we are sending you three copies of the 2005 Level geology map showing our proposed north and south crosscuts and our proposed long hole and diamond drilling. We also propose to drift eastward on the Pearl Fissure from the 20-895 N. Crosscut to the eastern boundary of the DMEA project. We also propose to drift along any promising fissures that are encountered in the 20-784 S. Crosscut, but will wait until the crosscut is completed in order to determine the best locations for drifting and long hole drilling from the crosscut.

The north and south crosscuts and the drill holes that are completed or are now being drilled are shown on the map in ink. Proposed long hole percussion holes and diamond drill holes are penciled in. These holes will be supplemented by further drilling if initial results are favorable.

Yours truly,

Bob Archer,
Chief Geologist & Engineer

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RECEIVED MAR 27 1961

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Building 20 - Federal Center
Denver 25, Colorado

March 24, 1961

AIR MAIL

Mr. Gale A. Hansen
General Superintendent
New Park Mining Company
Kretley, Utah

Re: DMEA-4981 (Lead-Zinc-Copper)
Contract Idm E1218
New Park Mining Company
(Mayflower Mine)
Wasatch County, Utah

Dear Mr. Hansen:

A thorough search has been made here for the maps you mailed to us on March 17, 1961.

I suggest that you forward us a new set of maps which will accompany your letters of March 20 and March 21, 1961 for the proposed Amendment to the Contract.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
Contract Corres. E1218
Chron

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Building 20 - Federal Center
Denver 25, Colorado

March 1, 1961

Mr. Gale A. Hansen
General Superintendent
New Park Mining Company
Keetley, Utah

Re: Docket No. IMEA 4981 (Lead-Zinc-Copper)
Contract No. Idm E1218
(Mayflower Mine)
Wasatch County, Utah

Dear Gale:

Please furnish this office with three copies of your geologic map of the 2005 west level. The map will provide us with an over-all picture of the project area, and will facilitate checking locations of present and future explorations to the north and south of 2005 drift.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

TMR/lm
cc: Chief, Division of Field Operations, OME
E1218
Chron

Building 20 - Federal Center
Denver 25, Colorado

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February 14, 1961

Robert L. Cranmer
Executive Vice President
New Park Mining Company
904 Walker Bank Building
Salt Lake City, Utah

Re: Docket No. DMRA-4981 (Lead-Zinc-Copper)
Contract No. Idm-E1218
(Mayflower Mine)
Wasatch County, Utah

Dear Mr. Cranmer:

Reference is made to the statements in your December 1960 Progress Report relative to a time extension of the captioned contract.

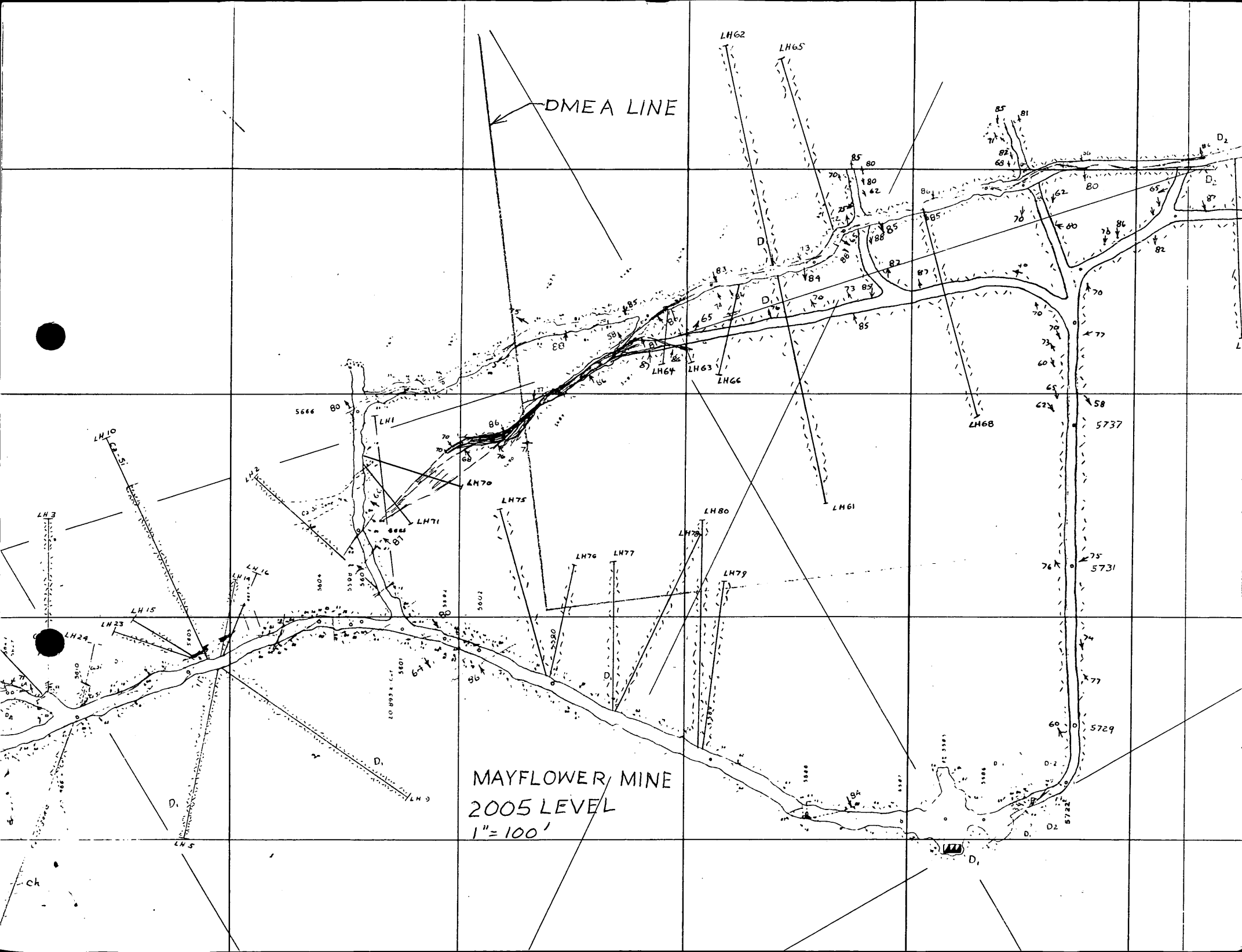
Upon receipt of a letter from you requesting consideration of this matter, I will be pleased to forward it to our Washington Office for their reply.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

TMR/lm
cc: Chief, Division of Field Operations, OME
Contract Corres E1218
Chron


DMEA LINE
MAYFLOWER MINE
2005 LEVEL
1" = 100'
LH62
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LH1
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LH71
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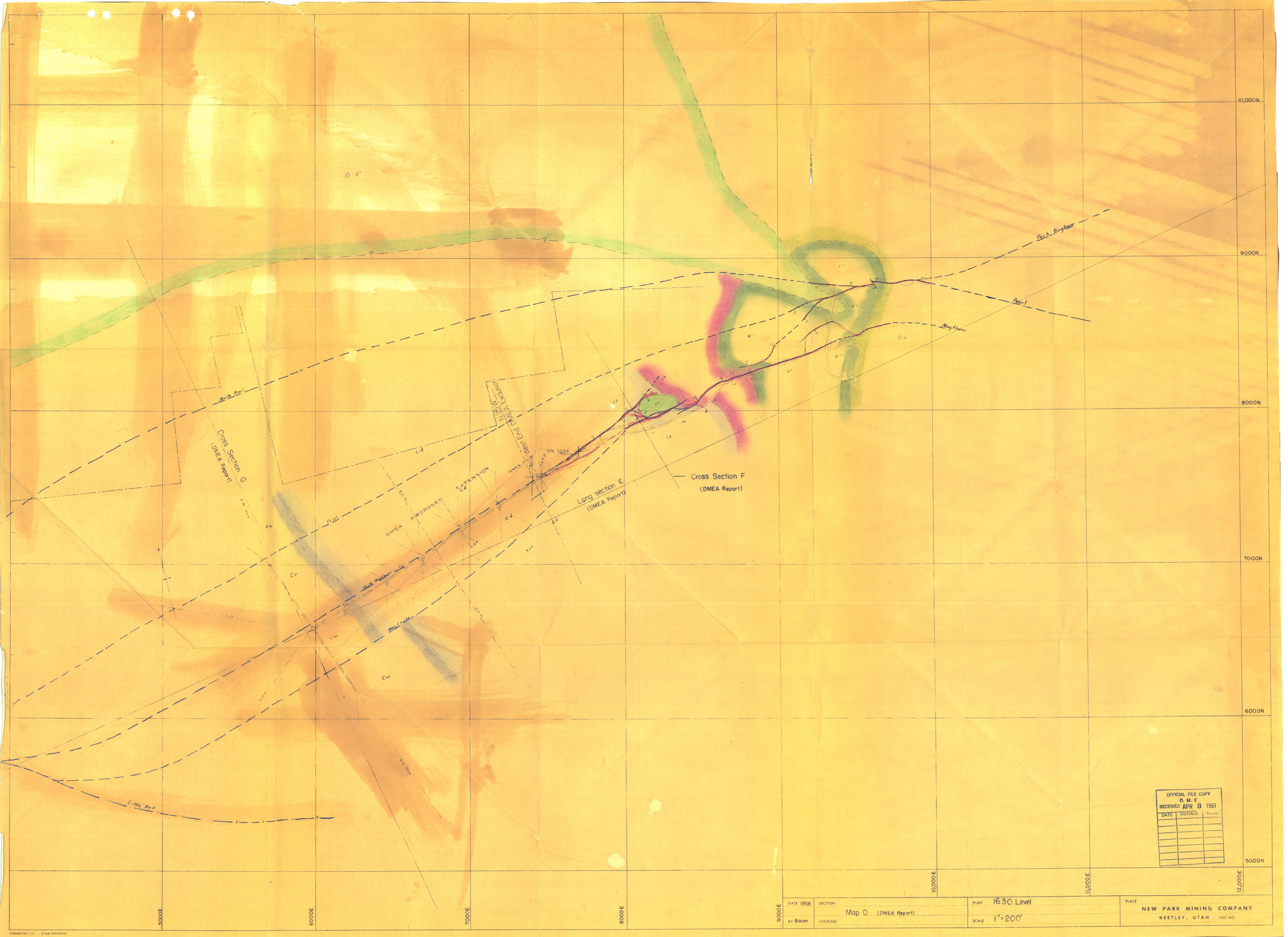
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D-5
Park Bingham
Pearl
May flower
North Pearl
Cross Section G
(DMEA Report)
West End DMEA Extension
N 25 W
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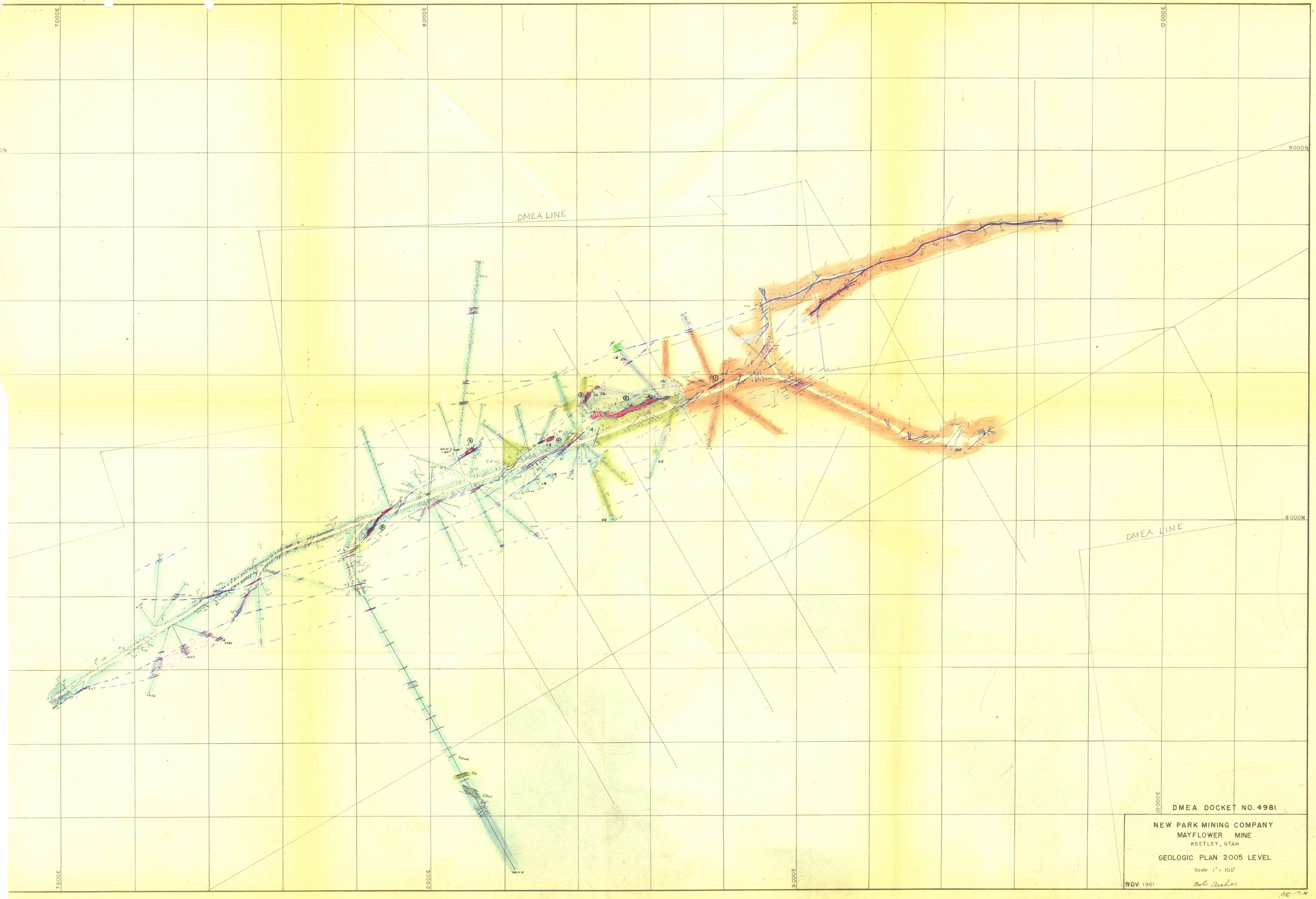
DMEA PROPOSED EXTENSION
Long section E
(DMEA Report)
Cross Section F
(DMEA Report)
North May flower
May flower
Little Bell
Cd
Cm
D-1
D-2
OFFICIAL FILE COPY
O. M. E
RECEIVED APR 3 1961
DATE INITIALS
DATE 1958
BY Bauer
SECTION
Map D (DMEA Report)
LOOKING
PLAN 1630 Level
SCALE 1"=200'
PLACE
NEW PARK MINING COMPANY
KEETLEY, UTAH
FILE NO.
PEMBROKE CO. · Z166 PHOENIX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DMEA DOCKET NO. 4981
NEW PARK MINING COMPANY
MAYFLOWER MINE
KEETLEY, UTAH
GEOLOGIC PLAN 2005 LEVEL
Scale 1" = 100'
NOV 1961
Bob Archer
AR-17-K