DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Roland F. Beers, Inc.
P. O. Box 1019
Troy, New York

pertaining to Exploration Project Contract No. Idm-E1013, DMEA No. 4393, for the months of October 1956 to January 1957, inclusive, covering a project for the exploration of copper and zinc on property, known as the New Canton Project located in the Marshall District of Buckingham County, Virginia.

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

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

(a) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible further disallowances thereunder;
(b) the Monthly Reports were supported by documentary proof of that portion ($7,612.60) of the costs incurred for work performed at unit rates under independent contract; and
(c) the balance ($2,032.36) of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of work actually performed.

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

Total cost as billed by Contractor		$9,648.11
Exceptions (schedule attached):		
Prior to this review	$ -0-	
Herewith	3.15	3.15
Total Accepted Cost		$9,644.96

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Four thousand eight hundred twenty-two and 48/100 Dollars

$4,822.48

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

E. D. Talbert

April 1, 1957

E. D. Talbert, Auditor

SCHEDULE OF EXCEPTIONS

Idm-E1013 Roland F. Beers, Inc. DMEA-4393

Difference between claimed costs ($211.75) for 35 "assays", at actual costs not in excess of $8.00 an assay, and allowable costs ($208.00) for 26 "samples", at the contractual fixed unit cost of $8.00 a sample..... $3.75

Difference between Field Team disallowance ($6.60) in October 1956 MF-104 for 2 feet of BX drilling @ $3.30 a foot in excess of contract estimate of 60 feet for the item and proper disallowance ($6.00) for 2 feet of AX drilling (the bottoming size) in excess of contract maximum of 1050 feet for Stage I drilling..... -.60

Net Total..... $3.15

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 29 1957

DATE	INITIALS	CODE
4/1	C	220
		800

March 28, 1957

Memorandum

To: Jay L. Chambers, Chief, Contract Administration and Audit Division, DMEA

From: DMEA Field Team, Region V - Knoxville, Tennessee

Subject: Docket No. DMEA-4393, Roland Beers Inc., Buckinghan County, Va., Contract No. Idm. E-1013.

The question of how the Operator should be paid for sampling performed under the referenced contract depends on the interpretation of terms of the contract.

During the operation of this contract 26 samples were taken for assaying. If the Operator is entitled to be paid for only one assay for each sample, then he should be paid only $208.00. However, 43 assays were made of the 26 samples. The 43 assays include check or duplicate assays made by different laboratories.

The Operator claimed costs for the maximum of 35 assays at the actual cost of $211.75. In view of the wide variation in the assay results, especially samples 209, 210, 213, 214, and 215, we think the check-assays were justified and would recommend accepting all 35 assays if the language of the contract permits it. However, the total number of samples taken for assaying is only 26. To state it another way, 26 samples were taken from the core boxes but 43 samples were sent to the laboratories.

In regard to footage drilled under Stage I of the contract, we agree that the entire 32 feet of drilling in excess of the 1050 specified in the contract should be disallowed as AX drilling, and a total of 62 feet of BX should be accepted.

Robert A. Laurence
Robert A. Laurence
Executive Officer, DMEA
Region V

W. A. Beck
W. A. Beck, for V. J. Lynch
Member, Bureau of Mines

RAL/as
cc
Opr. Com. 2
Finance Office
Millar
Lynch
Files

MAR 25 1957

Mr. Robert A. Laurence
Executive Officer
DMA Field Team, Region V
Room 13, Post Office Building
Knoxville 2, Tennessee

Re: Docket No. DMA-4393 (Copper-Zinc)
Roland F. Beers, Inc.
New Canton Area
Buckingham County, Virginia
Contract No. Idm-F1013

Dear Mr. Laurence:

Your memorandum to me under date of March 20, 1957, advises that the work acceptably performed by the referenced Operator included the taking for analyses of 15 samples under Stage I and 20 samples under Stage II, or a total of 35 samples. However, the Operator's final geological and engineering report indicates that a total of only 26 samples (excluding 1 sample not applicable to the contract work) were taken.

Although the contract provides for the Government to contribute to the costs of assaying not more than 35 samples on a basis of a fixed unit cost (regardless of costs incurred by the Operator) of $8.00 a sample, the Forms MF-104 claimed costs on the basis of actual costs not in excess of $8.00 an assay for a maximum of 35 assays. The Operator's actual costs and his claimed costs for the assays applicable to the 26 samples specified in his final narrative were as follows:

Actual Costs				Claimed Costs			
7	assays @	$12.50	$87.50	7	assays @	$8.00	$56.00
7	assays @	7.25	50.75	7	" @	7.25	50.75
22	" @	5.00	110.00	21	" @	5.00	105.00
7	" @	4.50	31.50	0	" @	4.50	-0-
43			$279.75	35			$211.75

If 35 samples were taken for analyses as stated in your memorandum, then the acceptable costs for such analyses would be $280.00 instead of the $211.75 claimed on the forms MF-104. On the other hand if only 26 samples were taken for analysis, the acceptable costs would be only $208.00.

Under the circumstances your reaffirmation of the number of samples taken for analyses would be appreciated prior to the preparation of a Report of Review in lieu of a final audit.

Your memorandum of March 20, 1957, also indicates that approved drilling under Stage I consisted of 60 feet of overburden, 60 feet of BX size, and 930 feet of AX size. Both the Operator's October 1956 form MF-104 and Longyear's invoice No. 105651 specify that 60 feet of overburden, 62 feet of BX, and 960 feet of AX drilling were performed. The Certifying Officer's letter of December 11, 1956, to the Operator indicates that 2 feet of BX drilling was disallowed, because it was in excess of the contract estimate of 60 feet, and 30 of AX drilling was disallowed, because it was in excess of the contract maximum total of 1,050 feet for Stage I.

As the estimated footage for the several sizes were not maximums and only the total footage for the stage was a maximum under the contract, it appears that the entire 32 feet in excess of the 1,050 feet properly should be disallowed as AX drilling, which was the bottoming size.

Your comments of the acceptable drilling footage would be appreciated.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
March 25, 1957

Copy to: Docket
Admr. Reading File
Helen R. Miller
Mr. Chambers
Mr. Talbert

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 22 1957

DATE	INITIALS	CODE
3/22	C	220
		800

March 20, 1957

To: Jay L. Chambers, Chief Contract Administration and Audit Division

From: Acting Executive Officer, DMEA - Region V

Subject: Completion of DMEA-4393, Idm-E1013 (copper-zinc) Roland Beers Inc., Buckingham County, Virginia

Work on the subject contract has been stopped pending approval of request to terminate.

The following units of work have been acceptably performed, as verified by our field examiners:

Stage I. Diamond drilling:

Overburden ---	60 feet
BX size	60 feet
AX size	930 feet
Total	1050 feet

15 samples were taken for analyses.

Stage II - Diamond drilling:

Overburden	97 feet
BX size	20 feet
AX size	1279 feet
Total	1396 feet

20 samples were taken for analyses

An adequate final geological and engineering report has been received. The Operator's final voucher hasbeen approved and forwarded to the Finance Office for payment.

V. J. Lynch

MAR - 6 1957

Mrs. Helen R. Miller
Administrative Assistant
Bureau of Mines, Region V
P. O. Box 217
Morris, Tennessee

Re: Docket No. DMEA-4393 (Copper-Zinc)
Roland F. Beers, Inc.
New Canton Area
Buckingham County, Virginia
Contract No. Idm-F1013

Dear Mrs. Miller:

Returned herewith is your file of original documents, applicable to the referenced project, which you forwarded with your memorandum of March 1, 1957, requesting a Report of Review in lieu of a final audit.

The records on this project have been reviewed and a report has been drafted, but the release thereof is being held in abeyance pending the receipt from the Executive Officer of the communication required by my memorandum of January 9, 1957, addressed to all DMEA Auditors, subject: Instructions on the Release of Audits and Reports of Review, which was promulgated to the Executive Officer by the Operating Committee's letter of January 17. A copy of this letter is being sent to the Executive Officer as a request for the required communication.

The review of this project indicates the following audit exceptions to be in order:

(a) Difference between claimed costs ($211.75) for 35 "assays", at actual costs not in excess of $8.00 an assay, and allowable costs ($208.00) for 26 "samples", at the contractual fixed unit cost of $8.00 a sample.....$3.75

(b) Difference between Field Team disallowance ($6.60) in October 1956 MF-104 for 2 feet of RX drilling @$3.30 a foot in excess of contract estimate of 60 feet for the item and proper disallowance ($6.00) for 2 feet of AX drilling (the bottoming size) in excess of contract maximum of 1050 feet for Stage I drilling..... -.60
Net Total..... $3.15

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

HDTalbert/wb 3-6-57

Copy to: Docket
Admr. Reading File
Mr. Lawrence, Region V
Mr. Chambers
Mr. Griswold
Mr. Talbert

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION V

ELECTROTECHNICAL
EXPERIMENT STATION

P. O. BOX 217
NORRIS, TENNESSEE

March 1, 1957

Memorandum

To: Jay L. Chambers, Chief, Contract Administration and Audit Division, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Administrative Assistant, Electrotechnical Experiment Station, Norris, Tennessee

Subject: Request for Report of Review in lieu of final audit - Docket No. DMEA-4393, Contract Idm-E1013, Roland F. Beers, Inc.

We are enclosing the original documents covering contract Idm-E1013, Docket No. DMEA-4393, Roland F. Beers, Inc., requesting a Report of Review in lieu of final audit.

All claimed costs have been documented and are enclosed herewith.

Helen Miller
Helen R. Miller

Attachments
/hbm
Copies to R. A. Laurence
V. J. Lynch
Norris files
Day files

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 4 1957

DATE	INITIALS	CODE
3/5	C	220
		800

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID VOUCHER & SCHEDULE OF PAYMENTS K- 62

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January, 1957 Docket No. DMEA 4393 Contract Idm-E1013

Operator's Name Roland F. Beers, Inc. Minerals Copper-Zinc

Address 447 Pinewoods Ave. (P.O. Box 1019) Troy, N.Y.

Contract Amount, $ 10,337.00 Government Participation: 50 % Amount, $ 5,168.50

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contractors:						
Drilling Diamond	-	$7362.00	$7362.00	0.60		7362.60
Bulldozing						
Crosscutting						
Drifting						
Incidental allowance	-	1824.36	1824.36			1824.36
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes Assaying	155.75	56.00	211.75	152.00		208.00
Liability Insurance						
Moving in Equipment	-	125.00	125.00			125.00
Demobilization in personal and equip.	125.00	-	125.00	125.00		125.00
(8) Contingencies (specify):						
TOTALS	280.75	9367.36	9648.11	~~280.75~~ 277.60	9367.36	~~9648.11~~ 9644.96

RECEIVED APR 15 1957 D.M.E.A.

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

Date Feb. 15, 1957 Payee Roland F. Beers, Inc.

Per Marion L. Hunzike Title Assistant Secretary and Treasurer

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: $ 138.80 ~~140.38~~

Signature Helen R. Miller (Authorized Certifying Officer)

Date APR 11 1957 Vou. No. 168

(See other side)

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

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

(Instructions on reverse)

4 & 7

140.38

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-1013 in accordance with the terms of the contract.

Signature J. Lynch Title MINING ENGINEER U. S. BUREAU OF MINES Date FEB 27 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawson Title EXECUTIVE OFFICER DMEA REGION V Date FEB 27 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1957 Docket No. DMEA 4393 Contract No. Idm-E 1013

Operator's Name Roland F. Beers, Inc. Minerals Copper-Zinc

Address 447 Pinewoods Ave. (P. O. Box 1019) Troy, N.Y. $5166.50

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting Demobilization of								
Crosscutting equipment	-	$125.00	-	$125.00	-	$125.00	-	$125.00
Raising								
~~Shafts~~ Assays	each	155.75	28	211.75	35	6.05		8.00
Winzes								
Drilling: ~~Core~~ ~~Overburden~~	foot	-	-	471.00	157	3.00		3.00
Core ~~Churn~~ ~~BX~~	foot	-	-	264.00	80	3.30		3.30
CORE Auger AX	foot	-	-	6627.00	2209	3.00		3.00
~~Stripping~~ Incidental								
~~Trenching~~ Allowance	foot	-	-	903.00	1050	0.86		0.86
~~Test Pits~~ Incidental								
~~Roads and Trails~~ Allowance	foot	-	-	921.36	1396	0.66		0.66
Moving in equipment				125.00	-	125.00	-	125.00
Total Distributed Costs		280.75		9648.11				Total Costs Authorized by Contract
Operating Equipment Purchased		NONE	NONE	NONE				
Initial Rehabilitation and Repairs		NONE	NONE	NONE				NONE
New Buildings, Improvements, etc.		NONE	NONE	NONE				
Total Costs		280.75		9648.11				10,337.00

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

Date Feb. 15, 1957 Operator Roland F. Beers, Inc.

Per Marion L. Hunzike Title Assistant Secretary and Treasurer

Remarks:

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

(Instructions on reverse)

(For Government use only)

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

V. J. Lynch
MINING ENGINEER
U. S. BUREAU OF MINES

INSTRUCTIONS

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

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

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

GPO 872894

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1, POST OFFICE BLDG.
KNOXVILLE 2, TENNESSEE

OFFICIAL FILE COPY
DMEA
RECEIVED APR 15 1957

DATE	INITIALS	CODE

February 28, 1957

Memorandum

To: Finance Officer, Region V 9DMEA)

From: DMEA Field Team, Region V - Knoxville, Tennessee

Subject: DMEA-4393, Idm-E1013(copper-zinc) Roland F. Beers, Inc. New Canton Area, Buckingham County, Va.

Enclosed is the final voucher on the subject contract for which termination has been requested.

The Operator's final Engineering and Geologic report has been received. The last drilling was done December 27, 1956, but allowable expenses for assaying and demobilization are presented on the January voucher.

No narrative was submitted for January, as the assay results are incorporated in the final geologic report which arrived in the same mail. Therefore, we are waiving the requirement for a narrative report with this voucher.

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/sm
cc
Millar
Finance Officer
Lynch
Files
Opr. Com.

V. J. Lynch, Member
Bureau of Mines

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS No. 44

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1956 Docket No. DMEA 4393 Contract No. Ice-2013
Operator's Name Roland F. Deere, Inc. Minerals Copper-Zinc
Address 447 Pinewood Ave. (P.O. Box 1319) Troy, N.Y.
Contract Amount, $ 10,337.00 Government Participation: 50% Amount, $ 5160.50

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent ~~Short Form~~ Contracts:						
Drilling Diamond	2,227.60	5,134.80	7,362.00			
Bulldozing						
Crosscutting						
Drifting						
Incidental allowance	499.72	1,324.64	1,824.36			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Moving in equipment	-	125.00	125.00			
Hauling	56.00	-	56.00			
(8) Contingencies (specify):						
TOTALS	2,773.52	6,593.84	9,367.36	2773.52	6593.84	9367.36

RECEIVED FEB 8 1957 D.M.E.A.

RECEIVED FEB 8 1957 D.M.E.A.

I certify that the above bill is correct and just and that payment therefor has not been received.
Date January 11, 1957 Payee Roland F. Deere, Inc.
Per Marion L. Hunzber Title Assistant Treasurer*

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 1386.76
Signature Helen R. Mellin (Authorized Certifying Officer)
Date FEB 6 Vou. No. 20
(See other side)

3

1386.76.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 1013 in accordance with the terms of the contract.

Signature H. L. Burmeister Title Mining Engr. Date 1/24/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature N. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA - REGION V Date JAN 28 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED FEB 8 1957 D.M.E.A.

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

Month of December 1956 Docket No. DMEA 4393 Contract No. Idm-E1013
Operator's Name Roland F. Beers, Inc. Minerals Copper-Zinc
Address 447 Hinewood Ave. (P.O. Box 1019) Troy, N. Y.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Assays	each	56.00	7	656.00	7	8.00		8.00
Winzes								
Drilling: Core								
Drilling overburden	Feet	219.00	73	471.00	157	3.00		3.00
Core AX	Feet	19.80	6	264.00	80	3.30		3.30
Stripping AX	Feet	1989.00	663	6627.00	2209	3.00		3.00
Incidental allowance								
Test Pits	Feet			903.00	1050	0.86		0.86
Roads and Trails								
Incidental allowance	Feet	489.72	742	921.36	1396	0.66		0.66
Moving in equipment				125.00				125.00
Total Distributed Costs		$ 2,773.52		$ 9,367.36				Total Costs Authorized by Contract
Operating Equipment Purchased		None	None	None				None
Initial Rehabilitation and Repairs		None	None	None				None
New Buildings, Improvements, etc.		None	None	None				None
Total Costs		$ 2,773.52		$ 9,367.36				$ 19,337.00

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

Remarks:

Date January 11, 1957 Operator Roland F. Beers, Inc.

Per Marion L. Hunziker Title Asst. Secretary and Treasurer

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

(Instructions on reverse)

(For Government use only)

R. L. Burmeister

INSTRUCTIONS

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

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

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

GPO 872894

PROGRESS REPORT

1 January, 1957

NEW CANTON, VIRGINIA, PROJECT

Roland F. Beers, Inc.

DMEA-4393

OFFICIAL FILE COPY
D M E A
RECEIVED FEB 8 1957

DATE	INITIALS	CODE

-INTRODUCTION-

Under the provisions of Stage II, DMEA contract #4393, seven hundred and forty-two (742) feet were drilled on the New Canton, Virginia, project in December, 1956. In addition to DMEA sponsored drilling, forty-five (45) feet were drilled by Roland F. Beers, Inc., in DH-7. In the December, 1956 program, three drill holes were completed (DH-5, DH-6, DH-8). Drill hole locations are shown on accompanying maps. DH-5 is on the Shipp tract; DH-6 and DH-7 are collared on land controlled by the Buckingham Mineral Syndicate; DH-8 is on the Jones tract.

DH-8 was completed on December 27th, leaving a footage balance, under Stage II, of 104 feet. By recommendation of the DMEA Field Engineer, Mr. Burrmeister, a request for termination was forwarded to Mr. Robert Laurence, Knoxville, Tennessee. Authorization to terminate has not been received as of this date.

-DRILLING RESULTS-

DH-5, located on L16N at 1.70 E and inclined 60°, was planned to test the mineralized zone at a depth approximately

200 feet below the intersection in DH-2. The hole was drilled to a total inclined depth of five hundred seventy-five (575) feet. No massive sulfides are present in the core from DH-5; however, chalcopyrite in disseminated form is present in the interval 478.5'-536.5' (see attached log).

DH-6, a 45° hole, collars at L7N; 1 E and was drilled to an inclined depth of 203 feet. This drill hole, the southernmost drilled under contract #4393, was designed to test an apparent flexure in the mineralized trend. Disseminated complex sulfides are in evidence throughout nearly all of the core, and a total of approximately 6.75 feet of semi-massive to massive sulfides occur between 170 feet and 190.5 feet (see log).

DH-7 was a short (45') vertical hole drilled at .25W on L7N to establish the depth of the zone of secondary copper enrichment (see Log).

DH-8, a 60° angle hole, was drilled to a total inclined depth of 410 feet from the collar at 112.5N; 1.25 E. No massive sulfides were encountered during drilling, and the copper-bearing zone is poorly expressed, being best developed in the interval 344'-358' (see log).

-ASSAY DATA-

The following is a complete listing of core intervals submitted for assay:

Stage I

DH-1A:	344.75'-351.25'	#227*
	362.5'-369.25'	#211
DH-2:	335'-340.5'	#213
	340.5'-345.25'	#210
	349'-353'	#212
DH-3:	335'-341'	#209

Stage II

DH-4:	181.5'-186.5'	#214
	188.25'-194.25'	#215
DH-5:	478.5'-482.5'	#220*
	493'-499'	#217*
	502'-507'	#226*
DH-6:	152'-156.5'	#223*
	160.5'-165.5'	#222*
	165.5'-171.0'	#224*
	172.0'-177.0'	#219*
	177.0'-183.0'	#225*
	188.33'-190.5'	#228*
DH-7:	39'-44'	#216*
DH-8:	344'-350'	#221*
	351'-357'	#218*

*Assay data not available this date.

All samples were submitted for copper-zinc-lead-gold-silver determination. In view of the anomalous results received from the initial assay samples (Bruce Williams Laboratories), check assays were obtained from (1) the Henry E. Wood Assaying Co., (2) Union Assay Office, Inc., and (3) Prof. W. A. Mueller. Photostatic copies of all original assay data are attached. Because of experience and the custom treatment afforded each sample, the assays prepared by Prof. Mueller are considered the most representative.

From the incomplete assay data it appears that the semi-massive to massive sulfide intersections will contain 1.0% to 1.7% copper and the disseminated zones will contain 0.50% to 1.0% copper.

-RECOMMENDATIONS-

Termination of current contract #4393 has been requested. Recommendations for further DMEA-sponsored drilling must await complete assay returns and further geophysical work, both within the area covered by DMEA contract #4393 and extensions northeast and southwest.

Respectfully submitted:

Robert S. Young
Regional Geologist

January 2, 1957

Location New Castle, Va. Angle 60° Hole No. DH-5

Dep. 575' Deflection

Elev. 569.87' Logged by RSY

Footage	Description
0-4	soil
4-30.5	fine-grained chlorite schist; minor pyrite in stringers.
30.5-36.5	silicified zone; minor disseminated pyrite.
36.5-51	chlorite schist; 4" moderate pyrite with minor chalcopyrite at 40'; 1" biotite-rich zone at 43'.
51-54	chlorite-hornblende schist, medium-grained.
54-78.5	chlorite-garnet-magnetite-pyrite schist, silicified in part; up to 5% total sulfides, very minor pyrrhotite and chalcopyrite.
78.5-79	vein quartz with coarse hornblende.
79-101.75	fine-to-medium grained chlorite-hornblende schist.
101.75-102.75	silicified zone.
102.75-118	fine-grained chlorite-hornblende schist; grain size increases 116'-118'.
118-139.5	silicified zone; light to very light stringer and disseminated pyrite.
139.5-142	chlorite-biotite-garnet schist; light to moderate pyrite.
142-233	hornblende-chlorite sequence; fine-to-coarse grain gradationally; lineation good to absent; biotite in places and carries minor garnets; scattered minor pyrite.
233-257	moderately silicified schist; very minor magnetite.
257-267	chlorite schist, lightly silicified; minor magnetite and garnets.
267-274	above rock gradational into chlorite-hornblende schist carrying some biotite and light sulfides.
274-283	silicified schist.
283-294.5	medium-grained chlorite-hornblende-biotite schist.

Location New Canton, Va. Angle 60° Hole No. DH-5

Dep. 575' Deflection

Elev. 569.87' Logged by RSY

Footage	Description
294.5-375	Chlorite schist; minor biotite; light to moderate silicification; scattered sulfides; minor magnetite; silicified 371-375'.
375-457.5	medium-grained chlorite-biotite-hornblende-garnet schist; 9" vein quartz at 442.5'; 2" vein quartz at 446'.
457.5-461.25	olivine diabase dike.
461.25-478.5	chlorite schist.
478.5-481.5	contorted chlorite schist with quartz "eyes"; moderate to heavy pyrrhotite-chalcopyrite.
481.5-494	silicified chlorite-magnetite-garnet schist; minor disseminated sulfides, principally pyrite.
494-498	silicified schist; moderate disseminated pyrite with minor chalcopyrite.
498-508	contorted chlorite-biotite-magnetite schist; some silicification; carries light disseminated pyrite-pyrrhotite-chalcopyrite.
508-519	fine-grained chlorite schist.
519-523	silicified biotite schist; light disseminated chalcopyrite.
523-528	chlorite-biotite-garnet schist; minor disseminated pyrite-chalcopyrite.
528-529.75	silicified zone.
529.75-533.5	chlorite schist.
533.5-534.5	chlorite-biotite-garnet schist; garnets up to ½".
534.5-535.5	biotite zone; large chlorite blades at base with pyrrhotite-chalcopyrite blebs and large garnets.
535.5-536.5	vein quartz with pyrrhotite stringers.
536.5-571	"spotted" chlorite-biotite-garnet schist.
571-571.5	vein quartz
571.5-575	muscovite-garnet schist.

TDA - 575'

Location New [illegible]ton, Va. Angle 45° H[illegible] No. DH-6

Dep. 203 Deflection

Elev. 616.2' Logged by RSY

Footage	Description
0-48	soil
48-59	chlorite-hornblende schist.
59-61.5	hornblende-chlorite-biotite-garnet schist, coarse grained.
61.5-70	chlorite schist with minor magnetite; light disseminated sulfides (pyr-chalcopyr); 6" hornblendic zone at 66' with pyrrh-pyr-chalcopyr; galena on fracture surface at 69.5'.
70-71.3	silicified zone.
71.3-89.6	chlorite-garnet-magnetite schist; minor disseminated pyr-pyrrh-chalcopyr; 1' with quartz "eyes" and vugs with secondary zinc silicate at 75'.
89.6-96.5	silicified zone beginning with 4" vein quartz.
96.5-130	chlorite-garnet-magnetite schist with minor disseminated pyr-chalcopyr; 1' silicified zone at 104'.
130-143.5	chlorite-hornblende schist, partly silicified.
143.5-170	chlorite-garnet-magnetite schist, mildly silicified in places, with minor disseminated sulfides (pyr-chalcopyr); moderate dissemination begins at 161'; 1" pyrite stringers at 167.5' and 169.5'.
170-171.25	semi-massive to massive pyr-pyrrh-chalcopyr (est. 40% total sulfides).
171.25-173	chlorite schist, disseminated sulfides.
173-174	massive pyr-pyrrh-chalcopyr-sphal; cu est. 1%.
174-179	silicified zone, minor chalcopyr.
179-180.5	massive pyr-chalcopyr-sphal; 1" sphal at base.

Location New Castle, Va. Angle 45° Hole No. DH-6

Dep. 203' Deflection not measured

Elev. 616.2' Logged by ESY

Footage	Description
	continued -
180.5-188.5	chlorite-hornblende-garnet schist; light to moderate disseminated pyr-pyrrh-chalcopyr 180.5' - 183.5'.
188.5-190.5	massive pyrrh-pyr-chalcopyr-sphal.
190.5-203	"spotted" chlorite-biotite-garnet schist.
	TDA 203'.

Location New Canton, Va. Angle 90° Hole No. DH-7

Dep. [illegible] Deflection no[illegible]easured

Elevation 612.0' Logged by RSY

Footage	Description
0-6	soil and 6" oxidized rock.
6-30	oxidized rock varying between pure gossan and oxidized vein quartz; relict schistosity and oxidized garnets present in lower 6'.
30-45	down schistosity of chlorite-garnet-magnetite schist with moderate pyrite-chalcopyrite disseminated and in stringers; minor secondary chalcocite.
	TDA 45'.

Location New[illegible]nton, Va. Angle 6[illegible] Hole No. DH-8

Depth 410 ft. Deflection not measured

Elev. 541 ft. Logged by RSY

Footage	Description
0-27	soil
27-64	very fine-grained chlorite schist; minor pyrite in stringers; silicified 34-37'; minor scattered magnetite.
64-65	hornblende-chlorite schist.
65-72	silicified schist with minor magnetite.
72-73	hornblende-chlorite schist.
73-96	hornblende-chlorite-biotite-garnet schist; silicified in places; medium to coarse grained.
96-121.5	chlorite-magnetite-garnet schist; biotitic in places; slightly silicified throughout; minor pyrite.
121.5-140.5	hornblende-chlorite schist with numerous random-oriented quartz veinlets; fine to medium grained.
140.5-143.5	silicified schist.
143.5-149.5	medium to coarse grained hornblende-chlorite schist.
149.5-171	very fine grained hornblende-chlorite schist.
171-197	medium to coarse grained hornblende-chlorite schist with biotite developments.
197-248	silicified schist; some remnants of chlorite-garnet-magnetite schist; very minor pyrite.
248-265.5	chlorite-garnet-magnetite schist; silicified in places; minor pyrite.
265.5-269	silicified zone; minor pyrite.
269-271	chlorite-garnet-magnetite schist.
271-275.25	silicified schist.

Location New Canton, Va. Angle 60 Hole No. DH-8

Dep. 410' Deflection not measured

Elev. 541' Logged by RSY

Footage	Description
275.25-290.5	chlorite-garnet-magnetite schist; minor hornblende zone at top.
290.5-293	silicified schist.
293-302.5	chlorite-garnet-magnetite schist.
302.5-307	hornblende-chlorite-garnet schist.
307-321	chlorite-garnet-magnetite schist; with minor disseminated pyrite-pyrrhotite; hornblendic in places.
321-344	fine-grained chlorite-hornblende schist; very minor disseminated sulfides.
344-358	chlorite-garnet schist with light to moderate disseminated pyrite-pyrrhotite-chalcopyrite.
358-362.5	chlorite-hornblende schist.
362.5-367	silicified schist.
367-368.5	zone of coarse biotite-chlorite-garnet.
368.5-377	"spotted" chlorite-biotite-garnet schist.
377-378	coarse chlorite-biotite zone.
378-410	"spotted" chlorite-biotite-garnet schist; 4" vein quartz at 404'.

TDA 410'

December 15th, 1956.

Mr. Vaughn V. Hughey
Director Research,
Basic Inc.
Bettsville, O.

My Dear Vaughn.

Following are the analyses of the Sulphide samples you sent to this laboratory December 1st, 1956.

Our No.	2283-A	2283-B	2283-C	2283-D
Your No.	209	210	211	212
Zinc	nil	0.20 %	0.30 %	0.40 %
Lead	nil	1.00 %	0.71 %	0.74 %
Copper	0.60 %	0.80 %	0.45 %	1.70 %
Silver Oz. per ton	1.80	3.50	3.58 %	2.45
Gold	tr.	tr.	tr.	tr.

Our No.	2283-E	2283-F	2283-G
Your No.	213	214	215
Zinc	0.10 %	0.20 %	0.20 %
Lead	1.05 %	0.04 %	nil
Copper	1.40 %	1.20 %	1.20 %
Silver Oz. per ton	1.38	1.88	1.78
Gold * Oz. per ton	Tr.	tr.	0.015

* Trace, less than 20 cents per ton.

Sincerely

W. A. Mueller

GAYLE F. FARNHAM

ESTABLISHED 1878

Certificate of Assay

THE HENRY E. WOOD ASSAYING COMPANY

733 W. COLFAX AVE.

DENVER 4, COLORADO

TELEPHONE KEYSTONE 4-4816

Dec. 12, 1956

We hereby certify that the samples assayed for Rowland F. Beers, Inc. gave the following results per ton of 2000 lbs.

MARKED	GOLD OZS.	SILVER OZS.	WET LEAD PER CENT	COPPER PER CENT	ZINC PER CENT	IRON PER CENT	INSOL. PER CENT	SULPHUR PER CENT	PER CENT	VALUE
209			None	0.47	0.02					
210			0.03	0.52	0.03					
211			0.10	0.39	0.04					
212			0.02	1.08	0.05					
213			0.05	1.01	0.04					
214			0.02	0.91	0.08					
215			None	1.18	0.38					

Gold at $ ..... per ounce
Silver at ..... per ounce
Lead at ..... per lb.
Copper at ..... per lb.
Zinc at ..... per lb.

Charges
$ 11.50

The Henry E. Wood Assaying Co.

By [illegible]

ENGINEERS
INSPECTIONS and TESTS

Batesville, Ark.
151 No. Central
Telephone 1309

Picher, Oklahoma
Connell Hotel Bldg.
Telephone 710

The Bruce Williams Laboratories

ESTABLISHED 1898
Main Office 618-622 Joplin Street Telephone MA 3-1556
JOPLIN, MISSOURI

CHEMISTS
INDUSTRIAL and ANALYTICAL

Emporia, Kansas
321 Union St.
Telephone 3664

St. Louis, Missouri
306 Valley Drive
Telephone Hobart 7-3226

Roland F. Beers, Inc.
416 E. Main Street
Charlottesville, Virginia

11-23-56

OUR NO.	MARK	DESCRIPTION				
753605	Sample #209	New Canton Mine	Hole #3	335'-341'	11-5-56	
606	#210		#2	340.5'-345.45'	11-5-56	
607	#211		#1A	362.5'-369.25'	11-5-56	
608	#212		#2	349'-353'	11-5-56	
609	#213		#2	335'-340.5'	11-5-56	

		753605	753606	753607	753608	753609
Zinc	Zn	1.00	0.88	0.78	0.66	0.22
Lead	Pb	0.01	0.02	0.01	0.01	0.008
Copper	Cu	*ND	*ND	*ND	*ND	*ND
Gold	Au in oz/ton	*ND	0.04	0.04	0.02	0.02
Silver	Ag in oz/ton	0.69	0.71	1.53	24.19	1.32

*ND means None Detected.

Bruce Williams

DARGO INC., CHICAGO

Telephone EMpire 3-3302 Hand Sample Serial 8505-10

Mine R. F. Beers, Inc.

ASSAY REPORT

UNION ASSAY OFFICE, Inc.

J. V. SADLER, President
A. C. SELBY, Vice-Pres. & Treas.
LILY M. HOTTINGER, Secretary
Salt Lake City 10, Utah

RESULTS PER TON OF 2000 POUNDS

Dec. 19, 1956

NO.	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Per Cent Wet	COPPER Per Cent	INSOL. Per Cent	ZINC Per Cent	SULPHUR Per Cent	IRON Per Cent	LIME Per Cent	Per Cent	Per Cent	VALUE GOLD
212	0.005	0.5	Trace	1.63		0.7						
214	0.010	0.4	0.01	1.22		0.9						
215	0.010	0.1	0.01	1.47		1.3						

Remarks

Charges $ 15.00

MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 85

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

Month of November, 1956 Docket No. DMEA 4393 Contract No. Idm-E 1013
Operator's Name Roland F. Beers, Inc. Minerals Copper-Zinc
Address 447 Pinewoods Ave. (P.O. Box 1019) Troy, N.Y.
Contract Amount, $ 10,337.00 Government Participation: 50% Amount, $ 5168.50

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling diamond	1966.20	3168.00	5134.20			
Bulldozing						
Crosscutting						
Drifting						
Incidental allowance	431.64	903.00	1334.64			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Moving in equipment		125.00	125.00			
(8) Contingencies (specify):						
TOTALS	2397.84	4196.00	6593.84	2397.84	4196.00	6593.84

RECEIVED JAN 11 1957 D.M.E.A.

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 12/28/56 *Payee Roland F. Beers, Inc.
Per Marion L. Munzer Title Assistant secty. Treas.

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 1198.92
Signature Helen R. Miller (Authorized Certifying Officer)
Date JAN 9 1957 Vou. No. 08
(See other side)

2

1198.92

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 1013 in accordance with the terms of the contract.

Signature F. L. Burmeister Title Mining Engr Date 12/31/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA - REGION V Date JAN 8 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED JAN 11 1957 D.M.E.A.

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

Month of November 6, 1956 Docket No. DMEA 4393 Contract No. Adm-E 1013

Operator's Name Roland F. Beers Inc. Minerals Copper-Zinc

Address 447 Pinewoods Ave. (PO Box 1019) Troy, New York $5168.50

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core Overburden	feet	72.00	24	252.00	84	3.00/ft		3.00
Core BX	"	46.20	14	244.20	74	3.30/ft		3.30
Core AX	"	1848.00	616	4638.00	1546	3.00/ft		3.00
Churn Auger								
xxxxx Incidental Stripping xxxxx Allowance	"	-	-	903.00	1050	0.86/ft		0.86
Trenching								
xxxxx Incidental Test Pit xxxxx Allowance	"	431.64	654	431.64	654	0.66/ft		0.66
Roads and Trails								
Moving in equipment				125.00				125.00
Total Distributed Costs		2397.84		6593.84				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2397.84		6593.84				10,337.00

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

Date 12/28/56 Operator Roland F. Beers, Inc.

Per Marion L. Hunzber Title Assistant Secretary & Treasurer

Remarks:

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

(Instructions on reverse)

(For Government use only)

H H Burmeister 12/31/56

INSTRUCTIONS

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

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

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

GPO 872894

PROGRESS REPORT

1 DECEMBER, 1956

NEW CANTON, VIRGINIA, PROJECT

Roland F. Beers, Inc.

DMEA-4393

RECEIVED JAN 11 1957 D.M.E.A.

- INTRODUCTION -

During the period 1 November - 30 November, 1956, a drilling program of 654 feet was completed on the New Canton Project, under the conditions of Stage II, DMEA contract #4393. In addition to the cooperative drilling, Roland F. Beers, Inc., drilled 50 feet deepening DH-1A and DH-3. Under Stage II drilling, one drill hole was completed (DH-4; 200' TDA), and one is in progress as of this date (DH-5). Drill hole locations are shown on an accompanying map. DH-4 collars on the Jones tract and DH-5 on the Shipp tract.

Drilling was accomplished under the following time sequence:

November 1: DH-1A completed.

November 2: DH-4 started.
November 7: DH-4 completed.

November 7: Move to DH-3 to deepen.
November 8: DH-3 deepen completed.

November 16: DH-5 started.

On the recommendation of both Beers, Inc., personnel and the Longyear drilling team, the drilling contractor provided a skid-mount rig to replace the original truck-mount rig.

Two serious breakdowns, during the work week November 19-23, greatly retarded the drilling program.

- Drilling Results -

DH-1A is a redrill of DH-1: the first 350 feet being drilled at no expense as a result of poor core recovery from DH-1. DH-1A was drilled along L 18 N from 1.25 E with an inclination of 45°N.W. Total inclined depth was 379 feet, of which 29 feet was drilled by Roland F. Boers, Inc. The zone of complex sulfides was encountered in the interval 362-369.5 feet; this interval is nearly divided by 15 inches of vein quartz. No massive sulfides are present in the core from DH-1A (see attached log and cross-section).

DH-4 was designed to test the southwestward extension of the massive sulfide zone present in DH-2. It is located at L 12.5 N - ½ E.; inclination 45°N.W.; total inclined depth 208 feet. The complex sulfide zone was encountered at 171.5 feet; it extends to 195.25 feet. Within this interval several semi-massive to massive sulfide intersections are present. Based on visual inspection, it appears that the copper and zinc content is higher in this core than any other. (See attached log and cross-section).

DH-3 was deepened to a total inclined depth of 371 feet. Disseminated complex sulfides are present in the core from 350 feet to 358.5 feet. No massive intersections were

encountered, and the best copper values occur in the interval 357.0-358.5 feet (see attached log).

DH-5 was, as of midnight November 30th, at an inclined depth of 446 feet, approximately 100-125 feet short of the anticipated intersection with the mineralized zone. This 60° angle hole is located on L 16 N at 1.70 E, and is being drilled from southeast to northwest (see attached map). No sulfide accumulations of significance are present in the core to 446 feet.

Samples from DH-1A, DH-2, DH-3, and DH-4 were submitted to the Bruce Williams Laboratories, Joplin, Mo., for assay. Assay data on seven samples from DH-1A, DH-2, DH-3, and DH-4 have been received and photostats are attached. It is possible that the assay reports are in error, (especially in copper values) and check assays are being made at this date.

- Recommendations -

With the assumption that DH-5 will be drilled to a total depth of 700 feet, 592 feet of drilling will remain available under Stage II, DMEA contract #4393. It is recommended that 500 feet of the total remainder be expended on two drill holes (DH-6 and DH-7), located as shown on accompanying map and cross-sections.

DH-6 (L 7 N; 1 E; 250') is designed to test a strong electromagnetic conductor and self-potential high between the

Johnsons and McKenna shafts. This hole will be drilled under a pit (see map) which exposes 6-7 feet of gossan, and into an area which is said to have provided the high-grade ore specimens present in dump material. Further, geophysical data indicate that a small flexure may be present in this area. If so, structural dilation may have localized significant thicknesses of massive sulfides along the flexure. DH-6 will provide the desired information on this possibility.

DH-7 (L 20 N; 2 W; 250') is located to (1) derive maximum benefit of topography, (2) provide necessary data on "west wall" stratigraphy, and (3) test two electromagnetic axes outlined by a recent survey.

Respectfully submitted:

Robert S. Young
Regional Geologist

ASSAY DATA[1.]

Assay No.	Sample No.	Drill Hole	Interval
753 805	209	3	335' - 341'
806	210	2	340.5' - 345.45'[2.]
807	211	1A	362.5' - 369.25'
808	212	2	349' - 353'
809	213	2	335' - 340.5'
754 231	214	4	181.5' - 186.5'
232	215	4	188.25' - 194.25'

Assay No.	Zinc	Lead	Copper	Gold	Silver
753 805	1.00	0.01	ND *	ND **	0.69 **
806	0.88	0.02	ND	0.04	0.71
807	0.78	0.01	ND	0.04	1.53
808	0.66	0.01	ND	0.02	24.19
809	0.22	0.008	ND	0.02	1.32
754 231	0.94	1.32	0.92	0.04	0.57
232	1.34	1.44	1.26	0.03	0.53

* ND - Not detected.
** - oz./ton.

1. see attached photostats.
2. should read 345.25'.

ENGINEERS
INSPECTION and TEST

Fayetteville, Ark.
151 No. Center
Telephone 1309

Picher Oklahoma
Connell Hotel Bldg
Telephone 710

The Bruce Williams Laboratories

E[illegible]
[illegible] 62[illegible] [illegible] Telephone MA 3-1556
JOPLIN MISSOURI

CHEMISTS
INDUSTRIAL and ANALYTICAL

Emporia, Kansas
321 Union St.
Telephone 3684

St. Louis, Missouri
306 Valley Drive
Telephone Hobart 7-3226

Roland F. Beers, Inc.
616 E. Main Street
St. Charlottesville, Virginia

11-2[illegible]-56

OUR NO.	MARK	DESCRIPTION
753805	Sample #209	New Canton Mine Hole #3 335'-341' 11-5-56
806	#210	#2 340.5'-345.45' 11-5-56
807	#211	#1A 362.5'-369.25' 11-5-56
808	#212	#2 349'-353' 11-5-56
809	#213	#2 335'-340.5' 11-5-56

		753805	753806	753807	753808	753809
Zinc	Zn	1.00	0.88	0.78	0.66	0.22
Lead	Pb	0.01	0.02	0.01	0.01	0.008
Copper	Cu	*ND	*ND	*ND	*ND	*ND
Gold	Au in oz/ton	*ND	0.04	0.04	0.02	0.02
Silver	Ag in oz/ton	0.69	0.71	1.53	24.19	1.32

*ND meand None Detected.

Bruce Williams

ENGINEERS
INSPECTIONS and TESTS

Batesville, Ark.
151 No. Central
Telephone 1309

Picher, Oklahoma
Connell Hotel Bldg.
Telephone 710

The Bruce Williams Laboratories

ESTABLISHED 1898
Main Office 618-622 Joplin Street Telephone MA 3-1556
JOPLIN, MISSOURI

CHEMISTS
INDUSTRIAL and ANALYTICAL

Emporia, Kansas
321 Union St.
Telephone 3684

St. Louis, Missouri
306 Valley Drive
Telephone Hobart 7-3225

Roland F. Beers, Inc.
416 E. Main Street
Charlottesville, Virginia

11-27-56

OUR NO.	MARK	DESCRIPTION		
754231	Sample #214	New Canton Mine Hole #DH-4	181.5'-186.5'	11-8-56
232	215		188.25'-194.25'	11-8-56

		754231	754232
Zinc	Zn	0.94	1.34
Lead	Pb	1.32	1.44
Copper	Cu	0.92	1.26
Gold	Au	0.04 oz/ton	0.03 oz/ton
Silver	Ag	0.57 oz/ton	0.53 oz/ton

Bruce Williams

DARCO INC. CHICAGO

Form [illegible]-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS No.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1956 Docket No. DMEA 4393 Contract No. Idm-E 1013
Operator's Name Roland F. Beers, Inc. Minerals Copper-Zinc
Address 447 Pinewoods Ave. (P.O.Box 1019) Troy, N. Y.
Contract Amount, $ 10337.00 Government Participation: 50 % Amount, $ 5168.50

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent ~~"Short Form"~~ Contracts:						
Drilling	3315.50	None	$3315.50	3293.00		3293.00
Bulldozing						
Crosscutting						
Drifting						
Incidental allowance	903.00	None	903.00	903.00		903.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	4218.50	None	4218.50	4196.00		4196.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Nov. 9, 1956 *Payee Roland F. Beers, Inc.
Per Marion L. Schunzler Title Assistant Secretary-Treasurer

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 2098.00
Signature Helen R. Miller
(Authorized Certifying Officer)
Date DEC 11 1956 Vou. No. 32
(See other side)

S 1919

2098.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 1013 in accordance with the terms of the contract.

Signature H. L. Burmeister Title Mining Eng'r Date 12/3/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED DEC 14 1956 D.M.E.A.

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

Month of October 1956 Docket No. DMEA 4393 Contract No. Idm-E 1013
Operator's Name Roland F. Beers, Inc. Minerals Copper-Zinc
Address 447 Pinewoods Ave, (P.O. Box 1019), Troy, N. Y.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting		None	None	None	None	None	None	None
Crosscutting		None	None	None	None	None	None	None
Raising		None	None	None	None	None	None	None
Shafts		None	None	None	None	None	None	None
Winzes		None	None	None	None	None	None	None
Drilling: Core	Ft.	4218.50	1050	4218.50	1050	4.017+	2550	4.053+
Churn		None	None	None	None	None	None	None
Auger		None	None	None	None	None	None	None
Stripping		None	None	None	None	None	None	None
Trenching		None	None	None	None	None	None	None
Test Pits		None	None	None	None	None	None	None
Roads and Trails		None	None	None	None	None	None	None
		None	None	None	None	None	None	None
TOTAL DISTRIBUTED COSTS		4218.50	1050	4218.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		None	None	None				None
Initial Rehabilitation and Repairs		None	None	None				None
New Buildings, Improvements, etc.		None	None	None				None
		None	None	None				None
TOTAL COSTS		4218.50		4218.50				10337.00

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

Date November 9, 1956 Operator Roland F. Beers, Inc.
Per Marion L. Munzeler Title Assistant Secretary-Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

This is approved subject to subtraction of $22.50 for hole survey which is not an allowed contract cost. The total voucher amount should be $4196.00

H. F. Burmeister

INSTRUCTIONS

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

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

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

GPO 872894

Copies to: R. A. Laurence
V. J. Lynch
Jay L. Chambers (2)
H. L. Burmeister
Norris files
Day files

Region V

P. O. Box 217
December 11, 1956

RECEIVED DEC 17 1956 U.S.A.E.C.

Boland F. Deere, Inc.
P. O. Box 1019
Troy, New York

Gentlemen:

Reference is made to your October Voucher covering contract Idm-01013, DMA Docket No. 4393, which was received in this office today for payment.

The voucher is being processed today for payment in the amount of $2,098.00, which is 50% (fifty percent) of the approved monthly total of $4,196.00 as follows:

Overburden			
Hole 1	18 ft.	Total of 60 feet at $3.00/ft.	$ 180.00
Hole 2	8 ft.		
Hole 3	34 ft.		
BX Drilling			
Hole 1	34 ft.	Total of 62 feet - reduced to 60 feet at $3.30/ft. Contract calls for 60 feet.	198.00
Hole 2	12 ft.		
Hole 3	16 ft.		
AX Drilling			
Hole 1	298 ft.	Total of 960 feet - reduced to 930 feet at $3.00/ft. Necessary to dis-allow 30 feet because contract states "The total length of the three holes shall not exceed 1,050 feet, including over-burden drilling."	2790.00
Hole 2	362 ft.		
Hole 3	300 ft.		
Mobilization of diamond drilling equipment			125.00
Incidental allowance 1050 feet at $0.86/ft.			903.00
		Approved Monthly Total	$ 4,196.00

Your DF-104A covering the month of October does not reflect unit cost. For your information and guidance we are attaching a corrected copy of your October DF-104A for your use in preparing the November voucher.

Very truly yours,

Helen R. Miller
Administrative Assistant

Form MF-504A
(April 1952)

Budget Bureau No. 42-R1151.2

CORRECTED COPY - SAMPLE

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1956 Docket No. DMEA 4393 Contract No. Idm-E1013
Operator's Name Roland F. Beers, Inc. Minerals Copper-Zinc
Address 447 Pinewoods Ave. (P. O. Box 1019), Troy, N. Y.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Overburden	60 ft.	180.00	60 ft.	180.00	60 ft.	3.00/ft	ft.	3.00
BX drilling	60 ft.	198.00	60 ft.	198.00	60 ft.	3.30/ft.	ft.	3.30
AX drilling	930 ft.	2790.00	930 ft.	2790.00	930 ft.	3.00/ft.	ft.	3.00
Incidental								
drilling								
allowance	1050 ft.	903.00	1050 ft.	903.00	1050 ft.	0.86/ft.	ft.	0.86
Mobilization equip.		125.00		125.00				
TOTAL DISTRIBUTED COSTS		4,196.00						TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4,196.00						

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

Date November 9, 1956 Operator Roland F. Beers, Inc.
Per /s/ Marion L. Hunziker Title Assistant Secretary-Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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GPO 872894

PROGRESS REPORT

1 November, 1956

NEW CANTON, VIRGINIA, PROJECT

Roland F. Beers, Inc.

DMEA-4393

DEC 14 1956
D.M.E.A.

- Introduction -

During the period 28 September - 31 October, 1956, a drilling program of 1,082 feet was completed on the south grid, New Canton, Virginia. The total footage was nearly equally distributed among three drill holes. The drill hole locations are shown on accompanying maps. Two holes were drilled on the Shipp property and one on the Jones property. Because of poor core recovery in a critical zone, DH-1 was in the process of being redrilled as of midnight, 31 October.

Of the total 1,082 feet, 1,050 feet of drilling was accomplished under DMEA contract No. 4393. The drilling took place under the following chronology:

Contract approval: 24 September

Start DH-1: 28 September
Completed DH-1: 2 October

Start DH-2: 3 October
Completed DH-2: 11 October

Start DH-3: 12 October
Completed DH-3:23 October

Start DH-2 (deepen): 24 October
Completed DH-2 (deepen): 26 October

Start DH-1 (redrill): 29 October
Completed DH-1 (redrill): 1 November

The drilling contractor, E. J. Longyear Co., provided a truck-mounted diamond drill which operated on two eight hour shifts five days per week.

- Drilling Results -

Significant sulfide mineralization was encountered in each of the three drill holes (see attached logs and cross sections). However, additional drilling above the initial 350 feet per hole was or will be required to completely penetrate the mineralized zone. Overall mineralization consists of two general types: (1) pyrite or pyrite-magnetite, and (2) pyrrhotite-pyrite-chalcopyrite-sphalerite. Pyrite and pyrite-magnetite zones form the east wall and the complex sulfides mark the west wall.

The general stratigraphic sequence, as illustrated on accompanying cross-sections, consists of two gross units: (a) chlorite and chlorite-garnet schist and (b) muscovite-biotite-garnet schist. The chlorite schist is the host for sulfide mineralization and is referred to as the "east wall rock". Garnetiferous and silicified zones are abundant in the chlorite schist section. Neither has proved stratigraphically important. A zone of magnetite-bearing chlorite schist is thought to occupy approximately the same stratigraphic interval throughout the area of drilling. This zone also carries moderate to heavy disseminated pyrite.

The "west wall rock" is essentially barren of sulfides and consists of distinctive muscovite-biotite-garnet schist.

Sulfide mineralization occurs in the chlorite schist, principally adjacent to the west wall rock. Mineralization of primary importance forms a zone of massive and/or disseminated pyrrhotite-pyrite-chalcopyrite-sphalerite-galena. Although this complex sulfide zone is present in all three drill holes, the intersection in DH-2 is most important. Visual estimates of two massive zones (9" at 344.5' and 3.5' at 349') indicate a copper content of approximately 1% and a zinc content of approximately 0.25%. Copper content of the disseminated zone from 331' to 344.5' is estimated at 0.50%.

Two drill holes, DH-2 and DH-1 redrill, completely penetrated the mineralized zone. Because of incomplete stratigraphical data, DH-3 was stopped prior to reaching the muscovite-biotite-garnet schist, which marks the barren west wall. Deepening of DH-3 to complete the mineralized section will depend on data obtained from DH-4 (StageII).

- Recommendations -

Diamond drilling of the New Canton prospect, prior to midnight October 31, 1956, has revealed the presence of a zone of massive and disseminated complex sulfide mineralization over a length of 800 feet and with true widths of up to 15 feet. Core from DH-2 contained nearly 5 feet of massive complex sulfides.

On the basis of the proved length and width of the mineralized section together with the fact that chalcopyrite predominates among the desirable basemetal sulfides it was recommended to the DMEA inspection team (Messrs. Burrmeister and Williams, Nov. 1, 1956) that Stage II drilling be immediately inaugurated. This recommendation was accepted, and by mutual agreement Stage II drilling commenced with DH-4 on November 2, 1956. This drill hole (DH-4) is located at ½ E on L 12.5N, inclination 45°, bearing N.54°W., maximum depth 300 feet. DH-4 is designed to test the southwestward extent of the massive sulfide zone encountered in DH-2, 250 feet northeastward.

If sulfides are encountered in DH-4 comparable in composition and thickness to those in the core from DH-2, it is recommended that DH-3 be deepened by a maximum of 100 feet and that a deep hole be drilled in the vicinity of L 15 or 17 N to test the depth and possible pitch of the sulfide zone. The precise location of this deep hole will depend on data drawn from DH-4 and the deepened DH-3.

Respectfully submitted:

Robert S. Young,
Regional Geologist

Roland F. Beers, Inc.
Charlottesville, Va.

November 3, 1956

EXTRA COPY
D[illegible]

RECEIVED J[illegible]

DATE	[illegible]	CODE

January 20, 1958

Mr. John E. Lukens
Hartford Accident & Indemnity Co.
Hartford 15, Connecticut

Dear Mr. Lukens:

This is to advise you that DMEA Docket No.-4393, Idm-E1013, (copper-Zinc) New Canton Area, Buckingham County, Virginia, Roland Bears, was terminated January 31, 1957.

V. J. Lynch, Acting
Executive Officer, DMEA
Region V

ZM.
cc
Lynch

Opr. Com-2

Audit Copy

TERMINATION AGREEMENT

It is agreed this 6th day of May, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Roland F. Beers, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E1013 (Docket No. DMEA-4393), dated September 24, 1956, hereinafter called the "Contract," that:

1. Effective January 31, 1957, 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 to allowable costs incurred prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. All rights of the Government provided for in the Contract with respect to percentage royalty and liens for its payment, and all rights as to records and audits set forth in the Contract, and recovery of any overpayment, are preserved.

5. The Operator hereby releases and agrees to 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 C. Mitchell
Administrator, Defense Minerals
Exploration Administration

ROLAND F. BEERS, INC.

By Roland F. Beers

Title President

CERTIFIED TRUE COPY
RECEIVED MAY 17 1957

DATE	INITIALS	CODE
		800

Contract No. Idm-E 1013

Docket No. 4393

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Date of Contract	Region	State	Commodity
September 24, 1956	V	Virginia	Copper-Zinc

Name and Address of Operator: Roland F. Beers, Inc.
P. O. Box 1019
Troy, New York

	Reserve	Obligation
Prior Amount	0	$5,168.50
Increase	0	0
Decrease	0	346.02
Revised Amount	0	$4,822.48

Remarks:

ALLEN S. DAKAN
(Name)

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

Date Delivered to Bureau of Mines, Washington 4/29/57

989

Contract No. Idm-E 1013

Docket No. 4393

DEPARTMENT OF THE INTERIOR **Executed contract**

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Date of Contract	Region	State	Commodity
September 24, 1956	**V**	**Virginia**	**Copper-Zinc**

Name and Address of Operator: **Roland F. Beers, Inc.**
P. O. Box 1019
Troy, New York

	Reserve	Obligation
Prior Amount	$5,168.50	0
Increase	0	$5,168.50
Decrease	5,168.50	0
Revised Amount		$5,168.50

Remarks:

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

Date Delivered to Bureau of Mines, Washington 12/10/56

989

Government's copy

RECEIVED
OCT 22 1956

MF-200
(Revised June 1954)

Docket No. DMEA -4393

Commodity Copper-Zinc

Contract No. Idm-E 1013

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this SEP 24 1956 day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] ROLAND F. BEERS, INC., a New York corporation, whose mailing address is P. O. Box 1019, Troy, New York, hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

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

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

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

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

of the land (lessor, seller, optionor, etc.), are attached, as follows: Surety Company's Performance Bond was furnished to the Government in lieu of Consents to Lien of lessors.

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of copper and zinc. The work to be performed is described in Exhibit "A." The Operator on or before November 1, 1956 shall commence the work, and on or before April 1, 1957 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall ~~either~~ have completed the work ~~or shall have incurred allowable costs (see Article 8) in a sum not less than the estimated total allowable cost set forth in Exhibit "A"~~, except as otherwise provided in Exhibit 'A' with respect to stages of work. (see Article 13.)

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

(b) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $10,337.00. The Government shall contribute 50 percent of the allowable costs as they are incurred in a total sum not in excess of $5,168.50: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; ~~but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated total allowable cost of the work.~~ See Article 13.

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums.

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 9. See Article 13.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 8. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 7) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

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

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

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

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

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

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

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

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

ARTICLE 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 13. *Changes and added provisions.*—

(a) That part of the last sentence of Article 3 beginning with the word "either" is deleted and replaced by the words "have completed the work, except as otherwise provided in Exhibit 'A' with respect to stages of work."

(b) Categories (2) through (7) of Article 6(a) are deleted.

(c) In addition to the costs of work estimated in Exhibit "A" by categories of actual costs, the costs of work requirements specified in Exhibit "A" as "Fixed Unit Costs" are allowable costs of the project. The Government will contribute to the fixed unit costs as work units are performed. A "Fixed Unit Cost" is an agreed price for each unit of work to be performed regardless of costs incurred by the Operator. Costs set forth in Exhibit "A" include all allowable costs of the work to be performed under the contract.

16—70617-1

(d) That part of the last sentence in the first paragraph of Article 6(a) commencing after the semicolon is deleted.

(e) In Article 6(c), the reference to Article 9 is changed to Article 8.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals
Exploration Administration

ROLAND F. BEERS, INC.
(Operator)

By Roland F. Beers

Title President and Treasurer

I, Marion L. Hunziker, certify that I am the Assistant secretary of the corporation named as Operator herein; that Roland F. Beers who signed this contract on behalf of the Operator, was then President and Treasurer of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Marion L. Hunziker

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

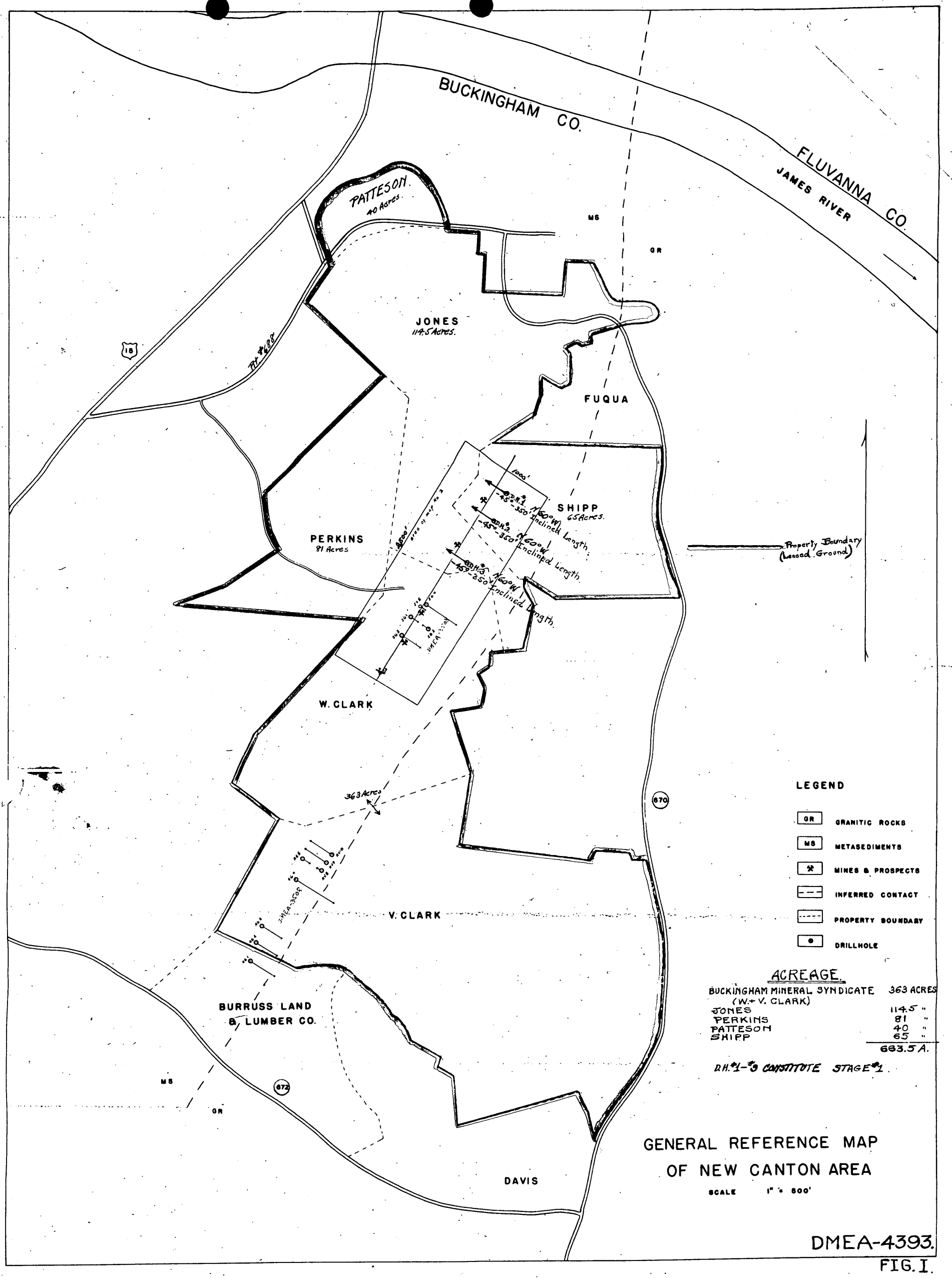
BUCKINGHAM CO.
FLUVANNA CO.
JAMES RIVER
PATTESON
40 Acres
JONES
114.5 Acres.
FUQUA
SHIPP
65 Acres.
PERKINS
81 Acres
W. CLARK
V. CLARK
363 Acres
BURRUSS LAND & LUMBER CO.
DAVIS
MS
GR
670
672
Property Boundary (Leased Ground)
LEGEND
GR GRANITIC ROCKS
MS METASEDIMENTS
MINES & PROSPECTS
INFERRED CONTACT
PROPERTY BOUNDARY
DRILLHOLE
ACREAGE.
BUCKINGHAM MINERAL SYNDICATE (W.+ V. CLARK) 363 ACRES
JONES 114.5 "
PERKINS 81 "
PATTESON 40 "
SHIPP 65 "
663.5 A.
D.H.#1-#3 CONSTITUTE STAGE #1.
GENERAL REFERENCE MAP OF NEW CANTON AREA
SCALE 1" = 800'
DMEA-4393.

FIG. I.

EXPLORATION PROJECT CONTRACT
ROLAND F. BEERS, INC.
DOCKET NO. BMEA-4393

ANNEX I

The land referred to in Article 2 of the Contract consists of approximately 663.5 acres in the Marshall District in Buckingham County, Virginia, and is comprised of five parcels.

The land is shown within the colored outline on the map entitled "General Reference Map of New Canton Area - BMEA-4393, Fig 1," which is attached hereto.

The various land parcels are identified as follows:

Name of Property Owner	Acreage	Date of Lease
Buckingham Mineral Syndicate (shown as W. Clark and V. Clark on the map)	363	1/25/56
Plummer F. Jones and Lottie Pitts Jones (wife)	114.3	2/3/56
Levitt E. Perkins and Elnora Perkins (wife)	81	2/13/56
F. B. Patteson and N. D. Patteson (wife)	40	2/16/56
Cary C. Shipp and others	65	2/17/56
Total acreage	663.5	

The Jones lease is for a period of two years; the Patteson lease is for a period of three years; and the other three leases are for periods of five years each. Each lease may be extended beyond the fixed period as long as mining operations are performed or maintained.

EXPLORATION PROJECT CONTRACT
ROLAND F. HEMAS, INC.
DOCKET NO. RMA-4393

EXHIBIT "A"

Description of the Work

The purpose of the project is to explore for ores of copper and zinc by overburden drilling and diamond drilling, based upon prior geophysical and geochemical reconnaissance work.

The objective of the work is to investigate the ore potential of the metasedimentary rocks which lie adjacent to a large mass of Columbia granite.

Diamond drilling shall be done with AX size or larger coring bits. All drill holes shall be logged geologically, and all drill core shall be made available to the Government for examination. All significantly mineralized core shall be properly sampled and the samples assayed for copper, zinc, lead, gold, and silver. Assays, geological logs of drill holes, and the proper plan and section maps, showing the progress of the work, shall be furnished to the Government.

The project shall be supervised at all times by competent engineers and geologists.

The location, direction, inclination, and extent of all drilling are subject to the approval of the Government.

All holes shall be reamed and cased or cemented and redrilled as necessary, but the Government will not contribute to the cost of any casing left in drill holes at the option of the Operator.

The work is divided into two stages, set forth below. The Operator shall perform Stage I, and shall perform as much of the Stage II work as the Government approves in advance.

Stage I

Three diamond drill holes shall be drilled, of AX size core or larger, each having an approximate length of 350 feet. The total length of the three holes shall not exceed 1,050 feet, including overburden drilling.

The approximate locations, directions, and inclinations of the holes are shown on the map (Fig. 1).

The Government will contribute to the costs of assaying not more than 15 samples under this stage.

Stage II

Three diamond drill holes shall be drilled, of AX size or larger. The total length of the three holes shall not exceed 1,500 feet, including overburden drilling.

The locations, directions, inclinations, and lengths of the holes shall be subject to the prior approval of the Government.

The Government will contribute to the costs of assaying not more than 20 samples under this stage.

Estimated Costs of the Project

Stage I

Actual Costs

Category (1) Independent Contracts

Overburden drilling to 125-foot depth approximately 375 feet @ $3.00/ft.	$ 1,125.00	
Diamond drilling - AX size core approximately 555 feet @ $3.00/ft.	1,665.00	
Diamond drilling - BX size core approximately 60 feet @ $3.30/ft.	198.00	
Diamond drilling - NX size core approximately 60 feet @ $3.65/ft.	219.00	
10 hours of commuting and redrilling holes @ $7.50/hr.	75.00	
Mobilization of diamond drilling equipment	125.00	
Demobilization of diamond drilling equipment 1/	125.00	$ 3,532.00

Categories (2) through (7)

None

Fixed Unit Costs (See Article 13)

Incidental allowance 2/ for each foot of drilling completed 1,050 feet @ $0.86/ft.	$ 903.00	
15 samples assayed @ $8.00/sample	120.00	$ 1,023.00
Total Estimated Cost of Stage I		$ 4,555.00

Stage II

Actual Costs

Category (1) Independent Contracts

Overburden drilling to 125-foot depth approximately 375 feet @ $3.00/ft.	1,125.00	
Diamond drilling - AX size core approximately 1,005 feet @ $3.00/ft.	3,015.00	
Diamond drilling - BX size core approximately 60 feet @ $3.30/ft.	198.00	
Diamond drilling - NX size core approximately 60 feet @ $3.65/ft.	219.00	
10 hours of cementing and redrilling holes @ $7.50/hr.	75.00	4,632.00

Categories (2) through (7)

None

Fixed Unit Costs (See Article 13)

Incidental allowance 2/ for each foot of drilling completed 1,500 feet @ $0.66/ft.	990.00	
20 samples assayed @ $8.00/sample	160.00	1,150.00
Estimated Total Cost of Stage II		$ 5,782.00

SUMMARY

Estimated Total Cost of Stage I	$ 4,555.00	
Estimated Total Cost of Stage II	5,782.00	
Estimated Total Cost of Project		$10,337.00
Government Participation @ 50%		$ 5,168.50

1/ If any work is authorized under Stage II, this amount is transferable to Stage II, and payable when the cost is incurred.

2/ Includes all costs that might otherwise have been allowable costs under Categories (2) through (7), except managing.

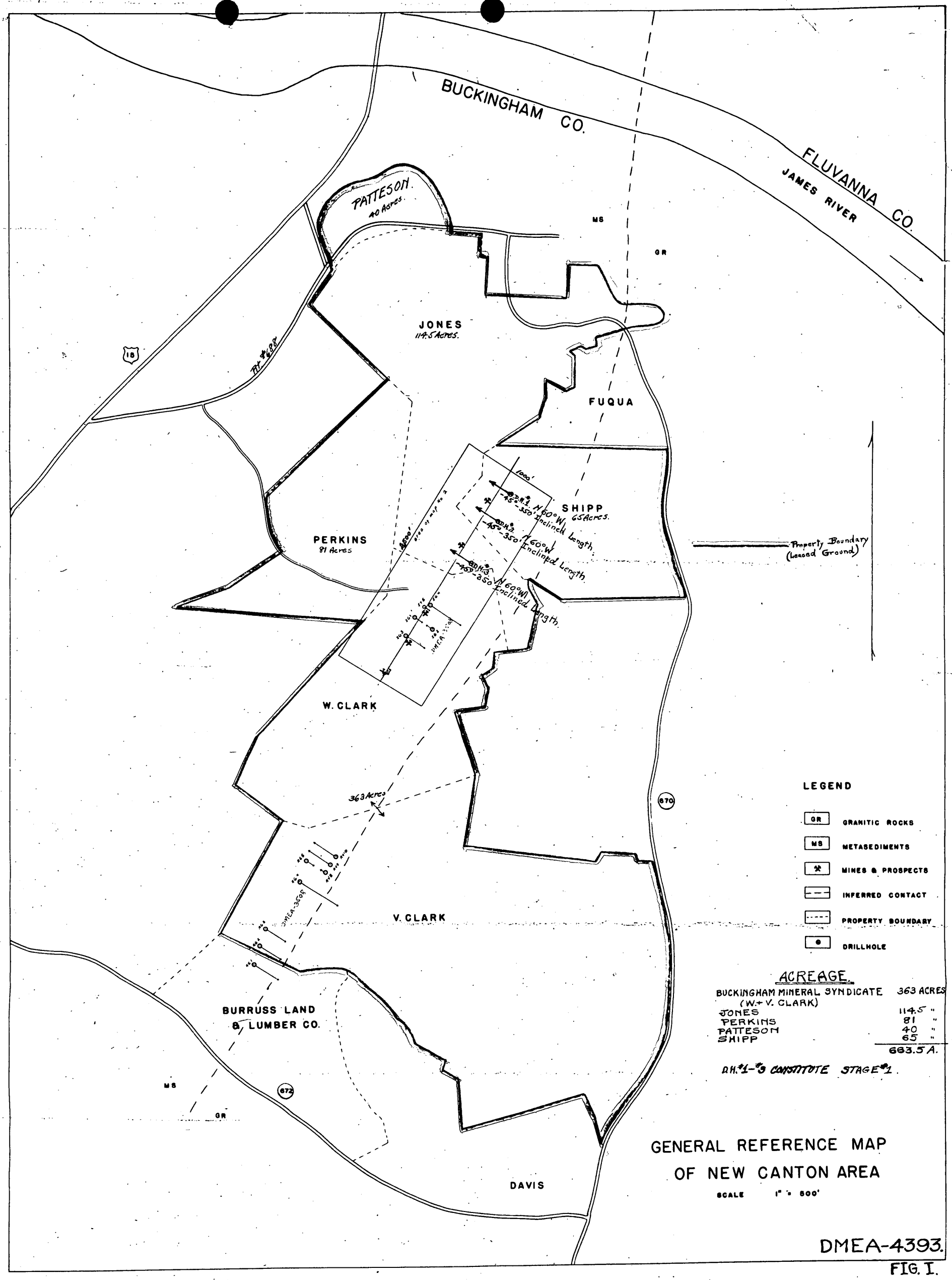
BUCKINGHAM CO.
FLUVANNA CO.
JAMES RIVER
PATTESON
40 Acres.
MS
GR
JONES
114.5 Acres.
FUQUA
SHIPP
65 Acres.
PERKINS
81 Acres
W. CLARK
V. CLARK
363 Acres
BURRUSS LAND & LUMBER CO.
DAVIS
Property Boundary (Leased Ground)
LEGEND
GR GRANITIC ROCKS
MS METASEDIMENTS
MINES & PROSPECTS
INFERRED CONTACT
PROPERTY BOUNDARY
DRILLHOLE
ACREAGE.
BUCKINGHAM MINERAL SYNDICATE (W.+ V. CLARK) 363 ACRES
JONES 114.5 "
PERKINS 81 "
PATTESON 40 "
SHIPP 65 "
663.5 A.
D.H. #1-#3 CONSTITUTE STAGE #1.
GENERAL REFERENCE MAP OF NEW CANTON AREA
SCALE 1" = 800'
DMEA-4393.

FIG. I.

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

Mr. Robert A. Lawrence
Executive Officer
DMEA Field Team, Region V
Room 13, Post Office Building
Knoxville 2, Tennessee

Re: Docket No. DMEA-4393 (Copper-Zinc)
Roland F. Beers, Inc.
New Canton Area
Buckingham County, Virginia
Contract No. Lim-21013

Dear Mr. Lawrence:

By memorandum dated September 26, 1956, you advised this Committee that the referenced contract was satisfactory to the Field Team and that it would be forwarded to the Operator for signature as soon as an executed Performance Bond was received from him.

Three executed copies of the contract subsequently were received with your transmittal memorandum of October 18, 1956; however, the executed Performance Bond has not been received. Please forward the Bond for attachment to the original of the contract.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. Pennington, USBM
Mr. Kiilsgaard, USGS
Mr. Griswold
Mr. Chambers

EDTalbert/wb
October 24, 1956

STANDARD FORM 25
REVISED NOVEMBER 1950
PRESCRIBED BY GENERAL SERVICES ADMINISTRATION
GENERAL REGULATION NO. 5

PERFORMANCE BOND

(See Instructions on Reverse)

DATE BOND EXECUTED: September 24, 1956

PRINCIPAL: ROLAND F. BEERS, INC., 447 Pinewoods Ave., Troy, New York

A New York Corporation.

SURETY: HARTFORD ACCIDENT AND INDEMNITY COMPANY, Hartford, Conn. -

A Connecticut Corporation authorized to do business in the State of New York.

PENAL SUM OF BOND (*express in words and figures*)	CONTRACT NO.	DATE OF CONTRACT
FIVE THOUSAND ONE HUNDRED SIXTY EIGHT AND 50/100 - - - - - - - - - ($5,168.50) DOLLARS	DMEA-4393 E-1012	September 24, 1956

KNOW ALL MEN BY THESE PRESENTS, That we, the **PRINCIPAL** and **SURETY** above named, are held and firmly bound unto the United States of America, hereinafter called the Government, in the penal sum of the amount stated above, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the principal entered into a certain contract with the Government, numbered and dated as shown above and hereto attached;

NOW THEREFORE, if the principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term of said contract and any extensions thereof that may be granted by the Government, with or without notice to the surety, and during the life of any guaranty required under the contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the surety being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue.

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals on the date indicated above, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

In Presence of:

WITNESS		INDIVIDUAL PRINCIPAL	
1.	as to		[SEAL]
2.	as to		[SEAL]
3.	as to		[SEAL]
4.	as to		[SEAL]

WITNESS		INDIVIDUAL SURETY	
1.	as to		[SEAL]
2.	as to		[SEAL]

Attest: Marion L. Heinzber

CORPORATE PRINCIPAL: ROLAND F. BEERS, INC.

BUSINESS ADDRESS: 447 Pinewoods Ave., Troy, N. Y.

BY: Roland F. Beers

TITLE: Roland F. Beers, President & Treasurer

AFFIX CORPORATE SEAL

Attest: Timothy H. Beals

CORPORATE SURETY: HARTFORD ACCIDENT AND INDEMNITY COMPANY

BUSINESS ADDRESS: Asylum St., Hartford, Connecticut

BY: Thomas J. Flanigan

TITLE: Thomas J. Flanigan, Attorney-in-Fact

AFFIX CORPORATE SEAL

The rate of premium on this bond is $10.00 per thousand. (for 2 yrs.)

Total amount of premium charged, $ 51.69

(The above must be filled in by corporate surety)

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, Frank A. McNamee, Jr., certify that I am the -- secretary of the corporation named as principal in the within bond; that Roland F. Beers, who signed the said bond on behalf of the principal, was then President & Treasurer of said corporation; that I know his signature, and his signature thereto is genuine; and that said bond was duly signed, sealed, and attested for and in behalf of said corporation by authority of its governing body.

[CORPORATE SEAL]

INSTRUCTIONS

1. This form shall be used for construction work or the furnishing of supplies or services, whenever a performance bond is required. There shall be no deviation from this form except as authorized by the General Services Administration.

2. The surety on the bond may be any corporation authorized by the Secretary of the Treasury to act as surety, or two responsible individual sureties. Where individual sureties are used, this bond must be accompanied by a completed Affidavit of Individual Surety for each individual surety (Standard Form 28).

3. The name, including full Christian name, and business or residence address of each individual party to the bond shall be inserted in the space provided therefor, and each such party shall sign the bond with his usual signature on the line opposite the scroll seal, and if signed in Maine or New Hampshire, an adhesive seal shall be affixed opposite the signature.

4. If the principals are partners, their individual names shall appear in the space provided therefor, with the recital that they are partners composing a firm, naming it, and all the members of the firm shall execute the bond as individuals.

5. If the principal or surety is a corporation, the name of the State in which incorporated shall be inserted in the space provided therefor, and said instrument shall be executed and attested under the corporate seal as indicated in the form. If the corporation has no corporate seal the fact shall be stated, in which case a scroll or adhesive seal shall appear following the corporate name.

6. The official character and authority of the person or persons executing the bond for the principal, if a corporation, shall be certified by the secretary or assistant secretary, according to the form herein provided. In lieu of such certificate there may be attached to the bond copies of so much of the records of the corporation as will show the official character and authority of the officer signing, duly certified by the secretary or assistant secretary, under the corporate seal, to be true copies.

7. The date of this bond must not be prior to the date of the instrument in connection with which it is given.

☆U. S. GOVERNMENT PRINTING OFFICE : 1951—O-79566

Hartford Accident and Indemnity Company

Hartford, Connecticut

Financial Statement, June 30, 1956

ASSETS		LIABILITIES		
Government Bonds	$134,143,761.89	Reserve for Claims		$146,481,609.03
State, County and Municipal Bonds	83,692,944.00	Reserve for Claims Expense		15,647,212.00
Railroad Bonds	0	Reserve for Unearned Premiums		95,390,967.36
Miscellaneous Bonds	0	Reserve for Taxes		7,679,501.47
Stocks	109,597,380.00	Miscellaneous Liabilities		3,609,371.01
Real Estate, Mortgages, Etc.	15,033.77			
Cash in Offices and Banks	19,208,440.26			**$268,808,660.87**
	$346,657,559.92	Voluntary Reserve	$35,000,000.00	
		Capital Paid Up	10,000,000.00	
Premiums in Course of Collection	$32,496,349.05	Unassigned Funds (Surplus)	75,544,394.07	
Interest Accrued	1,035,816.17			
Miscellaneous Assets	9,163,329.80	Surplus as regards Policyholders		120,544,394.07
Total Admitted Assets	**$389,353,054.94**	**Total**		**$389,353,054.94**

STATE OF CONNECTICUT,
COUNTY OF HARTFORD, } ss.

Wilson C. Jainsen, President of the Hartford Accident and Indemnity Company, being duly sworn, does hereby certify that the foregoing is a correct statement of the assets and liabilities of the said Company as of June 30, 1956, and in witness whereof said President has hereunto set his hand and caused the corporate seal to be affixed hereto.

Subscribed and sworn to before me
this 7th day of August, 1956

Herbert P. Schoen

Notary Public
My commission expires March 31, 1957

Wilson C. Jainsen
President

Attest: W. E. Greene
Secretary

Form G-1208 Printed in U. S. A.

Contract No. Idm-E 1013

Docket No. 4393

DEPARTMENT OF THE INTERIOR

Approved contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Date of Contract	Region	State	Commodity
September 24, 1956	V	Virginia	Copper-Zinc

Name and Address of Operator: Roland F. Beers, Inc.
P. O. Box 1019
Troy, New York

	Reserve	Obligation
Prior Amount	0	0
Increase	$5,168.50	0
Decrease	0	0
Revised Amount	$5,168.50	0

Remarks:

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

Date Delivered to Bureau of Mines, Washington 9/24/56

98963

Hartford Accident and Indemnity Company

HARTFORD, CONNECTICUT

POWER OF ATTORNEY

Know all men by these Presents, That the HARTFORD ACCIDENT AND INDEMNITY COMPANY, a corporation duly organized under the laws of the State of Connecticut, and having its principal office in the City of Hartford, County of Hartford, State of Connecticut, does hereby make, constitute and appoint

PETER D. KIERNAN, HARRY N. PITT, JR., MARCUS V. McEVOY, THOMAS J. FLANIGAN, PETER D. KIERNAN, JR., and RAYMOND A. KELTON, of ALBANY, NEW YORK,

its true and lawful Attorney(s)-in-fact, with full power and authority to each of said Attorney(s)-in-fact, in their separate capacity if more than one is named above, to sign, execute and acknowledge any and all bonds and undertakings and other writings obligatory in the nature thereof on behalf of the company in its business of guaranteeing the fidelity of persons holding places of public or private trust; guaranteeing the performance of contracts other than insurance policies; guaranteeing the performance of insurance contracts where surety bonds are accepted by states and municipalities, and executing or guaranteeing bonds and undertakings required or permitted in all actions or proceedings or by law allowed.

and to bind the HARTFORD ACCIDENT AND INDEMNITY COMPANY thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the HARTFORD ACCIDENT AND INDEMNITY COMPANY and sealed and attested by one other of such officers, and hereby ratifies and confirms all that its said Attorney(s)-in-fact may do in pursuance hereof.

This power of attorney is granted under and by authority of the following By-Law adopted by the Stockholders of the HARTFORD ACCIDENT AND INDEMNITY COMPANY at a meeting duly called and held on the 10th day of February, 1943.

ARTICLE IV

SECTION 8. The President or any Vice-President, acting with any Secretary or Assistant Secretary, shall have power and authority to appoint, for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, one or more Resident Vice-Presidents, Resident Assistant Secretaries and Attorneys-in-fact and at any time to remove any such Resident Vice-President, Resident Assistant Secretary, or Attorney-in-fact, and revoke the power and authority given to him.

SECTION 11. Attorneys-in-fact shall have power and authority, subject to the terms and limitations of the power of attorney issued to them, to execute and deliver on behalf of the Company and to attach the seal of the Company thereto any and all bonds and undertakings, and other writings obligatory in the nature thereof, and any such instrument executed by any such Attorney-in-fact shall be as binding upon the Company as if signed by an Executive Officer and sealed and attested by one other of such Officers.

This power of attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Directors of the HARTFORD ACCIDENT AND INDEMNITY COMPANY at a meeting duly called and held on the 13th day of March, 1956.

RESOLVED, that, whereas the President or any Vice-President, acting with any Secretary or Assistant Secretary, has the power and authority to appoint by a power of attorney, for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, one or more Resident Vice-Presidents, Assistant Secretaries and Attorneys-in-fact;

Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or to any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

In Witness Whereof, the HARTFORD ACCIDENT AND INDEMNITY COMPANY has caused these presents to be signed by its Vice-President, and its corporate seal to be hereto affixed, duly attested by its Secretary, this 18th day of April, 1956.

Attest: HARTFORD ACCIDENT AND INDEMNITY COMPANY

Secretary *Vice-President*

STATE OF CONNECTICUT, } ss.
COUNTY OF HARTFORD,

On this 18th day of April, A. D. 1956, before me personally came W. H. Wallace, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Hartford, State of Connecticut; that he is the Vice-President of the HARTFORD ACCIDENT AND INDEMNITY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.

STATE OF CONNECTICUT, } ss.
COUNTY OF HARTFORD,

Notary Public
My commission expires March 31, 1957

CERTIFICATE

I, the undersigned, Assistant Secretary of the HARTFORD ACCIDENT AND INDEMNITY COMPANY, a Connecticut Corporation, DO HEREBY CERTIFY that the foregoing and attached POWER OF ATTORNEY remains in full force and has not been revoked; and furthermore, that Article IV, Sections 8 and 11, of the By-Laws of the Company, and the Resolution of the Board of Directors, set forth in the Power of Attorney, is now in force.

Signed and sealed at the City of Hartford. Dated the 24th day of September 19 56

SEE REVERSE SIDE

Assistant Secretary

Form S-3507 Rev. Printed in U. S. A. 4-'56

RECEIVED
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STATE OF NEW YORK)
) ss.
COUNTY OF Albany)

On September 24, 1956, before me personally came Thomas J. Flanigan, to me known who, being by me duly sworn, did depose and say, that he resides in Albany, N. Y.; that he is the attorney-in-fact of the HARTFORD ACCIDENT AND INDEMNITY COMPANY, the corporation described in and which executed the within instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order; and that the Superintendent of Insurance of the State of New York has, pursuant to Chapter 33 of the Laws of the State of New York for the year 1909, as amended, constituting Chapter 30 of Cahill's Consolidated Laws of the State of New York, as amended, issued to the HARTFORD ACCIDENT AND INDEMNITY COMPANY his certificate that said Company is qualified to become and be accepted as surety or guarantor on all bonds, undertakings, and other obligations or guarantees, as provided by the Insurance Law of the State of New York and all laws amendatory thereof and supplementary thereto; and that such certificate has not been revoked.

Richard C. Sullivan
Notary Public,

RICHARD C. SULLIVAN
Notary Public - State of New York
Residing in Albany County,
My commission expires March 30, 1958