121T

So. 157 Howard Street
Spokane, Washington 99204
October 24, 1963

10/28 KW 800
120
~~10/29 Murphy~~ 500
220

Mr. Marshall T. Huntting, Supervisor
Division of Mines and Geology
Department of Conservation
State of Washington
335 General Administration Building
Olympia, Washington

Re: DMEA-2193 (Antimony)
G.O.P. Antimony, Inc.
Bales Antimony Project
Okanogan County, Washington
Contract Idm-8258

Dear Marshall:

The property to which you refer in your letter of October 21, 1963, was the subject of a DMEA project carried out by G. O. P. Antimony, Inc.

Although I am not authorized to release for inspection the DMEA-OME files and reports, I would be glad to discuss the geology of the property with Jerry if he should be in Spokane.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: OME w/cy incoming

Director's reading file
Resources Research Branch Chief

Department of Conservation

October 21, 1963

Mr. Donald M. [illegible]
U.S. Geological Survey
S. 157 Howard Street
Spokane 4, Washington

Dear Don

[illegible] has been examining the [illegible] the Methow [illegible] we will be publishing. We are attempting to get [illegible] contact as possible on every property in the [illegible].

I believe [illegible] the Bolivar [illegible] after that date, [illegible] realize that these results are [illegible] helpful to us if we could examine [illegible] geological reports on the property.

[illegible]

[illegible] CONSERVATION

[illegible]

[illegible]

MTH gd

DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE — Idm-E NO. 258 — DMEA NO. 2193

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [X] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [X] Royalty Audits
- [X] Certification of Discovery
- [ ] Closing Letter
- [X] Cost Audits
- [X] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [X] Contract Amendments
- [X] Contract with all exhibits and annexes
- [X] Owner's Consent to Lien and Subordination Agreement
- [X] Application and attachments

Right Side

- [ ] Project summary (final)
- [X] Work Comoleted analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semi-Annual Report for Certified Project
- [X] Final Field Team Report (Tab)
- [X] Operator's Final Report (Tab)
- [X] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. 2 : Reports
- [X] Analysis of Semi-Annual Inspection Reports & FT Semmi-annual reps
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Field Team Interim Reports
- [X] Operator's Monthly Reports with transmittal, narrative and maps.

Folders No. _____ : Maps (Use pocket folder or envelope)

Folders No. _____ : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

Reported Inactive 12-28-59.

17963

8-15-55
Am

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, DMEA Field Team, Region I, N. W. District, pertaining to Contract Idm-E258, Docket No. DMEA-2193, with:

G. O. P. Antimony, Inc.
General Delivery
Omak, Washington

for the purpose of determining the amount of royalties due the U. S. Government on sales of antimony from property referred to as Bales Antimony Project located in Okanogan County, Washington, during the period February 19, 1952, to June 30, 1955.

The contract was dated February 19, 1952; was terminated by mutual agreement as of September 30, 1952; and certification of discovery or development was issued under date of March 23, 1953, providing for repayment royalties for a maximum of 10 years from the date of the exploration contract. According to final audit report dated August 17, 1953, prepared by Mr. Robert M. Hull, auditor, total accepted costs under the contract amounted to $10,780.88 with the Government's participation, on a 75 percent basis, being $8,085.66.

My review included a verification of the computations of royalty paid to the Government on one sale of antimony to Hermanda Mining Company, Moscow, Idaho, representing ore stockpiled during the exploration period.

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

(1) The production involved was incidental to the exploration operations,

(2) Semi-Annual Report of Certified Project for the period January 1 to June 30, 1955, states that the property has been inactive since the termination of the DMEA contract on September 30, 1952, and

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

The review established the total sales of antimony to be $1,634.10. Royalty due the U. S. Government at the contract rate of 5 percent is $81.70. The royalty paid and balance due are as follows:

Total Royalty Due	$81.70
Total Royalty Paid	81.70
Balance of Royalty Due	-0-

C. E. Fisher
C. E. Fisher, Auditor

August 5, 1955

Docket Copy

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

To: G. O. P. Antimony, Inc.
General Delivery
Omak, Washington

Pursuant to the provisions of Exploration Project Contract No. Idm-8258, dated February 19, 1952, (Docket No. DMEA-2193), hereinafter called the "contract," between you and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien thereon and on the mineral deposit which is the subject of the exploration project, the Government considers and therefore certifies that a discovery or development has resulted from the work from which commercial production of ore may be made.

The Government's estimate of said discovery or development is particularly described and delimited as follows:

Antimony in the form of stibnite occurs as lenses in several parallel shear zones in altered metamorphic rocks. Underground and surface work has partly explored the mineralized structures and indicated the presence of antimony ore which occurs on land within the boundaries of the claims described in the contract.

Dated: MAR 2 3 1953

THE UNITED STATES OF AMERICA

By C D Mitteudorf
Administrator, Defense Minerals
Exploration Administration

Putz
OKane
Chandler

cc to: Docket
Adm. Reading File
Russell Forbes, DMPA
Field Team, Region II (2)
J. N. Hedges
T. P. Thayer
Mr. Ellis
F. E. Johnson
Mr. Murkland
Operating Committee

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/5	Murphy	500
	Irwin	500
3/6	Talbot	802
	Selfridge	120
		110
	Fumich	102
		320

MAR 6 1963

Mr. Theodore Smith

Carlton, Washington

Re: DMEA-2193 (Antimony)
G.O.P. Antimony, Inc.
Bales Property
Okanogan County, Washington
Contract Idm-E258

Dear Mr. Smith:

Thank you for returning the completed MMX Form 63, relating to the subject contract.

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated March 23, 1953, all minerals mined or produced from February 19, 1952, to February 19, 1962, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

The above relates to the Landlords Subordination Agreement signed by you on October 16, 1951, under the Defense Minerals Exploration Administration program.

Sincerely yours,

George Fumich, Jr.

Director (pk)

FMMurphy/mm
3/6/63
cc: Director's Reading File
CA&A Division
Region I (2) w/cy Form 63 completed by Mr. Smith 2/21/63
✓Docket
Code 500
Mr. & Mrs. Clyde C. Scott

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/5	Murphy	500
		500
3/6	Talbot	800
	Selfridge	120
		110
3/4	Fumich	100
		220

MAR 6 1963

Mr. and Mrs. Clyde A. Scott

Carlton, Washington

Re: DMEA-2193 (Antimony)
G.O.P. Antimony, Inc.
Bales Property
Okanogan County, Washington
Contract Idm-2258

Dear Mr. and Mrs. Scott:

Enclosed is a self-explanatory letter of today to Mr. Theodore Smith.

This correspondence relates to the Landlords Subordination Agreement signed by you and Mr. Smith on October 16, 1951, under the Defense Minerals Exploration Administration.

Sincerely yours,

George Fumich, Jr.

Director

Enclosure

FMMurphy/mm
3/6/63
cc: Director's Reading File
Region I (2)
Docket
Code 500

8623

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

I have examined the records and transactions of

G.O.P. Antimony, Inc.
(Bales Property)
General Delivery
Omak, Washington

pertaining to Exploration Project Contract No. Idm-E258, Docket No. DMEA-2193, and Amendments Nos. 1 and 2 for the period May 1, 1952, to May 4, 1953, inclusive, covering a project for the exploration of antimony.

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

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

Total Cost as billed by contractor		$10,843.90
Less: Proceeds from property disposition (See Audit Report for details)		23.50
Adjusted cost		10,820.40
Exceptions (See Audit Report for details)		
Prior to this audit	$1,295.73	
Less: Reinstatements	1,256.21	39.52
Total Accepted Cost		$10,780.88

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Eight thousand eighty-five and 66/100 Dollars

$8,085.66

is valid and proper.

This certificate is issued on the provision 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.

August 17, 1953

Robert M. Hull
Robert M. Hull
Auditor

AUDIT REPORT

During the month of August 1953, a final audit (covering operations for the period May 1, 1952, through May 4, 1953), was made of the records and accounts pertaining to Exploration Contract No. Idm-E258, Docket No. DMEA-2193, including Amendments Nos. 1 and 2 with the

G.O.P. Antimony, Inc.
(Bales Property)
General Delivery
Omak, Washington

covering a project for the exploration of antimony.

An interim audit report and certificate had been previously issued on October 15, 1952, covering the period of May 1, 1952, through August 31, 1952. The final audit report covers work done during September 1952 and the disposition of property acquired for the exploration project. A further site audit was unnecessary as the form MF-104 submitted for the final period was fully documented.

The Operator offered, by letter dated April 10, 1953, and accepted by the Executive Officer, DMEA Field Team on May 4, 1953, $50.00 for the Jack-leg and drill. The purchase cost of this piece of equipment was distributed, on the basis of monthly contributions, among the Operator's three projects as follows:

Contract Idm-E22 Bermuda Mining Company	15.6%
Contract Idm-E132 G.O.P. Antimony (Queen Property)	37.4%
Contract Idm-E258 G.O.P. Antimony (Bales Property)	47.0%
	100.0%

Therefore, only 47.0% of the Operator's bid of $50.00 or $23.50 is applicable to this contract, of which the Government's 75% share is $17.62.

During the life of the exploration project the Operator transfer from the Antimony Queen Property (Contract Idm-E132) used rail and pi

to a value of $564.14. These items were not charged to the Bales project, having already been charged to the Antimony Queen Project. Upon conclusion of the Bales Project the Operator, in a letter to the Executive Officer dated April 24, 1953, stated "I hereby inform you that we took one-fourth of the pipe back to Idaho and left the Government's three-fourths of the pipe on the Bales Property." The Field Team advised the Operating Committee of the DMEA by letter on April 30, 1953, of the situation and requested permission to waive the DMEA's equity in the supplies in favor of the Bureau of Mines.

The Operating Committee, by letter dated June 4, 1953, advised the Executive Officer of the DMEA Field Team that "This Administration's equity in said property is slight and is hereby waived in favor of the Bureau of Mines."

The DMEA Certifying Officer made disallowances totaling $1,256.21 as follows:

Labor	$ 687.40
Supervision	$ 460.00
Payroll taxes & Workmens compensation insurance	$ 108.81
	$1,256.21

These deletions were the result of the Bureau of Mines' supervising engineer's questions as to the propiety of work performed during July 1952. As the result of the analysis at the DMEA conference covering the Interim Audit, the Executive Officer determined that the work in question was allowable and it was reinstated.

The Interim audit disclosed, however, that the supervisor's salary should be reduced $36.01 for 28 hours of the supervisor's time during which he operated the bulldozer under contract. Therefore, payroll taxes and Workmen's Compensation Insurance were reduced by $3.51.

The total amount of disallowances are $39.52.

This audit disclosed that all costs charged to this project, with the exception of the disallowances are reasonable and proper under the terms of the contract.

The adjustments between "Items of Cost" as shown on the MF-104 for September 1952, the disallowances, and the accepted costs are summarized as follows:

	Totals Sept. 1952 MF-104	Disallowed by DMEA Cert. Officer	Disallowed by Audit	Reinstated by Audit	Accepted Costs
(1) Independent Contracts					
Bulldozing	$ 1,750.00				$ 1,750.00
(2) Labor & Supervision					
Labor	3,324.20	$ 687.40		$ 687.40	3,324.20
Supervision	1,760.00	460.00	$36.01	460.00	1,723.99
(3) Operating Matl's & Supplies					
Timber	66.14				66.14
Explosives	433.88				433.88
Gas, Oil & grease	440.87				440.87
Cable, etc.	578.06				578.06
(4) Operating Equipment					
Rental	1,120.68				1,120.68
(5) Initial Rehabilitation & Repairs	550.00				550.00
(6) Miscellaneous					
Repairs to equipment	334.72				334.72
Payroll taxes & Workmen's Comp. Insurance	485.35	108.81	3.51	108.81	481.84
	$10,843.90	$1,256.21	$39.52	$1,256.21	$10,804.38
Proceeds from property	23.50				23.50
Adjusted costs	$10,820.40				$10,780.88

The findings of this audit were discussed with the Executive Officer of the ESSA Field Team and have his concurrence.

August 17, 1953

Robert N. Hull
Auditor

Department of the INTERIOR
Defense Minerals Administration
RECEIVED
NOV 10 1952

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

We have examined the records and transactions of:

G.O.P. Antimony, Inc.
(Bales property)
616 East "C" Street
Moscow, Idaho

pertaining to Exploration Project Contract No. Idm-E258, Docket No. DMA 2193, for the period of May 1, 1952 to August 31, 1952.

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

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

Total cost as billed by contractor			$9,834.07
Exceptions (see Audit Report for details):			
During this audit		$39.52	
Prior to this audit	$1,256.21		
Less: Reinstatements	1,256.21	-0-	39.52
Total accepted cost			$9,794.55

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, subject to the liquidation of the Government's equity in Facilities and Equipment, payment to the contractor by the Government in the amount of Seven thousand three hundred forty five and 91/100 Dollars,

$7,345.91

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

October 15, 1952

Robert M. Hull
Robert M. Hull, Auditor

I INTRODUCTION

On October 7 to 10, 1952, an interim audit (covering the period of May 1, 1952 to August 31, 1952) was made of the records and accounts of operations pertaining to Contract No. Idm-E258, Docket No. DMA 2193, dated February 19, 1952, and as subsequently amended on June 9, 1952 and June 27, 1952, with the

G.O.P. Antimony, Inc.
(Sales property)
616 East "C" Street
Moscow, Idaho

covering a project for the exploration for antimony.

The G.O.P. Antimony, Inc. is a Washington corporation. The exploration project is located near Omak, in Okanogan County, Washington. The books and records, however, are located in the company's office at the home of Mr. Ernest Oberbillig, President, 616 East "C" Street, Moscow, Idaho.

During the course of the audit the following officers of the company were consulted as required:

Mr. Ernest Oberbillig, President
Mrs. Carol Oberbillig, Secretary-Treasurer

Their cooperation and assistance greatly facilitated the audit. Mr. Donald T. Finch, DMEA auditor, collaborated in this audit.

II GENERAL INFORMATION ON RECORDS

The accounting records for the exploration project consist of summary monthly statements supported by comprehensive payroll records, copies of purchase invoices or suppliers' statements, and cancelled bank checks. The general ledger accounts do not conform with the items of cost as shown on the monthly Form MF-104.

In some instances duplicate purchase invoices were not available for examination during the audit. The missing invoices had been attached to the monthly Form MF-104 and filed in compliance with the documentation requirements of the DMEA Finance Officer. The auditors, however, were able by examination of cancelled checks or monthly statements from suppliers to satisfy themselves concerning the propriety of such items. In addition, special confirmation concerning the complete documentation of the MF-104 forms filed by the Operator was made by telephone conversation with Mr. W. Rulon Lee, DMEA Finance Officer with offices at Albany, Oregon.

III SCOPE OF AUDIT AND FINDINGS

The audit consisted of a detailed examination of all accounting data as to accuracy, propriety, and validity of the costs as shown in the "Totals to Date" column of the Form MF-104, "Operator's Monthly Report and Voucher" for August 1952.

(1) Independent Contracts

The charges to this item were for "bulldozing" at $7.00 per hour as provided by Exhibit "A" attached to the Exploration Contract. Accounting support for this item consisted of sundry statements showing the hours of bulldozing performed. Payment was evidenced by cancelled checks which were examined for the entire period under review.

(2) Labor and Supervision

All charges under this item were checked against the payroll records. Daily time reports were examined as to labor time, rates, and charges. They were checked to the payroll records for the entire period under

audit, and the cancelled checks also were examined. The total amount shown for labor on the August 31, 1952 form was $2,774.80. The DMEA Finance Officer had suspended $687.40 of this amount. The total amount shown for supervision on the form MF-104 as of August 31, 1952 was $1,660.00. The DMEA Finance Officer had suspended $460.00 of this amount.

The foregoing suspensions are reinstated as the result of a conference between the DMEA Field Team and the Operator on October 11, 1952. The reason for the suspension was based on the Supervising Engineer's memorandum dated September 17, 1952 which questioned the propriety of the work performed during July 1952. As the result of the analysis at the DMEA conference, the Executive Officer has determined that this work was an allowable item as evidenced by his memorandum on file in the DMEA audit file.

The audit disclosed, however, that the supervisor's salary should be reduced $36.01 for 28 hours of the supervisor's time during which he operated the bulldozer under contract.

(3) <u>Operating Materials and Supplies</u> (Timber, explosives, gas, oil and grease, cable, etc.)

All charges against this category were checked against the monthly summary; an analysis was made to determine the propriety of the items charged. All purchases for the period under audit were verified for adequate accounting support and were spot checked for proof of payment against cancelled checks.

The company does not maintain a stores account.

(4) Operating Equipment

a. Rental

Exhibit "A" of the original contract and Amendment No. 1 provide for monthly rentals to the Operator for sundry equipment. Charges were made for this item at the authorized contract rates. They were adequately supported from an accounting standpoint.

(5) Initial Rehabilitation and Repairs

Initial rehabilitation and repairs of $550.00 consisted of charges for labor of $409.50 and $140.50 for timber. These charges were adequately supported from an accounting standpoint.

(6) Miscellaneous

a. Repairs to Equipment

All charges for this item were examined, analyzed as to propriety, and found to be properly supported.

b. Payroll taxes and Workmen's Compensation Insurance

All charges for payroll taxes and insurance were checked by computation at the rates shown by the company files to be in effect. These rates were:

Social Security Tax	1.5%	
Unemployment - Washington	2.7%	4.2%

Workmen's Compensation Insurance

Mining operations $0.1075 per hour - increased to $0.1125 per hour.

Office $0.004 per hour increased to $0.005 per hour.

The DMEA Finance Officer had previously suspended $108.81 of payroll taxes applicable to the labor and supervision charges referred

to in paragraph 2 above. In view of the reinstatement of the suspended wages and salaries, the $108.81 should also be reinstated.

During the audit, exception was taken to $36.01 of supervisory salaries also discussed under paragraph 2 above. Therefore, payroll taxes and Workmen's Compensation Insurance should be reduced by $3.51 with the result that the total acceptable charge for this item as of August 31, 1952 amounts to $419.96.

IV CONCLUSIONS AND RECOMMENDATIONS

This audit has disclosed that all costs as charged to this project as reflected in Exhibit "A" attached to this report are in accordance with the terms of the contract and amendments thereto.

A conference was held on October 11, 1952 at the Spokane office of the U. S. Bureau of Mines. Present at this conference were:

A. E. Weissenborn	DMEA Executive Officer
E. Oberbillig	President, G.O.P. Antimony, Inc.
M. E. Volin	Member, DMEA Field Team
T. E. Howard	Chief, DMEA Section, Bureau of Mines, Reg. II
T. Kiilsgaard	Geologist, U. S. Geological Survey
H. Kirkemo	Geologist, U. S. Geological Survey
R. M. Hull	DMEA Auditor
Donald T. Finch	DMEA Auditor

During the conference a thorough analysis was made by the DMEA Field Team of the labor and supervisory work performed on this project for the months of July and August 1952. It was agreed that such work was acceptable under the terms of the contract.

Attention is invited to Section IV of the Audit Report on Exploration Project Contract No. Idm-E132 (Queen property). The reference section suggests that consideration might be given to increasing the

amount of "hold back" payments on Exploration Project Contract No. Idm-E258 (Bales property) to provide for liquidation of the Government's equity in facilities and equipment applicable to Exploration Project Contract No. Idm-E132 (Queen).

The Operator's MF-104 form for August 1958 has been received in the Bureau of Mines office but had not been processed at the time of this audit.

/s/ Robt. M. Hull

G.O.P. ANTIMONY, INC.
(Bales property)
Contract Idm-8258

Exhibit "A"

	Totals to date MF-104 8/31/52	Deletions by DMEA Finance Officer	Deletions disclosed by audit	Reinstatements disclosed by audit	Acceptable costs 8/31/52
Contract Bulldozing	$1,750.00				$1,750.00
Labor	2,774.80	$687.40		$687.40	2,774.80
Supervision	1,660.00	460.00	$36.01	460.00	1,623.99
Supplies:					
Timber	24.75				24.75
Explosives	358.12				358.12
Gas, oil & grease	421.51				421.51
Cable, etc.	578.06				578.06
Equipment Rental	982.00				982.00
Initial Rehabilitation & Repairs	550.00				550.00
Repairs to Equipment	311.36				311.36
Payroll Taxes and Workmen's Comp. Insurance	423.47	108.81	3.51	108.81	419.96
Totals	$9,834.07	$1,256.21	$39.52	$1,256.21	$9,794.55

Docket Copy
Antimony

TERMINATION OF EXPLORATION PROJECT CONTRACT BY AGREEMENT
AFTER COMMENCEMENT BUT BEFORE COMPLETION OF THE WORK

It is agreed this 30th day of September, 1952, between the United States of America, acting through the Depatment of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and G. O. P. Antimony, Inc. (Salen), Okanogan County, Washington, hereinafter called the "Operator," parties to that certain Exploration Project Contract I-dm-E 258, Docket No. DMEA-2198, dated February 19, 1952, that the said contract shall be and is hereby terminated as of the first date above written.

Any work prosecuted or costs incurred by the Operator after the date first above written shall be for the sole account of the Operator, except for (a) such necessary and reasonable costs and expenses as may be incurred in preserving and disposing of any facilities, buildings, fixtures, equipment, or other items, to the cost of which the Government has contributed and in which the Government has an equity, and (b) the costs of any reports, accounts, and winding-up and settlement actions provided for in the contract.

The undersigned Operator hereby releases and agrees to save harmless the Government from all claims and demands under or arising out of said Exploration Project Contract, except as herein expressly otherwise provided.

Witness the following signatures as of the day and year first above written.

UNITED STATES OF AMERICA

By A. E. Weisenborn, Executive Officer
DMEA Field Team, Region II

G. O. P. ANTIMONY, INC.
(Operator)

By Ernest Oberbillig
President

cae
11-14

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 14 1952

AMENDMENT NO. 2

It is agreed this 27th day of June 1952, between the the United States of America, acting through the Department of the Interior, Defense Minerals Administration and G.O.P. Antimony, Inc., General Delivery, Omak, Washington

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-R258 of Feb. 19, 1952 between the parties hereto be modified and amended as described in Exhibit B, attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be June 1, 1952.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2684 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "Allowable Maximum".

Executed in sextuplicate the day and year first above written.

G.O.P. Antimony, Inc.
(Operator)

By Ernest Oberbillig

The United States of America

By A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 14 1952

G. O. P. Antimony, Inc.

Docket No. DMSA 2193

Contract Idm-5258

EXHIBIT "B"

Amendment No. 2

Changes and Modifications:

To the first paragraph of Exhibit "A" add:

Longhole drilling is to be done to test walls of underground workings for possible parallel veins. Drilling is to be accomplished using that drilling equipment and labor otherwise employed in the drifting operations with the exception that Timken Detachable 2-inch Tungsten Carbide bits and 4-foot length joint steel are to be used. Longest hole to be drilled will not exceed 30 feet.

Maximum total estimated feet of longholing to be done 500 feet

Docket Copy

AMENDMENT NO. 1

It is agreed this 9th day of June 1952, between the the United States of America, acting through the Department of the Interior, Defense Minerals Administration and C.O.P. Antimony, Inc., Oak, Wash. (Docket No. 2192 - antimony)

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-D258 of Feb. 19 1952 between the parties hereto be modified and amended as described in Exhibit B, attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be May 1 1952.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2684 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "Allowable Maximum".

Executed in sextuplicate the day and year first above written.

C.O.P. ANTIMONY, INC.
(Operator)

By Ernest Oberfelling

The United States of America

By A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

SDS 7-30-52

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 14 1952

G.O.P. ANTIMONY, INC.
Exploration Project Contract Idm-E258
Docket No. 2193 - Antimony

Amendment No. 1

EXHIBIT "B"

Changes and modifications

In Exhibit "A" of the contract under Operating Equipment - To be Rented, add:

1 Ore car - $10/mo. for 6 months	$60.00
1 Grinder, air powered - $~~15~~ 10/mo. for 6 months	60.00 ~~90.00~~
1 Drill, air, with pusher leg - $50/mo.*	

E.E.O.

*This rental rate will continue until such time as the machine is paid for under the terms of the purchase contract. After the purchase option is exercised the rental arrangement will be terminated automatically and the Government will acquire an appropriate pro-rata equity in the machine and pusher leg.

Under Operating Equipment - To be Purchased, delete:

1 - Ore car	$150.00
1 - Jackhammer	475.00
1 - Jackleg	185.00

Under Labor and Supervision, delete:

2 Miners - $14/day each for 140 days (includes insurance and taxes)	$3,920.00

Add:

2 Miners - $14/day each for 140 days (not including insurance and taxes)

Under Rehabilitation and Repairs, delete the word "None" and add:

Rehabilitation of No. 1, 2 and 3 adits at a cost not to exceed	$550.00

MF-200
(June 1951)

DMA-2193

Docket No. DMA _____
Commodity Antimony
IdmE-258

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

DOCKET COPY

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 19th day of February, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2]
T. .P. Antimony, Inc.
General Delivery
Twisp, Washington

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Washington, County of Okanogan described as follows: [3] Unpatented claims Bales Antimony, Bales Antimony No. 2, Bales Antimony No. 3, G. O. P. No. 1, and G. .P. No. 2 in Twisp Mining District,

with respect to which the Operator represents and undertakes: [4]

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: None as G. .P. No. 1 and G. .P. No. 2 owned by Operator.

~~of Bales Antimony, Bales Antimony No. 2 and Bales Antimony No. 3.~~

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within 90 days from the date of this contract shall commence work on a project of exploration for [5] Antimony; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] nine months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 75 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $ 12,060.00, which is 75 percent of the agreed estimated total cost of this project, $ 16,080.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

G. O. P. Antimony, Inc.
(Operator)

By Ernest Oberbeck, Pres.

THE UNITED STATES OF AMERICA

By C. Whittenberg
Acting Administrator
Defense Minerals Exploration Administration

R. M. Hollingshead (Acting)

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

EXPLORATION PROJECT CONTRACT
G. O. P. ANTIMONY, INC.
DOCKET NO. DMRA 2193

EXHIBIT "A"

Statement of the Work

The exploration project shall consist of driving 400 feet of exploration adits and doing 250 hours of stripping with a bulldozer, as shown on attached Maps No. 1 and No. 2.

The total of 400 feet of drifting is comprised of the following:

Adit No. 1, Advance of 200 feet proposed from present face. See Attached Map No. 1.

Adit No. 2, Advance of 75 feet proposed from face of opencut. See Attached Map No. 2.

Adit No. 3, Advance of 125 feet proposed from face of opencut. See Attached Map No. 2.

Exploratory stripping shall be performed in four separate cuts to a depth sufficient to uncover the underlying rock, and will be limited to exploratory work. (see attached Map No. 1.)

By mutual agreement between the Government field engineers and the Operator the exact location and extent of the proposed drifting and stripping may be changed, if in so doing, more and better information can be obtained by the same amount of exploration work.

In complying with Article 12 of this contract, the Operator should include in each monthly report, a map showing the progress during the month, and, the assay value and width of any newly discovered ore.

Estimated Costs of Project

Fixtures and Improvements

Two mine sheds @ $750.00 each:

Excavation and Foundation	$100.00

Materials	$1,000.00	
Labor	400.00	$1,500.00
Operating Equipment		
To be rented		
1 - Compressor 105 cfm - $150.00/month for a total of 6 months	900.00	
1 - Jeep pickup - $38.00/month for 6 months	228.00	1,128.00
To be purchased		
1 - Ore car	150.00	
1 - Jackhammer	475.00	
1 - Jack-leg	185.00	
1 - Slusher and bucket	1,200.00	2,010.00
Labor and Supervision		
1 - Foreman - $360.00/month for 5 months	1,800.00	
2 - Miners - $14.00 per day each for 140 days (Includes Insurance and Taxes)	3,920.00	
1 - Bookkeeper $100.00/month for 6 months	600.00	
Contract for Bulldozer TD-9 - $7.00 per hour for 250 hours. (Includes Operator's wages, and all operating expenses)	1,750.00	8,070.00
Supplies to be purchased		
Bits, steel, hoses, machine repairs, Track and Pipe with fittings and accessories - Powder, caps and fuse Timber, nails, wedges.		3,372.00

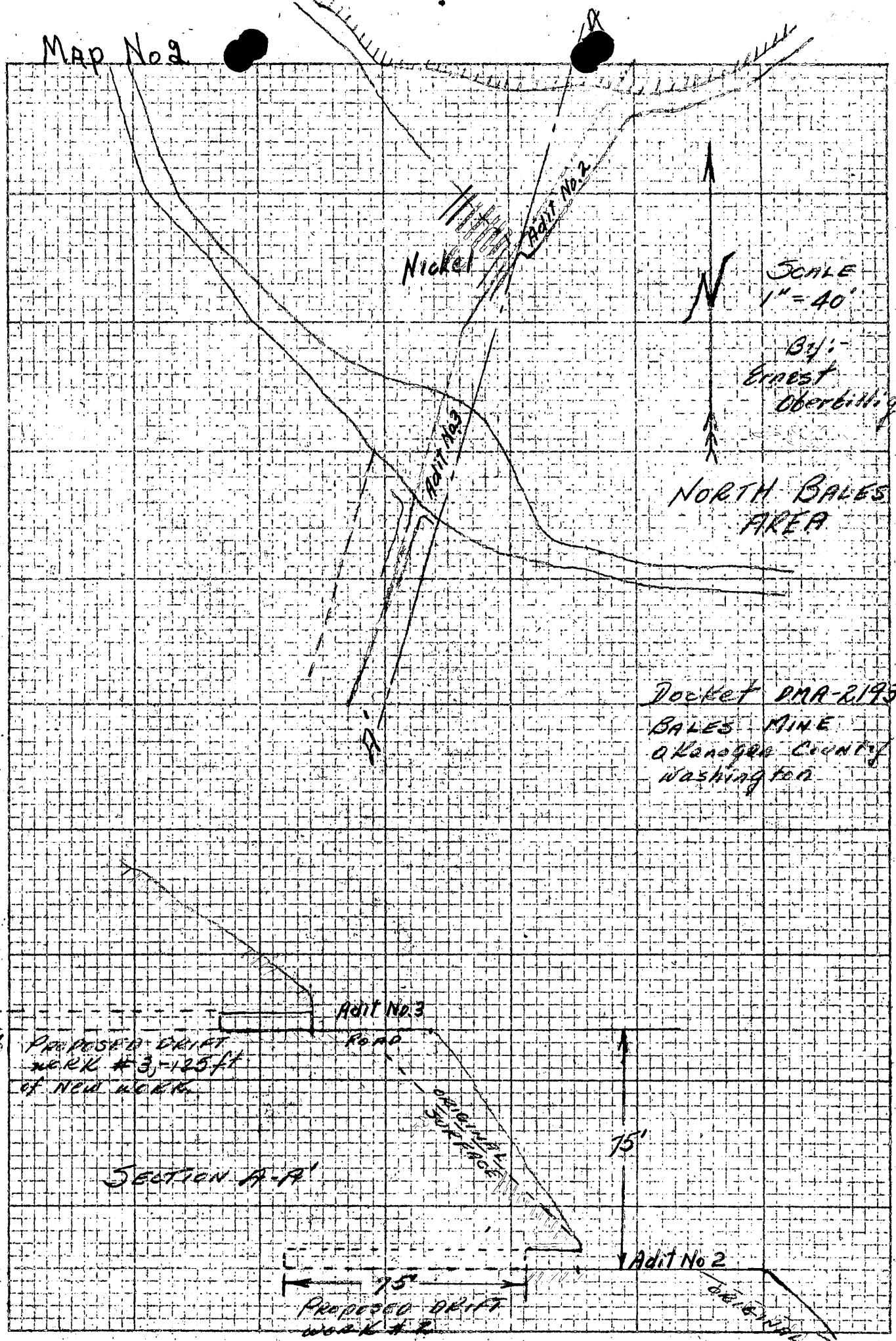
Rehabilitation and Repairs

None

Estimated Total Cost of Project	$16,080.00

Summary of Estimated Costs

Fixtures and Improvements	$1,500.00	
Operating Equipment - Rented	1,128.00	
Operating Equipment - Purchased	2,010.00	
Labor and Supervision	8,070.00	
Supplies	3,372.00	
ESTIMATED TOTAL COST OF PROJECT		$16,080.00



Form No. 898 - 10 Squares to Inch
AMERICAN PAD & PAPER CO., HOLYOKE, MASS.

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Okanogan, State of Washington, described in a certain Exploration Project Contract dated _____, 195__, between G.-O.-P. Antimony Inc., the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated April 24, 1951, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 16 day of October, 1951

Clyde A. Scott

U. S. GOVERNMENT PRINTING OFFICE 940768

* Theodora Scott

Theodore Smith

* Mr Clyde A. Scott was not married at time lease signed but his wife has signed this agreement.

ASSIGNMENT OF:

BALES ANTIMONY MINING LEASE

and the

ANTIMONY QUEEN OPERATING AGREEMENT

We, the undersigned, JOSEPH R. GRAY, a single man, and ERNEST OBERBILLIG and CAROL OBERBILLIG, husband and wife, for the valuable consideration of $500.00 (50 shares) of G-O-P Antimony, Inc. stock to each one, do hereby assign, release and transfer to the G-O-P Antimony, Inc., a Washington Corporation, all right, title and interest in those certain leases and operating agreements, as follows, to-wit:

> Bales Antimony Mining Lease with option to purchase, between ERNEST OBERBILLIG and JOSEPH R. GRAY, lessees; and CLYDE A. SCOTT and THEODORE SMITH, lessors, dated April 24, 1951 and filed for record in the Okanogan County Court House on Page 141, Vol. 20 of Misc. Records.
>
> Antimony Queen Mine Operation Agreement between H. B. JOHNSTEN and ADDIE M. JOHNSTEN, husband and wife, of 10741 Palatine Ave., Seattle, Washington, parties of the first part, and ERNEST OBERBILLIG and JOSEPH R. GRAY of Twin Springs, Idaho, parties of the second part, dated March 27, 1951 and filed for record in the Okanogan County Court House on Page 150, Vol. 20 of Misc. Records.

IN WITNESS WHEREOF the said parties, transferees and all three Directors of the G-O-P Antimony, Inc., have hereunto set their hands and seals this 5th day of July, 1951.

TRANSFEREES:

Ernest Oberbillig
Ernest Oberbillig

Carol Oberbillig
Carol Oberbillig

Joseph R. Gray
Joseph R. Gray

DIRECTORS OF G-O-P ANTIMONY, INC.:

Ernest Oberbillig
Ernest Oberbillig

Joseph R. Gray
Joseph R. Gray

Norton Pearson
Norton Pearson

ATTEST:
Carol Oberbillig
Sec. Treas.

STATE OF WASHINGTON)
) ss.
County of Okanogan)

On this 5th day of July 1951, before me a Notary Public in and for said county and state, personally appeared ERNEST OBERBILLIG and CAROL OBERBILLIG, husband and wife, and JOSEPH R. GRAY, known to me to be the persons whose names are subscribed to the within and attached instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for Washington,
Residing at

STATE OF WASHINGTON)
County of Yakima) ss.

On this 6th day of July 1951, before me, Otheline G. Pearson, a Notary Public in and for said county and state, personally appeared NORTON PEARSON, known to me to be the person whose name is subscribed to the within and attached instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Otheline G. Pearson
Notary Public for Washington,
Residing at

QUIT-CLAIM DEED (Mining)

(ANY STATE OR ALASKA)

(Quartz)

THIS INDENTURE. Made the 5th day of July A. D. 19 51

BETWEEN ERNEST OBERBILLIG and CAROL OBERBILLIG, husband and wife, and

JOSEPH R. GRAY, a single man, of Twin Springs, Idaho,

the parties of the first part, and

G-O-P Antimony, Inc., a Washington Corporation of Box 309,

Twisp, Washington,

the party of the second part, WITNESSETH: That the said parties of the first part, for and in consideration of ~~the sum of~~ Total par value of stock $1,500.00 ($10.00 each share) One Hundred Fifty (150) shares G-O-P Antimony, Inc. Capital Stock ~~DOLLARS~~ ~~lawful money of the United States of America~~ to them in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, have granted, bargained, sold, remised, released, and forever quit-claimed, and by these presents do grant, bargain, sell, remise, release, and forever quit-claim unto the said party of the second part, and to its heirs and assigns,

the following described real estate and mining property, located in Okanogan County

in the (State or District) of Washington

described as follows, to-wit:

Bales Antimony Mining Lease with option to purchase, between ERNEST OBERBILLIG and JOSEPH R. GRAY, lessees; and CLYDE A. SCOTT and THEODORE SMITH, lessors, dated April 24, 1951 and filed for record in the Okanogan County Court House on Page 141, Vol. 20 of Misc. Records.

Antimony Queen Mine Operation Agreement between H. B. JOHNSTEN and ADDIE M. JOHNSTEN, husband and wife, of 10741 Palatine Ave., Seattle, Washington, parties of the first part, and ERNEST OBERBILLIG and JOSEPH R. GRAY of Twin Springs, Idaho, parties of the second part, dated March 27, 1951 and filed for record in the Okanogan County Court House on Page 150, Vol. 20 of Misc. Records.

TOGETHER with all the dips, spurs, and angles, and also all the metals, ores, gold and silver bearing quartz-rock and earth therein; and all the rights, privileges, and franchises thereto incident, appendant and appurtenant or therewith usually had and enjoyed; and, also, all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the rents, issues and profits thereof; and, also, all the estate, right, title, interest, property, possession, claim, and demand whatsoever, as well in law as in equity, of the said parties of the first part, of, in, or to the said premises, and every part and parcel thereof, with the appurtenances

TO HAVE AND TO HOLD all and singular, the said premises, together with the appurtenances and privileges thereunto incident, unto the said party of the second part, its heirs and assigns forever.

IN WITNESS WHEREOF the said parties of the first part have hereunto set their hands and seals the day and year first above written.

Signed, Sealed, and Delivered in the Presence of:

Ernest Oberbillig (SEAL)

Carol Oberbillig (SEAL)

Joseph R. Gray (SEAL)

(SEAL)

(SEAL)

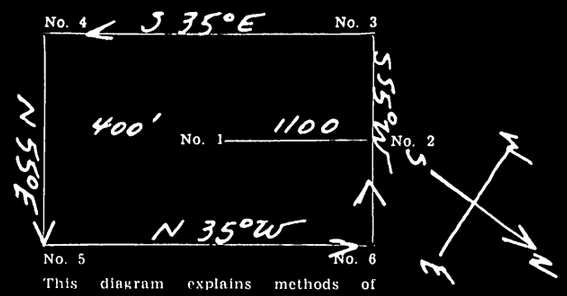
This blank is guaranteed against successful alteration, which guaranty is insured in LLOYD'S, London
Washington Legal Blank Co., Seattle (Quit-Claim Mining Deed) Printing Date 7-10-40 Form No. 224

NOTICE OF QUARTZ LOCATION

3934549
3934777

VOL 11 PAGE 407
VOL 11 PAGE 373

NOTICE OF MINING LOCATION



This diagram explains methods of description of claim.

Washington STATE

Okanogan COUNTY

Twisp MINING DISTRICT

Notice Is Hereby Given, That the undersigned, having complied with the requirements of Chapter six of Title thirty-two of the Revised Statutes of the United States, and the laws of the above State, and the local customs and regulations of said District, has located and do hereby locate 1500 linear feet in length, and 600 feet in width on the G-O-P #1 lode, vein, ledge or deposit (or placer ground), situated in the above State, County and Mining District, and further described as follows: Commencing at a post marked No. 1 at the Discovery shaft (cut or tunnel), from thence 1100 — feet in a N 35°W direction to an end post marked No. 2, thence 300 feet in a S 55°W direction to a corner post marked No. 3, thence 1500 feet in a S 35°E direction to a corner post marked No. 4, thence 600 feet in a N 55°E direction to a corner post marked No. 5, thence 1500 feet in a N 35°W direction to a corner post marked No. 6, thence 300 feet in a S 55°W direction to said end post No. 2; hereby locaing and intending to claim 1100 feet in a N 35°W direction from discovery to the NORTH end line, and 400 feet in the opposite direction from discovery to the SOUTH end line and 300 feet on each side of the middle of said lode or ledge, for the purpose of mining the same and claiming all surface rights, privileges, and minerals, with all dips, spurs, angles and variations, and other rights granted by existing laws and customs. This claim is further described as follows:

G O P No 1. Claim is bounded on the West side by the Bales Antimony No 2 and GOP #1 is ½ Mile South of Booth Canyon Creek. G O P No 1 discovery is 350 ft in a S 18°W direction from the NE Corner of Section 17, T 32N, R 22E,

This notice is placed at Discovery on post No. 1; posts are placed at each corner, and the name of this lode, the date of location, are placed on all posts.

Located June 18, 1951. day of, A. D. 193

Discovered May 10, 1951

WITNESSES:

Ernest Oberbilling
Joseph R. Gray
Wesley Carlson
Locators.
agents for G-OP Antimony, Inc.

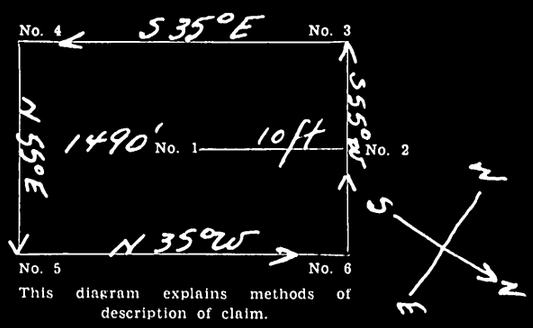
Filed for record 7-13 1951 at 1 P. M.
Request of Ernest Oberbilling
Recorded 7-18-51 Coleman R. Walls
Okanogan Co. Auditor
J Beamer, Deputy

394550
NOTICE OF QUARTZ LOCATION
VOL 11 PAGE 374

THE OMAK CHRONICLE PRINT
VOL 11 PAGE 409

3934778

NOTICE OF MINING LOCATION



This diagram explains methods of description of claim.

Washington STATE

Okanogan COUNTY

Twisp MINING DISTRICT

Notice Is Hereby Given, That the undersigned, having complied with the requirements of Chapter six of Title thirty-two of the Revised Statutes of the United States, and the laws of the above State, and the local customs and regulations of said District, have located and do hereby locate 1500 linear feet in length, and 600 feet in width on the G-O-P #2 lode, vein, ledge or deposit (or placer ground), situated in the above State, County and Mining District, and further described as follows: Commencing at a post marked No. 1 at the Discovery shaft (cut or tunnel), from thence

10 feet in a N 35°W direction to an end post marked No. 2, thence
300 feet in a S 55°W direction to a corner post marked No. 3, thence
1 500 feet in a S 35° E direction to a corner post marked No. 4, thence
600 feet in a N 55°E direction to a corner post marked No. 5, thence
1500 feet in a N 35°W direction to a corner post marked No. 6, thence
300 feet in a S 55°W direction to said end post No. 2; hereby locaing and intending to claim 10 feet in a N 35°W direction from discovery to the NORTH end line, and 1490 feet in the opposite direction from discovery to the SOUTH end line and 300 feet on each side of the middle of said lode or ledge, for the purpose of mining the same and claiming all surface rights, privileges, and minerals, with all dips. spurs, angles and variations, and other rights granted by existing laws and customs. This claim is further described as follows:

G-O-P #2 claim is bounded on the East Side by the Bales Antimony No 2 and G.O.P. #2 is 1/4 mile South of Booth Canyon Creek. G-O-P #2 discovery is 900 ft in a S 84°E direction from the S 1/4 Corner of Section 8, T 32 N, R 22 E.

This notice is placed at Discovery on post No. 1; posts are placed at each corner, and the name of this lode, the date of location, are placed on all posts.

Located June day of 18, 1951, A. D. 193

WITNESSES:

Ernest Oberbillig
Joseph R. Gray
Wesley Carlson
Locators.
Agents for G-O-P Antimony, Inc.

Filed for record 7-13-1951 at 1 P. M.
Request of Ernest Oberbillig
Recorded 7-18-51. Coleman R. Walls
Okanogan Co. Auditor
J Beamer, Deputy

UNITED STATES OF AMERICA,
TERRITORY OF ALASKA.

Individual Acknowledgment (Alaska)

ss.

THIS IS TO CERTIFY that on this _____ day of _____, 19____, before me the undersigned, a Notary Public in and for the Territory of Alaska, duly commissioned and sworn, personally appeared _____

_____

to me known to be the person _____ described in and who executed the above and foregoing instrument, and acknowledged to me that _____ he _____ signed and sealed the same freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

_____

Notary Public for Alaska. My commission expires _____

STATE OF WASHINGTON,

County of Okanogan

ss. (INDIVIDUAL ACKNOWLEDGMENT)

I, Ray E. Sackett, Notary Public in and for the State of Washington, residing at Twisp do hereby certify that on the 5th day of April, 1951, personally appeared before me Theodore Smith, Ernest Oberbillig and Joseph R. Gray

to me known to be the individuals described in and who executed the within instrument, and they signed and sealed the same as their free and voluntary act and deed for the purposes herein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this seventh day of April, 1951.

Ray E. Sackett

Notary Public in and for the State of Washington, residing at Twisp

Number _____

MINING LEASE
(WITH OPTION TO PURCHASE)

TO

FROM

MINING LEASE WITH OPTION TO PURCHASE

(Any State or Alaska)

This Indenture, *Made this* 24 *day of* April

in the year of our Lord one thousand nine hundred and Fifty-one

Between Clyde A. Scott and Theodore Smith, both of Carlton, Okanogan County, State of Washington *hereinafter designated the lessor* s, *and* Ernest Oberhillig and Jlseph R Gray

hereinafter designated the lessee s.

WITNESSETH, That the lessor s, *for and in consideration of the rents, royalties, covenants and agreements hereinafter reserved, and by the lessee* s *to be paid, kept and performed* do *granted, demised, leased and let, and by these presents do* grant, demise, lease and let unto the lessee s

Ernest Oberhillig and Joseph R. Gray,

that certain mine and mining property situated in Twisp *Mining District,* State of Washington *and more particularly described as follows, to-wit:*

The following unpatented Quartz Mining Claims, recorded in the County Auditor's office of Okanogan County, State of Washington.

Bales Anitmony. Book 9, Page 160.

Bales Antomony #2 (Original) Book 9, Page 232; Amended Book 11, Page 104.

Bales Antomony #3 (Original) Book 9, Page 233; Amended Book 11, Page 103.

Together with the appurtenances, and rights and privileges to prospect the same for gold, precious metals and minerals, and mine and extract the same, and to sell, mill or smelt or otherwise reduce the same.

TO HAVE AND TO HOLD the same unto the said lessee s, *for the term of* Ten (10) years *from date hereof, expiring at noon on the* 24th *day of* April *A. D. 19*61 *unless sooner forfeited or determined through the violation of any covenant hereinafter against the said lessee* s *reserved.*

And in consideration of the said lease, demise and privileges, the lessee s *do covenant and agree with the lessor* s *as follows, to-wit:*

To enter upon said mining claim and premises and work the same mining fashion, in manner necessary to good economical mining, so as to take out the greatest amount of ore, gold, precious metals and minerals, practicable with due regard to safety, development and preservation of the said premises as a workable mine steadily as long as market prices of Antimony Ores remain high enough to permit profitable operations.

To work and mine said premises as aforesaid steadily and continuously from the date of this lease as weather and the season of the year will permit excepting when markets are poor, then Lessees will be required to do at least the full amount of work required as assessment work

To keep all sluices, ditches, drains, waterways and passageways cleared of loose rock and rubbish, and to do all things necessary to promote the usefulness of said mining property as a whole mine, and to develop the same and do no act thereon during the term of this lease, which would impede mining operations or impair the operating condition of said mining claim, and generally to so conduct operations as to conform to the laws of the United States and the State of Washington *and the local rules and regulations of miners in said mining district, and to do no act and suffer no default which might in any manner involve the said lessor* s, *or* their *ownership in said mining property, in liability of any kind or character.*

This blank is guaranteed against successful alteration, which guaranty is insured in LLOYD'S, London - Pat. Pend.
Washington Legal Blank Co., Seattle (Mining Lease) Printing date 2-7-45. Form No. 219.

In the event that either party hereto, Lessors or Lessees, should locate any mining claims within fifteen hundred (1500) feet of the exterior border lines of any of the above described claims, it is agreed that these new locations will become a part of and subject to the terms of this Lease and Option.

~~To not locate or record said mining property or allow the same to be located [illegible] or agent. To not allow or permit any person or persons [illegible] said [illegible] agent or workman to take or hold [illegible] or [illegible] thereof [illegible]~~

~~To not assign this lease or any interest therein [illegible] the written consent of said lessee.~~

To pay and to deliver to said lessor s, as rent and royalty, Ten (10) per cent. of the gross yield of all gold, minerals and precious metals to be extracted from said premises during said term, of like assay as that retained by said lessee s, at such place as said lessor s shall direct namely, The Commercial Bank of Twisp, Twisp, Washington, to the credit of the account of the said Lessors,

and to allow said lessor s to be present at each and every cleanup, or sampling of ore extracted, and to inspect and examine the same., as well as examine all books and bank records used to operate this property.

To deliver up to said lessor s the said premises with the appurtenances and all improvements in good order and condition, and the mine in all points ready for continued working, (accidents not arising from negligence alone excusing) without demand of further notice, on said 24th day of April, A. D. 19 61, at noon, or at any time previous, upon demand for forfeiture.

Finally, upon the violation or failure to perform by said lessee s, or any person under them, of any covenant or covenants hereinbefore reserved, the term of this lease, and all the rights and privileges thereunder, shall, at the option of said lessor s, expire, and the same and said premises with the appurtenances shall at once become forfeited to said lessor s, and the said lessor s or their agent may thereupon, at the demand of possession in writing to be delivered to said lessee s, or in their absence by posting said demand in a conspicuous place on said premises for the term of three days, enter upon said premises and dispossess all persons occupying the same, with or without force, and with or without process of law; or, at the option of said lessor s, the said lessee s and all persons found in occupation may be proceeded against as trespassers from the beginning of said term, both as to realty and the metals and minerals severed therefrom; or as guilty of unlawful detainer.

It is further agreed that the lessee s shall have the right and option to purchase the above described property at any time before the 24th day of April, 19 61, upon the payment to the lessor s or their assigns on or before said date, the sum of Twenty-five Thousand *Dollars, provided that the lessee s ha* ve *theretofore performed and fulfilled all the conditions of this lease.* except that Royalties previously paid shall be credited on the purchase price.

Time is of the essence of this agreement, and if said purchase and full payment shall not be made on or before said 24th day of April, 19 61, then all the right of the lessee s to purchase said property shall without further action on the part of the lessor s entirely and completely terminate and be at an end.

Each and every clause and covenant of this indenture shall extend to the heirs, executors and administrators of all parties hereto; and to the assigns of said lessor s; and as said lessor s may elect to the assigns of said lessee s.

IN WITNESS WHEREOF the said parties, lessor s and lessee s have hereunto set their hands and seals.

Signed, Sealed and Delivered in Presence of

Ray Sackett

Clyde A. Scott (SEAL)

Theodore Smith Lessors (SEAL)

Ernest Oberbilling (SEAL)

Joseph R. Gray Lessees (SEAL)

(SEAL)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.
OCT 26 1 28 PM '51

October 23, 1951

Mr. Tom Lyon, Chairman
Coordinating Committee
Defense Minerals Administration
Department of Interior
Washington 25, D. C.

Dear Mr. Lyon:

Enclosed are four copies of an application for exploration assistance submitted by the G.O.P. Antimony, Inc., Omak, Washington. The proposed exploration project concerns the Bales Antimony mine, Okanogan County, Washington.

G.O.P. Antimony, Inc., submitted an application for an exploration loan on the Bales Antimony mine in May of this year. The application was approved and an exploration project contract signed by Mr. James Boyd; however, at that point the applicant was unable to obtain a Landlord's Subordination Agreement on the contract and, therefore, requested that his application be withdrawn.

Since submittal of the original application the applicant has conducted a considerable amount of exploration work on the Bales property, and has produced some antimony. He has also obtained a Landlord's Subordination Agreement on the Bales property and now wishes to resubmit an application for exploration assistance. The present request should be viewed as an entirely new and different application inasmuch as the greater part of the exploration work requested in the original application has been completed.

Very truly yours,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

DEFENSE MINERALS ADMINISTRATION
WASHINGTON, D.C.

MF-103 Should Be Filed With General Technical Data Form MF-100

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

OCT 26 1 28 PM '51

Not To Be Filled in by Applicant

Docket No. dma/ 2193
Metal or Mineral
Date Received 10-26-51
Amount $
Participation (Government %)

G-O-P Antimony, Inc.
General Delivery
Omak, Washington

Name and address of applicant

Date October 20, 1951

If you have already filed MF-100, give date filed May 11, 1951, type of assistance requested Exploration,

DMA Docket Number (if available) DMA ~~1196 X~~ 2193

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

See attachment for answers to following questions.

1. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

   (*c*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

   NOTE: (1) If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*c*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

CERTIFICATION

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

G-O-P Antimony, Inc.
(Name of company)

By Ernest Oberbillig
(Signature of authorized official)

October 20, 1951
(Date)

President
(Title)

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.

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Okanogan, State of Washington, described in a certain Exploration Project Contract dated _____, 195__, between G.-O.-P. Antimony, Inc., the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated April 24, 1951, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 16 day of October, 1951

Clyde A. Scott

U. S. GOVERNMENT PRINTING OFFICE 940768

* Mrs. Letha Scott.

Theodore Smith

* Mr. Clyde A. Scott was not married at time lease signed but his wife has signed this agreement.

G-O-P Antimony, Inc.
General Delivery
Omak, Washington

Docket No. DMA-~~1196 X~~ 2193
Bales Prospect

Form MF-103 (Attachment)

1. (a) The real property involved in the exploration project is shown on the accompanying map.
   (b) We submitted four copies of the Bales lease and option in our original application of May 11, 1951.
   (c) The exact locations of the proposed work are shown on the accompanying map. We also enclose copies of the subordination agreement from the owners. No part of this area involved in the exploration agreement will be excluded from the contract. Claims located by us surrounding the original Bales claims are subject to and a part of our lease agreement with the claim owners.
2. (a) We expect to find commercial bodies of antimony ore and explore the low-grade dolomite structure for nickel.
   (b) The Bales antimony veins appear to be lying in a fault or shear zones and the openings for vein deposition were formed by movement along the fault. This movement caused lens shaped ore bodies both on strike as well as dip directions on the fault. Ore bodies have been mined to a width as much as three feet with two feet representing the average. The ore is high-grade stibnite and a carload of shipping ore of 41% grade has been produced. Total production of high-grade as well as concentrates to date is 4,000 units (STU) of antimony metal.

Form MF-103 (Attachment)

3. (a) This exploration project will be a total of 400 feet of drift work and 250 hours of bulldozer work (TD-9 meter time, not actual working hours). The total cost of the project is estimated to be $16,250.00.
   (b) The project itself can be started in two weeks' time and will require six months for completion.

Form MF-103 (Attachment)

4. Enclosed is a map of the property showing proposed work.

Form MF-103 (Attachment)

5. We have no buildings on the property, but have built a good useable road a distance of 2½ miles (shown on map) at a cost to us of $3,000.00. Men will live in Carlton, a distance of 7.0 miles.

Form MF-103 (Attachment)

6. We would require two mine sheds: one at portal of crosscut for drift work # 1, and another at portal of drift work # 2. Total cost of both sheds estimated to be $1,500.00.

Form MF-103 (Attachment)

7. (a) Rented Equipment:

1.	Compressor	$ 150.00 per month
2.	Bulldozer TD-9 (including wages of operator)	7.00 per meter hour
3.	Jeep pickup	38.00 per month

(b) Purchased Equipment:

1.	Ore car	$ 150.00
2.	Drill and Jack leg	750.00
3.	Slusher and bucket	1200.00

(c) Furnished by us:

None, except hand tools.

Form MF-103 (Attachment)

8. Labor:

Foreman: 5 mos. @ $360.00	$1,800.00
Two miners @ $1.75/hr. (5 months)	4,000.00
Bookkeeper @ $100/mo. (6 months)	600.00
Bulldozer Operator, 2 mos. @ $400.00/mo. (under bulldozer cost in 7 (a) above)	800.00

(This work might be partly done after drift work)

Form MF-103 (Attachment)

9. Materials:

Drift Work:

Bits, steel, hoses, track, pipe, powder, caps, fuse, gasoline, antifreeze, etc., @ $8.43 per foot. . . . . $ 3,372.00

Bulldozing:

Expenses for operation of TD-9 at cost of $7.00 per hour, see 7 (a) above.

Engineering:

Will be done by foreman.

Form MF-103 (Attachment)

10. (a) We are prepared to provide our share of the costs which will be $4,062.50.

(b) The above amount, $4,062.50, will be sufficient to pay our share of the costs of the project.

11. Recapitulation of Costs:

Bulldozer work:

250 hours @ $7.00 per hour. . . . . $ 1,750.00

Mine portal shops. 1,500.00

Drift Work: (400 ft)

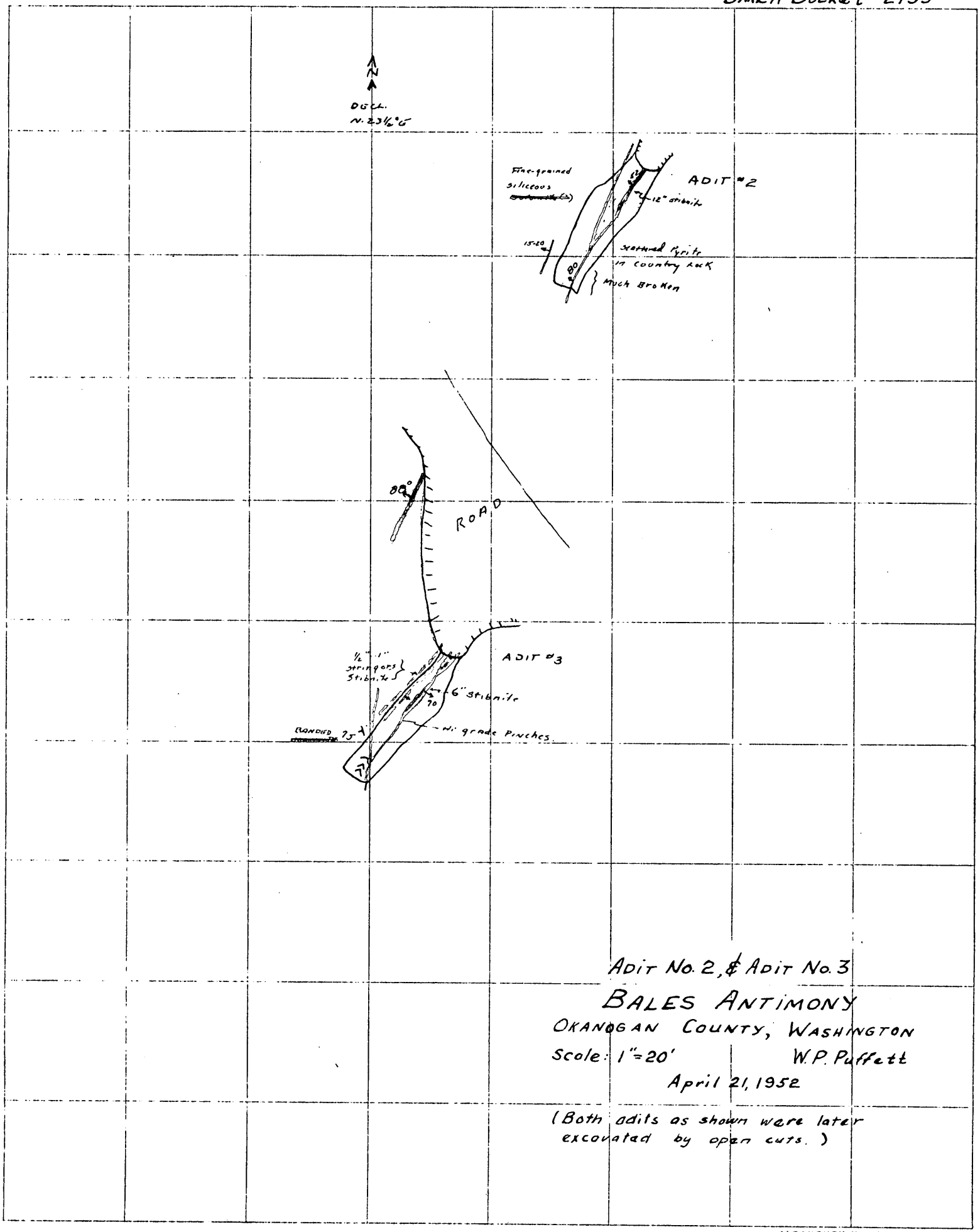
400 ft. @ $30.00 per ft.. . . . . 12,000.00

Materials: track, pipe, explosives, rail (timber where needed) $8.43/ft. est.	$3,372.00	
Rented equipment: (Jeep, compressor)	1,128.00	
Labor (two miners, 5 months)	4,000.00	
Supervision, engineering & bookkeeper (6 mos.)	2,400.00	
Purchased equipment (less salvage value)	1,100.00	
	($12,000.00)	

Direct Total Cost Project::	$15,250.00
Total cost with initial price of purchased equipment	$16,250.00

Map 5

DMEA Docket 2193



ADIT No. 2, & ADIT No. 3

BALES ANTIMONY

OKANOGAN COUNTY, WASHINGTON

Scale: 1" = 20' W.P. Puffett

April 21, 1952

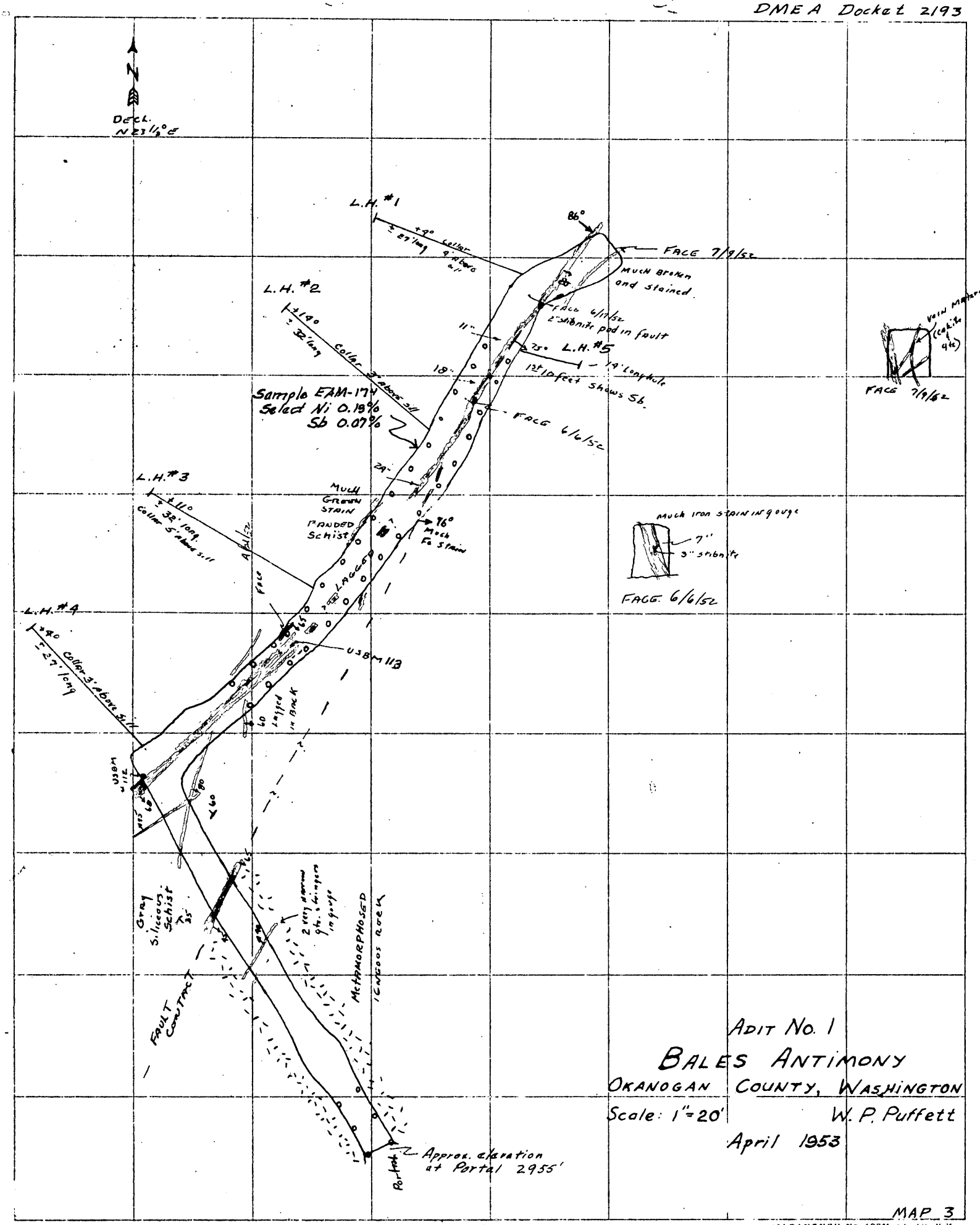
(Both adits as shown were later excavated by open cuts.)

"ALBANENE" No. 196M K&E CO., N.Y. REG. U.S. PAT. OFF

MAP 5

Map 3

DMEA Docket 2193



ADIT No. 1

BALES ANTIMONY

OKANOGAN COUNTY, WASHINGTON

Scale: 1" = 20'

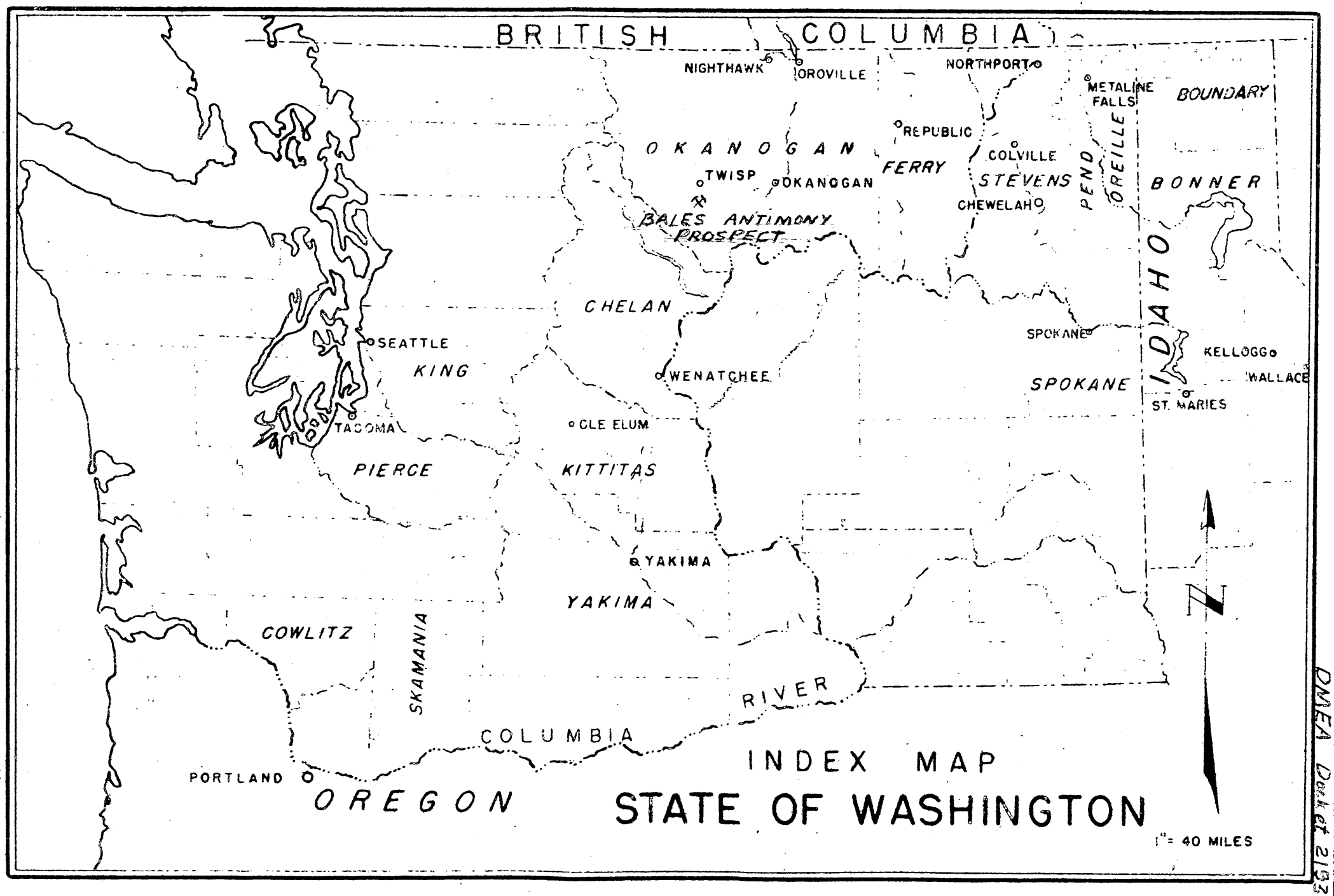
W. P. Puffett

April 1953

MAP 3

"ALBANENE" No. 195M K&E CO., N.Y.
REG. U.S. PAT. OFF

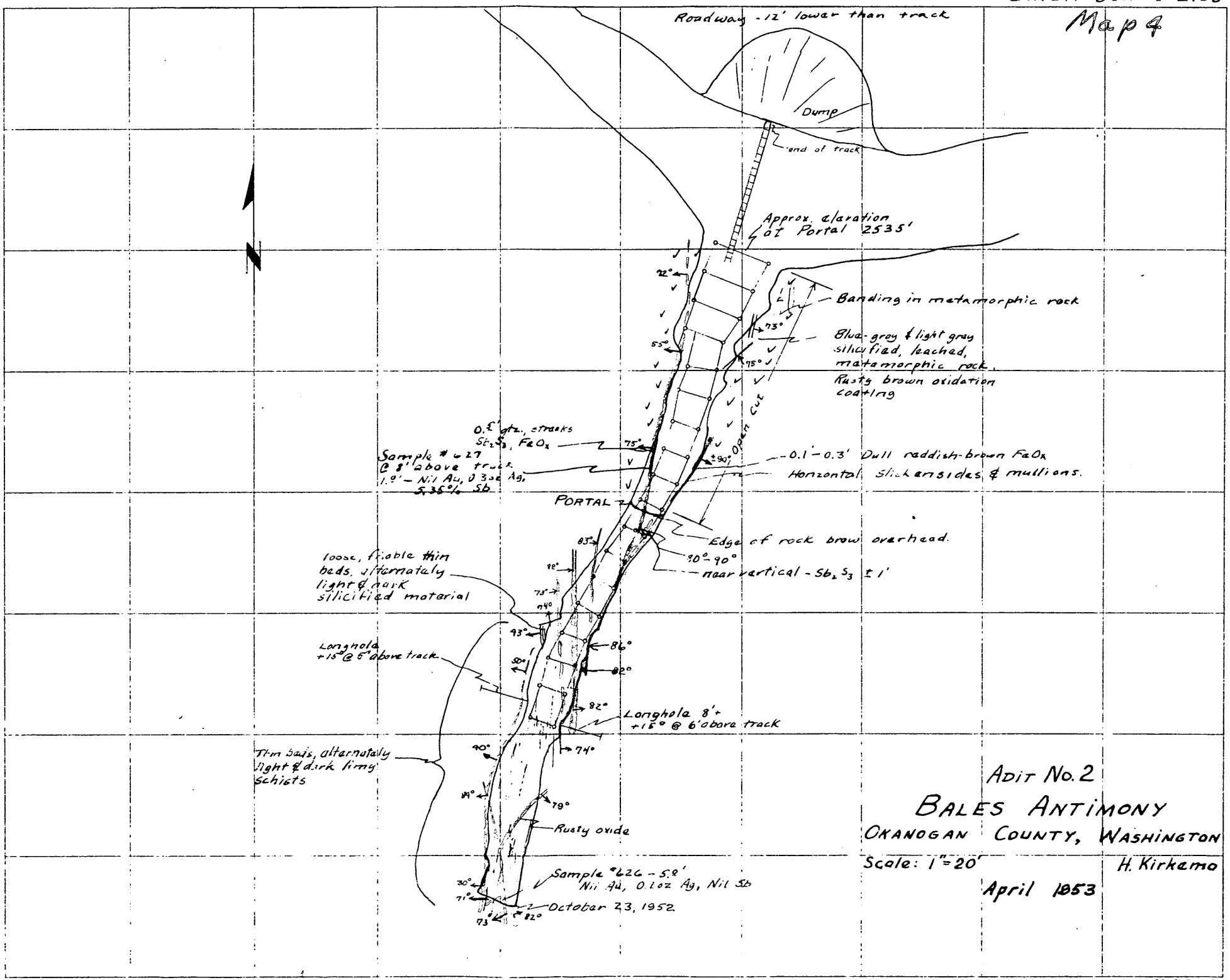
Map 1



Map 1

DMEA Docket 2193

Map 4



"ALBANENE" NO. 198M K&E CO., N.Y. REG. U.S. PAT. OFF.

☒ Audited

☒ Certified

X ANALYSIS SHEET - EXPA PROJECT

Analysis as of 12/1/54
Incl. Voucher for Sept. 1952

X Signed Here

☐ Agreed Unit Costs

Name G.O.P. Antimony

Project No. 2193

State Washington

Commodity Antimony

Item No. 258

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	REF. COST
Drifting & Crosscutting	400	9770.00	202	5,940.38	8,315.88 *
Raising					
Shafts					
Stopes					
Drilling (Specify) - Longhole	500	500.00	164	164.00	164.00
Surface Excavation		1750.00		1750.00	1750.00
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased		2010.00			
Surface Rehabilitation & Repairs		550.00		550.00	550.00
Underground Rehabilitation					
New Building, Improvements, etc.		1500.00			
Other (Specify)					
Totals		$16,080.00		$10,604.38	$10,780.88 *

* supplies sold and off contract. $23.50

Prepared by [signature]

So. 157 Howard Street
Spokane 4, Washington

September 4, 1953

Mr. Ernest Oberbillig, President
Hermada Mining Co.
215 N. 26th Street
Boise, Idaho

Dear Mr. Oberbillig:

We are in receipt of your letter of September 2, 1953, containing a check of $3,271.90, the amount owed the Government for the purchase of the TD-18 bulldozer, and the check of $232.28, the amount owed the Government under Contract Idm-E132. We have informed the Certifying Officer to release to you a check for $814.11, payable to you under terms of Contract Idm-E258. This check should reach you in the near future.

We are enclosing a notice of disposal of the Government's interest in property as pertaining to the Hermada mine. This notice formally releases to you the Government's equity in all machinery and equipment purchased for the Hermada project.

We are pleased that you concurred with the DMEA auditor's final settlement figures as pertaining to your various contracts, and that these contracts may now be considered as closed.

We wish you success in your mining ventures.

Sincerely yours,

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure
cc: DMEA (2)
USBM (2)
Kiilsgaard

Copy recd. from Region in DMA-506
DMA-979 Contract Idm-E132
DMEA-2173 " Idm-E258

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

So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 21 1953

August 10, 1953

Mr. R. J. Rimman, Certifying Officer
DMEA Field Team, Region II
1201 North Division Street
Spokane 2, Washington

Re: Docket No. DMEA-213 (Antimony)
J. O. P. Bales project
Okanogan County, Washington
Contract No. Idm-1258

Dear Mr. Rimman:

The subject contract was terminated short of completion by mutual agreement. The Operator has submitted a final report on project work which is acceptable to the Executive Officer. The Field Team's final report has been submitted and the project certified as a discovery.

The Operator has informed the Field Team that unused mine supplies in which the Government has an equity are currently stored in the Bales adit. The Executive Officer has accepted these supplies, in lieu of actual payment, and has directed that they be made available to the U. S. Bureau of Mines. The Operator's offer for machinery in which the Government has an equity is hereby accepted.

Inasmuch as all requirements have been met, it is requested that the Operator's final invoice be accepted for vouchering and payment.

Sincerely yours,

[illegible] Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: USBM (2)
DMEA (2)
Auditor, Region II
Puffett
Com. Adm. & Audit Div., Wash., D. C.

700

FILE COPY
SURNAME:

Ellis
Henkel
Hagen
Hyman

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

JUN 1 1953

Mr. Russell Forbes
Acting Administrator
Defense Materials Procurement Agency
General Services Administration Building
Washington 25, D. C.

Re: Docket No. DMA-2193 (Antimony)
Contract No. [illegible]-250
U. S. Re Antimony, Inc.,
Sales Antimony Project
Okanogan County, Washington

Dear Mr. Forbes:

Reference is made to our letter to you under date of March 2[illegible], 1953, transmitting a copy of a "Certification of Discovery" on the above-captioned project, at which time a copy of the Field Team's Final report was not available.

Enclosed is a copy of the Field Team's Final report, dated April 1[illegible], 1953, to complete our records.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosure

GLAolt/EEEllis/db
5-27-53
cc to: Adm. Reading File
Docket
Operating Committee
Messrs: J. H. Hedges, Rm. 4604
T. P. Thayer, Rm. 5216 G A
Ellis
DMA Field Team, Region II (2)

F.N.
6-1-53

(one copy of 5/27/53 rpt. given to Mr Ellis & one to Mr Farber)

BV

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~
So. 157 Howard Street
Spokane 4, Washington

MAY 18 1953

May 14, 1953

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

Re: Docket No. DMEA-2193 (Antimony)
G.O.P. Antimony, Inc., Bales Property
Okanogan County, Washington
Contract No. Idm-E258

Dear Mr. Selfridge:

Enclosed are four copies of the Field Team's Final Report on the subject property prepared by Harold Kirkemo, Geologist, Geological Survey, and E. A. Magill, Mining Engineer, Bureau of Mines, dated April 16, 1953.

FT. FINAL REPORT

It is recommended by the field examiners that a Certification of Discovery be issued this property, ~~being~~ based upon small past production and expectation of minor future production with additional work; the Field Team concurs with this recommendation.

By DMEA Field Team, Region II

A. E. Weissenborn, Executive Officer
(U. S. Geological Survey)

M. E. Volin, Member
(U. S. Bureau of Mines)

Reviewed by
DMEA OPERATING COMMITTEE
5-22-53
(date)

Enclosure
cc: USBM (2)
Kirkemo

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 18 1953

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM, REGION II

FINAL REPORT

Contract Idm-E258

by

E. A. Magill
Mining Engineer
U. S. Bureau of Mines

Harold Kirkemo
Geologist
U. S. Geological Survey

G.O.P. ANTIMONY, INC.
Moscow, Idaho

Docket No.:	DMEA-2193
Commodity:	Antimony
Contract date:	February 19, 1952
Termination date:	September 30, 1952

Reviewed by
DMEA OPERATING COMMITTEE
5-22-53
(date)

BALES PROPERTY
Secs. 7, 8, 17, & 18,
T. 32 N., R. 22E., W.M.
Okanogan County, Washington

Spokane, Washington

April 16, 1953

FINAL REPORT

G.O.P. ANTIMONY, INC.
(Bales Property)
Secs. 7, 8, 17, & 18,
T. 32 N., R. 22 E., W.M.
Okanogan County, Washington

Contract Idm-E258

* * * *

INTRODUCTION

Authorship

Routine inspections of the DMEA project at the Bales prospect were made in April and June-October, 1952, by E. A. Magill, mining engineer, U. S. Bureau of Mines. W. P. Puffett, geologist, U. S. Geological Survey, inspected the property in April and June-September, 1952, and H. Kirkemo, geologist, U. S. Geological Survey, inspected the project in August and October, 1952.

The following report has been prepared by Magill and Kirkemo. The sections of the report concerning Exploitation Possibilities and Summary of Factual Data were written by Magill, and the remaining sections of the report and the attached maps were prepared by Kirkemo, except Discussion of Conclusions, which was written jointly by the two men.

Summary

DMEA project no. 2193 was authorized for the purpose of testing the Bales antimony prospect for minable bodies of stibnite. Exploration work was planned to test for possible ore bodies along and particularly at both ends of a shear zone 1,700 feet long.

The project was terminated by agreement before the exploration program had been completed. Approximately 38 tons of antimony ore was obtained from bulldozer trenches and adits at both ends of

the mineralized zone. Possibilities for developing measurable or predictable tonnages of antimony ore with further exploration are remote owing to the erratic distribution of ore lenses along the shear zone.

Recommendations

Certification of Discovery is recommended since ore was produced from exploratory workings, and it is reasonable to assume that other lenses of ore may be found along the shear zone with diligent work. The amount of ore that may be found is expected to be small. Exploration and development work at the property has been discontinued by the Operator because of the present low price of antimony ($2.65 to $3.00 per unit). The certification, therefore, is based on small past production and expectation of minor future production with additional work.

LOCATION AND ACCESSIBILITY

The Bales antimony prospect is 6 miles south of Twisp and 2 miles northeast of Carlton, Okanogan County, Washington, in secs. 7, 8, 17, & 18, T. 32 N., R. 22 E., Willamette Meridian. The property lies at altitudes between 2,500 and 3,100 feet and is near the top of the hills bounding the Methow Valley on the west.

The mine can be reached by automobile from Carlton by following an oiled road 4.2 miles north along the west side of the Methow Valley, thence, southwest on a dirt road up Booth Canyon 2.8 miles to adits nos. 1 and 2 at the north end of the prospect and another 0.7 mile to adit no. 1 at the south end of the prospect. The road into Booth Canyon and on the hillside south of the canyon is narrow and passable only in dry weather.

In the vicinity of the prospect, the north slopes are covered with pine forests and the south slopes are grass covered. The climate is typically hot and dry in summer and moderately cold in winter months.

PROPERTY

The exploration project was conducted on the Bales G.O.P. No. 1 and G.O.P. No. 2 claims as indicated on attached map No. 2. G.O.P. No. 1 and G.O.P. No. 2 claims are held in fee simple by the Operator. The Bales Antimony No. 2 and Bales Antimony No. 3 claims are held in fee simple by Clyde A. Scott, Miss Letha Scott, and Theodore Smith and have been leased to G.O.P. Antimony, Inc., until April 24, 1961, with an option to purchase the claims for $25,000. Any claims located by lessor or lessee within 1,500 feet of the claims listed above are a part of and subject to terms of the lease and option agreement.

Present mine workings are shown on the attached maps. It is necessary to timber the drifts along the shear zone. Adits 1 and 3 are dry, but a small amount of water was encountered in Adit No. 2.

THE PROJECT

The purpose of this project was to explore for antimony ore in two locations on the Bales property by means of adits and trenches along the mineralized shears disclosed by preliminary exploration work.

The program originally proposed consisted of 400 feet of exploration adits and 250 hours of stripping with a bulldozer. Total estimated cost of the project was $16,080 with the Government sharing in 75 percent or $12,060 of the total. Two hundred feet of the drifting was planned for the south end of the mineralized shear zone and two hundred feet for the north end of the shear zone. Bulldozer trenching was planned at both ends of the mineralized zone.

As work progressed on the project, it was found desirable to amend the contract to allow 500 feet of long hole drilling from the walls of the exploratory adits to test for parallel veins.

The contract was terminated on September 30, 1952, by agreement between the Operator and the Field Team, Region II, before completion of the work. The work accomplished included 1,050 feet of trenches averaging 6 feet in depth completed during 250 hours of bulldozing, 202 feet of drifting in 2 adits 5 by 7 feet in cross section, 45 feet of timbered open cut from which bottom was blasted, and 7 long holes drilled an estimated total of 164 feet. This work is indicated on attached maps 2, 3, 4, and 5.

The contract was signed on February 15, 1952; work was started on May 1 but was suspended on September 22. The contract was terminated on September 30, 1952. A total expenditure of $10,804.38 (Government's share $8,103.28) was made in the performance of the work allowed under the contract. Termination before completion by mutual consent of the Operator and the Government resulted from difficulties in processing vouchers submitted by the Operator and because of controversial items regarding operation of the project.

Geology

The geology in the general area of the Bales prospect has been mapped by J. D. Barksdale, Department of Geology, University of Washington, Seattle, Washington. A portion of Barksdale's geologic map with descriptive data has been published in "Antimony Occurrences of Washington" by C. Phillips Purdy, Jr., Bulletin No. 39, Division of Mines and Geology, State of Washington, 1951.

The Methow Valley in the general vicinity of Carlton is underlain by the Leecher metamorphic formation. This is the oldest formation of the map area though no definite age has been assigned to it. These metamorphic rocks are a series of distinctly banded hornblende schist, quartz oligoclase hornblende gneiss, biotite quartz oligoclase gneiss, and calc-silicate rocks. West of the Methow River, the formation is intensely sheared, and there are mylonites and phyllitic-appearing rocks derived from the medium dark gneiss and schist. The Leecher formation is in fault contact with the Newby metamorphic formation which Barksdale tentatively assigns to Triassic-Jurassic (?) age.

The Bales prospect lies 3 miles west of the Texas Creek quartz diorite intrusive mass, 2½ miles east of the Leecher-Newby contact, and 10 miles north of the Chelan granodiorite batholith.

The prevailing country rock at the Bales property is altered Leecher metamorphic formation consisting of thin beds of light gray and dark limy schists. The beds or bands strike N. 10° E. and dip steeply to the east although gentle dips to the west were noted. The crosscut portion of adit no. 1 cut 50 feet of metamorphosed, igneous-appearing rock.

Faults striking N. 15° to 35° E. and dipping steeply either to the southeast or to the northwest cut the metamorphic rocks at slight angles to their strike. The shear zone is persistent, but the individual fault strands are broken and discontinuous in detail. Shears ranging from an inch to 24 inches in width and containing gouge and broken rock fragments are exposed in the trenches and in the adit tunnels. Altered, bleached, or iron-stained wall rock is common along the shears.

Lenses and stringers of stibnite are associated with quartz in the shear zones. Discontinuous streaks and lenses of stibnite 2 to 12 inches wide are present within the shears exposed in 500 feet of trenches on the Bales claim and in 120 feet of trench and adit on the G.O.P. No. 1 and Bales No. 2 claims. The adits reached a depth of 50 feet below outcrops of the mineralized shear zones. No. 2 adit is 565 feet below the trenches west of No. 1 adit. The amount of stibnite in the highest outcrop appears to be the same as in the lowest workings so it is reasonable to assume that the same degree of mineralization may be expected at greater depth.

C. P. Purdy, Jr., geologist, Washington Division of Geology, described veinlets of stibiconite, an oxide of stibnite, in the altered rock on the surface. Only stibnite was noted in the trenches and tunnels driven during the DMEA project.

Stibnite mineralization at the Bales prospect is typically erratic. Shipping quantities of ore can be obtained only by careful breaking and sorting. The Operator sorted and stockpiled 37.82 tons of ore averaging 14.4 percent antimony from an estimated 600 tons of material removed along the mineralized shears during the DMEA program. There is insufficient information to estimate grade and tonnage of ore in reserve by the usual three-dimensional method of ore reserve calculations. If, however, the same ratio of ore to waste prevails in future work on the shears, and they persist for 1,700 feet as suggested by data collected in trenches at either end of the zone, approximately 240 tons of ore ranging in grade from 20 to 30 percent antimony might be hand sorted. This must be classified as inferred ore.

Exploitation Possibilities

Assay data are shown on the maps attached to this report. Visual inspection of the workings indicates that the antimony is localized in lenses with practically no dissemination within the shear zone itself, and estimation of tonnage must be based largely on the frequency of occurrence of these lenses. From past operations, it would appear that the 1,700-foot zone would contain at shallow depth at least 240 tons of ore ranging in grade from 20 to 30 percent antimony. Even under a more favorable price situation, it is doubtful that this ore can be mined at a profit.

Tests have shown that the ore is amenable to beneficiation by flotation with a high grade product which is free from impurities.

Summary of Factual Data

Work

Units of work completed:

Type Work	Units (Feet)	Unit Cost (Per Feet)
Drifting	157	$ 53.76
Timbering open cut[1]	202 { 45 (Estimated)	10.00
Long hole drilling	164 (Estimated)	1.00
Trenching	1,050	1.66

[1] Timbering only chargeable to the exploration project contract.

Total contract amount approved.....	$ 16,080.00
Government's share.....	12,060.00
Total amount of funds expended.....	$ 10,804.38
Government's share.....	8,103.28

Value of production during project:

No shipment of ore was made during the DMEA project; however, 37.82 tons of stibnite ore averaging 14.4 percent antimony was stockpiled. This ore was shipped later to the Talache mill of the Hermada Mining Company, Atlanta, Idaho, where it was crushed and sampled. The sample was assayed by the Union Assay Office, Inc., Salt Lake City, Utah, and the Hermada Mining Company purchased the ore for $1,634.10, paying $3.00 per unit for the 544.7 short ton units of contained metallic antimony. A 5 percent royalty payment totaling $81.70 was sent to the Government in April 1953.

Costs of work carried out under the exploration project contract were excessively high. This was due largely to poor supervision on the part of the Operator as no unusual difficulties were encountered in carrying out the work. Rail, pipe, and miscellaneous small tools were used from the Antimony Queen Project and were not charged against the Bales Project. If these items had been charged, the per foot costs would have been even higher.

Equipment

No equipment was purchased under the exploration project contract; however, items of equipment purchased by G.O.P. Antimony, Inc., for the Antimony Queen, Contract Idm-E132, were used by the Operator on the Bales project.

The Antimony Queen Project (Contract Idm-E132) has been terminated with no portion of the funds retained to cover the Government's equity in the equipment purchased. For this reason, payment has been withheld from the Bales Contract in the amount of $757.37 until such time as the Government's equity is settled.

It is recommended that final payment on the Bales Project be withheld until settlement is completed on the Antimony Queen Project.

Discussion of Conclusions

No physical difficulties were encountered in carrying out the exploration program. Difficulties developed with the Operator in his invoices, lack of supervision on the project, and excessively high costs for work completed.

The shear zone on which the underground work was done appears to be persistent, but the stibnite lenses within it are smaller and more erratic than was originally anticipated. The antimony appears

to be absent in the shear zone outside of the stibnite lenses. There is no indication that it would be feasible to mill the rock in the shear zone outside of the antimony lenses.

The Operator mentioned nickel in his original application, but selected pieces of rock contained only 0.24 percent nickel.

Further work on the property would undoubtedly produce a limited quantity of stibnite ore, but from the operations carried out to date, it is doubtful if future exploitation can be profitable even if the price of antimony is higher than at present. Participation by the Government in any future work on the property is not recommended.

Enclosures
Distribution:
DMEA(4)
USBM(5)
USGS(SRO)
Docket
Kirkemo

5/11/53 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D. C.~~
Spokane, Washington
May 4, 1953

Mr. Ernest Oberbillig
G. O. P. Antimony, Inc.
616 East C Street
Moscow, Idaho

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 11 1953

Subject: Docket No. DMEA 2193
Contract Idm-E258
Bales Antimony Project

Dear Mr. Oberbillig:

Thank you for your letter of April 24, 1953 clarifying your offer for jointly-owned equipment purchased under Contract Idm-E132.

We would be inclined to accept the amounts offered for the slusher, bucket, water tank and jackhammer, but inasmuch as your method of liquidation of the pipe and rail is not within the terms of the contract, the whole matter has been referred to the Washington, D. C. office of DMEA. You will be informed of any decision from that office as soon as it is received here.

In answer to your question in paragraph 2 of your letter regarding the Government's interest in the jackhammer, the facts regarding its rental and subsequent purchase by the Hermada Mining Co. were presented to the Contract and Audit Division of DMEA for a ruling. The decision of that Division is based on article 7 of the contract which states "all facilities, buildings, fixtures, equipment, and other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly in proportion to their respective contributions, and upon termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items.

By Field Team, Region II

A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)
157 South Howard Street

M. E. Volin, Member
(U. S. Bureau of Mines)
1201 North Division Street

cc: Wash. - 2
USGS - 2
DMEA
A/D
R. M. Hull
D/F

TEH/vf

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

Spokane, Washington
April 30, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 4 1953

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

Subject: Dockets No. DMEA 2193 and 979
Contracts Idm-E258 and E132
G. O. P. Antimony, Inc.

Dear Mr. Selfridge:

Enclosed are copies of recent correspondence with the subject Operator regarding disposal of property purchased under Contract Idm-E132 and jointly owned by the Government and G.O.P. Antimony, Inc. Final settlement is being withheld on Contract Idm-E258 pending liquidation of the property. This is the first action taken by the Operator toward its disposal.

Mr. Oberbillig's letter of April 24 clarifies his offer for the slusher, bucket, water tank, and jackhammer, and though the price is low we are inclined to accept it because mining machinery sales are very slow now as a result of low metal prices.

The pipe and rail, however, present another matter as the Operator's action is in direct violation of the terms of the contract. These items were purchased under Contract Idm-E132 but only a portion of them used for that project. The remainder was transferred to the Bales project (Idm-E258) and used there in part.

Mr. Oberbillig's letter well illustrates the uncooperative, belligerent attitude that has made this Operator difficult to deal with in the past, and it is very likely that any action on our part to force him to dispose of the rail and pipe in accordance with the terms of the contract would only result in another unpleasant situation. As the original value of these items was only $564.25, we favor waiving the Government's interest because of the relatively small amount involved. We do not like to see this Operator's tactics establish a precedent, however, for waiving the Government's interest merely to avoid unpleasant relations. We are wondering, therefore, if it would be possible for DMEA to waive its equity in the supplies in favor of the Bureau of Mines so that we could pick up "the Government's three-fourths," as stated by Oberbillig still to be at the property, and store it here

for future Bureau use. If this is possible, would it be necessary to obtain a waiver from the Operator?

Your advice in this matter will be appreciated.

By Field Team, Region II

M. E. Volin, Acting Exec. Officer
U. S. Bureau of Mines

Harold Kirkemo
for: A. E. Weissenborn
U. S. Geological Survey

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
Spokane, Washington
WASHINGTON 25, D.C.
April 21, 1953

Mr. Ernest Oberbillig
G.O.P. Antimony, Inc.
616 East "C" Street
Moscow, Idaho

Subject: Docket No. DMEA 2193
Contract Idm-E258
Disposal of jointly-owned property

Dear Mr. Oberbillig:

This is in reply to your letter of April 10, 1953, in which you offer to buy the jointly-owned slusher, bucket, water tank, jackleg and drill, purchased for the Antimony Queen project. As there is a difference of opinion here regarding interpretation of your offer, it will be appreciated if you can clarify the questions below.

1. Are the amounts listed in your letter to be taken as offers for the equipment in entirety or for the Government's equity in them; i.e., did you intend that $450.00 be deducted from the final payment closing the contract or only 75% of $450.00?

2. Is the offer for the jackhammer and jackleg intended to include only that portion of the machine purchased under the Bales contract, Idm-E258, or does it include the entire Government equity? Our files indicate that the Government contributed $215.58 toward its purchase, which was distributed among the various projects as follows:

Idm-E22	15.6%
Idm-E132	37.4%
Idm-E258	47.0%
	100.0%

3. If the offer includes only that portion of the machine purchased under the Bales contract, do you intend to make an offer for the remainder at some later date?

4. Has any effort been made to dispose of the items for a price higher than you yourself are willing to pay? As you know, this is one of the DMEA requirements for disposal of jointly-owned equipment and takes precedence unless you are willing to pay for the equipment on the basis of the original price or the former OPS ceiling price, whichever is lower. The value of the equipment is affected by low metal prices

only to the extent of restricting the current market for it, but our decision as to the prices we can accept must be based on fair values that can be expected in the used equipment market.

Our records indicate, in addition to the items referred to above, that 1600 feet of 12# rail, 200 feet of 20# rail, 206 feet of 2" pipe, 164 feet of 1-1/2" pipe and miscellaneous pipe fittings costing a total of $564.25 were purchased under Contract Idm-E132 for the Antimony Queen project. According to the terms of the contract, the unexpended portions of these items, together with the portions that were used and can be salvaged, must be disposed of for the joint account of yourself and the Government. Salvage costs may be deducted from selling prices of this material. Have you taken any action to liquidate these items, or do you consider them not worth salvaging?

Your answers to these questions will help us in final settlements of your contracts Idm-E132 and Idm-E258. We take this occasion to remind you that a final report on the Antimony Queen project has never been received.

By Field Team, Region II

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey
157 South Howard Street

M. E. Volin, Member
U. S. Bureau of Mines
1201 N. Division Street

cc: DMEA, Wash. (3)
USGS (2)
AD
DMEA
DF

TEH/he

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Thor[illegible] E. Howard, USBM

DATE: April 13, 1953

FROM : A. E. Weissenborn, USGS

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

SUBJECT: Transmittal of Royalty Check No. 619, Hermada Mining Company (Bales Antimony Project), dated April 10, 1953.

Attached is a check in the amount of $81.70 from the Hermada Mining Company for royalty due the Government, and a copy of an ore contract and a settlement sheet.

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures as indicated

cc: DMEA w/encls. ✓

HERMADA MINING CO.
TWIN SPRINGS, IDAHO

616 East C Street
Mascot, Idaho
October 20, 1952

ORE CONTRACT

Ore Contract No. X-1
October 20, 1952

SELLER: G-O-P Antimony, Inc.
Pullup, Washington

BUYER: Hermada Mining Company
Twin Springs, Idaho

MATERIAL: Antimony ore assaying minimum 15.00 percent antimony.

QUANTITY: One (1) carload of about Forty (40) tons of 2,000 lbs.

SHIPMENT: From Pateros, Washington during late October, 1952.

PRICE: Three Dollars ($3.00) per short ton unit (one unit equals 20 lbs.) antimony ore (contained metallic antimony) f.o.b. car Boise, Idaho.

PAYMENT: After determination of final assays, and acceptance of concentrates made from the above ore shipment.

WEIGHTS, SAMPLING & ASSAYING: Sampling shall be carried out after crushing at the Falcoho Mill, Atlanta, Idaho. Such sample shall be assayed by Union Assay Office, Salt Lake City, Utah. Weight of the ore shall be taken from the Railroad Bill of Lading, and shall be the net weight of the ore. Such weight shall be considered dry weight, owing to difficulty in obtaining a good moisture sample of lump ore.

GENERAL CONDITIONS: This contract is made and shall be construed in accordance with the laws of the State of Idaho.

All taxes imposed and/or levied by or payable to the Federal Government and/or to any State or Municipal Government or any subdivision thereof upon this contract or upon the merchandise covered hereby or upon the purchase price payable hereunder shall be for the account of and are assumed by buyer.

G-O-P ANTIMONY, INC.

President

HERMADA MINING COMPANY

President

HERMADA MINING CO.
TWIN SPRINGS, IDAHO

In account with

G-O-P Antimony, Inc.
Idaho, Washington

RE: Final liquidation of Antimony ore purchased under our Contract No. 1-1.

Car: Car No. CN. 74972.
Arrived: Boise, Idaho, November 4, 1952

Weights	Assays
Gross	Antimony - 14.40 %
Contents: 76,400	
Less: - 2,750 (Tools & equipment)	
N E T 73,650 lbs. of ore	

PAYMENT

75,650 lbs. net dry @ 14.40 % = 10,894 lbs. Sb. or 544.7 S.T.U. @ $3.00 per S.T.U., F.O.B. car Boise, Idaho. . . . . $ 1,634.10

LESS:

Rail freight on net ore. 745.96

NET Value F.O.B. Stamp, Washington . . . . . $ 888.14

LESS:

IDSA payment five (5) percent of $1,634.10 . . . . . 81.72

NET PAYMENT TO G-O-P ANTIMONY, INC. . . . . $ 806.44

3/2/53

HERMADA MINING COMPANY

By: President

Contract No. Idm-E258
Docket No. DMA-2193
Conract date: February 19, 1952
Commodity: Antimony
Contractor: G. O. P. Antimony, Inc. (Bales Antimony Project)
Location: Okanogan County, Washington
Contract Amount: $16,080.00
Govt. participation: $12,060.00 - 75%
Amount spent: $10,804.37 (subject to final audit)
8,103.28 (Govt. share)

See Division contract file for copies of letters to Operator and DMPA Adm. 3/24/53

By mutual agreement, this contract was terminated on September 30, 1952.

* The contract provided for extending three existing adits a total distance of some 400 feet and going 250 hours of bulldozer stripping. By amendment, the Operator was permitted to do some longhole drilling, the maximum total not to exceed 500 feet.

* The work accomplished resulted in 250 hours of bulldozing amounting to 1,050 feet of trenching averaging 6 feet in depth, some 164 feet of longhole drilling and 202 feet of driting. Such drifts were 5 x 7 feet in the clear. However, 45 feet of the 202 feet was timbered open cut from which the bottom had to be blasted and thus would not necessarily be called drifting.

* The mineralization occurs as lenses in several parallel shear zones; thus a good estimate of the tonnage and grade of ore encountered is not possible. However, the Applicant has stockpiled some 32 tons of antimony ore from an estimated 600 tons of material removed along the shear zones. In addition, the FieldTeam estimates that the Operator may recover 240 tons of hand-sorted ore, the grade of which should range from 20 to 30 percent antimony.

The official Termination of Exploration Project Contract by Agreement After Commencement But Before Completion of the Work was dated September 30, 1952.

The Operator's final report, dated October 25, 1952, was transmitted to Washington by the Field Team's letter dated November 20, 1952.

A Certification of Discovery was mailed to the Operator on March 24, 1953 (prior to receipt of the Field Team's final report), based upon information contained in Mr. Weissenborn's telegrams of March 12 and 13, 1953. Letters transmitting the Certificate, dated March 23, 1953, were forwarded to the Operator and DMPA* on March 24, 1953, and the latter advised that a copy of the Field Team report would be furnished when it is received.

* These paragraphs copied verbatim from letter to DMPA
* Transmitted (5/27/53) mailed 6/1/53

FILE COPY
SURNAME:

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

Ellis
Burton
Osborne
Chambers
Kimball
Hodges
Jeffries
Fitzsimmons

Mr. Ernest Berdinis
S. & F. Antimony, Inc.
216 East "C" Street
Moscow, Idaho

MAR 24 1953

Re: Docket No. [illegible]-2193 (Antimony)
Contract No. [illegible]-2256
Sales Antimony Project
Shoshone County, Washington

D.C. 3/24/53

Dear Mr. Berdinis:

Enclosed is a "Certification by the United States of Section 4 Discovery or Development Under an Exploration Project Contract." This certification covers the discovery made under the above-named contract at the Sales Antimony Project.

By the terms of the Exploration Project contract and of the certification, all antimony and other valuable minerals produced from claims subject to the aforesaid contract, as in effect from February 19, 1952, the date of the contract, are subject to the Government's percentage royalty as set forth in the contract until the sum of $[illegible] (subject to final audit) is paid, or until February 19, 1954.

Payments should be made to Mr. [illegible] Gissenborn, Executive Officer, DMA Field Team, Region I, Room 1[illegible] Howard Street, Spokane 8, Washington. Checks should be made payable to the Treasurer of the United States. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check directly to the Executive Officer. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify Mr. Gissenborn of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for an extended period, please notify Mr. Gissenborn at six-month intervals that no production has been made, when that is the case.

Sincerely yours,

C. O. Mittendorf (for)
Administrator

RWEllis/jla 3-18-53
cc to: Adm. Reading File
Mr. Russell Forbes, Acting Adm., DPA
Oper. Com. - Mr. Hodges - Mr. Day
Field Team, Region II (2)
Docket - Mr. Chambers - Mr. [illegible] Johnson

700

FILE COPY

SURNAME:

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

Mr. Russell Forbes
Acting Administrator
Defense Materials Procurement Agency
General Services Administration Building
Washington 25, D. C.

MAR 24 1953

Re: Docket No. DMEA-2193 (Antimony)
Contract No. Idm-E258
G. O. P. Antimony, Inc.
Bales Antimony Project
Okanogan County, Washington

Dear Mr. Forbes:

Enclosed is a copy of a "Certification of Discovery" certified to the captioned project. The Field Team's final report is not yet available.

The proposed contract was signed February 19, 1952, with Government participation to the extent of 75 percent in an exploration project estimated to cost $16,080.00 (Government share $12,060.00). By mutual agreement, the contract was terminated on September 30, 1952, before completion of all the work outlined in the contract. At that time a total of $10,804.37 had been spent, of which the Government's share was $8,103.28.

The contract provided for extending three existing adits a total distance of some 400 feet and doing 250 hours of bulldozer stripping. By amendment, the Operator was permitted to do some longhole drilling, the maximum total not to exceed 500 feet.

The work accomplished resulted in 250 hours of bulldozing amounting to 1,050 feet of trenching averaging 6 feet in depth, some 164 feet of longhole drilling and 202 feet of drifting. Such drifts were 5 x 7 feet in the clear. However, 45 feet of the 202 feet was timbered open cut from which the bottom had to be blasted and thus would not necessarily be called drifting.

The mineralization occurs as lenses in several parallel shear zones; thus a good estimate of the tonnage and grade of ore encountered is not possible. However, the Applicant has stockpiled some 32 tons of antimony ore from an estimated 600 tons of material removed along the shear

zones. In addition, the Field Team estimates that the Operator may recover 240 tons of hand-sorted ore, the grade of which should range from 20 to 30 percent antimony.

A copy of the Field Team's report will be forwarded to you as soon as it is received.

Sincerely yours, J. C. 3/24/53

C. O. Mittenderf (for)

Administrator

Enclosures 2

EWEllis/gla 3-18-53

cc to: Adm. Reading File
Operating Committee
Mr. Hedges, Rm. 4604
Mr. Thayer, Rm. 5216 GSA
Mr. Murkland
Contract Adm. and Audit Division
Mails & Files (Docket)
Rare and Misc. Metals Division
Field Team, Region II (2)
F. E. Johnson
Mr. Ellis

3/16/53 gla

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

MAR 16 1953

RECEIVED
MAR 16 9 03 AM '53
GENERAL SERVICES ADMIN.
PUBLIC BLDGS. SERVICE
BND - COMMUNICATIONS

159 WA SP /I-GS-G/

SPOKANE WASH 445P

E W ELLIS, DMEA, DEPT OF INTERIOR

WA

RE DMEA DOCKET 2193, CONTRACT IDM-E258, AND TELEPHONE CALL MARCH 13. AMOUNT OF WORK ACCOMPLISHED ON CONTRACT IS AS FOLLOWS - 250 HOURS BULLDOZING COMPLETED 1050 FEET OF TRENCHES, 6 FEET AVERAGE DEPTH, 202 FEET DRIFTING 5 X 7 FEET CROSS SECTION CLAIMED BY OPERATOR INCLUDES 45 FEET TIMBERED OPEN CUT FROM WHICH BOTTOM WAS BLASTED. THIS IS NECESSARY ITEM OF WORK BUT FIELD TEAM HAS NOT CONSIDERED IT AS DRIFTING. LONG HOLE TEST DRILLING 7 HOLES ESTIMATED TOTAL LENGTH 164 FEET.

A E WEISSENBORN, SP

2193 IDM-E258 13 250 1050 6 202 5 X 7 45 7 164

EC 447P

MAR 16 2 03 PM '53

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

3/12/53 gla

154 WA SP /I-GS-G/

SPOKANE 3-12-53 525P

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 13 1953

RECEIVED
MAR 13 8 17 AM '53
GENERAL SERVICES ADMIN.
PUBLIC BLDGS. SERVICE
BND - COMMUNICATIONS

C. O. MITTENDORF

BUREAU MINES

WA DC

SUBJECT - DOCKET NUMBER DMEA 2193

CONTRACT NUMBER IDM-E 258 RETEL MARCH 12 GOP ANTIMONY CONTRACT.

FINAL FIELD REPORT IN PREPARATION. RED MARKINGS ON OPERATORS FINAL REPORT MAPS INDICATE TWO PARALLEL SHEAR ZONES CONTAINING SCATTERED LENSES STIBNITE. AS IS TIPICAL OF ANTIMONY DEPOSITS MINERALIZATION IS VERY IRRADIC AND SHIPPING QUANTITIES OF ORE CAN BE OBTAINED ONLY BY CAREFUL BRAKING AND SORTING. OPERATOR SORTED AND STOCK-PILED APPROXIMATELY 32 TONS OF ANTIMONY ORE FROM AN ESTIMATED 600 TONS OF MATERIAL REMOVED ALONG THE SHEAR ZONES BY EXPLORATORY WORK COMPLETED ON DMEA GROGRAM.. INSUFFICIENT INFORMATION TO ESTIMATE RESERVES BUT PRODUCTION DATA AND GEOLOGIC INFORMATION SUGGESTS 240 TONS HAND SORTED ORE MIGHT BE RECOVERED FROM TWO MINERALIZED SHEARS ASSUMING STRIKE LENGTH OF 1700 FEET ON MAIN VEIN 300 FT. STRIKE LENGTH ON WEST VEIN AND DEPTH OF 50 FEET ON BOTH STRUCTURES. GRADE OF ORE WITH CAREFUL SORTING MAY RANGE FROM 20 TO 30 PERCENT ANTIMONY. OUR RECORDS INDICATE DEADLINE FOR CERTIFICATION IS MARCH 30.

A E WEISSENBORN, USGS, SP

VA 530P

MAR 13 10 42 AM '53
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D.C.

FILE COPY
SURNAME:

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

BW

MAR 1 2 1953

J. C. 3/12/53

D.M.E.A.

E. W. Ellis
5296 4640

14X3923.970 Working Fund, Interior, Defense Minerals
Exploration Administration
March 12, 1953

A. E. Weissenborn, Spokane, Washington

DMEA-2193, Contract Idm-4258

RE LET MARCH 6 U.C.P. ANTIMONY CONTRACT E-258 DISCOVERY NO FINAL FIELD REPORT RECEIVED. ARE RED MARKINGS ON OPERATOR'S FINAL REPORT MAPS CORRECT? IF NOT NEED STATEMENT OF WORK ACCOMPLISHED ALSO IF POSSIBLE SOME ESTIMATE OF TONNAGE AND GRADE OF ORE ENCOUNTERED. INFORMATION URGENT.

C. O. Mittendorf (fw)
C. O. MITTENDORF

EWEllis/jem
cc to: Adm. Reading File
Ellis
Docket

3/11/53 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 9 1953

March 6, 1953

Air Mail
Special Delivery

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

Re: Docket No. DMEA 2193 (Antimony)
Certification of Discovery
Bales Antimony, Okanogan Co., Wash.
Contract Idm-E258 (Terminated)

Dear Mr. Selfridge:

It is recommended that Certification of Discovery at the Bales Antimony prospect be made. This decision has been carefully considered because the deposit cannot be profitably exploited at present, and the possibility for even insignificant production in the future lies in the size of target disclosed with work accomplished on the DMEA exploration project.

Two erratically mineralized shears containing scattered lenses of stibnite have been disclosed in trenches and adit tunnels at either end of an alteration zone 1,700 feet long and 200 feet wide. The untested interval between these workings is 1,000 feet long, and it is probable that the mineralized shears are continuous through this zone.

Some 20 tons of antimony ore was hand sorted and stockpiled by the Operator from exploration work completed on the DMEA project. It is not unlikely that with future exploration work small lenses of antimony ore may be found along the fault shears in the untested central portion and possibly at depth below the present workings.

It must be emphasized that only small lenses of ore may be found and the possibility for significant tonnage is remote.

A suggested copy of the certification notice is enclosed for consideration.

By Field Team, Region II

Harold Kirkemo
Harold Kirkemo

M. E. Volin, Member
U. S. Bureau of Mines

for A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Enclosure
cc: USBM(2)

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

To:1/ G.O.P. Antimony, Inc. (Bales Property)
616 East "C" Street, Moscow, Idaho

Pursuant to the provision of Exploration Project Contract No. Idm -E258, dated Feb. 19, 1952, (Docket No. DMA-2193), hereinafter called the "Contract", between you and the United States of America, hereinafter called the "Government"; to establish and fix the claim and lien of the Government under the terms of the Contract, the Government hereby certifies that a discovery or development has resulted from the work under the Contract from which commercial production of ore may be made, in or upon that certain property situated in the State of Washington, County of Okanogan, described as follows:2/

Unpatented claims Bales Antimony, Bales Antimony No. 2, Bales Antimony No. 3, G.O.P. No. 1 and G.O.P. No. 2 in Twisp Mining District.

The Government's estimate of said discovery or development is particularly described and delimited as follows:

Antimony in the form of stibnite occurs as lenses in several parallel shears in altered metamorphic rocks. Underground development has partly explored the mineralized structures and indicated the presence of antimony ore, which occurs on land within the boundaries of the claims described in the Contract.

Dated: March 6, 1953

THE UNITED STATES OF AMERICA

Should use Form A

By
Administrator, Defense Minerals
Exploration Administration

1/ Insert full name of operator as it appears in the Exploration Project Contract.
2/ Insert the legal description of the property from Article 2 of the contract form, either all of it or that part of it in which the deposit lies upon which the Government should have a lien.

One copy for each file

File DMEA-2193
IDM-E 258

February 27, 1953

Mr. Ellis:

With reference to Mr. Mittendorf's memorandum and list of completed projects which may be certified, the following is additional information which appears on my records which may or may not appear in the contract files. Also, under Base Metals Division, the list shows DMA-1708, Contract No. Idm-E229, Kentucky-Utah Mining Co. That is incorrect since the commodity is "Copper-lead-zinc" and we have the Division copy of contract in this office.

For your information, I am showing the source of my information in order that you may review it together with the file.

DMA-1486X, Idm-E162, J. E. Hall (Copper)

Note following in file:

Mr. Kiilsgaard's letter to Operator September 10, 1952, advising they cannot approve permission to delay exploration work, as request in Operator's letter of August 28. There was discussion of assignment of this contract to the Montana Copper King Company, Inc.

Inspection report dated November 2, 1952, from John W. Hosterman, Geologist, USGS, to Field Team, stating the project was inactive, and suggesting steps be taken to terminate the contract.

Mr. Kiilsgaard's letter January 22, 1953, to Operator enclosing copies of mutual agreement termination notice to be approved and signed; also requesting that short narrative of work accomplished be submitted together with bill for any remaining expenses that should be paid, following which Region will proceed with the final audit and closing out of the contract.

A check with the Contract and Audit Division today reveals that only about $1700 has been expended on this project today, and it will not be scheduled for final audit until the contract is officially terminated.

(Copper-lead-zinc)
DMA-1708X, Idm-E229, Kentucky-Utah Mining Company

(Mr.Knouse has reviewed several amendments on this contract.)

As justification for Amendment No. 3, dated December 22, 1952, Stephen R. Wilson, Chief, Mining Division, USBM, in his memo to Region IV, stated that approximately 200 feet of drifting on the 650 level from the winze was completed November 13, 1952. The downward projection of the lead ore body mined above had not been encountered, although some mineralization has been found and a small tonnage of ore shipped from this area. It was recommended that the contractor be permitted to drift in excess of 200 feet on the 650 level or other level from the winze. Amendment No. 3 approved the use of any funds remaining within the total estimated cost of the project, after completion of work authorized under Parts (a) and (b) of Exhibit A, for additional drifting or other work.

The USBM December, 1952, status report shows the following:

> A total of 279 feet of drifts and crosscuts has been driven from the bottom of the winze. Oxidized lead mineralization has been encountered along a zone thought to be the South Lead Vein. During November 43 feet of drifting was done on a copper showing north of the winze 125 feet below the collar. Neither showing contains enough metallization to be classed as ore.
>
> Contract work ended late in November or early in December. The company plans to submit a request for an additional loan to continue exploration.

The January USBM (Region IV) status report for the month of January, 1953, simply repeats the second paragraph (above) of their December report.

We have had no communication from Region IV further than the above, other than Mr. King's memorandum of January 23, 1953, transmitting the Operator's Monthly Progress report for the month of October, 1952. The narrative in this report states the contract work was terminated November 30, 1952, because of exhaustion of funds (Stephen R. Wilson, USBM, memo to Field Team IV dated January 12, 1953), and that while the Operator plans to request an amendment for additional funds, the request has not been received.

DMEA-2193, Idm-E258, G. O. P. Antimony, Inc. (Bales) (Antimony)

This contract was officially terminated by notice dated September 30, 1952, "Termination of Exploration Project Contract By Agreement After Commencement But Before Completion of the Work."

The Operator's Final Report was transmitted with the Field Team, Region II, memorandum of November 20, 1952.

The Field Team's final report has not been submitted due to the prolonged negotiations on disposal of certain equipment purchased for use on this project and the Antimony Queen project (DMA-979 - Contract Idm-E132)

Mr. Schmidt brought this to Mr. Weissenborn's attention in a telephone conversation on February 5, 1953, and Mr.Weissenborn stated he would write a recommendation for a Certification of Discovery.

NOTE: This contract was written on Form MF-200 (June 1951). Article 15 of this contract states: "If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work . . . the Government, within 6 months thereafter, shall so certify, etc." Since the contract was officially terminated the last day of September, 1952, six months from that date would be the ~~last day of February, 1953.~~ 30th of March, 1953

Grace L. Ault

Grace L. Ault

DMEA 2193 GOP Oberbillig Antimony

2/5/53

Weissenborn says he will write certification to us of discovery. [illegible]

3-3-53

Phoned Hillsgaard today. (Weissenborn out of town) re: giving us the data upon which a Cert. of Discovery could be written. This even tho the equipment has not all been disposed of. Hillsgaard will get the info. in "right away".

EHP.

NARRATIVE FROM REPORT ON TERMINATED CONTRACTS AS OF DECEMBER 31, 1952, SUBMITTED TO THE ADMINISTRATOR JANUARY 9, 1953.

Contract No. Idm-E258
Docket No. DMEA-2193
Commodity: Antimony
Contractor: G. O. P. Antimony, Inc. (Bales)
Location:, Okanogan County, Washington
Contract Amount: $16,000.00
Govt. participation: 75% - $12,060.00
Total spent: ~~$10,343.90~~ (Govt. portion ~~$7,345.91~~)
$10,804.37

7 845.91
757.37
8,103.28 Sept.

Subject contract was terminated on September 30, 1952. While this project failed to reveal any significant quantity of antimony ore, nevertheless the Operator stockpiled some 40 tons of ore estimated to run approximately 15-20% antimony. This property may have some potential possibilities in the production of antimony if the commodity had a higher market value than at present (34¢ per pound). However, the difficulties encountered with the Operator in the financial handling of the contract mitigated against a proper completion of the contract, and, accordingly, the contract was terminated.

Final settlement has not been made pending satisfactory disposition of certain equipment purchased for use on this project and the Antimony Queen project (DMA-979 - Contract Idm-E132) in which the Government has an equity.

Recd:
Final report of Operator, dated 10/25/52, F. I. memo 11/20/52
No " " of Field Team pending disposition of equipment.

11/25

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

[redacted]
So. 157 Howard Street
Spokane 4, Washington

Department of the Interior
Defense Minerals Administration
Received
NOV 2 - 1952

November 20, 1952

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Docket DMEA-2193 (Antimony)
Bales Antimony project
Okanogan County, Washington
Contract Idm-E258
Operator's final report

Dear Mr. Johnson:

Enclosed are two copies of the Operator's final report on the Bales Antimony project. Five copies of the report with accompanying maps were received at this office. Distribution of the report is made in accordance with instructions in DMEA Circular 19 pertaining to monthly reports from the Operator. The original is retained for the Certifying Officer's files, one copy for the files of the Executive Officer, one copy for the Branch office (U. S. Bureau of Mines), and two copies to Washington D. C.

Unless further advised, we shall continue to distribute all final reports from the Operator in this manner.

By DMEA Field Team, Region II

M. E. Volin, Acting Exec. Officer
(U. S. Bureau of Mines)

cc
11.25

Thor H. Kiilsgaard, Acting Member
(U. S. Geological Survey)

Enclosures

cc: USBM (2)
Certifying Officer
Kirkemo

XXXXXXXXXXXX
XXXXXXXXXXXX
616 East C Street
Moscow, Idaho
October 25, 1952

Defense Minerals Exploration Administration
Bureau of Mines, Region II
1201 North Division Street
Spokane 2, Washington

Subject: Final Engineering Report on
The Baker Antimony Project
Docket No. DMEA 2193
Contract Idm F 258

Gentlemen:

Work was started on the Baker Antimony Exploration Project on May 1, 1952, and was carried on continuously until September 22, 1952 when the G-L-P Antimony, Inc. was forced to cancel the contract for the following reasons:

1. The DMEA had delayed settlement on vouchers far beyond any reasonable time necessary for payment; at the time of cancellation by us the G-L-P Antimony, Inc. had paid total allowable expenses amounting to nearly $5,400 when we originally agreed to finance the project only to the extent of our portion, namely, $4,020.00.

2. Requests for contract amendments to enhance the value of the exploration work were rejected by the DMEA; any further expenses by us on work directed entirely by DMEA were not, in our opinion, of possible value in finding more ore. Results of the work done in the first two months indicated the necessity for contract changes to effectively prospect the ore showings already indicated.

I WORK ACCOMPLISHED:

1. Drift repair work on adit No. 1. Total cost, $550.00.
2. Advanced drift from adit No. 1 a distance of 57 feet.
3. Completed open-cut and drift work equivalent to 145 feet of advance on north vein.
4. Made a complete transit survey map of the area and did engineering work at a cost of $750.00 (estimated).
5. Drilled a total of 160 feet of long-hole test drilling shown on Map No. 2. (Cost estimated $300.00)
6. Stripped and exposed the west vein shown also on Map No. 2. (Cost $700 est.)
7. Tractor angle dozer cuts, 250 hours @ $7.00 ($1,750.00) shown on Map No. 1.

II COSTS OF WORK:

1.	Tunnel repair work	$ 550.00
2.) 3.)	Drift work, 202 ft. @ $33.25	6,713.90
4.	Engineering work	750.00
5.	Long-hole drilling	300.00
6.	West vein stripping	700.00
7.	Caterpillar work	1,750.00
	TOTAL COST	$ 10,763.90

COPY

III [illegible]:

1. In adit No. 1 drifting for 67 feet along a vein in the drift did not disclose commercial ore because:

   a. Possibly a flat fault shifted the ore-bearing vein in the pit to the west and the vein in the drift could be a different vein, or

   b. The drift may have been driven in a non-mineralized, flatter, east-dipping horizon of the vein; the east-dipping portions of all veins exposed to date have been only slightly mineralized whereas the west-dipping or nearly vertical veins have so far been productive.

A suggestion for geological feet-seeking exploration work was made by us to answer the above questions by means of an inexpensive raise from the drift to the pit floor. This raise was rejected by the DMEA and we are not unaware of their difficulty in explaining this as exploration work. However, no other way of exploration in this area appeared logical to us and the DMEA made no alternative suggestions.

2. Angle-lower stripping of the west vein [illegible] disclosed an antimony stringer two inches wide and fifteen feet long. [illegible] stripping to a depth of eight feet exposed this vein and it widened [illegible] to 10 inches of stibnite for a distance of 12 feet. Mineralization extended to a total length of 120 feet on this vein and at depth [illegible] yield substantial quantities of high-grade ore but the limited exploration work allowed to have been not permit me to even estimate any ore. [illegible] indicated.

3. Work on the north vein [illegible] useful. First, the vein was uncovered by stripping [illegible] disclose the [illegible] extent between the two adits on the north side. [illegible] further the direction [illegible] ore here to determine timbered the open cut [illegible] the vein. At the completion of this work we a raychute for a distance of 79 feet. In this distance we drifted through 200 feet long of an [illegible] of 15 feet. [illegible] a raychute which is roughly extent is uncovered only [illegible] of solid stibnite but this blank zone in the raychute [illegible] and open cut. There is a blocked-out ore, we can [illegible] foot in the open cut. As for and we estimated about [illegible] 55 tons of 3% ore [illegible] 45% Sb. ore above the drift [illegible] open cut.

A remarkable point is [illegible] absolutely dry hillside, the drift in its face encountered a steady flow of [illegible] of considerable size. This could mean that here we have a fissure-opening which [illegible] indicates a strong vein. This is in spite of the fact that the last 50 feet of the drift was in non-mineralized vein material.

IV: FUTURE POSSIBILITIES:

This is a promising small antimony property at present, and could be developed into a good, steady producer of high-grade antimony ores and concentrates. An assured steady market at a reasonable price for the product would assure production from this mine. If we, as operators, do not get a fair price for an assured time for this property we cannot consider operations here and then absolutely nothing for the future.

Our controversies with the DMEA have forcibly shown us that exploration on this property can be done only by keeping all work in the ore. This is not a bad idea for most exploration work on antimony ores. It is too easy to get lost if one does not keep rid it in the ore wherever one has ore.

Very truly yours,

Ernest Oberbilling

Ernest Oberbilling, President,
C-O-P Antimony, Inc.

EO/ao

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

1201 N. Division St.
Spokane 2, Washington
November 13, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 20 1952

Reply to: M. E. Volin
Member, DMEA Field Team
Region II

Mr. Ernest Oberbillig
G. O. P. Antimony, Inc.
616 East "C" Street
Moscow, Idaho

Subject: Docket No. DMEA 2193 (antimony)
Bales Antimony project
Contract Idm-E258

Dear Mr. Oberbillig:

This will acknowledge receipt of your letter to Mr. Volin of November 10, 1952, regarding final settlement under the subject contract.

We are happy to inform you that your July supplemental, August and September invoices were vouchered today, and you should receive payment in the amount of $2,113.36 from the Disbursing Office in Portland within a week.

You will note, of course, that the above amount is not full payment. We have been instructed by the Washington, D.C. office of DMEA to withhold an amount equal to the Government's equity in equipment purchased for use on the Bales and Antimony Queen projects. The audit disclosed that the Government had contributed $731.53 toward the purchase of a slusher and bucket and water tank, and $181.95 toward the purchase of a jackhammer and jackleg. When disposal of this equipment is satisfactorily completed, final settlement can be made.

We regret the delay in making this payment. As you were informed during the conference in Spokane, the audit was a special one and the report had to be approved by the Contract and Audit Division of the DMEA in Washington, D.C. before it could be released to the Fiscal Officer.

Sincerely yours,

Thomas E. Howard
Chief, DMEA Section
Bureau of Mines, Region II

cc: Senator Wm. Langer
DMEA, Wash. (2)

ANTIMONY
INCORPORATED

GRAY, JOSEPH R.
OBERBILLIG, ERNEST
PEARSON, GILBERT & NORTON

~~TELEPHONE 882~~
~~OAK WASHINGTON~~
616 East 3 Street
Moscow, Idaho

November 10, 1952

Re: Bales Antimony
July, August, Sept., 1952
Docket No. 2193
Contract: Idm E 258

Mr. M. E. Volin
Field Team, Region II
U. S. Bureau of Mines
1201 North Division Street
Spokane 2, Washington

Dear Mr. Volin:

It has been considerable time since we have heard anything about a final settlement on the Bales Project and are wondering why the delay.

If there is any one criticism of the way the DMEA is being handled it will fall entirely under the heading "Finances". As you no doubt know most of the accounts due for the above-mentioned months have been due and payable by the DMEA for a long time. In view of the fact that we have some outstanding accounts — payroll taxes and Workmen's Compensation, due October 20, 1952, to mention some of them, we would like to point out that it is asking too much for the Government to place this entire exploration cost burden upon the small operator. If there is any single weakness in the DMEA program, it is the delay in payment to the operator. On top of this, the operator has an additional "kick in the pants" at this time from the low metal prices and stagnant market conditions.

Since more than a month has passed since our books were audited, and found to be correct, and fair and just, we think it only fair that the DMEA makes some effort to expedite payment of our back vouchers which they have agreed to be correct.

Very truly yours,

Ernest Oberbillig

Ernest Oberbillig,
President,
G-O-P Antimony, Inc.

EEO/co

cc: Senator William Langer, Senate Office Building, Washington, D. C.

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

[redacted]
No. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 17 1952

November 12, 1952

Mr. R. J. Hindman
Certifying Officer, DMEA Region II
U. S. Bureau of Mines
1201 N. Division
Spokane, Washington

Re: Docket DMEA 2193 (Antimony)
Bales Antimony property
Okanogan County, Washington
Contract Idm-8298

Dear Mr. Hindman:

This is to inform you that all work under the subject contract has been completed to the satisfaction of the Government and that the full and final accounting of operations as presented by the Operator is considered acceptable by this office. A final report evaluating the results of work completed under the contract also has been presented and accepted as satisfactory.

Inasmuch as all requirements have been met, it is requested that the Operator's final invoice be accepted for vouchering and payment.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: DMEA (3)
USBM (2)
R. Hull
Cont. Adm. and Aud. Div., Wash.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

October 31, 1952

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Docket DMEA-2193 (Antimony)
GOP Antimony, Inc.
Okanogan County, Washington
Contract Idm-E258

Dear Mr. Johnson:

Enclosed are the original and 2 copies of a termination notice by agreement, on the Bales Antimony property, Okanogan County, Washington. One copy of the agreement has been retained by the Operator, 1 copy is being forwarded to the Certifying Officer Region II, and 1 copy is being held in our files.

Sincerely yours,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure
cc: USBM (2)
Puffett

RECEIVED
NOV 19 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

case 11-4

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

500

10-24-52

Mr. Robert N. Hull
DMEA Auditor
1201 North Division Street
Spokane, Washington

Subj: E-22, DMEA-506, Hecmede Mining
E-132, DMEA-979, C.O.P. Antimony
E-238, DMEA-2193, C.O.P. Antimony

Dear Bob:

Returned herewith are the audit reports and certificates covering your recent interim audits of the subject projects. These certificates were forwarded for my consideration by Mr. Finch's letter of October 20, 1952.

It appears that you and Don did a very good audit job and I am returning the reports only for correction of a few "technicalities" as follows:

E-22:

(a) The first sentence, second paragraph, page 4 refers to a letter "to the Operator***advising the DMEA Finance Officer". Please correct.

(b) The last sentence, first paragraph, page 4 directs reference to Finance Officers memorandum of March 21, 1952. Please furnish copy for our files.

(c) Signature on the audit report. Don's signature is not necessary since the body of the report indicates his collaboration.

(d) Dating of audit certificate.

E-132:

(a) The audit certificate should be restated to show:

Exceptions (see Audit Report for details):		
Prior to this audit	$110.24	
Less: Reinstatements	109.00	1.24

(b) Signature on the audit report.

(c) Dating of audit certificate.

Item 238:

(a) The audit certificate should be restated to show:

Exceptions (see Audit Report for details):			
During this audit		$39.52	
Prior to this audit	$1,256.21		
Less: Reinstatements	1,256.21	-0-	39.52

(b) Signature on the audit report.

(c) Dating of audit certificate.

In connection with the audit reports covering E22 and E132 reference possibly should be made to the concurrent charges for depreciation and rental of a jackhammer and the consideration thereof in connection with the rental-purchase under E238. This was discussed in my letter to you under date of October 22.

Since it appears that you have submitted extra copies of the reports and certificates, I am retaining one copy of each for reference in any discussion of the "Oberhillig" case that may arise in Washington. All other copies are returned for the minor corrections indicated, after which the regular distribution may be effected by you.

Sincerely yours,

(Signed) E. D. Talbert

BL 10-24

E. D. Talbert, Assistant Chief
Contract Administration and
Audit Division

Enclosure

EDTalbert/wb
October 24, 1952

Copy to: Mails & Files
Admr. Reading File
Mr. Finch
Mr. Chambers

10/28/52 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
[redacted]
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 27 1952

October 23, 1952

DMEA-2193

Mr. Ernest Oberbillig
Hermada Mining Company
616 East C Street
Moscow, Idaho

Dear Mr. Oberbillig:

Enclosed are copies of a termination agreement to stop Government participation in the exploration work on your Bales property before completion of the exploration project. If this agreement meets with your approval, please sign all copies, retain one and return the original and remaining copies to this office.

I would like to remind you of the agreement reached in our meeting in the Bureau of Mines office October 11, 1952, in which you were advised to submit a supplemental Form MT-1[illegible] for the month of February 1952 and reclaim the $[illegible]00 labor charge which was previously disallowed. As I recall, we agreed that this labor charge would be submitted as a charge of transporting supply items to the Hermada property and not as bulldozer time.

Sincerely yours,

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure

cc: DMEA (2)
USBM (2)
Kiilsgaard

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 27 1952

So. 157 Howard Street
Spokane 4, Washington

October 23, 1952

D.M.E.A-2193

AIR MAIL

Mr. C. O. Mittendorf
Administrator, DMEA
U. S. Department of Interior
Washington 25, D. C.

Dear Mr. Mittendorf:

The recent audit of the Hermada Mining Company Contract, and the audits of the two associated G. O. P. Antimony Company Contracts, reports of which are now in your hands, has shown that the books of the Operator are in reasonably good order from an accounting standpoint. We did not, frankly, expect that anything seriously out of order would be revealed by the audit. The audit has also shown that the Operator, Mr. Oberbillig, has some grounds for complaint concerning slowness of payment of his vouchers, and that a number of disallowances made from vouchers submitted by Mr. Oberbillig were permitted to be reclaimed on later vouchers or were allowed in the final audit, thus seemingly indicating that perhaps they should have been paid in the first place. And lastly, the audit indicates that most of the misunderstanding and differences of opinion that unfortunately arose were over matters which hardly appear to have been worth all the turmoil and trouble they caused. Based only on the audit, the Field Team has been placed in a somewhat unflattering light. Without attempting to duck any of the responsibility that must be assumed by the Field Team and by myself as Executive Officer, I do think that some other facts should be considered, for unfortunately, the dry figures of the audit do not by any means tell the whole story. As a matter of fact, they are not intended to; they only show the fiscal picture. They do not show, therefore, the many sincere efforts made by the Bureau and Survey field men, and by Mr. Volin and myself, to reach an amiable settlement of our difficulties with Mr. Oberbillig. They do not show the difficulties we have had in processing Mr. Oberbillig's

vouchers nor the many weary hours Mr. Howard and other Bureau of Mines engineers have spent in attempting to get his vouchers in such form that they could be accepted for payment by our Certifying Officer. The figures do not show how Mr. Oberbillig has rather persistently attempted to drive a wedge between the Geological Survey and the Bureau of Mines, stating in writing that his treatment by one organization was better than that accorded him by the other and thus indicating that in his estimation the Bureau was all black and the Survey all white. As Executive Officer, and a member of the Geological Survey, I am too closely involved to be sure what color we really are, but I can assure you that whatever it is, we are both dyed with the same hue.

You will note from the audit report that in the Bales contract, one of the principal points of controversy was over whether the depth of the bulldozer trenches was excessive for exploration. Following our final conference I had to rule as Executive Officer that although I believed the depth of the trenches was excessive, this was largely a matter of opinion and since depths were not specified in the contract, payment should be made in full for both the bulldozing and the rock excavations. What the audit report did not reveal was that at the Hermada mine bulldozer trenches were very definitely excessively deep. In this case we paid without question after informing Mr. Oberbillig that his trenches were supposed to be for exploration and not for extraction of ore. Neither does the audit report show that at the Hermada property cuts along the presumed outcrop of the Hermada zone, although they yielded a minimum amount of geologic information, were--perhaps by coincidence--strategically located so as to provide a road extremely useful for a planned logging operation which is to be carried out in the near future. In both of these instances we gave the operator the benefit of the doubt and we paid for the work without fuss but it was partly for the above reasons that on the Bales contract our field men were inclined to be critical about the depth of the trenches.

The audit report does not show very clearly that the other major item of conflict at the Bales--the apparently excessive cost of driving the adit--was largely the result of the operator's method of bookkeeping. That is, he had lumped into the cost of drifting items such as the cost of a trestle, which, although necessary to the contract and therefore allowable, was not properly chargeable to the cost of drifting. Since the operator had not taken the trouble to explain this in his monthly report, our engineers, in our opinion, were quite justified in questioning these high costs. Also Mr. Oberbillig argued that the slow advance of the drift occasioned by the separate removal of ore and waste was compensated by additional miners on his payroll who were not charged to the exploration contract, a fact that was verified by the final audit but not explained in the monthly voucher which Mr. Oberbillig submitted. The audit figures merely show that payment of vouchers was slow, they do not show how difficulties and misunderstandings of this sort contributed to the delays.

Lastly, the audit report does not show the vitriolic letters such as the specimens attached, which Mr. Oberbillig wrote the Field Team, particularly to Mr. Volin. We have sincerely tried to maintain an objective and impartial attitude but letters such as these do not tend to engender an atmosphere of harmony and cooperation. Our field men, although Government employees, are also human. Also not brought out by the audit report is the fact that with the present lack of market for antimony, Mr. Oberbillig has accepted a teaching position with the University of Idaho, and, I suspect is quite satisfied to discontinue the exploration for the time being. Thus his difficulties with us may not be his only reason for wishing to drop his contracts. He has not been able to sell antimony during this year.

We sincerely regret our controversy with Mr. Oberbillig--it has been time-consuming, unpleasant, and in my opinion utterly needless and completely unproductive. Looking at the matter as dispassionately as I can--and my personal relations with Mr. Oberbillig were, and still are, on a fairly friendly basis--I might admit that part of the blame should be laid to the Field Team and to myself as Executive Officer for not having taken more positive action to stop the controversy sooner, part can be blamed on the unweildy system of making payments (which we all have recognized and which we now believe has been solved), and part must be borne by Mr. Oberbillig himself.

The above is written for the purpose of informing you concerning all aspects of the G. O. P. case and with the hope that by such a review, the Field Team may profit by seeing where we have erred. We hope that the issue can soon be settled, but final payment must await the disposal by the operator of equipment in which the Government has a very considerable equity. The Field Team will probably be severely criticized by Mr. Oberbillig by not making final payments on the three contracts but until Mr. Oberbillig disposes of this equipment, there is little that we can do.

Sincerely yours,

A. E. Weissenborn, B.H.K.

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: O. N. Rove
D. Finch
R. Hull
U.S.B.M.
Cont. Adm. & Aud. Div., Wash.

Enclosures

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

800

Mr. Robert M. Hall
DMEA Auditor
1201 North Division Street
Spokane, Washington

Subj: DMEA-506, E-22, Hecmada Mining
DMEA-979, E-132, G.O.P. Antimony
DMEA-2193, E-258, G.O.P. Antimony

Dear Bob:

Reference is made to your letter of October 14, 1952, requesting advice as to the Government's equity in a "jack hammer and sinker log" acquired by the Hecmada Mining Company for use on the subject projects.

A review of the contracts reveals the following pertinent facts:

(a) Contract E-22, dated June 26, 1951, provides for a jackhammer "to be furnished by the Operator" at a "Monthly Rental Allowance" of $10.00;

(b) Contract E-132, dated September 4, 1951, provides for a drifter "to be rented" at $50.00 per month; and

(c) Contract E-258, dated February 19, 1952, provides for a jackhammer and a jack-leg "to be purchased", but Amendment No. 1, dated June 9, 1952 and effective May 1, 1952, substituted a drill with pusher leg "to be rented" at $50.00 per month under a rental-purchase agreement.

The Forms MF-104 submitted under these contracts indicate applicable charges as follows:

(a) Contract E-22, November, 1951 to March, 1952, incl.
Jackhammer @ $10.00 per mo. ..... $ 50.00

(b) Contract E-132, October to December 1951, incl.
Drifter @ $50.00 per mo. 119.38

(c) Contract E-258, May to July, 1952, incl.
Drill and Jack-leg @ $50.00 per mo. 150.00

Total Charges..... $319.38

Assuming that the equipment cited in the foregoing paragraphs is the same item of equipment, i.e., a "jack hammer and sinker leg", which you state was acquired by the Operator during October, 1951, under a rental-purchase agreement, it appears that the Government has contributed concurrently under Contracts E-22 and E-132 to a rental (depreciation) allowance and rental rate, respectively. At a later date the Government contributed under Contract E-258 to a rental rate with the provision that "after the purchase option is exercised the rental arrangement will be terminated automatically and the Government will acquire an appropriate pro-rata equity in the machine and pusher leg."

Considering these facts <u>from an audit viewpoint</u> the equitable answers to your specific questions appear to be:

1. Yes. The Government does have an equity in the described equipment by virtue of its contributions to the costs thereof.

2. 36.5%. This is computed in the following manner, with the assumptions that the amounts of contributions listed above are correct and that the list price of $990.19 was the actual purchase price:

Costs charged to DSV projects.....	$319.36
Less: 10% not applicable to purchase price.....	31.94
Costs applicable to purchase price.....	$287.42
Less: 25% Operator's share of purchase price.....	71.86
Government's contribution (75%) to purchase price.....	$215.56
Percentage of Government's equity in purchase price ($990.19).....	36.5%

3. The allocation of the Government's equity by projects is computed as follows:

Contract E-22	$ 50.00	15.6%
" E-132	119.36	37.4%
" E-258	150.00	47.0%
	$319.36	100.0%

All of the above figures, of course, are subject to such changes as the results of your audits may dictate, but regardless of your findings the basic formula appears applicable upon the liquidation of the projects and the disposition of the equipment.

In the event the Executive Officer of the DSV Field Team should waive the Government's interest in this particular equipment, it appears from an audit viewpoint that the rental (depreciation)

allowance charged under Contract [illegible]-22 should be disallowed. This action would be justified for either of two reasons, i.e., the Government should not contribute to the depreciation of equipment in which it has an equity or for which it is contributing concurrently on a rental basis.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Assistant Chief
Contract Administration and
Audit Division

EDTalbert/ab
October 22, 1952

Copy to: Mrs. Files
Adm. Reading File
Mr. Finch
Mr. Ellis
Mr. Chambers (3)

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

1201 North Division St.
Spokane 2, Washington
October 20, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 27 1952

Mr. Ernest Oberbillig
G.O.P. Antimony, Inc.
616 East C Street
Moscow, Idaho

Subject: Docket No. DMEA 2193
Bales project
Contract Idm-E258

Dear Mr. Oberbillig:

This will acknowledge receipt of your courteous letter of October 13, 1952 to Mr. Volin, for whom I am replying in his absence.

Please be assured that we are doing everything possible to "hustle" payment. May we urge again that you submit your final engineering report as soon as possible so that final settlement may be expedited.

Sincerely yours,

Thomas E. Howard
Chief, DMEA
Bureau of Mines, Reg. II

TEH/IEV/vf

cc: DMEA, Wash. (2)
USGS (2)
DMEA
EAM
D/F

C O P Y

616 East C Street
Moscow, Idaho

October 13, 1952

Mr. M. E. Volin
Member, Field Team, Region II
U. S. Bureau of Mines
1201 North Division Street
Spokane 2, Washington

Subject: Monthly Progress Report
Contract No. Idm E 258
Docket No. 2193
Month of August, 1952

Dear Mr. Volin:

In accordance with your request made during the conference on October 11, 1952, in Spokane, I am reporting herewith the following information.

1. Presumably none of the Engineers in your office were sufficiently interested to completely read the "Remarks" on Form MF 104A, in which we reported on September 1 that we used separate blasting of the ore and waste for only ten ft. of the drift, instead of throughout the entire 63 feet, as everyone assumed. Likewise, this wrong conception on your part was the principal cause for disallowance and considerable headache on our part. Furthermore, if anyone had been sufficiently interested they would not have been so concerned over excessive costs for drifting had they taken the trouble to use the slide rule which they seem to be so expert at using, and merely calculated the unit costs for the month of August, and they would have arrived at the figure of $27.00 per foot (63 ft. at $1,700.00).

2. Furthermore, as it has been pointed out now through an audit, we paid additional costs for mining the ore extracted from the ten ft. of drift during August, which we did not report on our DMEA payroll!!

3. A few days' work was done also and counted against drifting for the construction of a trestle over the road so that we would not destroy the use of our turn-around.

Now, therefore, since we have already been put to considerable trouble because of petty actions on the part of the Government personnel, I think it would be fair enough to stop all that nonsense and hustle the report in for payment.

Very truly yours,

s/ Ernest Oberbillig,
President

C O P Y

DMEA
FILE COPY
Surname:

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

FAS No. 3137

N.S. in R. & R.

Re: Docket No. DMEA-2193 (Antimony)
Contract Idm-E258
G. O. P. Antimony, Inc.

OCT 13 1952

My dear Senator Langer:

This acknowledges receipt of your letter of September 29, 1952, referring to exploration work conducted by G.O.P. Antimony, Inc. at their properties in Okanogan County, Washington, under contracts with the Defense Minerals Exploration Administration.

It is our understanding that you have received copies of Mr. Oberbillig's letter to M. E. Volin of the DMEA Field Team, Region II, dated September 20, 1952, and the answering letter by the Field Team Members, A. E. Weissenborn and M. E. Volin, under date of September 25.

In view of the apparent misunderstanding between Mr. Oberbillig and the DMEA, it has been deemed advisable to send an auditor from Region IV (Denver) to make an impartial investigation and audit. The auditor from Region IV was to have been in Spokane on October 7 or 8 to proceed immediately with the audit at a time and place designated by Mr. Oberbillig. A representative of the Geological Survey and possibly one from the Bureau of Mines, who have heretofore had no connection with the project, will be appointed to assist the auditor in his investigation.

As soon as the audit report is received by this office, we shall be pleased to inform you as to the final disposition of this matter.

Sincerely yours,

(sgd) Joel D. Wolfsohn

Assistant Secretary of the Interior

Hon. William Langer
United States Senate
Washington 25, D. C.

EWEllis/gla 10-8-52
cc to: Secy's Reading File
Asst. Secy's Reading File
Adm. READING File, Rm. 4624
Docket, Rm. 4070
Messrs. Ellis
Schmidt
Field Team, Region II (2)

FILE COPY
DMEA
Surname:

Schmidt
Northcutt

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

Hon. William Langer
United States Senate
Washington 25, D. C.

Re: Docket No. DMEA-2193 (Antimony)
O. U. P. Antimony
Omak, Washington

My dear Senator Langer:

This acknowledges receipt of your letter addressed to Secretary Chapman of September 29, 1952, inquiring as to the status of the captioned defense minerals exploration administration contract.

It is our understanding that you have received copies of the letter from Ernest Cherrilling to Mr. [illegible] Vallin of the DMEA Field Team, Region II, and the answering letter by A. F. Weissenborn and A. C. Vollin to Mr. Cherrilling of September 25.

In view of the fact that there has been some misunderstanding between Mr. Cherrilling and the [illegible], it has been deemed advisable to send an auditor from Region II to make an impartial investigation and audit. He is to arrive in Omak, Washington on October 7 or 8, and will be accompanied by engineers of the Bureau of Mines and the Geological Survey who have not been connected with the case. They will assist in making the report. As soon as their report is received by this office, we will be pleased to inform you as to the final disposition of this matter.

Sincerely yours,

Secretary of the Interior

FSchmidt/Ellis/jem
10/2/52
cc to: Secy's Reading File
Asst. Secy's Reading File
Adm. Reading File R-4624
Docket-R-539
Messrs. Ellis
Schmidt
Field Team, Region II (2)

PAT MC CARRAN, NEV., CHAIRMAN
HARLEY M. KILGORE, W. VA.
JAMES O. EASTLAND, MISS.
WARREN G. MAGNUSON, WASH.
HERBERT R. O'CONOR, MD.
ESTES KEFAUVER, TENN.
WILLIS SMITH, N. C.
ALEXANDER WILEY, WIS.
WILLIAM LANGER, N. DAK.
HOMER FERGUSON, MICH.
WILLIAM E. JENNER, IND.
ARTHUR V. WATKINS, UTAH
ROBERT C. HENDRICKSON, N. J.
J. G. SOURWINE, COUNSEL

United States Senate

COMMITTEE ON THE JUDICIARY

September 29, 1952

SECRETARY'S MAIL CENTER
OCT - 1 1952
INTERIOR DEPT.

INTERIOR DEPT.
☆ RECEIVED ☆
OCT 1 1952
☆ OFFICE OF ☆
THE SECRETARY

INTERIOR DEPT.
SECRETARY'S
MAIL CENTER
OCT - 2 1952

FORWARDED TO:
Def. Minerals

Honorable Oscar Chapman
Secretary of the Interior
U. S. Department of the Interior
Washington 25, D. C.

My dear Mr. Secretary:

I have received a letter from Mr. Ernest Oberbillig, President of Antimony, Inc., 616 East C Street, Moscow, Idaho, indicating that the firm has been carrying on exploration work at two antimony properties in the State of Washington but that due to lack of cooperation from the Defense Minerals Exploration Administration, they have been forced to suspend their exploration activities.

It occurs to me that in the event you may not be aware of this situation, you may wish to look into this matter to determine whether the facts are as brought to my attention.

I shall appreciate receiving your information and comments at your early convenience.

With kindest regards, I am

Sincerely,

Wm. Langer

WL ln

10/2/52 jem

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 1 1952

September 26, 1952

Mr. Frank E. Johnson, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

DMEA-2193

Dear Mr. Johnson:

Attached is a Field Team reply to Mr. Oberbillig's letter of September 20, copy of which is attached.

We note that Mr. Oberbillig sent a copy of his letter to Senator Langer and, consequently, we have prepared an extra copy of our reply so that a copy may be sent to Senator Langer if you deem it advisable in the event that he should inquire further into this matter.

By DMEA Field Team, Region II

A. E. Weissenborn

A. E. Weissenborn, Executive Officer
(U. S. Geological Survey)

M. E. Volin

M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosures

cc: USBM (2)

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

1201 N. Division St.
Spokane 2, Washington
September 25, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 29 1952

Mr. Ernest Oberbillig, President
G.O.P. Antimony, Inc.
616 East "C" Street
Moscow, Idaho

Subject: Docket No. DMEA 2193
Contract Idm-E258
G.O.P. Antimony, Inc.

Dear Mr. Oberbillig:

Reference is made to your letter of September 20, 1952 addressed to M. E. Volin, commenting on our letter of September 16.

It is apparent that you consider exploration contract administration solely the responsibility of the Bureau of Mines. In order to provide you with a clearer understanding of DMEA functions, it is emphasized that such administration is entirely a Field Team responsibility. With respect to invoicing procedure the Field Team, through its bonded Finance Officer, is obligated to determine that certain minimum requirements established by the General Accounting Office are met.

Presumably you have misinterpreted the intent of our authorization to recess project operations pending an audit. The following excerpt from our earlier letter clearly leaves this action at your discretion.

> "In order that you will not be in the position of assuming additional financial burden it is suggested that you recess operations on the project pending results of this audit. You are hereby authorized to take this action on September 22, 1952, if you care to do so."

Our sole concern in authorizing a recess of project operations was to relieve you of further financial burden insofar as possible until such time as past due accounts could be reconciled by audit.

Mr. Jay L. Chambers, Chief, Contract and Audit Division, DMEA, Washington, D.C. has informed us that an auditor from Region IV will arrive in Spokane on October 7 or 8. The Field Team will urge that a satisfactory audit be completed as soon as possible. Please inform

us where the fiscal records in connection with Contract Idm-E258 are available and advise us regarding a date and location for the audit which meets your convenience. The auditor will be glad to come to Moscow, Idaho for his purposes and can conduct his audit either at your home office or at his hotel. We do not wish to impose upon your services with the University of Idaho to the extent of trying to conduct the audit at your office on the campus.

Please be assured that the Field Team's request for a special audit is to your benefit and in your interest in reaching an early settlement of your accounts so that reimbursements due you can be paid at the earliest possible time. We believe this can be done best by an auditor from another DMEA Region who will have no prior opinions and can be regarded as a completely unbiased person with respect to your contract operations. Accompanying the auditor will be a Field Team representative from the Geological Survey and possibly one from the Bureau of Mines, both of whom have been selected on the basis that they have not had any previous connection with the operations under your contract to the extent of engaging in any controversy about these operations.

The Field Team believes that you should fully realize that we are doing everything possible to reach just decisions regarding your problems, and it is not apparent to us how we can be any more objective in this situation.

By Field Team, Region II

A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

M. E. Velin, Member
(U. S. Bureau of Mines)

cc: Senator William Langer, Washington, D.C.
Mr. Jay L. Chambers, DMEA, Washington, D.C.

9/24/52

Conference with Jay Chambers Auditor

The auditors office-Chambers is going to take a trip out to the region and straighten out the mess.

Fah

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

1201 N. Division St.
Spokane 2, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 6 '52

September 24, 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: Progress inspection, G.O.P. Antimony, Inc., (Bales Mine) Okanogan County, Washington, Contract Idm-E258, Docket No. DMEA 2193 (antimony)

A routine progress examination of the subject property was made on September 22, 1952. Neither Mr. Oberbillig nor Mr. Pearson were at the property. Two men were working in the No. 2 adit, including Mr. Fuller who was in charge. Fuller stated that Oberbillig had not been at the property since about August 1 and Pearson, the superintendent, had left on August 13 and had not returned. He expected to be gone about ten days.

Recent work has been concentrated in advancing the No. 2 adit. At the time of the visit it measured 109 feet from the portal to the face. This represents 70 feet of drifting, the remainder being the timbered portion of an open cut the operator made in mining operations prior to going underground. The drift is timbered for the first 82 feet (including the 39 feet of timbering in the open cut), native peeled timber being used on about 5-foot centers. The slusher (Gardner-Denver Mdl HEE Serial No. 169723) from the Hermada project, Idm-E22, is being used in driving the drift. The slusher (Gardner-Denver Mdl, Serial 141093) from the Antimony Queen, Project Idm-E132, is broken down and is sitting out in the open near the tool shed. The hour meter on the bulldozer read 3252.

A marker tag, USBM No. 197, was placed on a cap 68.5 feet from the portal in the No. 2 adit.

The stibnite lens which was being drifted on apparently pinched out about 60 feet from the portal. The structure has changed from a vertical dip to a dip of 40 degrees west (strike S 18 W), in the face. There was no stibnite exposed in the face at the time of the visit although drill cuttings from one of the holes being drilled for the next round indicated stibnite. Two

long holes on either side of, and to right angles to the drift at a point 14 feet south of USBM 197 failed to indicate any stibnite. Fuller who drilled them stated that the altered zone extended about 6 or 7 feet on either side of the drift. The east hole is 10 feet, the west hole 8 feet long. Reportedly no stibnite was encountered in either hole.

The operator has about 40 tons of ore stockpiled along the road at the bottom of the hill which it is estimated will run between 15 and 20 percent antimony.

E. A Magill

E. A Magill

CC: 3-Wash.
2-USGS
DMEA
EAM
M/D

616 East C Street
Moscow, Idaho

September 20, 1952

COPY

Mr. M. E. Volin
Member, Field Team, Region II
U. S. Bureau of Mines
1201 North Division Street
Spokane 2, Washington

Subject: Docket No. 2193 (antimony),
Bales Project
G-O-P Antimony, Inc., Okanogan
County, Wash.
Exploration Project Contract Idm-E 258

Dear Mr. Volin:

In answer to your letter of September 16, it is desired that you especially note the comments below:

1. In your erroneous mathematics you have attempted to set up cost figures on long-hole drilling without regard to the explanations I made on the cost distribution sheet. It was with the knowledge and approval of the members of the Field Team that we were opening up the west ore body by open pit drilling, blasting and bulldozing for which we have received no payment for the period July 7-31, 1952. Hence, the absurd figures you have calculated mean absolutely nothing. The important thing to figure on is that the west ore body gives some promise of making a bit of ore after we dug on it. Meanwhile your slide rule pushers came out with the right answer for the wrong data.

2. In reply to your inquiry regarding Mr. Pearson's use of his time in July, kindly consider my comments of paragraph 1 (above) a reply. In other words, he worked entirely on the west ore body. In view of the fact that the contract implies the superintendent or foreman can do engineering work as well as his regular duties, it would seem that he could do a bit of bulldozing as well and and especially since it is bulldozing on an absolutely free basis to the project except for his wages. However, to keep the records exactly straight, perhaps I should have had Mr. Pearson run the transit while I took over the bulldozer. I know the results were better, however, the way we did it.

COPY

3. In reply to your paragraph no. 3, please be advised that your records should also show that I worked 12 hours on August 1 and 8 hours on August 2, surveying and mapping, and rather than clutter up the payroll for August for two days I took a day more in July and at this time, might state that I considered the day in Spokane as work in an attempt for advancement of the project. Could I also add that the surveying and mapping job on the Bales would have cost $500.00 had we called in an outside engineer. My wages came to $182.00. After spending eight hours at the property in the day, I worked on notes and map four hours most evenings.

It was most kind and thoughtful of the writer of your letter to consider the financial troubles the DMEA has given us, but it all appeared to me to be a subtle way for you to suggest that we cancel our Bales contract. Of course, you realize if we suspend operations pending an audit, we won't have a crew when you get around to giving us the signal to start again. Therefore, let's just make it easy for both of us and cancel the contract on your suspension date, September 22, 1952. If we are paid the July and August vouchers as submitted, plus the expenses for September 1-22, (about $1,500) we will consider the contract terminated with completion of the following items:

	Approx. Value and Cost
± 200 ft. of drift	$ 7,084
300 hrs. bulldozer cuts	2,300
Drift Repair and Portal Preparation and Moving Equipment	1,000
Mapping	500
± 250 ft. of long-hold drilling	500
	$11,384

While nearly $5,000 remains unexpended on this $16,000.00 contract, we find that DMEA payments for legitimate expenses so slow and uncertain that we must withdraw from trying to continue on this contract. We regret to do this because the Bales is a most promising antimony property where we are forced to terminate exploration because of lack of cooperation from the DMEA.

Very truly yours,

s/ Ernest Oberbillig
President

cc: Mr. Jay L. Chambers, Chief, Contract and Audit Division, DMEA, Washington, D. C.

Senator William Langer, Senate Office Building, Washington, D. C.

9/26/52 jem

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

September 19, 1952

Air Mail

Mr. C. O. Mittendorf
Administrator, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket DMEA-2193 - Antimony
G.O.P. Antimony, Inc. (Bales)
Contract Idm-E258
Okanogan County, Washington

Dear Mr. Mittendorf:

This is in further explanation of the Field Team's letter of September 19 re the above-captioned property, and other projects operated by the same company. On reviewing this letter, it occurred to us that the question may be raised as to why should not all this be handled by Mr. Hull, our regular auditor. There are, in fact, several reasons why we felt it was necessary to ask for outside assistance.

The first is that Bureau engineers, Survey geologists and Mr. Hull himself have attempted to straighten out Mr. Oberbillig's difficulties--we even arranged a joint conference at which Oberbillig, Hull, Volin, Weissenborn and interested personnel of both the Bureau and Survey attempted to settle all our difficulties. These efforts have cleaned up some of our troubles but unfortunately have not effected a permanent cure. We feel, therefore, that further handling of this unfortunate situation should be by someone completely outside of this office who can not only speak with authority, but who can be regarded as a completely unbiased person who can settle these problems once and for all.

A second reason is that our unsuccessful negotiations with Mr. Oberbillig have taken up an inordinate amount of time of our technical, fiscal, and auditing personnel. Mr. Hull has so many other audits of both current and terminated contracts to take care of that

we do not feel that it is fair to him or to our other contractors to ask him to devote much more time to the Oberbillig accounts. Therefore, our referral of this matter to you and Mr. Chambers is not to be construed as a reflection upon Mr. Hull.

By DMEA Field Team, Region II

A. E. Weissenborn

A. E. Weissenborn, Executive Officer
(U. S. Geological Survey)

M. E. Volin

M. E. Volin, Member
(U. S. Bureau of Mines)

cc: USBM (2)
Robert Hull

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

1201 N. Division St.
Spokane 2, Wash.
September 19, 1952

VIA AIR MAIL

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Subject: Docket No. DMEA 2193 (antimony)
G.O.P. Antimony, Inc., Bales property
Okanogan County, Washington
Contract Idm-E258

Dear Mr. Mittendorf:

Enclosed are four copies each of two memoranda from E. A. Magill, Mining Engineer, Bureau of Mines, summarizing our experience to date with the Operator on the captioned DMEA exploration project, Contract Idm-E258, also on his Contract Idm-E132. A similar memorandum, dated September 10, 1952, from T. E. Howard, Mining Engineer, Bureau of Mines, regarding another project (Contract Idm-E22, Hermada Mining Co.) with the same Operator, was forwarded to your office on September 15. Mr. Ernest Oberbillig is president of both the Hermada Mining Co. and G.O.P. Antimony, Inc. and has supervised all three projects. Contract Idm-E132 was terminated September 11, 1952, and work under Contract Idm-E22 is almost completed.

An examination of the Operator's monthly narratives will reveal that he has become increasingly vindicative toward the Field Team, particularly Bureau of Mines engineers, as a result of delays in payment of monthly invoices. Some of his criticism may be justified. The work load of Bureau of Mines fiscal personnel was abnormally heavy in July with the result that payments to all Operators have been slow during the last two months. The July invoice for work on the Hermada project, Contract Idm-E22, was held here a month before it was returned for correction. Conditions are improving, however, and with the addition of a certifying officer in Spokane payments can be handled promptly.

As the enclosed reports show, and contrary to the Operator's contention, most of the delays have been the result of improper invoicing. Transferring supplies and equipment from one project to another has made it difficult to properly identify supporting documents. Mr. Oberbillig has indicated that he places most of the blame

on Mr. Magill, Bureau of Mines inspecting engineer for both of the projects in Washington. He believes that Magill has deliberately held up payment because of personal differences and has requested that we assign another engineer to his projects. We refused this because we felt it might establish a precedent allowing the Operator to dictate policy to the Field Team.

An inspection of the fiscal file will show that in almost all cases payment was held up by the fiscal office for lack of proper documentation. A review of the project files will indicate further that Magill has been scrupulously fair in his work on the projects and has been consistent in his handling of other projects for which he is responsible.

A comparison of the reports on the three projects reveals that the same administrative difficulties have been encountered in all of them. Chief among these is the Operator's disregard for the terms of the contracts. We were tolerant, perhaps too much so, at the beginning of the Hermada project because it was our first experience with the Operator. Trenching on this project was carried past the exploration stage and into a mining operation. We objected to this practice, and it was stopped at Hermada; however, excessively deep trenches were dug on the Bales project. Additional "mining" costs were invoiced in August on the Bales project. As noted in a memorandum by Willard Puffett, USGS, dated August 28, drifting was done by blasting ore and waste separately and saving the ore. As this obviously increases the cost of the drift over that for an exploratory working, the August invoice was returned with instructions to charge only a prorated amount of the cost of any drifting done in this manner.

Payments are being held up on part of the July invoice and all of the August invoice. We have authorized the Operator to suspend operations, if he wishes to do so, pending a special audit we have requested of Mr. Chambers. We considered this action the only way to straighten out the "snarl," and it will relieve the Operator from incurring additional financial burden pending and during an audit.

We hope that Mr. Chambers also will be able to work out a satisfactory procedure for future invoicing. Perhaps a unit contract would be the answer. Unless this can be done we must recommend that the Bales contract be terminated. We would regret this action as the project shows promise but we cannot, with personnel presently available, continue to supervise the project carefully enough to safeguard the Government against apparent attempts at "small chiseling" that have gone on in the past.

By Field Team, Region II

A. E. Weissenborn, Exec. Officer

~~H. E. Vedding, Member~~

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

1201 N. Division St.
Spokane 2, Wash.
September 17, 1952

Mr. Jay L. Chambers, Chief
Contract and Audit Division
Defense Minerals Exploration Admin.
Department of the Interior
Washington 25, D. C.

Subject: Docket No. DMEA 2193 (antimony)
G.O.P. Antimony, Inc.
Okanogan County, Wash.
Exploration project contract Idm-E258

Dear Mr. Chambers:

Enclosed is a copy of a memorandum from E. A. Magill, Mining Engineer, Bureau of Mines, regarding a supplemental invoice submitted for the subject contract.

Since the start of this project invoicing has been a problem. The Operator has had three DMEA projects going simultaneously, and equipment and supplies have been transferred from project to project without our knowledge with the result that it has been difficult for us to identify proper supporting documents. As a result some charges have been deleted and some invoices returned for correction. In some cases, satisfactory support was supplied later and payments made. Mr. Hull audited all three contracts in July and stated that the accounts were, for the most part, in order at that time.

It appears now that the Operator is attempting to charge part of his mining costs to the contract, and we have refused payment. As the Operator is now very vindicative toward the Field Team because of past delays, we are referring the whole matter to you and requesting a special audit. Bureau of Mines inspection engineers have prepared summaries of our fiscal problems on all three projects, and these are attached for your use in making an audit.

A copy of a letter to the Operator authorizing him to suspend work until the audit is made is enclosed for your information.

By Field Team, Region II

M. E. Volin, Acting Exec. Officer

Thor Kiilsgaard
for: A. E. Weissenborn

Enclosures

cc: DMEA, Wash. (2)
USGS, Spokane (2)

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

1201 N. Division St.
Spokane 2, Wash.
September 17, 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: L. A. Magill, Mining Engineer, Bureau of Mines

Subject: Docket No. DMEA 2193, G.O.P. Antimony, Inc. (Gales project), Okanogan County, Wash., Contract Idm-8258 (antimony)

The following is a summary of difficulties encountered to date in the administration of the subject contract. It is recommended that the contract either be terminated or that it be amended so that all remaining work can be carried out on a unit cost basis in lieu of actual costs.

Invoicing has been complicated by the fact that the Operator has had three active DMEA contracts. Equipment and supplies have been transferred between the various projects so that it has been nearly impossible to check expenditures claimed. Payment has been delayed at times because the Fiscal Officer could not accept supporting data supplied by the Operator and because the Operator, in a number of instances, claimed reimbursement for costs obviously not allowable under the contract. Monthly operating reports received to date are listed below and apparent discrepancies are noted.

May 1952 Invoice

(1) Rental was claimed for a jeep in the amount of $38.00. The supporting invoice is from G.O.P. Antimony, Inc. to G.O.P. Antimony, Inc. This is not in line with the policy of allowing only a depreciation allowance on equipment owned by the Operator.

(2) Repair parts for sinker drill in amount of $109.55 from Western Machinery Co. (invoice No. 35) are billed to Hermada Mining Co., but Operator has written in G.O.P. Antimony on the invoice. These repair parts are for a drill which was not rented to the project until May 1, 1952 although the parts were shipped on April 17, 1952. There is no reason that repairs for a rented drill should be charged before it is rented.

(3) Invoice (No. 19) from Western Bearings, Inc., dated April 18, 1952, in amount of $57.18 covers steel for long hole drilling. This long hole drilling was not authorized by the contract until Amendment No. 2 dated June 27, 1952, with an effective date of June 1, 1952, was prepared.

(4) Invoice (No. 21) from Idaho Hardware and Plumbing Co., Boise, Idaho, dated April 25, 1952, in amount of $139.15 for purchases of powder and fuse. The powder is charged at $25.15 per hundred pounds. Similar powder can be purchased cheaper in the State of Washington where the work is being done.

(5) The Fiscal Officer disallowed the rental on following items on the May invoice:

Western Machinery Co.	
Drill and sinker leg	$50.00
Hermada Mining Co.	
Ore car	10.00
Hermada Mining Co.	
Slusher and bucket	30.00
Geo. Gibson	
Air driven grinder	10.00

An amendment was made to cover the rental of these items, and payment was made on a supplemental invoice for May, excepting the slusher and bucket which were purchased by the Hermada Mining Co. for use at the Hermada mine under Contract Ida-E22. This slusher was moved without the Government's approval to the Sales project and to date no credit has been given the Hermada project for its use, although it has been used both on work under the contract and for the Operator's own account.

(6) The Fiscal Officer deducted $550.00 for rehabilitation and repairs to tunnel. The Operator apparently arrived at this figure by taking half the monthly payroll for the labor charge against this work. It cannot be determined how he arrived at $140.50 for timber. This $550.00 was allowed on the supplemental May invoice after an amendment was made to cover rehabilitation. I believe that $550.00 is an excessive charge for rehabilitating the No. 1 adit.

May 1952 Supplemental Invoice -

This invoice was submitted to cover items deleted from the original May invoice and which were allowed by Amendment No. 1.

June 1952 Invoice -

(1) Invoice (No. 25) from Idaho Hardware and Plumbing Co., Boise, Idaho, dated June 11, 1952, in the amount of $151.15 for 600 pounds of powder. It is not known why the Operator continued to purchase powder from Boise at a higher price than it can be purchased locally.

(2) Payroll - A salary of $360.00 per month for a superintendent (maximum allowable under the contract) is charged against the project. Although the project was visited twice during the month (June 6 and 17) by the examining engineer, on neither visit was the superintendent at the property. At the time of the second visit on June 17, the impression was given by the workmen on the property that he had not been there since June 2.

(3) Invoice (No. 3) from Hermada Mining Co. to G.O.P. Antimony, Inc., dated July 1, 1952, in amount of $50.00 for rental of sinker drill and sinker leg. This is the same drill referred to in Items 2 and 5 of the May invoice. This drill was originally rented by G.O.P. Antimony, Inc. for the Antimony Queen project, Contract Idm-E132. Rental to the Western Machinery Co. was paid on it by that project from October 3 to December 14, 1951, in the amount of $119.38. The drill was then used at the Hermada project, Contract Idm-E22, during the winter months and a depreciation allowance of $10.00 per month was claimed by the Operator. It was then moved to the Bales project, Contract Idm-E258, and rental of $50.00 paid on it to Western Machinery Co. from May 3 to June 1 inclusive. The Operator then exercised his option to purchase the drill and purchased it in the name of the Hermada Mining Co., paying $230.19 (plus the 8 months rent previously paid). The Operator proposed on his June invoice to have the Bales project continue the $50.00 per month payments to the Hermada Mining Co. until this $230.19 had been paid. This $50.00 payment was allowed by the Fiscal Officer on the June invoice. As of July 1, 1952, the G.O.P. Antimony (Antimony Queen) Contract Idm-E132 and the G.O.P. Antimony (Bales) Contract Idm-E258, plus the Hermada Mining Co. (Contract Idm-E22), all have an equity in the drill. The equities are:

Contract Idm-E132	$119.38
Contract Idm-E258 (thru 7/1/52)	100.00
Contract Idm-E22	370.81

(4) The Operator claimed a total advance of 105 feet in the No. 1 adit for the project through June. The actual advance was 87 feet. The Operator subsequently admitted error in his letter of July 22.

(5) The Operator claimed a total of 80 hours of bulldozing for the month of June. At the time of the examining engineer's visit on June 17, the foreman admitted he had done no bulldozing to date during the month. The hour meter on the tractor read 3145 on June 17; on July 28 the hour meter read 3222 for a total of 77 hours of operation. Mr. Puffett (USGS) in his memo of July 15, estimates that the total bulldozing during the month of June would amount only to from 35 to 40 hours of actual operation. The Operator was questioned concerning the apparent discrepancy. He stated that he judged the bulldozing time not by the hour meter but by the time the tractor was used. In other words, a full day of dozing might be charged (although the tractor was used for only a few hours) as long as work was being carried out in a trench. The project should not be charged the full rate of $7.00 per hour for standby time.

(6) Invoice (No. 4) from C.O.P. Antimony to C.O.P. Antimony in the amount of $38.00 for rental of jeep. This is not in line with the policy of allowing only a depreciation allowance on equipment owned by the Operator.

(7) The Operator's drifting costs for 87 feet of advance (total under the contract before the Operator abandoned the drift) in the No. 1 adit have amounted to $46.00 per foot. He apologized for these high costs by saying that they contain the cost of timber for 400 feet of drift. Obviously, with such high costs the Operator is not going to be able to drive 400 feet of drift with the money allowed in the contract. Consequently, it appears that the project has paid for the cutting of timber which cannot be used in the project.

July 1952 invoice -

Sent into Fiscal Officer in Albany, Oregon, and thus not available for review.

August 1952 invoice -

This was returned to the Operator by the DMEA Field Team on September 9, 1952 so that he could pro-rate costs inasmuch as he is blasting ore and waste separately on the No. 3 adit which he is now driving. This separate blasting has made unit costs excessive.

It is apparent from an examination of the invoices that the Operator has attempted to make a number of charges against the contract which are not allowable. In a number of cases these charges already have been accepted and paid for by the Government.

According to Article 12 of the contract, the Operator should include in each monthly report a map showing the progress during the month, and the assay value and width of any newly discovered ore. To date, no map has been received giving any assay data. The maps which the Operator has submitted are generalized as far as the geology is concerned and are not adequate as an aid in determining the structural control of the ore.

The Operator has spent considerable time in mining ore from the West vein and from the North vein between No. 2 and No. 3 adits. In the West vein, the Operator has made a trench 8 to 10 feet deep in bedrock alongside the vein for a distance of over 100 feet. It is apparent that this work was carried out primarily to mine the vein in this area. The Operator charged $2,034.94 in July for cutting this trench, plus 164 feet of long hole drilling. Actually, the structure was exposed, prior to July, sufficiently for mapping and sampling to meet the terms of the contract. The Operator also has been mining in the area between No. 2 and No. 3 adits, using equipment purchased for the exploration contract without proration of equipment expenses for this work.

When the Operator commenced operations on the Hales project this spring, he removed most of the equipment from the Antimony Queen project (Contract Idm-K132). He was requested by the Field Team on August 15, 1952, to furnish a complete list of the equipment and supplies transferred between these two projects. To date, no answer has been received to this letter.

An analysis of the above data and the routine progress examination reports of both USBM and USGS personnel indicates that:

1. The Operator apparently has "padded" the monthly invoices.

2. The work has not been carried out in accordance with the terms of the contract.

3. The Operator apparently is primarily interested in mining rather than exploration.

4. Equipment purchased for the exploration contract has been used for the account of the Operator with no attempt at proration of cost.

5. The Operator has used more bulldozing time in several of the trenches than was necessary.

6. The Operator has transferred supplies and equipment between three projects (Contracts Icm-[illegible], [illegible]132 and [illegible]258) without asking permission or keeping the Government informed of such transfers.

7. The cost of the work accomplished to date under the contract has been excessive.

E. A. Magill

Orig. & 3 cys--Wash.
cc: J. L. Chambers
MHLee
USGS (2)
DMEA & AD
EAM

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

1201 N. Division St.
Spokane 2, Wash.
September 17, 1952

MEMORANDUM

To: DMA Field Team, Region II

From: L. A. Nagill, Mining Engineer, Bureau of Mines

Subject: U.S.F. Antimony, Inc. (Antimony Queen Mine), Okanogan County, Wash. Contract ldm-132, Docket No. 779 (antimony)

This records difficulties encountered in connection with the subject contract. It is recommended that the discrepancies be brought to the attention of the Contract and Audit Division so that steps may be taken to protect the Government's interest in the final settlement.

Invoicing has been complicated by the Operator having two other active DMA contracts. Equipment and supplies have been transferred between the various contracts so that it is almost impossible for the Field Team to check where they have been used. Payment has been delayed in a number of cases because the invoices were poorly prepared and the supporting data was not acceptable to the Fiscal Officer, although the Operator has been repeatedly informed of the proper methods of invoicing. In a number of instances the Operator has claimed reimbursement for costs obviously not allowable under the contract. The Operator also has claimed and received double payment on some items.

Monthly operating reports received to date are listed below and apparent discrepancies are noted.

September 24 to October 31, 1951 invoice -

(1) Payroll - A comparison of my progress memo with the payroll indicates a discrepancy. At the time of the visit to the property on October 16, 1951, there was no one working there; however, the payroll shows that Richard Young worked an 8-hour shift charged against the project on that date.

(2) Payment on this invoice was held up because the Operator claimed reimbursements which were not in accord with the contract and because proper supporting papers were not supplied. An example of this is an invoice for a transfer of

Supplies and Explosives from Hales Mine to Antimony Queen Owned by Hermada Mining Co.", signed by Ernest Oberbillig. On this invoice are listed a number of items with no supporting evidence as to original cost. In at least one case the amount claimed was higher than a normal cost. This invoice was not paid by the Fiscal Officer but delay in payment called for correspondence with the Operator.

November 1951 invoice -

(1) Transportation - The Operator claimed $50.00 for transportation of C. O. Dunn to Carlton in a supervisory capacity. It is not known who C. O. Dunn is or when he went to Carlton; his name does not appear on the payroll. Claim was disallowed by Fiscal Officer.

December 1951 invoice -

(1) Rental on drill - It is noted that the Operator returned the air compressor to Western Machinery Co. in Spokane on Dec. 12, 1951, yet he charges rental of $19.38 on an air drill from the same company through the 14th, thus charging the project 14/31 of $50.00 whereas the correct rental charge would be 10/31 (the drill rental was paid to the 2nd of December on a previous invoice). Actually, this machine was not returned to the Western Machinery Co. but was used at the Hermada mine in Idaho in the winter. It was then used at the Hales project, Idx-1258, in the spring of 1952, subsequently being purchased by the Hermada Mining Co. It appears that the Antimony Queen project, Idx-2132, should have an equity of $119.38 in the drill.

September-October 1951 invoice (1st supplement) -

(1) Invoice (No. 3) from C. E. Blackwell and Co., Okanogan, Wash., dated 11/3/51, in the amount of $6.53. To this charge the Operator apparently added a "pick-up charge" of $0.68, writing this on the bill. The Fiscal Officer disallowed the $0.68 charge.

(2) The Operator made a number of claims on this invoice which were disallowed by the Fiscal Officer because of incomplete invoices or improper certification. These invoices had to be returned to the Operator for appropriate corrections.

(3) Invoice (No. 10) from Nordling Parts Co., Boise, Idaho, 10/21/51, on which $14.25 is claimed for tire chains. The invoice is made out to Hermada Mines Co., Twin Springs, Idaho, rather than the G.O.P. Antimony Co.

September-October 1951 invoice (2nd supplement) -

(1) Invoice No. 8366 from Western Machinery Co., Spokane, Wash., dated Nov. 30, 1951, in the amount of $46.35. This charge had previously been claimed and paid for on November 1951. It was again paid on this supplemental voucher.

(2) Invoice from Hermada Mining Co., dated June 10, 1952, in the amount of $240.00 for rental of TD-9 tractor for a total of 40 meter hours at a rate of $6.00 per hour. This charge had been claimed but not paid previously, the invoices presented before claiming 60 hours of bulldozing at $4.00 per hour. When questioned by letter dated June 20, 1952 regarding this apparent discrepancy, the Operator replied on June 24, 1952 that "the $6.00 per hour is for actual meter hours, whereas the 60 hours at $4.00 is day hours that the tractor was on the job."

(3) Receipt from Henry Hilles, dated June 10, 1952, in the amount of $50.00 for hauling lumber on October 22, 1951. It is noted that the only lumber purchased by the Operator on October 22, 1951, is 15 pieces of lumber worth $28.84. It appears that either the Operator has made an error in the date he claims the lumber was hauled or that he has paid an excessive price for hauling. It is also noted that the Operator certifies that the copy of the invoice attached is a true copy, yet the date on the invoice is June 10, 1952. It is unlikely that this is a correct date if the account was paid on October 26, 1951, as claimed by the Operator.

(4) Receipt dated June 10, 1952, from Richard Young in the amount of $35.00. The Operator certifies that this is a true copy, yet he claims that payment was made on November 21, 1951. It is unlikely that the receipt is of that date if payment were made as claimed.

(5) Invoice from Ernest Oberbillig (President of G.O.P. Antimony, Inc.) in the amount of $75.00 for compressor transport. The charges against the project are supposedly on an actual cost incurred basis. At the time the compressor was transported we were allowing depreciation on a jeep pickup which was capable of transporting the compressor. It was not necessary that Mr. Oberbillig use his own pickup. It is doubtful that the actual costs incurred were $75.00; consequently, until such time as evidence is submitted that they were, such charges cannot be approved for payment. To date the Fiscal Officer has not allowed the charge. Regular freight charges for transporting the compressor from Spokane to Carlton are $67.05.

The Operator has done no work on the Antimony Queen project (Idm-2132) this year. Instead of commencing work on the project on April 15 as he claimed, he moved all the equipment and supplies during the first part of May from the project to the Salas mine where he also has a project (Idm-2250). On August 15 the Field Team requested the Operator to furnish a detailed list of equipment and supplies transferred; to date no answer has been received.

A breakdown of the costs of the project (Idm-2132) to date is as follows:

Road	$ 582.41
Bridge	198.80
Buildings	287.62
Equipment purchased	973.35
Other costs	4,675.90
Total	$6,718.08

This does not take into account the supplies which the Operator has transferred to the Salas project, an inventory of which we have requested. Not considering the inventory and the rehabilitation work (not over $200) in the No. 2 adit, the Operator's costs for 81 feet of drifting are $57.72 per foot. This is considered excessive for a slusher drift.

An analysis of the above summary and the reports of the USBM and USGS personnel indicates that:

1. The Operator has claimed a number of items which are not allowable under the contract.

2. Costs have been excessive for the work accomplished.

3. Equipment and supplies have been transferred from the project without requesting permission or notifying the Government of the disposition.

4. Operator has made no attempt to carry on the exploration project since shutting down operations in December 1951.

E. A. Hagill

Orig. & 3 cys—Wash.
USGS (2)
J. L. Chambers
MRBA & AD
W. Sulon Lee
EAH

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

1201 N. Division St.
Spokane 2, Wash.
September 17, 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: July supplemental invoice, G.O.P. Antimony, Inc. (Bales mine), Contract Idm-E258, Docket No. DMEA 2193 (antimony)

Attached is the subject invoice with supporting payroll.

I would like to bring out again a number of discrepancies on this invoice, some of which I previously pointed out in my memo to M. E. Volin on August 15.

(1) Labor charges of $1256.21 are charged against drifting although no drifting was carried out during the month. The only underground work carried out during the month was 164 feet of long hole drilling which Amendment No. 2 allows to be charged against drifting. It is estimated that the labor cost of the long hole drilling would not exceed a maximum of $1 per foot. As far as is known, the only work carried out other than the long hole drilling was trenching.

(2) The trenching done during the month was the one on the west vein. This trench was cut up to 10 feet deep for a length of over 100 feet. Apparently, the primary purpose of cutting a trench of this type was for mining. Ore recovered has been stockpiled.

(3) On the payroll Mr. Gilbert Pearson is listed as Foreman at $360.00 per month (maximum allowable under contract). He is also the bulldozer operator. The Operator has charged 22 hours of bulldozing on the July invoice at $7.00 per hour with the operator furnished. It seems that the foreman's pay should be cut down in the amount of 22 hours while Mr. Pearson was operating the bulldozer; otherwise, we are paying him twice.

The Operator is also carrying on concurrent mining operations; this work should also make for a proration of supervision charges.

(4) Ernest Oberbillig is listed on the payroll as having worked as a miner on July 20 and 21. Oberbillig was in the Spokane office on July 22 and the impression was given that he had just come up from Idaho and had not been at the Bales property on the 20th and 21st.

I have signed the attached July invoice, subject to the discrepancies listed above.

E. A. Magill

cc: DMEA, Wash. (2)
J. L. Chambers
W. Rulon Lee
USGS (2)
DMRA & AD
EAM

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

1201 N. Division St.
Spokane 2, Wash.

September 16, 1952

Mr. Ernest Oberbillig
616 East "C" Street
Moscow, Idaho

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Subject: Docket No. 2193 (antimony), Bales Project
G.O.P. Antimony, Inc., Okanogan County, Wash.
Exploration project contract Idm-E258

Dear Mr. Oberbillig:

Your supplemental invoice for July 1952 for labor costs incurred under the subject contract has been received and reviewed by the Field Team. A number of discrepancies are noted and payment cannot be approved until they are satisfactorily explained.

1. Excluding payroll taxes and the bookkeeper's salary, labor in the amount of $1,047.40 was charged to drifting. Your narrative of progress for the month of July indicates that the only work accomplished which could have been charged to drifting was 164 feet of long hole drilling. Using these figures gives a labor and supervision cost of $6.38 per foot of hole, an excessive cost that cannot be approved without further explanation. In our experience, this type of work ordinarily has been done for about $1.00 per foot of hole.

2. It is noted that Mr. Pierson's full salary as supervisor is charged to the project. As he also operated the dozer for which 22 hours fully operated rental was claimed it would appear that he was paid in two capacities for the same working time, which is not allowable under the contract. It is further noted that the dozer was used for a total of 80 hours during the month though only 22 hours were claimed. Mr. Pierson's salary for time spent on other work should not be charged to the project.

3. The payroll shows you worked 8 hours as a miner on July 22. Our records indicate that you attended a conference in Spokane that day with members of the Field Team.

We realize that delay in payment of this invoice and the August invoice which was returned previously imposes a heavy financial burden on you. It is pointed out, however, that the project is being carried on under a legal contract and we are obligated to insure that the terms of that contract are observed.

Inasmuch as your invoicing difficulties apparently cannot be resolved by the Field Team, the contract is being referred to Mr. Jay L. Chambers, Chief, Contract and Audit Division, DMEA, Washington, D.C. for a special audit. Further payments under the contract will be subject to the results of this audit. In order that you will not be in the position of assuming additional financial burden it is suggested that you recess operations on the project pending results of this audit. You are hereby authorized to take this action on September 22, 1952, if you care to do so.

Your supplemental invoice for July 1952 will be held here for Mr. Chambers' use in making the audit.

By:Field Team, Region II

Thor Killsgaard, Acting for
A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

M. E. Volin, Member
(U. S. Bureau of Mines)

cc: Mr. Jay L. Chambers

DMEA, Wash. (2)
USGS, Spokane (2)
W. Rulon Lee, Albany
DMEA & AD
EAM
DF

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

So. 157 Howard Street
Spokane 4, Washington

September 12, 1952

Mr. Ernest Oberbillig, President
G. O. P. Antimony, Inc.
Idaho School of Mines
Moscow, Idaho

Re: Docket DMSA-2193 (Antimony)
G. O. P. Antimony, Inc. (Bales)
Okanogan County, Washington
Contract Idm-E258

Dear Mr. Oberbillig:

The Field Team has taken under consideration your request (contained in your July report dated August 3) for an amendment to change the present program at the Bales property in Okanogan County, Washington. An analysis of the estimated costs of the changes you propose indicates that should this new work be done, very few funds would be left as part of the total contract cost with which to continue the drifting on the North vein. We are of the opinion that inasmuch as the North vein is the most promising showing of ore now exposed on your property that the maximum effort should be made to plan future work so as to obtain the most information concerning this particular showing before funds allowed under the contract are completely exhausted.

The bulldozing you request does have some merit inasmuch as there is a considerable gap on the property between presently known occurrences of stibnite. Our examining team reports, though, that former bulldozing done on your property in some places was carried to excess; for example, we do not believe that it was absolutely necessary that the slope between the two north adits should have been so thoroughly trenched, and also the deepening of the trench to nearly eight to ten feet (your figures) on the west vein seems excessive. Therefore we believe that 250 hours of bulldozing, as per original contract, is sufficient and no more should be allowed.

The raise you request from the exploration drift to the bottom of the open pit cannot be allowed as exploration. At the present time we also believe that no sinking should be allowed on the west vein until drifting is completed on the North vein.

There is no way we can allow a unit cost for the timbered drift you have had to make at the bottom of the open pit on the north vein. This pit was excavated as a result of a mining operation, which we hope will result in some recompense for you. On an early voucher submitted on the Bales contract you claimed for timber for 400 feet of drift. Therefore, the government has already participated in the cost of the timber. Now we believe that the only further participation the government should make is in the actual labor involved in timbering through the open cut, and this will have to be on an actual cost rather than a unit cost basis.

In summary, at the present time we are of the opinion that no changes should be made in the contract. Every effort should be made to extend the drift southward on the North vein inasmuch as the funds remaining in the contract are only sufficient for an estimated 200 feet of drift. If it is discovered that this amount of drifting is not merited, then and only then, should any changes in the present contract be contemplated.

By DMEA Field Team, Region II

A. E. Weissenborn, Executive Officer
(U. S. Geological Survey)

M. E. Volin, Member
(U. S. Bureau of Mines)

cc: DMEA (2)
USBM (2)
W. Puffett

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
1201 N. Division St.
Spokane 2, Wash.

September 10, 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: T. E. Howard, Mining Engineer, Bureau of Mines

Subject: Docket No. DMEA 506X, Hermada Mining Co., Exploration Project Contract Idm-E22 (Antimony)

The following summary of difficulties encountered to date in the administration of the subject contract has been prepared for your information so that you may be fully informed regarding the attitude and competence of the Operator. As the project is nearing completion no action is recommended at this time. However, if the Operator should request an extension of the existing contract or request aid for another project it is recommended that it be denied.

1. It was evident at the start of the project that the Operator regarded the program as an aid to mining rather than purely exploration. The first cuts were very large, more on the order of open pits than trenches. As was noted in my inspection report of September 26, 1951, more than 150 hours of dozing were spent in one trench, in the "north area". A small amount of ore was mined from this trench and stockpiled. This practice was discontinued after strong recommendations from Mr. Kiilsgaard, USGS, and myself.

2. Incompetent supervision was indicated by the performance in driving the adit crosscut south of the main Hermada pit. As indicated in my inspection reports of March 28 and May 7, 1952, the ground was bad and required timbering. This was pointed out to the Operator during both inspections. Some timber was put in but it was either insufficient or improperly installed as the crosscut is now caved and inaccessible.

3. The Operator requested in November, 1951, that he be allowed to use the jointly-owned dozer for mining. He indicated at that time that he would pay rental to the Government for their equity in the machine. A rental rate was established but no rental was paid and it is impossible now to establish the amount of time that the machine was actually used for purposes other than exploration.

Mr. Pierson, an official of the company, indicated to me during an inspection on December 9, 1951, that it had been used for 20 hours during November. In his narrative of progress, the Operator states that he has used his own TD-9 tractor on project work to compensate for the "few" hours he has used the TD-18, jointly-owned tractor on company work.

4. On April 18, 1952, I met the Operator in Boise, Idaho. At that time he asked if it would be possible to move the slusher purchased for the Hermada project to the Bales property in Washington where he had another project (Idm-E258) just starting. I was aware that the Government had contributed to the purchase of another slusher for still a third project (Antimony Queen - Idm-E132) and suggested he use it, as operations under that contract were suspended. I told him not to move the Hermada slusher out of Idaho without permission from the Field Team. He did not request permission but moved the Hermada slusher as well as the one from the Antimony Queen project to the Bales.

5. Some monthly invoices for costs incurred under the contract have been "padded". This is difficult to document. Without fulltime supervision it is obviously impossible to check the amounts charged for labor and supplies, except in a general way. Some deletions made from past invoices which were obviously "padding" are listed below:

(1) January and February, 1952, $26.00 Pro--gas

This charge was included as part of the cost of "gas, oil and grease" and was cooking gas used in the cookhouse and Operator's residence.

(2) February, 1952, $200.00, Labor

One full-time and one half-time cat-operators were charged for 101 hours of dozing.

(3) April, 1952, $57.62 - long-hole steel
53.55 - drill steel
54.10 - 1 doz. drift picks and other misc. supplies.

No long-hole drilling was specified in the contract. The Operator stated previously that he intended to do some and was informed that he would have to absorb the cost himself. The drill steel and miscellaneous mine supplies were invoiced and delivered in April when timbering was the only activity.

The amounts involved have been small; however, any deletion or change in a monthly invoice requires a certain amount of correspondence and increases the administrative burden. No matter how thoroughly an invoice is checked it is impossible to be sure that all charges are proper. To assure that would require full time inspection of the project.

T. E. Howard

CC: 3-Wash.
2-USGS
DME & AD
J. L. Chambers
WRLee
TEH

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
1201 N. Division St.
Spokane 2, Wash.
September 9, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 15 1952

Mr. Ernest Oberbillig
616 East "C" Street
Moscow, Idaho

Subject: August 1952 invoice, Contract Idm-E258
Docket No. DMEA 2193 (antimony)
G.O.P. Antimony, Okanogan County, Wash.

Dear Mr. Oberbillig:

The narrative of progress submitted with your August invoice indicates that you are blasting ore and waste separately in the drift being driven under the subject contract. It is noted that unit costs for the drifting accomplished to date have been excessive, and undoubtedly part of the excess can be attributed to this method of doing the work.

We have no objection to your saving the ore. However, we feel that the cost of mining it cannot be properly charged to the DMEA program. Therefore, the total cost of drifting done by this method should not be charged to the project but rather should be prorated and only that portion of the cost that would be incurred in driving the heading in a normal manner should be charged to the contract.

The subject invoice is returned herewith for correction. When it is resubmitted a statement explaining the method of proration should be included.

By Field Team, Region II

A. E. Weissenborn, Exec. Officer

M. E. Volin, Member

Enclosure

cc: DMEA, Wash. (3)
USGS (2)
DMEA
EAM
DF

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

fa

August 28, 1952

Memorandum

To: A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II

From: Willard P. Puffett, Geologist, U. S. Geological Survey

Subject: Routine examination of progress at Bales Antimony property, Okanogan County, Washington, under DMEA contract Idm-E258. Docket No. DMEA-2193 (Antimony)

A routine inspection of the Bales Antimony property was made on Tuesday, August 26, 1952. I was accompanied on this inspection by E. M. Roseboom, U. S. Geological Survey and Harold Kirkemo, U. S. Geological Survey. Neither Mr. Oberbillig nor Mr. Pearson were at the property, current work at the property being under the supervision of a Mr. Fuller.

The only contract work done since the last inspection on July 28, 1952, has been timbering an open cut on the North vein preparatory to underground drifting, and a total of 15 feet of drifting. According to Mr. Fuller, this work was initiated about August 6, 1952. The face at the time of the inspection was 54 feet from the portal.

The drifting being done could probably be called a resuing method of mining. First the hanging wall waste rock is broken and mucked out and then the vein is knocked down and mucked out separately. This of course is going to add considerably to the cost per foot of the drifting and inasmuch as the work is mining in a sense, the total cost of the work being done should not be charged to the project. This actual amount charged to the project should be arrived at after a conference with the operator in which his opinion should be considered.

Willard P. Puffett

cc: DMEA(4)
USBM(2)
USGS(SRO)
Puffett

WPP/dp

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

1201 North Division Street
Spokane 2, Washington
August 15, 1952

G.O.P. Antimony, Inc.
Box 365
Twisp, Washington

Attention: Mr. Ernest Oberbillig

Subject: Equipment and supply transfer between Contract Idm-E258 and Contract Idm-E132

Dear Mr. Oberbillig:

Would you kindly furnish this office with a detailed list of supplies and equipment transferred from the Antimony Queen project, Contract Idm-E132, Docket DMA 979, to the Bales project, Contract Idm-E258, Docket DMEA 2193.

The quantity and original cost of the items transferred should be indicated.

By Field Team, Region II

Glenn C. Reed
For M. E. Volin,
Acting Executive Officer

S. W. Hobbs
Acting Member

cc: Twin Springs, Idaho

Wash. (3)
USGS (1)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 4, Washington

August 12, 1952

Memorandum

To: A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II

From: Willard P. Puffett, Geologist, U. S. Geological Survey

Subject: Routine inspection of progress at Bales Antimony Property, Okanogan County, Washington, under DMEA contract Idm-E258, Docket DMEA 2193.

A routine examination of the Bales property was made Monday, July 28, 1952. I was accompanied in this inspection by E. A. Magill, U. S. Bureau of Mines, and G. W. Fuller, U. S. Geological Survey. Mr. Oberbillig and Mr. Gibbs, directors of the project, were on the property at the time of the inspection.

No new underground work had been done since the last inspection July 9, 1952. Inasmuch as the operator had submitted a report in which the total length of drift done as part of the contract differed from that measured by DMEA personnel on previous examinations, a new measurement was made of the work in question. This check verified those measurements previously submitted in inspection reports of DMEA examining personnel.

Bulldozing surface trenches has been continued above the upper adit. This work has explored a stibnite-mineralized stringer down dip for a maximum of 8 feet and along a strike length of approximately 180 feet. Although the stringer is not continuous for the total strike length, sufficient evidence is exposed to verify that the showings represent the same zone. The stibnite occurs in narrow stringers 1 to 3 inches wide, the aggregate width of the stibnite zone being not more than 12 inches.

The operators have been continuing stripping along the vein between the two lower adits. This is in effect a mining operation and can be very questionably considered as exploration. At the time of the examination the floor of the cut along the vein was 72 feet along on an

incline of plus 24 degrees. When the operater has the vein mined to the level, he states he is to initiate underground work drifting on the vein. The work that has been done has exposed a strong continuous vein of stibnite, which in places swells to 15 inches, although the average width is probably not more than 12 inches.

Mr. Oberbillig and an assistant were making a transit survey of the property and Mr. Oberbillig stated the Field Team could have a copy of the map when the survey is completed.

Willard P. Puffett

cc: DMEA (2)
USBM (2)
USGS(SRO)
Puffett

M. E. Volin

August 1, 1952

E. A. Magill, Mining Engineer, Bureau of Mines

Routine progress examination, G.O.P. Antimony, Inc., Okanogan County, Wash., (Bales Mine), Contract Idm-E258, Docket No. DMEA 2193 (antimony)

A visit was made to the subject property on July 28, 1952, in company with Willard Puffett and Gerald Fuller of the USGS. Mr. Ernest Oberbillig, the foreman, was at the property, this is the first time that he has been there during a visit of DMEA Field Examining personnel.

The operators are mining the vein between adits No. 2 and No. 3 by open pit. The open pit starts at about the level of Adit No. 2 and has been advanced into the hill at a plus angle of 24° for 72 feet. Adit No. 2 is completely obliterated. The operators have been hand sorting the ore removed from this pit; they estimate they have 36 tons of ore stockpiled which will run over 20% antimony.

As was noted on Mr. Puffett's memo of July 15, 1952, the operator shut down operations in the No. 1 adit on June 24. Mr. Puffett suggested that a series of long holes be drilled into the hanging wall in this adit, this has not been done. Adit No. 2 was advanced a total of 87 feet under the project contract.

Additional work has been carried out on the structure exposed on top of the hill above the No. 1 adit. This structure has now been exposed for a strike length of 185 feet. Stibnite showings are discontinuous along this length, the widest showing observed was about three inches. At the time of the visit the operators were loading about a ton of hand sorted ore from this trench. This structure is apparently a parallel fault to the one exposed in the original open pit above No. 1 adit, however it does not appear to be nearly as strong as that structure.

A check was made of the tractor hour meter, the reading was 3222, this gives a total of 77 meter hours operation since my last visit on June 17, The operator is using the double drum slusher Gardner Denver Model HEE, Serial Number 169723 from the Hermada project in mining ore from the north pit area.

The operator was in the process of making a transit survey of the workings at the time of the visit.

E. A. Magill

cc: Wash - 2
USGS - 2
EAM - 1

FILE COPY
SURNAME: 100

Schmidt
Selfridge
Jones

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

JUL 25 1952

Mr. A. L. Weissenborn
Executive Officer, Region II
DMEA Field Team
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMEA-2193 (Antimony)
Contract No. Idm-4258
GOP Antimony, Inc.
Okanogan County, Washington

Dear Mr. Weissenborn:

The Operator's Monthly Progress Report, on the above captioned contract for the month of May 1952, is not clear. The Monthly Summary Cost Statement shows "Approved Monthly Total" of $2,649.35 involving a reduction of $710.42 from the Operator's Monthly Total of $3,359.77. There are certain reductions indicated which do not account for this total.

A study of the contract reveals that there is no allowance for "Tunnel Facilities" and it is therefore assumed that this is the $550.00 that is disallowed in order to make the figures balance. There is nothing to show that this is the case.

In the Monthly Summary, under heading 2, Operating Equipment (a) Rented, the following rental items totaling $120.00 are disallowed, the contract lists them to be purchased as per the following tabulation:

	May rent	Contract purchase price
Drill and Jackleg	$50.00	$ 660.00
Ore Car	10.00	150.00
Slusher and Bucket	50.00	1,200.00
Drill Sharpener	10.00	none
	$120.00	$2,010.00

It is not clear how this contract can be fulfilled unless the needed equipment is either rented or purchased. The item of drill sharpener is not in the contract, however the necessity for one is not questioned.

It would be appreciated if the above mentioned points were clarified.

Sincerely yours,

APPROVED: J. H. Hedges (JHB)
Member, Bureau of Mines

T. P. Thayer (JHB) ACTING
Member, Geological Survey

George C. Selfridge (JHB)
Chairman, Operating Committee

7/25

BE

FSSchmidt/jem
7/24/52
Adm. Reading
Docket
Opr. Com.
A. Renick-3061
E.T.McKnight-4204
Ellis Schmidt
Field Team, Region II

M. E. Volin, Member, DMEA Field Team, Reg. II July 23, 1952

T. E. Howard, Mining Engineer, U.S.B.M.

June, 1952 invoice, G.O.P. Antimony Inc., Contract Idm-E258,
Docket No. DMEA 2193 (antimony)

Reference is made to Mr. Magill's memorandum of July 22, 1952, regarding the subject invoice.

We have today received a letter from the Operator stating that his measurement of the drift advance was in error by 18 feet. He enclosed maps to indicate where the questioned bulldozing was done.

During a discussion in this office this morning, the Operator repeated his claim that 80 hours of bulldozer trenching was done in June, 1952. He stated that Mr. Puffett did not see all of the trenching at the time of his inspection, which might explain the discrepancy. He also said that hard bedrock ribs had made progress slow.

As the actual dozing time cannot be checked, it appears that we must accept the Operator's claim, and it is recommended that the subject invoice be approved.

T. E. Howard

cc: Wash. 2
USGS 2
DMEA 1

M. E. Volin

July 22, 1952

E. A. Magill

June invoice, G.O.P. Antimony Inc., Contract Idm—E258
Docket No. DMEA 2193 (antimony)

In order to expedite payment of the subject invoice I have signed it; however there are the following reservations I would like to make:

1. The operator has claimed 18 feet more drifting than was actually performed. The correct distance should be 87 feet.

2. In Mr. Puffett's examination of July 15, 1952, he states that his estimate of bulldozing time is 35 to 40 hours. The Operator makes a claim for 80 hours. I had no opportunity myself to observe the bulldozing performance.

E. A. Magill

cc: Wash. 2
USGS 2
DMEA 1

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

So. 157 Howard Street
Spokane 4, Washington

July 21, 1952

Air Mail

Dmea-506
Dmea-879
Dmea-2183

Mr. Arnest Oberbillig
c/o The Hermada Mining Company
Twin Springs, Idaho

Dear Mr. Oberbillig:

I expect to be in the vicinity of Boise about the 28th of July and would like to make an audit of the records pertaining to DMEA Contract No. S-22, Hermada Mining Company, Contract S-132, Antimony Queen, and Contract S-253, Bales Antimony.

Please advise me whether it would be more convenient for you to bring all of the records and supporting data to Boise or for me to come to the mine's site.

Sincerely,

Robert M. Hull, Auditor
Defense Minerals Exploration
Administration

cc: DMEA ✓
USBM

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

So. 157 Howard Street
Spokane 4, Washington

July 15, 1952

Dmea 2193

Memorandum

To: A. E. Weissenborn, Exec. Officer, DMEA Field Team, Region II

From: Willard P. Puffett, Geologist, U. S. Geological Survey

Subject: Routine inspection of progress at G. O. P. Bales Antimony property, Okanogan County, Washington, under DMEA Contract Idm-E258.

An inspection of the Bales property was made Wednesday afternoon, July 9, 1952. I was accompanied on this inspection by George P. Marinos, Professor of Geology, Athens, Greece.

New underground workings include advancing the face of the upper adit 17 feet and drilling four long holes into the footwall of the structure being followed. The new drifting in the adit was turned more to the east to crosscut the structure at a low angle as it was believed by the operator that indications were that the ore may occur in the hanging wall area. This drift was discontinued June 24, 1952, it being believed by the operator that no further drifting should be done until other work specified in the contract was completed.

The operator obtained an amendment to his contract to allow for drilling long holes into the walls of the drift to explore for possible ore locations parallel to the structure. As of the time of the inspection four such holes had been drilled. The holes were all drilled at a slight positive vertical angle in the footwall of the structure. Sludge collected at four-foot intervals was dried and examined for evidences of antimony minerals. No positive evidence of stibnite was found in any of the drill cuttings. It was suggested to the operator that the hanging wall area of the structure should likewise be explored for possible ore locations.

Further bulldozing had been done above the upper adit since the last inspection on June 17, 1952. It is difficult to estimate with any degree of accuracy the amount of time this new bulldozing represents, but it is my opinion that this new bulldozing could not

have consumed more than 35 to 40 hours at a maximum. The new bulldozing, coupled with drilling and blasting, has exposed strike extensions of the stibnite stringer described in the last inspection report. It is estimated that there is now exposed sufficient evidences of this stringer to prove its existence for a strike length of at least 120 feet. In one area it has been explored vertically for 4 to 5 feet along a strike distance 30 to 40 feet. In this exposure the vein ranges in width from ½ inch to more than 3 inches. Where it is narrower, it is composed of narrow parallel stringers and thus can be safely estimated to persist in a zone nearly 6 inches wide. It is the operator's opinion, based on former experience with stibnite veins in the area, that these showings are very promising evidence that a minable stibnite ore zone occurs. He states that he believes the best possible way in which to explore this possibility is to sink an inclined shaft on the vein, following the ore as closely as possible. The reason for the inclined shaft is so that a slusher can be used in it and in this way obtain footage with a minimum of cost. At the present time I can think of no better alternate method of further exploring the vein.

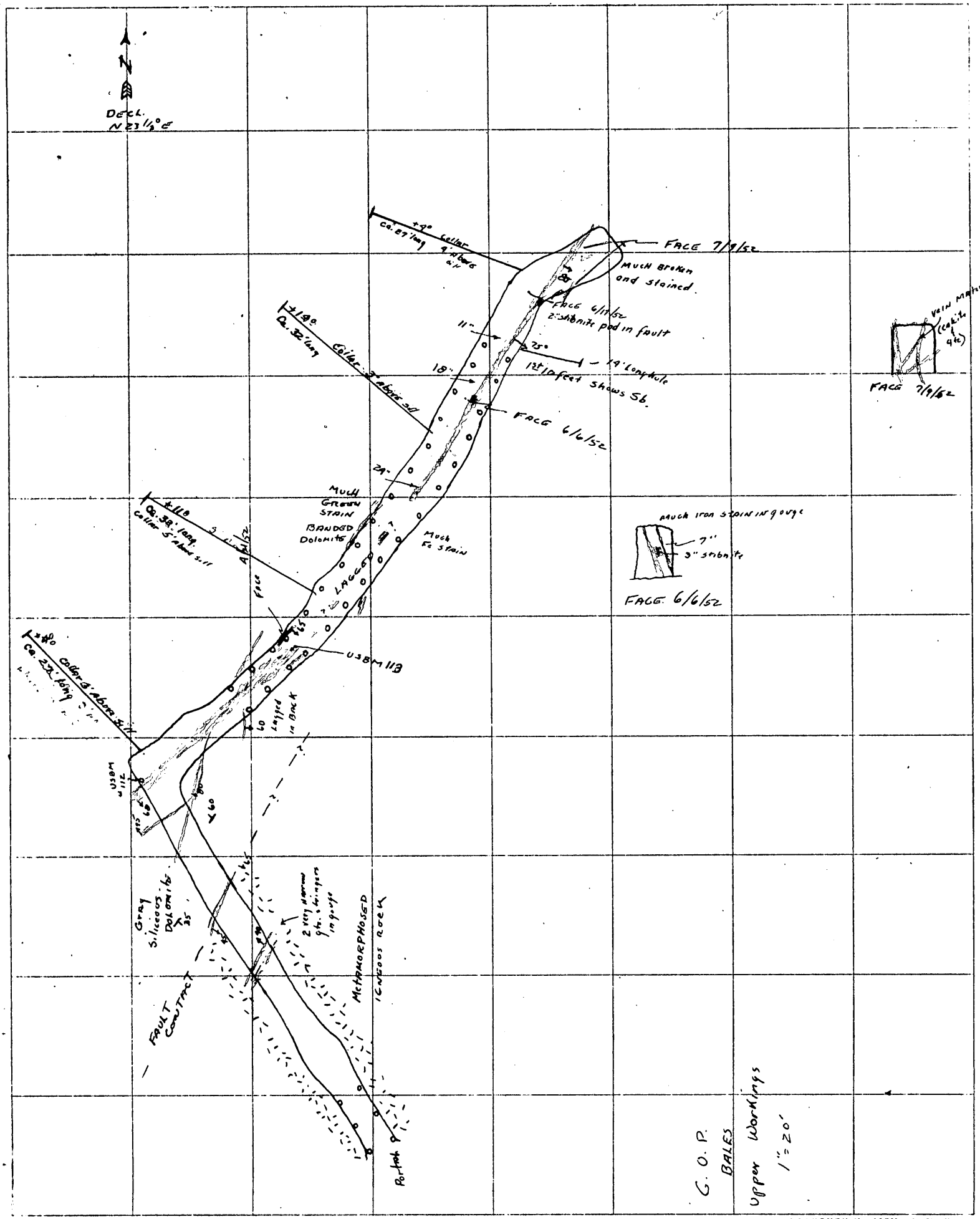
There has been no recent work as per contract in the vicinity of the adits No. 2 and 3, in the north area. The operator has initiated surface mining operations between the two adits and at the time of the inspection had stockpiled approximately 15 tons of ore which he estimated to be 20 percent antimony. There are no immediate plans for selling the ore.

A map of the Number 1 adit tunnel accompanies this report.

Willard P. Puffett
Geologist

Enclosures
cc: DMEA (2)
USBM (2)
USGS (SRO)

WPP/beh



"ALBANENE" NO. 186M K&E CO., N.Y.
REG. U.S. PAT. OFF

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
FILE

JUL 14 1952

July 9, 1952

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region II

Subject: Amendment No. 1 and No. 2 for G. O. P. Antimony, Inc., Contract Idm-E258, Docket No. DMEA-2193, Antimony.

Forwarded herewith are the original and two copies of two amendments to the above captioned contract. Amendment No. 1 changes a number of items to be purchased to items to be rented, and also amends the wages to be paid for mining labor. The change from purchase to rental of the various items will effectively result in an economy in the contract approximating nearly $1,700.00. The amendment also permits the rehabilitation of No's. 1, 2, and 3 adits, a necessary preliminary to doing any exploration from these workings.

Amendment No. 2 allows for longhole drilling to test the walls of the underground workings. The operator has justifiable reason to suspect that, although his drifting on Adit No. 1 has been following a strong shear which contains scattered pods of ore, the vein which represents the downward extension of the ore previously mined in an open pit is to one side of the drift. The Field Team concurs that the proposed longhole drilling will effectively explore this possibility.

A. E. Weissenborn
A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: USBM, Spokane
USBM, Albany

7-14-52

Ar
Sct.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

July 2, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 8 - 1952

Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Dear Sir:

Enclosed are routine inspection reports for the following properties:

GOP Antimony Bales Antimony, DMEA-2193, Antimony, Idm-E258
Pittsburg Silver Mining Co., DMEA-1425, Lead-Copper, Idm-E128
to Base Metals

Sincerely yours,

K H Gray
Kathryn Gray
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
JUL 8 - 1952

June 24, 1952

Memorandum

To: A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II

From: Willard P. Puffett, Geologist, USGS

Subject: Routine inspection of progress at Bales Antimony property, Okanogan County, Washington, under DMEA Contract Idm-E258.

The Bales Antimony property has been inspected on April 21, June 6, and June 17, 1952, by E. A. Magill, USBM, and myself.

At the time of the first visit, April 21, work had not been initiated at the property. A tape and compass survey was made of the underground workings and the geology was plotted. On June 6, new underground work was measured and bulldozer trenches were inspected. On June 17, the new underground work was measured, a tape and compass survey was made of the tunnel, and that geology available for inspection was mapped. Maps of the underground tunnels on the property accompany this report.

New underground work has been at the upper workings where a drift is being driven following a wide shear or fault. A total of 71 feet of drifting had been done on this structure by June 17. Only scattered small pods of stibnite had been encountered in the structure although a long hole into the hanging wall of the structure near the new face is reported to have intersected showings of stibnite over a ten-foot width. Inasmuch as the fault zone averages 18 to 24 inches wide, it has been necessary to timber and lag the backs, thus obscuring much of the wall rock in the tunnel. From what can be observed, it is believed that the drift is continuing in a dolomite rock in which there are scattered green (nickel ?) stains. Apparently, according to presently available information, showings of stibnite in this area are closely associated with the green staining.

No new work has been done underground in the lower workings. According to the contract there is to be allowed 200 total feet of drifting on one of the two adits, No. 2 or No. 3, or on both. Bulldozing has exposed the stibnite vein between the two portals and also

has exposed a continuation of the stibnite below Adit No. 2, the lower of the two adits. It is believed that sufficient evidence has been obtained to begin underground work. The operator does not plan to use either of the existing short adits but plans on beginning a new adit tunnel on the showing nearly 25 feet lower in elevation than Adit No. 2.

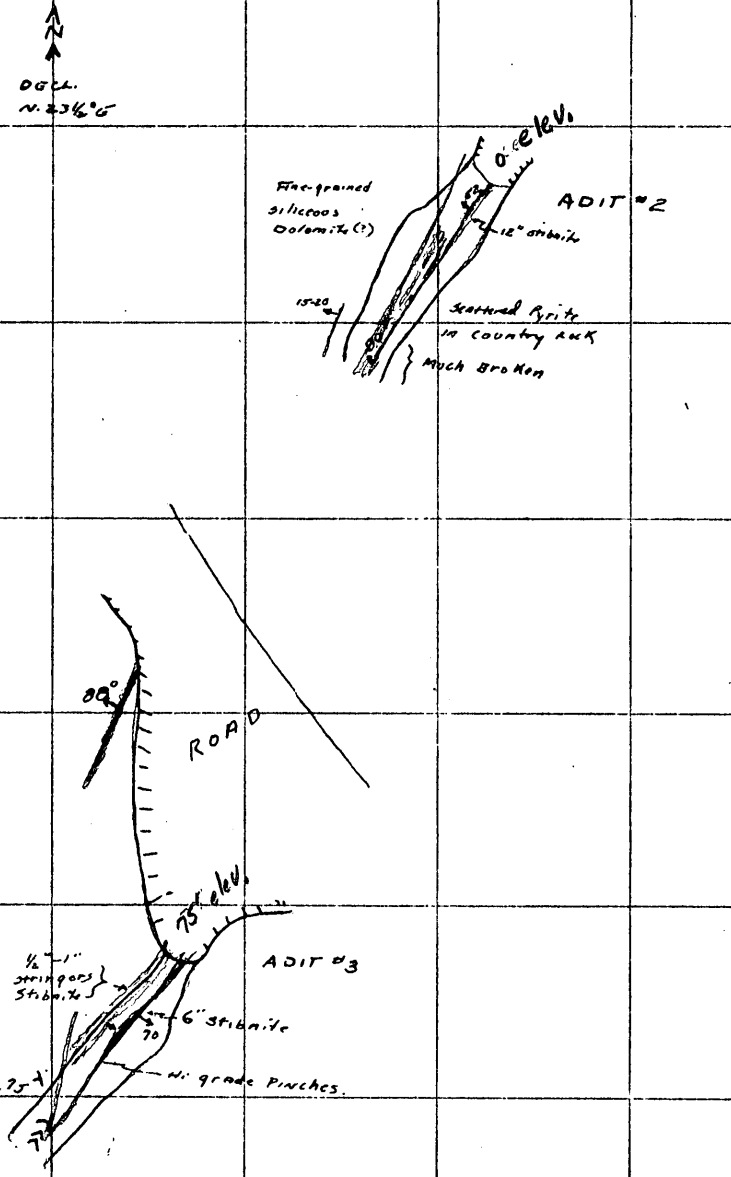
The stibnite showings exposed in bulldozer trenches above the upper workings are very narrow and short. At one place a stibnite stringer, widening to a maximum of three inches, is exposed for ten feet along the strike. In the trench, though, are copious quantities of the green-stained (nickel ?) rock commonly found associated with the stibnite and there are possibilities that deeper trenching will expose more stibnite. The operator indicated he plans on blasting a shallow trench along the strike of the stibnite showing to ascertain if the ore is continuous over a greater strike length.

Willard P. Puffett

Willard P. Puffett

Enclosures

cc: USBM (2)
DMEA ✓
USGS (SRO)



G. O. P

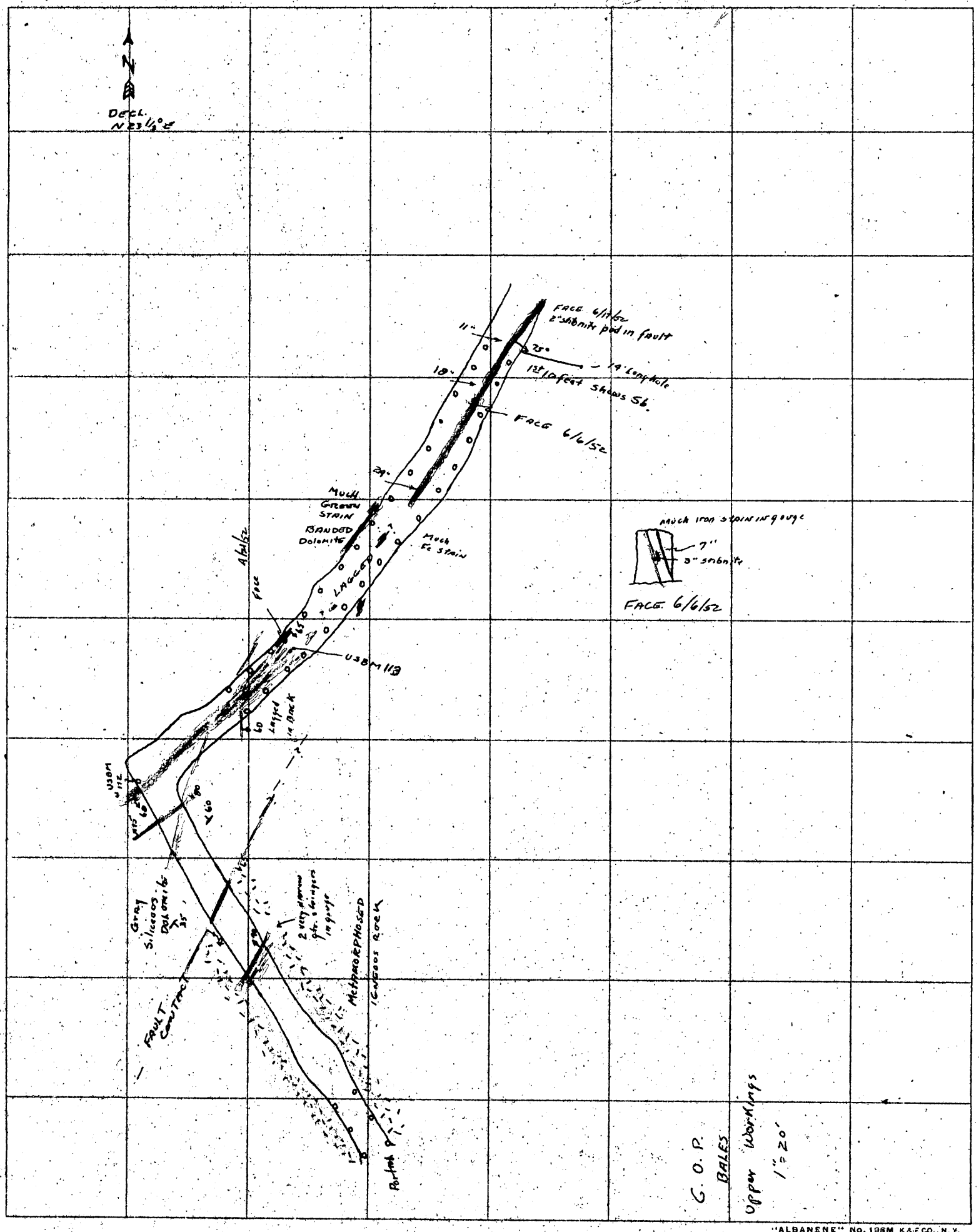
BALES

LOWER WORKINGS

1" = 20'

4/21/52

"ALBANENE" No. 196M K&E CO., N.Y.
REG. U.S. PAT. OFF



"ALBANENE" No. 198M K&E CO., N.Y.
REG. U.S. PAT. OFF.

M. E. Volin, Member, DMEA Field Team, Reg. 11 June 20, 1952

E. A. Magill, Mining Engineer, Bureau of Mines

Routine progress examination, C.O.P. Antimony, Inc., Okanogan County, Wash. (Bales mine), Contract Idm-8258, Docket No. DMEA 2193 (antimony)

With Willard Puffett of the USGS I visited the subject property on June 17, 1952.

At the time of the visit there were 6 men working at the property:

2 driving drift in No. 1 adit
2 cutting and peeling timber
1 drilling near site of No. 2 adit
1 foreman (bulldozer operator)

Of these six men only three plus the foreman should be chargeable directly to the exploration project. The others were preparing to start mining operations on the surface exposure between the No. 2 and No. 3 adits.

Since the last visit on June 6, 1952, the No. 1 adit has been advanced about 21 feet. The operator is still timbering on 5' centers with a width of 3½' in the clear. No commercial mineralization has been disclosed in this drifting. A new station, USBM 113, was placed in the back of the drift on a cap, 34.2' from the west wall of the crosscut. This point is approximately where drifting started under the exploration project.

No bulldozing has been done under the exploration contract since the last visit on June 7. The operator was advised that before he did any additional bulldozing he should submit a map showing proposed location of additional work. The work which has been carried out to date has not been entirely satisfactory in either location or exposure of bedrock. The poor exposing of bedrock has been due to not dozing the cuts clean rather than any difficulty encountered in getting to bedrock.

The operator plans on commencing surface mining operations on the exposed ore between the No. 2 and No. 3 adits. Tentative plans call for milling the ore in the Red Shirt mill at Twisp.

E. A. Magill

JUL 8 2

Orig. to files
cc: USGS (2)
Wash. (2)
EAM

M. E. Volin, Member, DMEA Field Team, Reg. II June 12, 1952

E. A. Magill, mining engineer, Bureau of Mines

Progress examination, G.O.P. Antimony (Bales mine), Okanogan County, Wash., Contract Idm-E258, Docket DMEA 2193 (antimony)

A progress examination was made of the subject property on June 6, 1952, in company with Willard Puffett of the U. S. Geological Survey.

At the time of the visit there were three men working on the property, - two miners driving drift in the No. 1 adit and one man cutting timber. The superintendent (Gilbert Pearson) reportedly had left on June 2 with Mr. Oberbillig; he was expected back within a few days.

In the No. 1 adit the drift had been cleaned out and timbered for its entire length (an additional 20 feet). Up to the time of the visit the drift had been driven 51 feet since commencing operations on May 1 (actual drifting starting about the 15th of May). It has been necessary to timber all the new work. Native timber (red fir) is used with sets on 5-foot centers. The miners report that they have encountered no ore, only a few scattered showings of stibnite. In the face there was a small showing of stibnite. A select sample, EAM-174, to be run for nickel was taken of the green dolomite exposed on the north side of the drift. Station USBM 112 was blasted out while putting in an air receiver. It will be replaced with a new station on the next visit to the property.

In place of constructing a tool shed at the portal of the No. 1 adit, they moved the shed from the Antimony Queen project (Contract Idm-E132).

No underground exploration work has been carried out at the sites of No. 2 and No. 3 adits; however, the operator has done extensive bulldozing above and below the portals and especially between the two. This bulldozing has disclosed discontinuous lenses of stibnite on the structure. This bulldozing near the two portals are not called for under the exploration project. It is estimated that this dozing represents at least 40 hours of work.

A bulldozer trench has been cut on top of the hill as indicated on the map*(cat cuts #1 and 2). It exposes a lens of stibnite up to 2 inches wide and several feet long. The bedrock in the cuts is a dolomite which contains a light green mineral (nickel ?). A select

*Attached to Puffett's report

sample of the rock containing the green mineral (Sample EAM-175) was taken for a nickel assay. The cuts are not entirely satisfactory in that the bedrock has not been stripped clean, nor has the possible extension of the stibnite been stripped. It is estimated that this trench does not represent over 30 hours bulldozer work.

E. A. Magill

Orig. to files
cc: USGS, Spokane (2)
Wash., D. C. (2)
EAM

M. E. Volin, Member, DMEA Field Team, Region II May 7, 1952

E. A. Magill, Mining Engineer, Mining Division, Region II

Routine Progress Examination, Contract Idm-E258, Docket No. 2193 (antimony), G. O. P. Antimony (Bales mine), Okanogan County, Wash.

A progress examination was made of the subject property on April 21, 1952 in company with Willard Puffett of U. S. Geological Survey.

At the time of the visit the property was inactive and operations had not been commenced under the exploration contract. The road to the property is in good condition, excepting two small slides. It is estimated that 8 hours bulldozer time will be ample to take care of the initial maintenance.

Measurements of the workings were made where the proposed exploration work is to be carried out. These were as follows;

Adit No. 1 - Face of drift 32 feet eastward from Station USBM 112. Station 112 was placed in the back at the intersection of the crosscut and the vein 1.3 feet from the southwest wall and 3.3 feet from the northwest wall.

Adit No. 2 - Face 24 feet from portal (rock).

Adit No. 3 - Face 21 feet from portal (rock).

Before further work may be carried out in either the No. 2 or No. 3 adits, it is necessary that the portals be timbered. The drift in No. 1 adit has caved rather badly and it will be necessary to timber it, excepting the 10 feet near the face, which is already timbered.

The only equipment on the property at the time of the visit was track in the No. 1 adit.

E. A. Magill

Orig. to files
cc: U. S. G. S.
2 Washington
EAM

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 4, Washington

March 18, 1952

2193

Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Contract Idm-E258
G.O.P. Antimony, Inc.
Okanogan County, Washington

Dear Sir:

Enclosed are four signed copies of the subject contract.

Copies have been retained by the Operator and by the Field Team.

Sincerely yours,

K. H. Gray
Kathryn Gray
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 21 1952

700
FILE COPY
SURNAME:

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

Keller
Ellis
Renick
McKnight
Hedges

AIR MAIL

FEB 19 1952

Mr. A. E. Weissenborn
Executive Officer, Field Team II
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMA-2193 (Antimony)
G. O. P. Antimony, Inc.
Bales Mine
Okanogan County, Washington

Dear Mr. Weissenborn:

Enclosed you will find six copies of the proposed contract on the above captioned project.

If you and the applicant are in agreement with the contract as drawn up, then please have the six copies signed by an authorized officer of the applicant corporation. Kindly return the original and three copies to this office, delivering one copy to the operator and retaining one for your files.

Sincerely yours,

(signed) FRANK E. JOHNSON (HB) 2/19

Chairman, Operating Committee

Enclosures 6

HFKeller/gla 2-8-52
cc to: Adm. Reading File
Docket
Messrs. Renick, A. Rm. 3061
McKnight, E.T. Rm. 4204 GS
Ellis
Keller

J. P. Thayer (HB)
For Geological Survey

J. H. Hedges (HB)
For Bureau of Mines

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

February 4, 1952

Memorandum

To: Acting Administrator

From: Chief Counsel

Subject: G. O. P. Antimony, Inc. exploration project - Docket No. DMEA-2193

The attached six copies of a draft of an Exploration Project Contract in this case is in satisfactory legal form and is approved by this office subject to the attachment of the necessary subordination agreement and maps.

Your file in this case is returned.

J. L. Hofflund
Chief Counsel

Attachments

MF-200
(June 1951)

Docket No. DMA 2193
Commodity Antimony

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

It is agreed this ..... day of ....., 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and[2] G. O. P. ANTIMONY, INC.
GENERAL DELIVERY
OMAK, WASHINGTON
hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of WASHINGTON, County of OKANOGAN described as follows:[3] Unpatented claims BALES ANTIMONY, Bales Antimony No. 2, Bales Antimony No. 3, G.O.P. No. 1, and G.O.P. No. 2 in Twisp Mining District,

with respect to which the Operator represents and undertakes:[4]

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: None on G.O.P. No. 1 and G.O.P. No. 2 owned by Operator.

(If Bales Antimony, Bales Antimony No. 2 and Bales Antimony No. 3.)

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within 90 days from the date of this contract shall commence work on a project of exploration for[5] Antimony; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of[6] Nine months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of prop*[illegible]. All facilities, buildings, fixtures, equipme[illegible]or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 75 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $12,060.00, which is 75 percent of the agreed estimated total cost of this project, $16,080.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

G.D.P. Anthony, Inc.
(Operator)

By

THE UNITED STATES OF AMERICA

By Acting Adm.
DMEA

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

Mr. Ellis

Comments on the

G.O.P. Antimony Inc.

1 Filed application DMA-1196 x May 11, 1951

1 Were granted contract register number I-DMA-E51 with Government participation of $7312.50 on July 2, 1951

2 Applicant requested withdrawal of the contract July 6 1951 according to letter of that date from Executive Officer DMA, Field Team Region II because he was unable to obtain landlords' Subordination Agreement

3 Filed new application DMA 2193 on Oct 20 1951

4 Approved by Mr Knight letter of Dec. 19, 1951

5 Approved by Renick Dec. 21, 1951

6 Approved by H Keller Jan. 22. 1952

MF-200
(June 1951)

Docket No. DMA 2193
Commodity Antimony

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this [illegible] day of February, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] G.O.P. Antimony, Inc. (~~a corporation~~)
~~Ernest Oberbillig, President~~
General Delivery
Omak, Washington
hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Washington, County of Okanogan described as follows: [3] Under lease three unpatented claims; Bales Antimony, Bales Antimony No 2 and No 3. Operator owns Claims G.O.P. No 1 and GOP No 2 by right of location. All claims are located in Township 32 N, Range 22 East, and comprise property under this contract.

with respect to which the Operator represents and undertakes: [4]

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: See Annex A for Lease Arrangement for Bales Claims and Landlords Subordination Agreement. Operator owns the two claims GOP No 1 and GOP No 2 by right of discovery and location (No encumbrances)

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within 90 days from the date of this contract shall commence work on a project of exploration for [5] Antimony; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] 9 months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 75 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $ 12,060.00, which is 75 percent of the agreed estimated total cost of this project, $ 16,080.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

G. O. P. Antimony, Inc.
(Operator)

By President

THE UNITED STATES OF AMERICA

By Acting Admin. BMEA

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

Exhibit "A"

~~Exploration Project~~

Description of Work:

The exploration project ~~as proposed by G.C.R. Mining, Inc.~~ shall consists of driving 400 feet of exploration adits and doing 250 hours of stripping with a bulldozer, as shown on attached Maps No 1 and No. 2. ~~The total cost of this exploration program is $40080.00~~

The total of 400 ft of drifting is comprised of the following:

Adit No. 1, Advance of 200 ft proposed from present face. See Attached Map No. 1
Adit No. 2 Advance of 75 ft. proposed from face of opencut " " " No. 2
Adit No. 3 " " " 125 ft. " " " " " " " " No. 2

Exploratory stripping shall be performed in four separate cuts to a depth sufficient to uncover the underlying rock and will be limited to exploratory work. (See attached Map No. 1.)

By mutual agreement between the Government field engineers and the Operator the exact location and extent of the proposed drifting and stripping may be changed, if in so doing more and better information can be obtained by the same amount of exploration work.

In complying with Article 12 of this contract, the operator should include in each monthly report, a map showing the progress during the month, and the assay value and width of any newly discovered ore.

Estimated Costs of Project

Fixtures and Improvements:

Two mine sheds @ $750.00 each

~~Plate~~ Excavation & Foundation $100.00 ~~each~~

Materials	1000.00 "	
Labor	400.00 "	
Total		$1500.00

← Operating Equipment:

~~Rented~~ Equipment to be Rented

1 ~~pc~~	Compressor 105 cfm. $150.00/month for a total of 6 Months =	$900.00
1 "	Jeep pickup 6 Months @ $38.00/month	228.00
~~Estimated total for Rented Equipment~~	Total	$1128.00

~~Purchased~~ Equipment to be Purchased

1 ~~pc~~	Ore car	$150.00
1 "	Jackhammer	475.00
1 "	Jack-leg	185.00
1 "	Slusher and bucket	1200.00
~~Estimated total Purchased Equipment~~	Total	2010.00

← Labor & Supervision:

1 ~~Entry~~	Foreman: 5 Months @ $360.00	$1800.00
2 "	Miners: $14.00 per day each for 140 days ~~five months~~ (Includes Insurance and Taxes)	2920.00
1 "	Bookkeeper @ $100/month for 6 Months)	600.00

Contract for Bulldozer TD-9: $7.00 per hour for 250 hours. (Includes operator's wages, and all operating expenses) $1750.00

Total Labor & Supervision $8070.00

~~Operating~~ Supplies to be purchased.

Bits, steel, hose, machine repairs }
Track and Pipe with fittings and accessories
Powder, caps and fuse } $3372.00
Timber, nails, wedges.

Note: Government Field engineers are required to enter in the inventory of operating equipment any of these supplies which will have a salvage value at the termination of this contract.

← Rehabilitation and Repairs:

NONE

Estimated Total Cost of Project $16,080.00

Summary

Fixtures and Improvements	$1500.00
Operating Equipment - Rented	$1128.00
" " - Purchased	$2010.00
Labor and Supervision	8070.00
~~Operating~~ Supplies	3372.00
~~Rehabilitation and Repairs~~	~~0.00~~

Estimated Total Cost of ~~Exploration~~ Project $16,080.00

~~Government participation 75%~~ ~~$12,060.00~~

Note:

Annex A will contain the following documents

1. Assignment of Bates (Bales) Mining Lease
2. Quit Claim Deed.
3. Landlords Subordination Agreement.
4. Lease of Bales Claims: Bales Antimony No 1. 2. + 3.
5. Notice of Mining Location

Exhibition A. will contain also Maps No 1 and Maps No 2.

Note Photostats are being obtained of Items 3 and 4 of Annex A.

gla 1/21/52

ANTIMONY
INCORPORATED

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 21 1952

Twin Springs, Idaho

GRAY, JOSEPH R.
OBERBILLIG, ERNEST
PEARSON, GILBERT & NORTON

January 15, 1952

Re: DMA-2193
Bales Prospect (Antimony)
Okanogan County, Washington

Defense Minerals Exploration Administration
Washington 25, D. C.

Attention: Mr. Ernest Wm. Ellis, Acting Chief
Rare and Misc. Metals Div.

Dear Mr. Ellis:

In reply to your letter of December 29, 1951, regarding the Bales property exploration project application, we wish to present the enclosed supplementary information requested.

We are enclosing six copies each of the following:

1. Assignment of Bales Antimony mining lease to G-O-P Antimony Inc.
2. Quit-claim deed of Bales Antimony lease
3. Notice of Mining location G-O-P #1 Quartz claim
4. Notice of mining location G-O-P #2 Quartz claim

Please note that the mining locations for claims G-O-P #1 & #2 are in the name of the G-O-P Antimony, Inc. with the locators merely as agents for the corporation. You will find the volume and page where each claim is recorded stamped on upper left hand corner of each notice.

We are also enclosing maps and sections requested of the proposed drift work at all three proposed sites. We trust that these maps with sections completely depict the requested features.

With regard to the nickel occurrences in connection with the antimony veins, we have tested several of the green specimens and get a fairly strong nickel reaction. We have given Mr. Thor Kiilsgaard of the U. S. Geological Survey office in Spokane several specimens, and he is having a spectro-graphic analysis made. We do know that nickel is present in the area but to date have no quantitative assays. This occurrence of nickel in a silicified dolomite seems to be contrary to all past experience. Should the nickel be of economic grade, the nickel dolomite structure seems to be as wide as 25 feet.

Our chief interest in exploring the two nickel outcrops west of the open pit is because the antimony follows the nickel in three other locations, and exploration of the nickel showings could disclose accessory antimony deposits not now known.

With regard to the rental equipment needed for this project, the Hermada Mine owns the TD-9 tractor and angle-dozer and will provide this piece of equipment. One of the miners who works for us owns a Jeep pickup and will provide this item. The compressor can be rented from any one of several equipment dealers in Spokane.

We trust this supplementary information will complete your file on this project and be sufficient for you to complete this application.

Very truly yours,

Ernest Oberbillig

President,
G-O-P ANTIMONY, INC.

Encs.

FILE COPY
SURNAME:

Gordon
Mittendorf

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

AIR MAIL

DEC 29 1951

Mr. Ernest Oberbillig, President
O.O.P. Antimony, Inc.
General Delivery
Omak, Washington

Re: Docket DM-2193
Sales Prospect (Antimony)
Okanogan County, Washington

Dear Mr. Oberbillig:

In reviewing your application of October 26, 1951, for an exploration project, DM-2193, we find that the lease and option covering the Sales claims is in the name of Messrs. Oberbillig and Gray. Copy of their assignment of the lease and option to O.O.P. Antimony, Inc., should be remitted to us as proof of O.O.P.'s legal control of the ground.

As the O.O.P. 1 and O.O.P. 2 claims should be included in any contract that might be drawn up on this project, kindly advise the book, page and date of recording these locations.

The map submitted by you does not show how far your proposed drifts will be below the existing exposures. A description, or sections to scale, showing the pertinent features, such as how far drift No. 1 will be below the open cut above it, and the relation between surface, drift No. 2 and drift No. 3, is necessary.

Regarding that part of the exploration proposed to investigate the occurrence of nickel, further information should be provided, giving location, width and assay of a few samples, sufficient at least to substantiate the presence of nickel in the immediate area.

Please advise whether the items of equipment to be rented are owned by O.O.P. or by outside parties.

This will also acknowledge receipt of your letter of December 17, 1951, addressed to Mr. Fournet, which was been referred to this agency together with your complete docket. We concur in your opinion that exploration seems indicated for the Sales property.

EGordon/jem 12-29-51
cc to: Adm. Mining File
Mails & Files Br.
Docket
Messrs. Mittendorf
Renick, A. Rm.3061
McKnight, E. Rm.4204 GS
Feitler, S. Rm.3538
Gordon, E.
Field Team, Region II (2)

12/29
F.O.

Sincerely yours,

SIGNED

Ernest M. Gilliz, Acting Chief
Rare and Disc. Metals Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON

12/21/51

Mr. Ernest Gordon:

Based on a personal knowledge of Ernest Oberbillig's past record and his outstanding ability, I am confident that he will supervise the proposed project energetically to a successful conclusion.

Also, I concur in McKnight's views, namely that the project can be approved.

Abbott Renick

EPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

December 19, 1951

Re: DMA-2193
GOP Antimony Inc.
Bales prospect
Okanogan County, Washington
Exploration loan, $16,250
Antimony

Memorandum

To: Mr. Ernest Gordon

From: Mr. Edwin T. McKnight

Subject: A recommendation for approval of exploration loan

The Bales prospect was discovered in 1947 and is described in Bulletin 39 of the Washington Division of Mines and Geology, published in 1951. As described in this reference, the stibnite, near the original outcrop, averages 4 inches in thickness over a 200 foot length, and occurs in a quartz vein that strikes NE and dips 80° SE. The country rock is a hornblende quartz diorite. The report cited states that the antimony appears to be of good grade and that the prospect merits further exploration.

During the past summer, the applicant made some surface cuts on the vein and produced, according to his letter of October 23, ore containing about 43 tons of metallic antimony. This ore was taken from lenticular ore bodies along the vein, showing a maximum thickness of 3 feet and an average thickness of 2 feet, according to the applicant's statement. This ore averaged 41% antimony.

Applicant now proposes to carry out some underground exploration by drifting on the vein a short distance below the outcrop. The proposal is for 400 feet of drift work in 3 short drifts (200 feet, 125 feet, and 75 feet respectively). The locations of the proposed drifts are shown on the map presented by the applicant. However, the map fails to show how far the proposed drifts will lie below the existing exposures.

In view of the usual small size of the stibnite lenses in this type of deposit, the proposed drifts will represent exploration in the sense that no prediction can be made in advance as to the number and size of ore lenses that will be found, or even whether any will be found. The fact that the proposed exploration drifts will serve also as development workings for mining operations is to the applicant's obvious advantage. I believe that he should be asked to state how far drift No. 1 will lie below the outcrop in the open cut above it, and how far drift No. 2 will be below drift No. 3. This is to insure that

the proposed exploration is not entirely an expedient for mining the ore presently showing in the open cuts. The proposed drifting should allow ample backs for production from which the exploration loan could be repaid.

In addition to the proposed drifting on the antimony vein or veins, applicant proposes 250 hours ($1750) of bulldozing on reputed low grade nickel occurrences in shear zones parallel to and closely adjacent to the antimony veins. Two of the proposed cuts (Nos. 3 and 4) are so close to the northeast antimony vein that they could just as logically be considered as exploration cuts to explore the extensions of the antimony vein. Cuts 1 and 2, on the other hand, cannot be justified as antimony exploration on the basis of the information presented with the docket. Not enough geologic evidence is presented by the applicant to justify an exploration for nickel as no analyses are cited to show that the alleged nickel stains are really nickel. The applicant has a reputation for being a level-headed antimony miner and a competent judge of antimony occurrences which might be extended to a presumption of competence in other mineral fields. He should, however, be asked for further information on the nickel occurrence, either an assay or a specimen, or some other corroboration of the occurrence of nickel. The only information in this application is that shown on the map, where cuts 1 and 2 are shown on "silicified limestone containing nickel".

I believe that this application can be approved for the antimony exploration without a field referral, provided the applicant shows that the proposed drifting is an adequate distance below the existing outcrops. If he can also establish that the formation at cuts 1 and 2 is nickel bearing, this exploration can also be approved, particularly as this phase of the total project costs relatively little.

Edwin T. McKnight

Edwin T. McKnight
Geologist

GSA FORM
1-25-50

GENERAL SERVICES ADMINISTRATION

ROUTING SLIP

TO	NAME	BUILDING, ROOM NUMBER, ETC.
1.	~~[illegible]~~	
2.	~~[illegible]~~	~~Rm. 7004~~
3.	Mr Mittendorf	Interior Dept
4.	DMEA.	Rm 4640
5.		

FOR

- [ ] APPROVAL
- [ ] AS REQUESTED
- [ ] CORRECTION
- [ ] FILING
- [ ] FULL REPORT
- [ ] HANDLE DIRECTLY
- [ ] PREPARE REPLY FOR SIGNATURE OF: _____
- [ ] IMMEDIATE ACTION
- [ ] INITIALS
- [x] NECESSARY ACTION
- [ ] NOTE AND RETURN
- [ ] READ AND DESTROY
- [ ] _____
- [ ] RECOMMENDATION
- [ ] SEE ME
- [ ] SIGNATURE
- [ ] YOUR COMMENT
- [ ] YOUR INFORMATION
- [ ] _____

ANSWER OR ACKNOWLEDGE BEFORE _____

FROM Commerce

DATE 12-19

REMARKS

This should go to DMEA.

GPO—O—GSA 952556 - 152

51-3164

NAME: Antimony, Inc.

ADDRESS: Th[illegible]rings, Idaho
Ernest Oberthlig, President

CONTROL NUMBER

DATE: 12-17-51

RE: ~~GOP Antimony, Inc. Dalos Antimony Mine~~ DMA-2199
~~-possible exploration loan~~

FILE

PLEASE ACKNOWLEDGE WITHIN DAYS

REFER TO

1. ~~Bennett~~
2. Mullander of 12/27
3.
4. ~~12-19-51~~

DATE

TYPE OF CORRESPONDENCE

REG. MAIL	AIR MAIL	SPEC. DEL.	REG'S'TD	TEL'GR'M	N. A. R.
•	•	•	•	•	•

CORRESPONDENCE CONTROL RECORD $

FWA - E 366

DEPARTMENT OF THE INTERIOR
RECEIVED
DEC 28 1951
Defense Minerals Administration,
Production Expansion Division.

ANTIMONY
INCORPORATED

GRAY, JOSEPH R.
OBERBILLIG, ERNEST
PEARSON, GILBERT & NORTON

Twin Springs, Idaho
December 17, 1951

Mr. Weston Bourret, Chief
Minor and Rare Metals Branch
Defense Minerals Administration
Washington, D. C.

DMPA
RECEIVED
DEC 19 1951

Re: G-O-P Antimony, Inc.
Bales Antimony Mine
DMA-2193 - Antimony

Dear Mr. Bourret:

My reply to your letter of November 5 has been somewhat delayed because snow and winter conditions prohibited continuing operations at any of the properties in Washington, and I have been pretty busy shutting them down for the winter.

We also are of the opinion that the Bales property should have an exploration project rather than a production loan. While there is considerable ore showing at several places, an exploration loan would further increase reserves. However, we will start production there next spring in order to recover some or all of the costs we have been out on the road and drift work to date.

Very likely a field examination will not be necessary because the DMA U. S. Bureau of Mines Engineer in that District has followed the development work there very closely and has made about six visits to the property at different times, so he will be in a position to give you an official report. His report, coupled with our map and data submitted with the application, probably will be sufficient.

Old timers in the district advise that work can start in the spring around April 15, so we would like to have everything ready to go at that time.

We trust that the application will be processed in time to allow us to plan on starting on that date.

Very truly yours,

Ernest Oberbillig

Ernest Oberbillig,
President.

EEO/co

FILE COPY
SURNAME:

Gordon
Bourret

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

NOV 5 1951

Mr. Ernest Oberbillig, President
G-O-P Antimony, Inc.
General Delivery
Omak, Washington

Re: G-O-P Antimony, Inc.
Bales Antimony Mine
DMA-2193 - Antimony

Dear Mr. Oberbillig:

Your application of October 20, 1951, DMA-2193, for an exploration project in the sum of $16,250.00 and your letter of October 23, 1951, have been received by the Minor and Rare Metals Branch of the Supply Division.

In general, your application seems workable, and after complete review some further data will be requested of you, or possibly a field examination made.

Regarding a production loan, you would be expected to demonstrate the presence of sufficient, developed ore, along with other assets, to justify the requested sum, and also show that a private loan can not be negotiated. We enclose five copies of form MT-102 for your use if you decide to submit such an application.

We suggest that you give some consideration to limiting yourself to one or the other application, as, if a small property has sufficient ore to justify a production loan, some question might arise regarding the need for a concurrent exploration project. Under the latter heading, we can not consider what is property development under the guise of exploration.

Yours very truly,

Weston Bourret 87 11/5

Weston Bourret, Chief
Minor and Rare Metals Branch

Enclosures
EGordon/ch 11-2-51
cc: Adm. Reading File
Reports and Records
Lyon
Minor and Rare Metals
Renick
McKnight - USGS
Field Team - II

DEFENSE MINERALS ADMINISTRATION
WASHINGTON, D.C.
OCT 25 8 58 AM '51

ANTIMONY
INCORPORATED

DEPARTMENT OF THE INTERIOR
RECEIVED
OCT 2 5 1951
Defense Minerals Administration,
Production Expansion Division.

OFFICIAL FILE COPY

GRAY, JOSEPH R.
OBERBILLIG, ERNEST
PEARSON, GILBERT & NORTON

TELEPHONE: 682
OMAK, WASHINGTON

October 23, 1951

To	Init.	Date
400	[illegible]	10-25-51
250		

69

Mr. Weston Bourret, Chief
Minor and Rare Metals Branch
U. S. Department of the Interior
Defense Minerals Administration
Washington 25, D. C.

Re: Bales Prospect & Antimony Queen Mine
DMA 1196 X DMA 979 X

Dear Mr. Bourret:

In reply to your letter of September 19, 1951, we would like to state that we have work under way on the Antimony Queen and are ready to start work underground there now as the bridge and road are complete and the equipment is on the ground.

We have been concentrating our efforts on the Bales Antimony and have produced about 43 tons of antimony metal there. We had a DMA exploration loan application submitted for the Bales, but at that time the owners would not sign the subordination agreement. Now, however, they realize a loan would be a great help to them as well as to us to get ore developed ahead.

We have just submitted a new application for an exploration project on the Bales and would certainly appreciate having you examine the proposal and advise us if you think it a workable deal.

At this time it has occurred to us that the most pressing need we have for continuing production on the Bales is a production loan of about $12,000, which will permit us to rapidly mine out the ore now developed in the pit area, and we estimate this ore will contain in the neighborhood of 80 tons of antimony metal. We would require this sum to cover operating expenses and a concentrate dryer for the mill, as well as in the neighborhood of $2,000.00 for mining equipment. Is there anything that can be done through your office there for such a loan. At this time we have expended roughly $7,000.00 in the road and development work to prepare this block of ore for stoping. Until now we have had to very cautiously get a few thousand dollars for operating capital periodically from a bank in Idaho, but the 7 percent interest eats us up. We have had a very good record in paying back bank loans and refer you to Mr. E. Diven, Vice-President, First Security Bank of Idaho., N. A., Boise, Idaho. We are not stock salesmen and have no interest in our operation to sell anyhow, so it leaves us with the bank as our only source of operating funds, but I don't like it.

Very truly yours,

Ernest Oberbillig

Ernest Oberbillig,
President.

EEO/c

Antimony
See Docket DMA-1195X

Mr. Ernest Oberbillig, President
G-O-P Antimony, Inc.
General Delivery
Omak, Washington

Subject: DMA-2193
Re: Exploration Loan
Bales Antimony Mine

My dear Mr. Oberbillig:

This will acknowledge receipt of your application dated October 20, 1951 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMA-2193 and referred to the Minor and Rare Metals Branch.

Kindly refer to DMA-2193 in any future correspondence relating to your application.

Sincerely yours,

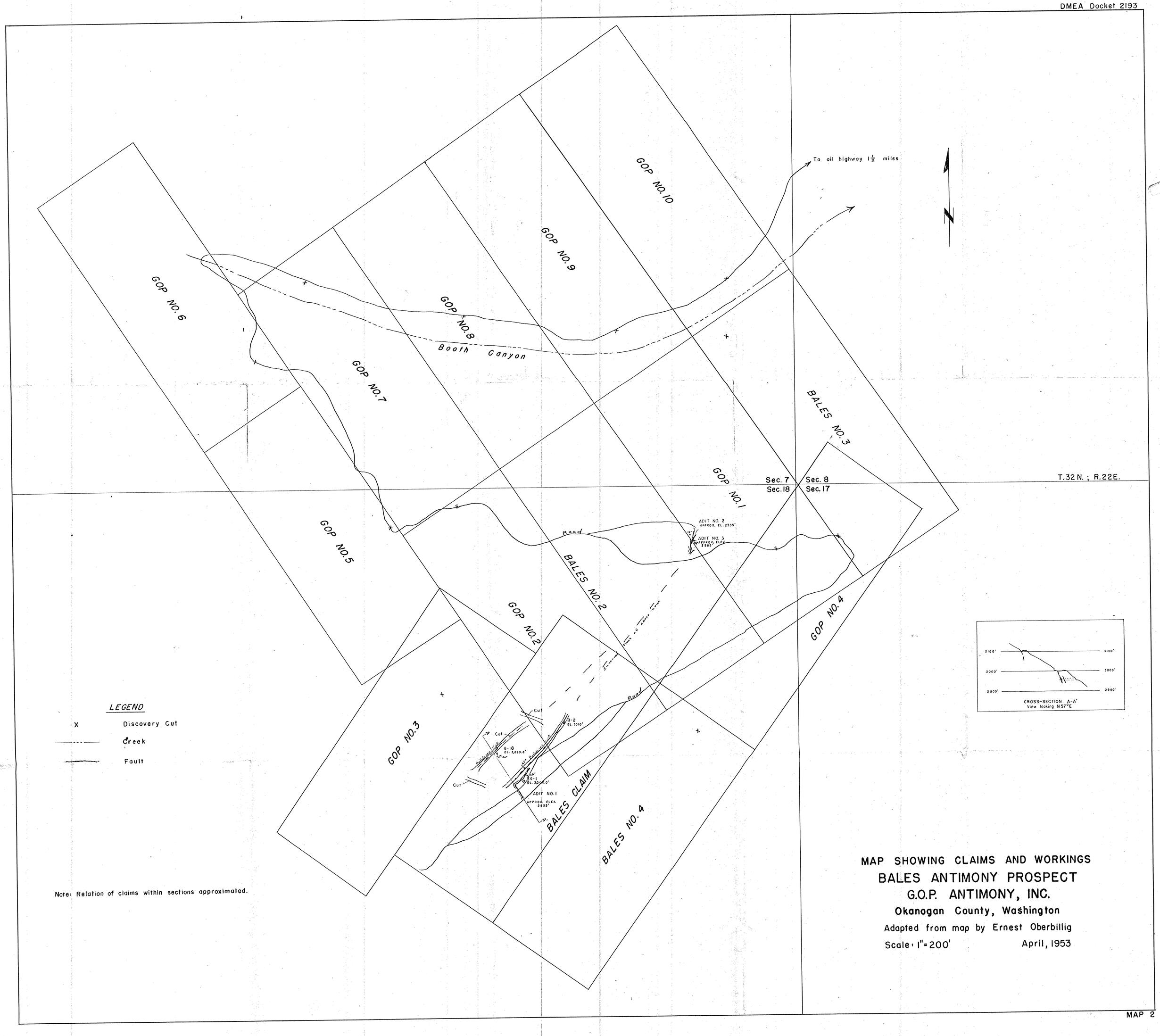
Robert E. Adams

Robert E. Adams, Chief
Reports and Records Unit

2463

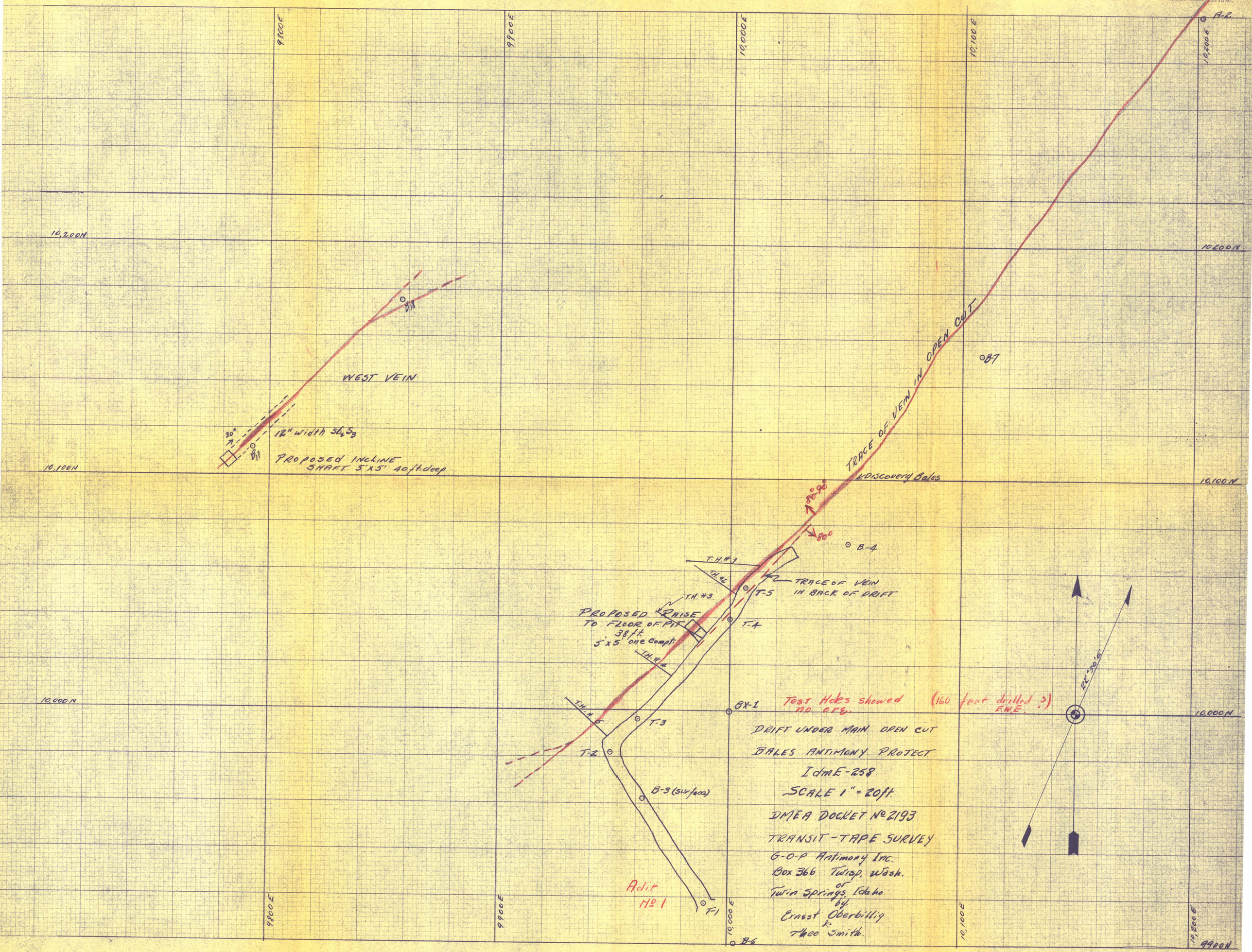
FT Final Report
Map 2

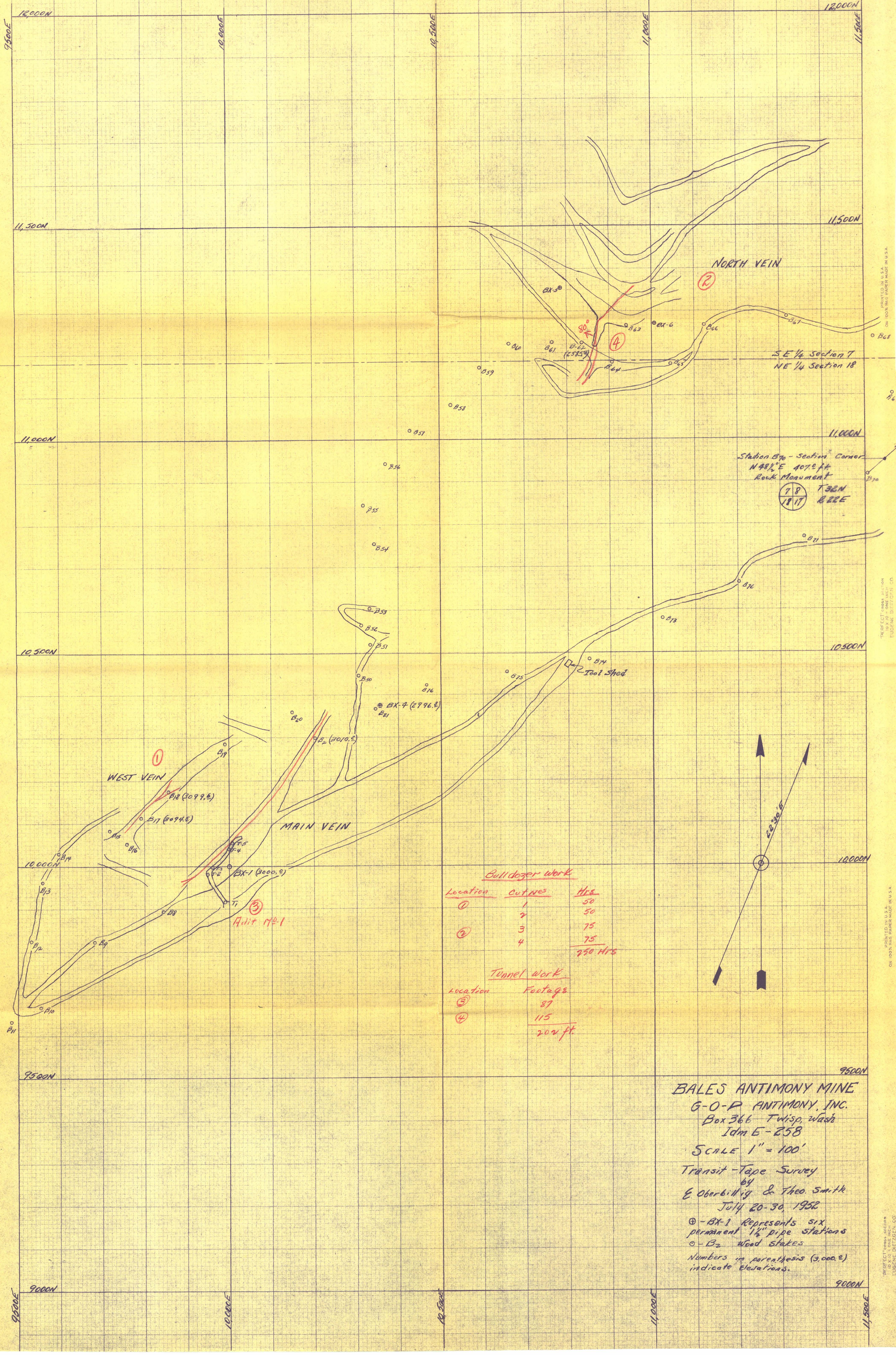
DMEA Docket 2193

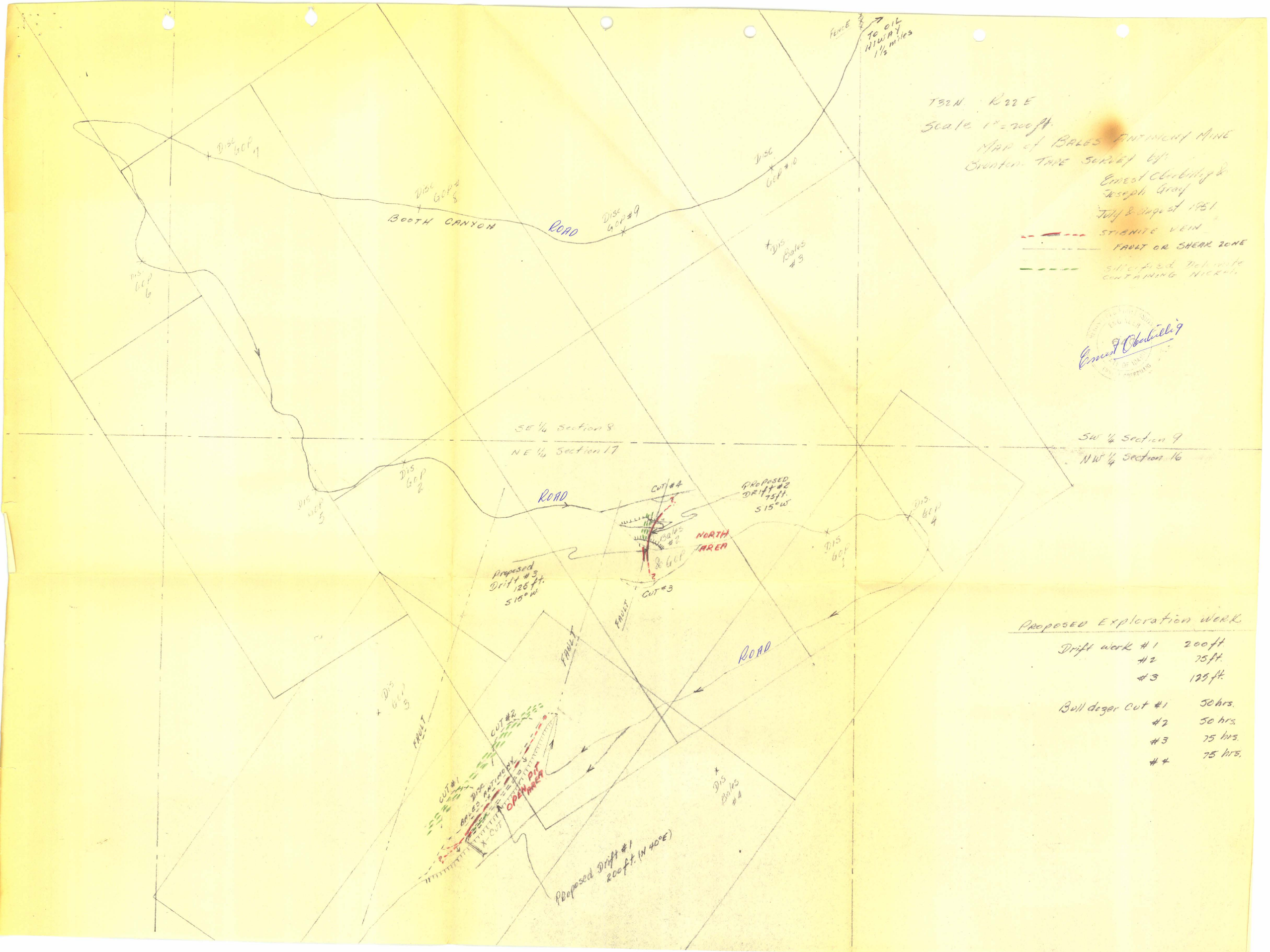


MAP 2

PRINTED IN U.S.A.
ON 100% RAG PAPER MADE IN U.S.A.
"PERFECT" CROSS SECTION
10 X 10 = ONE INCH
EUGENE DIETZGEN CO.

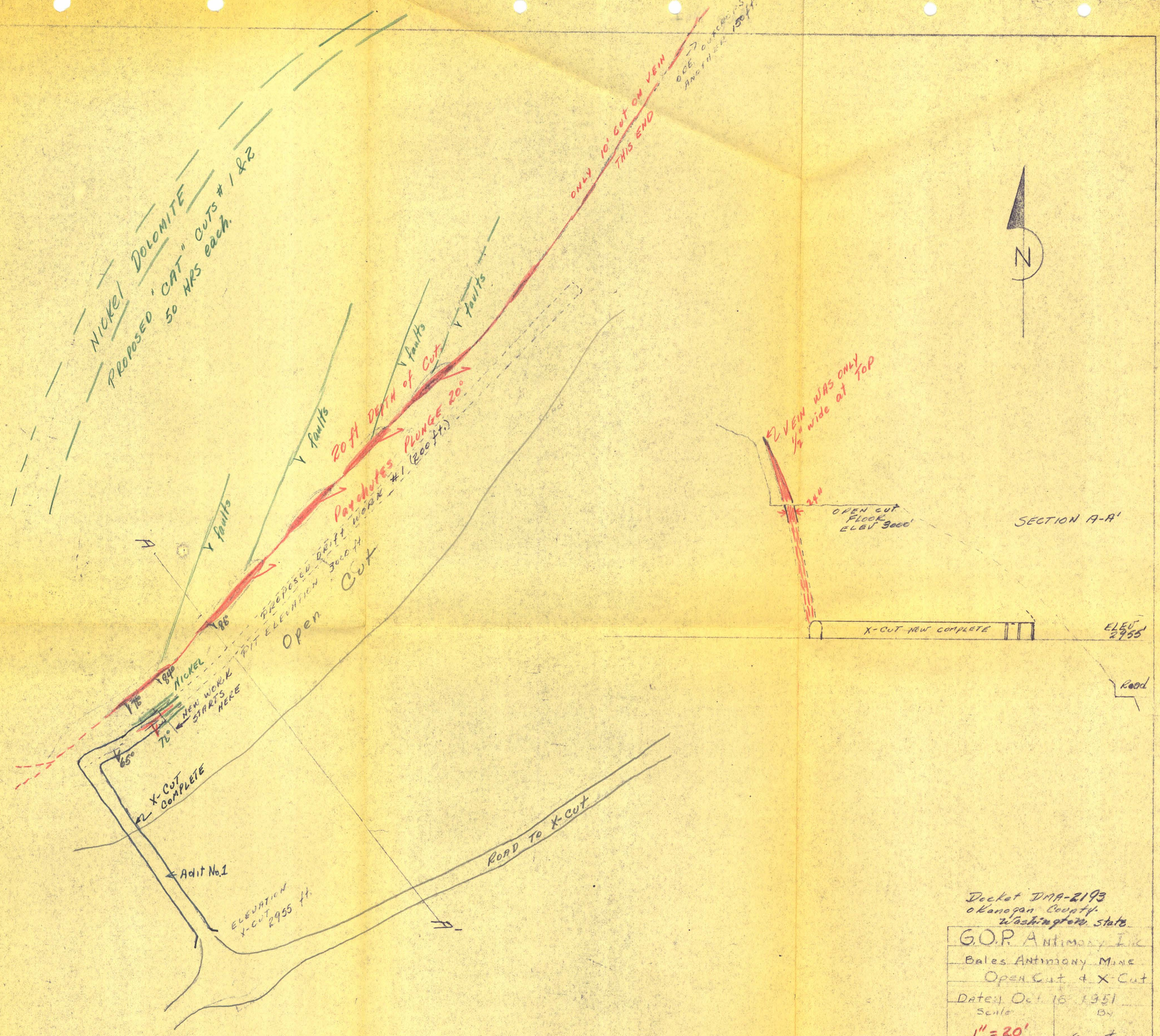



12,000N
11,500N
11,000N
10,500N
10,000N
9500N
9000N
9500E
10,000E
10,500E
11,000E
11,500E
NORTH VEIN
SE 1/4 Section 7
NE 1/4 Section 18
Station B70 - Section Corner
N48½°E 407.2 ft
Rock Monument
T32N
R22E
WEST VEIN
MAIN VEIN
Tool Shed
Adit No. 1
BX-1 (3000.2)
BX-4 (2996.2)
B18 (3099.2)
B17 (3094.2)
B2 (3010.2)
B-62 (2585.4)
22°30'E
80°
Bull dozer work
Location | Cut No. | Hrs
① | 1 | 50
| 2 | 50
② | 3 | 75
| 4 | 75
| | 250 Hrs
Tunnel work
Location | Footage
③ | 87
④ | 115
| 202 ft.
BALES ANTIMONY MINE
G-O-P ANTIMONY, INC.
Box 366 Twisp, Wash
Idm E-258
SCALE 1" = 100'
Transit-Tape Survey
by
E. Oberbillig & Theo. Smith
July 20-30, 1952
⊕ - BX-1 Represents six permanent 1½" pipe stations
⊙ - B2 Wood stakes
Numbers in parenthesis (3,000.2) indicate elevations.



Proposed Exploration Work

Drift work #1	200 ft.
#2	75 ft.
#3	125 ft.
Bull dozer Cut #1	50 hrs.
#2	50 hrs.
#3	75 hrs.
#4	75 hrs.



Docket DMA-2193
Okanogan County
Washington State

G.O.P. Antimony Inc	
Bales Antimony Mine	
Open Cut & X-Cut	
Date: Oct 16 1951	
Scale: 1" = 20'	By: Ernest Chubbing