E-301

For royalty payment of ~~$25~~ $24.00, dated April 8, 1963, see transmittal letter file.

800

So. 157 Howard Street
Spokane 4, Washington
April 3, 1963

Mr. Howard L. Kimmel
Newport, Washington

Re: DMEA-2588 (Lead-Zinc)
American Zinc, Lead and Smelting Company
Blue Bird Mine
Pend Oreille County, Washington
Contract Idm-2501

Dear Mr. Kimmel:

Item 3 of an Agreement dated July 7, 1953, by which the above-cited contract was terminated effective on that date states:

"The Government's contribution to the cost of the work up to the time above fixed for termination is the sum of $17,876.67 (subject to audit), and said sum shall be repayable in the form of a percentage royalty on any minerals mined or produced from the land described in Article 2 of the contract within ten years from the date of said Exploration Project Contract, in the same manner and to the same extent and subject to all the terms and conditions of said Exploration Project Contract which are relevant thereto, as if the Government had made the certification of discovery or development referred to in Article 9 of said Exploration Project Contract."

The date of the Exploration Project Contract is April 21, 1952, and in accordance with the terms of the quoted item and of Article 9 of the contract, royalty on the net amounts realized from the sale of any minerals produced from the land between that date and April 21, 1962, is due the Government. State and Federal reports on mineral resources and production include gravel as a mineral commodity.

At $0.02 per yard, the gravel produced from the land subordinated to the cited DMEA contract had a net value considerably less than $8.00 per ton, on which the royalty is 1½ percent. Therefore, it appears that the royalty due the Government on the $1,600.00 you received for gravel is $24.00. Payment is hereby requested.

Your check, made payable to the Office of Minerals Exploration, should be mailed to this office at your earliest convenience. I have been advised by our Washington, D. C., office that upon receipt of your remittance we shall be able to lift the Government lien against any further production from this property.

Sincerely yours,

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

DRMacLaren:my
cc: OME(2); CFF
Reading copies to: Nolan, McKelvey

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-E301, Docket No. DMEA-2388 (Zinc-Lead), dated April 21, 1952, with

American Zinc, Lead and Smelting Co.
927 Old National Bank Building
Spokane, Washington

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Blue Bird Mine located in Pend Oreille County, Washington, during the period April 21, 1952, through September 8, 1959.

In accordance with Termination Agreement dated July 7, 1953, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final cost audit dated October 27, 1953, indicated accepted costs under the exploration contract amounting to $35,753.37 with the Government's contribution, on a 50 percent basis, being $17,876.67.

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

(1) Exploration work was discontinued prior to completion of the contract because of unsatisfactory results of surface diamond drilling;

(2) Reports of investigations by representatives of the Field Team, Region I, indicate that there has been no production of minerals from the land during the exploration period or subsequent thereto; 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 royalty which might be disclosed.

The review indicated that there has not been any production or sales of minerals from the land described in Article 2 of the contract since April 21, 1952, and no royalty is due the Government.

C. E. Fisher

C. E. Fisher, OME Auditor

October 20, 1959

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name American Zinc, Lead & Smelting Co.

Address 927 Old National Bank Building

Spokane, Washington

Exploration Contract No. I2m-2391 Docket No. DMEA-2388

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

Property inactive.

September 8, 1959
Date

S. W. Zoldok
Mining Engineer
S. W. Zoldok

53362

DEPARTMENT OF MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

American Zinc, Lead and Smelting Co.
927 Old National Bank Building
Spokane, Washington

pertaining to Exploration Project Contract No. Idm-E301, Docket No. DMEA-2388, covering a project of exploration for zinc and lead located in Pend Oreille County, Washington, commonly known as the Blue Bird Property, for the period of April 21, 1952 to July 7, 1953.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Officer of the DMEA Field Team, and a determination of the reasonableness and propriety of the costs.

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

(a) the administrative cost to the Government of an audit would be excessive in relation to the estimated possible additional disallowances thereunder;
(b) the Monthly Reports were supported by documentary proof of costs claimed under a contract provision for payment by the Government on the basis of the actual costs incurred; and
(c) the major portion ($33,999.48) of the costs covered diamond drilling and bulldozing at unit rates under subcontracts.

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

Total cost as billed by Contractor		$36,624.56
Less: Salvage proceeds		-0-
Net Cost as claimed by Contractor		$36,624.56
Exceptions (Schedule attached):		
By DMEA Finance Officer	$871.19	
Herewith	-0-	871.19
Total Accepted Cost		$35,753.37

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Seventeen thousand eight hundred seventy-six and 67/100 Dollars

$17,876.67

is considered valid and proper.

C. A. Turner, Auditor

October 27, 1953

SCHEDULE OF EXCEPTIONS

American Zinc, Lead and Smelting Co. DMEA-2388 Idm-E301

Supervision 1952	Claimed MF-104	Disallowed	Accepted Cost
May	$ 239.72	$ -0-	$ 239.72
June	641.53	391.53	250.00
July	301.45	82.48	218.97
August	305.23	55.23	250.00
September	352.31	102.31	250.00
October	563.48	313.48	250.00
November	258.64	8.64	250.00
December	45.20	-0-	45.20
Total	$2,707.56	$953.67	$1,753.89

Vacation pay claimed on July MF-104 was deleted by the Certifying Officer and accepted by the contractor on his October 1952 MF-104	$82.48
Amounts in excess of the allowable maximum of $250.00 per month were deleted by the Certifying Officer but not accepted by the contractor on his final MF-104, therefor	
Disallowance confirmed by this review	871.19
Total	$953.67

C. A. Turner, Auditor

October 27, 1953

xxxxxxxxxxxxxxxxxx
1201 N. Division St.
Spokane 2, Washington
November 27, 1953

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

Re: Contract Idm-E301
Docket DMEA-2388
American Zinc, Lead
& Smelting Co.
Pend Oreille County, Wash.

Dear Mr. Chambers:

I have reference to Mr. Talbert's letter of November 3, the third paragraph, wherein he states the total accepted cost of the above referenced contract should be shown as $35,753.37. The amount certified as being valid and proper for payment should be $18,376.67 (to agree with the total amount paid) instead of $17,876.78 indicated on Report of Review. This amount of $18,376.67 evidently is a typographical error and for that reason I suppose I overlooked bringing the total to be paid to the Contractor in agreement with the amount paid by the Certifying Officer which is $17,876.67. However, in your letter of November 23 I notice the same figures have been used.

The Report of Review indicates the total accepted cost to be $35,753.37, and the amount actually paid by the Certifying Officer was $17,876.67. I am changing the reports to be distributed to agree with that amount.

Yours very truly,

C. A. Turner
Auditor

NOV 23 1953

Mr. C. A. Turner
DMPA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Idn-E301, DMPA-2388
American Zinc, Lead and
Smelting Co.
Pend Oreille County, Wash.

Dear Mr. Turner:

Receipt is acknowledged of the revised Report of Review covering the referenced Exploration Project Contract.

It is noted that you have made all the corrections suggested by our letter of November 3, 1953, except for the amount certified for payment. In our letter it was stated "The amount certified as being valid and proper for payment should be $14,976.67 (to agree with the actual amount paid)". However, you have shown the amount as $14,976.68; and, therefore, we have corrected the Washington copies to read $14,976.67, the amount which the certifying officer has certified for payment.

Please correct the field copies accordingly, after which distribution may be effected.

In all cases where final payment has been made prior to final audit or review and only a one or two cents difference is indicated, the Audit Certificate or Report of Review should be in the amount paid. This avoids considerable paper work in adjusting obligation records both in Washington and the field.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/ama
November 23, 1953
Copy to: Docket
Admr. Reading File
Mr. Chambers

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

NOV 3 1953

Mr. Charles A. Turner
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Idm-8301, DMEA-2388
American Zinc, Lead & Smelting Co.
Pend Oreille County, Washington

Dear Mr. Turner:

The copies of your Report of Review covering the referenced project, as transmitted by your letter of October 29, 1953, are returned herewith for revision.

Disallowances in the amount of $871.19 have been indicated as having been made as a result of your review. This is erroneous. These disallowances were effected by the DMEA Finance Officer and should be so reflected in your Report of Review. The Schedule of Exceptions should indicate your confirmation of this disallowance. The Schedule of Exceptions should also bear your signature.

An error has also been made in the subtraction of the exception from the net cost as claimed by the contractor. The total accepted cost should be shown as $35,753.37, rather than $35,753.57. The amount certified as being valid and proper for payment should be $18,876.67 (to agree with the actual amount paid), instead of the $17,876.78 indicated on the Report of Review.

In the same mail there has been received a September MF-104 and MF-104A for Day Mines, Inc., Contract Idm-831. Attached thereto is a reference slip bearing this notation:

> "This is sent you at the request of C. A. Turner and has not yet been paid. His audit will be finished and the balance paid within the next day or two and your other copy will be sent in showing the amount paid. R. J. Hindman"

Please advise why this MF-104 and MF-104A have been sent to us in advance. In this connection please see Operating Committee Minutes No. 192, dated March 20, 1953, which require in a case of completed or terminated projects the forwarding to the Operating Committee of an advance copy of the MF-104A only. Mr. Hindman has been following this procedure in the past.

EDTalbert/wb 11-3-53

cc: Docket
Admr. Read. File
Mr. Chambers

Sincerely yours,

(Signed) E. D. Talbert

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

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
1201 N. Division St.
Spokane 2, Washington
October 29, 1953

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

Dear Mr. Chambers:

Enclosed is a Report of Review covering American Zinc, Lead and Smelting Co., Contract No. Idm-E301, Docket No. DMEA-2388.

Yours very truly,

C. A. Turner
Auditor

Enclosure

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 195 2 Docket No. DMEA 2388 Contract No. E-301

Operator's Name American Zinc, Lead & Smelting Company Minerals Lead & Zinc

Address 927 Old Nat'l Bank Bldg., Spokane, Wash.

Contract Amount, $ 116,500.00 Government Participation: ____ % Amount, $ 58,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling		32,730.48	32,730.48			
Bulldozing		1,269.00	1,269.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	45.20	2,579.88	2,625.08	45.20	1708.69	1753.89
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	45.20	36,579.36	36,624.56	45.20	35708.17	35753.37

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

Date 1/26/53 *Payee American Zinc, Lead & Smelting Co.

Per R. J. Thorp Title Cashier

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

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

(Instructions on reverse)

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

$ 22 60

Signature [illegible]
(Authorized Certifying Officer)

Date 2/10/53 Vou. No. 651
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 301 in accordance with the terms of the contract.

Signature /s/ Webster S Anderson Title Mining Engr Date 2/9/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Thomas E Howard Title Mining Engr Date 2/9/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1952 Docket No. DMEA 2388 Contract No. E-301

Operator's Name American Zinc, Lead and Smelting Company Minerals Lead & Zinc

Address 927 Old Nat'l Bank Building, Spokane, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	feet	45.20	—	36,624.56	6783	5.399	18,000	6.472
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		45.20		36,624.56				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		45.20		36,624.56				116,500.00

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

Date 1/26/53 Operator American Zinc, Lead & Smelting Co.

Per R. V. Thayer Title Cashier

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

R. J. Hindman, Certifying Officer, DMEA February 9, 1953

W. S. Anderson, Mining Engineer, Bureau of Mines

American Zinc, Lead & Smelting Company, (Bluebird), Pend Oreille County, Washington, Contract Idm-E301, Docket No. DMEA 2388 (lead-zinc)

The charge of $45.20 on the MF-104 for December 1952 is for labor required to survey the diamond drill holes drilled under the exploration contract. This data is required under the contract and the labor costs to obtain same should be allowed.

The company did not include a narrative with the December MF-104 and to date diamond drill holes BB-4 through BB-19 have been drilled for a total of 6886 feet under the contract.

This memo should be considered as a substitute for the narrative.

W. S. Anderson

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

Budget Bureau No. 42-R1036.3.
Approval expires 4-30-53

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN ~~2 1952~~ 1953

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

Month of November, 1952 Docket No. DMEA 2388 Contract No. E-301
Operator's Name American Zinc, Lead & Smelting Company Minerals Lead and Zinc
Address 927 Old National Bank Bldg., Spokane, Washington
Contract Amount, $ 116,500.00 Government Participation: 50 % Amount, $ 58,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	2198.10	30,532.38	32,730.48			
Bulldozing	120.00	1,149.00	1,269.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision	258.64	2,321.24	2,579.88	612.537	2321.24	1708.69
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2576.74	34,002.62	36,579.36	1705.55	34002.62	35,708.17

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

Date 12/11/52 *Payee American Zinc, Lead & Smelting Co.

Per R. V. Thayer Title Cashier

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

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

(Instructions on reverse)

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

$ 852.77

Signature [illegible]
(Authorized Certifying Officer)

Date 12/23/52 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 301 in accordance with the terms of the contract.

/s/ Signature Webster S. Anderson Title Min Engr Date 12/22/52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

/s/ Signature Thomas E. Howard Title Min Engr Date 12/22/52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 2 ~~1952~~ 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 195 2 Docket No. DMEA 2388 Contract No. E-301
Operator's Name American Zinc, Lead & Smelting Company Minerals Lead & Zinc
Address 927 Old Nat'l Bank Bldg., Spokane, Washington.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core ~~feet~~	feet	2576.74	426	36,579.36	6783	5.393	18,000	6.472
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2576.74		34,002.62				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2576.74		34,002.62				116,500.00

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

Date 12/11/52 Operator American Zinc, Lead & Smelting Co.
Per R. D. Sharp Title Cashier

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Metaline Falls, Washington
December 1, 1952

TO: Mr. D. I. Hayes

FROM: Mr. H. F. Mills

Subject: BLUE BIRD PROPERTY
Report for November, 1952.

Exploration Project Contract
Docket DMEA 2388 - IDM- E-301
Commodity- Zinc

Dear Mr. Hayes:

On November 11th Hole BB 21 was suspended at 30 feet of depth and in overburden. On November 28th Hole BB 20 was completed at 455 feet of depth. 86 Manshifts were worked as compared with 168 for the preceding month. Completion of BB 20 terminates activity on the property for the current year.

At the end of October 58.4% of the first half of the Project allotment had been spent. November drilling should have brought this figure up to about 62%.

BB 20 went through the slate-lime contact at 270 feet of depth and showed favorable formation from 270 to 316 feet. No zinc or lead was encountered. There was considerable FeS between the footages of 295 and 306. Surface strikes and dips projected would indicate that the slate should be much deeper than proved to be the case. Dips in the slate indicated that the structure dipped between 40 and 80 degrees to the southeast whereas actually the slate lime contact was at ahigher elevation as drilling progressed southeast.

In my opinion resumption of the drilling program is fully justified. However, I would recommend that only one hole be drilling at a time until the structural situation is more clearly developed.

Yours very truly,

S/ H. F. Mills

C
O
P
Y

Mr. H. I. Young - St. Louis, Missouri

Mr. D. I. Hayes - Spokane, Washington

Mr. R. F. Mills
Mr. W. J. Matthews, Jr.
U. S. Bureau of Mines - Spokane

December 15, 1952

Exploration Project Contract
Docket No. DMLA-2388-
IDM-E-301 Commodity Zinc
Blue Bird Group of Claims
Progress Report
Month of November, 1952.

Dear Mr. Young:

Enclosed herewith is a copy of Mr. R. F. Mills' report for the month of November, 1952, on drilling in progress on the Blue Bird property.

Diamond drill hole BB 20 was completed during the month and diamond drill hole BB 21 was suspended at 30 feet.

All drilling on the property was discontinued as of November 28th.

BB 20 did not cut any zinc or lead mineralization but eleven feet of fairly heavy iron sulphide was encountered. Enclosed herewith is complete report for the month of November to the government on this project.

No further monthly reports will be made on this property until such time as some physical work is resumed there.

Very truly yours,

D. I. Hayes

dih;mle

Note: Drill Hole Records BB 16 - BB 17 and BB 18 are attached to Progress Report for November, 1952 to U. S. Bureau of Mines. Copies of these records are sent out in regular manner to St. Louis, Metaline Falls, etc.

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

O. Vou. No. .....

Bu. Vou. No. 549

U. S. Interior, Mines
(Department, bureau, or establishment)

Voucher prepared at Spokane, Washington 11/28/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E301

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 4 1952

To American Zinc, Lead & Smelting Company
(Payee)

927 Old National Bank Building, Spokane, Wash.
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	October 1952	As per attached certified form MF-104 dated 11/19/52				2,151	21
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 2,151 21

(Payee must NOT use this space)

Differences .....

Account verified; correct for 2,151 21

(Signature or initials) .....

Contract No. Idm-E301 Date Req. No. Date Invoice Rec'd.

2,151.21

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	2,151.21	2,151.21

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22000a-2

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Budget Bureau No. 42-R1036.3.
Approval expires 5-30-53

RECEIVED
DEC 4 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1952 Docket No. DMEA 2388 Contract No. E-301
Operator's Name American Zinc, Lead & Smelting Company Minerals Lead-Zinc
Address
Contract Amount, $ 116,500.00 Government Participation: 50 % Amount, $ 58,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	3,169.94	27,362.44	30,532.38			
Bulldozing	569.00	580.00	1,149.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision	563.48	1,757.76	2,321.24			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$4,302.42	29,700.20	34,002.62	4302.42	29700.20	34,002.62

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 11/19/52 *Payee American Zinc, Lead & Smelting Co.
Per B L Coomes Title Cashier

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

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

(Instructions on reverse)

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

$ 2151.21

Signature
(Authorized Certifying Officer)

Date 11/26/52 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 301 in accordance with the terms of the contract.

Signature Webster S Anderson Title Min Engr Date 11-24-52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Thomas E Howard Title Mining Engr Date 11-24-52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 4 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 195 2 Docket No. DMEA 2388 Contract No. E-301
Operator's Name American Zinc, Lead & Smelting Company Minerals Lead-Zinc
Address Spokane, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	feet	4,302.42	589	34,002.62	63[illegible]	5.349	18,000	6.472
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		4,302.42		34,002.62				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4,302.42		34,002.62				116,500.00

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

Date 11/19/52 Operator American Zinc, Lead & Smelting Co.

Per B L Coomes Title Cashier

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Mr. H. I. Young - St. Louis, Mo.

Mr. D. I. Hayes - Spokane, Wash.

Mr. E. F. Mills
Mr. W. J. Matthews, Jr.
U. S. Bureau of Mines - Spokane

November 13, 195[illegible]

Exploration Project Contract
Docket No. [illegible]-2383-
IDM-E-301 Commodity Zinc
Blue Bird Group of Claims
Progress Report
Month of October, 195[illegible].

Dear Mr. Young:

Enclosed herewith is a copy of Mr. E. F. Mills report for the month of October, 195[illegible] on drilling in progress on the Blue Bird property.

Diamond drill holes BB 18 and 19 were completed during the month. These holes were disappointing and did not cut any mineralization. Drill holes BB 20 and BB 21 were started near the end of the month. As of this date BB 21 has been discontinued and BB 20, which is ledged, will be finished.

As soon as BB 20 is completed all work on the property will be discontinued, at least for the winter.

I am enclosing herewith our complete report for the month of October to the Government on this project.

Very truly yours,

D. I. Hayes

DIH;mlc

To: Mr. D. I. Hayes

Metaline Falls, Washington
November 4, 1952

From: Mr. H. F. Mills

Subject: Blue Bird Property -
Report for October, 1952.

Exploration Project Contract
Docket No. DMEA 2383 - IDM E-301
Commodity Zinc.

Dear Mr. Hayes:

Throughout the month drilling was on a general scale of two rigs each operating double shift. 168 manshifts were worked as compared to 164 for the preceding month. 589 feet of hole was drilled bringing the total for the project to 6357 feet, which is 70.6% of the estimated footage for the first half of the project. However, drilling costs up to October 1st were running about 20% under the estimate.

Holes BB 18 and BB 19 were completed. Neither encountered zinc or lead mineralization. Both holes went from hanging wall slate into footwall dolomite with favorable horizon faulted out. Holes BB 20 and BB 21 were located down-dip to determine whether or not this negative condition would extend to substantial depth.

Currently holes BB 20 and BB 21 are at shallow depth and in overburden.

Very truly yours,

S/ H. F. Mills

c
o
p
y

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. 1711 486

U. S. Interior, Mines
(Department, bureau, or establishment)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Region

Voucher prepared at Spokane, Wash.
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-1301 OTC 1952

To American Zinc, Lead & Smelting Co.
(Payee)

927 Old National Bank Bldg., Spokane, Wash.
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	August 1952	As per attached certified form MF-104 dated 9/9/52				2,901.35	
	September 1952	As per attached certified form MF-104 dated 10/16/52				2,090.13	
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 4,991.48

(Payee must NOT use this space)

Differences .....

Account verified; correct for 4,991.48

(Signature or initials) .....

Contract No. Idm-13301 Date Req. No. Date Invoice Rec'd.

4,991.48

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	4,991.48	4,991.48

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United Stat
{ Cash, $....., on ....., 19..... } favor of payee named above.

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22000a-2

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

DEPARTMENT OF THE INTERIOR
Defense Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53
RECEIVED
NOV 3 1952

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

Month of September, 1952 Docket No. DMEA 2388 Contract No. E-301
Operator's Name American Zinc, Lead & Smelting Company Minerals Lead-Zinc
Address
Contract Amount, $ 116,500 Government Participation: 50 % Amount, $ 58,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	3,827.96	23,572.98	27,400.94	3827.96	23,534.48	27362.44
Bulldozing		580.00	580.00		580.00	580.00
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision	352.31	1,487.93	1,840.24	352.31	1405.45	1,757.76
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	4,180.27	25,640.91	29,821.18	4180.27	25519.93	29,700.20

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

Date 10/16/52 *Payee American Zinc, Lead & Smelting Co.

Per B K Coome Title Cashier

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

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

(Instructions on reverse)

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

$ 2090.13

Signature
(Authorized Certifying Officer)

Date 10/28/52 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Sept. 1952 Docket No. DMEA 2388 Contract No. E-301
Operator's Name American Zinc, Lead & Smelting Co. Minerals Lead-Zinc
Address

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	feet	4180.27	757	29,821.18	5768	5.170	18,000	6.472
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		4180.27	757	29,821.18				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4180.27	757	29,821.18				116,500.00

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

REMARKS:

Date 10/16/52 Operator American Zinc, Lead & Smelting Co.

Per B. K. Coomes Title Cashier

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

October 10, 195 .

United States Bureau of Mines
1201 North Division Street
Spokane, Washington

Re: Exploration Project Contract
Docket No. DMEA-338-
IDM E-301 - Commodity Inc
Blue Bird Group of Claims

Month of September, 195 .

Dear Sirs:

We enclose herewith our monthly progress report as of the requirements of Form MF-104 and Form MF-104A for the above captioned project.

Very truly yours,

D. I. Hayes
Western Manager

dih;mlc
enclosures.

Mr. H. I. Young - St. Louis, Missouri

Mr. D. I. Hayes - Spokane, Washington.

Mr. H. F. Mills
Mr. W. J. Matthews, Jr.
U. S. Bureau of Mines - Spokane

October 10, 195

Exploration Project Contract
Docket No. [illegible]-338-
I[illegible]-1-[illegible] Commodity Inc
Blue Bird Group of Claims
Progress Report
Month of September, 195 .

Dear Mr. Young:

Enclosed herewith is a copy of Mr. H. F. Mills' report for the month of September, 195 , on drilling in progress on the Blue Bird Property.

Diamond drill holes BB 16 and BB 17 were completed during the month. These holes did not cut any mineralization. The location of these holes were in the wildcat category.

I am enclosing herewith our complete report for the month of September to the government on this project.

Very truly yours,

D. I. Hayes

dih;mlc

Note: Drill Hole Records BB 12, 13 and 14 attached to Progress Report for September to U. S. Bureau of Mines only. Copies will be sent out in regular manner to St. Louis, Metaline Falls, etc.

Metaline Falls, Washington
October 2, 1952

TO: Mr. D. I. Hayes

FROM: Mr. H. F. Mills

Subject: Blue Bird Property
Report for September, 1952.

Exploration Project Contract
Docket No. DMA 2383 - IDM E-301
Commodity Zinc

Dear Mr. Hayes:

Throughout the month drilling was on a general scale of two rigs each operating double shift. Some time was lost on mechanical breakdown. 164 manshifts were worked as compared to 201 for the preceding month. 757 feet of hole was drilled, bringing the total for the project to 5768 feet, which is 64.1% of the estimated footage for the first half of the project.

Two holes BB 16 and BB 17 were completed, both blanks. One drill is standpiping at 59 feet in BB19, which is about 450 feet upstream from the mineralized holes BB 14 and BB 15. The second drill is on BB 18 which is about 2200 feet upstream from Holes BB 14 and BB 15. BB 18 has been down several days while the motor is being rebuilt. The hole is at 24 feet depth and in shale.

During September the bulldozer cleared seven set-ups with connecting roads. Except for possible changes in spotting this completes the bulldozing for the first half of the project.

Yours very truly,

H. F. Mills

c
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p
y

Form [illegible] (Rev.)

Wash

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August 195 2 Docket No. DMEA [illegible] Contract No. [illegible]-301
Operator's Name American Zinc, Lead and Smelting Company Minerals Lead-Zinc
Address 9 7 01 National Bank Bldg., Spokane, Wash.
Contract Amount, $ 116,500.00 Government Participation: 50 % Amount, $ 58,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	5535.97	18,037.01	23,572.98	5,497.47	18,037.01	23,534.48
Bulldozing		580.00	580.00		580.00	580.00
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	305.23	1,100.70	1,405.93	305.23	1,100.22	1,405.45
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	5,841.20	19,717.71	25,559.91	5,802.70	19,717.23	25,519.93

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

Date 9/9/52 *Payee American Zinc, Lead & Smelting Co.

Per B L Coome Title Cashier

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

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

(Instructions on reverse)

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

$ 2901 35

Signature [illegible]
(Authorized Certifying Officer)

Date 10/21/52 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 301 in accordance with the terms of the contract.

Signature Webster S. Anderson Title Mining Eng Date 9/12/52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

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

Month of August 1952 Docket No. DMEA 2388 Contract No. D-301
Operator's Name American Zinc, Lead and Smelting Company Minerals Lead-Zinc
Address 917 Old National Bank Building, Spokane, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Feet	5841.20	1045	25,640.91	5011	5.117	18,000	6.472
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		5841.20	1045	25,640.91				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		5841.20	1045	25,640.91				116,500.00

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

Date 9/9/52 Operator American Zinc, Lead & Smelting Co.

Per B. L. Cramer Title Cashier

B. L. Cramer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

Metaline Falls, Washington
September 5, 1952

To: Mr. S. I. Hayes

From: Mr. H. F. Mills

Subject: Blue Bird Property
Report for August, 1952

Exploration Project Contract
Docket No. DMPA-[illegible]- IDM E-301
Commodity Zinc

Dear Mr. Hayes:

Throughout the month drilling was on a general scale of two rigs each operating double shift. 201 manshifts were worked on the Havlick diamond drilling contract. Footage for the month was 1045 bringing the total for the project todate to 5011 feet, which is 55.6% of the estimated footage for the first half of the project. Four holes were completed BB 12, BB 13, BB 14 and BB 15.

All of the holes completed showed ZnS justifying sampling except for BB 13 which showed ZnS but only to the extent of scattered pinpoint specks. BB 14 with five feet of 8.3% Zn approaches the ore hole classification.

BB 16 is standpiping in overburden and BB 17 is drilling in shale. BB 17 is about 200 feet north of holes BB 14 and BB 15. BB 16 is about halfway between BB 13 and holes BB 14 and BB 15.

The formation in holes BB 14 and 15 more closely resembles the formation to which we are accustomed in the district. The ZnS, however, is different from any of the ZnS previously observed in the district. It is reddish brown in color and in that respect resembles the Tri-State jack. It occurs sometimes as a replacement of limey dolomite and sometimes as seams and replacements in the iron sulphides. In either case it appears to be in close association with the iron sulphides (Note the Fe assays on the assay tabulation)

On August 31st the bulldozer was working on opening up set-ups to the northeast and further up the creek.

Yours very truly,

C O P Y

S/ H. F. Mills

Mr. H. I. Young - St. Louis, Missouri

Mr. D. I. Hayes - Spokane, Washington.

Mr. H. F. Mills
Mr. A. J. Matthews, Jr.
U. S. Bureau of Mines - Spokane

September 21, 195[illegible]

Exploration Project Contract
Docket No. IM[illegible] - [illegible] -
IBM-1-[illegible] - Consolidated Mine
Blue Bird Group of Claims
Progress Report
Month of August, 195[illegible].

Dear Mr. Young:

Enclosed herewith is a copy of Mr. H. F. Mills' report for the month of August, 195[illegible], on drilling in progress on the Blue Bird property.

Diamond drill holes BB [illegible], BB [illegible], BB 24 and BB 15 were completed during August on this project. At the end of the month drill holes BB 16 and BB 17 were in progress.

Diamond drill holes BB 24, BB 14 and BB 15 all showed mineralization in thin sections associated with pyritic iron. This mineralization on account of not being typical and in relatively thin sections is of doubtful importance. Should thicker sections be found in grades comparable to 5 feet that was found in DD 14 and 3 feet that was found in DD 15, then such a discovery would become quite important.

I am enclosing herewith our complete report for the month of August to the Government on this project.

Very truly yours,

D. I. Hayes

dih:mlc

Note: Drill Hole Records BB 4- BB5-BB6-BB7-BB8-BB9-
BB 10-BB 11 attached to
Progress Report for August to U. S. Bureau of Mines
only. Copies sent out in regular manner to St. Louis,
Metaline Falls, etc.

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. DMA-390

U. S. Interior, Mines
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon (Give place and date) 10/1/52

THE UNITED STATES, Dr., Payee's Account No. Idm-F-301

To American Zinc, Lead & Smelting Co., (Payee)

927 Old National Bank Building, (Address) Spokane, (City) Washington (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary)	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	July 1952	Discount Terms net As per attached certified form MF-10h dated August 13, 1952				4,133	02

PAYMENT:
Complete ☐
Partial ☐
Final ☐

Use continuation sheet(s) if necessary

Shipped from to Weight Government B/L No. Total 4,133 02

(Payee must NOT use this space)

Differences .....

Account verified; correct for 4,133 02

(Signature or initials) .....

Contract No. Idm-F-301 Date Req. No. Date Invoice Rec'd.

4,133.02

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	4,133.02	4,133.02

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22900a-2

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

Wash

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Budget Bureau No. 42-R1036.8
Approval expires 6-30-53
RECEIVED
OCT 7 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July 1952 Docket No. DMEA 2388 Contract No. E-301
Operator's Name American Zinc, Lead and Smelting Company Minerals Zinc-Lead
Address 927 Old National Bank Building, Spokane, Wash.
Contract Amount, $ 116,500.00 Government Participation: 50 % Amount, $ 58,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	7727.06	10,309.95	18,037.01			
Bulldozing	320.00	260.00	580.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision	301.45	881.25	1,182.70	318.97	881.25	1,100.22
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	8348.51	11,451.20	19,799.71	8266.03	11451.20	19717.23

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8/13/52 *Payee American Zinc, Lead & Smelting Co.
Per B L Coomer Title Cashier

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 4133 ay
Signature
(Authorized Certifying Officer)
Date 9-30-52 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 301 in accordance with the terms of the contract.

Signature Elmer A Magill Title Mining Engr Date Aug 14, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Thomas E Howard Title Mining Engr Date 8/14/52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-194A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 1 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1952 Docket No. DMEA 2388 Contract No. E-301
Operator's Name American Zinc, Lead and Smelting Company Minerals Lead-Zinc
Address 927 Old National Bank Building, Spokane, Washington.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes		8,266.03		19,717.23				
Drilling: Core	feet	~~8348.51~~	1728	19,799.71	3966	4.992	18,000	6.472
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
		8,266.03		19,717.23				
TOTAL DISTRIBUTED COSTS		~~8348.51~~	1728	19,799.71				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
		8,266.03		19,717.23				
TOTAL COSTS		~~8348.51~~	1728	~~19,799.71~~				116,500.00

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

Date 8/13/52 Operator American Zinc, Lead & Smelting Co.

Per B L Coomes Title Cashier

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

TO: Mr. D. I. Hayes

Metaline Falls, Washington
August 2, 1952

FROM: Mr. H. F. Mills

Subject: BLUE BIRD Property

Report for July, 1952
Exploration Project Contract
Docket No. DMEA-2388
IDM E-301 Commodity Zinc

Dear Mr. Hayes:

Throughout the month drilling was on a general scale of two rigs each operating double shift. 188 Manshifts were worked on the diamond drills and about 10 shifts on the churn drill in ledging BB 12. Footage for the month was 1728 feet. Two holes, BB 10 and BB 11 were completed and two holes BB 12 and BB 13 were drilling at the end of the month.

BB 10 and BB 11 failed to encounter what is generally considered favorable formation and were quite negative except, perhaps that BB 11 showed considerable FeS mineralization. The significance, if any, of the FeS mineralization is not yet apparent.

BB 12 ledged at 166 feet of depth and is drilling in shale at 821 feet of depth. A brief log of BB 13 is as follows:

	0-86	Overburden
	86-607	Shale
	607-657	Siliceous dolomite (favorable formation) with a few pinpoint shines of ZnS
657-689	Mostly calcite	
689-709	Shale	
709-792	Coarse breccia of chert dolomite, shale and calcite	
792	Drilling	

BB 13 is distinctly an encouraging hole in that it shows good formation, and mineralization even though the mineralization is very weak.

It appears that BB 13 is in a shear and fault zone and that BB 12 is on the down-throw side of this fault. The presence of such faulting was suspected but somewhat further southwest. The next holes will be spotted further northeast to get away from the necessity of deep holes, at least for the time being.

Yours very truly,

S/ H. F. Mills

copy

Mr. H. I. Young - St. Louis, Mo.

Mr. D. I. Hayes - Spokane, Wash.

Mr. H. F. Mills
Mr. W. J. Matthews, Jr.
U. S. Bureau of Mines - Spokane

August 24, 195[illegible]

Exploration Project Contract
Docket No. [illegible] - [illegible] -
[illegible] - Commodity Zinc
Blue Bird Group of Claims
Progress Report
Month of [redacted], 195[illegible].

Dear Mr. Young:

Enclosed herewith is a copy of Mr. H. F. Mills' report for the month of July, 195[illegible] on drilling in in progress on the Blue Bird property.

Diamond drill holes BB 10 and BB 11 were completed during July on this project. At the end of the month BB 12 and BB 13 were in progress.

No mineralization of importance was encountered during July. Drill Hole BB 13 which was at a depth of 79[illegible] feet at the end of the month cut what was believed to be favorable ore formation at depth 607 feet to 657 feet and showed a few specks of zinc. This hole has indicated the most encouraging situation found to date by any of the holes drilled.

Very truly yours,

D. I. Hayes

dh:mlc

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. DMA-329

U. S. Interior, Mines
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon 8/14/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E-301

To American Zinc, Lead & Smelting Co.,
(Payee)

927 Old National Bank Building, Spokane, Washington
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
June 1952		Per attached certified form MF-104 dated 7/15/52				4,019	40
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	4,019	40

(Payee must NOT use this space)

Differences .....

Account verified; correct for .....

(Signature or initials) .....

Contract No. IDM-E 301	Date	Req. No.	Date	Invoice Rec'd.

4,019.40

MEMORANDUM

5

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	4,019.40	4,019.40

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.).

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22000a-2

Form MF-194 (Rev.)
(April 1952)

Wash

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1952 Docket No. DMEA 2388 Contract No. E-301 5

Operator's Name American Zinc, Lead and Smelting Company Minerals Zinc-Lead

Address 927 Old National Bank Building, Spokane, Wash.

Contract Amount, $ 116,500.00 Government Participation: 50 % Amount, $ 58,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	7,397.28	2,912.67	10,309.95			
Bulldozing		260.00	260.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision	641.53	239.72	881.25			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	8,038.81	3,412.39	11,451.20	8038.81	3412.39	11,451.20

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

Date 7/15/52 *Payee American Zinc, Lead & Smelting Co.

Per B L Toomer Title Cashier

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

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

(Instructions on reverse)

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

$4,019.40

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 301 in accordance with the terms of the contract.

Signature Elmer A. Mayfield Title Mining Engr. Date July 17, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Thomas E. Howard Title Mining Engr. Date 7-17-52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

5

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 195 2 Docket No. DMEA 2388 Contract No. E-301
Operator's Name American Zinc, Lead and Smelting Company Minerals Lead-Zinc
Address 927 Old National Bank Building, Spokane, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	feet	8038.31	1621	11,451.20	2238	5.117	13,000	6.472
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS								

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

Date 7/15/52 Operator American Zinc, Lead & Smelting Co.

Per B R Coomes Title Cashier

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

To: Mr. D. I. Hayes

From: Mr. H. F. Mills

Metaline Falls, Washington
July 3, 1952.

Subject: Blue Bird Property Progress Report for June, 1952.

Exploration Project Contract
Docket No. DMEA-2388
IDM E-301
Commodity Zinc

Dear Mr. Hayes:

Drilling progress on the Blue Bird Project for the month of June, 1952 is indicated by the following figures: 1,621 feet were drilled by a total of 239 manshifts. Of these total shifts 225 were on the Havlick Diamond Drilling Contract and 14 were on the churn drill sub-contract. Two diamond drills were active throughout the month and the churn drill was put into operation in the latter part of the month. The 1,621 feet of drilling in June compares with 617 feet in May, when the project was initiated.

The accompanying 1000 scale map indicates the location of the holes and the sequence in which they were drilled. The line of holes composed of Nos. 4, 6, 8, 9,5 and 10 which runs S. 50 degrees W. follows closely the shale-lime contact, with the holes collaring in shale. In the normal stratigraphy of the Metaline District the ore horizon, which is composed of siliceous dolomite and chert, lies immediately beneath the shale. In preliminary planning for the Blue Bird Project it was assumed that the above mentioned row of holes would intersect this horizon. In the drilling to-date, however, the siliceous ore horizon has been negligible or missing.

It appears that there is a contact fault between the shale and lime which has cut out all or most of the ore horizon. In view of this, the original drilling plan has been modified somewhat. Several holes on the original line have been eliminated and a line of holes at right angles to the east has been started in an effort to get away from the area of faulting. Holes No. 11 and 12 are the start of this line.

No zinc or lead mineralization has been encountered in the drilling to date except for occasional specks. Several of the holes have cut rather intense FeS mineralization. A three inch section of this FeS in Hole No. 9 carried 0.10% lead, but a six foot section of similar mineralization in the same hole failed to carry either lead or zinc.

Very truly yours,

H. F. Mills

J. H. Judson for H. F. Mills

Mr. H. I. Young - St. Louis, Missouri

Mr. D. I. Hayes - Spokane

Mr. H. F. Mills
Mr. W. J. Matthews, Jr.
U. S. Bureau of Mines - Spokane

July 1[illegible], 195[illegible]

Exploration Project Contract
Docket No. IMEA - [illegible] -
IDM - E - 301 - Commodity Line
Blue Bird Group of Claims
Progress Report
Month of June, 195[illegible].

Dear Mr. Young:

Enclosed herewith is a copy of Mr. H. F. Mills' report for the month of June, 1952 on drilling in progress on the Blue Bird property.

Diamond drill holes BB 4 and BB 6 were completed during May on this project. Diamond drill holes BB 5 - BB 7 - BB 8 and BB 9 were completed during June. Drill Holes BB 10 and BB 11 and BB 12 were in progress at the end of the month.

No mineralization other than iron pyrite was encountered during June. The results to date have been quite disappointing.

Very truly yours,

D. I. Hayes

dih:mlc

Stat[redacted]
Co[redacted]
Sept[redacted]
(Gen. Reg. No. 51, [redacted])

[redacted]LIC VOUCHER FOR PURCHASES AND [redacted] SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. DMA-247

U. S. Interior, [redacted]
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon 7/8/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. IDM-E 301

To American Zinc, Lead & Smelting Co.,
(Payee)

927 Old National Bank Bldg., Spokane, Washington
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms net	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	May 1952	As per attached certified Form MF-104 dated June 19, 1952				1,706	19
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 1,706 19

(Payee must NOT use this space)

Differences .....

Account verified; correct for 1,706 19

(Signature or initials) .....

Contract No. Idm-E 301 Date Req. No. Date Invoice Rec'd.

1,706.19

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	1,706.19	1,706.19

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.).

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22000a-2

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

Wash

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

Month of May, 195 2 Docket No. DMEA 2388 Contract No. E-301
Operator's Name American Zinc, Lead & Smelting Company Minerals Lead-Zinc
Address 927 Old National Bank Building, Spokane, Wash.
Contract Amount, $ 116,500.00 Government Participation: 50 % Amount, $ 58,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	2912.67		2912.67			
Bulldozing	260.00		260.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision	239.72		239.72			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3172.67		2172.67	3412.39		3412.39

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

Date 6/19/52 *Payee American Zinc, Lead & Smelting Co.

Per B K Coomer Title Cashier

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

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

(Instructions on reverse)

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

$ 1706.19

Signature W R [illegible]
(Authorized Certifying Officer)

Date 7/8/52 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 301 in accordance with the terms of the contract.

Signature Glenn A. Magill Title Mining Engr. Date 6/20/52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Glenn A. Reed Title Mng. Engr. Date 6/20

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 195 2 Docket No. DMEA 2388 Contract No. E-301

Operator's Name American Zinc, Lead & Smelting Co. Minerals Lead-Zinc

Address 927 Old National Bank Bldg., Spokane, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	feet	3172.67	617	3172.67	617	5.142	18,000	6.472
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		3172.67		3172.67				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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

Date 6/19/52 Operator American Zinc, Lead & Smelting Co.

Per B. L. Eggers Title Cashier

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

Washington, D. C.

TO: Mr. H. I. Young - St. Louis

Date: June 12, 1952

FROM: Mr. D. I. Hayes - Spokane

Subject: Exploration Project Contract Docket No. IMEA-2388-IDM-E-301 - Commodity Zinc - Blue Bird Group of Claims Progress Report month of May, 1952

Copies for:

Mr. H. F. Mills
Mr. W. J. Matthews, Jr.
U. S. Bureau of Mines - Spokane

Dear Mr. Young:

Enclosed herewith copy of Mr. H. F. Mills' report for the month of May, 1952, on drilling in progress on the Blue Bird property.

This is the initial report on exploration, Blue Bird property, which is Docket No. IMEA-2388-IDM E-301 - Commodity Zinc.

We are enclosing herewith copy of our report for the month of May, 1952 to the Government on this project.

Very truly yours,

D. I. Hayes

dih;mlc

c o p y

To: Mr. D. I. Hayes

Date: Metaline Falls, Wash.
June 4, 1952

From: Mr. H. F. Mills

Subject: Blue Bird Property
Progress Report for May, 1952
DMEA 2388
Location: Slate Creek

Dear Mr. Hayes:

Two drills are active each manned double shift. The first drill commenced making hole on May 5th and the second on May 14th. 155 manshifts were worked in connection with the drilling contact.

Three holes were drilled on the property several years ago and the numbers of the current series was started with BB No. 4. Holes BB No. 4 and BB No. 6 were completed during May and BB No. 7 on June 3rd (100 feet of depth). BB No. 5 is drilling in shale at 154 feet of depth. Further details of location and of drilling are shown by the accompanying tabulation and map. BB No. 8 is moving on location "C" shown on the map.

No ZnS or PbS have been encountered in the drilling to date. Several feet of intensive FeS mineralization was encountered in BB No. 6 but assays showed absence of ZnS or PbS.

On June 3rd an additional claim, Blue Bird No. 41, was located along the north side of Blue Bird No. 7 claim. This was done to make sure that we would have control of the ground where the shale-lime contact outcrops and to get possibly more favorable drilling sites from a cost standpoint. The center line of the new claim follows close to Uncas Creek which is probably over the outcrop of the shale-lime contact (which contact is covered for some distance in all directions by overburden) and which would represent the locii of least depth of overburden.

Should it prove out that we want to drill on this claim we would, of course, have to make arrangements with the administration of the DMEA.

Yours very truly,

S/ H. F. Mills

c o p y

APR 16 1963

American Zinc, Lead and Smelting Company
1400 Paul Brown Building
818 Olive Street
St. Louis 1, Missouri

Attention: Mr. G. V. Dunne, Vice President and Controller

Re: DMMA-2303 (Lead-Zinc)
American Zinc, Lead and Smelting Company
Blue Bird Mine
Pend Oreille County, Washington
Contract Idr-2301

Gentlemen:

By the terms of the subject Exploration Project Contract and the Agreement, dated July 7, 1953, all minerals mined or produced from April 21, 1952, to April 21, 1962, were subject to the Government's percentage 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.

Sincerely yours,

George Fumich, Jr.

Director

FMMurphy/mm
4/16/63
cc: Mr. William Dumont and Mr. Geo. Dumont, P.O. Box 171, Cusby, Oregon
Mr. Howard L. Kimmel, Newport, Washington
Region I (2)
Director's Reading File
✓GAAA Division
Docket
Code 300

Government's copy

A G R E E M E N T

It is agreed this 7th day of July 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and American Zinc, Lead & Smelting Co., hereinafter called the "Operator", as follows:

WHEREAS, the parties hereto are also parties to an Exploration Project Contract dated April 21, 1952, Docket No. DMEA-2388, Contract Idm-E301; and

WHEREAS, the Operator desires to discontinue and permanently terminate the exploration work provided for in said contract;

NOW THEREFORE, it is understood and agreed as follows:

1. The work described in said Exploration Project Contract shall be discontinued and permanently terminated, before the completion thereof, as of July 7, 1953.

2. Any work prosecuted or costs incurred by the Operator after the date above fixed for termination, 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 cost of any reports, accounts, and winding-up and settlement actions provided for in the contract.

3. The Government's contribution to the cost of the work up to the time above fixed for termination is the sum of $17,876.67 1/, and said sum shall be repayable in the form of a percentage royalty on any minerals mined or produced from the land described in Article 2 of the contract within ten years from the date of said Exploration Project Contract, in the same manner and to the same extent and subject to all the terms and conditions of said Exploration Project Contract which are relevant thereto, as if the Government had made the certification of discovery or development referred to in Article 9 of said Exploration Project Contract.

1/ Subject to audit.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mitchendorf
Administrator, Defense Minerals
Exploration Administration

AMERICAN ZINC, LEAD & SMELTING CO.

By R. A. Young
Vice President

By _____

I, W. J. Matthews, Jr. , certify that I am the secretary of the corporation named as Operator herein; that R. A. Young , who signed this contract on behalf of the Operator, was then Vice President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

W. J. Matthews, Jr.
SECRETARY

[Corporate Seal]

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

JUL 13 1953

Mr. [illegible] Young, Vice President
American Zinc, Lead, and Smelting Co.
1600 [illegible] Crown Building
St. Louis 1, Missouri

Re: Docket No. [illegible] Contract
American Zinc, Lead, and Smelting Co.
Blue Bird Mine
Pend Oreille County, Washington
Contract No. [illegible]

Dear Mr. Young:

Enclosed herewith find your copy of the Termination Agreement which has been signed by this Office for the Government.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure 1

[illegible]/jh
7/13/53
cc. to: Docket
Adm. Reading File
Cer. Com.
Base Metals
Chron.
Messrs. Fisher
Sinval
Shepherd
[illegible] Field [illegible], Spokane 11, (2)

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

JUL 1 5 1953

Mr. [illegible] Eisenhower, Executive Officer
[illegible] Field [illegible], [illegible]
[illegible] 15th [illegible] Street
[illegible], Washington

Re: [illegible] Classification
[illegible] Mt. [illegible], and [illegible]
[illegible]
[illegible] County, Washington
[illegible]

Dear Mr. Eisenhower:

[illegible] two copies of the [illegible] report and for the [illegible] copy, one [illegible] to be retained by your office and the other one for the finance office. These [illegible] have been stored by this office for the government.

Sincerely yours,

George C. Selfridge
Chairman, [illegible] Committee

Enclosures 2

[illegible]:

J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

[illegible]
7/10/53
cc. to: Docket
Adm. Service File
[illegible]
Tech Details
Chron.
Messrs: Bishop
Barbel
Chambers

Do[illegible]t. No. [illegible]

Commodity [illegible]

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

[illegible]

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-R-[illegible]

Date of Contract or Amendment: [illegible]

Name and Address of Operator:

[illegible]

Amount of Government participation ____ $[illegible]

Percent of Government participation [illegible] %

Region: [illegible] State: [illegible]

[illegible]

(Name)

J. [illegible]
[illegible]

(Title)

Date Delivered to Bureau of Mines, Washington. [illegible]

13808

Docket No. 2388

Commodity Lead-Zinc

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 301

Date of Contract ~~or Amendment~~: April 21, 1952

Name and Address of Operator:
American Zinc, Lead and Smelting Co.
927 Old National Bank Building
Spokane, Washington

Amount of Government participation $ 58,250.00

Percent of Government participation 50 %

Region: II State: Washington

for J.L. (Name) Chambers
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. April 21, 1952 13908

MF-200
(June 1951)
(Revised Feb. 1952)

RECEIVED
APR 24 1952
U. S. G. S.
SPOKANE, WASH.

DOCKET NO. DMEA 2388

COMMODITY Zinc, lead

Idm-E301

Government's Copy

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

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 21st day of April, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] American Zinc, Lead and Smelting Co.
927 Old National Bank Building
Spokane, Washington

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Washington, County of Pend Oreille, described as follows:[3] Blue Bird Group located in Secs. 30 and 31, T. 40 N., R. 44 E., and Secs. 25 and 36, T. 40 N., R. 43 E., W.M. Individual claims are listed on attached sheet, and shown on attached map.

the Operator represents and undertakes:[4]

(*a*) That the Operator is the 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: Lease and Option Agreement on Blue Bird - Dumont Property.

~~(b) That the Operator is entitled to possession and that the property is subject only to the~~

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.

ARTICLE 3. *Exploration project.*—The Operator, within 30 days from the date of this contract shall commence work on a project of exploration for[5] Lead - zinc

in or upon the described land; and shall bring the project to completion within a period of two years (2) from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—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.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related initial allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[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, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, 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.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) Compliance with requirements.—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *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. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 50 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $ 58,250.00, which is 50 percent of $ 116,500.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 10. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *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 worth while 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 dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mitterdorf
Acting Administrator
Defense Minerals Exploration
Administration

American Zinc, Lead and Smelting Co.
(Operator)

By R. A. Young
~~Ray~~ R.A. Young, Vice-President

I, W. J. Matthews, Jr., certify that I am the secretary of the corporation named as Operator herein; that R. A. Young, who signed this contract on behalf of the Operator, was then Vice-President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

W. J. Matthews, Jr.
Secretary

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

LIST OF MINING CLAIMS

Mining claims of location title:

Lucky Boy 1, Lucky Boy 2, Lucky Boy 3.
Blue Bird Lode, Blue Bird Lode 2, Blue Bird Lode 3, Blue Bird Lode 4, Blue Bird Lode 5, Blue Bird Lode 6, Blue Bird Lode 7, Blue Bird Lode 8, Blue Bird Lode 9.
Red Rock.
North Star 1, North Star 2, North Star 3, North Star 4.

A contiguous group of seventeen (17) mining claims, presently owned by George Dumont, William Dumont and Howard L. Kimmel, situated in parts of Section 36 and Section 25, Township 40 N., R. 43 E; W. M. and Section 30 and 31, Township 40 N., Range 44 E; W. M. of Pend Oreille County, Washington. (Hereafter referred to as Blue Bird-Dumont property.)

and,

An adjacent and a contiguous group (with the exception of one claim, namely Blue Bird 40 and a patented claim, Hill Lode No. 2.) of thirty-one (31) claims of location title, located and claimed by the American Zinc, Lead and Smelting Company, which are described as follows:

Blue Bird 10, Blue Bird 11, Blue Bird 12, Blue Bird 13, Blue Bird 14, Blue Bird 15, Blue Bird 16, Blue Bird 17, Blue Bird 18, Blue Bird 19, Blue Bird 20, Blue Bird 21, Blue Bird 22, Blue Bird 23, Blue Bird 24, Blue Bird 25, Blue Bird 26, Blue Bird 27, Blue Bird 28, Blue Bird 29, Blue Bird 30, Blue Bird 31, Blue Bird 32, Blue Bird 33, Blue Bird 34, Blue Bird 35, Blue Bird 36, Blue Bird 37, Blue Bird 38, Blue Bird 39,

Situated parts of Sections 30 and 31, Township 40, N. Range 44 E; W.M., Pend Oreille County, Washington

Blue Bird 40 (not contiguous)
Hill Lode No 2, Survey #1194, presently owned by Pend Oreille County and to be purchased by American Zinc, Lead and Smelting Company.

EXPLORATION PROJECT CONTRACT
AMERICAN ZINC, LEAD AND SMELTING COMPANY
DOCKET NO. DMEA-2388

EXHIBIT "A"

Description of the Work

The purpose of this project is to explore by diamond drilling the contact between the Ledbetter Slate and the underlying Metaline Limestone. The work is to be performed in two stages as follows:

Stage I:

A total of 9,000 feet of diamond drilling from the surface to explore the contact between the Ledbetter Slate and the Metaline Limestone. Holes are to be drilled at the approximate locations as shown on attached map.

Stage II:

Upon completion of Stage I, Stage II shall be undertaken if, in the opinion of the Government, the results of Stage I warrant further work. Stage II shall consist of an additional 9,000 feet of diamond drilling at locations agreeable to the Government and the Operator.

Estimated Costs of the Project

Stage I:

(1) Independent Contracts:

9,000 feet of diamond drilling @ $5/ft.	$ 45,000.00
125 hrs. of bulldozing @ $12/hr.1/	1,500.00

1/ Includes bulldozer, operator, and all operating supplies, repairs, and maintenance.

(2) Labor, Supervision, Consultants:

1 - Engineer-supervisor, part-time, $250/mo. for 9 months	$ 2,750.00

(3) Operating Materials and Supplies:

Pipe, casing, assaying, core boxes and other miscellaneous items not supplied by independent contractor	9,000.00

(4) Operating Equipment:

To be purchased:

None

To be furnished by Operator:

None

(5) Rehabilitation and Repairs:

None

(6) New Buildings, Improvements, Installations:

None

(7) Miscellaneous:

None

(8) Contingencies:

None

Total for Stage I . . $ 58,250.00

Stage II:

Duplicates Stage I in all items . . . 58,250.00

Total estimated costs $116,500.00

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Washington, County of Pend Oreille, which is the subject of a proposed Exploration Project Contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government", and 1/ AMERICAN ZINC, LEAD AND SMELTING COMPANY

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said Contract which are set forth on the reverse side hereof, the Government will acquire certain rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said Contract and as an inducement to the Government and Operator to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to remove facilities, buildings, fixtures, and equipment, as provided in the Contract, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned.

2. The Government's percentage royalty on net smelter returns or other net proceeds realized from ore, concentrates, or metal produced within ten (10) years from the date of the Contract, and the Government's lien for the payment of said percentage royalty shall attach to the mineral deposit and the production therefrom, in the amount of the Government's contribution, not in excess of 2/ $58,250.00, all upon the terms and conditions set forth in said Contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of the said Contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 5th day of February, 1952.

William Dumont

George Dumont

Helen D. Kimmel & Howard L. Kimmel

1/ Insert the name of the Operator as it will appear in the Exploration Project Contract.

2/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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.

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.

FEB 2 1 1952