Audited

No Certified

W[illegible] ANALYSIS SHEET - DMEA PROJECT[illegible]

Analysis as of 12/16/1954
Incl. Voucher for

Actual Cost

Yes Agreed Unit Costs

Name Big Q Tungsten Mine

Docket No. DMEA-3037

State Washington

Commodity Tungsten

Idm-E No. 582

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	210'	7,000.00			
Raising	90'	3,000.00			
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Assays		200.00			
Totals		10,200.00			

Contract was rescinded before start of any work

Prepared by TLC

71626

DEFENSE MINERALS EXPLORATION ADMINISTRATION
FARutledge/ls
5285 3538

14X3923.970 - Working Fund - DMEA
August 18, 1953

A. E. Weissenborn, DMEA Executive Officer, Region 2, Spokane, Washington

Reurlet August 11, Docket No. DMEA 3037, Big Q Tungsten Mine, Inc., crossed in mail our letter August 13 with contract for execution. Owner's Consent to Lien from State of Washington waived.

W. S. Martin, Acting Chairman
Operating Committee

CC: CONFIRMATION, FT, REG. II
DOCKET
ADM. READ. FILE
CODE 400
OPER. COMM.
AUDITS DIV., BUR. MINES
MARY MILLER, USGS
R. W. GEEHAN, USBM

400

Excerpt from "The Mining Record -- Thursday, January 27, 1955"

Page 8, column 2.

3037

TUNGSTEN MINING IN WASHINGTON IS GETTING MORE ORE

Spokane, Wash.--Although data on tungsten production as yet are not available, reports of operations in the state during the year indicated some increase in activity, and it was expected that output would be somewhat in excess of the quantity produced in 1953. At the Germania Consolidated Mines, Inc., property in Stevens County, H. W. Traver and Henry Ewing stepped up output of tungsten concentrates from an area which included the Keith, Norton, and Seidlitz mines.

Concentrates produced at the property were shipped to the Big It mill near Pinehurst, Idaho, for further upgrading before sale to the government. At the nearby Germania mine, Pentieton Tungsten Mines, Inc., which obtained the property under a lease and purchase option in the latter part of 1953, began operations in the spring. The Germania mine, once the nation's leading source of tungsten, was discovered in 1894.

Further work which included mill improvements and additional exploration was undertaken by Big Q Tungsten Mine, Inc., at its property in Stevens County, and in the same area Sunshine Mining Co. continued exploratory work at its Little King prospect. Operations were resumed after a winter shutdown by Border Lord Mining Corp. at its property located in an isolated section of Okanogan county near the Canadian border. Paul Floyd and Frank Birch began development of the Addy Mining Co. property in Stevens county under a lease and purchase option agreement reached late in the year. Tungsten concentrates produced as a by-product of its copper output by Kromona Mines Corp. were stockpiled pending a decision to install additional concentrating equipment. The Kromona property is located in the Sultan mining district of Snohomish country.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
~~XXXXXXXXXXXXXXXX~~
No. 157 Howard Street
Spokane 4, Washington

402

August 23, 1954

WSM

Mr. William M. Quigley, Sr., President
Big Q Tungsten Mine, Inc.
417-419 Lloyd Building
Seattle 1, Washington

Re: Docket No. DMA-3037 (tungsten)
Big Q Mine
Stevens County, Washington
Contract No. Ium-4502

Dear Mr. Quigley:

Enclosed are the original and six copies of an agreement mutually rescinding Exploration Project Contract No. Ium-4502.

If the terms and conditions of this agreement meet with your approval, please sign all copies, retain that copy marked for the operator and return the remaining copies to this office.

If you do not agree to this rescission, please return all copies of the agreement, together with your comments.

Sincerely yours,

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

Enclosures

cc: DMEA (2)
UEBM (2)
Puffett

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

AUG 1 9 1954

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 3037 - Tungsten
Big Q Tungsten Mine, Inc.
Blue Grouse Mountain mine
Stevens County, Washington
Contract No. Ida-E582

Dear Mr. Weissenborn:

Enclosed are the original and five copies of a Rescission Agreement on the subject contract signed by the Administrator for the Government.

If the terms and conditions of this agreement are satisfactory to you and the Operator, all six copies should be signed and the usual distribution made. However, if the Operator does not agree to the rescission, please return all copies of the agreement to this office.

No payment should be made to the Operator for work performed because the work authorized under the contract has not been completed and the Operator has failed to maintain his interest in the land set forth in Article 2 of the subject contract. The contract will be terminated if the Operator does not agree to the rescission.

Your letter of July 27, 1954, informs us that the Sunshine Mining Company may apply for an exploration contract at the Blue Grouse Mountain mine. If the Sunshine Mining Company submits the usual application on Form MF-103, we shall be glad to give the matter consideration.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Enclosures

FARutledge:foc 8-11-54
cc to: Docket
Code 400
Adm. Reading File
Operating Committee
FT. Reg. 2
R. W. Geehan, USBM
E. L. Newcomb, USGS

APPROVED:

J. H. Hedges
Member, Bureau of Mines

D. M. Larrabee
Member, Geological Survey

AUG 10 1954

MEMORANDUM

To: Acting Assistant Solicitor, Defense Minerals

From: Chief, Iron and Ferro-Alloys Division, DMEA

Subject: Preparation of Rescission Agreement
Docket No. DMEA 3037 - Tungsten
Big Q Tungsten Mine, Inc.
Blue Grouse Mountain mine
Stevens County, Washington
Contract No. Idm-E582

Transmitted herewith is the rough draft of a rescission agreement for your use in preparing the final draft.

A letter to cover the transmittal of the rescission agreement to Mr. Weissenborn, Executive Officer, DMEA Field Team, Region II, is attached for surnaming.

SIGNED

W. S. Martin, Chief
Iron and Ferro-Alloys Division

Enclosure

FARutledge:foc
8-11-54
cc to: Docket
Adm. Reading File
Code 400

D
R
A
F
T

RESCISSION OF EXPLORATION PROJECT CONTRACT BY
AGREEMENT BEFORE WORK IS BEGUN

It is agreed this _____ day of _____, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Big Q Tungsten Mine, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Washington, having its principal office at 417-19 Lloyd Building, Seattle 1, Washington, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E582, Docket No. DMEA 3037, dated August 13, 1953, that said contract shall be and is hereby rescinded, revoked, and cancelled as of the date of the contract, before any actions have been taken or costs incurred thereunder, without any obligation whatsoever, one party to the other, the same as if said contract had never been entered into.

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

UNITED STATES OF AMERICA

By: _____
Administrator, Defense Minerals
Exploration Administration

Big Q Tungsten Mine, Inc.

By _____

400

Interior Department
Defense Minerals Exploration
Administration
14X4401(01) Revolving Fund, Defense
Production Act, Interior
(Allocated Working Fund to the
Office of the Secretary)

TELETYPE

To: A. L. Weissenborn, DMEA Executive Officer, Region 2
Spokane, Washington

Reurlet July 29, Big G Tungsten Mine, Inc. Docket DMEA 3037, Contract Idm-1562.

Recission agreement being transmitted. No payment should be made to the Operator. As Sunshine Mining Company does not hold interest in the land, assignment of contract not being considered.

(Signed) W. S. Martin

ACTING Chairman, Operating Committee

Confirmation to Field Team, Region 2

cc: Docket
Admin. Reading File
Code 400
Operating Committee
R. W. Geehan, USBM
E. L. Newcomb, USGS

FARutledge/HCRubin/ls
8-10-54

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

July [illegible], 1954

Mr. George [illegible], Chairman
Operating Committee, [illegible]
Department of the Interior
Washington 25, D. C.

Re: [illegible] (Tungsten)
[illegible] Tungsten Mine, Inc.
Stevens County, Washington
Contract No. [illegible]

Dear Mr. [illegible]:

The above contract has been inactive almost from the start. Twenty-three feet of advance was made at the beginning of the contract, and a voucher was submitted to cover this, with one month's work, but as it was improperly made out, it was sent back to the operator for corrections. Repeated inquiries to Mr. [illegible] brought promises that work would be done, but although some [illegible] was attempted on the property, no other work has been done on the [illegible] contract.

[illegible] we wrote Mr. [illegible] requesting [illegible] as no valid voucher had been submitted and no payments [illegible], we recommend that we consider terminating the contract. I am enclosing a copy of Mr. [illegible]'s letter of July [illegible] in reply to this, in which he states that [illegible] with respect to the [illegible] Tungsten Mine [illegible]. On the basis of this letter [illegible] to recommend [illegible] the contract [illegible] rescinded.

[illegible], the [illegible] Company, which is operating on adjacent property, has contacted us with the thought that they might be interested in [illegible] the work [illegible]. [illegible] a short [illegible] [illegible] [illegible] contract [illegible] contract with [illegible] [illegible] to the [illegible].

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

Acquirement of the contract might save us a lot the Sunshine Mining Company does decide to go ahead on the other hand, there are also decided advantages in making a clean cut with Shirley and getting the matter off his mind and ours. Whatever decision you make in this matter would be acceptable. We will advise you as soon as we learn of Sunshine's intentions one way or the other.

Very truly yours,

Ralph Rand, Region II

A. L. Meacham, Executive Officer
(U. S. Geological Survey)

Alex G. Adair, Director
(U. S. Bureau of Mines)

cc: USGS(2)
Pratt

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 8/10

REFERRED TO:

1. Code 407
2.
3.
4.

FOR:

- ____ Action
- ____ Approval
- ____ Comment
- ____ Conference
- ____ Consideration
- ____ Filing
- ____ Instructions
- ____ Investigation
- ____ Initials
- ____ Mailing
- ____ Previous correspondence
- ____ Recommendation
- ____ Record of ____
- ____ Referring to ____
- ____ Reply for signature of ____
- ____ Rewriting
- ____ Signature
- ____ Suggestions
- ____ Your information

REMARKS: ____

Check (X) before the items needing attention.

W. S. Martin

Initials of sender.

GPO 16—63815-1

COPY COPY

BIG Q TUNGSTEN MINE, INC.
417-19 Lloyd Building
Seattle, 1, Washington

July 24, 1954

United States Dept. of the Interior
Mr. A.E. Weissenborn, Exec. Officer
So. 157 Howard St.
Spokane, Wash.

Dear Mr. Weissenborn:

I wish at this time to thank you and your employees for your kindness and courtesy extended to the Big Q Tungston Mine, Inc., for doing every thing in your power to help us.

As president of the corporation, I sold all the assets on July 16, 1954 on mining contract #230-232-233-234 to W.H. West of Deer Park, Wash., but the corporation still holds 697 acres on 16 years and 40 years lease. The corporation is still solvent.

I spoke to Mr. Wing G. Agnew the morning of July 16th in Spokane and I was going to leave it up to you two. The one voucher we submitted was not returned to the corporation.

I would like to know just what to do. Whichever way you want it worked, I will be glad to cooperate with you and Mr. Agnew.

Sincerely,

BIG Q TUNGSTEN MINE, INC.

By: /s/ WM. M. QUIGLEY
Wm. M. Quigley
President

400

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

July 13, 1954

Mr. William H. Quigley
417-19 Lloyd Building
Seattle 1, Washington

Re: Docket No. DMEA 3037 (tungsten)
Big Q Tungsten Mine, Inc.
Big Q Mine
Stevens County, Washington
Contract No. Iom-3582

Dear Mr. Quigley:

One of our men has recently visited the Big Q mine and has reported that there was no one at the property, no work is going on, and the mill has been partly dismantled.

The Big Q contract has been in effect nearly a year, but to date only a very small amount of work has been done according to the provisions of the contract and no payments have been made. One voucher was submitted but was returned to you for correction and has never been resubmitted. We cannot, of course, hold the contract open indefinitely, and since you have not been able to carry out the work called for in the contract, and since no funds have been paid by either party to the contract, perhaps the best solution would be to rescind the contract. The effect of this would be the same as if the contract had never existed. If this is agreeable to you, please let us know and we will immediately recommend to Washington that the contract be rescinded and the docket closed.

By Field Team, Region II

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

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: DMEA (2)
USBM (2)
Puffett

Region II
Bureau of Mines report

June

E582 DMEA 3037 - Tungsten
Big Q Tungsten Mine, Inc.
Stevens County County, Washington

The contract has been in effect since August 1953 but the project was recessed during the winter months and little work has been performed. The Operator recently submitted a voucher for $1,559.87 but payment is being withheld pending clarification of plans for resuming work.

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

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

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 3037 - Tungsten
Big Q Tungsten Mine, Inc.
Blue Grouse Mountain mine
Stevens County, Washington
Contract No. Idm-E582

Dear Mr. Weissenborn:

Reference is made to the subject docket.

In reviewing this contract it was noted that only a small amount of the work authorized, 28 feet of drifting, had been completed since the contract was executed on August 13, 1953. We have, however, no record of the Operator submitting a MF-104 cost report and voucher to cover such work, or paying the Government its percentage royalty on the production from the land described in Art. 2 of the contract since the date thereof.

It would be appreciated, therefore, if you would again inform the Operator of his obligation under the contract to pay the Government its percentage royalty on all production subsequent to August 13, 1953, and advise him that if such payment is not promptly made, the Government will have to take action.

Sincerely yours,

Chairman, Operating Committee

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

Docket No. DMEA-3037

DATE July 19,1954

REFERRED TO:

1. ~~Mr. Parriott~~
2. ~~Solicitor's Docket Rm.~~
3. Mr. Martin, Rm 3538
4.

FOR:

..... Action	..... Recommendation
..... Approval	..... Record of .....
..... Comment	..... Referring to .....
..... Conference	..... Reply for signature of .....
..... Consideration	..... Rewriting
..... Filing	..... Signature
..... Instructions	..... Suggestions
..... Investigation	..... Your information
..... Initials	
..... Mailing	
..... Previous correspondence	

REMARKS: Returned to Mr. Martin for rewriting in accordance with telephone conversation with HCRubin

Check (X) before the items needing attention.

JLHofflund (ep)
Initials of sender.

GPO 16—63815-1

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
1201 N. Division St.
Spokane 2, Washington
April 27, 1954

400

Defense Minerals Administration
RECEIVED
MAY 3 - 1954

WSM

Mr. W. M. Quigley, President
Big Q Tungsten Mine, Inc.
417 Lloyd Building
Seattle 1, Washington

Re: Docket No. DMEA 3037 (tungsten)
Big Q Mine
Stevens County, Wash.
Contract Idm-E582

Dear Mr. Quigley:

This letter confirms your telephone conversation with Mr. Wing G. Agnew, Member of the Field Team, concerning payment for work done under the referenced contract.

Your attention is called to your contract form MF-200A, Article 5(a) Progress Reports. Before payment can be made for work performed the provisions set forth under this article must be complied with. The forms referred to are MF-104, Operator's Monthly Report and Voucher, and MF-104A, Operator's Unit Cost and Progress Report. A supply of these forms is enclosed for your use.

By Field Team, Region II

Wing G. Agnew, Acting Exec. Officer
(U. S. Bureau of Mines)

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

cc: DMEA, Wash. (2)
USGS (2)
Certifying Officer

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

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

400

April 21, 1954

Mr. W. M. Quigley, President
Big Q Tungsten Mine, Inc.
417 Lloyd Building
Seattle 1, Washington

WSM

Re: Docket No. DMEA-3037 (Tungsten)
Big Q Mine
Stevens County, Washington
Contract No. Idm-2582

Dear Mr. Quigley:

We have your letter of April 5, 1954, wherein you reiterate your request of December 29, 1953, for a recess until late this spring before continuing with your DMEA project.

In our letter to you on March 23, 1954, we stated that there was some uncertainty in our minds regarding the status of your contract as you had never submitted any MF-104 forms. Thus we have no official documentation, other than routine inspection reports by our field men, that any contract work has been done. Therefore we find it extremely difficult to grant any recess until we have definite word from you as to just exactly what your plans are.

Although you assure us that work will begin by or before June 1, 1954, we have no way of knowing what work that has been completed will be charged by you against the contract. The contract specifies that the operator is to submit monthly reports describing the progress of the project work. These reports represent our official documentation that contract work has taken place, and they will have to be submitted before any payment is made to you.

The contract allows 6 months time for the completion of the project. This 6 months time elapsed February 13, 1954. Therefore, if we were certain that you were not going to bill us for any work completed to date, we might possibly extend the starting date of the contract to sometime late this spring. This in effect would be granting a recess such as you request, but it would also mean that we would not participate in any of the costs of the project prior to the delayed starting date.

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

Will you kindly inform us whether you intend to ask for a delay in the starting date of the contract or whether you are going to bill us for work already completed. We need this information because if you merely intend to delay the starting date it will require one type of amendment, whereas if you intend to bill us for work already completed we will have to prepare a different type of amendment. For example, if you bill us for work completed we will have to prepare a recess amendment having definite starting and terminating dates, and which will not allow Government participation in costs incurred between these dates.

We understand that you sold some tungsten concentrates that were produced last fall from the Big Q property. If this is true, we wish to call your attention to Annex I of your contract which requires that a royalty be paid the Government on all production from the property described in Article 2 of the contract. Under these terms, if you wish to keep the contract in force, you will have to pay royalties on ore produced from the date of the contract until the Government either certifies a discovery or else waives its royalty right. If no discovery is certified no further royalty payments will be required.

By Field Team, Region II

(signed) John D. Bardill
for: Wing S. Agnew, Acting Executive Officer
U. S. Bureau of Mines

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

cc: DMEA (2)
USBM (2)
Puffett

Big Q Tungsten Mine, Inc.

417-19 LLOYD BUILDING
SEATTLE 1, WASHINGTON

April 5, 1954

DMEA
Wsm

U.S. Geological Survey
So. 157 Howard St.
Spokane, Wash.

Attn: Mr. A.E. Weissenborn:

Dear Mr. Weissenborn:

I had written a letter on Dec. 29, 1953 asking for a recess till May 1st, 1954, on our DMEA 3037, and after visiting the mine on March 30th, 1954, I find there is 5 feet of snow around camp and also ice in #1 adit for 400 feet, 3 feet thick. What caused the ice to form was a spring in #1 adit and also the cold air from the shaft 135 feet above. We had cut a drift of 60 feet from #3 level connecting #3 with #1 adit and overlooked boarding up the shaft at the top entrance allowing the cold air to freeze the water below.

If it is not asking too much at this time, we would like to request a recess till June 1st, 1954, with the right to start before that time if possible.

Very truly yours,

BIG Q TUNGSTEN MINE, Inc.

Wm. M. Quigley
President

RECEIVED
APR 8 1954
U. S. G. S.
SPOKANE, WASH.

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

March 23, 1954

Mr. Wm. M. Quigley, President
Big Q Tungsten Mine Co., Inc.
417 Lloyd Building
Seattle 1, Washington

Re: Docket No. DMEA-3037 (tungsten)
Big Q Mine
Stevens County, Washington
Contract No. Idm-1582

Dear Mr. Quigley:

I note that we have failed to reply to your letter of December 29 in which you state that you stopped work on November 20 because of weather conditions, and in which you ask for a recess until May 1, 1954.

We are, of course, aware of the difficulty of operating during the winter in this area and would be quite willing to recommend a recess of the contract. There is some uncertainty in our minds regarding the status of the contract and until this is clarified it does not seem appropriate to officially recess the contract. We note that although the contract has been in effect since August 1953 you have not submitted any MF-104 forms. We also understand that you have mined and shipped some ore. Therefore, we wonder if perhaps your plans may have changed so that you are no longer interested in doing the exploration outlined in the DMEA contract. If this is the case and the Government is not to be billed for any expenditures, the contract could be rescinded, which, in effect, would be the same as though it had never been entered into. If the results of work done to date indicate that the exploration done so far is unlikely to find any minerals of value, the contract could, under circumstances, be terminated by mutual agreement. You would, of course, have to submit the MF-104 forms before any payment could be made.

If, on the other hand, it is your intention to resume the exploration in the manner stipulated in the contract, then we should have a statement from you to this effect.

By Field Team, Region II

Wing G. Agnew, Member
U. S. Bureau of Mines

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

cc: USBM (2); DMEA (2); Puffett

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

400

December 29, 1953

MEMORANDUM

To: Administrator, DMEA

From: Iron and Ferro-Alloys Division, DMEA

Subject: Docket No. DMEA 3037 - Tungsten
Big Q Tungsten Mine, Inc.
Big Q Mine
Stevens County, Washington
Contract No. Idm-3-582

The subject contract is in the amount of $10,200.00 (Government participation at 75 percent, $7,650). The exploration program, estimated to require 4 months, includes: Drifting 125 feet on the vein on the level of the lowest adit to explore for the possible downward extension of the ore shoot found in the upper level; if the above-mentioned drifting finds ore, to drift approximately 25 feet northwest to determine the limits of such ore; to raise approximately 90 feet to determine whether the ore is continuous to the upper level; and an additional 60 feet of drifting, crosscutting, and/or raising is provided, with location and direction subject to the prior written approval of the Government.

According to the application, the property was recently worked in a small way by another operator, Pacific Mining Company; and small erratic operations, with production unknown, dating from the early 1940's, have been reported.

When the mine was visited on September 29, 1953, work under the project had been started and the advance in the drift totalled 26 feet. The October 12, 1953, inspection found that, because of bad ground and limited mining experience on the part of the Operator, little progress had been made. Recent visits have indicated that work on the project is at a standstill. No monthly reports have been submitted by the Operator, and the Field Team wrote on December 16, 1953, to ask whether the Operator planned to continue with the project.

cc: Docket
Code 400
Oper. Comm.
Adm. Read. File

W. S. Martin, Chief
Iron and Ferro-Alloys Division

WSMartin/ls

[illegible]

402

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
No. 157 Howard Street
Spokane 4, Washington

November 23, 1953

DMEA Field Team, Region II

From: Willard P. Puffett, Geologist, U. S. Geological Survey and Webster A. Anderson, Mining Engineer, U. S. Bureau of Mines

Subject: Docket No. DMEA 3037 (tungsten), routine inspection of Big C mine, Stevens County, Washington, Contract Idm-1532

Mr. Anderson of the Bureau of Mines and myself made a routine inspection of the Big C mine on Tuesday morning, November 17, 1953. On this visit we inspected new workings and mapped the crosscut that connects the raise from the Lower Adit level to the southwest extension of No. 3 level. A copy of the map of this crosscut with the completed DMEA work indicated is attached to this memorandum. Neither Mr. Quigley nor Mr. Trampus, mine foreman, were at the mine, although contract miners were working on the No. 3 level.

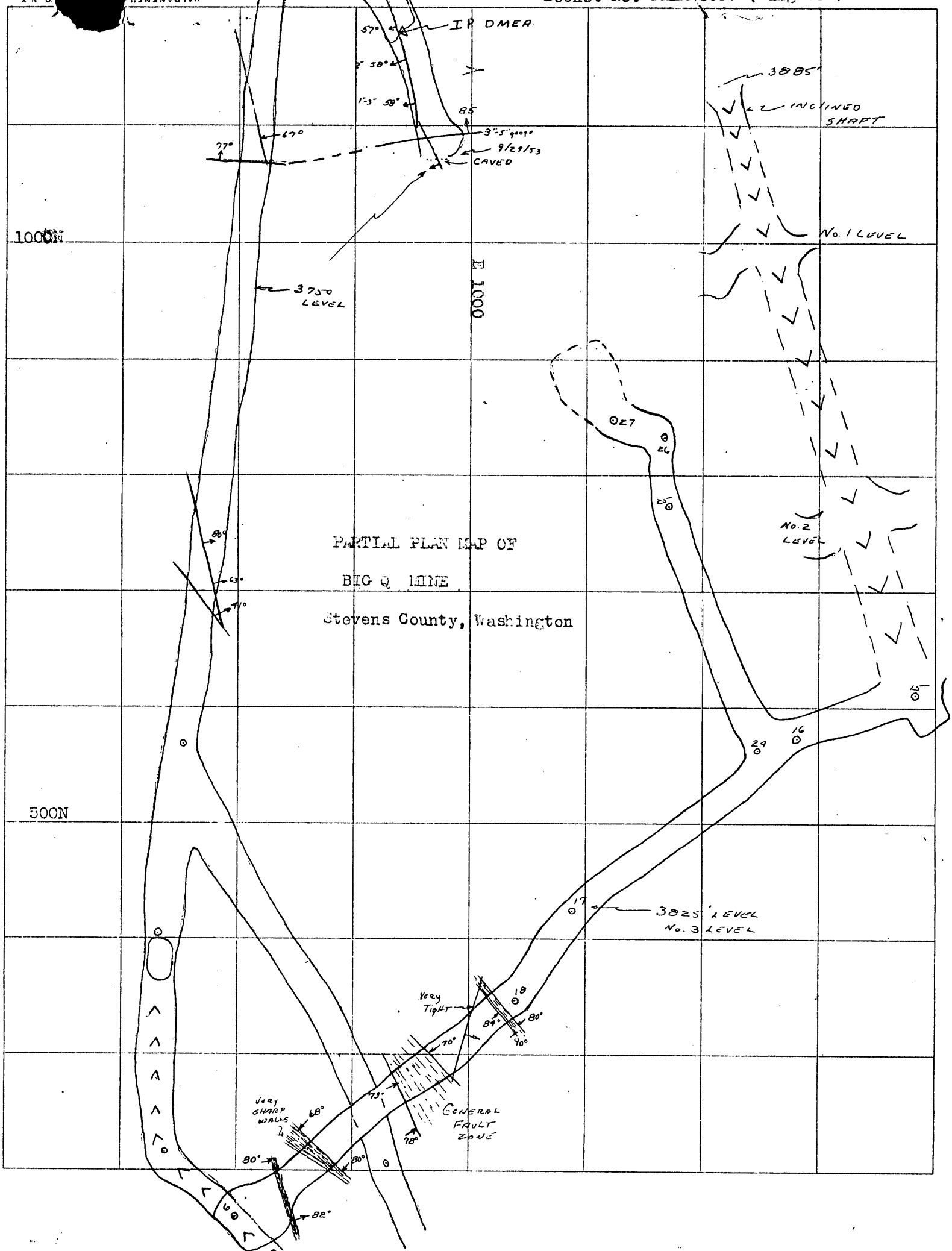
Very little progress under terms of the project contract has been made. A total of slightly more than 23 feet of drifting on the Lower Level Adit has been completed and perhaps 5 feet of advance has been accomplished on the Northwest drift of the No. 3 level. Recent work at the mine has been in mining tungsten ore near the area of station 27 on the No. 3 level.

One reason for the lack of recent advance on the lower adit level is that the present heading is in heavy ground and rather than go through this ground, the operator plans on crosscutting from the tunnel to the west and thus hopes to circumvent the area of heavy ground.

As is shown on the accompanying map, a number of northwest-trending fault zones were cut in the crosscut completed on the No. 3 level. All of these structures are nearly parallel to that structure being drifted on in the lower level. Although none of these faults or fault zones contained tungsten, they are all stronger appearing than the one exposed in the DMEA drift on the lower level, and it is possible that drifting on any of them may encounter ore.

Enclosure - 1
Distribution:
DMEA (Orig. & 3) Docket
USGS (2) Puffett

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


PARTIAL PLAN MAP OF
BIG Q MINE
Stevens County, Washington
IP DMEA
3885'
INCLINED SHAFT
No. 1 LEVEL
No. 2 LEVEL
3750 LEVEL
3825' LEVEL
No. 3 LEVEL
9/29/53
CAVED
1000N
500N
E 1000
Very Tight
Very SHARP WALLS
GENERAL FAULT ZONE

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

400

December 16, 1953

Mr. William M. Quigley, Sr., President
Big Q Tungsten Mine, Inc.
417-419 Lloyd Building
Seattle 1, Washington

WSM

Re: Docket No. DMEA-3037 (Tungsten)
Big Q Mine
Stevens County, Washington
Contract No. Idm-2582

Dear Mr. Quigley:

According to the terms of your DMEA contract, work on the exploration project at the Big Q mine was to have been started not later than 60 days after August 13, 1953. Our field examiners have made numerous visits to the mine and report some progress has been made, although their reports of recent visits have indicated work on the exploration project has been at a standstill.

It is stated in Article 5 of the contract that the Operator is to provide the Government with monthly reports of units of work performed under the contract. To date we have received no such monthly reports concerning the exploration project at the Big Q mine, and therefore we are wondering if you plan to continue with the project.

Please notify us by letter of your plans for completing the project at the Big Q mine. If you plan to continue with the project, submit the required vouchers and reports describing that work which has been completed. If you do not plan to participate in the exploration project contract, we will take the necessary steps to rescind the contract.

By Field Team, Region II

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

Thomas B. Howard, Acting Member
(U. S. Bureau of Mines)

cc: USBM (2)
DMEA (2)
Hindman
Puffett

FAR:

Is this a unit price contract? Otherwise we may have to hold up part of payment on basis of "non-minerlike" performance

unit costs

F.A.R.

400

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

1201 N. Division St.
Spokane 2, Washington
October 20, 1953

dmea 3037

WSM

MEMORANDUM

To: DMEA Field Team, Region II

From: W. S. Anderson, Mining Engineer, Bureau of Mines, and Willard Puffett, Geologist, Geological Survey

Subject: Big Q Tungsten Mine inspection, Stevens County, Washington, Contract No. Idm-E582, Docket No. DMEA 303~~4~~7 (tungsten)

The Big Q Tungsten mine was visited October 12, 1953. Mr. Quigley, president, and Mr. Trompus, foreman, were at the property during the visit. There are eight men employed at the property with four men in the mine and four at the mill.

The miners have been working 10 days to catch up the caved portion of the drift on the No. 1 adit level and have it caught up in a crude manner. The Operator apparently does not understand the principles of spiling as he tried to remove the muck before he started spiling and as a result removed 65 cars of muck before he placed any timber. It was recommended to Mr. Quigley and Mr. Trompus that the spiling should be driven to catch up the back before removing any muck if they encounter any more bad ground in the drift. Also, it was recommended that they slab off the east wall of the crosscut and replace the timbering through the cave so they will have a workable opening as the present timbered section through the cave is not wide enough to allow passage of the mine car.

The work to date has indicated that the Operator does not have enough knowledge of mining to cope with any unusual situation that may arise such as spiling through the aforementioned cave. Mr. Trompus stated previously that he has had five years experience mining at the property, but it seems evident that, although he may be a miner, he is not too well qualified to supervise an operation in which unusual conditions will be encountered.

W. S. Anderson

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
AD
WSA/he

400

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
xxxxxxxxxxxxxxxxxx
1201 N. Division Street
Spokane 2, Washington
October 8, 1953

Received
Nov 2 1953

3037

WSM

MEMORANDUM

To: DMEA Field Team, Region II

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

Subject: Routine inspection Big Q Tungsten Mine, Stevens County, Washington, Contract Idm-E582, Docket No. DMEA 3037 (tungsten)

The Big Q Tungsten Mine was visited September 29, 1953 accompanied by Willard Puffett, U. S. Geological Survey. Mr. Quigley, President, and Mr. Trompus, Foreman, were at the property during the visit.

Work under the exploration project contract has been started and the face of the drift on the No. 1 adit level is at USBM No. 336 + 55 ft. for an advance of 26 feet under the contract. The 26 feet of advance was driven on a bearing of S. 16° E. At USBM No. 336 + 49 ft. a fault area was intersected and spiling will be required to catch up the back. Mr. Quigley wanted to abandon this drift and crosscut to the vein from a point approximately 50 feet S. 7° W. from USBM No. 336.

It was recommended to Mr. Quigley that he catch up the caved portion of the drift by spiling as this would be less expensive than to run a new crosscut to intersect the vein with the possibility of encountering the same type of ground. Mr. Trompus stated that they had hit bad ground in other portions of the mine which had been caught up with spiling and that he could do the same with the cave in the drift.

The Operator is doing some rehabilitation work on the mill to put it in operating condition to handle ore he has opened up on the No. 3 level.

Orig. & 3 cys - Wash.
USGS
DMEA
MD
AD
WSA/mp

W. S. Anderson

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

RECEIVED
OCT - 6 1953

400

September 14, 1953 WSM

Memorandum

To: DMEA Field Team, Region II

From: W. H. Anderson, Mining Engineer, Bureau of Mines

Subject: Initial inspection, Big Q Tungsten Mine, Stevens County, Washington, Contract Idm-2542, Docket No. DMEA ~~3034~~, 3037 (Tungsten)

The Big Q tungsten mine was visited September 9, 1953 accompanied by Willard Puffett, U. S. Geological Survey. Mr. Quigley, President of the company, who was leaving for Seattle as we arrived, informed us that Tony Tramish would be foreman in charge at the property. Mr. Tramish accompanied us on our inspection of the workings and stated that he expected to initiate work under the exploration project contract in approximately ten days.

At the time of the visit there were five men employed at the property including Mr. Tramish. The miners were running a drift from spad No. 6 in the raise on the No. 1 adit level to connect up with the No. 3 level at spad No. 18. The drift has been advanced 53 feet on a bearing of N 55 degrees E and will hole through after another 9 feet of advance. This connection of the No. 1 adit level and the No. 3 level will provide good ventilation and will also drain the upper workings thereby eliminating the need for a pump in the shaft.

USBM tags were placed as initial measuring points with USBM No. 336 placed at spad No. 2 which is 29 feet northwest of the face of the drift to be extended 125 feet under the contract. USBM No. 337 was placed at spad No. 27 which is 14 feet southeast of the face of the drift on the ore shoot on the No. 3 level from which drifting will be initiated on the ore shoot.

Before work can be started on the drift on the No. 1 adit level a switch will have to be installed and track placed.

The ground in the No. 1 adit level is good and will not require much timber but on the No. 3 level there are several bad slabs in the back that will need support and the drift from USBM No. 337

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

ahead to the face will require timber before drifting can be started on the ore shoot.

Mr. Trumish stated that he had been working at the property for the last five years and should be competent to supervise the operations.

W. S. Anderson

Orig & 3 cys - Wash.
WSOS (2)
DMRA
MM
WSA/kt

400

XXXXXXXXXXXXXXXXXX
1201 N. Division Street
Spokane 2, Washington
August 20, 1953

Mr. William M. Quigley, Sr.,
President and Treasurer,
Big Q Tungsten Mine, Inc.,
417-19 Lloyd Building,
Seattle, Wash.

Subject: Docket No. DMEA 3037 (tungsten)
Big Q Tungsten Mine, Inc.
Stevens County, Wash.
Contract Idm-E582

Dear Mr. Quigley:

Enclosed are the original and five copies of the subject contract signed for the Government by C. O. Mittendorf, Administrator, DMEA.

If the terms and conditions of the contract meet with your approval, please have all copies signed by an authorized official of your company, retain the copy marked "Operator's Copy", and return the original and remaining copies to this office. At the time of signing please fill in the blank space provided in Article 3 of the contract form, the number of days within which you can commence work.

We have been advised by the Washington office that the requirement for an Owner's Consent to Lien executed by the State of Washington has been waived.

If the contract is unsatisfactory to you please return all copies with your comments.

Sincerely yours,

Thomas E. Howard,
Acting Member, DMEA
Field Team, Region II

Enclosures

cc: Wash. 2
USGS 2
DMEA
Engr.

AUG 13 1953

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 3037 - Tungsten
Big Tungsten Mine, Inc.
Blue Grouse Mountain mine
Stevens County, Washington

Dear Mr. Weissenborn:

We are enclosing the original and five copies of the above referenced contract signed by the Administrator for the Government, together with Annex I (1 page), Annex II (1 page), Exhibit "A" (2 pages), two maps, and four Owner's Consent to Lien.

If the terms and conditions of this contract are satisfactory to you and the Operator, all six copies should be signed and the usual distribution made.

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

Please note that the unit price for underground work has been reduced from $33.00 to $30.00 a foot. This and other minor changes have decreased the amount of the proposed contract from $11,025.00 to $10,200.00.

Under Article 3, the starting date has been left blank and is to be filled in when the contract is signed by the Operator.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

APPROVED:

J. H. Hedges
Member, Bureau of Mines

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

FARutledge:foc 8-12-53
cc: Docket
Code 400 R. W. Geehan, USBM
Oper. Comm. Mary Miller, USGS
Adm. Read. File
Ft. Reg. 2

FILE COPY
SURNAME:

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

140

Martin
McKane

August 11, 1953

N.S. in R.R.

Memorandum

To: The Administrator
Through: W. S. Martin

From: Chief Counsel

Subject: Big Q Tungsten Mine, Inc. - Docket No. DMEA-3037

There is attached, in satisfactory legal form for execution, a contract covering the above-described project, subject to the attachment of the lessors' Owner's Consents to Lien.

/S/ McKane
for J. L. Hofflund
Chief Counsel

Attachments

HCRubin/ema
cc: Mails & Files
J. L. Hofflund
H. C. Rubin
Chron.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 14 1953

XXXXXXXXXXXXXXXXXX
1201 N. Division St.
Spokane 2, Washington
August 11, 1953

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

Subject: Docket No. DMEA 3037 (tungsten)
Big Q Tungsten Mine
Blue Grouse Mountain Mine
Stevens County, Washington

Dear Mr. Selfridge:

Attached are two ozalid copies of a letter from Frank C. Sether advising that the State of Washington cannot execute a DMEA "Consent to Lien" covering the subject property.

Mr. William Quigley, Sr., called here yesterday to discuss the matter and expressed the hope that the requirement for a "Consent to Lien" could be waived, or that the form could be revised to be acceptable to the State. He stated, however, that in the event such action was impossible he would personally guarantee royalty repayments.

Your instructions in this matter are requested.

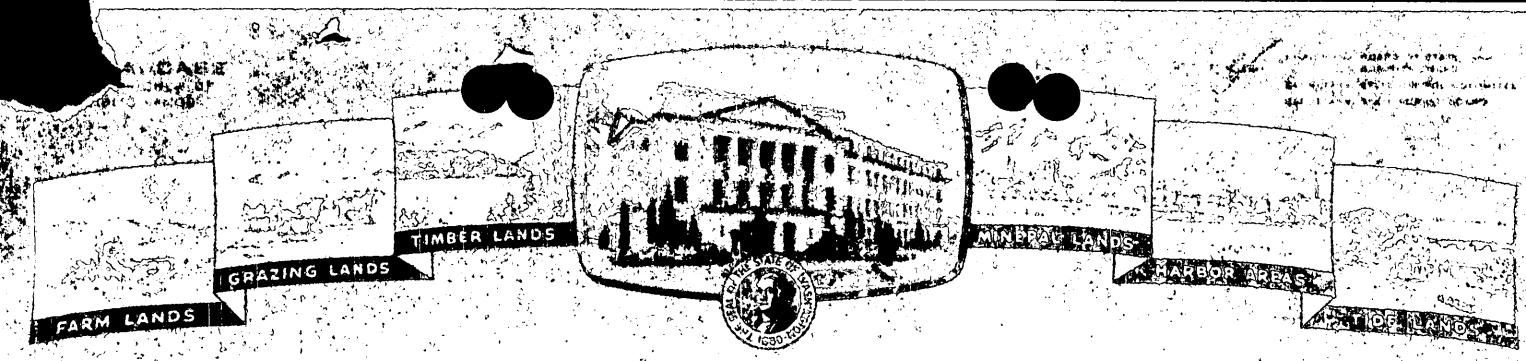
By Field Team, Region II

Thor Kiilsgaard
Acting Executive Officer
DMEA Field Team, Region II

Thomas E. Howard
Acting Member DMEA Field Team,
Region II

cc:
USGS (2)
DMEA (2)
DF
Wash.
TEH:mp

AUG 2 1 1983



STATE OF WASHINGTON

Department of Public Lands

P. O. Box 110
Olympia

RECEIVED
BUREAU OF MINES
AUG 6 - 1953
SPOKANE WASH

August 4, 1953

Mr. Thomas E. Howard
Acting Executive Officer
DMEA Field Team, Region II
1201 N. Division Street
Spokane 2, Washington

Dear Mr. Howard:

Mr. William M. Quigley, Sr. has submitted to this office a proposed Owner's Consent Lien on an area which you describe as Docket No. DMEA 3037 (tungsten) Blue Grouse Mountain Mine, Stevens County, Washington.

Apparently Mr. Quigley is applying for a Government loan to finance development of the mine but there are certain restrictions in your document which the State cannot approve. Paragraph 2 of this consent provides that to secure the payment to the Government of the percentage royalty the Government is granted a lien upon the land and any production of minerals therefrom.

The State of Washington owns the land in question and has entered into a contract with certain parties permitting them to remove certain minerals. They have a mining contract only and the fee title to the land is vested in the State of Washington. The contract protects the State by requiring that 4% royalty be paid the State after reduction of cost of transportation and treatment. It is obvious that the State could not execute the lien clause nor could we agree that the royalty for minerals removed would first be paid to the Government. The 4% due the State would be the first obligation under this contract. Unless some modified form could be submitted which would not be in conflict with State law, it would be impossible for us to enter into any such agreement.

I am sending the papers back to Mr. Quigley with a copy of this letter so that he may take whatever additional steps are nec-

essary to negotiate the proper loan.

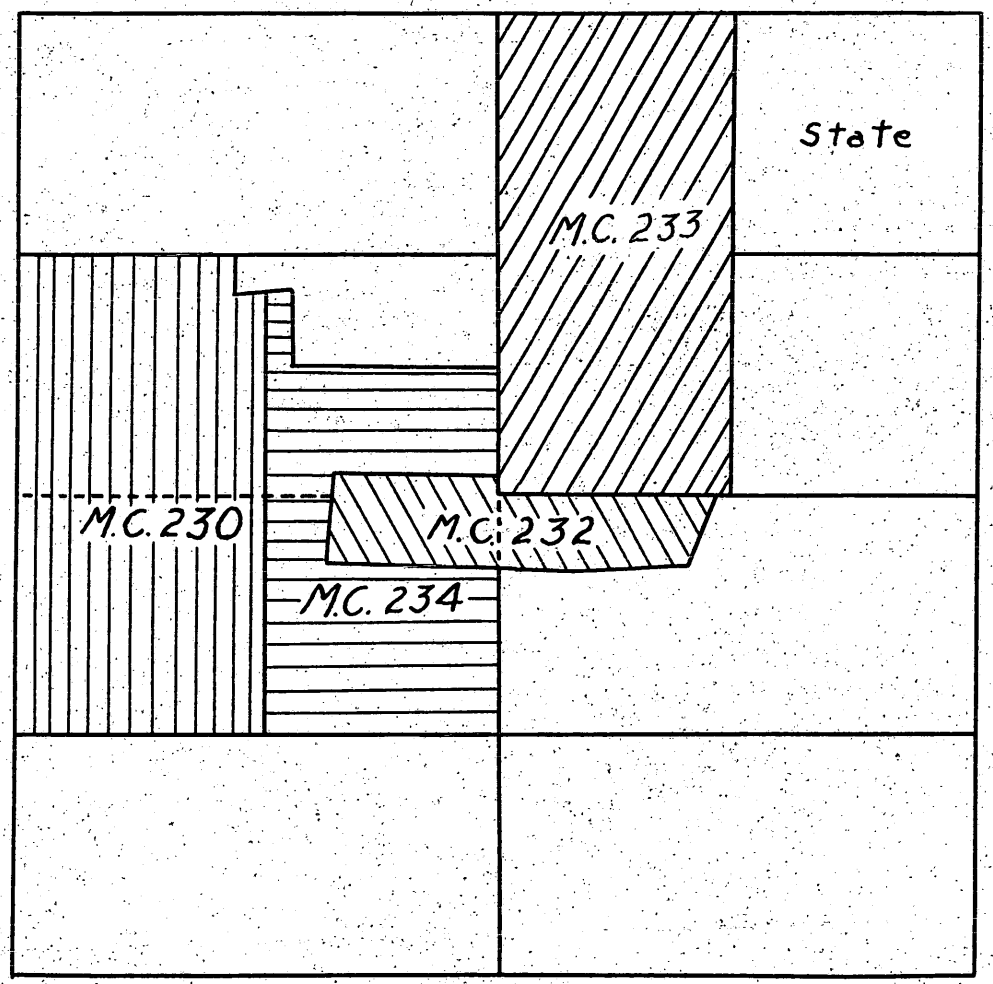
Very truly yours,

OTTO A. CASE, Commissioner

By _____
Frank O. Sether
Chief Clerk

FOS:gh

c.c.- William M. Quigley, Sr.



Sec. 16
T. 30 N., R. 42 E.

FIG. A PROPERTY MAP BIG Q TUNGSTEN MINE, INC.

FAR

UNITED STATES
DEPARTMENT OF THE INTERIOR 140
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

August 11, 1953

Memorandum

To: The Administrator
Through: W. S. Martin

From: Chief Counsel

Subject: Big Q Tungsten Mine, Inc. - Docket No. DMEA-3037

There is attached, in satisfactory legal form for execution, a contract covering the above-described project, subject to the attachment of the lessors' Owner's Consents to Lien.

aEKane

for J. L. Hofflund
Chief Counsel

Attachments

August 3, 1953

MEMORANDUM

To: Chief Counsel, DMEA

From: Iron and Ferro-Alloys Division, DMEA

Subject: Review and preparation of Exploration Project Contract
Docket No. DMEA 3037 - Tungsten
Big 3 Tungsten Mine, Inc.
Blue Grouse Mountain mine
Stevens County, Washington

Transmitted herewith is the rough draft of a proposed exploration project contract for your use in preparing the contract in final form.

Copies of Fig. 1 - Property Map, Big 3 Tungsten Mine, Inc., are being prepared and will be submitted for attachment as soon as received.

It is believed that the Owner's Consent to Lien from the State of Washington should be waived if it has not been received by the time the contract has been prepared. Apparently there may be some complication to prevent this type of lien by the State.

W. S. Martin, Acting Chief
Iron and Ferro-Alloys Division

Enclosure

FARutledge:foc
cc: Docket
Code 400
Adm. Reading File

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 3037

COMMODITY Tungsten

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Big Q Tungsten Mine, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Washington, having its principal office at 417-19 Lloyd Building, Seattle 1, 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 Stevens, described as follows:[3] in the attached four mining contracts with the State of Washington covering mineral lands in Sec. 16, T. 30 N., R. 42 E., WM, as set forth in Annex I and indicated on Fig. A - Property Map, Big Q Tungsten Mine, Inc.

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: ~~[illegible] Consent to Lien Agreement of the holder is attached.~~

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

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 _____ days from the date of this contract shall commence work on a project of exploration for[5] Tungsten

in or upon the described land; and shall bring the project to completion within a period of six (6) 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. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. 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 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 75 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $7,650.00, which is 75 percent of $10,200.00, 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 check or 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. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed 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 units of work performed 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.

[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.

16—66329-1

draft

(*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 the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, 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 and statement of work performed to accompany his final report.

ARTICLE 6. *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 the 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 7. *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 8. *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.

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

_____
(Operator)

By _____

By _____

I, _____, certify that I am the _____ secretary of the corporation named as Operator herein; that _____, who signed this contract on behalf of the Operator, was then _____ 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.

_____ [CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

D
R
A
F
T

EXPLORATION PROJECT CONTRACT
BIG Q TUNGSTEN MINE, INC.
DOCKET NO. DMEA 3037

ANNEX I

The following four State of Washington Mining Contracts Nos. 230, 232, 233, and 234 covering mineral lands at Blue Grouse Mountain in Section 16, T. 30 N., R. 42 E., W. M., Stevens County, Washington, specifically located and bounded as indicated on Fig. A - Property Map, Big Q Tungsten Mine, Inc.

Mining Contract No. 230 issued on March 29, 1937, to A. W. Kemp applicable to the SW¼NW¼, NW¼SW¼, Section 16, T. 30 N., R. 42 E., W. M., Stevens County, Washington, except such part of said land as, on March 29, 1937, the date of said State contract of Mining, the State of Washington had were* then included in State Mining Contract No. 73. (*) See Docket 2694 - Copied O.K.

Mining Contract No. 232 issued on April 20, 1937, to Mabel Kimmel applicable to those portions of the SE¼NW¼, NE¼SW¼, NW¼SE¼, Section 16, T. 30 N., R. 42 E., W. M., Stevens County, Washington, included in a tract described by metes and bounds in Mining Contract No. 232.

Mining Contract No. 233 issued on April 20, 1937, to O. M. Kimmel applicable to the W½NE¼, Section 16, T. 30 N., R. 42 E., W. M., Stevens County, Washington.

Mining Contract No. 234 issued on April 20, 1937, to Keturah Kimmel applicable to those portions of the SE¼NW¼, NE¼SW¼, Section 16, T. 30 N., R. 42 E., W. M., Stevens County, Washington, included in a tract described by metes and bounds in Mining Contract No. 234.

EXPLORATION PROJECT CONTRACT
BIG Q TUNGSTEN MINE, INC.
DOCKET NO. DMEA 3037

EXHIBIT "A"

Description of the Work

The exploration work on this project is to be done as indicated on the map attached hereto entitled "DMEA DOCKET 3037, Big Q Tungsten Mine, Inc., Proposed Work." All workings shall be not less than 4 x 6-foot in the clear and timbered where necessary.

Sampling shall be carried on concurrently with the work in the mineralized zones. The sampling is to be carried out in a manner approved by the Government. Each sample shall be divided into not less than two parts, one of which is to go to the Field Team and the other to the Operator.

Time Schedule: 0 - 4 months

1. Drift not in excess of 125 feet southeast on the vein on the No. 1 adit level to explore for the possible downward extension of the ore shoot on the No. 3 level.

2. Drift approximately 25 feet northwest to limit of the ore shoot on the No. 3 level.

3. Raise on ore shoot to the No. 3 level from the No. 1 adit level. Length of raise approximately 90 feet.

4. Drift, crosscut, and/or raise not in excess of 60 feet on mineralized structure on the No. 2 level. The location and direction of these exploration workings is subject to the prior written approval of the Government.

Estimated Cost of Project

Agreed Unit Costs

Drift, crosscut, and/or raise 300 feet @ $30.00 per foot	$ 9,000.00
Timber 200 feet of drift, crosscut, and/or raise @ $5.00 per foot	1,000.00
Analyze 50 samples @ $4.00 each	200.00
TOTAL AGREED UNIT COSTS	$10,200.00
GOVERNMENT PARTICIPATION @ 75 PERCENT	7,650.00

400

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

1201 N. Division St.
Spokane 2, Washington
July 24, 1953

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

Subject: Docket No. DMEA 3037 (tungsten)
Big Q Tungsten Mine, Inc.
Blue Grouse Mountain Mine
Stevens County, Washington

Dear Mr. Selfridge:

Attached is one copy of an assignment executed by William M. Quigley, Sr. whereby his lease of July 2, 1952 is assigned to Big Q Mining, Inc.

The applicant has been advised to submit an Owner's Consent to Lien covering all of the property executed by the State of Washington. This has not yet been received, and there may be some complication to prevent this type of lien by the State.

Sincerely yours,

M. E. Volin
Acting Executive Officer
DMEA Field Team, Region II

Enclosure

400

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

1201 N. Division St.
Spokane 2, Washington
July 14, 1953

Mr. William M. Quigley, Sr.
President and Treasurer
Big Q Tungsten Mine, Inc.
417-19 Lloyd Building
Seattle, Washington

Subject: Docket No. DMEA 3037 (tungsten)
Blue Grouse Mountain Mine
Stevens County, Washington

Dear Mr. Quigley:

Our Washington, D. C. office has advised us that in addition to those already submitted in compliance with our letter of June 12, 1953, a Consent to Lien covering all of the property referred to in your application and executed by the State of Washington is required, as the State is the actual owner of all of the property. Therefore, it is requested that the enclosed forms be completed and 6 copies returned as soon as possible.

We are advised further that the July 2, 1952 lease to William M. Quigley, Sr., should be assigned by him to the Operator corporation. A copy of the assignment will be required and if possible should be submitted with the completed Consent to Lien.

Sincerely yours,

Thomas H. Howard
Acting Executive Officer
DMEA Field Team, Region II

Enclosure

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

400

JUL 7 1953

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region II
South 137 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 3037 (Tungsten)
Big K Tungsten Mine, Inc.
Blue Grouse Mountain Mine
Stevens County, Washington

Dear Mr. Weissenborn:

Reference is made to the subject docket and the description of the property held by Mabel Kimmel under State Mining Contract No. 238.

The Owner's Consent to Lien signed by Mabel Kimmel and your letter of June 19, 1953, to the applicant describe the property as follows: "SE¼NE¼, NE¼SW¼, NW¼SE¼ Sec. 20." The lease describes the same property as:

> MABEL KIMMEL: Those portions of the Southeast Quarter of the Northwest Quarter (SE¼NW¼), the Northeast Quarter of the Southwest Quarter (NE¼SW¼), and the Northwest Quarter of the Southeast Quarter (NW¼SE¼), included in a tract described by metes and bounds in Mining Contract No. 238 with the State of Washington."

We believe the first portion should be "SE¼NE¼," as written, and that the "½" is a typographical error. However, this will not require further attention, because the property is presumably accurately described in State Mining Contract No. 238, which is also referred to in the Owner's Consent to Lien.

An Owner's Consent to Lien covering all the property referred to in the subject application should also be executed by the State of Washington, as it is the actual owner thereof. Therefore, please forward the enclosed forms to the applicant and request that they be executed by the State of Washington.

The July 2, 1953 lease to William M. Quigley, Sr., should be assigned by him to the operator corporation.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

Approved:

J. H. Hedges
Member, Bureau of Mines

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

Mr. Hoffland
Mr. Kane
Chron.
Pending

Oper. Comm.
Mr. Rutledge
Mr. Geehan, USBM
Mr. Lemmon, USGS

FARutledge:AHK:ep 7-1-53

Copy to: Mails & Files
Admr. R. File

407

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

June 24, 1953

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

Re: Docket No. DMA-3037 (Tungsten)
Big 4 Tungsten Mine, Inc.
Stevens County, Washington

Dear Mr. Selfridge:

Enclosed are six copies each of Owner's Consent to Lien on four parcels of land at the Big 4 tungsten mine. These include land in State Mining Contracts Nos. 230, 232, 233, and 231.

The Field Team letter of transmittal (June 12, 1953) for the examination report on the subject property stated that the owner's consent to lien would be obtained from the applicant and forwarded to you upon receipt in this office.

Very truly yours,

Harold Kirkemo
for A. A. Weissenborn
Executive Officer, DMA
Field Team, Region VI

Enclosure
cc: DMA(2)
Kirkemo

Copy retained 400

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU MINERAL ADMINISTRATION
WASHINGTON 25, D. C.

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

402

May 11, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 14 1953

3037

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

Re: New Application
Big Q Tungsten Mine, Inc.
Blue Grouse Mountain
Stevens County, Washington

Dear Mr. Selfridge:

Enclosed is the original and two copies of an application for exploration assistance submitted by the Big Q Tungsten Mine, Inc., Seattle, Washington.

The applicant proposes 300 feet of underground work estimated to cost $12,176.67.

The Big Q Tungsten Mine, Inc., submitted an application (Docket No. DMEA-2694 (Tungsten)) in August 1952 proposing an exploration program costing $64,525. The application was denied in September 1952 because the size of target did not justify the expenditure of money requested. Work continued at the mine on the No. 3 level from the incline shaft during the fall and the downward extension of an ore shoot previously mined on the No. 3 level was found. Samples cut across the drift averaged 2.8 percent WO_3 for a width of 7.8 feet.

Three inspections of the mine have been made since October 1952 by Harold Kirkemo, U. S. Geological Survey, and his maps and samples indicate a modest program of exploration is justified. The program proposed in the accompanying application was outlined by Kirkemo to test the extension of the ore shoot, particularly, from the adit level which the applicant has reopened and to test extensions of another mineralized structure on the No. 2 level.

A field team report will be prepared as soon as possible.

Sincerely yours,

Harold Kirkemo
for M. E. Volin
Acting Executive Officer, DMEA

Field Team, Region II

Enclosures
cc: USBM(2) Kirkemo

ЕДИНЫЙ ОТДЕЛ
ОТДЕЛАМ ЕДИНЫЙ ПО ТРЕБОВАНИЯМ
ПРЕДМЕТ ЕДИНЫЙ ПО ТРЕБОВАНИЯМ
ЕДИНЫЙ ПО ТРЕБОВАНИЯМ

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

RECEIVED
MAY 14 1953

APR 24 1953
U. S. G. S.
SPOKANE, WASH.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. DMEA-3037
Metal or Mineral
Date Received 5/14/53
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Big Q Tungsten Mine, Inc. - Corporation organized in State of Washington
417-19 Lloyd Building, Seattle 1, Washington
(c) Wm. M. Quigley, Sr. - Pres. & Treas. - 303 Park Ave., Renton, Wn.; Ed M. Weston, Vice Pres., 2611 Harvard N., Seattle, Wn.; J. E. Chandler, 8823 Fauntleroy, Seattle, Wn

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Sec. 16, T. 30 N.R. 42 E.W.M. (Except S.E. 150 acres) S.W. ¼ Sec 15; East ½ Sec 17, Allin T. 30 N.R. 42 E.W.M. Stevens County, Washington. (See map attached to prior application DMEA # 2694)

(*b*) State any mine name by which the property is known. Blue Grouse Mountain; Tungsten King; Pacific Mining Co.

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Lessee

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property. Copies of leases are attached and to be returned if possible.

(*e*) If you own the land, describe any liens or encumbrances on it No encumbrances

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) S[illegible] the mineral or minerals for which you wis[illegible] explore .....

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within ....30.... days and be completed within ....5.... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.). None

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants. See separate sheet

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project. None

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of 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.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—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 the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs?

[x] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated April 24th, 1953

Big Q Tungsten Mine Inc.
(Applicant)

By Wm M Quigley Sr
President

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

Big Q Tungsten Mine, Inc.
417-19 Lloyd Building
Seattle 1, Washington

INSTRUCTIONS

4. The principal recent workings are known as No. 1 Tunnel and the No. 3 Level. (See map by Meloslavin). The No. 1 workings consist of a cross-cut tunnel and an incline shaft (known as the winze) all in the contact zone. Some production was had from the winze workings within the last year. The winze workings are accessible. Necessary facilities on property for small operation. Applicant invested money in Pacific Mining Co. the last operators. Now attempting to revive the operation.

(b) Small erratic operations have been attempted over a number of years with production unknown. Some production was had during the early 40's and again within the last two years. Ore was taken out during period October 1, 1952 to October 15, 1952 and put into 1,150 pounds of concentrate assaying 61.2% WO_3.

(c) The oldest rocks on Blue Grouse Mountain are metamorphosed sediments consisting of quartz mica schist, argillites and quartzites. They are thought to be an erosional remnant of the Deer Lake argillites. These rocks were intruded by the Loon Lake granite which is a major geologic feature of the area. Subsequent erosion has exposed the contact between these rocks on the northern slope of the hill running roughly east and west with a flat dip south. Extensive alteration is present along the contact with considerable greison developed in the granite. The metamorphic rocks as a rule strike northwest with varying dips to the southwest. Two types of ore occurrences are present; (1) mineralized quartz veins conforming with the structure of the argillites (2) mineralization along certain structures in the contact zone. The mineral of economic interest is the tungsten mineral hubnerite. Both types of occurrence have been worked in a somewhat haphazard manner, the point of attack probably being determined by the chance discovery of a promising surface showing without any thought as to the over-all geologic picture.

(d) The property is located 8 miles east of Loon Lake, Washington from where it is accessible by a good secondary motor road. Another road from Deer Park connects with this road about midway to the property. Both Loon Lake and Deer Park are served by the Great Northern Railroad. Spokane would be the main supply point which is thirty-some miles distant by paved highway.

(e) Manpower, materials, supplies and equipment are all available locally or in Spokane. A small dam may have to be constructed to provide water storage. Power is generated locally by internal combustion engines.

5. The tungsten mineral hubnerite.

(b) The present work has exposed the outcrops of the quartz veins in only a comparatively few places compared with their probable lateral extent. Also where the veins intersect the contact zone should be favorable locations for ore deposition. See attached map showing proposed exploration work. (See attached sheet)

(d) Applicant good organizer. Will secure experienced men to supervise the work. At present has tentatively arranged for the services of an experienced foreman and an accredited professional mining engineer as consultant.

BIG Q TUNGSTEN MINE, INCORPORATED
417-19 Lloyd Building
Seattle 1, Washington

INSTRUCTIONS 5-b

Proposed Work

Approximate Footage	Proposed Work
125 feet	Drift Southeast on vein to possible downward extension of ore shoot from #3 level
25 feet	Drift Northwest to limit of oreshoot on #3 level
90 feet	Raise on oreshoot to #3 level
60 feet	Exploratory work on mineralized structure #2 level. Details to be decided.
300 feet	

BIG Q TUNGSTEN MINE, INC
417-19 Lloyd Building
Seattle 1, Washington

ESTIMATED COST OF 300 FEET OF
EXPLORATORY DRIFTING AND RAISING

INSTRUCTIONS 6

(Mining will continue with extra help during exploration)

April 17, 1953

	Period or Quantity		Rate	Five Month Period	
b. Labor, Supervisions, Consultants					
2. Miners	Per Shift		$ 14.74	$ 3,830.00	
1 Foreman	Monthly		225.00	1,125.00	
1 Engineer	Monthly		60.00	300.00	
Total					$ 5,255.00
c. Operating Materials & Supplies					
420 feet Rails, Plates, Bolts, Ties Tunnel #1	1,680#	@	$ 160.00	$ 134.40	
180 " " " Level #3	720#	@	160.00	57.60	
300 feet 2" pipe	300 feet	@	150.00	150.00	
Fittings			25.00	25.00	
300 feet 1" pipe	300 feet	@	105.00	105.00	
Fittings			15.00	15.00	
1½ tons powder	1 ton	@	440.00	660.00	
10,000 feet of fuse	1,000 feet	@	12.05	120.50	
2,000 caps	1,000 caps	@	19.06	38.12	
100# carbide	100#	@	25.00	25.00	
Drills, Steel & Bits	Monthly	@	75.00	225.00	
Miscellaneous Tools	Monthly	@	100.00	500.00	
Total					$ 2,055.62
d. Operating Equipment					
Air (#315 Chicago Pneumatic Model PO-42 Ser. #44693)	Monthly	@	$ 200.00	$ 1,000.00	
Hammer & Sinker Leg	Monthly	@	55.00	275.00	
Stoper	Monthly	@	75.00	150.00	
2 Mine Cars	Monthly	@	15.00	75.00	
Panel Truck	Monthly	@	50.00	250.00	
Total					$ 1,750.00
g. Miscellaneous					
Payroll Taxes - F.I.C.A.	$4,955.00	@	1.5%	74.33	
State Unemployment	$4,955.00	@	2.7%	133.79	
Federal Unemployment	$4,955.00	@	.3%	14.86	
Industrial Insurance	2,860 hrs.	@	10¢	286.00	
Medical Aid	2,860 hrs.	@	.035%	100.10	
Total Payroll Taxes				$ 609.08	
Repairs & Maintenance	Monthly	@	$ 75.00	$ 375.00	
Accounting	Monthly	@	50.00	250.00	
Total Miscellaneous					$ 1,234.08
500 Wedges	500	@	25.00	$ 25.00	
150 feet timbering	1 foot	@	5.00	750.00	$ 775.00
1. Contingencies - 10%					1,106.97
Total costs for 300 feet					$ 12,176.67
Cost for one foot					$ 40.59

IN REPLY REFER TO:

400

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

June 23, 1953

Memorandum

To: W. S. Martin, DMEA

From: D. M. Lemmon, USGS

Subject: Field Team report
Big Q Tungsten Mine
Blue Grouse Mountain
Stevens County, Washington

DMEA-3037
Tungsten

The Big Q deposit was examined by Harold Kirkemo on October 3, and November 2, 1952, and by Kirkemo, G. W. Fuller and George Todd on March 26, 1953. Kirkemo's report, dated June 12, 1953, recommends an exploration program costing $11,025.

The deposit is small and gives little promise of developing into a mine. However, the proposed program is relatively inexpensive, and removal of the exposed tungsten-bearing material while the workings are accessible may save the Government larger expenditures in the future. Therefore, I concur with the Field Team's recommendation.

D. M. Lemmon

Dmlemmon

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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
[illegible]
[illegible] 15, Power Street
Spokane 4, Washington

June [illegible] 1953

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

Re: Docket No. DMEA-305, (tungsten)
Big Q Tungsten Mine, Inc.
Stevens County, Washington

Dear Mr. Selfridge:

Enclosed are four copies of the examination report with maps and cross sections of the Big Q Tungsten mine, Stevens County, Washington, by Harold Kirkham, U. S. Geological Survey, and A. S. Anderson, U. S. Bureau of Mines. The Field Team concurs with the examining team that this application be favorably considered.

The proposed exploration program has a definite target based on valid geologic structures. Two earlier applications for exploration aid on this property proposed successively expensive exploration without supporting geologic facts. The program outlined in the enclosed report is planned to test the downward extension of a tungsten ore body which the examining team has mapped and sampled. The structural control of the ore body suggested by the examining team may be the clue to the discovery of other ore bodies in the granite. Heretofore the search for ore has been confined chiefly to the argillites or to the argillite-granite contact.

The target of the exploration program is small and the project will require frequent inspections but the property is within an hour's driving time of Spokane and for this reason can be closely watched without overextending the services of this office.

It will be noted that the per foot costs of the proposed program estimated by the applicant are $40.[illegible] while the examining team estimated $33.00 untimbered and $36.00 timbered. Considering the accessibility of the mine and relatively simple operating problems the Field Team agrees with the examining team that the lower estimate is a more reasonable cost.

Reviewed by
DMEA OPERATING COMMITTEE
6-19-53
(date)

The applicant has been asked to obtain owner's consent to lien forms on the property and these will be forwarded to Washington upon receipt in this office.

By DMEA Field Team, Region II

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

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

Enclosures:

cc: USGS (2)
Kirkham

1 by 0 mi 0

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
W. 157 Second Street
Spokane 4, Washington

June 12, 1953

Memorandum

To: DMEA Field Team, Region II

From: Harold Kirkemo, Geologist, U. S. Geological Survey

Subject: Docket No. DMEA-3037 (Tungsten), Examination Report, Big Q Tungsten Mine, Stevens County, Washington

RECOMMENDATIONS

It is recommended that the request for DMEA assistance be approved. A concentration of hubnerite in greisenized granite disclosed in recent work on the No. 3 level from the inclined shaft justifies a modest exploration program to determine extent of the ore shoot in depth and on strike.

The ore shoot has been developed and mined to the surface from the No. 3 level, but its possible extension to a level 74 feet lower has not been tested. There is a possibility the ore shoot may be 25 to 40 feet long and 5 to 8 feet wide. Four samples cut across 7.8 feet of tungsten mineralization exposed in the drift averaged 2.83 percent WO_3. If the proposed exploration is successful, a reserve of 1067 tons of ore with 2878 units of contained WO_3 will be indicated.

An old adit (No. 1 adit level) 74 feet below the No. 3 level has been reopened. Several veins of quartz are exposed in the adit and one of them appears to be the downward extension of the vein structure associated with the tungsten ore shoot on the No. 3 level from the inclined shaft.

It is recommended that the drift already started on this vein on the No. 1 adit level be extended in a southerly direction following the vein approximately 100 feet to intersect the possible downward extension of the ore body exposed on the No. 3 level. If the ore body is found, it is recommended that a raise be driven in ore from the adit level to the No. 3 level, a distance of 75 to 100 feet depending on the angle of pitch of the ore body.

Reviewed by
DMEA OPERATING COMMITTEE
6-19-53
(date)

Information regarding location, development, past operation, geology, etc. are contained in unpublished reports on this property and Blue Grouse Mountain by Broedel, Page, and Hobbs.

DEVELOPMENT

Development at the Big Q mine consists of the No. 1 adit level (elevation 3750 feet) with 860 feet of crosscuts and drifts; an inclined shaft (minus 28° incline - 125 feet inclined depth - collar elevation 3884 feet - bottom elevation 3825 feet) from which three levels totalling 425 feet of drift and crosscut have been driven. Raises and stopes connect the three levels from the shaft and the bottom or No. 3 level is being connected with a raise from the No. 1 adit level at the present time. These workings are shown on the attached maps.

GEOLOGY

The Big Q mine is on the north slope of Blue Grouse Mountain, Stevens County, Washington. Argillites and quartzites of Paleozoic age (?), underlie most of Blue Grouse Mountain. Granite correlated with the Loon Lake, Mesozoic (?), granite forms the north flank of the mountain. Most of the Big Q mine workings are in white, muscovite granite, essentially a greisenized granite with local variations to pegmatite and aplite. Ten feet to twenty feet south of the mine workings argillites and quartzites are exposed on the surface. The contact between the argillites and the granite dips 10 to 15 degrees to the south although dips steeper and also flatter have been noted. A xenolith of argillite 25 feet wide surrounded by granite was penetrated with a raise in the west end of the No. 2 level from the shaft. Argillite is exposed in several places on the hanging wall of the inclined shaft.

Quartz veins one inch to six inches wide striking N. 25° to 60° W., dipping 60° to 80° W. and shears striking N. 20° to 40° W., dipping 60° to 80° W. with clay gouge 0.1 foot to 1.5 feet wide cut the granite in the mine workings. The ore body whose extension is the goal of the proposed exploration program occurs at the intersection of a quartz vein and a shear. Neither the vein nor the shear contains an appreciable amount of hubnerite but in a zone up to 8 feet wide in the greisen along the intersection of the two structures there is a concentration of hubnerite with manganese and iron oxides. If the tungsten mineral concentration is controlled by the vein-shear intersection, the low angle of intersection between the two structures will allow a possible strike length along the ore body of 25 to 40 feet.

Another intersecting relationship of shear and quartz vein in granite was noted in the east end of the No. 2 level where a stope has been started. Further mapping and development will be necessary to determine whether an ore shoot exists here. A sample of broken material from the stope assayed 0.10 percent WO_3.

SAMPLES AND ORE RESERVES

Samples cut on the ore body exposed in the drift on the No. 3 level are as follows:

Location	Sample No.	Width (feet)	Percent WO_3
N. face at 55 ft. NW. of shaft	4	1 (V)	17.3
Do	5	0.9	0.11
Do	6	0.9	0.27
Do	7	5 (E)	0.90
Averages, Samples 4-7		7.8	2.85
S. face at 45 ft. NW. of shaft	332	1.5	2.16

The ore shoot exposed here is 12 feet long, averages 4.6 feet wide, and its tungsten content averages 2.72 percent WO_3. The proposed exploration program includes continued advance on the ore body in a northwesterly direction to the limit of ore. The applicant has drifted 17 feet in waste or sparsely mineralized rock along the hanging wall of the ore shoot to a point 72 feet northwest of the shaft.

Judging from the length of the old stope on the No. 2 level, a strike length of 25 to 40 feet may be developed on the ore body on the No. 3 level and may continue to the No. 1 adit level with the same length. Ore reserve that may be indicated with the proposed exploration work on the ore body will lie between the adit level and the No. 3 level and in unstoped ground above the No. 3 level. The ore reserve that may be outlined with the proposed exploration program per foot of strike length is calculated as follows:

No. 1 adit level to No. 3 level

Length Width Height

$1' \times 4.6' \times 62' \div 12 = 23.7$ tons of ore averaging 2.7 percent WO_3 or 64 units contained WO_3 per foot of strike length.

A reserve of 393 tons of ore with 1,601 units of contained WO_3 will be indicated if a strike length of 25 feet is found on the No. 1 adit level; a reserve of 1,067 tons with 2,878 units of contained WO_3 will be indicated between the No. 1 adit level and the No. 3 level if a strike length of 40 feet is developed on the No. 1 adit level.

There is a concentrating mill of 15- to 20-ton capacity on the property. Some tungsten concentrate has been produced from ore obtained in the mine but the milling efficiency is low. The applicant reports that 1150 pounds of concentrate are on hand and that grab samples of the material assayed 61.2 percent WO_3. Mr. Todd of the U. S. Bureau of Mines inspected the mill on March 26, 1953 and stated that a few changes in the milling procedure would improve the efficiency of the operation.

Enclosures 6
Distribution:
DMEA (Orig. & 3)
USBM (2)
USGS (GRO)

Dockat
Kirkham

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON, D.C.~~
1201 N. Division St.
Spokane 2, Washington
June 10, 1953

MEMORANDUM

To: DMEA Field Team, Region II

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

Subject: Cost estimate for exploration work proposed by William M. Quigley, Sr., President, Big Q Tungsten Mine, Inc., Stevens County, Washington, Docket No. DMEA 3037 (tungsten)

Reapplication for Government assistance for the subject exploration project was made April 24, 1953 by Mr. William Quigley, Sr. The estimated costs as submitted by Mr. Quigley have been checked and the following estimate is based on information supplied in the application and from information furnished by Harold Kirkemo, U. S. Geological Survey, and George Todd, U. S. Bureau of Mines, who examined the property.

The work proposed under the exploration project is as follows:

1. Drift southeast on vein on the No. 1 adit level to possible downward extension of ore shoot from the No. 3 level. Approximately 125 feet.

2. Drift northwest to limit of ore shoot on the No. 3 level. Approximately 25 feet.

3. Raise on ore shoot to the No. 3 level from the No. 1 adit level. Approximately 90 feet.

4. Exploratory work on mineralized structure on the No. 2 level. Details to be agreed upon after geologic mapping. Approximately 60 feet.

COST ESTIMATE

300 feet of drifting and raising at $33/ft.	$ 9,900.00
Assume 50 percent of 210 feet of drifting required timber at $5/ft.	525.00
90 feet of timbering required in raise at $5/ft.	450.00
30 assays at $5/ea.	150.00
Total estimated cost	$11,025.00
Government's participation at 75 percent	$ 8,268.75

Reviewed by
DMEA OPERATING COMMITTE
6-19-53
(date)

[illegible]

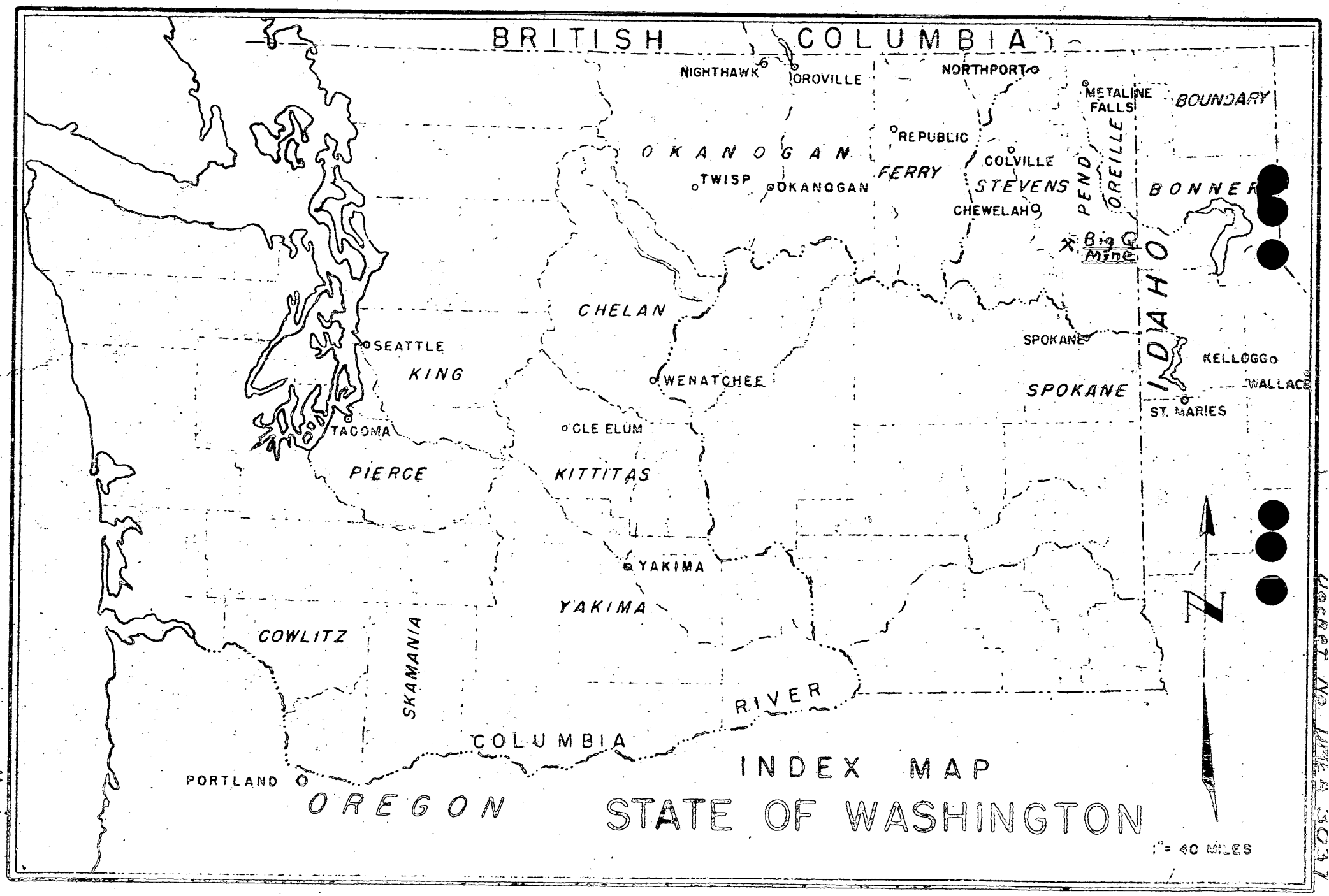
Recapitulation cost of breaking and mucking bald headings

		Cost/ft.
Labor and supervision		$13.84
Operating materials and supplies		9.92
Operating equipment		6.08
		$29.84
Plus 10% contingencies		2.98
		$32.82
	SAY	$33.00/ft.

Total Cost of Project

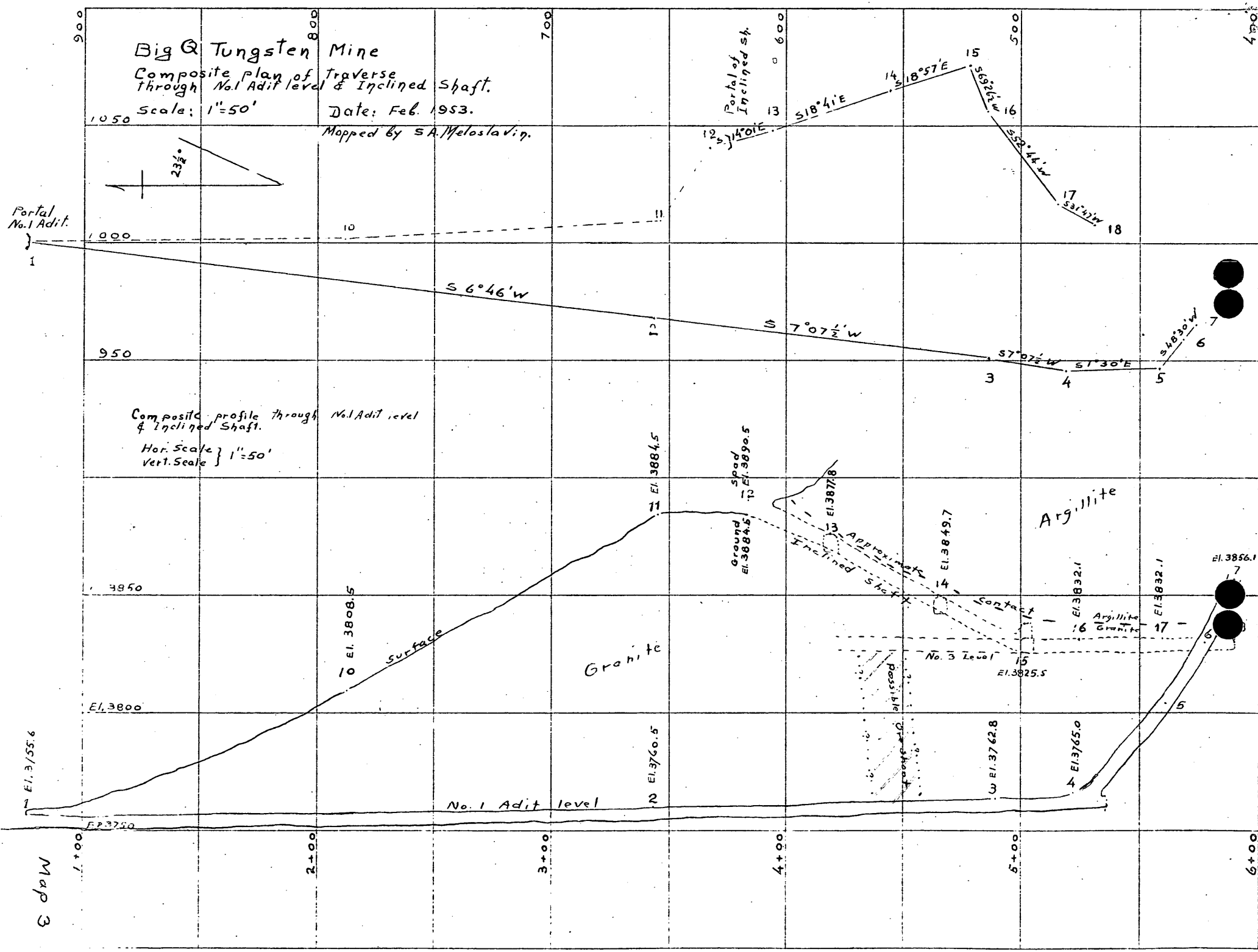
300 feet of drifting and raising @ $33/ft.	$ 9,900.00
Assume 50% of 210' of drifting requires timber:	
Timber @ $5/ft. (includes setting timber)	525.00
90 feet of timbering required in raise @ $5/ft.	450.00
30 samples @ $5/ea.	150.00
Total estimated cost	$11,025.00
Government's participation @ 75%	$ 8,268.75

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
WSA/he



Map 1

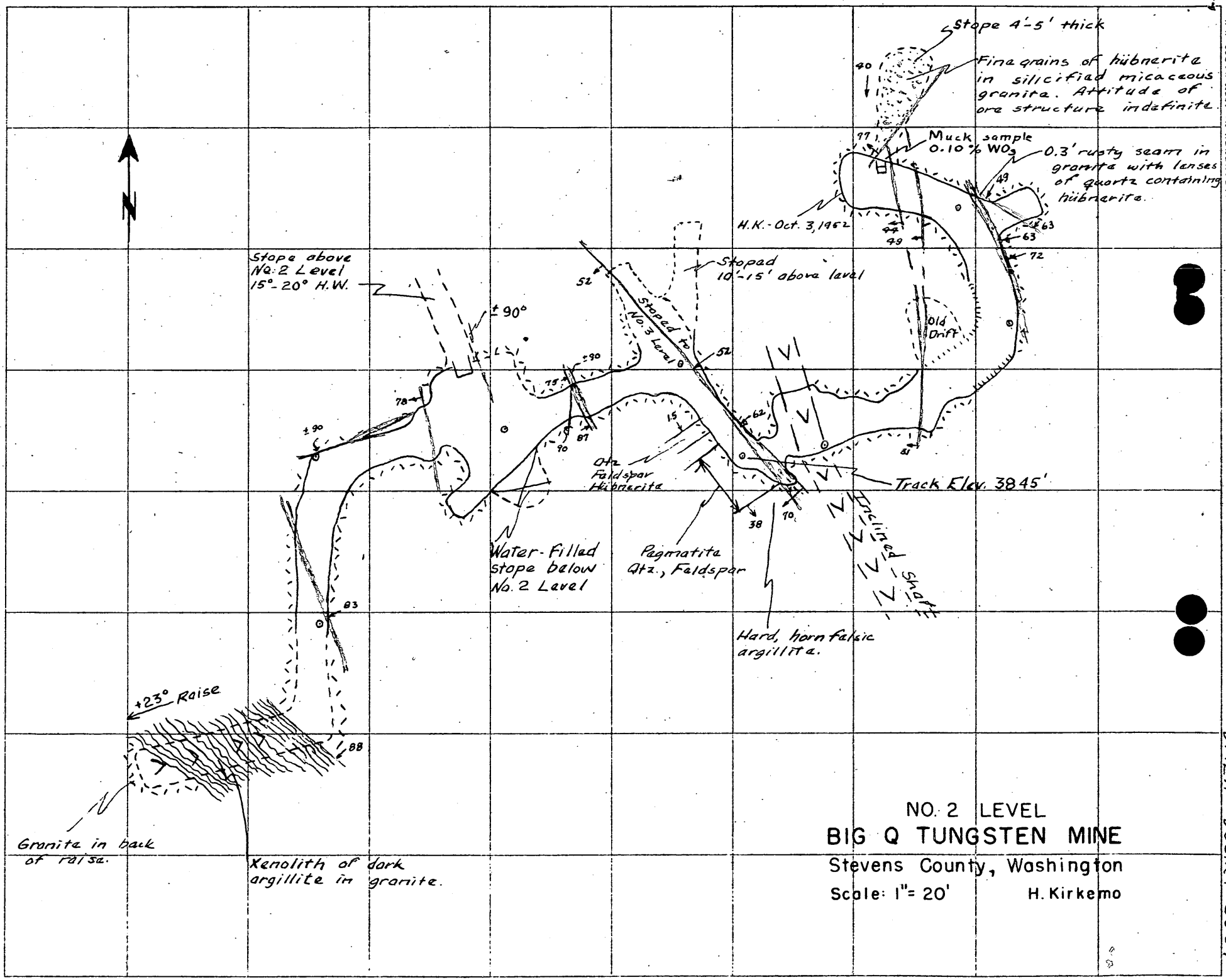
Docket No. UMRA 3031



Map 3

DMEA Docket 3037

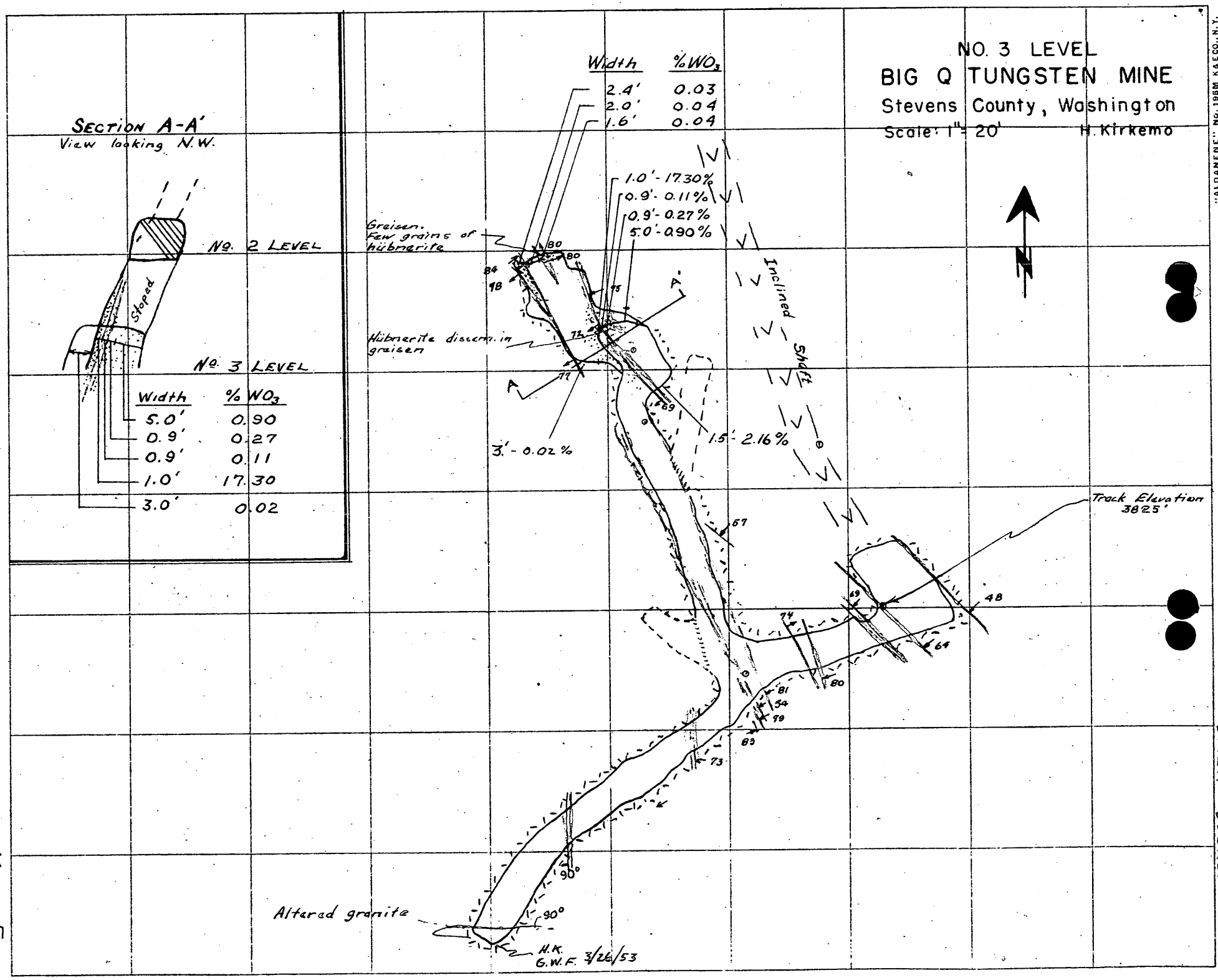
"ALDANENE" No. 196M K&E CO. N.Y. REG. U.S. PAT. OFF.



Map 4

DMEA Docket 3037

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



Map 5

DMEA Docket 3037

dmea 3039

400

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

June 12, 1953

WSM

Mr. William M. Quigley, Sr.
President and Treasurer
Big Q Tungsten Mine, Inc.
417-19 Lloyd Building
Seattle, Washington

Dear Mr. Quigley:

Enclosed are copies of "Owners Consent to Lien" forms. Please complete these forms with the following lessors of the various state mining contracts covering the mineral lands at the Big Q mine in Section 16, T. 30 N., R. 42 E.W.M., Stevens County, Washington:

Lessor	State Mining Contract No.	Description
O. M. Kimmel	233	½ of NE¼ Sec. 16.
Mabel Kimmel	238	SE¼NW¼, NE¼SW¼, NW¼SE¼ Sec. 16.
Keturah C. Kimmel	234	SE¼NW¼, NE¼SW¼ Sec. 16.
A. D. Kemp	230	SW¼NW¼, NW¼SW¼ Sec. 16.

Our examination report on the mine relative to your DMEA application will be forwarded to Washington without executed copies of these forms. They will be sent in as soon as you have returned them to us.

Yours very truly,

Harold Kirkemo
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures

cc: DMEA (2)
USBM (2)
Kirkemo

C
O
P
Y

400

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

May 25, 1953

dmea 3037

Hon. Henry M. Jackson
United States Senate
Washington 25, D. C.

My dear Senator Jackson:

Reference is made to your letter of May 20 regarding a revised application, submitted by William M. Quigley, for a Defense Minerals Exploration Administration loan to cover exploration at the Big Q Tungsten mine.

As you know, the Bureau of Mines does not have juridiction over loans made by DMEA. I am informed that the new application is now under consideration by the Field Team in Region II and that no action on the loan is expected prior to the report from that group. Inasmuch as the deposit was investigated when the first application was considered, it is believed that a report will be received in the near future.

If the Bureau of Mines can be of service at any time, please do not hesitate to call on me.

Very truly yours,

J. J. FORBES

Director

RWGeehan/mjb

Copy to Director's reading file
Regional Director, Region II, Albany, Oregon
Mr. Martin - DMEA
Minerals Division (2)
Ferrous Metals Branch
Mr. Geehan
Files

MAY 29 1953

400

Hon. Henry M. Jackson
United States Senate
Washington 25, D. C.

My dear Senator Jackson:

This will acknowledge receipt of your letter of May 26, 1953, inquiring about the status of the application of William H. Quigley, our docket No. DMEA-3037, covering the Blue House Mountain mine of the Big Tungsten Mine, Inc., in Stevens County, Washington.

We have been advised by our Field Team that a report is being prepared and will be sent to us promptly. We shall, of course, advise you as soon as we receive the Field Team's report and take appropriate action.

Sincerely yours,

C. O. Mittendorf

Administrator

Copy to: Docket DMEA 3037
Field Team, Region 2
Adm. Reading File
Code 400
H. H. Lemmon, USGS
R. W. Coehan, USBM

WSMartin/ls
5/29/53

BREAKDOWN OF COSTS

Drifting and raising on a one shift a day basis, average 4 feet of advance per shift. Total advance for a 26 day month - 104 feet.

Labor and supervision for one shift	Cost/ft.	
2 miners @ $16/shift	$8.00	
10% OAB, unemployment ins., etc.	.80	
8-1/3% overtime	.69	
	$9.49	$ 9.49
Engineer, part-time @ $150/mo.	1.45	
Supervision, accounting, etc. @ $300/mo.	2.90	
	$4.35	4.35
Total costs per foot - Labor and supervision		$13.84

Operating materials and supplies	Cost/ft.	
Powder, 15#/ft. @ $21.75/100#	$3.26	
Caps, 20/4'-round @ $21.60/1000	0.11	
Fuse, 200'/4'-round @ $13.00/1000'	0.52	
Steel and bits, assume	1.35	
Rail (20#) @ $7.80/100#	0.73	
Spikes, bolts and fish plates	0.15	
Air hose, 50' @ $98/100') Water hose, 50' @ $90/100')	0.31	
Air pipe, 2" pipe @ $48.63/100') Water pipe, 1" pipe @ $16/100')	0.69	
Small tools and miscellaneous equip. - $300	1.00	
Maintenance and repair	1.50	
Panel truck operating costs	.30	
	$9.92	$ 9.92

Operating Equipment - Rental basis	Cost/ft.	
1 315 cfm C.P. compressor @ $350/mo.	$3.37	
1 drill with pusher leg @ $75/mo.	.73	
1 stoper @ $75/mo.	.73	
2 mine cars @ $15/mo. ea.	.29	
Panel truck @ $100/mo.	0.96	
	$6.08	$ 6.08
		$29.84

The strike length of the ore shoot should be determined on the No. 3 level by drifting northwest to the limit of ore. It is possible that 25 feet of drift would be adequate to accomplish this goal.

Huebnerite is associated with a quartz vein and shear exposed in the east end of the No. 2 level east of the inclined shaft. The possibilities of developing an ore shoot on this structure should be tested. Details of work on this structure can be planned only after more detailed mapping is done in a stope that is now partially inaccessible.

The proposed work outlined will total 300 feet of drifting and raising at an estimated cost of $11,025.00 with the Government participating in $8,268.75 of the cost.

INTRODUCTION

Applications for DMEA exploration loans at the Big Q tungsten mine were submitted in August 1951 (Docket No. DMA-686) and again in August 1952. The first application was withdrawn and the second was denied because the lenticular and limited occurrence of the ore bodies did not justify the expenditure of $64,525 proposed in the application. Examination of the mine was made by C. H. Broedel, Geologist, U. S. Geological Survey, on August 31, 1951, and copies of his report were sent to the DMEA Operating Committee on August 30, 1952, upon receipt of the second application. S. W. Nobbs, L. R. Page, and M. R. Klepper, U. S. Geological Survey, have mapped the tungsten deposits on Blue Grouse Mountain, but the report on this work has not been published.

The first application for DMEA assistance at the Big Q mine was submitted by the Pacific Mining Company, Inc., 418 Lloyd Building, Seattle, Washington. The interest of the Pacific Mining Company in personal property and in property leases were seized for nonpayment of United States Internal Revenue taxes and sold at public auction by the Collector of Internal Revenue on July 21, 1952. The applicant, William M. Quigley, Sr., purchased these interests for the sum of $1,800.00, and organized the Big Q Tungsten Mine, Inc., 417-19 Lloyd Building, Seattle 1, Washington. Enclosed is a copy of the lease agreements Mr. Quigley has negotiated with the owners of the various state mining contracts for ground in this vicinity. Mr. Quigley has been requested to obtain the owners' consent to lien.

Work was continued by the applicant in the fall of 1952, and visits to keep informed of developments at the mine were made by Harold Kirkham, U. S. Geological Survey, on October 3, November 2, 1952, and with G. W. Fuller and George Todd, U. S. Geological Survey and U. S. Bureau of Mines, respectively, on March 26, 1953. A modest program of exploration was worked out with the applicant upon his request for DMEA assistance. This proposed program comprises the application.

MAY 25 1953

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 3037 - Tungsten
Big Q Tungsten Mine, Inc.
Blue Grouse Mountain mine
Stevens County, Washington

Dear Mr. Weissenborn:

This will acknowledge receipt of the referenced docket and your letter of May 11, 1953, in which you state that a field team report will be prepared as soon as possible.

We will, therefore, hold this application in abeyance until the report and recommendations by the Field Team are received.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

FARutledge:foc
5-18-53
cc: Docket
Code 400
Adm. Reading File
RT, Reg. II
Operating Comm.
R. W. Geehan, USBM
D. M. Lemmon, USGS

Dmea 3037-E582

Defense Minerals Administration
RECEIVED
SEP 23 1954

402

xxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

September 8, 1954

WSM

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

Re: Docket No. DMEA-3037 (tungsten)
Big Q Tungsten Mine, Inc.
Blue Grouse Mountain mine
Stevens County, Washington
Contract No. Idm-E582

Dear Mr. Selfridge:

Enclosed are the original and two signed copies of a Rescission Agreement on the subject contract.

Distribution of this agreement is being made in the usual manner.

Sincerely yours,

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

Enclosures

cc: Finance Office w/encl.
USBM (2)
Puffett

Division Copy

Defense Minerals Administration
RECEIVED
SEP 13 1954

RESCISSION OF EXPLORATION PROJECT CONTRACT

It is agreed this 23rd day of August, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Big Q Tungsten Mine, Inc., parties to that certain Exploration Project Contract Idm-8582 (Docket No. DMEA-3037), dated August 13, 1953, hereinafter called the "Contract," that the Contract is hereby revoked, cancelled, and rescinded as of August 13, 1953, before any work has been performed or any costs have been incurred thereunder, without any obligation whatever one party to the other, the same as if the Contract had never been entered into.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. M. Hendry
Administrator, Defense Minerals Exploration Administration

BIG Q TUNGSTEN MINE, INC.

By Wm M Quigley
President

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

Division Copy

September 3, 1953

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

Re: Docket No. DMEA-1037 (Tungsten)
Big G Tungsten Mine, Inc.
Stevens County, Washington

Dear Mr. Selfridge:

Enclosed are the original and two signed copies of Contract No. Ida-6582.

Distribution of this contract has been made in the usual manner.

Sincerely yours,

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

Enclosure

cc: USBM (2)
Puffett

gb

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
RECEIVED
SEP 8 - 1953

DOCKET NO. DMEA [illegible]

COMMODITY Tungsten

Division Copy
IDM-E-582

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 13 day of August, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] [illegible] a corporation duly organized and existing under and by virtue of the laws of the State of Washington, having its principal office at [illegible], Washington, hereinafter called the "Operator," as follows: and as set forth in [illegible], attached to an [illegible]

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 [illegible], described as follows:[3] [illegible] Property [illegible] Tungsten [illegible] be attached to an [illegible] a part hereof.

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:

[illegible] is subject to an act [illegible] the [illegible] Consent to Lien of the State of Washington [illegible]

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

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 60 days from the date of this contract shall commence work on a project of exploration for[5] Tungsten

in or upon the described land; and shall bring the project to completion within a period of [illegible] months 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. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. 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 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay [illegible] percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $[illegible], which is [illegible] percent of $[illegible], 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 check or 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. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed 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 units of work performed 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.

[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*) *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 the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, 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 and statement of work performed to accompany his final report.

ARTICLE 6. *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: See Amendment 1, substituted for that part of 6(a) preceding the colon.

(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 the 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 7. *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 8. *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.

ARTICLE 9. *Changes and added provisions* Insert as part of the action contemplated in Article 1 following the word "Operator" a comma.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Meitzendorf
Acting Administrator, Defense Minerals Exploration Administration

[illegible] TUNGSTEN MINES, INC.
(Operator)

By Wm M Quigley Jr Pres

I, J. E. Chandler, certify that I am the _____ secretary of the corporation named as Operator herein; that Wm M Quigley Jr, who signed this contract on behalf of the Operator, was then 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.

J. E. Chandler [CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
(DMEA)
SEP 8 - 1953

EXPLORATION PROJECT CONTRACT
BIG Q TUNGSTEN MINE, INC.
DOCKET NO. DMEA-3037

ANNEX I

The following provisions are in lieu of all of paragraph (a) of Article 6 which precedes the colon:

If the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after a sufficient, complete, final report and final account referred to in the contract has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development, The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2, as follows: (1) Regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

EXPLORATION PROJECT CONTRACT
BIG Q TUNGSTEN MINE, INC.
DOCKET NO. DMEA-3037

ANNEX II

The mineral lands are described in four State of Washington Mining Contracts, Nos. 230, 232, 233, and 234, covering mineral lands at Blue Grouse Mountain in Section 16, T. 30 N., R. 42 E., W. M., Stevens County, Washington, as follows:

Mining Contract No. 230, issued on March 29, 1937, to A. W. Kemp: the SW¼NW¼, NW¼SW¼, except such part of said land as, on March 29, 1937, the date of said State Contract of Mining, the State of Washington had were then included in State Mining Contract No. 73.

Mining Contract No. 232, issued on April 20, 1937, to Mabel Kimmel: those portions of the SE¼NW¼, NE¼SW¼, and NW¼SE¼ included in a tract described by metes and bounds in Mining Contract No. 232, which description is incorporated herein by reference.

Mining Contract No. 233, issued on April 20, 1937, to O. M. Kimmel: the W½NE¼.

Mining Contract No. 234, issued on April 20, 1937, to Keturah C. Kimmel: those portions of the SE¼NW¼, NE¼SW¼, included in a tract described by metes and bounds in Mining Contract No. 234, which description is incorporated herein by reference.

The lands were leased to William M. Quigley, Sr., who assigned the lease to the Operator.

EXPLORATION PROJECT CONTRACT
BIG Q TUNGSTEN MINE, INC.
DOCKET NO. DMEA-3037

EXHIBIT "A"

Description of the Work

The exploration work shall be done as indicated on "Map 2" attached hereto and entitled "DMEA-DOCKET 3037, Big Q Tungsten Mine Inc.". All workings shall be not less than 4 feet by 6 feet in the clear, and timbered where necessary.

The sampling required by the contract shall be carried out in a manner approved by the Government. Each sample shall be divided into not less than two parts, one of which shall be furnished to the Government.

The work to be performed is as follows:

1. Drift not in excess of 125 feet southeast on the vein on the No. 1 adit level, to explore for the possible downward extension of the ore shoot on the No. 3 level.

2. Drift approximately 25 feet northwest to the limit of the ore shoot on the No. 3 level.

3. Raise on ore shoot approximately 90 feet from the No. 1 adit level to the No. 3 level.

4. Drift, crosscut, and/or raise not in excess of 60 feet on mineralized structure on the No. 2 level. The location, direction, and extent of this work is subject to the prior written approval of the Government.

Estimated Costs of the Project

Drift, crosscut, and raise 300 feet @ $30.00/foot	$ 9,000.00
Timber 200 feet of drift, crosscut, and raise @ $5.00/foot	1,000.00

Analyze 50 samples @ $4.00/each	$ 200.00
Estimated Total Cost of Project	**$10,200.00**
Government Participation @ 75%	**$ 7,650.00**

MF-203

DEPARTMENT OF THE INTERIOR
Bureau of Mines
RECEIVED
MAR 3 - 1953

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 Stevens, DESCRIBED AS FOLLOWS: 1/

SE¼NW¼, NE¼SW¼, NW¼SE¼ Sec. 16, State Mining Contract No. 232 filed May 14, 1951 in Vol. 11 of Leases, Page 413 records of Stevens County under No. 25840. Approved by the State Land Commissioner May 10, 1951.

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

2/ Big Q Tungsten Mine, Inc.

HEREINAFTER CALLED THE "OPERATOR"; AND

WHEREAS, UNDER CERTAIN PROVISIONS OF SAID CONTRACT WHICH ARE SET FORTH ON THE REVERSE SIDE HEREOF, THE GOVERNMENT IS ENTITLED TO A PERCENTAGE ROYALTY ON PRODUCTION AND TO CERTAIN OTHER 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 TO ENTER INTO SAME, UNDERTAKES AND AGREES AS FOLLOWS:

1. THE GOVERNMENT'S EQUITY IN AND RIGHT TO DISMANTLE, SEVER, TAKE POSSESSION OF, AND REMOVE AND DISPOSE OF FACILITIES, BUILDINGS, FIXTURES, EQUIPMENT, OR OTHER ITEMS AS PROVIDED IN THE CONTRACT, OR ANY AMENDMENT THEREOF, SHALL PREVAIL OVER AND BE PRIOR AND SUPERIOR TO ANY CONFLICTING OR ADVERSE RIGHTS OF THE UNDERSIGNED, AND THE GOVERNMENT IS AUTHORIZED TO ENTER UPON THE LAND FOR SUCH PURPOSES.

2. TO SECURE THE PAYMENT TO THE GOVERNMENT OF THE PERCENTAGE ROYALTY ON PRODUCTION 3/ PROVIDED FOR UNDER THE TERMS OF SAID EXPLORATION PROJECT CONTRACT, OR ANY AMENDMENT THEREOF WHICH DOES NOT INCREASE THE MAXIMUM AMOUNT OF THE GOVERNMENT'S CLAIM HERE STATED OR ALTER THE PROVISIONS FOR REPAYMENT, THERE IS HEREBY GRANTED TO THE GOVERNMENT A LIEN UPON THE LAND HEREIN DESCRIBED AND UPON ANY PRODUCTION OF MINERALS THEREFROM, UNTIL THE ROYALTY CLAIM IS FULLY PAID IN THE AMOUNT OF THE GOVERNMENT'S CONTRIBUTION, NOT IN EXCESS OF 4/$10,500.00, OR TEN YEARS HAVE ELAPSED FROM THE DATE OF THE 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 SAID CONTRACT. THIS AGREEMENT SHALL BE BINDING UPON THE HEIRS, EXECUTORS, ADMINISTRATORS, SUCCESSORS, AND ASSIGNS OF THE UNDERSIGNED.

DATED THIS 19 DAY OF June, 1953.

Mabel Kissmel [SEAL]
Mabel Kissmel

[SEAL]

[SEAL]

1/ EITHER (A) INSERT THE LEGAL DESCRIPTION OF THE LAND, OR (B) STRIKE OUT THE WORDS "AS FOLLOWS" AND INSERT "IN A LEASE [OR CONTRACT, DEED, OR OTHER DOCUMENT] DATED _____, AND RECORDED IN BOOK _____ PAGE _____ OFFICIAL RECORDS OF SAID COUNTY." IF (B) IS USED, THE BOOK AND PAGE OF RECORDATION CANNOT BE DISPENSED WITH. IF THE SPACE PROVIDED IS INSUFFICIENT, USE AN ANNEX, AND REFER TO THE ANNEX IN THE SPACE.

2/ INSERT THE NAME OF THE OPERATOR AS IT WILL APPEAR IN THE EXPLORATION PROJECT CONTRACT.

3/ MINING OR PRODUCTION FROM THE LAND IS NOT REQUIRED, AND IN THE ABSENCE OF PRODUCTION THERE IS NO OBLIGATION TO REPAY THE GOVERNMENT.

4/ INSERT THE MAXIMUM AMOUNT OF THE GOVERNMENT'S CONTRIBUTION.

RELEVANT CONTRACT PROVISIONS

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 SIX 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 ($1\frac{1}{2}$) PER CENT OF ANY SUCH NET AMOUNTS NOT IN EXCESS OF EIGHT DOLLARS ($8.00) PER TON.

(2) ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT OF ANY SUCH NET AMOUNTS, PLUS ONE-HALF ($\frac{1}{2}$) PER CENT 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) PER CENT 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 ($1\frac{1}{2}$) PER CENT; ON A NET AMOUNT OF TEN DOLLARS ($10.00) PER TON, THREE AND ONE-HALF ($3\frac{1}{2}$) PER CENT.)

(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, 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.

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.

MF-203

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 Stevens, DESCRIBED AS FOLLOWS: 1/

[illegible], [illegible], Sec. 16, State Mining Contract No. 230 filed May 14, 1951, in Vol. [illegible] of Leases, page 457 records of Stevens County under No. 25401.

Approved by the State Land Commissioner May 10, 1951

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

2/ Big Q Tungsten Mine, Inc.

HEREINAFTER CALLED THE "OPERATOR"; AND

WHEREAS, UNDER CERTAIN PROVISIONS OF SAID CONTRACT WHICH ARE SET FORTH ON THE REVERSE SIDE HEREOF, THE GOVERNMENT IS ENTITLED TO A PERCENTAGE ROYALTY ON PRODUCTION AND TO CERTAIN OTHER RIGHTS AND EQUITIES WHICH DO OR MAY CONFLICT WITH OR BE ADVERSE TO THE INTEREST OF THE UNDERSIGNED IN SAID PROPERTY;

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DATED THIS 19th DAY OF June, 1953.

A. D. Kemp [SEAL]

A. D. Kemp

[SEAL]

[SEAL]

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MF-203

DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Received
JUN 8 - 1953

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 Stevens, DESCRIBED AS FOLLOWS: 1/

W½ of NE¼ Sec.16 State Mining Contract No.233 filed May 14,1941 in Vol. II of Leases, Page 453 records of Stevens County under No.25840. Approved by the State Land Commissioner May 10, 1951.

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

2/ Big Q Tungsten Mine, Inc.

HEREINAFTER CALLED THE "OPERATOR"; AND

WHEREAS, UNDER CERTAIN PROVISIONS OF SAID CONTRACT WHICH ARE SET FORTH ON THE REVERSE SIDE HEREOF, THE GOVERNMENT IS ENTITLED TO A PERCENTAGE ROYALTY ON PRODUCTION AND TO CERTAIN OTHER RIGHTS AND EQUITIES WHICH DO OR MAY CONFLICT WITH OR BE ADVERSE TO THE INTEREST OF THE UNDERSIGNED IN SAID PROPERTY;

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DATED THIS 19th DAY OF June, 1953.

O.M. Kimel [SEAL]

[SEAL]

[SEAL]

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4/ INSERT THE MAXIMUM AMOUNT OF THE GOVERNMENT'S CONTRIBUTION.

RELEVANT CONTRACT PROVISIONS

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 SIX 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 ($1\frac{1}{2}$) PER CENT OF ANY SUCH NET AMOUNTS NOT IN EXCESS OF EIGHT DOLLARS ($8.00) PER TON.

(2) ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT OF ANY SUCH NET AMOUNTS, PLUS ONE-HALF ($\frac{1}{2}$) PER CENT 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) PER CENT 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 ($1\frac{1}{2}$) PER CENT; ON A NET AMOUNT OF TEN DOLLARS ($10.00) PER TON, THREE AND ONE-HALF ($3\frac{1}{2}$) PER CENT.)

(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, 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.

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.

MF-203

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 Stevens, DESCRIBED AS FOLLOWS: 1/

SE¼NW¼, NE¼SW¼, Sec. 16. State Mining Contract No. 234 filed May 14, 1951 in Vol. H of Leases, Page 453 records of Stevens County under No. 25840. Approved by the State Land Commissioner May 10, 1951.

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

2/ [illegible] Co. [illegible].

HEREINAFTER CALLED THE "OPERATOR"; AND

WHEREAS, UNDER CERTAIN PROVISIONS OF SAID CONTRACT WHICH ARE SET FORTH ON THE REVERSE SIDE HEREOF, THE GOVERNMENT IS ENTITLED TO A PERCENTAGE ROYALTY ON PRODUCTION AND TO CERTAIN OTHER 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 TO ENTER INTO SAME, UNDERTAKES AND AGREES AS FOLLOWS:

1. THE GOVERNMENT'S EQUITY IN AND RIGHT TO DISMANTLE, SEVER, TAKE POSSESSION OF, AND REMOVE AND DISPOSE OF FACILITIES, BUILDINGS, FIXTURES, EQUIPMENT, OR OTHER ITEMS AS PROVIDED IN THE CONTRACT, OR ANY AMENDMENT THEREOF, SHALL PREVAIL OVER AND BE PRIOR AND SUPERIOR TO ANY CONFLICTING OR ADVERSE RIGHTS OF THE UNDERSIGNED, AND THE GOVERNMENT IS AUTHORIZED TO ENTER UPON THE LAND FOR SUCH PURPOSES.

2. TO SECURE THE PAYMENT TO THE GOVERNMENT OF THE PERCENTAGE ROYALTY ON PRODUCTION 3/ PROVIDED FOR UNDER THE TERMS OF SAID EXPLORATION PROJECT CONTRACT, OR ANY AMENDMENT THEREOF WHICH DOES NOT INCREASE THE MAXIMUM AMOUNT OF THE GOVERNMENT'S CLAIM HERE STATED OR ALTER THE PROVISIONS FOR REPAYMENT, THERE IS HEREBY GRANTED TO THE GOVERNMENT A LIEN UPON THE LAND HEREIN DESCRIBED AND UPON ANY PRODUCTION OF MINERALS THEREFROM, UNTIL THE ROYALTY CLAIM IS FULLY PAID IN THE AMOUNT OF THE GOVERNMENT'S CONTRIBUTION, NOT IN EXCESS OF 4/$ 10,500.00, OR TEN YEARS HAVE ELAPSED FROM THE DATE OF THE 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 SAID CONTRACT. THIS AGREEMENT SHALL BE BINDING UPON THE HEIRS, EXECUTORS, ADMINISTRATORS, SUCCESSORS, AND ASSIGNS OF THE UNDERSIGNED.

DATED THIS 19th DAY OF June, 1953.

Keturah C. Kimmel [SEAL]

Keturah C. Kimmel

[SEAL]

[SEAL]

1/ EITHER (A) INSERT THE LEGAL DESCRIPTION OF THE LAND, OR (B) STRIKE OUT THE WORDS "AS FOLLOWS" AND INSERT "IN A LEASE [OR CONTRACT, DEED, OR OTHER DOCUMENT] DATED _____, AND RECORDED IN BOOK _____ PAGE _____ OFFICIAL RECORDS OF SAID COUNTY." IF (B) IS USED, THE BOOK AND PAGE OF RECORDATION CANNOT BE DISPENSED WITH. IF THE SPACE PROVIDED IS INSUFFICIENT, USE AN ANNEX, AND REFER TO THE ANNEX IN THE SPACE.

2/ INSERT THE NAME OF THE OPERATOR AS IT WILL APPEAR IN THE EXPLORATION PROJECT CONTRACT.

3/ MINING OR PRODUCTION FROM THE LAND IS NOT REQUIRED, AND IN THE ABSENCE OF PRODUCTION THERE IS NO OBLIGATION TO REPAY THE GOVERNMENT.

4/ INSERT THE MAXIMUM AMOUNT OF THE GOVERNMENT'S CONTRIBUTION.

RELEVANT CONTRACT PROVISIONS

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 SIX 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:

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(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, 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.

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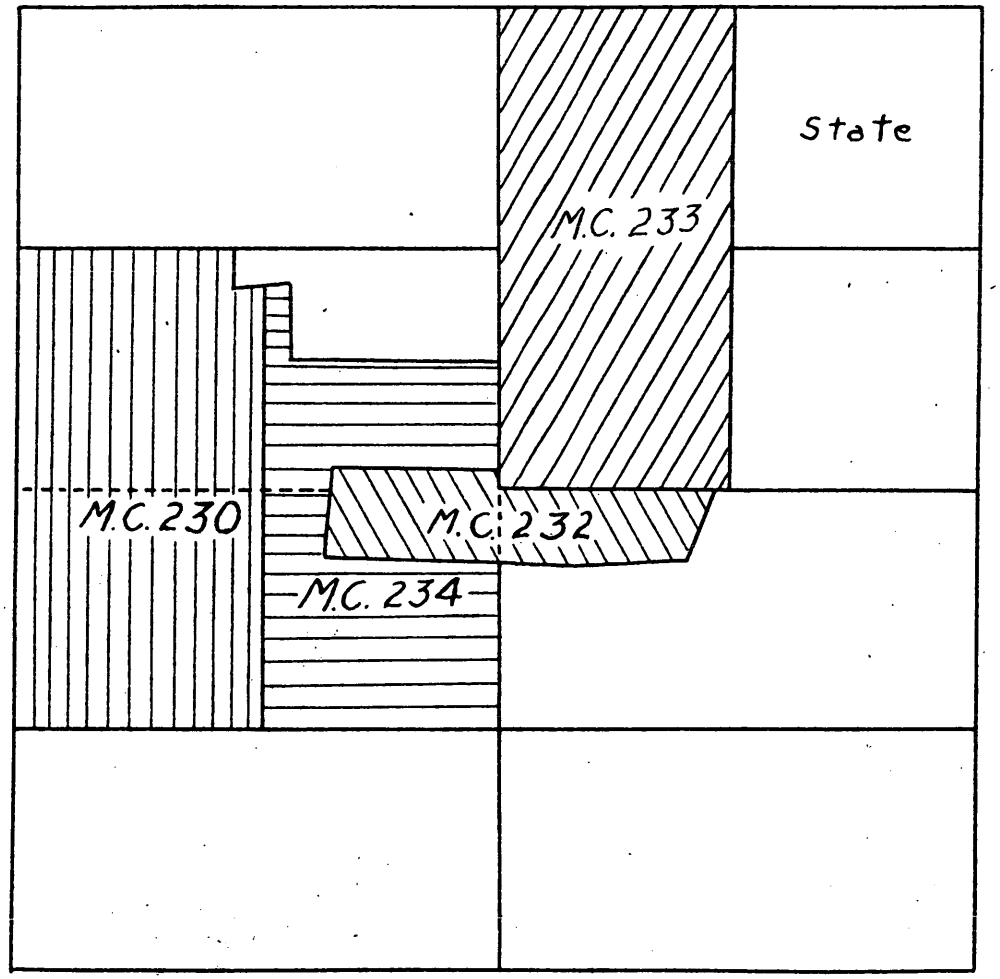
TITLE TO AND DISPOSITION OF PROPERTY. ALL FACILITIES, BUILDINGS, FIXTURES, EQUIPMENT, OR OTHER ITEMS COSTING MORE THAN $50.00 EACH, PAID FOR OR PURCHASED WITH FUNDS CONTRIBUTED JOINTLY BY THE OPERATOR AND THE GOVERNMENT, ALTHOUGH TITLE MAY BE TAKEN IN THE NAME OF THE OPERATOR, SHALL BELONG TO THE OPERATOR 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.



Sec. 16
T. 30 N., R. 42 E.

FIG. A PROPERTY MAP BIG Q TUNGSTEN MINE, INC.

Application + F.T. report
maps
area 3027