OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Amended Contract Idm-E644, Docket DMEA-3142 (copper), dated June 25, 1954, with

Howe Sound Company
500 Fifth Avenue
New York, New York 10036

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Holden Mine located in Chelan County, Washington, during the period September 9, 1959, through February 12, 1964.

In accordance with a Termination Agreement dated July 24, 1957, Annex IV, and Amendment No. 3 of the Amended Contract, royalty is payable on all minerals produced from the land described in Article 2, Annex II, and Amendment No. 1 of the contract for a period of 13 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated August 21, 1957, indicated accepted costs under the exploration contract amounting to $308,708.89 with the Government's contribution on a 50 percent basis being $154,354.45.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review found no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through September 8, 1959. Accordingly, as of February 12, 1964, the royalty account of this project was found to be:

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

E. D. Talbert

E. D. Talbert, OME Auditor

February 14, 1964

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

The July 24, 1957, Termination Agreement specifically provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land under the Amended Contract, as further amended. The land under the contract, as amended, consists of 10 patented claims and 36 unpatented claims, except for the known Holden ore body above the 2500 level between coordinates 3500 E and 7500 E. At the time the contract was executed the Operator was the owner of the claims. The contract contains the so-called "abandonment" provision, but this was deleted by Amendment No. 2.

Exploration work under the contract was terminated effective June 1, 1957, and all operations of the mine ceased on June 28, 1957. There was no production during the exploration period and a subsequent examination of the property and inquiries by DMEA and OME regional representatives disclosed no activity, other than dismantlement of mine and mill, through September 8, 1959.

In a February 12, 1964, reply to a MME Form 63 inquiry, the Operator advised "Mine was completely shut down in June of 1957 and the property was subsequently turned over to the Lutheran Bible Institute".

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

(1) The files disclose no production subject to royalty since the date of the contract;

(2) The property has been inactive since June 1957; and

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

CA+A

No. 157 Howard Street
Spokane, Washington 99204
February 18, 1964

EXTRA COPY O. M. E RECEIVED FEB 20 1964		
DATE	FILES	CODE
		800

Air Mail

Memorandum

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

From: Acting Field Officer, Region I

Subject: DMEA-5142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Amended Contract Ida-8544

There is enclosed the original of a Report of Royalty Review dated February 14, 1964, covering the subject contract for the period September 9, 1959, through February 12, 1964.

One copy of the report has been retained for the Spokane office files. The report is for record purposes only, and no copy was provided for the Operator.

D. R. Maclaren

Enclosure

cc: CMK(2)
CA&A Div.
CFF

Director's Reading File
Resources Research Branch Chief

MLSmelser:mls

FEB 1 4 1964

Memorandum

To: Acting Field Officer, Region I

(Signed) E. D. Talbert

From: Chief, Contract Administration and Audit Division

Subject: DMEA-3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Amended Contract Idm-K644

The original and one copy of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

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

(b) One copy for your files.

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

As evidence of your concurrence, a copy of your memorandum transmitting the original report to the Fiscal Section should be furnished this Division. If for any reason you do not concur, both copies of the report should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 2-14-64

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

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., pertaining to Amended Contract No. Idm-E644, Docket No. DMEA-3142 (Copper), dated June 25, 1954, effective December 7, 1953, with

Howe Sound Company
Holden, Washington
and
730 Fifth Avenue
New York, New York

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Holden Mine located in Chelan County, Washington, during the period December 7, 1953, through September 8, 1959.

In accordance with Termination Agreement dated July 24, 1957, effective June 1, 1957, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract, except production from the Holden ore body above the 2500 level between coordinates 3500E and 7500E, for a period of 13 years from the date of the amended contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final cost audit dated August 21, 1957, indicated accepted costs under the exploration contract amounting to $308,708.89 with the Government's contribution, on a 50 percent basis, being $154,354.45.

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

(1) The operator discontinued all mining operations at this property in June, 1957; the exploration contract was terminated; the mill and other structures have been removed; and the mine allowed to fill with water;
(2) Semi-annual reports by representatives of the Field Team, Region I, and other documents in the files do not disclose any production or sales of minerals from that portion of the property covered by the contract during the exploration period or subsequent thereto; and
(3) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

The review indicated that there has not been any production or sales of minerals from that portion of the property covered by the contract since December 7, 1953, and no royalty is due the Government.

C. E. Fisher

October 16, 1959 C. E. Fisher, OME Auditor

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Howe Sound Company

Address Holden, Washington

Exploration Contract No. Idm-E644 Docket No. DMEA-3142

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

Property inactive. Mine and mill has been dismantled and equipment sold.

September 8, 1959
Date

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

53362

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Howe Sound Company
Holden, Washington and
730 Fifth Avenue
New York 19, New York

pertaining to Exploration Project Contract No. Idm-E644, Docket No. DMEA-3142, dated December 7, 1953, including Amendment No. 1, Amended Contract No. Idm-E644, Docket No. DMEA-3142 dated June 25, 1954, including Amendments Nos. 1 to 3 inclusive, and a Termination Agreement dated July 24, 1957 having an effective date of June 1, 1957, for the period of December 7, 1953 to June 1, 1957, covering a project for the exploration of copper, on property known as the Holden Mine, located in Chelan County, State of Washington.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Government representative who visited and examined the project, and a determination of the reasonableness and propriety of the costs.

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

(a) The accepted costs, of all work on an actual cost basis ($255,104.00) and the agreed unit costs which were incurred under a contract provision for payment by the Government on the basis of agreed unit costs of units of work actually performed ($39,224.00) aggregating $294,328.00 for the period of December 7, 1953 to March 31, 1956, were covered by the first interim Audit Report and Certificate dated January 14, 1955 and the second interim Audit Report and Certificate dated May 11, 1956, issued by C. E. Fisher, DMEA Auditor;

(b) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible further disallowances thereunder;

(c) the Monthly Reports were supported by documentary proof of the costs accepted under the contract's provision for contribution by the Government on the basis of allowable costs incurred ($1,509.38);

(d) a major portion ($18,536.75) of the costs incurred were under a contract provision for payment by the Government on the basis of agreed unit costs of units of work actually performed; and

(e) the remainder ($10,166.90) of the costs incurred covered work performed at unit rates under independent contract.

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

Total cost as billed by contractor		$324,553.78
Less proceeds from property disposition (Schedule Attached)		15,832.14
Net Cost		308,721.64
Exceptions (Schedule Attached)		
By DMEA Finance Officer	$ None	
Herewith	12.75	12.75
Total Accepted Cost (Schedule Attached)		$308,708.89

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of One hundred fifty-four thousand three hundred fifty-four and 45/100 Dollars

--$154,354.45--

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

C. A. Turner, Auditor

August 21, 1957

Schedule Proceeds From Property Disposition

Howe Sound Company — DMEA-3142 — Idm-E644

Cost of items established by Second Interim Audit Report and Certificate dated May 11, 1956, issued by C. E. Fisher, DMEA Auditor.

Salvage rates set by Amendment No. 2 dated January 17, 1956.

	Cost	Rate 50 Percent	Rate 20 Percent
Equipment			
1 Mancha Electric Mule	$ 3,662.96	$ 3,662.96	$ -
1 Charging Unit	952.75	952.75	-
2 Edison Batteries	7,425.40	7,425.40	-
1 Battery Box	374.36	374.36	-
2 Rock Drills	1,617.10	-	1,617.10
1 Toro-Pari Survey Instrument	1,136.81	1,136.81	
3500 feet Vent Pipe	5,367.95	-	5,367.95
6100 feet Messenger Cable	684.03	684.03	-
1225 feet Type W 600 Volt 49 Strand Cable	1,979.60	1,979.60	-
5007 feet No. 6 Tyrex Cable	7,706.13	7,706.13	-
Total Equipment	$30,907.09	$23,922.04	$6,985.05
Operating Supplies			
Pipe	$ 6,748.73	$ -	$6,748.73
Track	5,621.83	-	5,621.83
	$12,370.56	$ -	$12,370.56
Total Salvageable Items	$42,277.65	$23,922.04	$19,355.61
Total Salvage	$15,832.14	$11,961.02	$ 3,871.12
Government Equity	$ 7,916.07	$ 5,980.51	$ 1,935.56

Note -

The Operator on his final Form MF-104 dated May 1957, deducted from the appropriate items salvage in the total amount of $15,832.12, whereas he should have deducted a total of $15,832.14. This has been corrected on the Schedule Audit Summary in the "Corrected Distribution" column.

C. A. Turner, Auditor

August 21, 1957

Schedule of Exceptions

Howe Sound Company | DMEA-3142 | Idm-E644

Disallowed by Review		
Diamond Drilling - 2500 level		
Claimed May 1957 MF-104	1283 ft. @ $4.25	$5,452.75
Final Inspection	1280 ft. @ 4.25	5,440.00
Disallowance	3 ft. @ $4.25	$ 12.75

C. A. Turner, Auditor

August 21, 1957

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

Re: Report of Review
Howe Sound Company
Idm-F644, DMPA-3142

Dear Mr. Turner:

Report of Review pertaining to the subject contract is approved and release authorized after the following changes:

1. Substitution of "the remainder" for "a minor portion" in paragraph (e) of reasons for review in lieu of final audit.

2. Correction of "Net Cost" to $308,721.64.

These changes have been made on the Washington copies.

You will remember that at the May meeting of auditors in Washington, it was pointed out that the amount to be shown as "Total cost as billed by contractor" in Reports of Review or in Audit Certificates should be the amount claimed by the Operator in the "Totals to Date" column of the MF-104 on which the audit is based. In this instance the amount appears to be $308,721.66 as indicated on the Schedule attached to the Report of Review, that is, the Operator had made adjustments in the claimed costs because of property disposition. The tabulation in the Report of Review thus properly should be:

Total cost as billed by contractor		$308,721.66
Exceptions:		
By DMPA Finance Officer	$ None	
Herewith (Schedule Attached)	12.75	12.75
Total Accepted Cost (Schedule Attached)		$308,708.91

The negligible difference of two cents in the computation of salvage should have been disregarded. Also the line "Less Salvage" should have been omitted and the columns "Corrected Distribution", "Corrected Costs" and "1500 Level" appropriately adjusted on the Schedule.

It is also believed that the reasons for review in lieu of final audit could have been more concisely stated, for example, as follows:

(a) Accepted costs aggregating $294,328.00 for the period ending March 31, 1956, were covered by Second Interim Audit Report and Certificate dated May 11, 1956, issued by C. E. Fisher, DMFA Auditor;

(b) The monthly reports for subsequent periods were supported by documentary proof of costs incurred amounting to $11,676.28;

(c) The balance ($18,536.75) of the costs were incurred under a contract provision for Government contribution on the basis of agreed unit costs of units of work actually performed; and

(d) The administrative cost to the Government of an on-site audit would be excessive in relation to the estimated amount of possible further disallowances.

If the report had been prepared as outlined above it could have been typed on the regular 8x10½ inch stock which is standard for such reports.

It is not felt that these matters are of sufficient importance to warrant rewriting the Report of Review, but they are brought to your attention for your future guidance.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

CEFisher/wb
September 8, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

EXTRA COPY
D M E A
RECEIVED
DATE
COPY
9-2-65
800

1201 N. Division St.
Spokane 2, Washington

August 28, 1957

Mr. C. A. Turner
DMEA Auditor, Region I
1201 North Division St.
Spokane 2, Washington

Re: Docket No. DMEA-3142 (copper)
Hecla Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-3644

Dear Mr. Turner:

The following addition should be made to the work units completed within the terms of the contract, as listed in our letter to you of August 26, 1957.

Amendment No. 3 (Stage II)	Authorized	Completed
Samples - surface drilling	30	30
Samples - 2500 level	30	30

By Field Team, Region I

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

Donald R. Maclaren, Acting Member
U. S. Geological Survey

cc: DMEA (3)
USGS (2)
USBM (AD)
Docket

COPY
DMEA
RECEIVED AUG 30 1957
DATE | CODE
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1201 N. Division St.
Spokane 2, Washington

August 26, 1957

Mr. C. A. Turner
DMEA Auditor, Region I
1201 North Division St.
Spokane 2, Washington

Re: Docket No. DMEA-3142 (copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-2644

Dear Mr. Turner:

The project work under the referenced contract was terminated by mutual agreement effective as of June 1, 1957. All the work performed was completed to the satisfaction of the Government.

A final inspection report on the completed work was submitted by John D. Bardill on July 3, 1957.

The Operator's final engineering and geological report was received on June 28, 1957. It is considered as having met the requirements of Article 7(b) of the contract.

The Government has been reimbursed for its equity in the salvage value of operating materials, supplies and equipment in accordance with the values set forth in the contract. See Salvage Statement attached to Voucher No. 1812.

A pseudo-certification is included as Item 4 of the Termination Agreement dated July 24, 1957.

Work units completed within the terms of the contract are as follows:

Amendment No. 2 (Stage I)

		Authorized	Completed
Crosscutting & drifting,	1500 level, ft.	4,100	3,800
Diamond drill stations,	1500 level	10	10
Diamond drilling,	1500 level, ft.	7,416	6,765
Crosscutting,	2500 level, ft.	1,368	1,365
Diamond drill stations,	2500 level	6	6
Transfer stations,	2500 level	3	3
Diamond drilling,	2500 level, ft.	7,000	6,454

Amendment No. 3 (Stage II)

Samples	30	0
Diamond drilling, 1500 level, ft.	1,200	1,200
Diamond drilling, 2500 level, ft.	3,000	1,280
Surface diamond drilling, Northwest Area	3,000	1,385
Surface diamond drilling, Abbott's Area	1,000	0

It is now in order for you to issue your Report of Review.

By Field Team, Region I

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

Donald M. Maclaren, Acting Member
U. S. Geological Survey

cc: DMEA (3)
USGS (2)
USBM (AD)
Docket

1201 N. Division St.
Spokane 2, Washington

May 22, 1957

ENTRY COPY
DMEA
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Mr. J. S. Roper, Manager
Chelan Division
Howe Sound Company
Chelan, Washington

Re: Docket No. DMEA-3142 (copper)
Holden Mine
Chelan County, Washington
Contract No. Idm-5644

Dear Mr. Roper:

Your November 1956 voucher, Form MF-104, on which actual costs are claimed must be supported by evidence of costs incurred.

Independent contracts which cover drilling, running and casing, and cementing must be supported by itemized invoices rendered by the subcontractor and evidence of payment by the Howe Sound Company.

The remaining actual costs, core boxes, mobilization of drill, samples, and labor-supervision charges must be supported by detailed invoices and evidence of payment. In the case of costs in which payroll charges are a part of the cost, a transcript giving the employee's name, dates worked, hours worked, classification of labor, and total earnings charged to the project is required.

Photostats or certified true copies of invoices will be sufficient.

If you will please submit these documents an on-the-spot audit may be avoided.

Sincerely yours,

Wing G. Agnew
Acting Executive Officer
DMEA Field Team, Region I, NW Dist.

cc: DMEA (3)
USGS (2)
USBM (AD)
Turner

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

Budget Bureau No. 42-R1036.5

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

Month of May, 1957 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington
Contract Amount, $ 363,840.00 Government Participation: 50 % Amount, $ 181,920.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core		37,965.75	37,965.75		37965.75	37965.75
Dia.Drill & Transfer Sta.		9,810.00	9,810.00		9810.00	9810.00
~~Crossing~~ As Per -)						
~~Extra~~ Amendment 3)						
Drilling - Core)	2,795.20	18,878.83*	21,674.03	2795.20	18878.83	21674.03
(2) Labor and Supervision:		(See Attached)				
Labor		106,278.53	106,278.53		106278.53	106278.53
Supervision		8,160.31	8,160.31		8160.31	8160.31
Technical Services		3,690.82	3,690.82		3690.82	3690.82
(3) Operating Mat'ls. and Supplies:						
Timber		9,966.33	9,966.33		9966.33	9966.33
Explosives		21,330.73	21,330.73		21330.73	21330.73
Pipe		5,398.99	5,398.99		5398.99	5398.99
Track		4,497.47	4,497.47		4497.47	4497.47
Drill Steel & Bits		12,300.71	12,300.71		12300.71	12300.71
Electric Cable - Instl'n.		358.64	358.64		358.64	358.64
Vent Pipe - Instalation		352.90	352.90		352.90	352.90
(4) Operating Equipment:						
Rental						
Purchase		17,549.07	17,549.07		17549.07	17549.07
Depreciation		3,873.75	3,873.75		3873.75	3873.75
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		9,847.12	9,847.12		9847.12	9847.12
Sampling and Analysis		130.32	130.32		130.32	130.32
Payroll Taxes		3,621.00	3,621.00		3621.00	3621.00
Ind. ~~Xxxxx~~ Insurance & Med. Aid		4,834.84	4,834.84		4834.84	4834.84
Tramming		8,832.15	8,832.15		8832.15	8832.15
Compressed Air		13,816.74	13,816.74		13816.74	13816.74
				12.75	-	12.75
(8) Contingencies (specify):						
Miners' Lamps		593.42	593.42		593.42	593.42
Handling Supplies		2,440.20	2,440.20		2440.20	2440.20
Hoisting (2500 Level)		1,397.84	1,397.84		1397.84	1397.84
TOTALS	2,795.20	305,926.46	308,721.66	2782.45	305926.46	308708.91

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

Date May 31, 1957 Payee Howe Sound Company - Chelan Division

Per [signature] Title Manager

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

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

(Instructions on reverse)

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

$ 1391.18

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 9/12/57 Vou. No. 2042

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-644 in accordance with the terms of the contract.

Signature /s/ John D. Bardell Title Metallurgist Date 9/10/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ D. R. MacLaren Title Alternate Act. Executive Officer Date 9/10/57

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED 20

Month of May 1957 Docket No. DMEA 3142 Contract No. Idm-E644

Operator's Name Howe Sound Company - Chelan Division Minerals Copper

Address Holden, Washington

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting - 1500 Level	Feet			177,884.91	3,800	46.81		
Drifting - 2500 Level	"			43,837.90	1,365	32.12		
Crosscutting D.D.Sta. 1500 L.	Each			4,410.00	9	490.00	9	490.00
Shafts D.D.Sta. 1500 L.	"			300.00	1	300.00	1	300.00
Winzes								
Drilling: Core - 1500 L.	Feet			4,440.00	1,200	3.70	1,200	3.70
Core -2500 L.	"			5,557.75	1,283	(See	3,000	4.25
Core -Surface	"	2,795.20	385	11,676.28	1,385	Attchd)	4,000	(See Attachd)
Core-1500 Lvl	"			18,603.75	6,765	2.75	7,416	2.75
Trenching " 2500 Lvl	"			19,362.00	6,454	3.00	7,000	3.00
D.D.Sta.2500 L	Each			3,600.00	6	600.00	6	600.00
Trsfr. Sta. 2500 L.	"			1,500.00	3	500.00	3	500.00
Total Distributed Costs				291,172.59				Total Costs Authorized by Contract
Operating Equipment Purchased				17,549.07				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2,795.20		308,721.66				

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

Date May 31, 1957 Operator Howe Sound Company - Chelan Division

Per [signature] Title Manager

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

Remarks:

(Instructions on reverse)

(For Government use only)

/s/ John D. Gardiel

INSTRUCTIONS

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

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

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

GPO 872894

HOME SOUND COMPANY
Chelan - Division

May 31, 1957

DMEA Account
Docket No. DMEA - 3142
Amendment No. 5

	Adjusted Voucher May 1957	Previously Reported to December 31/56	Totals To Date
UNDERGROUND DIAMOND DRILLING			
1500 Level			
1200' @ $3.70 (Hole # U-15-232)	$	$ 4,440.00	$ 4,440.00
2500 Level			
1233' @ $4.25 (Hole Nos. U-25-140 & 147)		5,452.75	5,452.75
Note - 1420' Submitted previously but deleted in DMEA payment		(See Below)	
30 Samples @ $3.50		105.00	105.00
SURFACE DIAMOND DRILLING			
(Hole S-[illegible]) Northwest Area			
[illegible]' @ $10.00 (Overburden)		1,500.00	1,500.00
350' 6.00		2,100.00	2,100.00
500' 7.50		3,650.00	3,650.00
[illegible]' 7.50	2,810.50	-	2,810.50
[illegible]			
[illegible] @ Actual Cost (32 Hours @ $3.00 plus cement $3.50-1 Bag)		121.70	121.70
[illegible] DRILLING		233.15	233.15
[illegible] @ Contract		253.75	253.75
[illegible] @ Contract Helper			
[illegible]		102.50	102.50
		700.00	[illegible]
[illegible]	[illegible]	[illegible]	
[illegible]		[illegible]	

DMEA COPY
DMEA
RECEIVED SEP 20 1957
DATE | INITIALS | CODE

1201 N. Division Street
Spokane 2, Washington

September 10, 1957

Mrs. Dorothy Long, Certifying Officer
DMEA Field Team, Region I
1201 N. Division
Spokane 2, Washington

Re: Docket No. DMEA-3142 (copper)
Howe Sound Company
Holden Mine
Contract No. Idm-E644

Dear Mrs. Long:

The work completed under the contract was done to the satisfaction of the Government. The contract was terminated by mutual agreement effective as of June 1, 1957. A final report evaluating the results of the exploration program has been presented by the Operator and accepted by the Executive Officer.

The Government has been reimbursed for its equity in the salvageable value of operating materials, supplies and equipment in accordance with the values set forth in the contract.

A pseudo-certification is included as Item 4 of the Termination Agreement dated July 24, 1957.

A final Report of Review dated August 21, 1957 by DMEA Auditor C. A. Turner has been received.

As all contract requirements have been met, it is requested that final settlement of our account with the Operator be made.

Sincerely yours,

Donald R. MacLaren
Alternate Acting Exec. Officer
DMEA Field Team, Region I

cc: DMEA (2)
USGS (2)
Contract Admin. & Audit Div. (2)

DMEA Field Team, Region I

September 13, 1957

DMEA Certifying Officer, Region I

Monthly operating report for May 1957 and final payment
Contract No. Idm-8644

The subject operating report has been processed and forwarded to the Disbursing Officer for payment.

We have disallowed $12.75 for 3 ft. of diamond drilling claimed on the May 1957 MF-104 in accordance with Report of Review dated August 21, 1957. The Operator claimed 1283 ft. completed on the 2500 level while the final inspection showed 1280 ft. completed.

Dorothy F. Long

cc: DMEA (2)
USGS (2)
Contract Admin. & Audit Div. (2)

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

Budget Bureau No. 42-R1036.5

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

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

Month of December 1956 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington
Contract Amount, $ 363,840.00 Government Participation: 50 % Amount, $ 181,920.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core		$ 37,965.75	$ 37,965.75		37965.75	37965.75
Dia. Drill & Transfer Sta.		9,810.00	9,810.00		9810.00	9810.00
As Per - Amendment 3						
Drilling - Core	$2,567.80	22,346.05	24,913.85	2289.50	16589.33	18878.83
(2) Labor and Supervision:						
Labor		106,278.53	106,278.53		106278.53	106278.53
Supervision		8,160.31	8,160.31		8160.31	8160.31
Technical Services		3,690.82	3,690.82		3690.82	3690.82
(3) Operating Mat'ls. and Supplies:						
Timber		9,966.33	9,966.33		9966.33	9966.33
Explosives		21,330.73	21,330.73		21330.73	21330.73
Pipe		5,398.99	5,398.99		5398.99	5398.99
Track		4,497.47	4,497.47		4497.47	4497.47
Drill Steel & Bits		12,300.71	12,300.71		12300.71	12300.71
Electric Cable - Instl'n.		358.64	358.64		358.64	358.64
Vent. Pipe Installation		352.90	352.90		352.90	352.90
(4) Operating Equipment:						
Rental						
Purchase		17,549.07	17,549.07		17549.07	17549.07
Depreciation		3,873.75	3,873.75		3873.75	3873.75
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		9,847.12	9,847.12		9847.12	9847.12
Sampling and Analysis		130.32	130.32		130.32	130.32
Payroll Taxes		3,621.00	3,621.00		3621.00	3621.00
Ind. Insurance & Med. Aid		4,834.84	4,834.84		4834.84	4834.84
Tramming		8,832.15	8,832.15		8832.15	8832.15
Compressed Air		13,816.74	13,816.74		13816.74	13816.74
(8) Contingencies (specify):						
Miners' Lamps		593.42	593.42		593.42	593.42
Handling Supplies		2,440.20	2,440.20		2440.20	2440.20
Hoisting (2500 Level)		1,397.84	1,397.84		1397.84	1397.84
TOTALS	$2,567.80	$309,393.66	$311,961.46	2289.50	303636.96	305926.46

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

Date Jan. 25/57 *Payee Howe Sound Company - Chelan Division

Per [signature] Title Manager

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

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

(Instructions on reverse)

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

$ 1144 75

Signature [signature]
(Authorized Certifying Officer)

Date 2-1-57 Vou. No. 1937

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. JdmE-6-644 in accordance with the terms of the contract.

Signature /S/ John D. Bardill Title Metallurgist Date Jan 30-1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ A. E. Weissenborn Title Exec. Officer Date Jan 31-1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1956 Docket No. DMEA 3142 Contract No. DMEA-E644

Operator's Name Howe Sound Company - Chelan Division Mineral Copper

Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting - 1500 Level	Feet			$177,884.91	3,800	$ 46.81		
Crosscutting 2500 Level	"			45,837.90	1,365	32.12		
~~Raising~~ D.D.Sta-1500 L.	Each			4,410.00	9	490.00	9	490.00
Shafts " 1500 L.	"			300.00	1	300.00	1	300.00
Winzes		2289.50						
Drilling: Core -1500 Level	Feet	~~2,567.80~~	694	4,440.00	1,200	3.70	1,200	3.70
Core ~~Churn~~ 2500 "	"			11,592.75	2,703	(See	3,000	4.25
Core ~~Auger~~ Surface	"			8,881.08	1,000	Attach'd)	4,000	(See Attach'd)
~~Stripping~~ Core - 1500 Lvl	"			18,605.75	6,765	2.75	7,416	2.75
~~Trenching~~ " - 2500 "	"			19,362.00	6,454	3.00	7,000	3.00
~~Test Pits~~ D.D.Sta. 2500 "	Each			3,600.00	6	600.00	6	600.00
Trsfr Sta ~~Roads and Trails~~ 2500 "	"			1,500.00	3	500.00	3	500.00
TOTAL DISTRIBUTED COSTS		~~2,567.80~~ 2289.50		$294,412.39				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				17,549.07				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		~~$2,567.80~~ 2289.50		~~$311,961.46~~				

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

Date Jan. 25/57 Operator Howe Sound Company - Chelan Division

Per [signature] Title Manager

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

REMARKS:

(Instructions on reverse)

(For Government use only)

/s/ John D Bardill

INSTRUCTIONS

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

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

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

GPO 872894

HOWE SOUND COMPANY

CHELAN DIVISION

HOLDEN, WASH.

January 21, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 15 1957

DATE	INITIALS	CODE

Mr. Irving Agnew, Member
DMEA Field Team, Region II
Defense Minerals Exploration Administration
c/o U. S. Bureau of Mines
1201 North Division Street
Spokane 2, Washington

Re: Contract No. DMEA 32
Contract No. 14-[illegible]

Dear Mr. Agnew:

Enclosed please find five copies each of Forms MF104 and MF104A along with a statement showing the details of the costs to December 31, 1956 as set forth in Amendment No. 3.

Also enclosed are two copies of the diamond drill logs of hole No. U-15-[illegible] drilled on the 1300 level. This hole is completed.

Our invoice in duplicate showing the amount due us is enclosed. We will appreciate it if you will make payment in the sum of $1,[illegible].00 to this office.

Yours very truly,

J. S. Roper
Manager

JSR:be
Encl.

cc: V. H. Clarke

HOWE SOUND COMPANY

CHELAN DIVISION

HOLDEN, WASH.

January 23, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 15 1957

DATE	INITIALS	CODE

Mr. Wing Agnew, Member
DMEA Field Team, Region II
Defense Minerals Exploration Administration
c/o U. S. Bureau of Mines
1201 North Division Street
Spokane 2, Washington

Re: Docket No. DMEA 3-12
Contract No. 14-[illegible]

Dear Mr. Agnew:

Enclosed please find five copies each of Forms Nr104 and HF104A along with a statement showing the details of the costs to December 31, 1956 as set forth in Amendment No. 3.

Also enclosed are two copies of the diamond drill logs of hole No. U-15-272 drilled on the 1300 level. This hole is completed.

Our invoice in duplicate showing the amount due us is enclosed. We will appreciate it if you will make payment in the sum of $1,28[illegible].00 to this office.

Yours very truly,

J. S. Roper
Manager

JSR:bo
Encl.

cc: V. H. Clarke

FORM 83A 1M 6-58 C.P.

HOWE SOUND COMPANY
CHELAN DIVISION

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

DIAMOND DRILLING RECORD

SHEET NO. 1

BY D.W.W.

DATE October 1956-January 1957

HOLE NO. U-15-232 MINE Holden LEVEL 1500

LOCATION 1500 Drift East of No. 3 Transfer at 662 1/2 Chute Section

BEARING N57°E DIP -1° LENGTH 1,315

LATITUDE OF COLLAR 19,908 DEPARTURE OF COLLAR 13,244 ELEVATION 3,568

DATE	SAMPLE NO.	FOOTAGE	ASSAY VALUE CU.	AG.	AU.	ZN.	WIDTH	GEOLOGY AND REMARKS
		0-3					3	Grey medium grained to fine grained massive amphibole schist.
		3-6					3	Light grey medium grained foliated irregularly textured biotite diorite. Core loss 3' 0-6.
		6-17					11	Brown medium grained to fine grained "biotized peridotite". Core loss 2½' 6-11.
		17-18½					1½	Light grey medium grained foliated biotite diorite.
		18½-24½					6	Grey and brown medium grained to fine grained massive amphibole schist. Core loss 1½' 11-21.
		24½-28½					4	Same as 6-17.
		28½-50					21½	Blue grey medium grained to fine grained amphibole biotite schist.
		50-53					3	Green and grey medium grained foliated biotite diorite.
		53-54					1	Green medium grained to fine grained strongly chloritized schist?. (Possible fault)
		54-57					3	Brown medium grained to fine grained "biotized peridotite".
		57-73					16	Blue grey medium grained to fine grained faintly foliated diorite.
		73-89					16	Brown medium grained to fine grained "biotized peridotite".
		89-91					2	Light grey medium grained foliated biotite diorite.
		91-100					9	Same as 73-89 but generally coarser grained. Core loss 1½' 90-98.
		100-129					29	Light grey medium grained irregularly textured foliated biotite diorite. Core loss 1' 98-108.
		129-147					18	Green and light grey irregularly textured hornblende diorite about 50% replaced by light grey medium grained low mafic diorite.
		147-153					6	Brown medium grained to fine grained "biotized peridotite".
		153-159					6	Grey and light grey medium grained foliated biotite diorite. Core loss 1' 148-158.

FORM 83A 1M 6-56 C.P.

HOWE SOUND COMPANY
CHELAN DIVISION

DIAMOND DRILLING RECORD

SHEET NO. 2
BY D.W.W.
DATE ~~October 1956~~ January 1957

HOLE NO. U-15-232 MINE Holden LEVEL 1500
LOCATION 1500 Drift East of No. 3 Transfer at 662 1/2 Chute Section
BEARING N57°E DIP +1° LENGTH 1,315
LATITUDE OF COLLAR 19,908 DEPARTURE OF COLLAR 13,244 ELEVATION 3,568

DATE	SAMPLE NO.	FOOTAGE	ASSAY VALUE CU.	AG.	AU.	ZN.	WIDTH	GEOLOGY AND REMARKS
		159-168					9	Same as 147-153. Core loss 3½' 158-168.
		168-173					5	Blue grey medium grained to fine grained foliated amphibole biotite schist.
		173-210					37	Green medium grained to coarse grained irregularly textured locally foliated hornblende diorite.
		210-227					17	Brown medium grained to fine grained "biotized peridotite".
		227-231					4	Blue grey medium grained to fine grained foliated diorite.
		231-241					10	Same as 210-227.
		241-246					5	Grey dioritic schist with "biotized peridotite" and green fine grained massive amphibole schist.
		246-252					6	Brown medium grained to fine grained biotized peridotite.
		252-282					30	Blue grey medium grained to fine grained massive amphibole biotite schist.
		282-287					5	Light grey medium grained faintly foliated biotite diorite.
		287-293					6	Grey medium grained biotite diorite.
		293-332					39	Blue grey medium grained to fine grained massive amphibole biotite schist.
		332-335½					3½	Grey medium grained foliated biotite diorite.
		335½-342					6½	Brown medium grained dioritic crystalline phlogopite schist.
		342-353					11	Green medium grained to fine grained massive amphibole schist.
		353-368					15	Grey medium grained to coarse grained foliated biotite diorite. Core loss 7½' 353-362.
		368-382					14	Light grey medium grained to fine grained irregularly textured biotite diorite.
		382-426					44	Dark green medium grained altered peridotite. Core loss 6' 402-413, 2' 413-416.
		426-432					6	Light grey medium grained foliated biotite diorite.
		432-439					7	Dark green medium grained altered peridotite with about 50% injection by light grey medium grained very irregularly textured biotite diorite.

FORM 63A 1M 6-56 C.P.

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

HOWE SOUND COMPANY
CHELAN DIVISION

DIAMOND DRILLING RECORD

SHEET NO. _____
BY D.W.
DATE October 1956-January 1957

HOLE NO. U-15-232 MINE Holden LEVEL 1500
LOCATION 1500 Drift East of No. 3 Transfer at 662 1/2 Chute Section
BEARING N57°E DIP 41° LENGTH 1,315
LATITUDE OF COLLAR 19,908 DEPARTURE OF COLLAR 13,244 ELEVATION 3,568

DATE	SAMPLE NO.	FOOTAGE	ASSAY VALUE CU.	AG.	AU.	ZN.	WIDTH	GEOLOGY AND REMARKS
		439-441					2	Grey medium grained to fine grained very faintly foliated diorite.
		441-443½					2½	Same as 432-439.
		443½-448½					5	Light grey medium grained foliated biotite diorite.
		448½-452½					4	Grey medium grained to fine grained somewhat irregularly textured altered peridotite.
		452½-482					29½	Same as 441-443½ with local diorite injection. Core loss 2½' 436-476.
		482-495½					13½	Green medium grained to fine grained massive amphibole schist.
		495½-500½					5	Blue grey medium grained to fine grained diorite.
		500½-506					5½	Green fine grained massive amphibole schist about 75% altered to medium grained to fine grained faintly foliated diorite.
		506-509					3	Dark grey medium grained to fine grained crystalline amphibole biotite schist.
		509-514					5	Light grey medium grained to coarse grained recrystallized biotite diorite.
		514-516					2	Dark grey medium grained to fine grained biotite diorite.
		516-517½					1½	Green medium grained to fine grained massive amphibole biotite schist.
		517½-530					12½	Light grey medium grained foliated biotite diorite.
		530-532					2	Grey medium grained to fine grained some what irregularly textured biotite diorite.
		532-535					3	Green fine grained amphibole schist about 80% replaced by strongly foliated medium grained biotite diorite.
		535-542					7	Green and grey medium grained to fine grained crystalline interbanded amphibole biotite schist.
		542-558					16	Dark green medium grained to coarse grained amphibole schist.
		558-564½					6½	Light grey medium grained somewhat irregularly textured biotite diorite.
		564½-568					3½	Green medium grained to fine grained massive amphibole biotite schist.

FORM 83A 1M 6-56 C.P.

HOWE SOUND COMPANY
CHELAN DIVISION

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

DIAMOND DRILLING RECORD

SHEET NO. 4
D.W.W.
DATE October 1956-January 1957

HOLE NO. U-15-232 MINE Holden LEVEL 1500
LOCATION 1500 Drift East of No. 3 Transfer at 662 1/2 Chute [illegible]
BEARING N57°E DIP -1° LENGTH 1,315
LATITUDE OF COLLAR 19,908 DEPARTURE OF COLLAR 13,244 ELEVATION 3,568

DATE	SAMPLE NO.	FOOTAGE	ASSAY VALUE CU.	AG.	AU.	ZN.	WIDTH	GEOLOGY AND REMARKS
		568-572					4	Light grey medium grained irregularly textured biotite diorite.
		572-576					4	Same as 564½-568.
		576-581					5	Grey medium grained faintly foliated biotite diorite.
		581-602					21	Same as 564½-568.
		602-610					8	Grey medium grained strongly dioritic biotite schist.
		610-612½					2½	Light grey medium grained crystalline biotite schist.
		612½-627					14½	Grey and light grey medium grained to fine grained generally dioritized massive amphibole schist.
		627-656					29	Green and brown medium grained to fine grained interbanded amphibole and biotite schist.
		656-679½						Brown medium grained to fine grained amphibole biotite schist with pyrite.
		656-661	Nil	Tr	Nil	Nil	5	
		661-679½					18½	
		679½-687					7½	Blue fine grained massive amphibole schist.
		687-696					9	Similar to 679½-687. But with increased biotite.
		696-698½					2½	Light grey medium grained to fine grained phlogopite diorite. Core loss 1' 687-698.
		698½-699½	Nil	.025	.005	Nil	1	Grey medium grained dioritic crystalline schist with finely disseminated pyrite
		699½-704					4½	Light grey medium grained low mafic irregularly textured locally phlogopitic diorite.
		704-709					5	Grey medium grained to fine grained massive biotite schist.
		709-714					5	Grey medium grained very irregularly Textured low mafic diorite.
		714-720					6	Green medium grained sheared siliceous crystalline schist.
		720-726					6	Green medium grained to fine grained somewhat dioritic crystalline amphibole biotite schist.
		726-734					8	Brown medium grained to fine grained somewhat irregularly textured phlogopite diorite.

FORM 62A 1M 6-55 C.P.

HOWE SOUND COMPANY
CHELAN DIVISION

DIAMOND DRILLING RECORD

SHEET NO. 5
BY D.W.W.
DATE October 1956-January 1957

HOLE NO. U-15-252 MINE Holden LEVEL 1500
LOCATION 1500 Drift East of No. 3 Transfer at 662½ Chute Section
BEARING N57°E DIP +1° LENGTH 1,315
LATITUDE OF COLLAR 19,908 DEPARTURE OF COLLAR 13,244 ELEVATION 3,568

DATE	SAMPLE NO.	FOOTAGE	ASSAY VALUE CU.	AG.	AU.	ZN.	WIDTH	GEOLOGY AND REMARKS
		734-741					7	Blue grey medium grained dioritic crystalline amphibole biotite schist.
		741-749					8	Green and brown medium grained to fine grained crystalline amphibole and biotite schist
		749-759					10	Light grey medium grained to fine grained hightly dioritized siliceous crystalline schist. Core loss 4½' 749-759.
		759-767					8	Green and brown medium grained to fine grained interbanded crystalline amphibole and biotite schist.
		767-773					6	Blue grey medium grained to fine grained diorite.
		773-797(?)					24	Light grey medium grained irregularly textured biotite diorite.
		797(?)-820(?)					23	Green medium grained to fine grained crystalline amphibole schist. Core loss 10' 779-799, 2½' 799-804.
		820-823					3	Grey medium grained to fine grained foliated biotite diorite.
		823-828					5	Green medium to fine grained amphibole biotite schist.
		828-829					1	Light gfey medium grained somewhat irregularly textured biotite diorite. Core loss 3' 810-829.
		829-835					6	Brown medium grained to fine grained crystalline amphibole biotite schist.
		835-841					6	Grey medium grained to fine grained very faintly foliated diorite.
		841-869					28	Same as 829-835. Core loss 5½' 849-859, 4' 859-869.
		869-887					18	Dark green medium grained to fine grained massive amphibole biotite schist. Core loss 4' 869-879.
		887-908					21	Brown medium grained to fine grained crystalline amphibole biotite schist. Core loss 4' 889-899, 3' 899-909.
		908-958					50	Light grey medium grained irregularly textured biotite diorite. Core loss 3' 899-909, 3' 949-958.
		958-969					11	Green fine grained crystalline amphibole schist. Core Loss 1' 958-969.

FORM 83A 1M 6-56 C.P.

HOWE SOUND COMPANY

CHELAN DIVISION

DIAMOND DRILLING RECORD

SHEET NO. 6

BY D.W.W.

DATE October 1956-January 1957

HOLE NO. U-15-232 MINE Holden LEVEL 1500

LOCATION Drift East of No. 3 Transfer at 662 1/2 Chute Section

BEARING N57°E DIP +1° LENGTH 1,315

LATITUDE OF COLLAR 19,908 DEPARTURE OF COLLAR 13,244 ELEVATION 3,508

DATE	SAMPLE NO.	FOOTAGE	ASSAY VALUE CU.	AG.	AU.	ZN.	WIDTH	GEOLOGY AND REMARKS
		969-976					7	Grey medium grained to fine grained very faintly foliated dioritic schist.
		976-982					6	Light grey medium grained to coarse grained foliated biotite diorite.
		982-986					4	Dark brown medium grained to fine grained partially dioritic crystalline biotite schist.
		986-1016					30	Same as 976-982. Core loss 3' 999-1003, 1' 1003-1011, 1' 1011-1019.
		1016-1028					12	Green medium to fine grained dioritic massive amphibole schist.
		1028-1030½					2½	Brown medium grained to fine grained dioritic crystalline biotite schist.
		1030½-1035					4½	Green fine grained massive amphibole schist.
		1035-1041					6	Same as 1028-1030½. Core loss 1' 1031-1041.
		1041-1042½					1½	Light grey medium grained chloritic phlogopite (?) diorite.
		1042½-1050½					8	Green medium grained to fine grained crystalline amphibole schist. Lime silicate band at 1046.
		1050½-1055					4½	Light grey medium grained foliated biotite diorite.
		1055-1071					16	Dark grey medium grained to fine grained massive amphibole biotite schist light green lime silicate zones (with coarse grained garnet) 1055½-1056½, 1060½-1071. Core loss 7½' 1061-1071.
		1071-1082					11	Light grey medium grained to coarse grained locally foliated biotite diorite.
		1082-1101					19	Dark green grey medium grained to fine grained crystalline amphibole biotite schist. Lime silicate band at 1095.
		1101-1109					8	Light grey medium grained to coarse grained foliated biotite diorite.
		1109-1130					21	Grey medium grained to fine grained crystalline amphibole biotite schist.
		1130-1165					35	Dark fine grained amphibole schist. XXXX
		1165-1181					16	Grey medium grained to fine grained dioritic crystalline amphibole biotite schist.
		1181-1183					2	Light green medium grained faintly foliated amphibole diorite.

FORM 83A 1M 6-56 C.P.

HOWE SOUND COMPANY

CHELAN DIVISION

DIAMOND DRILLING RECORD

SHEET NO. 7

BY D.W.W.

DATE October 1956-January 1957

HOLE NO. U-15-232 MINE Holden LEVEL 1500

LOCATION 1500 Drift East of No. 3 Transfer at 662 1/2 Chute Section

BEARING N57°E DIP + 1° LENGTH 1,315

LATITUDE OF COLLAR 19,908 DEPARTURE OF COLLAR 13,244 ELEVATION 3,568

DATE	SAMPLE NO.	FOOTAGE	ASSAY VALUE CU.	AG.	AU.	ZN.	WIDTH	GEOLOGY AND REMARKS
		1183-1235					52	Green medium grained to fine grained amphibole schist.
		1235-1243					8	Grey medium grained irregularly textured biotite diorite.
		1243-1251½					8½	Green medium grained to fine grained crystalline amphibole schist.
		1251½-1303½					52	Light grey medium grained to coarse grained irregularly foliated biotite diorite.
		1303½-1315					11½	Light grey medium grained foliated biotite diorite.
		-END OF HOLE-						

PHILADELPHIA
RECEIVED
MAR 15 1957
PHILADELPHIA

DMEA Field Team, Region I, NW Dist. February 1, 1957

DMEA Certifying Officer, Region I 3142

Contract No. Idm-[redacted] Howe Sound Company. Monthly operating report for December 1956.

In adjusting the costs for diamond drilling on the November 1956 MF-104 an error in the price per foot was made in connection with the 306 ft. drilled in Hole No. U-15-[redacted]. This was drilled on the 1500 level instead of the 2500 level and should have been paid for at $3.70 per foot instead of $4.29. $278.30 has been deducted from the costs claimed on the December 1956 MF-104 to bring the total cost for drilling on the 1500 level to $4,440.00, which is the amount called for in the contract.

Myrtle Purdy

cc: Operator
DMEA (2)
USGS (2)
Contract Admin. (2)
JDB
AD

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 15 1957

DATE	INITIALS	CODE
2-15	C	220
2/18	WM	800
		[redacted]

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED 14 1957 D.M.E.A.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1956 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington
Contract Amount, $363,840.00 Government Participation: 50 % Amount, $181,920.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core		37,965.75	37,965.75		37965.75	37965.75
Dia. Drill & Transfer Sta. Bulldozing		9,810.00	9,810.00		9810.00	9810.00
~~Crosscutting~~ As per -)						
~~Drifting~~ Amendment 3)						
Drilling - Core)	22,346.03		22,346.03	16589.33	-0-	16589.33
(2) Labor and Supervision:						
Labor		106,278.53	106,278.53		106278.53	106278.53
Supervision		8,160.31	8,160.31		8160.31	8160.31
Technical Services		3,690.82	3,690.82		3690.82	3690.82
(3) Operating Mat'ls. and Supplies:						
Timber		9,966.33	9,966.33		9966.33	9966.33
Explosives		21,330.73	21,330.73		21330.73	21330.73
Pipe		5,398.99	5,398.99		6748.73	5398.99
Track		4,497.47	4,497.47		5621.83	4497.47
Drill Steel & Bits		12,300.71	12,300.71		12300.71	12300.71
Electric Cable Instl'n.		358.64	358.64		358.64	358.64
Vent. Pipe Instl'n.		352.90	352.90		352.90	352.90
(4) Operating Equipment:						
Rental						
Purchase		17,549.07	17,549.07		30407.09	17549.07
Depreciation		3,873.75	3,873.75		3873.75	3873.75
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		9,847.12	9,847.12		9847.12	9847.12
Sampling and Analysis		130.32	130.32		130.32	130.32
Payroll Taxes		3,621.00	3,621.00		3621.00	3621.00
Ind. ~~Liability Insurance~~ & Med. Aid		4,834.84	4,834.84		4834.84	4834.84
Tramming		8,832.15	8,832.15		8832.15	8832.15
Compressed Air		13,816.74	13,816.74		13816.74	13816.74
(8) Contingencies (specify):						
Miners' Lamps		593.42	593.42		593.42	593.42
Handling Supplies		2,440.20	2,440.20		2440.20	2440.20
Hoisting (2500 Level)		1,397.84	1,397.84		1397.84	1397.84
TOTALS $	22,346.03	287,047.63	309,393.66	16589.33	287047.63	303636.96

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

Date Dec. 21, 1956 Payee Howe Sound Company - Chelan Division

Per [signature] Title Manager

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

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

(Instructions on reverse)

red figures indicate costs adjusted by salvage
See attached work sheet for details

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

$ 8294 67

Signature [signature] (Authorized Certifying Officer)

Date 1-2-57 Vou. No. 1921

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 644 in accordance with the terms of the contract.

Signature (S) John D Bardell Title Metallurgist Date Dec 26 - 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature (S) Wing G Agnew Title Acting Exec. Date 12-28-56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED JAN 14 1957 D.M.E.A.

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

Month of November 1956 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting - 1500 Level	Feet			$177,884.91	3,800			
Crosscutting 2500 "	"			43,837.90	1,365			
~~Raising~~ D.D.Sta-1500 L	Each			4,410.00	9	$490.00	9	$490.00
~~Shafts~~ " 1500 L	"			300.00	1	300.00	1	300.00
~~Winzes~~								
Drilling: Core (1500 Level)	Feet	$1,872.20	506	1,872.20	506	3.70	1,200	3.70
Core ~~Churn~~ (2500 "	"	11,592.75	2,703	11,592.75	2,703	(See	3,000	4.25
Core ~~Auger~~ (Surface)	"	8,881.08	1,000	8,881.08	1,000	Attached)	4,000	(See Attached)
~~Stripping~~ Core -1500 Lvl				18,603.75	6,765	2.75	7,416	2.75
~~Trenching~~ " -2500 "				19,362.00	6,454	3.00	7,000	3.00
~~Test Pits~~ D.D. Sta 2500 "				3,600.00	6	600.00	6	600.00
Trsfr. Sta. ~~Roads and Trails~~ 2500 "				1,500.00	3	500.00	3	500.00
TOTAL DISTRIBUTED COSTS		$22,346.03		$291,844.59				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				17,549.07				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$22,346.03		$309,393.66				

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

Date Dec. 21, 1956 Operator Howe Sound Company - Chelan Division

Per J Kopew Title Manager

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

REMARKS:

(Instructions on reverse)

(For Government use only)

151 John D Bardill

INSTRUCTIONS

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

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

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

GPO 872894

HOWE SOUND - E644
November 1956 MF-104 - Salvage Data

Operating costs have been reduced by salvage credits as follows:

Pipe	$ 1,349.74
Track	1,124.36
Equipment purchases	13,358.02
Total - 100%-	$15,832.12

Payments due the operator have been withheld to cover above as follows:

From	February 1956 MF-104	$4,891.47
	March 1956 MF-104	774.03
	April 1956 MF-104	2,250.56
		$7,916.06

DMEA Field Team, Region I, NW Dist. January 2, 1957

DMEA Certifying Officer, Region I

Contract No. Id,-E644, Docket No. DMEA 3142. Howe Sound Co.
Monthly operating report for November 1956.

The subject monthly operating report has been processed and forwarded to the Disbursing Officer for payment.

A deletion of $5,756.70 has been made from the costs claimed for underground drilling on the 2500 level. This covers holes Nos. U25-135, U25-139, and U25-154 which were drilled in locations not approved by the Government.

The Operator has shown costs on his work sheet for labor, supervision and consultants in one item. These are actual cost items for surface drilling and are shown separately in the contract with the estimated time and cost being given for each. It would be helpful if the Operator would give us a breakdown of this cost for November and for each month in which such costs are claimed. Payrolls are not necessary, but we would appreciate having the time worked and the cost under each heading shown.

Myrtle Purdy

cc: Operator
DMEA (2)
USGS (2)
Wash. 2
JDB
AD

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED NOV 13 1956 D.M.E.A.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June 1956 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington
Contract Amount, $ 309,990.00 Government Participation: 50 % Amount, $ 154,995.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core	$ 843.25	$ 37,122.50	$ 37,965.75	843.25	37122.50	37965.75
Bulldozing						
Crosscutting						
Drifting						
Dia. Drill & Transfer Sta.		9,810.00	9,810.00		9810.00	9810.00
(2) Labor and Supervision:						
Labor		105,177.98	105,177.98		106278.53	106278.53
Supervision		8,160.31	8,160.31		8160.31	8160.31
Technical Services		3,690.82	3,690.82		3690.82	3690.82
(3) Operating Mat'ls. and Supplies:						
Timber		10,470.23	10,470.23		9966.33	9966.33
Explosives		21,330.73	21,330.73		21330.73	21330.73
Pipe		6,748.73	6,748.73		6748.73	6748.73
Track		5,117.93	5,117.93		5621.83	5621.83
Drill Steel & Bits		12,300.71	12,300.71		12300.71	12300.71
Elec. Cable Installation		358.64	358.64		358.64	358.64
Vent. Pipe Installation		352.90	352.90		352.90	352.90
(4) Operating Equipment:						
Rental						
Purchase		30,907.09	30,907.09		30907.09	30907.09
Depreciation		3,873.75	3,873.75		3873.75	3873.75
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		9,847.12	9,847.12		9847.12	9847.12
Sampling and Analysis		130.32	130.32		130.32	130.32
Payroll Taxes Med.		4,148.54	4,148.54		3621.00	3621.00
Ind. ~~Liability~~ Insurance &Aid		4,834.84	4,834.84		4834.84	4834.84
Tramming		8,842.10	8,842.10		8832.15	8832.15
Compressed air		13,816.74	13,816.74		13816.74	13816.74
(8) Contingencies (specify):						
Retroactive Pay		1,100.55	1,100.55		-0-	-0-
Miners Lamps		593.42	593.42		593.42	593.42
Handling Supplies		2,440.20	2,440.20		2440.20	2440.20
Hoisting (2500) Level		1,397.84	1,397.84		1397.84	1397.84
TOTALS	$843.25	$ 302,575.99	$303,417.24	843.25	302036.50	303417.24

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

Date 7-23-56 *Payee

Per [signature] Title [signature]

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

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

(Instructions on reverse)

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

$421 63

Signature [signature]
(Authorized Certifying Officer)

Date 11-9-56 Vou. No. 1899
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E644 in accordance with the terms of the contract.

Signature /S/ Eric G. Erickson Title Mining Engr Date 11-2-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ A. E. Weissenborn Title Executive Officer Date 11-8-56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED NOV 13 1956 D.M.E.A.

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

Month of June 1956 Docket No. DMEA 3142 Contract No. Adm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting - 1500 Level	Feet			$180,382.74	3,800	$47.46	4,100	
Crosscutting - 2500 Level	Feet			44,351.66	1,365	32.49	1,368	
D.D.Sta) 1500	Each			4,410.00	9	490.00	9	$ 490.00
D.D.Sta) Level	Each			300.00	1	300.00	1	300.00
Winzes								
Drilling: Core 1500 Level	Feet	$ 327.25	119	18,605.75	6,765	2.75	7,416	2.75
Core 2500 Level	Feet	516.00	172	19,362.00	6,454	3.00	7,000	3.00
Auger								
D.D.Sta. 2500	Each			3,600.00	6	600.00	6	600.00
Trsfr.)								
Test Pits Sta.) Level	Each			1,500.00	3	500.00	3	500.00
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$ 843.25		$272,510.15				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				30,907.09				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$ 843.25		$303,417.24				

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

Date 7-23-56 Operator Howe Sound Company

Per [signature] Title [signature]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

151 Eric G Erickson

INSTRUCTIONS

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

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

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

GPO 872894

HOWE SOUND COMPANY
Chelan - Division

RECEIVED
NOV 13 1956
D.M.E.A.

July 11, 1956

United States Department of the Interior
Defense Minerals Exploratory Administration
South 157 Howard Street
Spokane 2, Washington

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narrative of the work accomplished during June, 1956 for the Buckskin Mountain exploration and in the 2500 level crosscuts.

Diamond Drilling

Exploration core drilling was completed for the Buckskin Mountain exploration program upon stopping hole U-15-224 at 437 feet. The footage for the month on the 1500 level was 119 feet.

The 2500 exploration core drilling was also completed upon reaching 669 feet with hole U-25-131. This gave a diamond drill footage for the month of 172 feet in the 2500 level crosscuts.

The total amount of EX core drilling for the month was 291 feet, completing all drilling for the contract.

	1500 Drift	2500 Crosscuts
EX Core Drilling	119	172
Total EX Core Drilling	6,765	6,454

Yours very truly,

J. S. Roper
Manager

JSR:jhk

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

Budget Bureau No. 42-R1036.5

RECEIVED
JUL 12 1956

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

Month of May, 1956 Docket No. DMEA 3142 Contract No. Idm E644
Operator's Name Howe Sound Company - Chelan Division Minerals
Address Holden, Washington
Contract Amount, $ 309,990.00 Government Participation: 50 % Amount, $ 154,995.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core	$ 2,736.00	$ 34,386.50	$ 37,122.50	2736.00	34 386.50	37122.50
Bulldozing						
Crosscutting						
Drifting						
Dia. Drill & Transfer Sta.		9,810.00	9,810.00		9810.00	9810.00
(2) Labor and Supervision:						
Labor		105,177.98	105,177.98		106278.53	106278.53
Supervision		8,160.31	8,160.31		8160.31	8160.31
Technical Services		3,690.82	3,690.82		3690.82	3690.82
(3) Operating Mat'ls. and Supplies:						
Timber		10,470.23	10,470.23		9966.33	9966.33
Explosives		21,330.73	21,330.73		21330.73	21330.73
Pipe		6,748.73	6,748.73		6748.73	6748.73
Track		5,117.93	5,117.93		5621.83	5621.83
Drill Steel & Bits		12,300.71	12,300.71		12300.71	12300.71
Electric Cable Instln.		358.64	358.64		358.64	358.64
Vent. Pipe Instln.		352.90	352.90		352.90	352.90
(4) Operating Equipment:						
Rental						
Purchase		30,907.09	30,907.09		30907.09	30907.09
Depreciation		3,873.75	3,873.75		3873.75	3873.75
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		9,847.12	9,847.12		9847.12	9847.12
Sampling and Analysis		130.32	130.32		130.32	130.32
Payroll Taxes		4,148.54	4,148.54		3621.00	3621.00
Ind. ~~Liability~~ Insurance & Med. Aid		4,834.84	4,834.84		4834.84	4834.84
Tramming		8,842.10	8,842.10		8832.15	8832.15
Compressed Air		13,816.74	13,816.74		13816.74	13816.74
(8) Contingencies (specify):						
Retroactive Pay		1,100.55	1,100.55		— 0 —	— 0 —
Miners Lamps		593.42	593.42		593.42	593.42
Handling Supplies		2,440.20	2,440.20		2440.20	2440.20
Hoisting (2500 Level)		1,397.84	1,397.84		1397.84	1397.84
TOTALS	$2,736.00	$299,837.99	$302,573.99	2736.00	299300.50	302036.50

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

Date 6-26-56 *Payee

Per Title

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

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

(Instructions on reverse)

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

$ 1368 00

Signature
(Authorized Certifying Officer)

Date 7-6-56 Vou. No. 1812

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E644 in accordance with the terms of the contract.

Signature /S/ Stephen W. Zoldok Title Mining Engr Date 6-28-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ A. E. Weissenborn Title Exec Officer Date 7-2-56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 12 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1956 Docket No. DMEA 3142 Contract No. Idm E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting - 1500 Level	Feet			$180,382.74	3,800	47.46	4,100	
Crosscutting - 2500 Level	Feet			44,351.66	1,365	32.49	1,368	
Raising D.D.Sta) 1500	Each			4,410.00	9	490.00	9	490.00
Shafts D.D.Sta) Level	Each			300.00	1	300.00	1	300.00
Winzes								
Drilling: Core - 1500 Level	Feet	2,112.00	768	18,276.50	6,646	2.75	7,416	2.75
Core ~~Block~~ 2500 Level	Feet	624.00	208	18,846.00	6,282	3.00	7,000	3.00
Auger								
~~Stopping~~ D.D.Sta) 2500	Each			3,600.00	6	600.00	6	600.00
~~Trenching~~ Trsfr. ~~Test Pits~~ Sta) Level	Each			1,500.00	3	500.00	3	500.00
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2,736.00		$271,666.90				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				30,907.09				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,736.00		$302,573.99				

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

Date 6-26-56 Operator Howe Sound Company
Per [signature] Title [signature]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

/s/ F. W. Zoldak

INSTRUCTIONS

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

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

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

GPO 872894

HOWE SOUND COMPANY - CHELAN DIVISION

HOLDEN, WASHINGTON

RECEIVED
JUL 12 1956

June 11, 1956

United States Department of the Interior
Defense Minerals Exploration Administration
South 157 Howard Street
Spokane 4, Washington

Gentlemen:

The following is a narrative of the work accomplished during May, 1956 for the Buckskin Mountain exploration and in the 2500 level crosscuts.

Diamond Drilling

Exploration core drilling from hole U-15 - 223 at the 662 chute section at the east end of the 1500 level was completed at a depth of 975 feet giving an advance of 450 feet in May. Hole U-15 - 224 was collared and drilled to a depth of 318 feet. The total drilling on the 1500 level amounted to 768 feet.

Hole U-25 - 131 from the 373 crosscut station at the east end of 2500 level was advanced 208 feet to a depth of 497 feet.

The total amount of EX core drilling for the month was 976 feet.

	1500 Drift	2500 Crosscuts
EX Core Drilling	768	208
Total EX Core Drilling	6,646	6,282

Yours very truly,

J. S. Roper

J. S. Roper
Manager

JSR:jhk

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
JUL 12 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1956 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington
Contract Amount, $ 309,990.00 Government Participation: 50 % Amount, $ 154,995.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core	4,972.50	29,414.00	34,386.50	4972.50	29414.00	34386.50
Bulldozing						
Crosscutting						
Drifting						
Dia.Drill & Transfer Sta.		9,810.00	9,810.00		9810.00	9810.00
(2) Labor and Supervision:						
Labor		105,177.98	105,177.98		106278.53	106278.53
Supervision		8,160.31	8,160.31		8160.31	8160.31
Technical Services		3,690.82	3,690.82		3690.82	3690.82
(3) Operating Mat'ls. and Supplies:						
Timber		10,470.23	10,470.23		9966.33	9966.33
Explosives		21,330.73	21,330.73		21330.73	21330.73
Pipe		6,748.73	6,748.73		6748.73	6748.73
Track		5,117.93	5,117.93		5621.83	5621.83
Drill Steel & Bits		12,300.71	12,300.71		12300.71	12300.71
Electric Cable Instln.		358.64	358.64		358.64	358.64
Vent Pipe Instln.		352.90	352.90		352.90	352.90
(4) Operating Equipment:						
Rental		30,907.09	30,907.09		30907.09	30907.09
Purchase		3,873.75	3,873.75		3873.75	3873.75
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		9,847.12	9,847.12		9847.12	9847.12
Sampling and Analysis		130.32	130.32		130.32	130.32
Payroll Taxes		4,148.54	4,148.54		3621.00	3621.00
Ind. Insurance & Med. Aid		4,834.84	4,834.84		4834.84	4834.84
Tramming		8,842.10	8,842.10		8832.15	8832.15
Compressed Air		13,816.74	13,816.74		13816.74	13816.74
(8) Contingencies (specify):						
Retroactive Pay		1,100.55	1,100.55		-0-	-0-
Miners Lamps		593.42	593.42		593.42	593.42
Handling Supplies		2,440.20	2,440.20		2440.20	2440.20
Hoisting (2500 Level)		1,397.84	1,397.84		1397.84	1397.84
TOTALS	4,972.50	294,865.49	299,837.99	4972.50	294328.00	299300.50

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

Date 5-29-56 *Payee Howe Sound Co., Chelan Division

Per [signature] Title [signature]

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

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

(Instructions on reverse)

Part of payment due applied against equipment purchase. see statement attached

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

$ 235 69

Signature [signature]
(Authorized Certifying Officer)

Date 7-6-56 Vou. No. 1812
(See other side)

1 cy 104a and
[illegible]
May 28-1956

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 644 in accordance with the terms of the contract.

Signature (Sl) Eric G Erickson Title Mining Engr Date 5/28/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature (Sl) A. E. Weissenborn Title Exec Officer Date 7/2/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED MAY 21 1956

SECOND INTERIM AUDIT CERTIFICATE

I have examined the records and transactions of the:

Howe Sound Company
Holden, Washington
and
730 Fifth Avenue
New York 19, New York

pertaining to Exploration Project Contract No. Idm-E644, Docket No. DMEA-3142, dated December 7, 1953, including Amendment No. 1, and Amended Exploration Project Contract No. Idm-E644, Docket No. DMEA-3142, dated June 25, 1954, including Amendments Nos. 1 and 2, covering a project for the exploration of copper on property known as Holden Mine located at Holden, Chelan County, Washington, for the period December 7, 1953, to March 31, 1956, inclusive.

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

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

Total cost as billed by contractor		$294,865.49
Exceptions (see Audit Report for details):		
Prior to this audit	$ -	
During this audit	537.49	537.49
Total accepted costs		$294,328.00

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of One hundred forty-seven thousand one hundred sixty-four and 00/100 dollars,

* * * $147,164.00 * * *

less the value of the Government's equity in any equipment and materials and supplies having a salvage value, is valid and proper.

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

C. E. Fisher, Auditor

May 11, 1956

RECEIVED
MAY 21 1956

SECOND INTERIM AUDIT REPORT

I. INTRODUCTION

During the period May 1 to 8, 1956, a second interim audit (covering the period December 1, 1954, to March 31, 1956) was made of the records and transactions pertaining to Exploration Project Contract No. Idm-E644, Docket No. DMEA-3142, dated December 7, 1953, including Amendment No. 1, and Amended Exploration Project Contract No. Idm-E644, Docket No. DMEA-3142, dated June 25, 1954, including Amendments Nos. 1 and 2, with the:

Howe Sound Company
Holden, Washington
and
730 Fifth Avenue
New York 19, New York

covering a project for the exploration of copper on property known as Holden Mine located at Holden, Chelan County, Washington.

First Interim Audit Report dated January 14, 1955, prepared by this auditor, covers the period from the date of the original contract, December 7, 1953, to November 30, 1954. The present report incorporates the results of the prior interim report and includes all transactions for which reimbursement has been claimed on Forms MF-104 through March 31, 1956.

The original records pertaining to this contract are maintained by and are in the custody of Mr. R. Scott, Chief Accountant, Chelan Division of Howe Sound Company, and are located in the mine office building at Holden, Washington. Mr. J. S. Roper, Mine Manager, was available for consultation during the audit. Mr. E. G. Erickson and Mr. Almon F. Robertson, Mining Engineers, Bureau of Mines, Spokane, Washington, were present and assisted the auditor during part of the field audit. The cooperation of all concerned greatly facilitated the audit work.

II. GENERAL INFORMATION ON RECORDS

The general books of the Company are maintained in its New York office; however, all of the needed records pertaining to the Chelan Division operations and particularly those relating to the DMEA exploration project are kept at the Holden, Washington, mine office and were made freely available to the auditor.

The Operator's Monthly Report and Voucher Forms MF-104 were

prepared under the direction of Mr. Scott and were sent to the New York office of the Company, where they were reviewed and signed by Mr. Vinton H. Clarke, Vice President, and submitted by the New York office to the DMEA Field Team, Region I, Northwest District, for payment.

The Operator has a complete and comprehensive cost accounting system at its Holden Mine. The cost records are well maintained and are considered to be adequate to insure proper allocations of costs to the exploration project. An effective system of internal check is maintained.

The accounts of Howe Sound Company, including those of the Chelan Division, are audited annually by Smith, Davis and Willis, Certified Public Accountants, 41 East 42nd Street, New York (17), New York.

III. SCOPE OF AUDIT AND FINDINGS

The audit was limited to ascertaining the accuracy, propriety and validity of the costs shown in the "Totals to Date" column of the Form MF-104, Operator's Monthly Report and Voucher, for the month of March, 1956. Since, by letter dated January 12, 1954, addressed to the Operator, the Executive Officer of the DMEA Field Team for Region II (now Region I, Northwest District) waived the requirement for the submission of supporting documents with the monthly Forms MF-104, a complete and detailed audit and analysis of all costs was made.

Amendment No. 2 to the Amended Exploration Project Contract eliminated reference to Items and Stages contained in the original contract. Instead, the exploration work to be accomplished was described separately for that on the 1500 Level and that on the 2500 Level and the claimed and allowed costs will be so divided for the purpose of this Second Interim Audit Report.

The Operator has allocated costs on Form MF-104 on basis of its cost accounting system. Although not conforming in all respects to the various items under the caption "Items of Cost" provided on Form MF-104, the classification used by the Operator is considered to be in substantial compliance with the intent of Form MF-104 and is accepted for the purpose of this audit. Adjustments in the Operator's classification and disallowance made as a result of this audit are discussed below and are summarized on Exhibit "A" attached to this report.

(1) Agreed Unit Costs

Item	Amendment No. 2	Accepted Costs	Remainder
1500 Level			
Diamond Drill Stations:			
9 @ $490.00/ea.	$ 4,410.00	$ 4,410.00	
1 @ $300.00/ea.	300.00	300.00	
Diamond Drilling:			
7,416 feet @ $2.75/ft.	20,394.00		
5,368 " " "		14,762.00	
2,048 " " "			5,632.00
Totals - 1500 Level	$25,104.00	$19,472.00	$ 5,632.00
2500 Level			
Diamond Drill Stations:			
6 @ $600.00/ea.	$ 3,600.00	$ 3,600.00	
Transfer Stations:			
3 @ $500.00/ea.	1,500.00	1,500.00	
Diamond Drilling:			
7,000 feet @ $3.00/ft.	21,000.00		
4,884 " " "		14,652.00	
2,116 " " "			$ 6,348.00
Totals - 2500 Level	$26,100.00	$19,752.00	$ 6,348.00
Totals - Agreed Unit Costs	$51,204.00	$39,224.00	$11,980.00

Amendment No. 2 provides that the stated rates per foot for diamond drilling shall include the cost of assaying and that total agreed unit costs of $25,104.00 and $26,100.00 applicable to the 1500 Level and 2500 Level, respectively, shall be allowable maximums. The audit did not disclose any separate charges for assaying in connection with the diamond drilling. The allowable maximums have not been exceeded as indicated in the above tabulation.

The number of drill stations and the footage of diamond drilling for which reimbursement has been allowed were verified by Mr. E. G. Erickson, Mining Engineer, Bureau of Mines, Spokane, Washington.

(2) Labor and Supervision

Item	Accepted Costs 1500 Level	2500 Level	Total
Labor			
Miners	$16,920.96	$ 7,555.94	$ 24,476.90
Muckers	25,132.97	7,225.07	32,358.04
Helpers	15,320.43	-	15,320.43
Timbering	12,394.57	313.64	12,708.21
Air and Water Line Installation	1,521.39	84.03	1,605.42
Track	2,326.77	690.61	3,017.38
Ventilation Pipe Installation	4,242.54	-	4,242.54
Repairs to Equipment	9,336.03	196.71	9,532.74
Electric Cable Installation	1,859.22	33.42	1,892.64
Drainage	23.68	-	23.68
Retroactive Payroll	608.06	492.49	1,100.55
Totals	$89,686.62	$16,591.91	$106,278.53
Supervision			
Shift Bosses	$ 6,113.09	$ 1,294.51	$ 7,407.60
Mine Foreman	597.75	-	597.75
Engineers	154.96	-	154.96
Total Supervision	$ 6,865.80	$ 1,294.51	$ 8,160.31
Technical Services	$ 2,627.98	$ 1,062.84	$ 3,690.82
Total Labor, Supervision and Technical Services	$99,180.40	$18,949.26	$118,129.66

The Operator's method of payroll accounting and allocation of labor costs to the DMEA contract were found to be the same as at the time of the prior interim audit as more fully described in First Interim Audit Report dated January 14, 1955. There were a few minor changes in the bonus rates applicable to work on the 1500 Level and bonus rates were established for work done on the 2500 Level during the period. The total bonuses paid for the period December 7, 1953, to March 31, 1956, and included in direct labor costs in the above tabulation amounted to $22,420.89 allocated as follows:

Item	1500 Level	2500 Level	Total
Miners	$ 5,728.85	$ 2,245.00	$ 7,973.85
Muckers	8,479.81	1,087.22	9,567.03
Timbering	1,932.30	-	1,932.30
Air and Water Line Installation	551.56	-	551.56
Track	19.48	341.39	360.87
Ventilation Pipe Installation	2,035.28	-	2,035.28
Totals	$18,747.28	$ 3,673.61	$22,420.89

A change was made in the manner of Supervision of the exploration project in March, 1955, when a full-time shift boss or pusher was assigned thereto. No subsequent charges were made to the project costs for any services of the mine foreman.

Amendment No. 2 provides allowable maximum costs for Supervision and Technical Services in the amount of $16,404.00 based on 5,468 feet of drifts and crosscuts at a maximum allowable rate of $3.00 per foot. The total charges to project accounts for these items to March 31, 1956, aggregated $11,851.13, for 5,165 feet at an average cost of approximately $2.29 per foot.

International Union of Mine, Mill and Smelter Workers, Chelan Miners Union, Local 379, is the bargaining agent for all employees at the mining property except foremen, clerks, secretaries, or members of the executive, supervisory or technical forces of the company. All wages paid to mine employees were based on rates provided by agreements between the Operator and the Union.

On October 8, 1955, a wage increase was granted to all mine employees represented by the Union retroactive to July 1, 1955. The increased pay rates were put into effect with the payroll for the last half of October, 1955. A separate payroll was made for the retroactive period and the portion thereof applicable to the exploration project was determined on basis of actual payments made for work on the exploration project.

The Operator claimed and was allowed reimbursement for the portion of such retroactive pay applicable to the exploration project under (7), Miscellaneous - Retroactive Payroll. For the purpose of this audit transfer has been made and the costs allowed under (2), Labor and Supervision - Labor.

(3) Operating Materials and Supplies

Sub-category	Accepted Costs 1500 Level	2500 Level	Total
Timber	$ 9,889.66	$ 76.67	$ 9,966.33
Explosives	15,270.90	6,059.83	21,330.73
Pipe	6,748.73	-	6,748.73
Track	4,865.67	756.16	5,621.83
Drill Steel and Bits	8,129.43	4,171.28	12,300.71
Electric Cable Installation	358.64	-	358.64
Ventilation Pipe Installation	352.90	-	352.90
Totals	$45,615.93	$11,063.94	$56,679.87

The costs chargeable to this category were ascertained by a detailed audit and analysis of material requisitions. It was determined that materials and supplies were charged to the exploration Project in accord with company practices throughout its operations and that costs included freight and delivery charges but did not include charges for company overhead expenses.

During this audit it was ascertained that costs amounting to $503.90 incurred during September, 1955, for rail and fittings had been improperly included in the sub-category "Timber" instead of "Track." Appropriate adjustment has been made in the accepted costs stated above.

Further explanation with respect to the various sub-categories of operating materials and supplies follows:

Timber

The accepted costs under this sub-category represent amounts, less $503.90 transferred to "Track,"charged to the Operator's code 4, Timbering, directly assigned to the exploration project, and include charges for rock bolts, plates, nuts, wedges and washers used in rock bolting in addition to lumber and nails, as follows:

Lumber	$ 6,849.92
Nails	146.15
Rock bolts	1,846.44
Plates, nuts, etc.	1,123.82
Total	$ 9,966.33

Explosives

The accepted costs under this sub-category represent amounts charged to the Operator's code 13, Explosives.

Charges were made each month based on the number of boxes of 1¼ x 8 60% Gelodyn used in the exploration work and average cost per box of such explosives, including electric caps, used throughout the mine. The average cost per box of explosives, including electric caps, was approximately $10.95.

Pipe

The accepted costs under this sub-category represent amounts charged to the Operator's code 5, Air and Water Lines, directly assigned to the exploration project as follows:

2" and 4" pipe and fittings	$ 5,827.49
150 feet 2" Bull hose	324.00
365 feet 1¼" air hose	368.30
300 feet 3/8" water hose	141.50
Other	87.44
Total	$ 6,748.73

Track

The accepted costs under this sub-category represent amounts charged to the Operator's code 6, Track, directly assigned to the exploration project, plus $503.90 transferred from "Timber," as follows:

Rail	$ 4,440.22
Fish plates	226.03
Spikes, bolts, etc.	487.07
Ties	468.51
Total	$ 5,621.83

Drill Steel and Bits

The accepted costs under this sub-category represent amounts charged to the Operator's codes 23, Drill Steel and Bits, and 24, Sharpening.

The charges to the exploration project represent the monthly prorated portion of cost of drill steel and bits purchased or reconditioned by the Operator during the month allocated to project costs on basis of relative hours of drilling applicable to project work during the month.

Electric Cable Installation

The accepted costs under this sub-category represent the cost of tape, clamps and other materials used in installing electric cables charged to the Operator's code 8, Electric Cable Installation, directly assigned to the exploration project. The cost of the cable is included in (4) Operating Equipment - Purchase.

Ventilation Pipe Installation

The accepted costs under this sub-category represent the cost of incidental materials used in the installation of ventilation pipe charged to the Operator's code 7, Ventilation Pipe - Installation, directly assigned to the exploration project. The cost of the ventilation pipe is included in (4) Operating Equipment - Purchase.

(4) Operating Equipment

Rental

There were no charges to this sub-category.

Purchase

Item	Amendment No. 2	Accepted Costs	Remainder
1 Mancha Electric mule - used	$3,662.96	$ 3,662.96	
1 Charging unit	952.75	952.75	
2 Edison batteries	7,425.40	7,425.40	
1 Battery box	374.36	374.36	
2 Rock drills	1,617.10	1,617.10	
1 Tro-Pari borehole survey instrument	1,136.81	1,136.81	
1 No. 1-U Diamond drill	2,000.00		$ 2,000.00
3,500 feet of ventilation pipe @ $2.00/ft	7,000.00	5,367.95	1,632.05
6,100 feet of Messenger cable	684.03	684.03	
1,225 feet Type W-600 volt - 49 strand cable	1,979.60	1,979.60	
5,007 feet #6 Tyrex cable	7,706.13	7,706.13	
Totals	$34,539.14	$30,907.09	$ 3,632.05

The Operator has not charged the diamond drill authorized under the contract to the exploration project. The authorized 3,500 feet of ventilation pipe has all been installed in the project. By purchasing sheeting and having the fabrication work done locally under contract, the Operator has held the costs of the pipe substantially below the estimate of $2.00 per foot.

The costs applicable to the various items of equipment purchased were verified with vendor's invoices and other documents.

Amendment No. 2 provides that the total amount of $34,539.14 for purchase of equipment shall be the allowable maximum costs chargeable to the project under this category. The amendment further provided that so much of the funds allowable for ventilation pipe as are not spent for ventilation pipe may, with the prior approval of the Government, be used for any item of actual costs allowable under the contract except such items of actual cost as are subject to an allowable maximum. A portion of the savings on the ventilation pipe has been diverted to other purposes as explained under (8)Contingencies.

Depreciation

The accepted costs under this sub-category are based on a fixed sum of 75 cents per foot for use of company-owned equipment, not otherwise included in any schedule in Amendment No. 2, used for drifting and crosscutting, as follows:

1500 Level -	3,800 feet of drifting @ 75¢	$2,850.00
2500 Level -	1,365 feet of crosscutting @ 75¢	1,023.75
Totals	5,165 feet of drifting and crosscutting	$3,873.75

The allowable maximum charge provided by Amendment No. 2 is $4,101.00 for 5,468 feet of drifting and crosscutting at 75¢ per foot.

(5) Initial Rehabilitation and Repairs

There were no charges under this category.

(6) New Buildings, Improvements, etc.

There were no charges under this category.

(7) Miscellaneous

The accepted costs under this category consist of the following:

Sub-category	1500 Level	2500 Level	Total
Repairs to Equipment	$ 7,431.51	$ 2,415.61	$ 9,847.12
Sampling and Analysis	130.32	-	130.32
Payroll Taxes	3,076.20	544.80	3,621.00
Liability Insurance	4,049.05	785.79	4,834.84
Tramming	6,498.00	2,334.15	8,832.15
Compressed Air	8,891.02	4,925.72	13,816.74
Miner's Lamps	449.12	144.30	593.42
Handling Supplies	1,772.30	667.90	2,440.20
Retroactive Pay	-	-	-
Hoisting - 2500 Level	-	1,397.84	1,397.84
Totals	$32,297.52	$13,216.11	$45,513.63

Further explanation with respect to the various sub-categories included under (7) Miscellaneous, follows:

Repairs to Equipment

Item	Accepted Costs
Rock Drills	$ 6,566.29
Other Equipment	3,280.83
Total	$ 9,847.12

The accepted costs under this sub-category with respect to rock drills represent charges made to the Operator's code 22, Drill Repairs. The total cost of material and labor expended in repairing rock drills during a month are assembled in a clearing account and prorated to various cost accounts, including exploration costs, on basis of relative number of hours of drilling operations during the month.

The accepted costs with respect to other equipment represent charges made to Operator's codes 16, Repairs to Equipment (other than Rock Drills) and 19, Underground Tools, assigned directly to project costs from the distribution of material requisitions. The charges cover costs of material used in repairing all equipment, other than rock drills, used in the exploration. The applicable labor costs are included under category (2) Labor and Supervision - Labor.

Sampling and Analysis

The accepted costs under this sub-category amounting to $130.32 represent the prorata portion of costs incurred in the company's laboratory analyzing samples from the 1500 Level drift. Amendment No. 2 did not permit any cost of sampling and analysis in connection with crosscutting on the 2500 Level being included in project costs. That amendment also provided that any cost of assaying in connection with diamond drilling was included in the unit prices of $2.75 and $3.00 per foot allowed for such diamond drilling. The cost of labor for sampling the 1500 Level is included under category (2) Labor and Supervision - Technical Services.

The audit did not disclose any improper charges to project costs for sampling and analysis.

Payroll Taxes

Item	Claimed Costs	Accepted Costs
Federal Insurance Contribution Act	$ 1,895.99	$ 1,895.99
Unemployment Insurance Act		
Federal	233.16	233.16
State of Washington		
Year 1954	216.40	216.40
Jan. 1, 1955, to March 31,1956	1,802.99	1,275.45
Totals	$ 4,148.54	$ 3,621.00

The claimed and accepted costs under FICA were based on 2% of the first $3,600.00 wages paid each employee during the year. The claimed costs for Unemployment Insurance were based on 3% of the first $3,000.00 of the employee's wages during the year with an appropriate adjustment made for State of Washington Experience Rating Credit received in connection with contributions made by the Operator to the State fund applicable to wages paid to employees during 1954.

The State determines and advises the Operator the amount of Experience Rating Credit applicable to a year usually in about September of the following year. In order not to delay settlement of the Operator's account with DMEA pertaining to this exploration project this auditor agreed with the mine manager and the chief accountant of the Chelan Division, Howe Sound Company, that the Experience Rating Credit determined for 1954 would be applied to that portion of unemployment insurance contribution made to the State and included in joint exploration costs during the period January, 1955, to March, 1956, inclusive, and that the excess claimed for that period would be disallowed in this audit.

Contributions to the State unemployment insurance fund for the period January, 1955, to March, 1956, inclusive, and included in project costs, based on 2.70% of employees' wages applicable to the act, amounted to $1,802.99. The Experience Rating Credit for 1954 to this Operator was based on .79% of the applicable wages paid during that year. Thus, the credit amounted to 29.259% (.79% divided by 2.70%). Application of this percentage to $1,802.99 results in a credit of $527.54 and a net acceptable cost for the period amounting to $1,275.45 as shown in the above tabulation.

Liability Insurance

The accepted costs under this sub-category amount to $4,834.84 and represent the portion of the Operator's contributions under the State of Washington Industrial Insurance and Medical Aid Acts. The charge has been computed by multiplying the number of hours of time worked by workmen covered by the Act and charged to the exploration project by the sum of the hourly rate for industrial insurance, plus one-half of the hourly rate for medical aid, as follows:

	1954	1955	1956
Industrial Insurance	$.0727	$.0972	$.1249
*1/2 Medical aid	.0175	.0175	.0150
Totals per hour	$.0902	$.1147	$.1399

*Employees contribute 1/2 of such cost.

Tramming

The accepted costs under this sub-category amounting to $8,832.15 are computed on basis of $1.71 per foot of advance made by drifting or crosscutting. As explained in the First Interim Audit Report the $1.71 rate was based on the company's cost experience in 1953 and is considered to be fully supported by the Operator's records and the use thereof has not resulted in excessive charges against exploration costs.

The claimed costs under this sub-category were $8,842.10 or $9.95 in excess of the accepted costs. Details of the disallowance follow:

February, 1955

245 feet advance on 1500 Level @ $1.71

Claimed	$428.95	
Accepted	418.95	$10.00

November, 1955

296 feet advance @ $1.71

Claimed	$506.11		
Accepted	506.16	(.05)	$9.95

Compressed Air

The accepted costs under this sub-category amounting to $13,816.74 represent that portion of the cost of operating air compressors allocated to the exploration project based on hours of drilling operations as fully explained in First Interim Audit Report.

The adjustment due to improper calculations referred to in the prior report was made in January, 1955. This adjustment was verified in detail and subsequent costs claimed under this sub-category were checked to the extent deemed necessary to establish the validity of the charges made.

Miner's Lamps

The accepted costs under this sub-category amounting to $593.42 are based on charges of $3.02, through December 31, 1954, and $3.70, subsequently, per month for each miner's lamp used on the exploration project.

This auditor finds that the rates used are representative of average costs of maintaining miner's lamps and that the total charge of $593.42 is properly includible in exploration costs.

Handling Supplies

The accepted costs under this sub-category amounting to $2,440.20 are based on rates of $.403 per foot of advance of drift or crosscut through December 31, 1954, and $.49 per foot for the subsequent period. The rate of $.403 per foot was

based on the Operator's actual cost experience during 1953 and the $.49 per foot rate was based on the cost experience for 1954.

This auditor finds that the rates used and the total charge to the exploration project are representative of actual costs, are substantiated by the Operator's cost records, and are properly includible in project costs.

Retroactive Pay

The amount of $1,100.55 claimed by the Operator under this sub-category has been transferred to and accepted as allowable cost under (2) Labor and Supervision - Labor.

Hoisting - 2500 Level

The accepted costs under this sub-category were computed at the rate of $1.024 per foot of advance in connection with crosscutting performed on the 2500 Level. The rate was determined on basis of the Operator's cost experience in connection with hoisting operations during the entire year 1954.

This auditor has verified the basis and the amounts used in computing the rate of $1.024 per foot of advance and has found the rate to be substantiated by the Operator's cost records, and to be fair and equitable for purpose of this cost determination.

(8) Contingencies

There have been no charges specifically set forth under this sub-category on Forms MF-104.

Amendment No. 2 provides for allowable maximum charges amounting to $11,445.00 for Contingencies to cover, among other things, increases in labor costs for drifting and crosscutting. That amendment also provides allowable maximum charges amounting to $224,246.86 covering estimated total actual costs on 1500 and 2500 Levels. A comparison of such costs set forth in Amendment No. 2 with the accepted costs found by this audit discloses that the total accepted costs amounted to $224,196.91 or $49.95 less than of the allowable maximum, as follows:

Item	Amendment No. 2	Accepted Costs	Over or (under) expended
(2) Labor	$95,915.75	$106,278.53	$ 10,362.78
(2) Supervision and Technical Service	16,404.00*	11,851.13	(4,552.87)
(3) Oper.Matls and Supplies	72,472.84	56,679.87	(15,792.97)
(4) Oper. Equip. - Depreciation	4,101.00*	3,873.75	(227.25)
(7) Miscellaneous	23,908.27	45,513.63	21,605.36
(8) Contingencies	11,445.00	-	(11,445.00)
Totals	$224,246.86*	$224,196.91	$ (49.95)

*Indicates allowable maximum

A savings amounting to $1,632.05 was made in cost of ventilation pipe as stated in (4) Operating Equipment - Purchase. Under terms of Amendment No. 2, such savings, with the prior approval of the Government, may be used for any item of actual costs allowable under the contract except such items of actual cost as are subject to an allowable maximum. Under date of March 9, 1956, the Field Team, Region I, Northwest District, approved the use of the unexpended amount provided for ventilation pipe within the limits stated. Thus, the total savings under the actual cost portions of the contract amount to $1,682.00 ($1,632.05 plus $49.95).

IV. CONCLUSIONS

The audit disclosed that all costs charged to this project are reasonable and proper under terms of the contract, except for the amounts of $527.54 and $9.95 disallowed under (7) Miscellaneous - Payroll Taxes and (7) Miscellaneous - Tramming, respectively.

The accepted costs per foot of drifting and crosscutting amounted to $47.35 and $32.42, respectively, allocated to various items of cost, excluding cost of equipment purchased, as follows:

	1500 Level (3,800 ft.) (7'x7' Drift)	2500 Level (1,365 ft.) (7'x7' Crosscuts)
(2) Labor and Supervision		
Labor	$23.60	$12.15
Supervision	1.81	.95
Technical Services	.69	.78
Totals	$26.10	$13.88
(3) Operating Materials and Supplies		
Timber	$ 2.60	$ .06
Explosives	4.02	4.44
Pipe	1.77	-
Track	1.28	.55
Drill Steel and Bits	2.14	3.06
Electric Cable Installation	.10	-
Ventilation Pipe Installation	.09	-
Totals	$12.00	$ 8.11
(4) Equipment - Depreciation	$ .75	$ .75
(7) Miscellaneous		
Repairs to Equipment	$ 1.96	$ 1.77
Sampling and Analysis	.03	-
Payroll Taxes	.81	.40
Liability Insurance	1.06	.57
Tramming	1.71	1.71
Compressed Air	2.34	3.61
Miner's Lamps	.12	.11
Handling Supplies	.47	.49
Hoisting - 2500 Level	-	1.02
Totals	$ 8.50	$ 9.68
Total Accepted Costs	$47.35	$32.42

This auditor did not verify the Operator's costs applicable to work performed on a unit cost basis. Such records did disclose that the recorded costs applicable to such work, exclusive of payroll taxes, has been in excess of the costs claimed on a unit basis, as follows:

Item	Recorded Costs	Allowed On Unit Cost Basis
Diamond Drill Stations	$11,072.01	$ 8,310.00
Core Drilling	32,589.10	29,414.00
Transfer Stations	2,864.54	1,500.00
Totals	$46,525.65	$39,224.00

All of the work to be performed under this contract on basis of actual costs had been completed prior to the date of this interim audit and the only exploration work remaining to be accomplished was diamond drilling on which settlement will be on basis of agreed unit costs. Therefore, it is recommended that steps be taken by the Field Team and the Operator to accomplish settlement with respect to disposition of the Government's equity in equipment, materials, etc., acquired for the exploration project in line with provisions of Article 11 of the Amended Contract and items (3) Operating Materials and Supplies and (4) Operating Equipment - To Be Purchased, in Amendment No. 2 to such Amended Contract.

Amendment No. 2 of the Amended Contract contained numerous items of cost expressly designated as "allowable maximums." The status of these allowable maximums, after deduction of the disallowances discussed in Section III of this report, is summarized as follows:

	Allowable Maximum	Acceptable Cost	Balance
(1) Agreed Unit Costs			
1500 Level	$ 25,104.00	$ 19,472.00	$ 5,632.00
2500 Level	26,100.00	19,752.00	6,348.00
(2) Labor and Supervision			
Supervision and technical services	16,404.00	11,851.13	4,552.87
do	3.00/ft	2.29/ft	.71/ft
(4) Operating Equipment			
Purchase	34,539.14	30,907.09	3,632.05
Depreciation	4,101.00	3,873.75	227.25
(8) Contingencies	11,445.00	11,395.05	49.95
Estimated Total Actual Costs on 1500 and 2500 Levels	224,246.86	224,196.91	49.95
Estimated Total Cost of the Project	309,990.00	294,328.00	15,662.00
Government Participation @ 50%	154,995.00	147,164.00	7,831.00

At the conclusion of the audit on May 8, 1956, the findings were discussed with Mr. Scott and Mr. Roper. On May 11, 1956, the findings were discussed with Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, Northwest District.

C. E. Fisher

C. E. Fisher, Auditor

May 11, 1956

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

MAY 22 1956

Mr. Clarence E. Fisher
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Audit Report
IGm-2644, DMEA-3142
Hose Sound Company

Dear Mr. Fisher:

Receipt is acknowledged of your Second Interim Audit Certificate and Report covering the above-cited project.

The report is acceptable and normal distribution may be made.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

WBorovies/wb
May 22, 1956

Copy to: Docket
Admr. Reading File
Mr. Chambers

XXXXXXXXXXXXXXXXXX
1201 N. Division Street
Spokane 2, Washington
May 21, 1956

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

Dear Mr. Chambers:

Upon rereading the second interim audit report on Idm-E644, Howe Sound Company, I note errors in the last paragraph on page 15. The amounts of $47.46 and $32.49 represent costs per foot claimed by the Operator. The accepted costs should be $47.35 and $32.42, respectively, as indicated by the tabulation on page 16.

ok

Will you please make the necessary corrections on the copies of the report in your possession.

Sincerely,

C. E. Fisher

C. E. Fisher, Auditor

HOWE SOUND COMPANY - CHELAN DIVISION

Salvage Settlement Statement

		Cost per audit	Govt. equity at 25%	Govt. equity at 10%	Total Govt. equity
Equipment					
1	Mancha Mule	$3,662.96	$ 915.74		
1	Charging unit	952.75	238.19		
2	Edison batteries	7,425.40	1,856.35		
1	Battery box	374.36	93.59		
1225 ft.	Type W-600 cable	1,979.60	494.90		
5007 ft.	No. 6 Tyrex cable	7,706.13	1,926.53		
6100 ft.	Messenger cable	684.03	171.01		
1	Tro Pari Survey instrument	1,136.81	284.20		
2	Rock drills	1,617.10		$161.71	
3500 ft.	Vent pipe	5,367.95		536.79	
		$30,907.09	$5,980.51	$698.50	
	Government equity at 25 percent				$5,980.51
	Government equity at 10 percent				698.50
Materials and Supplies					
	Pipe	$6,748.73		$674.87	
	Track	5,621.83		562.18	
	Government equity at 10 percent				1,237.05
	Total government equity in equipment, materials and supplies				$7,916.06

MF-104s Received		Amount 100%	Amount 50%	Pay
February 1956	MF-104	$9,782.94	$4,891.47	$
March "	"	1,548.05	774.03	
April "	"	4,972.50	2,486.25	235.69
May "	"	2,736.00	1,368.00	1,368.00
		19,039.49	$9,519.75	
Less Government equity in equipment, materials & supplies			7,916.06	
Due operator			$1,603.69	$1,603.69

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 12 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March, 1956 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington
Contract Amount, $ 309,990.00 Government Participation: 50% Amount, $ 154,995.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core	1,871.25	27,542.75	29,414.00	1871.25	27542.75	29414.00
Bulldozing						
Crosscutting						
Drifting						
Dia. Drill & Transfer Sta.		9,810.00	9,810.00		9810.00	9810.00
(2) Labor and Supervision:						
Labor	55.51	105,122.47	105,177.98	1156.06	105122.47	106278.53
Supervision		8,160.31	8,160.31		8160.31	8160.31
Technical Services		3,690.82	3,690.82		3690.82	3690.82
(3) Operating Mat'ls. and Supplies:						
Timber		10,470.23	10,470.23	503.90	10470.23	9966.33
Explosives		21,330.73	21,330.73		21330.73	21330.73
Pipe		6,748.73	6,748.73		6748.73	6748.73
Track		5,117.93	5,117.93	503.90	5117.93	5621.83
Drill Steel & Bits		12,300.71	12,300.71		12300.71	12300.71
Electric Cable & Instl'n		358.64	358.64		358.64	358.64
Vent Pipe - Instl'n		352.90	352.90		352.90	352.90
(4) Operating Equipment:						
Rental		30,907.09	30,907.09		30907.09	30907.09
Purchase		3,873.75	3,873.75		3873.75	3873.75
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	152.64	9,694.48	9,847.12	152.64	9694.48	9847.12
Sampling and Analysis		130.32	130.32		130.32	130.32
Payroll Taxes	2.78	4,145.76	4,148.54	524.76	4145.76	3621.00
Ind. ~~Insurance~~ Med. Aid Insurance	3.36	4,831.48	4,834.84	3.36	4831.48	4834.84
Tramming		8,842.10	8,842.10	9.95	8842.10	8832.15
Compressed Air		13,816.74	13,816.74		13816.74	13816.74
(8) Contingencies (specify):						
Retroactive Pay		1,100.55	1,100.55	1100.55	1100.55	-0-
Miners Lamps		593.42	593.42		593.42	593.42
Handling Supplies		2,440.20	2,440.20		2440.20	2440.20
Hoisting (2500 Level)		1,397.84	1,397.84		1397.84	1397.84
TOTALS	2,085.54	292,779.95	294,865.49	1548.05	292779.95	294328.00

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

Date 4-23-56 *Payee Howe Sound Company - Chelan Division

Per [signature] Title [signature]

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

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

(Instructions on reverse)

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

$ -0-

Signature [signature]
(Authorized Certifying Officer)

Date 7-6-56 Vou. No. 1812
(See other side)

See salvage slip attached. Amt due applied against equipment purchase.

adjusted to audit report

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E644 in accordance with the terms of the contract.

Signature /S/ Eric G. Erickson Title Mining Engr. Date 4/27/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ A. E. Weissenborn Title Exec. Officer Date 7-2-56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED
JUL 12 1956

Month of March 195 6 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company Minerals Copper
Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting - 1500 Level	Feet	214.29		180,382.74	3,800	47.46	4,100	
Crosscutting - 2500 Level	Feet			44,351.66	1,365	32.49	1,368	
~~Raising~~ D.D. Sta.) 1500	Each			4,410.00	9	490.00	9	490.00
~~Shafts~~ D.D. Sta.) Level	Each			300.00	1	300.00	1	300.00
Winzes								
Drilling: Core - 1500 Level	Feet	41.25	15	14,762.00	5,368	2.75	7,416	2.75
Core ~~Shaft~~ - 2500 Level	Feet	1,830.00	610	14,652.00	4,884	3.00	7,000	3.00
Auger								
Stripping D.D.Sta.) 2500	Each			3,600.00	6	600.00	6	600.00
~~Trenching~~ Trsfr.)								
~~Test Pits~~ Sta.) Level	Each			1,500.00	3	500.00	3	500.00
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2,085.54		263,958.40				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				30,907.09				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,085.54		294,865.49				

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

Date 4-27-56 Operator Howe Sound Company - Chelan Division
Per [signature] Title [signature]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

151 Eric G Erickson

INSTRUCTIONS

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

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

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

GPO 872894

April 5, 1956

RECEIVED
JUL 12 1956

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narrative of the work accomplished during March, 1956 for the Buckskin Mountain exploration and in the 2500 Level Crosscuts.

Diamond Drilling

Core drilling has been contracted to an outside company effective March 1st. Drilling was resumed on March 5th.

Hole U-15-223 at 662 chute section at the east end of the 1500 level was collared and drilled 15 feet.

From the 2500 Level Crosscuts drilling amounted to 610 feet. This is broken down into holes as follows: U-25-128, 518; and U-25-130, 92 feet. Hole U-25-128 was drilled from the east drill station of 294 crosscut south. U-25-130 was collared from the west drill station of 294 crosscut south.

The total amount of EX core diamond drilling for the month amounted to 625 feet.

	1500 Drift	2500 Crosscuts
EX Core Drilling	15	610
Total EX Core Drilling	5,368	4,884

Yours very truly,

J. S. Roper
Manager

JSR:ms

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 12 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 1956 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington
Contract Amount, $ 309,990.00 Government Participation: 50 % Amount, $ 154,995.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core	1,236.00	26,306.75	27,542.75	1236.00	26306.75	27542.75
Bulldozing						
Crosscutting						
Drifting						
Dia. Drill & Transfer Sta.	490.00	9,320.00	9,810.00	490.00	9320.00	9810.00
(2) Labor and Supervision:						
Labor	3,876.15	101,246.32	105,122.47	3876.15	101246.32	105122.47
Supervision	523.22	7,637.09	8,160.31	523.22	7637.09	8160.31
Technical Services	79.14	3,611.68	3,690.82	79.14	3611.68	3690.82
(3) Operating Mat'ls. and Supplies:						
Timber	669.70	9,800.53	10,470.23	669.70	9800.53	10470.23
Explosives	389.94	20,940.79	21,330.73	389.94	20940.79	21330.73
Pipe	295.78	6,452.95	6,748.73	295.78	6452.95	6748.73
Track	507.71	4,610.22	5,117.93	507.71	4610.22	5117.93
Drill Steel & Bits	375.56	11,925.15	12,300.71	375.56	11925.15	12300.71
Electric Cable Instl'n	-	358.64	358.64		358.64	358.64
Vent Pipe Instl'n	5.13	347.77	352.90	5.13	347.77	352.90
(4) Operating Equipment:						
Rental						
Purchase		30,907.09	30,907.09		30907.09	30907.09
Depreciation	76.50	3,797.25	3,873.75	76.50	3797.25	3873.75
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	316.83	9,377.65	9,694.48	316.83	9377.65	9694.48
Sampling and Analysis	-	130.32	130.32		130.32	130.32
Payroll Taxes	223.92	3,921.84	4,145.76	223.92	3921.84	4145.76
Ind. ~~Liability~~ Insurance & Med. Aid	215.38	4,616.10	4,831.48	215.38	4616.10	4831.48
Tramming	174.42	8,667.68	8,842.10	174.42	8667.68	8842.10
Compressed Air	262.78	13,553.96	13,816.74	262.78	13553.96	13816.74
(8) Contingencies (specify):						
Retroactive Pay	-	1,100.55	1,100.55		1100.55	1100.55
Miners Lamps	14.80	578.62	593.42	14.80	578.62	593.42
Handling Supplies	49.98	2,390.22	2,440.20	49.98	2390.22	2440.20
Hoisting (2500 Level)	-	1,397.84	1,397.84		1397.84	1397.84
TOTALS	9,782.94	282,997.01	292,779.95	9782.94	282997.01	292779.95

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

Date 3-19-56 *Payee Howe Sound Company - Chelan Division

Per [signature] Title [signature]

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

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

(Instructions on reverse)

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

$ — o —

Signature [signature]
(Authorized Certifying Officer)

Date 7-6-56 Vou. No. 1812
(See other side)

amount due operator applied against salvage of equipment, etc. see statement attached.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E644 in accordance with the terms of the contract.

Signature 1st Stephen W Zoldok Title Mining Engr Date 7-2-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 1st A. E. Weissenborn Title Exec Officer Date 7-2-56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED

JUL 12 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1956 Docket No. DMEA 3142 Contract No. Idm-E644

Operator's Name Howe Sound Company Minerals Copper

Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting -1500 Level	Feet	8,056.94	102	180,168.45	3,800	47.41	4,100	
Crosscutting -2500 Level	feet	-		44,351.66	1,365	32.49	1,368	
~~Raising~~ D.D. Sta.)1500	Each	490.00	1	4,410.00	9	490.00	9	490.00
~~Shaft~~ D.D. Sta.)Level	Each			300.00	1	300.00	1	300.00
Winzes								
Drilling: Core -1500Level	Feet			14,720.75	5,353	2.75	7,416	2.75
Core ~~Other~~ -2500Level	Feet	1,236.00	412	12,822.00	4,274	3.00	7,000	3.00
~~Angex~~								
~~Stopping~~ D.D.Sta.)2500	Each			3,600.00	6	600.00	6	600.00
~~Equipping~~ Trsfr.)								
~~Equipping~~ Sta.) Level	Each			1,500.00	3	500.00	3	500.00
~~Roads and Trails~~								
TOTAL DISTRIBUTED COSTS		9,782.94		261,872.86				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		-		30,907.09				34,539.14
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS		9,782.94		292,779.95				

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

Date 3-19-56 Operator Howe Sound Company - Chelan Division

Per [signature] Title [signature]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

151 S.W. Zoldok

INSTRUCTIONS

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

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

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

GPO 872894

March 8, 1956

RECEIVED
JUL 12 1956

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Hecla Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narrative of the work accomplished during February, 1956 for the Buckskin Mountain exploration and in the 2500 level crosscuts.

Buckskin Mountain Exploration

Drifting on the 1500 level was halted after an advance of 102 feet was made in altered peridotite and in diorite. Overbreak amounted to 4,116 cubic feet. Timber in the heading was extended 104 feet to within 10 feet of the face and 10 rock bolts were installed in this last 10 feet of the drift.

A diamond drill station was cut at the end of the drift; 13 rock bolts were used in the back of the station.

The final work on bonus was done on February 23. During the remainder of the month the crew replaced broken timber, installed new timber to relieve heavily loaded sets, and removed equipment and material from the heading.

2500 Level Crosscuts

Diamond drilling from the station at the end of the 357 crosscut south was finished, and the shorter hole from the station at the 6000 coordinate in the 294 crosscut south was completed.

Miscellaneous Information

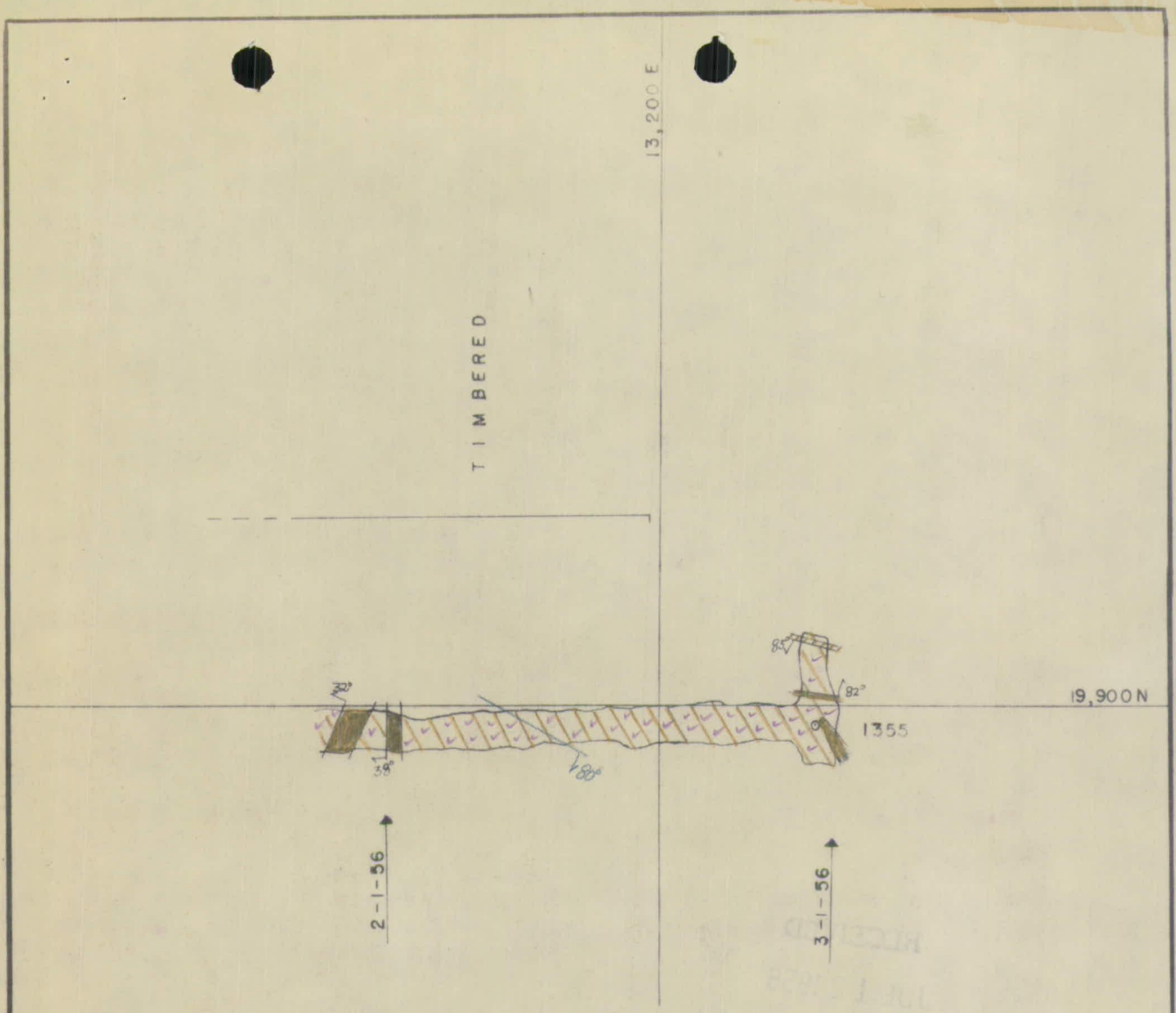
In the table below are data pertaining to the projects on both the 1500 and 2500 levels.

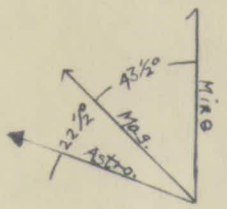
	1500 Drift	2500 Crosscuts
Advance	102	-
Rounds blasted	16	-
Total advance under DMEA	3,800	1,385
Average tram to haulage drift	6,580	-
Length of newly timbered section	104	-
Rock bolts used	10	-
Total rock bolts used	1,751	77
EX Core drilling	-	412
Total EX Core drilling	5,353	4,274
Total No. car transfers	-	3
Total No. diamond drill stations	10	6

Maps are appended to this report.

Yours very truly,

J. S. Roper
Manager





LEGEND

- LATE DIORITE DIKES
- DIORITE
- GRANITIZED PERIDOTITE
- FAULT
- STRIKE AND DIP
- CONTACT

HOWE SOUND COMPANY
CHELAN DIVISION

TITLE: BUCKSKIN MOUNTAIN EXPLORATION

LEVEL: 1500 SCALE: 1" = 40'

DATE: 3-1-56 DRAWN BY: D. W.

SURVEY BY: R. L. - G. S. - F. R.

DESIGN BY:

NOTES:

FILE NUMBER: D. M. E. A. IDM — E644

Form MF 104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
MAR - 8 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January, 1956 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington
Contract Amount, $ 309,990.00 Government Participation: 50 % Amount, $ 154,995.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core	2,235.00	24,071.75	26,306.75	2235.00	24071.75	26306.75
Bulldozing						
Crosscutting						
Drifting						
Dia. Drill & Transfer Sta.	-	9,320.00	9,320.00		9320.00	9320.00
(2) Labor and Supervision:						
Labor	5,456.98	95,789.34	101,246.32	5456.98	95789.34	101246.32
Supervision	701.49	6,935.60	7,637.09	701.49	6935.60	7637.09
Technical Services	102.63	3,509.05	3,611.68	102.63	3509.05	3611.68
(3) Operating Mat'ls. and Supplies:						
Timber	1,133.42	8,667.11	9,800.53	1133.42	8667.11	9800.53
Explosives	646.54	20,294.25	20,940.79	646.54	20294.25	20940.79
Pipe	179.22	6,273.73	6,452.95	179.22	6273.73	6452.95
Track	40.20	4,570.02	4,610.22	40.20	4570.02	4610.22
Drill Steel & Bits	550.52	11,374.63	11,925.15	550.52	11374.63	11925.15
Electric Cable Inst'n	-	358.64	358.64		358.64	358.64
Vent Pipe Inst'n	17.13	330.64	347.77	17.13	330.64	347.77
(4) Operating Equipment:						
Rental						
Purchase		30,907.09	30,907.09		30907.09	30907.09
Depreciation	131.25	3,666.00	3,797.25	131.25	3666.00	3797.25
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	413.58	8,964.07	9,377.65	413.58	8964.07	9377.65
Sampling and Analysis		130.32	130.32		130.32	130.32
Payroll Taxes	312.34	3,609.50	3,921.84	312.34	3609.50	3921.84
Ind. ~~Labor~~ Insurance & Med. Aid	287.48	4,328.62	4,616.10	287.48	4328.62	4616.10
Tramming	299.25	8,368.43	8,667.68	299.25	8368.43	8667.68
Compressed Air	612.81	12,941.15	13,553.96	612.81	12941.15	13553.96
(8) Contingencies (specify):						
Retroactive Pay	-	1,100.55	1,100.55		1100.55	1100.55
Miners Lamps	25.90	552.72	578.62	25.90	552.72	578.62
Handling Supplies	85.75	2,304.47	2,390.22	85.75	2304.47	2390.22
Hoisting (2500 Level)	-	1,397.84	1,397.84		1397.84	1397.84
TOTALS	$13,231.49	$269,765.52	$282,997.01	13231.49	269765.52	282997.01

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

Date 2-27-56 *Payee Howe Sound Company - Chelan Division

Per [signature] Title [signature]

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

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

(Instructions on reverse)

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

$ 6615.75

Signature [signature]
(Authorized Certifying Officer)

Date 3/5/56 Vou. No. 1720
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E644 in accordance with the terms of the contract.

Signature (S) Eric G. Erickson Title Mining Eng. Date 2/24/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature (S) A. E. Weissenborn Title Exec. Officer Date 2/27/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAR - 8 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1956 Docket No. DMEA 3142 Contract No. Idm-E644

Operator's Name Howe Sound Company Minerals Copper

Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting - 1500 Level	Feet	10,996.49	175	172,111.51	3,698	46.54	4,100	
Crosscutting -2500 Level	Feet			44,351.66	1,365	32.49	1,368	
Raising D.D. Sta.)1500	Each			3,920.00	8	490.00	9	490.00
Shafts D.D. Sta.)Level	Each			300.00	1	300.00	1	300.00
~~Winzes~~								
Drilling: Core 1500 Level	Feet			14,720.75	5,353	2.75	7,416	2.75
Core ~~Auger~~ 2500 Level	FEET	2,235.00	745	11,586.00	3,862	3.00	7,000	3.00
~~Stopping~~ D.D.Sta.)2500	EACH			3,600.00	6	600.00	6	600.00
~~Pumping~~ Trsfr.) Level								
~~Pass Pos.~~ Stas.)	EACH			1,500.00	3	500.00	3	500.00
~~Roads and Trails~~								
TOTAL DISTRIBUTED COSTS		13,231.49		252,089.92				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		-		30,907.09				34,539.14
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		13,231.49		282,997.01				

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

Date 2-21-56 Operator Howe Sound Company - Chelan Division

Per [signature] Title [signature]

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

REMARKS:

(Instructions on reverse)

(For Government use only)

/s/ Eric G. Erickson

INSTRUCTIONS

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

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

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

GPO 872894

February 7, 1956

RECEIVED
MAR - 8 1956

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narrative of the work accomplished during January, 1956 for the Buckskin Mountain exploration and in the 2500 level crosscuts.

Buckskin Mountain Exploration

The 1500 drift east was advanced 175 feet in diorite and altered peridotite. Numerous transverse faults and slips were encountered; overbreak from both the ribs and the back was extreme, amounting to 5,851 cubic feet. Timber in the drift was extended 168 feet to within 10 feet of the face.

To make room for a car transfer the south rib of the drift was sideswiped opposite the diamond drill station at the 12905 east coordinate. Although the drill station and transfer were located in sound diorite 26 rock bolts were needed to stabilize the widened section of the drift and another 2 bolts were put in the drill station.

Repairs were made on the air-operated booster pump which is used on the water line in the east drift.

2500 Level Crosscuts

Rock bolting was completed in the 2 diamond drill stations in the 294 crosscut south. An additional 21 bolts were installed in the east station and 24 were put in the west station.

Diamond drilling from the station at the end of the 557 crosscut is nearly finished. The steeper hole was completed on passing through the copper-nickel footwall zone and the flatter hole has reached the zone.

Miscellaneous Information

In the table below are data pertaining to the projects on both the 1500 and 2500 levels.

	1500 Drift	2500 Crosscuts
Advance	175 Ft.	-
Rounds Blasted	27	-
Total advance under DMEA	3,698 Ft.	1,365 Ft.
Average tram to haulage drift	6,430 Ft.	-
Length of newly timbered section	168 Ft.	-
Rock Bolts Used	26	-
Total rock bolts used	1,741	77

(Continued next page)

Miscellaneous Information (Continued)

	1500 Drift	2500 Crosscuts
EX Core Drilling	-	745 Ft.
Total EX Core Drilling	5,353 Ft.	3,862 Ft.
No. of car transfers Cut	-	3
No. of diamond drill stations cut	9	6

Maps are appended to this report.

Yours very truly,

J. S. Roper
Manager

JSR:mc

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
FEB 20 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED
FEB 20 1956

Month of December, 1955 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington
Contract Amount, $ 309,990.00 Government Participation: 50% Amount, $ 154,995.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core	2,059.75	22,012.00	24,071.75	2059.75	22012.00	24071.75
Bulldozing						
Crosscutting						
Drifting						
Dia. Drill & Transfer Sta.	490.00	8,830.00	9,320.00	490.00	8830.00	9320.00
(2) Labor and Supervision:						
Labor	5,369.83	90,419.51	95,789.34	5369.83	90419.51	95789.34
Supervision	555.21	6,380.39	6,935.60	555.21	6380.39	6935.60
Technical Services	104.88	3,404.17	3,509.05	104.88	3404.17	3509.05
(3) Operating Mat'ls. and Supplies:						
Timber	789.06	7,878.05	8,667.11	789.06	7878.05	8667.11
Explosives	988.65	19,305.60	20,294.25	988.65	19305.60	20294.25
Pipe	780.79	5,492.94	6,273.73	780.79	5492.94	6273.73
Track	282.25	4,287.77	4,570.02	282.25	4287.77	4570.02
Drill Steel & Bits	489.25	10,885.38	11,374.63	489.25	10885.38	11374.63
Electric Cable Inst'n	-	358.64	358.64		358.64	358.64
Vent Pipe Inst'n	11.10	319.54	330.64	11.10	319.54	330.64
(4) Operating Equipment:						
Rental	31.21					
Purchase	62.42	30,844.67	30,907.09	62.42	30844.67	30907.09
Depreciation	144.00	3,522.00	3,666.00	144.00	3522.00	3666.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	255.64	8,708.43	8,964.07	255.64	8708.43	8964.07
Sampling and Analysis		130.32	130.32		130.32	130.32
Payroll Taxes	154.76	3,454.74	3,609.50	154.76	3454.74	3609.50
Ind. ~~[illegible]~~ Insurance & Med. Aid	213.80	4,114.82	4,328.62	213.80	4114.82	4328.62
Tramming	328.32	8,040.11	8,368.43	328.32	8040.11	8368.43
Compressed Air	539.00	12,402.15	12,941.15	539.00	12402.15	12941.15
(8) Contingencies (specify):						
Retroactive Pay	-	1,100.55	1,100.55		1100.55	1100.55
Miners Lamps	25.90	526.82	552.72	25.90	526.82	552.72
Handling Supplies	94.08	2,210.39	2,304.47	94.08	2210.39	2304.47
Hoisting(2500Level)	-	1,397.84	1,397.84		1397.84	1397.84
TOTALS	13,738.69	256,026.83	269,765.52	13738.69	256026.83	269765.52

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

Date 1-19-56 *Payee Howe Sound Company - Chelan Division

Per [signature] Title [signature]

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
6869 35

$ 6869 35

Signature M. P.
(Authorized Certifying Officer)

Date 2/16/56 Vou. No. 1711
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E644 in accordance with the terms of the contract.

Signature Eric G. Erickson Title Mining Engr. Date 1/23/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature A. E. Weissenborn Title Exec Officer Date 2/15/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
FEB 20 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1955 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company Minerals Copper
Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting Item 1 St. 1				135,396.66	3,100	43.68	3,100	
~~Crosscutting~~ It. 1 St. 2		11,111.22	192	25,718.36	423	60.80	1,000	
Crosscutting It.2 St.1				26,176.83	815	32.12	1,000	
Crosscutting It.2 St.2		15.30		18,174.83	550	33.05	450	
Core It.1 St. 1				13,750.00	5,000	2.75	5,000	2.75
Drilling: Core It.1 St.2	Feet	541.75	197	970.75	353	2.75	2,000	2.75
Core It.2 St.1	Feet	1,518.00	506	9,351.00	3,117	3.00	4,000	3.00
D.D. Sta. It.1 St.1				3,730.00	8	466.25	8	490.00
D.D. Sta. It.1 St.2	Each	490.00	1	490.00	1	490.00	2	490.00
Trsfr. Sta. It.2 St.1				1,000.00	2	500.00	4	500.00
Trsfr. Sta. It.2 St.2				500.00	1	500.00	2	500.00
Dia. It.2 St.1				2,400.00	4	600.00	4	600.00
Drill Sta. It.2 St.2				1,200.00	2	600.00	2	600.00
TOTAL DISTRIBUTED COSTS		13,676.27		238,858.43				TOTAL COSTS AUTHORIZED BY CONTRACT
Item 1 Stage 1		62.42		29,770.28				31,607.01
Item 2 Stage 2				1,136.81				8,219.00
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		13,738.69		269,765.52				

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

Date 1-16-56 Operator Howe Sound Company - Chelan Division

Per [signature] Title [signature]

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

REMARKS:

(Instructions on reverse)

(For Government use only)

/s/ Eric G Erickson

INSTRUCTIONS

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

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

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

GPO 872894

January 12, 1956

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

RECEIVED
FEB 20 1956

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narrative of the work accomplished during December, 1955 for the Buckskin Mountain exploration and in the 2500 level crosscuts.

Buckskin Mountain Exploration

The 1500 drift east was advanced 192 feet in diorite and in altered peridotite.

Overbreak amounted to 4,260 cubic feet. Rock conditions gradually worsened during the last half of the month and timbering was resumed at the 12950 east coordinate where the rock changed from diorite to altered peridotite. In addition to 12 feet of timber near the face in this peridotite, 26 feet were installed through altered peridotite which occurs between the 12864 and 12890 coordinates. Faults cut this rock making the timber particularly necessary. One 6-foot set of timber was also added on to the end of the old timber at the 12744 coordinate. In between the sections of timber 243 rock bolts were used to support the ribs and back.

A diamond drill station was cut into the north rib of the drift at the 12905 coordinate.

The front trucks on the jumbo were replaced by a reconditioned set.

After 197 of diamond drilling in the north hole at the 12500 coordinate this work was halted due to a diamond driller's termination of employment.

2500 Level Crosscuts

Cutting of the two diamond drill stations in the 294 crosscut was completed, and in the east station 31 rock bolts were installed.

Diamond drilling was completed from the station at the end of the 336 crosscut with 221 feet being drilled.

Our first drilling with the new BBU-2 drill began on December 21 in the station at the end of the 357 crosscut where it drilled 285 feet.

Miscellaneous Information

In the table below are data pertaining to the projects on both the 1500 and 2500 levels.

Miscellaneous Information (Continued)

	1500 Drift	284 Crosscut	321 Crosscut	336 Crosscut	357 Crosscut	373 Crosscut
Advance	192	-	-	-	-	-
Rounds Blasted	29	-	-	-	-	-
Total advance under DMEA	3,523	550	238	150	156	271
Average tram to haulage drift	6,232	-	-	-	-	-
Length of newly timbered section	44	-	-	-	-	-
Rock bolts used	243	-	-	-	-	-
Total rock bolts used under DMEA	1,715	32	38	7	-	-
EX Core Drilling	197	-	-	221	285	-
Total EX Core Drilling	5,353	-	835	857	285	1,140

Maps are appended to this report.

Yours very truly,

J. S. Roper
Manager

JSR:ms

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

Budget Bureau No. 42-R1036.5

RECEIVED FEB 20 1956

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

Month of November, 1955 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington
Contract Amount, $ 309,990.00 Government Participation: 50 % Amount, $ 154,995.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core	2,843.00	19,169.00	22,012.00	2843.00	19169.00	22012.00
Bulldozing						
Crosscutting						
Drifting						
Dia. Drill & Transfer Sta.	1,200.00	7,630.00	8,830.00	1200.00	7630.00	8830.00
(2) Labor and Supervision:						
Labor	6,705.77	83,713.74	90,419.51	6705.77	83713.74	90419.51
Supervision	770.69	5,609.70	6,380.39	770.69	5609.70	6380.39
Technical Services	176.75	3,227.42	3,404.17	176.75	3227.42	3404.17
(3) Operating Mat'ls. and Supplies:						
Timber	886.22	6,991.83	7,878.05	886.22	6991.83	7878.05
Explosives	1,109.75	18,195.85	19,305.60	1109.75	18195.85	19305.60
Pipe	314.00	5,178.94	5,492.94	314.00	5178.94	5492.94
Track	326.91	3,960.86	4,287.77	326.91	3960.86	4287.77
Drill Steel & Bits	944.74	9,940.64	10,885.38	944.74	9940.64	10885.38
Electric Cable Inst'n.	-	358.64	358.64		358.64	358.64
Vent. Pipe Inst'n.	24.24	295.30	319.54	24.24	295.30	319.54
(4) Operating Equipment:						
Rental	292.48					
Purchase	584.97	30,259.70	30,844.67	584.97	30259.70	30844.67
Depreciation	222.00	3,300.00	3,522.00	222.00	3300.00	3522.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	1,080.78	7,627.65	8,708.43	1080.78	7627.65	8708.43
Sampling and Analysis	-	130.32	130.32		130.32	130.32
Payroll Taxes	145.98	3,308.76	3,454.74	145.98	3308.76	3454.74
Ind. ~~xxxxx~~ Insurance & Med. Aid	318.41	3,796.41	4,114.82	318.41	3796.41	4114.82
Tramming	506.11	7,534.00	8,040.11	506.11	7534.00	8040.11
Compressed Air	1,152.39	11,249.76	12,402.15	1152.39	11249.76	12402.15
(8) Contingencies (specify):						
Retroactive Pay	-	1,100.55	1,100.55		1100.55	1100.55
Miners Lamps	40.70	486.12	526.82	40.70	486.12	526.82
Handling Supplies	145.04	2,065.35	2,210.39	145.04	2065.35	2210.39
Hoisting (2500 Level)	111.62	1,286.22	1,397.84	111.62	1286.22	1397.84
TOTALS	19,610.07	236,416.76	256,026.83	19610.07	236416.76	256026.83

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

Date 1-3-56 *Payee Howe Sound Company - Chelan Div.

Per [signature] Title [signature]

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

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

(Instructions on reverse)

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

$ 9805 04

Signature [signature]
(Authorized Certifying Officer)

Date 2/16/56 Vou. No. 1711
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 644 in accordance with the terms of the contract.

Signature /S/ Eric G. Erickson Title Mining Engr Date 1/9/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ A. E. Weissenborn Title Exec. Officer Date 2/15/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1955 Docket No. DMEA 3142 Contract No. Idm-E644

Operator's Name Howe Sound Company Minerals Copper

Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting Item 1 St. 1	Feet			135,396.66	3,100	43.68	3,100	
~~Crosscutting~~ It 1 St. 2	Feet	11,038.19	187	14,607.14	231	63.23	1,000	
Crosscutting It2 St.1	Feet			26,176.83	815	32.12	1,000	
Crosscutting It2 St.2	Feet	3,943.91	109	18,159.53	550	33.02	450	
Core It.1 St. 1	Feet	506.00	184	13,750.00	5,000	2.75	5,000	2.75
Drilling: Core It.1 St. 2	Feet	429.00	156	429.00	156	2.75	2,000	2.75
Core It.2 St.1	Feet	1,908.00	636	7,833.00	2,611	3.00	4,000	3.00
D.D. Stas. It.1 St.1	Each			3,730.00	8	466.25	8	490.00
Transfer Stas.								
Item 2 St.1	Each			1,000.00	2	500.00	4	500.00
Item 2 St. 2	Each			500.00	1	500.00	2	500.00
Dia It2 St.1	Each			2,400.00	4	600.00	4	600.00
Drill Stations It2 St2	Each	1,200.00	2	1,200.00	2	600.00	2	600.00
TOTAL DISTRIBUTED COSTS		19,025.10		225,182.16				TOTAL COSTS AUTHORIZED BY CONTRACT
Item 1 Stage 1		584.97		29,707.86				
Item 2 Stage 2				1,136.81				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		19,610.07		256,026.83				

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

Date 1-3-56 Operator Howe Sound Company - Chelan Division

Per [signature] Title [signature]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

151 Eric G. Erickson

INSTRUCTIONS

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

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

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

GPO 872894

December 9, 1955

RECEIVED

FEB 20 1956

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-1344

The following is a narrative of the work accomplished during November, 1955 for the Buckskin Mountain exploration and in the 2500 level crosscuts.

Buckskin Mountain Exploration

The 1500 drift east was advanced 187 feet in altered peridotite and in diorite. Overbreak amounted to 4,265 cubic feet. Rock conditions gradually improved and the rate of advance accelerated as increasing amounts of diorite were encountered.

Timber in the drift was extended 165 feet to within 31 feet of the face. At this point rock bolts will again be used to support the ground. Retimbering amounted to 3 caps with posts, which were installed at about the 12500 east coordinate to relieve pressures on older timber.

Diamond drilling was started in the station located at the 12500 coordinate and the north hole was drilled to a depth of 340 feet.

The worm gear, axles, wheel bearings and seals were replaced on the Titan battery locomotive.

2500 Level Crosscuts

The 294 crosscut was completed by an advance of 109 feet, and cutting of each of the two diamond drill stations was about one half completed. In the back of the east "Y" 25 rock bolts were installed.

Diamond drilling from the station at the end of the 358 crosscut was 638 feet.

Miscellaneous Information

In the table below is data pertaining to the projects on both the 1500 and 2500 levels.

	1500 Drift	294 Crosscut	321 Crosscut	386 Crosscut	357 Crosscut	376 Crosscut
Advance	187	109	-	-	-	-
Rounds Blasted	32	17	-	-	-	-
Total Advance Under DMEA	3,331	550	238	150	156	271
Average Tram to Haulage Drift	6,023	340	-	-	-	-
Length of Newly Timbered Section	165	-	-	-	-	-
Rock Bolts Used	-	25	-	-	-	-
Total Rock Bolts Used Under DMEA	1,472	32	38	7	-	-
EX Core Drilling	340	-	-	638	-	-
Total EX Core Drilling Under DMEA	5,158	-	835	638	-	1,140

Maps are appended to this report.

Yours very truly,

J. S. Roper
Manager

Form MF-204 (Rev.) (April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1955 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington
Contract Amount, $ 309,990.00 Government Participation: 50 % Amount, $ 154,995.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core	1,245.00	17,924.00	19,169.00	1245.00	17924.00	19169.00
Bulldozing						
Crosscutting						
Drifting						
Dia. Drill & Transfer Sta.	1,090.00	6,540.00	7,630.00	1090.00	6540.00	7630.00
(2) Labor and Supervision:						
Labor	6,740.59	76,973.15	83,713.74	6740.59	76973.15	83713.74
Supervision	755.92	4,853.78	5,609.70	755.92	4853.78	5609.70
Technical Services	287.09	2,940.33	3,227.42	287.09	2940.33	3227.42
(3) Operating Mat'ls. and Supplies:						
Timber	853.98	6,137.85	6,991.83	853.98	6137.85	6991.83
Explosives	1,352.91	16,842.94	18,195.85	1352.91	16842.94	18195.85
Pipe	184.63	4,994.31	5,178.94	184.63	4994.31	5178.94
Track	51.76	3,909.10	3,960.86	51.76	3909.10	3960.86
Drill Steel & Bits	951.74	8,988.90	9,940.64	951.74	8988.90	9940.64
Electric Cable Inst'n.	26.00	332.64	358.64	26.00	332.64	358.64
Vent. Pipe Inst'n.	52.16	243.14	295.30	52.16	243.14	295.30
(4) Operating Equipment:						
Rental	151.17					
Purchase	314.34	29,945.36	30,259.70	314.34	29945.36	30259.70
Depreciation	240.75	3,059.25	3,300.00	240.75	3059.25	3300.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	417.23	7,210.42	7,627.65	417.23	7210.42	7627.65
Sampling and Analysis	-	130.32	130.32		130.32	130.32
Payroll Taxes	217.70	3,091.06	3,308.76	217.70	3091.06	3308.76
Ind. ~~Liability~~ Insurance & Med Aid	342.95	3,453.46	3,796.41	342.95	3453.46	3796.41
Tramming	536.94	6,997.06	7,534.00	536.94	6997.06	7534.00
Compressed Air	1,199.48	10,050.28	11,249.76	1199.48	10050.28	11249.76
(8) Contingencies (specify):						
Retroactive Pay	1,100.55	-	1,100.55	1100.55	—	1100.55
Miners Lamps	44.40	441.72	486.12	44.40	441.72	486.12
Handling Supplies3	153.86	1,911.49	2,065.35	153.86	1911.49	2065.35
Hoisting (2500 Level)	210.95	1,075.27	1,286.22	210.95	1075.27	1286.22
TOTALS	18,370.93	218,045.83	236,416.76	18370.93	218045.83	236416.76

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

Date 11-22-55 *Payee Howe Sound Company - Chelan Division

Per [signature] Title [signature]

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

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

(Instructions on reverse)

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

$ 9185 46

Signature [signature]
(Authorized Certifying Officer)

Date 2/16/56 Vou. No. 1711
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 644 in accordance with the terms of the contract.

Signature /S/ Eric G. Erickson Title Mining Engr. Date 1/9/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ A. E. Weissenborn Title Exec. Officer Date 2/15/56

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 195 5 Docket No. DMEA 3142 Contract No. Idm-E644

Operator's Name Howe Sound Company Minerals Copper

Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting Item 1, St. 1	Feet	4,947.85	61	135,396.66	3100	43.68	3100	
~~Crosscutting~~ " 1, St. 2	Feet	3,568.95	44	3,568.95	44	81.11	1000	
Crosscutting " 2, St. 1	Feet	1,181.28	29	26,176.83	815	32.12	1000	
Crosscutting " 2, St. 2	Feet	6,023.51	184	14,215.62	441	32.23	450	
Winzes								
Drilling: Core Item 1	Feet		-	13,244.00	4816	2.75	7000	2.75
Core Item 2	Feet	1,245.00	415	5,925.00	1975	3.00	6000	3.00
Dia. Drill Sta.								
Stripping Item 1, St. 1	Each	490.00	1	3,730.00	8	466.25	8	490.00
Transfer Sta.								
Item 2, St. 1	Each			1,000.00	2	500.00	4	500.00
Roads and Trails It2, St. 2	Each			500.00	1	500.00	2	500.00
Dia. Drill Sta. It. 2 St. 1	Each	600.00	1	2,400.00	4	600.00	4	600.00
TOTAL DISTRIBUTED COSTS		18,056.59		206,157.06				TOTAL COSTS AUTHORIZED BY CONTRACT
Item 1, Stage 1		314.34		29,122.89				31,607.01
Item 2 Stage 1		-		1,136.81				8,219.00
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		18,370.93		236,416.76				

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

Date 11-28-55 Operator Howe Sound Company - Chelan Division

Per [signature] Title [signature]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

151 Eric G Erickson

INSTRUCTIONS

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

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

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

GPO 872894

November 11, 1955

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narrative of the work accomplished during October, 1955 for the Buckskin Mountain exploration and in the 2500 level exploration crosscuts.

Buckskin Mountain Exploration

The 1500 Drift East was advanced 105 feet most of which was altered peridotite. The lower footage was due to the necessity of placing one of the crews on Maintenance work for part of the month. Rock pressure required replacement of a considerable amount of timber, also, the lowering of the track and the placing of new timber in the older sections of the drift. The other crew advanced the heading.

Rock conditions remained poor with the overbreak amounting to 2,340 cubic feet. Eighteen sets of timber were installed to within 9 feet of the face.

A diamond drill station was cut at about the 12520 east coordinate. One set of timber and 15 rock bolts were installed in the station.

No diamond drilling was done as no runner was available.

An air cylinder was installed at the charging station to facilitate handling of the locomotive batteries.

An axle, 2 wheels, and a ring gear were replaced on the No. 9 locomotive. This trolley locomotive is used to make up the trains of cars loaded with waste at the end of the haulage drift where the waste is transferred into the 100 cubic foot cars.

2500 Level Crosscuts

The 294 crosscut was advanced 184 feet which includes 102 feet in the "Y" to the east. Three rock bolts were installed at the "Y" and 4 were used about 50 feet east of the "Y".

The 336 Crosscut was completed by an advance of 29 feet, and a diamond drill station was cut at the end of the crosscut. Seven rock bolts were installed in the last 50 feet of the Crosscut and 7 more were used in the drill station.

Diamond drilling was completed from the station at the end of the 321 Crosscut and the drill was moved to the station in the 338 crosscut.

Miscellaneous Information

	1500 Drift	294 Crosscut	321 Crosscut	538 Crosscut	357 Crosscut	373 Crosscut
Advance	105	184	-	29	-	-
Rounds Blasted	17	31	-	5	-	-
Total Advance Under DMEA	3,144	441	238	150	158	271
Average Tram to Haulage Drift	5,877	280	-	255	-	-
Length of Newly Timbered Section	94	-	-	-	-	-
Rock Bolts Used	-	7	-	7	-	-
Total Rock Bolts Used under DMEA	1,472	7	38	7	-	-
EX Core Drilling 3	-	-	415	-	-	-
Total EX Core Drilling under DMEA	4,816	-	835	-	-	1,140

Maps are appended to this report.

Yours very truly,

J. S. Roper
Manager

JSR:ms

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED NOV 28 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1955 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington
Contract Amount, $ 309,990.00 Government Participation: 50% Amount, $ 154,995.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Core	746.00	17,178.00	17,924.00	746.00	17178.00	17924.00
Bulldozing						
Crosscutting						
Drifting						
Dia. Drill & Transfer Sta.	-	6,540.00	6,540.00		6540.00	6540.00
(2) Labor and Supervision:						
Labor	7,097.16	69,875.99	76,973.15	7097.16	69875.99	76973.15
Supervision	844.39	4,009.39	4,853.78	844.39	4009.39	4853.78
Technical Services	286.44	2,653.89	2,940.33	286.44	2653.89	2940.33
(3) Operating Mat'ls. and Supplies:						
Timber	982.19	5,155.66	6,137.85	982.19	5155.66	6137.85
Explosives	1,858.00	14,984.94	16,842.94	1858.00	14984.94	16842.94
Pipe	358.27	4,636.04	4,994.31	358.27	4636.04	4994.31
Track	77.17	3,831.93	3,909.10	77.17	3831.93	3909.10
Drill Steel & Bits	1,220.60	7,768.30	8,988.90			
Electric Cable Inst'n.	.75	331.89	332.64			
Vent Pipe Inst'n.	5.82	237.32	243.14			
(4) Operating Equipment:						
Rental						
Purchase	21.48	29,923.88	29,945.36	21.48	29923.88	29945.36
Depreciation	303.00	2,761.50	3,064.50	303.00	2756.25	3059.25
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	1,371.07	5,839.35	7,210.42	1371.07	5839.35	7210.42
Sampling and Analysis		130.32	130.32		130.32	130.32
Payroll Taxes	203.54	2,887.52	3,091.06	203.54	2887.52	3091.06
Ind. ~~Liability~~ Insurance & Med. Aid.	350.46	3,103.00	3,453.46	350.46	3103.00	3453.46
Tramming	690.84	6,306.22	6,997.06	690.84	6306.22	6997.06
Compressed Air	1,746.34	8,303.94	10,050.28	1746.34	8303.94	10050.28
(8) ~~Contingencies~~ (specify):						
Miners Lamps	51.80	389.92	441.72	51.80	389.92	441.72
Handling Supplies	197.96	1,713.53	1,911.49	197.96	1713.53	1911.49
Hoisting (2500 Level)	263.17	812.10	1,075.27	263.17	812.10	1075.27
TOTALS	18,676.45	199,374.63	218,051.08	18676.45	199369.38	218045.83

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

Date 10-25-55 *Payee Howe Sound Co., Chelan Division

Per [signature] Title [signature]

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

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

(Instructions on reverse)

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

$ 9338 23

Signature [signature]
(Authorized Certifying Officer)

Date 11-23-55 Vou. No. 1653
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E644 in accordance with the terms of the contract.

Signature (S) Eric G. Erickson Title Mining Eng. Date 11-16-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature (S) Stephen W. Goldoft Title Mining Eng. Date 11-17-55

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED NOV 28 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1955 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company Minerals Copper
Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting Item 1 St. 1	Feet	8,979.62	147	130,409.61	3,039	42.91	3,100	
Crosscutting Item 2 St.1	Feet	3,569.70	98	25,000.80	786	31.81	1,000	
Raising Item 2 St. 2	Feet	5,359.65	159	8,192.11	257	31.88	450	
Shafts								
Winzes								
Drilling: Core Item 1	Feet	11.00	4	13,244.00	4,816	2.75	5,000	2.75
Core ~~Chms~~ Item 2	Feet	735.00	245	4,680.00	1,560	3.00	4,000	3.00
Dia. ~~Auger~~ Drill St.								
~~Sinking~~ Item 1 St. 1	Each			3,240.00	7	462.86	8	490.00
~~Drifting~~ Transfer Sta								
~~Drifting~~ Item 2 St. 1	Each			1,000.00	2	500.00	4	500.00
~~Drifting~~ It. 2 St. 2	Each			500.00	1	500.00	2	500.00
Dia. Drill Sta. Item 2 St. 1	Each			1,800.00	3	600.00	4	600.00
TOTAL DISTRIBUTED COSTS		18,654.97		188,066.52				TOTAL COSTS AUTHORIZED BY CONTRACT
Item 1 Stage 1		21.48		28,847.75				31,607.01
Item 2 Stage 1				1,136.81				8,219.00
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		18,676.45		218,051.08				

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

Date 10-25-55 Operator Howe Sound Co., Chelan Division
Per [signature] Title [illegible]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

151 Eric G Erickson

INSTRUCTIONS

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

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

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

GPO 872894

Holden, Washington
October 15, 1955

RECEIVED NOV 28 1955

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

Gentlemen:

Re: Docket No. KMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narrative of the work accomplished during September, 1955 for the Buckskin Mountain exploration and in the 2500 level exploration crosscuts.

Buckskin Mountain Exploration

The 1500 drift east was advanced 147 feet largely through altered peridotite. Only 57 feet of drift were driven in the first half of the month due to interruption of work by the Labor Day holidays andto absence of crew members immediately before and after the holidays. Ground conditions worsened again in the second half of the month and timbering with post and cap sets became necessary.

In the last 85 feet of advance numerous slick, talcy, and serpentinized seams were encountered and in places the back sluffed to as much as 12 feet above the floor. Total rock removed in excess of the 6' x 8' section was 3,885 cubic feet. Eleven 6 ft. sets of timber were installed to within 16 feet of the face. Retimbering to relieve older timber amounted to 5 caps with posts and 1 additional post. The number of rock bolts used was 101.

The messenger wire was extended eastward from the fan at the 11200 east coordinate to the drill station at the 12010 coordinate where another 15 HP fan will be installed.

One truck was repaired on the Titan locomotive and the battery for the locomotive was cycled and painted.

Diamond drilling of the north hole at the 12010 coordinate was stopped at 658 feet by the reoccurrence of high pressure water. Pressure in the hole did not drop sufficiently after several days of flowing to permit further drilling with our equipment.

2500 Level Crosscuts

The 294 crosscut was advanced 159 feet which includes 30 feet on a "Y" to the east.

The 336 crosscut was advanced 98 feet.

Diamond drilling from the station at the end of the 321 crosscut continues with the flatter of the two holes having been finished. One of our two drill runners quit early in the month and we have not been able to replace him. Consequently, no diamond drilling was done from the 357 crosscut as was planned for September.

Miscellaneous Information

In the table below are data pertaining to the projects on both the 1500 and 2500 levels.

	1500 Drift	294 Crosscut	321 Crosscut	336 Crosscut	357 Crosscut	375 Crosscut
Advance	147	159	-	98	-	-
Rounds Blasted	24	27	-	18	-	-
Total Advance under DMEA	3,039	257	238	121	156	271
Average Tram to Haulage Drift	5,750	180	-	185	-	-
Length of Newly Timbered Section	67	-	-	-	-	-
Rock Bolts Used	101	-	-	-	-	-
Total Rock Bolts used under DMEA	1,472	-	38	-	-	-
EX Core Drilling	4	-	245	-	-	-
Total EX Core Drilling under DMEA	4,816	-	420	-	-	1,140

Maps are appended to this report.

Yours very truly,

J. S. Roper
Manager

JSR:ms

Form M-104 (Rev. April 1952)

RECEIVED BUREAU OF MINES SEP 26 1955 SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED OCT 10 1955

Month of August, 1955 Docket No. DMEA 3142 Contract No. 5Dm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington
Contract Amount, $ 309,990.00 Government Participation: 50 % Amount, $ 154,995.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Core	1,935.00	15,243.00	17,178.00	1935.00	15243.00	17178.00
Bulldozing						
Crosscutting						
Drifting						
Dia. Drill & Transfer Sta.	1,100.00	5,440.00	6,540.00	1100.00	5440.00	6540.00
(2) Labor and Supervision:						
Labor	6,231.65	63,644.34	69,875.99	6231.65	63644.34	69875.99
Supervision	655.03	3,354.36	4,009.39	655.03	3354.36	4009.39
Technical Services	201.45	2,452.44	2,653.89	201.45	2452.44	2653.89
(3) Operating Mat'ls. and Supplies:						
Timber	663.56	4,492.10	5,155.66	663.56	4492.10	5155.66
Explosives	1,146.16	13,838.78	14,984.94	1146.16	13838.78	14984.94
Pipe	380.90	4,255.14	4,636.04	380.90	4255.14	4636.04
Track	286.58	3,545.35	3,831.93	286.58	3545.35	3831.93
Drill Steel & Bits	766.22	7,002.08	7,768.30	766.22	7002.08	7768.30
Electric Cable Inst'n.	-	331.89	331.89		331.89	331.89
Vent Pipe Inst'n.	11.64	225.68	237.32	11.64	225.68	237.32
(4) Operating Equipment:						
Rental						
Purchase		29,923.88	29,923.88		29923.88	29923.88
Depreciation	243.00	2,518.50	2,761.50	237.75	2518.50	2756.25
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	692.27	5,147.08	5,839.35	692.27	5147.08	5839.35
Sampling and Analysis	-	130.32	130.32		130.32	130.32
Payroll Taxes	201.22	2,686.30	2,887.52	201.22	2686.30	2887.52
Ind. ~~Liability~~ Insurance & Med. Aid	313.87	2,789.13	3,103.00	313.87	2789.13	3103.00
Tramming	554.04	5,752.18	6,306.22	554.04	5752.18	6306.22
Compressed Air	1,043.94	7,260.00	8,303.94	1043.94	7260.00	8303.94
~~(8) Contractor (specify)~~						
Miners Lamps	44.40	345.52	389.92	44.40	345.52	389.92
Handling Supplies	158.76	1,554.77	1,713.53	158.76	1554.77	1713.53
Hoisting (2500 Lev)	131.07	681.03	812.10	131.07	681.03	812.10
TOTALS	16,760.76	182,613.87	199,374.63	16755.51	182613.87	199369.38

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

Date 9-22-55 *Payee Howe Sound Company - Chelan Division

Per [signature] Title [signature]

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

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

(Instructions on reverse)

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

$ 8377 76

Signature [signature]
(Authorized Certifying Officer)

Date 10-5-55 Vou. No. 1616
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 644 in accordance with the terms of the contract.

Signature /S/ Eric G Erickson Title Mining Engr Date 9-28-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldok Title Mining Engr Date 9-29-55

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
OCT 10 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1955 Docket No. DMEA 5142 Contract No. Idm-E644
Operator's Name Howe Sound Company Minerals Copper
Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
		9884.00		121 424.74	2889	42.04		
Drifting Item 1, St. 1	Feet	~~9,889.25~~	196	~~121,429.99~~	~~2892~~	~~41.99~~	3,100	
Crosscutting Item 2 St. 1	Feet	1,004.05	23	21,451.10	688	31.15	1,000	
~~Raising~~ Item 2 St. 2	Feet	2,852.46	98	2,852.46	98	28.90	450	
Shafts								
Winzes								
Drilling: Core Item 1	Feet	1,056.00	384	13,233.00	4812	2.75	5,000	2.75
Core ~~Exp~~ Item 2	Feet	879.00	293	3,945.00	1,315	3.00	4,000	3.00
Dia. ~~Auger~~ Drill Sta.								
~~Stoping~~ Item 1 st. 1	Each			3,240.00	7	462.86	8	490.00
~~Tramming~~ Transfer Sta.								
~~Tram Car~~ Item 2 st. 1	Each			1,000.00	2	500.00	4	500.00
~~Tram~~ Tout It. 2 St. 1	Each	500.00	1	500.00	1	500.00	2	500.00
Dia. Drill Sta. Item 2 Sta. 1	Each	600.00	1	1,800.00	3	600.00	4	600.00
		16 755.51		169 406.30				
TOTAL DISTRIBUTED COSTS		~~16,760.76~~		~~169,411.55~~				TOTAL COSTS AUTHORIZED BY CONTRACT
Item 1 Stage 1				28,826.27				31,607.01
Operating Equipment Purchased Item 2 St. 1				1,136.81				8,219.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		~~16,760.76~~ 16755.51		~~199,374.68~~ 199 369.38				309 990.00

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

REMARKS:

Date 9-29-55 Operator Howe Sound Company - Chelan Division

Per [signature] Title [signature]

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

(Instructions on reverse)

(For Government use only)

151 Eric G Erickson

INSTRUCTIONS

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

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

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

GPO 872894

DMEA Field Team, Region I, NW District October 5, 1955

DMEA Certifying Officer, Region I

RECEIVED
OCT 10 1955

Monthly operating report for August 1955, Howe Sound Company, Contract Ida-2644.

The subject operating report has been received and processed for payment. A disallowance of $5.25 has been made from the costs claimed for depreciation.

The operator has made what appears to be a mathematical error in the amount claimed for depreciation and the disallowance was made to bring the cost to $0.75 per foot of advance, in accordance with the terms of the contract.

Myrtle Purdy

cc: Operator
DMEA (2)
USGS (2)
Wash.
AD
Engr.

September 9, 1955

RECEIVED
OCT 10 1955

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narrative of the work accomplished during August, 1955 for the Buckskin Mountain exploration and in the 2500 level exploration crosscuts.

Buckskin Mountain Exploration

The 1500 drift east was advanced 196 feet in altered peridotite. Rock conditions gradually improved with the advance and rate of progress accelerated. The overbreak decreased and during the last week of the month the crews were again able to muck a 6-foot round with the overbreak into 20 cars or less. This eliminated the need for a third train trip and thereby shortened the mucking time per round by about one hour. No timber was installed in the last 80 feet of drift where only rock bolts were used for ground support.

The total volume of overbreak was 5,048 cubic feet. Twenty-two rock bolts and 26 sets of timber were installed. Caps in 15 of these sets are supported by steel pins; 2 caps have pins under one end and a post under the other; and posts support both ends of the other 9 caps. In an area of heavier ground, between 12190 and 12230 coordinates, 5 caps with posts were installed to relieve older sets.

Diamond drilling of the north hole continued at the 12010 coordinate. Progress became very slow at a depth of 630 feet beyond which the rock is extensively fractured. High pressure water encountered at 648 feet entiraly stopped the drilling for a 24 hour period.

2500 Level Crosscuts

Rock work and timbering was completed in the transfer station for the 294 crosscut. The crosscut was collared 8½ feet above the rail in the haulage drift, and an advance of 98 feet was made. The Eimco air locomotive was moved into the heading and put into service late in the month.

The 338 exploration crosscut was started and advanced 23 feet.

Diamond drilling from the station at the end of the 373 crosscut was finished and the drill is now operating in the station at the end of the 321 crosscut.

Miscellaneous Information

In the table below are data pertaining to the projects on both the 1500 and 2500 levels.

	1500 Drift	294 Crosscut	321 Crosscut	336 Crosscut	357 Crosscut	373 Crosscut
Advance	196'	98'	-	23'	-	-
Rounds Blasted	34	19	-	5	-	-
Total advance under DMEA	2,892'	98'	238'	23'	156'	271'
Average tram to haulage drift	5,448'	50'	-	125'	-	-
Length of Newly-timbered section	153'	-	-	-	-	-
Rock Bolts Used	22	-	-	-	-	-
Total rock bolts used under DMEA	1,371	-	38	-	-	-
EX core drilling	384'	-	175'	-	-	118'
Total EX core drilling under DMEA	4,812'	-	175'	-	-	1,140'

Maps are appended to this report.

Yours very truly,

J. S. Roper
Manager

JSR:ms

Form MF-104 (Rev. April 1952)

RECEIVED BUREAU OF MINES SEP 6 - 1955 SPOKANE, WASH.

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

Budget Bureau No. 42-R1036.5

RECEIVED SEP 19 1955

Month of July, 1955 Docket No. DMEA 3142 Contract No. Idm-E644

Operator's Name Howe Sound Company - Chelan Division Minerals Copper

Address Holden

Contract Amount, $ 309,990.00 Government Participation: ____% Amount, $ 154,995.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Core	2,948.75	12,294.25	15,243.00			
Bulldozing						
Crosscutting						
Drifting						
Dia. Drill & Transfer Sta.	1,090.00	4,350.00	5,440.00			
(2) Labor and Supervision:						
Labor	5,078.92	58,565.42	63,644.34			
Supervision	325.14	3,029.22	3,354.36			
Technical Services	376.82	2,075.62	2,452.44			
(3) Operating Mat'ls. and Supplies:						
Timber	738.23	3,753.87	4,492.10			
Explosives	991.06	12,847.72	13,838.78			
Pipe	315.41	3,939.73	4,255.14			
Track	37.65	3,507.70	3,545.35			
Drill Steel & Bits	576.09	6,425.99	7,002.08			
Electric Cable Inst'n.	-	331.89	331.89			
Vent Pipe Inst'n.	6.72	218.96	225.68			
(4) Operating Equipment:						
Rental						
Purchase	557.88	29,366.00	29,923.88			
Depreciation	156.75	2,361.75	2,518.50			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	297.71	4,849.37	5,147.08			
Sampling and Analysis	-	130.32	130.32			
Payroll Taxes	159.08	2,527.22	2,686.30			
Ind. ~~Xxxxxx~~ Med. Aid Insurance	257.22	2,531.91	2,789.13			
Tramming	357.39	5,394.79	5,752.18			
Compressed Air	559.56	6,700.44	7,260.00			
(8) Contingencies (specify):						
Miner's Lamps	29.60	315.92	345.52			
Handling Supplies	102.41	1,452.36	1,554.77			
Hoisting (2500 Level)	110.59	570.44	681.03			
TOTALS	15,072.98	167,540.89	182,613.87	15,072.98	167,540.89	182,613.87

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

Date 8-31-55 *Payee Howe Sound Company - Chelan Division

Per [signature] Title [signature]

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

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

(Instructions on reverse)

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

$ 75364.49

Signature [signature] (Authorized Certifying Officer)

Date 9-13-55 Vou. No. 1599

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E644 in accordance with the terms of the contract.

Signature 151 Eric G. Erickson Title Mining Engr Date 9-7-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 151 Stephen W Zoldok Title Mining Engr Date 9-12-55

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 1 0 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1955 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting Item 1 St. 1	Feet	6,912.26	101	111,540.74	2,696	41.37	3,100	
Crosscutting Item 2 St. 1	feet	3,564.09	108	20,427.05	665	30.72	1,000	
Raising								
Shafts								
Winzes								
Drilling: Core Item 1	Feet	1,091.75	397	12,177.00	4,428	2.75	5,000	2.75
Core Item 2	Feet	1,857.00	619	3,066.00	1,022	3.00	4,000	3.00
Auger								
Dia. Drill Sta. Item 1 St. 1	Each	490.00	1	3,240.00	7	462.86	8	490.00
Transfer Sta. Item 2 St. 1	Each	-	-	1,000.00	2	500.00	4	500.00
Dia. Drill Sta. Item 2 Sta. 1	Each	600.00	1	1,200.00	2	600.00	4	600.00
TOTAL DISTRIBUTED COSTS		14,515.10		152,650.79				TOTAL COSTS AUTHORIZED BY CONTRACT
Item 1, Stage 1.		557.88		28,826.27				31,607.01
Operating Equipment Purchased Item 2 St. 1		-		1,136.81				8,219.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		15,072.98		182,613.87				

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

Date 8-31-55 Operator Howe Sound Company - Chelan Division
Per [signature] Title [signature]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

151 Eric G Erickson

INSTRUCTIONS

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

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

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

GPO 872894

August 11, 1955

RECEIVED
SEP 19 1955

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narrative of the work accomplished during July, 1955 for the Buckskin Mountain exploration and in the 2500 level exploration crosscuts.

Buckskin Mountain Exploration

The 1500 drift east was advanced a total of 101 feet in altered peridotites. The decrease in footage was caused by unusually blocky and sloughing ground, aggravated by the existence of a major fault that has greatly disturbed the surrounding county. In addition the greasy nature of small dike walls further intensifies a bad situation. Overbreak, amounting to 5,031 cubic feet, was considerably larger than that of any previous month. Seventy-three rock bolts and 17 sets of timber were installed in the drift. In the timber sets, caps were supported by posts except for 4 that are supported on the north rib with steel pins.

At the 12010 east coordinate a diamond drill station was cut into the north and south ribs of the east drift to depths of 15 and 9 feet, respectively. Eighteen rock bolts were used in or at the collar of the drill station.

Diamond drilling of the north and south holes from the station at the 11650 coordinate was finished. Drilling of the north hole from the station at the 12010 coordinate was started.

The car transfer was moved forward from the drill station at the 11650 coordinate and reinstalled in the station at the 12010 coordinate.

2500 Level Crosscuts

The 321 crosscut was completed by an advance of 108 feet and a diamond drill station was cut at the end of the crosscut. The station was made sufficiently high to allow drilling with rods in 20 foot lengths. Fifteen rock bolts were used in the crosscut.

Cutting of the diamond drill station at the end of the 357 crosscut was completed.

Diamond drilling from the station at the end of the 373 crosscut continues. The two holes from this station have been or will be extended sufficiently to explore the copper-nickel showing which lies in the footwall beyond the mine zone.

Miscellaneous Information

In the table below is data pertaining to the projects on both the 1500 and 2500 levels.

	1500 Drift	321 Crosscut	357 Crosscut	373 Crosscut
Advance	101	108	-	-
Rounds Blasted	18	21	-	-
Total Advance under DMEA	2,696	238	156	271
Average Tram to haulage drift	5,350	184	-	-
Length of newly-timbered section	123	-	-	-
Rock bolts used	73	15	-	-
Total rock bolts used under DMEA	1,349	38	-	-
EX Core drilling	397	-	-	619
Total EX Core drilling under DMEA	4,428	-	-	1022

With some 1400 feet still remaining to be driven in the 1500 level project it is apparent that the work will not be completed at the expiration of our contract. Neither is it likely that all of the proposed work on the 2500 level will be finished by the same expiration date. Consequently at some later date we will wish to request an extension of time for the completion of Stage II of both items in our contract.

Maps are appended to this report.

Yours very truly,

J. S. Roper
Manager

JSR:ms

Enc.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED AUG 11 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 195 5 Docket No. DMEA 3142 Contract No. Idm-E644

Operator's Name Howe Sound Company - Chelan Division Minerals Copper

Address Holden, Washington

Contract Amount, $ Government Participation: 50% Amount, $ M

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core	2,408.50	9,885.75	12,294.25			
Bulldozing						
Crosscutting						
Drifting						
Dia. Drill and Transfer Sta.		4,350.00	4,350.00			
(2) Labor and Supervision:						
Labor	6,830.21	51,735.21	58,565.42			
Supervision	342.33	2,686.89	3,029.22			
Technical Services	245.08	1,830.54	2,075.62			
(3) Operating Mat'ls. and Supplies:						
Timber	198.77	3,555.10	3,753.87			
Explosives	1,526.12	11,321.60	12,847.72			
Pipe	360.28	3,579.45	3,939.73			
Track	324.09	3,183.61	3,507.70			
Drill Steel & Bits	667.56	5,758.43	6,425.99			
Electric Cable-Instl'n	6.88	325.01	331.89			
Vent Pipe - Instl'n	18.96	200.00	218.96			
(4) Operating Equipment:						
Rental						
Purchase	1,812.91	27,553.09	29,366.00			
Depreciation	285.00	2,076.75	2,361.75			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	390.90	4,458.47	4,849.37			
Sampling and Analysis		130.32	130.32			
Payroll Taxes	289.86	2,237.36	2,527.22			
Ind. Insurance & Med. Aid	301.89	2,230.02	2,531.91			
Tramming	649.80	4,744.99	5,394.79			
Compressed Air	720.63	5,979.81	6,700.44			
(8)						
Miner's Lamps	40.70	275.22	315.92			
Handling Supplies	186.20	1,266.16	1,452.36			
Hoisting(2500Level)	105.47	464.97	570.44			
TOTALS	17,712.14	149,828.75	167,540.89	17712.14	149,828.75	167,540.89

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

Date 7-25-55 *Payee Howe Sound Company - Chelan Division

Per [signature] Title [signature]

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

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

(Instructions on reverse)

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

$ 8856 07

Signature M GP
(Authorized Certifying Officer)

Date 8-8-55 Vou. No. 1576

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E644 in accordance with the terms of the contract.

Signature 1st Stephen W. Zoldoff Title Mining Engr Date 8-4-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 1st Stephen W. Zoldoff Title Mining Engr Date 8-4-55

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form ME-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1955 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting Item 1 St. 1	Feet	10,185.76	277	104,628.48	2,592	40.37	3,100	
Crosscutting Item 2 St. 1	Feet	3,304.97	103	16,862.96	557	30.27	1,000	
Raising								
Shafts								
Winzes								
Drilling: Core Item 1	Feet	1,820.50	662	11,085.25	4,031	2.75	5,000	2.75
Core Item 2	Feet	588.00	196	1,209.00	403	3.00	4,000	3.00
Auger								
Dia. Drill Sta. Item 1 St. 1	Each	-	-	2,750.00	6	458.33	8	490.00
Trans. Sta. 2 St. 1	Each	-	-	1,000.00	2	500.00	4	500.00
Dia. Drill Sta Item 2 St. 1	Each	-	-	600.00	1	600.00	4	600.00
TOTAL DISTRIBUTED COSTS Item 1 St. 1		1,812.91		28,268.39				TOTAL COSTS AUTHORIZED BY CONTRACT ~~31,607.01~~
Item 2 St. 1		-		1,136.81				8,219.00
Operating Equipment								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		17,712.14		167,540.89				

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

Date 7-25-55 Operator Howe Sound - Chelan Division

Per [signature] Title [signature]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

/s/ Stephen W Zollok

INSTRUCTIONS

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

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

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

GPO 872894

July 9, 1955

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

Gentleman:

Re: Docket No. KMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narrative of the work accomplished during June, 1955 for the Buckskin Mountain exploration and in the 2500 level exploration crosscuts.

Buckskin Mountain Exploration

The 1500 drift east was advanced 277 feet in altered peridotite and in minor amounts of diorite.

Due to sloughing of the ribs there was an abnormal amount of overbreak; a total of 3,485 cubic feet was removed from the back and the ribs.

Two caps and posts were installed at about the 10420 east coordinate to relieve an old set of timber which was taking an excessive load. In the newly-driven section of drift, 154 rock bolts were installed.

Diamond drilling of a south hole from the station at the 11200 coordinate was finished and drilling of a north hole from the station at the 11850 coordinate was nearly completed.

An electric centrifugal pump was hooked into the water line just east of the diamond drill holes at the 9250 coordinate, which are the source of the water for the drift. The air-driven booster pump was moved from this location and reinstalled in the water line at the 11200 coordinate.

The 15 HP fan was moved from the diamond drill station at the 10300 coordinate and reinstalled in the ventilation line at the 11200 coordinate.

2500 Level Crosscuts

Timbering of the transfer station at the collar of the 521 crosscut was finished. The crosscut was advanced 98 feet. Rock in the back of crosscut and transfer station tended to peel and slough. To stabilize this rock 23 and 9 rock bolts were installed in the back of the crosscut and transfer station, respectively.

The 357 crosscut was completed by an advance of 5 feet. Cutting of the diamond drill station at the face of the crosscut was over one half finished.

Daimond drilling from the drill station at the end of the 373 crosscut continued.

Miscellaneous Information

In the table below is information pertaining to the projects on both the 1500 and 2500 levels.

	1500 Drift	321 Crosscut	357 Crosscut	373 Crosscut
Advance	277	98	5	-
Rounds Blasted	45	15	1	-
Total advance under DMEA	2,595*	130	158	271
Average Tram to haulage drift	5,249	90	230	-
Length of newly-timbered section	-	-	-	-
Rock bolts used	154	23	-	-
Total rock bolts used under DMEA	1,276	23	-	-
EX Core drilling	682	-	-	198
Total EX Core drilling under DMEA	4,031	-	-	403

*Accumulated advance increased by 3 feet to correct error introduced in February, 1955.

Maps are appended to this report.

Yours very truly,

J. S. Roper
Manager

JSR:ms

Enc.

RECEIVED
BUREAU OF MINES
JUN 23 1955
SPOKANE, WASH.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
JUL 11 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1955 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington
Contract Amount, $ Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core	1,842.00	8,043.75	9,885.75			
Bulldozing						
Crosscutting						
Drifting						
Dia. Drill and Transfer Sta.	1,590.00	2,760.00	4,350.00			
(2) Labor and Supervision:						
Labor	6,682.41	45,052.80	51,735.21			
Supervision	401.96	2,284.93	2,686.89			
Technical Services	239.66	1,590.88	1,830.54			
(3) Operating Mat'ls. and Supplies:						
Timber	192.86	3,362.24	3,555.10			
Explosives	1,680.77	9,640.83	11,321.60			
Pipe	89.70	3,489.75	3,579.45			
Track	374.48	2,809.13	3,183.61			
Drill Steel & Bits	943.53	4,814.90	5,758.43			
Electric Cable-Instl'n	-	325.01	325.01			
Vent Pipe - Instl'n	1.80	198.20	200.00			
(4) Operating Equipment:						
Rental						
Purchase	1,551.81	26,001.28	27,553.09			
Depreciation	270.00	1,806.75	2,076.75			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	950.76	3,507.71	4,458.47			
Sampling and Analysis	24.59	105.73	130.32			
Payroll Taxes	322.86	1,914.50	2,237.36			
Ind. Liability Insurance & Med Aid	318.52	1,911.50	2,230.02			
Tramming	615.60	4,129.39	4,744.99			
Compressed Air	748.94	5,230.87	5,979.81			
(8) Contingencies (specify):						
Miner's Lamps	33.30	241.92	275.22			
Handling Supplies	195.63	1,070.53	1,266.16			
Hoisting (2500 Lev)	143.37	321.60	464.97			
TOTALS	$19,214.55	$130,614.20	$149,828.75	19214.55	130614.20	149828.75

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

Date 6-30-55 *Payee Howe Sound Company - Chelan Div.

Per [signature] Title [signature]

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

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

(Instructions on reverse)

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

$ 9607 28

Signature [signature]
(Authorized Certifying Officer)

Date 7-8-55 Vou. No. 1557

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E644 in accordance with the terms of the contract.

Signature /S/ Eric G. Erickson Title Mining Engr Date 6-24-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W. Zoldok Title Mining Engr Date 6-27-55

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 11 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1955 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting Item 1 St. 1	Feet	9,680.02	220	94,442.72	2,315	40.80	3,100	
Crosscutting Item 2 St.1	Feet	4,550.72	140	13,557.99	454	29.86	1,000	
Raising								
Shafts								
Winzes								
Drilling: Core Item 1	Feet	1,221.00	444	9,264.75	3,369	2.75	5,000	2.75
Core - Item 2	Feet	621.00	207	621.00	207	3.00	4,000	3.00
Auger								
Dia. Drill Sta. Item 1)	Each	490.00	1	2,750.00	6	458.33	8	490.00
Transfer Sta. Item 2 St.1		500.00	1	1,000.00	2	500.00	4	500.00
Dia. Drill Sta. Item 2 St. 1		600.00	1	600.00	1	600.00	4	600.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Item 1		415.00		26,455.48				31,607.01
Operating Equipment Purchased Item 2		1,136.81		1,136.81				8,219.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$19,214.55		$149,828.75				$39,826.01

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

REMARKS:

Date 6-20-55 Operator Howe Sound Company - Chelan Division
Per [signature] Title [signature]

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

(Instructions on reverse)

(For Government use only)

/s/ Eric G Erickson

INSTRUCTIONS

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

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

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

GPO 872894

HOWE SOUND COMPANY - CHELAN DIVISION

RECEIVED

JUL 11 1955

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narrative of the work accomplished during May, 1955 for the Buckskin Mountain exploration and in the 2500 level exploration crosscuts.

Buckskin Mountain Exploration

The 1500 drift east was advanced 220 feet in peridotite and granitized amphibole-biotite schist. These rocks were faulted and fractured more than those encountered in the 2 or 3 previous months and advance was accordingly less.

A drill station was cut at the 11,650 east coordinate. Diamond drilling in the north hole at the 11,200 coordinate was finished and drilling of the south hole from the station was started.

Overbreak from the back of the drift amounted to 886 cubic feet; there was also 125 cubic feet of overbreak in the newly-cut drill station.

One set of timber, supported by steel pins, and 115 rock bolts were installed in the newly-driven section of the drift. Ten rock bolts were used to support the back in the diamond drill station at the 11,650 coordinate.

In one axle unit on the Titan battery locomotive the axle, worm wheel, and all bearings were replaced; the locomotive was also completely rewired. This repair work was accomplished without interfering with the regular work in the drift. However, trouble with the air powered booster pump on the water line did preclude all drilling during one shift.

The Canton-type car transfer was moved forward to the diamond drill station at the 11,650 coordinate.

2500 Level Crosscuts

Cutting of the transfer station for the 321 exploration crosscut with floor some 8 feet above the track in the haulage drift, was essentially completed. The 321 crosscut was collared and driven 32 feet.

The 357 exploration crosscut was advanced 69 feet.

An advance of 39 feet completed the 373 exploration crosscut and cutting of the diamond drill station at the end of the crosscut was also accomplished. Diamond drilling from this station was started.

Miscellaneous Information

In the table below is information pertaining to the projects on both the 1500 and 2500 levels.

	1500 Drift	321 Crosscut	357 Crosscut	373 Crosscut
Advance	220	32	69	39
Rounds blasted	34	5	11	7
Total advance under DMEA	2,315	32	151	271
Average tram to haulage drift	4,970	-	160	270
Length of newly-timbered section	6	-	-	-
Rock Bolts Used	115	-	-	-
Total rock bolts used under DMEA	1,122	-	-	-
EX core drilling	444	-	-	207
Total EX core drilling under DMEA	3,369	-	-	207

Maps are appended to this report.

Yours very truly,

J. S. Roper
Manager

JSR:ms
Enc.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
1201 N. Division St.
Spokane 2, Washington
April 15, 1955

Mrs. Myrtle Purdy
Certifying Officer
DMEA, Region I, NW District
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. DMEA 3142 (copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

Dear Mrs. Purdy:

This is in reference to the revision of base rates for several items chargeable to the cited contract.

Charges for such services as tramming, hoisting, handling supplies, and miners lamps for the calendar year are based on the actual cost for such services during the previous year. Therefore, the current charges for these services, based on actual costs during 1954, will reflect the increasing cost and be somewhat higher than previous charges based on the 1953 actual cost.

For example, during 1953 the actual cost of handling supplies was $0.403 per foot advance and this was the amount charged during 1954. The actual cost during 1954 was $0.49 per foot, and this will be the charge during 1955.

Handling supplies is the only item that will affect the contract to any extent. The cost of tramming is known to be higher but in view of the difficulty in correctly apportioning the costs, the company decided to charge $1.71 per foot, the same as in 1954. Hoisting under the contract was not necessary in 1954; therefore we are already being charged by the new base rate. There is a small increase in the cost of miners lamps but the exact amount is not yet known.

This is your authority to pay the current charges for tramming, hoisting, handling supplies, and miners lamps which are claimed or will be claimed on the Operator's monthly MF-104's. It is understood that these charges are subject to revision upon completion of a final audit of the Operator's books.

By Field Team, Region I, NW District

Wing G. Agnew, Member

A. E. Weissenborn, Exec. Officer

cc: DMEA (2)
USGS (2)

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

w

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUN 24 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1955 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington
Contract Amount, $ Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Core $	968.00	$ 7,075.75	$ 8,043.75			
Bulldozing						
Crosscutting						
Drifting						
Dia. Drill & Transfer Sta.	490.00	2,270.00	2,760.00			
(2) Labor and Supervision:						
Labor	7,764.44	37,288.36	45,052.80			
Supervision	448.76	1,836.17	2,284.93			
Technical Services	222.99	1,367.89	1,590.88			
(3) Operating Mat'ls. and Supplies:						
Timber	279.21	3,083.03	3,362.24			
Explosives	2,066.20	7,574.63	9,640.83			
Pipe	516.26	2,973.49	3,489.75			
Track	535.47	2,273.66	2,809.13			
Drill Steel & Bits	832.48	3,982.42	4,814.90			
Electric Cable-Instl'n.	-	325.01	325.01			
Vent Pipe - Instl'n.	41.75	156.45	198.20			
(4) Operating Equipment:						
Rental						
Purchase	474.00	25,527.28	26,001.28			
Depreciation	398.25	1,408.50	1,806.75			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	601.62	2,906.09	3,507.71			
Sampling and Analysis	37.79	67.94	105.73			
Payroll Taxes	422.04	1,492.46	1,914.50			
Ind. ~~Industry~~ Insurance & Med. Aid	347.46	1,564.04	1,911.50			
Tramming	908.01	3,221.38	4,129.39			
Compressed Air	1,057.03	4,173.84	5,230.87			
(8) Contingencies (specify):						
Miner's Lamps	44.40	197.52	241.92			
Handling Supplies	270.19	819.57	1,089.76	270.19	800.34	1070.53
Hoisting (2500 Level)	236.55	85.05	321.60			
TOTALS	$18,962.90	111,670.53	$ 130,633.43	18962.90	111651.30	130614.20

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

Date May 18, 1955 *Payee Howe Sound Company - Chelan Div.

Per [signature] Title Office Manager

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

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

(Instructions on reverse)

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

$ 9481 45

Signature [signature]
(Authorized Certifying Officer)

Date 6-20-55 Vou. No. 1537
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E644 in accordance with the terms of the contract.

Signature /s/ Eric G. Erickson Title Mining Engr. Date 6-10-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Stephen W. Zoldok Title Mining Engr. Date 6-10-55

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED JUN 24 1955

Month of April 1955 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting Item 1 St. 1	Ft.	$10,703.60	300	$ 84,781.93	2,095	$40.47	4100	1952.60.00 *
Crosscutting Item 2 St. 1	feet	6,327.30	231	9,007.27	314	28.69	1450	659.80.00 *
Raising								
Shafts								unit Costs
Winzes								
Drilling: Core Item 1	feet	968.00	352	8,043.75	2,925	2.75	7,000	$ 2.75
Churn								
Auger								
~~Stopping~~ Dia. Drill Sta. ~~Developing~~ Item 1 St. 1	Each	490.00	1	2,260.00	5	452.00	8	490.00
~~Exploration~~ Transfer Sta. ~~Development~~ Item 2 St. 1	Each			500.00	1	500.00	4	500.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		474.00		26,040.48				$ 39,826.01
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$18,962.90		~~$130,635.43~~ 130,614.20				309,990.00

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

REMARKS:

Date May 18, 1955 Operator Howe Sound Co. - Chelan Div.

Per [signature] Title Office Manager

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

(Instructions on reverse)

(For Government use only)

6/10/55
Stephen W Zoldok

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
JUN 24 1955

HOWE SOUND COMPANY - CHELAN DIVISION

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narrative of the work accomplished during April, 1955 for the Buckskin Mountain exploration and in the 2500 level exploration crosscuts.

Buckskin Mountain Exploration

The 1500 drift east was advanced 300 feet, predominantly in amphibole schist and in granitized peridotite. The peridotite encountered in one 15-foot section of the drift contained a considerable amount of sulfides which, in turn, carried some nickel (see accompanying map).

Cutting of the diamond drill station at the 11200 east coordinate was finished. The south hole at the 10800 coordinate was drilled, and diamond drilling toward the north is in progress at the 11200 coordinate.

Overbreak from the back of the drift amounted to 967 cubic feet; 148 rock bolts were used in the heading, and 6 bolts were used in the collar of the diamond drill station at the 11200 east coordinate.

A 15 H.P. fan was installed in the diamond drill station at the 10800 coordinate. This fan, when its blades became damaged, was replaced by another fan of the same size.

The Canton-type car transfer was moved from the drill station at the 10800 coordinate to the drill station at the 11200 coordinate.

The blasting switch was moved from the car transfer station at the 8500 coordinate and reinstalled in the drill station at the 10000 coordinate.

Repairs were made on the timber in the car transfer station at the collar of the drift.

2500 Level Crosscuts

The 357 exploration crosscut was advanced 82 feet.

The 375 exploration crosscut was advanced 149 feet. On April 18 an Eimco air locomotive was put into service in the heading.

RECEIVED
JUN 24 1955

Miscellaneous Information

In the table below is information pertaining to the projects on both the 1500 and 2500 levels.

	1500 Drift	357 Crosscut	373 Crosscut
Advance	300	82	149
Rounds blasted	49	14	25
Total advance under DMEA	2,095	82	232
Average tram to haulage drift	4,750	126	157
Length of newly-timbered section	-	-	-
Rock bolts used	146	-	-
Total rock bolts used under DMEA	1,007	-	-
EX core drilling	352	-	-
Total EX core drilling under DMEA	2,925	-	-

Maps are appended to this report.

Yours very truly,

J. S. Roper
Manager

JSR:mb
Enc.

Form M5-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 12 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March, 1955 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals COPPER
Address Holden, Washington
Contract Amount, $ Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core	$ 1,636.25	$ 5,439.50	$ 7,075.75			
Bulldozing						
Crosscutting						
Drifting						
Dia. Drill & Transfer St.	-	2,270.00	2,270.00			
(2) Labor and Supervision:						
Labor	6,911.07	30,377.29	37,288.36			
Supervision	355.91	1,480.26	1,836.17			
Technical Services	141.95	1,225.94	1,367.89			
(3) Operating Mat'ls. and Supplies:						
Timber	309.68	2,773.35	3,083.03			
Explosives	1,566.43	6,008.20	7,574.63			
Pipe	522.46	2,451.03	2,973.49			
Track	487.89	1,785.77	2,273.66			
Drill Steel & Bits	882.17	3,100.25	3,982.42			
Electric Cable - Instl'n.	-	325.01	325.01			
Vent Pipe - Instl'n.	32.90	123.55	156.45			
(4) Operating Equipment:						
Rental						
Purchase	1,424.48	24,142.00	25,566.48	1424.48	24102.80	25,527.28
Depreciation	277.50	1,131.00	1,408.50			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	524.70	2,381.39	2,906.09			
Sampling and Analysis	12.61	55.33	67.94			
Payroll Taxes	370.46	1,122.00	1,492.46			
Ind. Insurance & Med. Aid	291.22	1,272.82	1,564.04			
Tramming	632.70	2,588.68	3,221.38			
Compressed Air	807.04	3,366.80	4,173.84			
(8) Miner's Lamps	33.30	164.22	197.52			
Handling Supplies	171.31	648.26	819.57			
Hoisting (2500 Level)	56.32	28.73	85.05			
TOTALS	$17,448.35	$94,261.38	$111,709.73	17448.35	94202.95	111651.30

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

Date 5-9-55 *Payee Howe Sound Company - Chelan Div.

Per [signature] Title [signature]

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

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

(Instructions on reverse)

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

$ 8724.18

Signature [signature]
(Authorized Certifying Officer)

Date 5-9-55 Vou. No. 1503
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm E644 in accordance with the terms of the contract.

Signature John L. McWilliams Title Mining Engr. Date April 21, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Stephen W Zoldok Title Mining Engr Date 5-2-55

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 12 1955

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

Month of March 1955 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals COPPER
Address Holden, Washington

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract Units	Authorized by Contract Unit Costs
Drifting Item 1 St. 1	Feet	$12,572.36	315	$ 74,117.53	1,795	$41.29	4100	195260.00
Crosscutting Item 2 St. 2	Feet	1,815.26	55	2,679.97	83	32.29	1450	65980.00
Raising								
Shafts								
Winzes								Unit Costs
Drilling: Core Item 1.	Feet	1,636.25	595	7,075.75	2,573	2.75	7,000	$ 2.75
Churn								
Auger								
~~Stoping~~ Dia. Drill Sta. ~~Trenching~~ Item 1 St. 1	Each			1,770.00	4	442.50	8	490.00
~~Test Pits~~ Transfer Sta. ~~Bulkhead Tank~~ Item 2 St. 1	Each			500.00	1	500.00	4	500.00
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased		1,424.48		25,566.48				$39,826.01
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		$17,448.35		$111,709.73				309990.00

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

Date 5-18-55 Operator Howe Sound Co.-Chelan Div.
Per [signature] Title [signature]

Remarks:

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

(Instructions on reverse)

(For Government use only)

151 John R McWilliams

INSTRUCTIONS

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

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

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

GPO 872894

HOWE SOUND COMPANY - CHELAN DIVISION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 12 1955

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narrative of the work accomplished during March, 1955 for the Buckskin Mountain exploration and in the 2500 level exploration crosscuts.

Buckskin Mountain Exploration

The drift east was advanced 315 feet, largely in granitized amphibole schist.

No timbering was done in the heading, but 187 rock bolts were used to support the back of the newly-driven section to about 12 feet from the face. As in the previous months, the bolts were located only where required and were not placed in any fixed pattern. Although back holes were drilled only about 6½ feet above the drift floor, the back arched to about 9 feet high and the resulting overbreak in excess of a 6' by 8' section was 1,805 cubic feet.

At the 11200 east coordinate a diamond drill station was started and mined in the north rib of the drift to a depth of 9 feet.

The north diamond drill hole was finished in the station at the 10300 east coordinate.

2500 Level Crosscuts

Timbering of the transfer station at the collar of the 373 crosscut was completed, and the crosscut was advanced 55 feet.

Miscellaneous Information

In the table below is information pertaining to the projects on both the 1500 and 2500 levels.

	1500 Drift	373 Crosscut
Advance	315	55
Rounds blasted	54	9
Total advance under D.M.E.A.	1,795	83
Average tram to collar	4,357	55
Length of newly-timbered section	-	-
Rock bolts used	167	-
Total rock bolts used under D.M.E.A.	861	-
EX core drilling	595	-
Total EX core drilling under D.M.E.A.	2,573	-

Maps are appended to this report.

Yours very truly,

J. S. Roper
Manager

JSR:mb

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
February 28, 1955

Mrs. Myrtle Purdy
Certifying Officer
DMEA Field Team, Region I
Spokane, Washington

Re: Docket No. DMEA 3142 (copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract Idm-E644

Dear Mrs. Purdy:

This is in reference to hoisting charges which will be claimed under Item II, Stages I and II of the above contract.

Item II deals with exploration by crosscutting and diamond drilling from the 2500 level of the Holden mine. Inasmuch as the main haulage way is on the 1500 level, it is necessary to hoist rock from the 2500 level to the 1500 level for tramming to the surface for disposal.

Since hoisting is a necessary adjunct to exploration on the deeper levels, the cost of hoisting is an allowable charge under the contract. The cost will be computed in a manner similar to the present tramming charge, i.e., prorated on a tonnage basis.

It is suggested that the hoisting costs be allowed as claimed, subject to audit.

By Field Team, Region I, NW District

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

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

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

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

Budget Bureau No. 42-R1036.5

Defense Minerals Administration
RECEIVED
APR 22 1955

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

Month of February, 1955 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals COPPER
Address Holden, Washington
Contract Amount, $ Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core $	33.00	$ 5,406.50	$ 5,439.50	33.00	5406.50	5439.50
Bulldozing						
Crosscutting						
Drifting						
Dia. Drill & Transfer Sta.	490.00	1,780.00	2,270.00	490.00	1780.00	2270.00
(2) Labor and Supervision:						
Labor	5,309.24	25,068.05	30,377.29	5309.24	25068.05	30377.29
Supervision	219.62	1,260.64	1,480.26	219.62	1260.64	1480.26
Technical Services	89.66	1,136.28	1,225.94	89.66	1136.28	1225.94
(3) Operating Mat'ls. and Supplies:						
Timber	484.70	2,288.65	2,773.35	484.70	2288.65	2773.35
Explosives	1,052.58	4,955.62	6,008.20	1052.58	4955.62	6008.20
Pipe	384.91	2,066.12	2,451.03	384.91	2066.12	2451.03
Track	292.45	1,493.32	1,785.77	292.45	1493.32	1785.77
Drill Steel & Bits	375.21	2,725.04	3,100.25	375.21	2725.04	3100.25
Electric Cable-Instaln.	22.58	302.43	325.01	22.58	302.43	325.01
Vent Pipe - Instal'n.	2.70	120.85	123.55	2.70	120.85	123.55
(4) Operating Equipment:						
Rental						
Purchase	453.76	23,688.24	24,142.00	453.76	23649.04	24102.80
Depreciation	183.75	947.25	1,131.00	183.75	947.25	1131.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	267.06	2,114.33	2,381.39	267.06	2114.33	2381.39
Sampling and Analysis	-	55.33	55.33		55.33	55.33
Payroll Taxes	278.96	843.04	1,122.00	278.96	843.04	1122.00
Ind. ~~[illegible]~~ Insurance & Med. Aid	213.57	1,059.25	1,272.82	213.57	1059.25	1272.82
Tramming	428.95	2,159.73	2,588.68	428.95	2159.73	2588.68
Compressed Air	320.44	3,046.36	3,366.80	320.44	3046.36	3366.80
(8) ~~Contingencies (specify)~~						
Miner's Lamps	22.20	142.02	164.22	22.20	142.02	164.22
Handling Supplies	120.05	528.21	648.26	120.05	508.98	629.03
Hoisting (2500 Level)	-	28.73	28.73		28.73	28.73
TOTALS	$11,045.39	$83,215.99	$94,261.38	11045.39	83157.56	94202.95

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

Date 4-15-55 *Payee Howe Sound Co.-Chelan Division

Per [signature] Title [signature]

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

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

(Instructions on reverse)

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

$ 5522 70

Signature [signature]
(Authorized Certifying Officer)

Date 4-15-55 Vou. No. 1482
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 6 4 4 in accordance with the terms of the contract.

Signature /S/ John R McWilliams Title Mining Eng Date 4-11-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen H. Zoldok Title Mining Engr Date 4-12-55

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 22 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1955 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals COPPER
Address Holden, Washington

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting Item 1. St. 1	Feet	10,029.30	245	61,545.17	1,480	41.58	4100	actual cost
Crosscutting Item 2. St. 1	Feet	39.33	-	864.71	28	30.88	1450	—
Raising								
Shafts								
Winzes								Unit Cost
Drilling: Core Item 1.	Feet	33.00	12	5,439.50	1,978	2.75	7,000	2.75
Churn								
Auger								
~~Stripping~~ Dia. Drill Sta.								
~~Trenching~~ Item 1. St. 1	Each	490.00	1	1,770.00	4	442.50	8	490.00
~~Test Pits~~ Transfer Sta.								
~~Road Construction~~ Item 2								
St. 1	Each	-		500.00	1	500.00	4	500.00
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased	$	453.76		$24,142.00				$31,607.01
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs	$	11,045.39		$94,261.38				309990.00

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

Date 4-6-55 Operator Howe Sound Co.-Chelan Div.
Per [signature] Title [signature]

Remarks:

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

(Instructions on reverse)

(For Government use only)

161 Stephen W Zoldok
4-12-55

INSTRUCTIONS

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

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

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

GPO 872894

HOWE SOUND COMPANY - CHELAN DIVISION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 22 1955

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narrative of the work accomplished during February, 1955 for the Buckskin Mountain exploration and in the 2500 level exploration crosscuts.

Buckskin Mountain Exploration

The drift east was advanced 245 feet in granitized amphibole schist.

At about the start of the month, when it appeared that the heading had entered reasonably competent ground, the drift was again turned to a due east bearing. The turn was started some 30 feet back from the then present face where we knew there was good rock in the directions of both the hanging wall and the footwall sides. While arching of the back did continue, it was less troublesome than in previous months. Overbreak amounted to 1,491 cubic feet.

One new set of timber was added to the old timbered section. Two hundred thirty rock bolts were used to support the back of the newly driven section to about 30 feet from the face.

A diamond drill station was cut at the 10800 east coordinate. The drill station was made 9 and 10 feet deep in the north and south ribs of the drift, respectively. A Canton-type car transfer was installed in the south side of the new drill station, and a diamond drill runner started drilling a hole from the north side of the station.

The 15 H. P. fan was moved from the drill station at the 9800 east coordinate and reinstalled in the station at the 10000 coordinate. Repairs were made on the booster pump on the water line in the east drift.

About 3 shifts work were lost due to power failures which occurred early in the month. In spite of this, a record advance was made. In addition to the linear advance made, there was also some sideswiping at the turn.

2500 Level Crosscuts

Some timbering was done in the transfer station for the 373 exploration crosscut.

Miscellaneous Information

In the table below is information pertaining to the projects on both the 1500 and 2500 levels.

	1500 Drift	373 Crosscut
Advance	245 feet	-
Rounds blasted	41	-
Total advance under DMEA	1,480 feet	28 feet
Average tram to collar	4,042 feet	-
Length of newly-timbered section	6 feet	-
Rock bolts used	230	-
Total rock bolts used under DMEA	694	-
EX core drilling	12 feet	-
Total EX core drilling under DMEA	1,978 feet	-

Maps are appended to this report.

Yours very truly,

J. S. Roper
Manager

JSR:mb
Enc.

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

Budget Bureau No. 42-R1036.5

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

Month of January, 1955 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals COPPER
Address Holden, Washington
Contract Amount, $ Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core $	-	$ 5,406.50	$ 5,406.50			
Bulldozing						
Crosscutting						
Drifting						
Dia. Drill & Transfer St.	500.00	1,280.00	1,780.00	500.00		
(2) Labor and Supervision:						
Labor	4,533.94	20,534.11	25,068.05	4533.94		
Supervision	237.32	1,023.32	1,260.64	268.32		
Technical Services	115.82	1,020.46	1,136.28	147.48		
(3) Operating Mat'ls. and Supplies:						
Timber	457.24	1,831.41	2,288.65	457.24		
Explosives	720.64	4,234.98	4,955.62	720.64		
Pipe	253.64	1,812.48	2,066.12	253.64		
Track	228.18	1,265.14	1,493.32	228.18		
Drill Steel & Bits	554.09	2,170.95	2,725.04	554.09		
Electric Cable Instl'n.	-	302.43	302.43	-0-		
Vent. Pipe - Instl'n.	3.40	117.45	120.85	3.40		
(4) Operating Equipment:						
Rental						
Purchase	2,340.20	21,348.04	23,688.24	2301.00		
Depreciation	165.75	781.50	947.25	165.75		
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	261.82	1,852.51	2,114.33	261.82		
Sampling and Analysis	13.35	41.98	55.33	13.35		
Payroll Taxes	244.35	598.69	843.04	244.35		
Ind. ~~Taxes~~ Insurance & Med. Aid	215.59	843.66	1,059.25	215.59		
Tramming	377.91	1,781.82	2,159.73	377.91		
Compressed Air	2,166.96	879.40	3,046.36	2166.96		
(8) ~~Equipment (specify)~~						
Miner's Lamps	33.30	108.72	142.02	33.30		
Handling Supplies	108.29	419.92	528.21	89.06		
Hoisting (2500 Level)	17.41	11.32	28.73	17.41		
TOTALS	$13,549.20	$69,666.79	$83,215.99	13553.43	69604.13	83157.56

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

Date 2-18-55 *Payee Howe Sound Co. - Chelan Division

By [signature] Title [signature]

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

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

(Instructions on reverse)

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

$ 6776 72

Signature [signature]
(Authorized Certifying Officer)

Date 3-3-55 Vou. No. 1448
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 6 44 in accordance with the terms of the contract.

Signature /S/ John R McWilliams Title Mining Engr Date 2/24/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldok Title Mining Eng Date 2/25/55

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1955 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals COPPER
Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting Item 1. St. 1	Feet	10,037.59	204	51,515.87	1,235	41.71		
Crosscutting Item 2. St. 1	Feet	671.41	17	825.38	28	29.48		
Raising								
Shafts								
Winzes								
Drilling: Core Item 1	Feet	-	-	5,406.50	1,966		7,000	2.75
Churn								
Auger								
Dia. Drill Sta. Item 1. St. 1	Each	-	-	1,280.00	3	426.67	10	490.00
Transfer Sta. Item 2. St. 1	Each	500.00	1	500.00	1	500.00	4	500.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		2,340.20		23,688.24				31,607.01
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		13,549.20		83,215.99				

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

Date 2-18-55 Operator Howe Sound Co.-Chelan Div.

Per [signature] Title [signature]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

HOWE SOUND COMPANY - CHELAN DIVISION

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

Defense Minerals
MAR 7 - 1955

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narrative of the work accomplished during January, 1955 for the Buckskin Mountain exploration and in the 2500 level exploration crosscuts.

Buckskin Mountain Exploration

The 1500 drift east was advanced 204 feet to U.S.B.M. 392 + 1,245 through diorite, peridotite, a large lamprophyre dike, and the face was in amphibole schist at the end of the month. Considerable sulfide minerals occurred in the peridotite.

Sloughing, largely from the back, amounted to 1,809 cubic feet of overbreak. Most of this came in the first 120 feet which was mined in January. In one particularly bad place, 3 pony sets were installed above the regular drift timber. Ground conditions were better in the last 80 feet of the advance, and here it was not necessary to keep the timber so close to the face. However, rock bolts are required during the interim period. At the close of the month, timber had been extended to within 58 feet of the face, and there was one gap of 13 feet in the supporting timber.

Retimbering amounted to one post which was placed under the end of a cap previously supported on pins. Four new posts and 2 new caps were also installed in the drift at about the 10435 east coordinate. In this area the ground is actually squeezing the old timber, and additional support was needed.

Starting on the 9th of the month, 2 crews worked in the heading on opposite shifts. By working overtime, sometimes as much as 4 hours, the crews usually were able to complete the cycle of mucking, timbering as necessary, drilling, and blasting. Improved ground conditions made drilling and blasting of 7-foot rounds again feasible. The advance in January was the largest made to date in the heading during a single month.

The Titan battery locomotive was taken to the surface shop twice for repairs. This was done on Sundays, and no rounds were lost as a result.

2500 Level Crosscuts

The 373 exploration crosscut was advanced 17 feet and drilling and blasting for the transfer station at the collar of the crosscut was completed. Forty-six cubic yards of rock were removed for the station, for which the necessary timbering was about 2/3 completed.

Miscellaneous Information

In the table below is information pertaining to the projects on both the 1500 and 2500 levels.

	1500 Drift	373 Crosscut
Advance	204	17
Rounds blasted	35	3
Total advance under D.M.E.A.	1,235	28
Average tram to collar	3,797	-
Length of newly-timbered section	140	-
Rock bolts used	32	-
Total rock bolts used under D.M.E.A.	464	-
EX core drilling	-	-
Total EX core drilling under D.M.E.A.	1,986	-

Yours very truly,

J. S. Roper
Manager

JSR:mb

DMEA Field Team, Region I,
Northwest District

March 3, 1955

DMEA Certifying Officer, Region I

Contract Idm-8644, Nome Sound Co. Operating report for month of January, 1955.

The subject operating report has been processed and forwarded to the Regional Disbursing Officer for payment.

The following reinstatements and deletions have been made:

Reinstatements:

Amount deducted from December 1954 MF-104 to hold cost for supervision and technical services to $3.00 per ft. of advance. Cost claimed for January 1955 is lower than the allowable cost. $60.66

Deletions:

Cash discount on invoice from North Coast Electric Co. for cable purchased- not taken into account by operator $39.20

Handling supplies- amount claimed is in excess of agreed amount allowable (40.3 cents per ft. of advance) by 19.23 58.43

Net reinstatements $ 4.23

Myrtle Purdy

cc: DMEA (2)
USGS (1)
WASH. (2) ✓
AD
Engr

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

Budget Bureau No. 42-R1036.5

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

Month of December, 1954 Docket No. DMEA 3142 Contract No. Idm-5644
Operator's Name Howe Sound Company - Chelan Division Minerals COPPER
Address Holden, Washington
Contract Amount, $ Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core	$2,464.00	$ 2,942.50	$ 5,406.50	2464.00	2942.50	5406.50
Bulldozing						
Crosscutting						
Drifting						
Diamond Drill Sta.	-	1,280.00	1,280.00		1280.00	1280.00
(2) Labor and Supervision:						
Labor	1,932.23	18,601.88	20,534.11	1932.23	18601.88	20534.11
Supervision	113.72	909.60	1,023.32	82.72	909.60	992.32
Technical Services	140.94	879.52	1,020.46	109.28	879.52	988.80
(3) Operating Mat'ls. and Supplies:						
Timber	226.72	1,604.69	1,831.41	226.72	1604.69	1831.41
Explosives	166.65	4,068.33	4,234.98	166.65	4068.33	4234.98
Pipe	139.90	1,672.58	1,812.48	139.90	1672.58	1812.48
Track	20.48	1,244.66	1,265.14	20.48	1244.66	1265.14
Drill Steel & Bits	166.38	2,004.57	2,170.95	166.38	2004.57	2170.95
Elec. Cable-Instl'n.	-	302.43	302.43		302.43	302.43
Vent Pipe Instl'n.	-	117.45	117.45		117.45	117.45
(4) Operating Equipment:						
Rental						
Purchase	-	21,348.04	21,348.04		21348.04	21348.04
Depreciation	48.00	733.50	781.50	48.00	733.50	781.50
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	77.52	1,774.99	1,852.51	77.52	1774.99	1850.51
Sampling and Analysis	7.01	34.97	41.98	7.01	34.97	41.98
Payroll Taxes	67.58	531.11	598.69	67.58	531.11	598.69
Industrial Insurance & Med. Aid	78.09	765.57	843.66	78.09	765.57	843.66
Tramming	109.44	1,672.38	1,781.82	109.44	1672.38	1781.82
Compressed Air	2.13	877.27	879.40	2.13	877.27	879.40
(8) Miscellaneous:						
Miner's Lamps	12.08	96.64	108.72	12.08	96.64	108.72
Handling Supplies	25.79	394.13	419.92	25.79	394.13	419.92
Hoisting(2500 Level)	11.32	-	11.32	11.32	— o —	11.32
TOTALS	$5,809.98	$65,856.81	$69,666.79	5747.32	63856.81	69604.13

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

Date 1-17-55 *Payee Howe Sound Company - Chelan Div.

Per [signature] Title [signature]

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

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

(Instructions on reverse)

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

$ 2873.66

Signature [signature]
(Authorized Certifying Officer)

Date 2/25/55 Vou. No. 1446
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E644 in accordance with the terms of the contract.

Signature 1st John R McWilliams Title Mining Engr Date 1-21-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 1st Stephen W Goldoft Title Mining Engr Date 2/24/55

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MT-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

FEB 28 1955

Month of December 195 4 Docket No. DMEA 5142 Contract No. Idm-5641

Operator's Name Howe Sound Company - Chelan Division Minerals COPPER

Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting St. 1 Item 1	Feet	$3,192.01	53	$41,478.28	1,031	$40.25		
Crosscutting St.2 Item 1	Feet	153.97	11	153.97	11	14.00		
Raising								
Shafts								
Winzes								
Drilling: Core	Feet	2,454.00	896	5,406.50	1,966	2.75	7,000	2.75
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Diamond Drill Sta.	Each	-		1,280.00	3	426.67	10	490.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				$21,348.04				$51,607.01
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$5,809.98		$69,666.79				

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

Date 1-11-55 Operator Howe Sound Company-Chelan Div.

Per [signature] Title [signature]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

HOWE SOUND COMPANY - CHELAN DIVISION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 28 1955

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narrative of the work accomplished during December, 1954 for the Buckskin Mountain exploration and in the 2500 level exploration crosscuts.

Buckskin Mountain Exploration

The 1500 drift east was turned to the south in an attempt to find better ground which was indicated by recent diamond drilling. An advance was made of 53 feet, to U.S.B.M. 392 + 1,041 feet, through altered peridotite and diorite.

The ground remained poor and continued support of the back and ribs was necessary. This was accomplished by timber supported on steel pins and by one cap on posts. The timber was extended 51 feet to within 7 feet of the face. In other words, all the December advance had to be timbered, plus considerable retimbering in the previously completed drift.

Last September timbering became necessary in the drift at a point 769 feet east of U.S.B.M. 392, and rock bolts were installed in most of the drift between station 392 and the timber. Weight from slabs has broken a number of head boards on the bolts and the slabbing of the rock has relieved all tension in other bolts. Consequently, there are intervals in the bolted section of the drift where the bolts are no longer adequately supporting the back. In one such 36-foot interval of drift, lagging and caps, supported on steel pins, were installed. Timbering will subsequently be required in other sections of drift where rock bolts were earlier installed.

Very blocky ground and numerous slips have caused the ribs of the drift to slab in some areas. In such areas the ribs have sloughed from around the steel pins which supported caps. This sloughing usually came after a considerable lag in time following the initial timbering and in spite of rock bolts installed in the ribs beneath the steel pins. Where this has happened, it has been necessary to install posts under the ends of the caps. Retimbering of this nature was required during December on 5 caps which are located in the vicinity of the 10300 east coordinate. This type of work greatly impedes the advance of the drift.

As the tramming distance increases and in view of the limited capacity of the locomotive, the need for a side track for extra muck cars becomes increasingly evident. The locomotive will not handle any more muck cars than are presently being handled, and, with the increase in tramming time, it will be necessary to have sufficient cars close to the face to complete the mucking cycle without delays. This problem will be considered as soon as ground conditions will permit the widening of the drift.

The regular crew of 3 men worked in the heading one shift, and a diamond drill runner drilled on the opposite shift at the 10000, 10400, and 10504 coordinates.

2500 Level Crosscuts

The 373 exploration crosscut was collared at the east end of the 2500 haulage drift. Eleven feet of advance were made. To allow the crosscut floor to be 7 feet above the haulage drift rail, as required for a transfer station, 9 cubic yards of rock were removed from the back of the haulage drift.

Miscellaneous Information

In the table below is information pertaining to the projects on both the 1500 and 2500 levels.

	1500 Drift	373 Crosscut
Advance	53 feet	11 feet
Rounds blasted	11	2
Total advance under D.M.E.A.	1,031 feet	11 feet
Average tram to collar	3,793 feet	-
Length of newly timbered section	51 feet	-
Rock bolts used	48	-
Total rock bolts used under D.M.E.A.	432	-
EX core drilling	896 feet	-
Total EX core drilling under D.M.E.A.	1,966 feet	-

Maps are appended to this report.

Yours very truly,

J. S. Roper
Manager

JSR:mb
Enc.

DMEA Field Team, Region I February 25, 1955

DMEA Certifying Officer, Region I

Howe Sound Company. Monthly operating report for the month of December 1954

The subject operating report has been processed and forwarded to the Disbursing Officer at Portland, Oregon, for payment.

A disallowance of $62.66 was made from the amounts claimed for supervision and technical services. According to the contract, charges for these items are not to exceed $3.00 per foot of drifting and crosscutting advance. The amount deleted represents the amount claimed over this maximum allowable of $3.00 per foot.

No adjustment was made in the payroll taxes as the $62.66 will be reinstated on the first MF-104 submitted in which the cost for supervision and technical services falls below the $3.00 per foot of advance allowable.

Myrtle Purdy

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

xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

January 26, 1955

Mr. Vinton H. Clarke, Vice President
Hous Sound Company
730 Fifth Avenue
New York 19, New York

Re: Docket No. DMEA-3142 (copper)
Holden Mine
Chelan County, Washington
Amended Contract Idm-E644

Dear Mr. Clarke:

Enclosed for your information and files are copies of the First Interim Audit Certificate and First Interim Audit Report for the period December 7, 1953, to November 30, 1954, by C. E. Fisher, auditor, covering the above-captioned contract.

Sincerely yours,

John S. Vhay
Acting Member, DMEA
Field Team, Region I
Northwest District

Enclosures

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

CONTRACT ADMINISTRATION AND AUDIT DIVISION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 19 1955

FIRST INTERIM AUDIT CERTIFICATE

I have examined the records and transactions of the:

Howe Sound Company
730 Fifth Avenue
New York 19, New York

pertaining to Exploration Project Contract No. Idm-E644, Docket No. DMEA-3142, dated December 7, 1953, including Amendment No. 1 and Amended Exploration Project Contract No. Idm-E644, Docket No. DMEA-3142, dated June 25, 1954, covering a project for the exploration of copper on property at Holden, Chelan County, Washington for the period of December 7, 1953 to November 30, 1954

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

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

Total cost as billed by contractor		$63,856.81
Exceptions		
Prior to this audit	$ -0-	
During this audit	-0-	-0-
Total accepted cost		$63,856.81

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Thirty-one thousand nine hundred twenty-eight and 40/100 Dollars,

$31,928.40

is valid and proper.

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

January 14, 1955

C. E. Fisher

C. E. Fisher, Auditor

FIRST INTERIM AUDIT REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 19 1955

I. INTRODUCTION

During the period January 5 to 11, 1955, an interim audit (covering operations for the period December 7, 1953 to November 30, 1954) was made of the records and transactions pertaining to Exploration Project Contract No. Idm-E644, Docket No. DMEA 3142, dated December 7, 1953, including Amendment No. 1 and Amended Exploration Project Contract No. Idm-E644, Docket No. DMEA-3142, dated June 25, 1954 with the:

Howe Sound Company
730 Fifth Avenue
New York 19, New York

covering a project for the exploration of copper on property at Holden, Chelan County, Washington

The original records under this contract are maintained by and are in the custody of Mr. R. Scott, Chief Accountant, Chelan Division of Howe Sound Company, and are located in the mine office building at Holden, Washington. Mr. J. S. Roper, Mine Manager, was available for consultation during the audit.

Mr. Stephen Zoldok, Mining Engineer and member of the Region II DMEA Field Team, and Mr. John McWilliams, Mining engineer, accompanied the auditor and assisted in the audit

The cooperation of all concerned greatly facilitated the audit work.

II. GENERAL INFORMATION ON RECORDS

The general books of the Company are maintained in the New York office, however, all of the needed records pertaining to the Chelan Division operations and particularly those relating to the DMEA exploration project were maintained at the Holden, Washington, mine office and were made freely available to the auditor

The Operator's Monthly Report and Voucher Forms MF-104 were prepared under the direction of Mr. Scott and were sent to the New York office of the Company where they were reviewed and signed by Mr. Vinton H. Clarke, Vice President, and submitted by the New York office to the Region II field office for payment.

The Operator maintains a cost accounting system in its Holden Mine which is considered to be adequate to insure proper allocations of costs to the exploration project. An effective system of internal check is maintained.

III. SCOPE OF AUDIT AND FINDINGS

The audit was limited to ascertaining the accuracy, propriety and validity of the costs shown in the "Totals to Date" column of the Form MF-104, Operator's Monthly Report and Voucher, for the month of November, 1954. Since, by letter dated January 12 1954, addressed to the Operator, the Executive Officer of the DMEA Field Team for Region II waived the requirement for the submission of supporting documents with the monthly Forms MF-104, a complete and detailed audit and analysis of all costs was necessary.

The work provided for in the exploration contract is divided into two major items, each of which is subdivided into two stages. During the period ended November 30, 1954, work was done only under Item I, Stage I of the contract and this interim audit report is limited to a consideration of the costs under said Item I, Stage I,

(1) Unit Costs:

Diamond Drilling 1,070 feet @$2.75/ft.		$2,942.50
Diamond Drill Stations:		
1 station @ $300.00	$ 300.00	
2 stations @ 490.00	980.00	1,280.00

Item I, Stage I of the exploration contract authorizes not to exceed 5,000 feet of diamond drilling at $2.75 per foot (including necessary assaying) and 8 diamond drill stations at $490.00 each.

The first diamond drill station was constructed in March, 1954 and reimbursement was claimed in the amount of $300.00 instead of $490.00 as provided in the contract. The Operator has advised that this reduction in price was considered to be equitable for the reason that it was necessary to slash a total of 8 feet instead of the original estimate of 13 feet contemplated when estimated costs were computed. The DMEA Field Team agreed that the station was adequate for the purpose of diamond drilling at that location. In this auditor's opinion this does not constitute a sufficient deviation from the contract provisions to warrant an amendment to the contract.

(2) Labor and Supervision

Labor

The basic records for the labor costs consist of semi-monthly payrolls, employees' daily time cards and weekly employee bonus statements. During the audit a sufficient number of the employees' daily time cards were reviewed, wages paid were recomputed and verified with the weekly bonus statements and the payrolls in order to establish the correctness and validity of charges to the exploration project for cost of labor.

Most of the labor performed in connection with this exploration project during the period under review was paid for under provisions of an incentive bonus plan. Under this plan the employees were carried on the payroll at regular days pay rates and were paid at such rates on the 23rd day of the month for wages earned through the 15th of the month and on the 8th day of the following month for their earnings during the last half of the month.

Measurements or counts of work accomplished during the previous week were made each Monday morning and a "bonus" computation was made based on the following rates:

Drilling and Blasting	(1) $3.75 per foot of advance
Mucking	(2) 3.75 " " " "
Tramming over 1,500 feet	.25 " " " "
Tramming over 3,000 feet	.50 " " " "
Air and water lines	.30 " " " "
Ventilation pipe	.70 " " " "
Roof bolts (Prior August 28,1954)	.90 per bolt
Roof bolts (Subsequent to August 28, 1954)	1.50 per bolt
Mucking overbreak (Prior August 28, 1954	.07 per cubic foot
Mucking overbreak (Subsequent to August 28, 1954)	.08 per cubic foot
Timber installation (steel pins)	2.50 per foot of timbering
Timber installation (Caps)	3.50 " " " "

(1) Rate increased $.50 per foot of advance for larger section for post type timbering
(2) Rate increased $.50 per foot of advance for larger section for post type timbering

If the amounts determined at the above rates exceeded the amounts paid to the employees at the days pay rates, the amount of the excess was paid as a bonus on the semi-monthly payroll during which the computation was made. Thus, bonuses paid and charged to costs were frequently recorded in the accounts in the month following that in which they were earned by the employees.

The following tabulation shows the amount of wages and bonuses applicable to the various exploration operations during the period February to November, 1954, inclusive, as indicated by the Operator's records:

	Wages	Bonuses	Total
Miners	$ 2,827.11	$ 1,210.10	$ 4,037.21
Muckers	4,543.14	957.80	5,500.94
Helpers	1,202.14	(a)	1,202.14
Timbermen	2,023.39	122.68	2,146.07
Air and Water Lines	254.00	119.21	373.21
Track	270.01	(b) 19.48	289.49
Ventilation pipe installation	729.22	468.54	1,197.76
Electric cable installation	1,321.61	-0-	1,321.61
Repairs to equipment	2,533.45	-0-	2,533.45
Totals	$15,704.07	$ 2,897.81	$18,601.88

(a) A third man (classified as a helper) was added to the normal two-man crew in September 1954. No change was made in the bonus rates because of this addition. In computing the bonus, the earnings of all three men at days-pay rates was deducted from earnings at the bonus rates to determine the amount of bonus payable for the period. In accordance with agreement with the miners, 10 percent of the bonus was paid to the helper and the remaining 90 percent was divided between the two regular members of the crew.

(b) The amount of $19.48 was improperly allocated to "Track" and should have been allocated to one of the other listed classifications. No bonuses were paid on track installation.

Supervision $909.60

The charges under this category represent one hour of time of shift bosses for each shift during which exploration work was conducted, plus occasional time of the mine foreman or engineers performing services directly applicable to the exploration, as follows:

Shift bosses	$ 562.73
Mine foreman	199.41
Engineers	147.46
Total	$ 909.60

Technical Services $879.52

The charges under this category, amounting to $879.52, are for actual time of company geologists, surveyors and draftsmen working on the exploration project.

The total charge for supervision and technical services, $1,789.12 ($909.60 plus $879.52) is equivalent to $1.83 per foot for 978 feet of drifting accomplished to November 30, 1954, as compared with an allowable maximum of $3.00 per foot under Item I Stage I of the exploration contract.

(3) Operating Materials and Supplies

The costs chargeable to this category were ascertained by a detailed audit and analysis of material requisitions. It was determined that materials and supplies were charged to the exploration project in accord with company practices throughout its operations and that costs included freight and delivery charges and sales taxes but did not include charges for company overhead expenses. The following summarizes the costs determined by audit to be allowable:

Timber	$ 1,604.69
Explosives	4,068.33
Pipe	1,672.58
Track	1,244.66
Drill Steel and Bits	2,004.57
Electric cable installation	302.43
Vent pipe installation	117.45
Total	$11,014.71

Timber $ 1,604.69

Charges reported under this caption represent amounts charged to the Operator's code 4209-4, Timbering, and include charges for rock bolts, plates, nuts, wedges and washers used in rock bolting in addition to lumber and nails as follows:

Lumber	$ 873.10
Nails	24.20
Rock bolts	593.50
Plates, nuts, etc	113.89
Total	$1,604.69

Explosives $ 4,068.33

Charges for explosives were made each month based on the number of boxes of 1¼ [illegible] 8 60% Gelodyn used on the exploration drift and average cost per box of such explosives, including electric caps, used throughout the mine. A total of 359 boxes were charged to the project at an average cost of $11.33 per box, including the necessary electric caps. Based on 978 feet of drift completed, the explosive costs amounted to $4.16 per foot of advance.

Pipe $ 1,672.58

The charges under this caption represent amounts charged to the Operator's code 4209-5, Air and Water Lines as follows:

2" and 4" pipe and fittings	$ 1,300.14
100 feet 2" Bull hose	216.00
100 feet 1¼" Air hose	104.00
100 feet 3/8" Water hose	48.00
3 sacks cement	4.44
Total	$ 1,672.58

Track $ 1,244.66

The charges under this caption represent the cost of 100 pieces of 20# rail and the necessary fittings.

Drill Steel and Bits $ 2,004.57

The charges under this caption represent the monthly prorated portion of the total cost of drill steel and bits purchased or reconditioned by the Operator during the month allocated to project costs on basis of relative hours of drilling. The average cost of drill steel and bits has amounted to $2.05 per foot of advance.

Electric cable installation $ 302.43

The charges under this caption represent the cost of potheads, tape, clamps and other materials used in installing electric cables. The cost of the cable is included in (4) Operating Equipment-Purchase.

Ventilation pipe installation $ 117.45

The charges under this caption represent the cost of incidental materials used on the installation of ventilation pipe. The cost of the ventilation pipe is included in (4) Operating equipment-Purchase.

(4) Operating Equipment

Rental

There are no charges of this category.

Purchase

Equipment	Allowed Cost
Mancha Mule (used)	$ 3,662.96
Charging unit	952.75
2 Edison batteries	7,425.40
1 Battery box	374.36
2 Rock drills	1,617.10
810 feet ventilation pipe	1,138.06
2,607 feet 3 conduit cable	5,514.86
5,500 feet messenger cable	662.55
Total	$21,348.04

Battery box $ 374.36

This box was built in the Operator's mechanical department instead of being purchased. In letter dated March 17, 1954, the Field Team, Region II, advised the Operator that there would be no objection to this arrangement provided the cost was less than the estimated $572.00 authorized under Amendment No. 1 and that detailed record of labor and material costs were kept.

Ventilation pipe $ 1,138.06

The charges under this caption represent the cost of 810 feet of sheet metal (733.06) used to fabricate ventilation pipe, plus $405.00 representing costs of outside labor performing the fabrication at 50¢ per foot. Thus, the cost of ventilation pipe has averaged $1.41 per foot as compared with the estimated cost of $2.00 per foot provided in the contract for the purchase of ventilation pipe.

Depreciation

This charge, amounting to $733.50, was based on 978 feet of advance accomplished at the rate of 75¢ per foot of advance provided by the exploration contract.

(5) Initial Rehabilitation and Repairs

There were no charges of this category.

(6) New Buildings, Improvements, etc.

There were no charges of this category.

(7) Miscellaneous

	Repairs to equipment
Rock Drills	$ 1,014.44
Other equipment	760.55
Total	$ 1,774.99

Rock Drills

The charges under this caption represent the monthly prorated portion of the total cost of material and labor expended in repairing rock drills allocated to project costs on basis of hours of drilling operations during the month.

Other Equipment

The charges under this caption represent the cost of materials and parts used in repairs to equipment other than rock drills. Such materials and parts are charged on basis of material requisitions.

Sampling and Analysis $34.97

Charges under this caption represent the prorata portion of cost incurred in the company's laboratory in sampling and analyzing specimens from the 1500 exploration drift under the exploration contract. The cost of sampling and analysis in connection with diamond drilling is absorbed by the Operator in accord with the contract provision that unit costs for diamond drilling shall include the necessary sampling and analysis.

Payroll taxes

Federal Insurance Contribution act		$ 243.04
Unemployment Insurance Act		
Federal	$ 28.81	
State of Washington	259.26	288.07
Total		$ 531.11

Federal Insurance Contributions Act $ 243.04

Contributions under this act, based on 2% of wages paid employees not to exceed $3,600.00 per employee during the year, are reported under this caption

Unemployment Insurance Act $ 288.07

The federal contribution represents .3 percent and the State of Washington contribution represents 2.7 percent of the wages paid to employees not to exceed $3,000.00 per employee during the year.

The State of Washington assesses unemployment tax at the 2.7 percent rate and in the following year an adjustment downward is made in the tax rate for the preceding year based on the employment record of the employer. Thus the ultimate tax liability of the operator for 1954 will not be known until 1955. The Operator will make the necessary adjustment on Form MF-104 as soon as the actual tax rate becomes known.

Liability Insurance $765.57

The charges under this caption represent the portion of the Operator's contribution under the State of Washington Industrial Insurance and Medical Aid Acts. The charge has been computed by multiplying the number of hours of time worked by workmen covered by the Act and charged to the DMRA project by the sum of the hourly rate for industrial insurance plus one-half of the hourly rate for medical aid as follows:

Industrial Insurance	$ .0727
*1/2 Medical aid	.0175
Total per hour	$ .0902

*Employees contribute 1/2 cost through payroll deductions.

Tramming $1,672.38

Charges under this category are based on amount of $1.71 per foot of advance. This rate was computed on basis of the Operator's cost experience during 1953 according to the following formula:

Item		Cost per ton
Total cost of maintenance of waste dump - 1953	$ 5,175.73	
Waste hauled - 1953	20,870 tons	
Cost per ton of waste		$ .2480
Bonus contract price for hauling waste from transfer station to surface dump		.0974
Average costs during 1953:		
Locomotive maintenance		.0039
Track maintenance		.0024
Timbering		.0052
Miscellaneous		.0002
Total cost per ton		$ .3571

This 7' x 7' drift produces 4.8 tons of muck per foot of advance. Tramming costs, based on the average cost during 1953, thus amounts to $1.71 per foot of advance.

The use of the above rate in computing charges to the exploration account was approved by the Executive Officer, DMRA Field Team, Region II, in letter dated February 5, 1954 with the provision that the rate be adequately supported at the time of audit. The auditor finds that the rate is fully supported by the Operator's records and the use thereof has not resulted in excessive charges against exploration costs.

Compressed air $ 877.27

The charges under this caption represent that portion of the cost of operating air compressors allocated to the DMEA project based on hours of drilling operations.

The cost of compressor operations includes the amounts paid Washington Water Power Company for electric current and the cost of labor and materials and supplies used. Direct allocation was made each month to mill operations, ore and wast hoisting and other uses of compressed air based on cubic feet of air used. The remaining costs were allocated to mining operations.

The portion of costs charged to the DMEA Project was determined by multiplying the percentage ratio of DMEA drill hours to total drill hours in the mine; by the percentage of consumption applicable to mining operations. The resulting percentage was applied to the total cost of compressor operations for the month to determine the amount chargeable to the DMEA project.

The method used to prorate compressed air costs is considered by this auditor to be fair and equitable and is approved.

Prior to this audit, Mr. Scott had discovered that certain improper calculations had been made resulting in undercharges to the DMEA project account. A statement of such undercharges was prepared and was reviewed by this auditor during the visit to Holden. The necessary adjustment will be accomplished on a subsequent Form MF-104.

Miners Lamps $ 96.64

The charge of $3.02 a month per miner's lamp for lamps used on the project was approved by the Executive Officer, DMEA Field Team, Region II, in letter dated February 5, 1954 with the limitation that when an audit is made the costs can be adequately supported.

The auditor considers that the rate of $3.02 and the total charge of $96.64 for the period is adequately supported.

Handling supplies $ 394.13

This charge is to cover the cost of transporting supplies from warehouses and storage points to the transfer stations within the mine. The rate of $.403 per foot of advance is based on the Operator's actual cost experience during 1953.

The use of this rate was approved by the Executive Officer, DMEA Field Team, Region II, in letter dated February 5, 1954, with the proviso that the rate be adequately supported at the time of audit. The auditor finds that the rate is fully supported by the Operator's records and the use thereof has not resulted in excessive charges against exploration costs.

(8) Contingencies

There were no charges under this category as of November 30,1954.

IV. CONCLUSIONS

The audit disclosed that all costs charged to this project are reasonable and proper under the terms of the contract. No adjustments have been made between "Items of Costs" as shown on November, 1954, Form MF-104. An audit summary, Exhibit "A", is attached.

This contract provides an "allowable maximum" of $195,260.00 for "Estimated Total Actual Cost of Item I". This amount is comprised of $155,475.00 and $39,785.00 applicable to Stages I and II, respectively, which are not individually designated as allowable maximums. The status of items expressly designated as allowable maximums under ItemI Stage I, are as follows:

Item I, Stage I	Allowable Maximum	Acceptable Cost	Balance
Supervision and technical services	* $ 9,300.00	$ 1,789.12	$ 7,510.88
Purchased equipment	31,607.01	21,348.04	10,258.97
Depreciation	2,325.00	733.50	1,591.50
Totals	$43,232.01	$23,870.66	$19,361.35

*An amount of $3.00 per foot of advance is stated in the contract to be the allowable maximum for supervision and technical services. At the time of the interim audit such charges averaged $1.83 per foot of advance.

At the conclusion of the audit on January 11, 1955 the findings were discussed with Mr. R. Scott, chief accountant, and Mr. J. S. Roper, manager of Chelan Division, Howe Sound Company. On January 14, 1955 the findings were discussed with Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II.

C. E. Fisher

C. E. Fisher, Auditor

Exhibit "A" AUDIT SUMMARY Idm-8644

	Item I, Stage I			
	Totals Rev.MP-104	Corrected Distribution	Disallowed By Audit	Accepted Costs
(1) Unit Costs	$	$	$	$
Drilling	2,942.50	2,942.50		2,942.50
Diamond drill stations	1,280.00	1,280.00		1,280.00
(2) Labor and Supervision				
Labor	18,601.88	18,601.88		18,601.88
Supervision	909.60	909.60		909.60
Technical services	879.52	879.52		879.52
(3) Operating Matl. & Supplies				
Timber	1,604.69	1,604.69		1,604.69
Explosives	4,068.33	4,068.33		4,068.33
Pipe	1,672.58	1,672.58		1,672.58
Track	1,244.66	1,244.66		1,244.66
Drill steel & bits	2,004.57	2,004.57		2,004.57
Electric cable installation	302.43	302.43		302.43
Ventilation pipe installation	117.45	117.45		117.45
(4) Operating Equipment				
Rental				-0-
Purchase	21,348.04	21,348.04		21,348.04
Depreciation	733.50	733.50		733.50
(5) Initial Rehabilitation & Repairs				-0-
(6) New Bldgs., Improvements, etc.				-0-
(7) Miscellaneous				
Repairs to equip.	1,774.99	1,774.99		1,774.99
Sampling and analysis	34.97	34.97		34.97
Payroll taxes	531.11	531.11		531.11
Liability Insurance	765.57	765.57		765.57
Tramming	1,672.38	1,672.38		1,672.38
Compressed air	877.27	877.27		877.27
Miner's lamps	96.64	96.64		96.64
Handling supplies	394.13	394.13		394.13
Totals	$63,856.81	$63,856.81	$ -0-	$63,856.81

Department of the Interior

Defense Minerals Exploration Admin.

14X4401(01) Revolving Fund

JAN 19 1955

TELEGRAM

MR. CLARENCE E. FISHER
DMEA AUDITOR
1201 NORTH DIVISION STREET
SPOKANE 2, WASHINGTON

AUDIT REPORT FOR IDM-E644, DMEA-3142, HOWE SOUND CO., IS ACCEPTABLE AND DISTRIBUTION AUTHORIZED AFTER ADDITION OF FOLLOWING TO FIRST PARAGRAPH OF AUDIT CERTIFICATE:

"FOR THE PERIOD OF DECEMBER 7, 1953 TO NOVEMBER 30, 1954."

(Signed) J. L. Chambers

JAY L. CHAMBERS, CHIEF
CONTRACT ADMINISTRATION
AND AUDIT DIVISION

EDTalbert/wb
January 19, 1955

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

XXXXXXXXXXXXXXXXXXX
1201 N. Division St.
Spokane 2, Washington
January 14, 1955

JAN 17 1955

Memorandum

To: Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I

From: Mr. C. E. Fisher, DMEA Auditor

Subject: Interim audit, Howe Sound Company, Contract Idm-E644, Docket No. DMEA 3142

During the recent interim audit Mr. R. Scott, chief accountant of the Chelan Division of Howe Sound Company, stated that the costs of tramming and handling supplies included in exploration costs at rates of $1.71 and $0.403 per foot of advance, which were proposed in letter dated January 21, 1954 from the former chief accountant and accepted, subject to audit, in your letter dated February 5, 1954, were inadequate. I have found the rates were based on average costs incurred by the company for similar work during the year 1953 and did not result in excessive charges against the exploration account.

Mr. Scott demonstrated to me that the comparable average costs in 1954 were in excess of those in 1953 which were used in billing on Forms MF-104 during the period February to November, 1954. He suggested that these rates should be revised upward. I told him that was a matter to be decided by agreement with the Executive Officer or the Field Team and suggested that he refer the matter to you by letter. I also told him that, in my opinion, no retroactive adjustment should be made but that it might be proper to use 1954 average costs in 1955 billings, and use prior years average costs in billing during each year the contract may be in effect. I was very careful to emphasize the fact that any change would require approval by you or by the Field Team and that substantiation of the rate changes would be needed.

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

cc: D.E. Talbert

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

MP

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

W

Budget Bureau No. 42-R1036.5

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 21 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1954 Docket No. DMEA 3142 Contract No. ldm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals COPPER
Address Holden, Washington
Contract Amount, $ 218,617.01 Government Participation: 50 % Amount, $ 109,308.50

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core	$1,232.00	$ 1,710.50	$ 2,942.50			
Bulldozing						
Crosscutting						
Drifting						
Diamond Drill Sta.	-	1,280.00	1,280.00			
(2) Labor and Supervision:						
Labor	1,107.50	17,494.38	18,601.88			
Supervision	81.15	828.45	909.60			
Technical Services	94.21	785.31	879.52			
(3) Operating Mat'ls. and Supplies:						
Timber	204.83	1,399.86	1,604.69			
Explosives	107.64	3,960.69	4,068.33			
Pipe	37.63	1,634.95	1,672.58			
Track	10.26	1,234.40	1,244.66			
Drill Steel & Bits	108.93	1,895.64	2,004.57			
Electric Cable Instl'n.		302.43	302.43			
Vent Pipe Installation		117.45	117.45			
(4) Operating Equipment:						
Rental						
Purchase		21,348.04	21,348.04			
Depreciation	38.25	695.25	733.50			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	83.62	1,691.37	1,774.99			
Sampling and Analysis		34.97	34.97			
Payroll Taxes	11.73	519.38	531.11			
Liability Insurance	53.76	711.81	765.57			
Tramming	87.21	1,585.17	1,672.38			
Compressed Air	1.80	875.47	877.27			
(8) ~~Contingencies (specify):~~						
Miner's Lamps	9.06	87.58	96.64			
Handling Supplies	20.55	373.58	394.13			
TOTALS	$3,290.13	$60,566.68	$63,856.81	3290.13	60566.68	63856.81

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

Date 12-10-54 *Payee Howe Sound Company - Chelan Div.

Per [signature] Title [signature]

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

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

(Instructions on reverse)

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

$ 1645.06

Signature MP
(Authorized Certifying Officer)

Date 1-13-55 Vou. No. 1401
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 644 in accordance with the terms of the contract.

Signature 151 John R McWilliams Title Mining Engr. Date Jan 12-1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 151 Stephen W Zoldok Title Mining Engr. Date 1-12-55

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 21 1953

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

Month of November 1954 Docket No. DMEA 3142 Contract No. 1dm-3844
Operator's Name Howe Sound Company - Chelan Division Minerals COPPER
Address Holden, Washington

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Feet	$2,050.15	51	$58,236.27	978	$ 59.15		$
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Feet	1,232.00	448	2,942.50	1,070	2.75	7,000	2.75
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Diamond Drill Sta.	Each	-		1,280.00	3	426.67	10	490.00
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased		-		21,348.04				31,607.01
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		$5,290.15		$85,956.81				

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

Date 12-20-54 Operator Howe Sound Company-Chelan Div.
Per [signature] Title [signature]

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 21 1955

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narrative of the Buckskin Mountain exploration work accomplished during the month of November, 1954.

Work was resumed in the 1500 drift east on November 8th and the heading was advanced 51 feet from U.S.B.M. 392 + 937 to + 988 feet.

Advance was made in altered peridotite and in diorite.

Nine sets of timber were installed. Posts were used for the first 3 sets and the last 6 caps were supported by steel pins. Thirteen rock bolts were used to stabilize the ribs of the drift.

A crew worked at the face during one shift and a diamond drill runner drilled in the station at the 10,400 coordinate during the opposite shift.

Other miscellaneous information is given below:

Drift advance	51 feet
Rounds blasted	11
Advance per round	4.6 feet
Drift advance since Feb. 1st, 1954	978 feet
Average tram to drift collar	3,740 feet
Rock bolts used	13
Rock bolts used since Feb. 1, 1954	384
Sets of timber	9
Sets of timber since Feb. 1, 1954	38
EX core drilling	448
EX core drilling since Feb. 1, 1954	1,070

Maps are appended to this report.

Yours very truly

J. S. Roper
Manager

JSR:MS
Enclosures

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1954 Docket No. DMEA 3142 Contract No. 1dm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals COPPER
Address Holden, Washington
Contract Amount, $ 218,617.01 Government Participation: 50 % Amount, $ 109,308.50

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core	$	$ 1,710.50	$ 1,710.50			
Bulldozing						
Crosscutting						
Drifting						
Diamond Drill Sta.	490.00	790.00	1,280.00			
(2) Labor and Supervision:						
Labor	2,622.16	14,872.22	17,494.38			
Supervision	204.33	624.12	828.45			
Technical Services	75.08	710.23	785.31			
(3) Operating Mat'ls. and Supplies:						
Timber	274.09	1,125.77	1,399.86			
Explosives	296.81	3,663.88	3,960.69			
Pipe	400.52	1,234.43	1,634.95			
Track	131.92	1,102.48	1,234.40			
Drill Steel & Bits	50.51	1,845.13	1,895.64			
Electric Cable Inst.	-	302.43	302.43			
Vent Pipe Install'n.	20.80	96.65	117.45			
(4) Operating Equipment:						
Rental						
Purchase	280.40	21,067.64	21,348.04			
Depreciation	45.75	649.50	695.25			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	150.89	1,540.48	1,691.37			
Sampling and Analysis	-	34.97	34.97			
Payroll Taxes	16.58	502.80	519.38			
Liability Insurance	106.30	605.51	711.81			
Tramming	104.31	1,480.86	1,585.17			
Compressed Air	5.63	869.84	875.47			
(8) ~~Contractor Expense~~						
Miner's Lamps	12.08	75.50	87.58			
Handling Supplies	24.58	349.00	373.58			
TOTALS	5,312.74	55,253.94	60,566.68	5312.74	55253.94	60566.68

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

Date 1-8-55 *Payee Howe Sound Company

Per [signature] Title [signature]

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

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

(Instructions on reverse)

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

$ 2656 37

Signature [signature]
(Authorized Certifying Officer)

Date 1-13-55 Vou. No. 1401
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E644 in accordance with the terms of the contract.

Signature /s/ John R. McWilliams Title Mining Engr Date Nov 22-1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Stephen W. Goldoft Title Mining Engr Date Jan 12-55

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 21 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 195 4 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals COPPER
Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Feet	$4,542.34	61	$36,228.14	927	$39.08		
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Feet			1,710.50	622	2.75	7,000	$ 2.75
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Diamond Drill Station	Each	490.00	1	1,280.00	3	426.67	10	490.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		280.40		21,348.04				$31,607.01
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$5,312.74		$60,566.68				

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

Date 11-18-54 Operator Howe Sound Company
Per [signature] Title [signature]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 21 1955

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narrative of the Buckskin Mountain exploration work accomplished during the month of October 1954.

The 1500 drift east was advanced 61 feet from U.S.B.M. 392 + 876 to + 937 feet.

Advance was made through altered peridotite and diorite.

Thirteen sets of timber were installed eastward from the old timber. Posts were used for the last 6 sets where the ground is very blocky as steel pins set in the ribs will not support the caps. Three of these 6 sets were in replacement of timber supported by pins. Seventeen rock bolts were used to stabilize the ribs of the drift.

It was necessary to reduce the length of the round drilled to 5-5½ feet as a result of the timbering procedure which is required in this heavy ground. This length of round is now broken with 22 holes loaded with one case of powder.

A diamond drill station was cut off of the drift at the 10,400 coordinate to a depth of 8½ feet in each of the ribs.

All work was halted in the heading on the 25th of the month by a general strike at the mine.

Other miscellaneous information is given below:

Drift advance	61 feet
Rounds blasted	13
Advance per round	4.7 feet
Drift advance since Feb. 1st, 1954	927 feet
Average tram to drift collar	3,689 feet
Rock bolts used	17
Rock bolts used since Feb. 1st, 1954	371
Sets of Timber	29
EX core drilling	none
EX core drilling since Feb. 1st, 1954	622 feet

Maps are appended to this report.

Yours very truly,

J. S. Roper
Manager

JSR:AA
Enclosures

Form ME 104 (Rev.)
(April 1952)

OCT 1 0
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

Defense Minerals Administration
RECEIVED
NOV 5 - 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1954 Docket No. DMEA 3142 Contract No. ldm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington 130 Gold St. Cor. - New York, 19
Contract Amount, $219,400.00 Government Participation: 50% Amount, $109,700.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core	$	$ 1,710.50	$ 1,710.50			
Bulldozing						
Crosscutting						
Drifting						
Diamond Drill Sta.		790.00	790.00			
(2) Labor and Supervision:						
Labor	2,754.26	12,117.96	14,872.22			
Supervision	133.75	490.37	624.12			
Technical Services	97.88	612.35	710.23			
(3) Operating Mat'ls. and Supplies:						
Timber	393.81	731.96	1,125.77			
Explosives	318.95	3,344.93	3,663.88			
Pipe	152.18	1,082.25	1,234.43			
Track	373.46	729.02	1,102.48			
Drill Steel & Bits	163.38	1,681.75	1,845.13			
Electric Cable Inst'n	-	302.43	302.43			
Vent. Pipe Inst'n	27.37	69.28	96.65			
(4) Operating Equipment:						
Rental						
Purchase		21,067.64	21,067.64			
Depreciation	75.75	573.75	649.50			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	487.93	1,052.55	1,540.48			
Sampling and Analysis	26.77	8.20	34.97			
Payroll Taxes	66.47	436.33	502.80			
Liability Insurance	119.02	486.49	605.51			
Tramming	172.71	1,308.15	1,480.86			
Compressed Air	25.43	844.41	869.84			
(8) Contingencies (specify):						
Miners' Lamps	15.10	60.40	75.50			
Handling Supplies	40.70	308.30	349.00			
TOTALS	$5,444.92	$49,809.02	$55,253.94	5444.92	49809.02	55253.94

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

Date 10-1-54 *Payee Howe Sound Company

Per [signature] Title [signature]

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

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

(Instructions on reverse)

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

$ 2722 46

Signature [signature]
(Authorized Certifying Officer)

Date 10/28/54 Vou. No. 1331
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 644 in accordance with the terms of the contract.

Signature 1st John R McWilliams Title Mining Eng Date 10/26/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 1st Stephen W Zoldok Title Mining Eng Date 10/26/54

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

DEPT. OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 5 - 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1954 Docket No. DMEA 3142 Contract No. ldm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Feet	$5,444.92	101	$31,685.80	866	$ 36.59		$
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Feet			1,710.50	622	2.75	7,000	2.75
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Diamond Drill Sta.	Each			790.00	2	395.00	10	490.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				21,067.64				31,607.01
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$5,444.92		$55,253.94				

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

Date 10-15-54 Operator Howe Sound Company

Per [signature] Title [signature]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. 1dm-E644

The following is a narrative of the Buckskin Mountain exploration work accomplished during the month of September, 1954.

The 1500 drift east was advanced 101 feet from U.S.B.M. No. 392 + 775 to + 876.

The heading was driven in diorite, peridotite, and biotite schist. The last rock appears to be the product of complete alteration of the peridotite.

Sixteen sets of timber were installed westward from station 392 + 769 feet. These are 6-foot sets with the caps being supported on steel pins rather than by posts. Twenty-one rock bolts were used before the start of the timbering.

The 15 H. P. fan which was located at the 9600 coordinate was unbalanced and was replaced by another fan of the same size.

The Titan battery locomotive was in the shop for a general inspection and the installation of sanders.

One crew (2 miners and 1 helper) worked alone in the drift for 7 days; during the other working days in the month, 2 crews, on opposite shifts, were in the heading.

Other miscellaneous information is given below:

Drift advance	-	101 feet
Rounds blasted	-	17
Advance per round	-	5.9 feet
Drift advance since Feb. 1, 1954	-	866 feet
Average tram to drift collar	-	3,628 feet
Rock bolts used	-	21
Rock bolts used since Feb. 1, 1954	-	354
Sets of timber	-	16
EX core drilling	-	None
EX core drilling since Feb. 1, 1954	-	622 feet

Maps are appended to this report.

Yours very truly,

J. S. Roper
Manager

JSR:mb

Enclosures

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

RECEIVED
BUREAU OF MINES
SEP 21 1954
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 27 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1954 Docket No. DMEA 3142 Contract No. IdmE644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington
Contract Amount, $ 219,400.00 Government Participation: 50 % Amount, $ 109,750.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling - Core	1,152.25	558.25	1,710.50	1152.25	558.25	1710.50
Bulldozing						
Crosscutting						
Drifting						
Diamond Drill Sta.		790.00	790.00		790.00	790.00
(2) Labor and Supervision:						
Labor	2,727.89	9,390.07	12,117.96	2727.89	9390.07	12117.96
Supervision	103.19	387.18	490.37	103.19	387.18	490.37
Technical Services	84.88	527.47	612.35	84.88	527.47	612.35
(3) Operating Mat'ls. and Supplies:						
Timber	63.15	668.81	731.96	63.15	668.81	731.96
Explosives	363.75	2,981.18	3,344.93	363.75	2981.18	3344.93
Pipe	215.91	866.34	1,082.25	215.91	866.34	1082.25
Track	47.98	681.04	729.02	47.98	681.04	729.02
Drill Steel & Bits	225.48	1,456.27	1,681.75	225.48	1456.27	1681.75
Electric Cable Inst'n	268.66	33.77	302.43	268.66	33.77	302.43
Vent Pipe Inst'n	51.60	17.68	69.28	51.60	17.68	69.28
(4) Operating Equipment:						
Rental						
Purchase	4,436.25	16,631.39	21,067.64	4436.25	16631.39	21067.64
Depreciation	84.75	489.00	573.75	84.75	489.00	573.75
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	199.87	852.68	1,052.55	199.87	852.68	1052.55
Sampling and Analysis		8.20	8.20		8.20	8.20
Payroll Taxes	57.24	379.09	436.33	57.24	379.09	436.33
Liability Insurance	120.78	365.71	486.49	120.78	365.71	486.49
Tramming	193.23	1,114.92	1,308.15	193.23	1114.92	1308.15
Compressed Air	28.58	815.83	844.41	28.58	815.83	844.41
(8) Contingencies (specify):						
Miner's Lamps	18.12	42.28	60.40	18.12	42.28	60.40
Handling Supplies	45.54	262.76	308.30	45.54	262.76	308.30
TOTALS	10,489.10	39,319.92	49,809.02	10489.10	39319.92	49809.02

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

Date 9-17-54 *Payee Howe Sound Company

Per [signature] Title [signature]

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

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

(Instructions on reverse)

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

$ 5244.55

Signature [signature]
(Authorized Certifying Officer)

Date 9/23/54 Vou. No. 1294
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E644 in accordance with the terms of the contract.

Signature /S/ John R McWilliams Title Mining Engr. Date 9/21/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Goldsk Title Mining Engr. Date 9/21/54

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

Defense Minerals Administration
RECEIVED
SEP 27 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 195 4 Docket No. DMEA 3142 Contract No. ldm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Feet	4,900.60	113	26,240.88	765	34.30		
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Feet	1,152.25	419	1,710.50	622	2.75	7,000	2.75
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Diamond Drill Sta.	Each	-	-	790.00	2	395.00	10	490.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		4,436.25		21,067.64				31,607.01
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		10,489.10		49,809.02				

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

Date 9-17-54 Operator Howe Sound Company
Per [signature] Title [illegible]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narrative of the Buckskin Mountain exploration work accomplished during the month of August, 1954.

The 1500 drift east was advanced 113 feet from U.S.B.M. No. 392 + 662 to + 775.

The drift was driven in diorite and biotite schist.

The 2300-volt line was extended eastward to the transformer station at the 8800 coordinate (location incorrectly stated in June's report as on the 9700 coordinate.) A low voltage line was put in eastward from the transformer station to two 15 H.P. fans which were installed at the 8800 and 9600 coordinates respectively. These fans are in series with the 25 H.P. fan and blow through the 15-inch line toward the face.

A new battery and battery box for the Titan locomotive was put into service. A 3-ton trolley locomotive previously used on the 2125 level was taken to the 1500 level. It is now used to make up trains of 130-cubic-foot cars after the cars have been filled at the east transfer station with rock from the exploration drift.

Diamond drilling was completed at the 9600 coordinate.

During the last third of the month the heading was worked daily on a 2-shift basis.

Other miscellaneous information is given below:

Drift advance	-	113 feet
Rounds blasted	-	19
Advance per round	-	5.9 feet
Drift advance since Feb. 1, 1954	-	765 feet
Average tram to drift collar	-	3,527 feet
Rock bolts used	-	52
Rock bolts used since Feb. 1, 1954	-	333
EX core drilling	-	419 feet
EX core drilling since Feb. 1, 1954	-	622 feet

Maps are appended to this report.

Yours very truly,

J. S. Roper
Manager

JSR:mb

Enclosures

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

July 4 1954 3142

Month of July 4 1954 3142

Operator's Name Howe Sound Company - Chelan Division

Address Holden, Washington

Contract No. ldm-E644

Minerals Copper

Contract Amount, $ 219,400.00

Government Participation: 50 %

Amount, $ 109,750.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Core	558.25	-	558.25	558.25	— o —	558.25
Drilling						
Bulldozing						
Crosscutting						
Diamond Drill Sta. Drifting	-	790.00	790.00		790.00	790.00
(2) Labor and Supervision:	1,777.99	7,612.08	9,390.07	1777.99	7612.08	9390.07
Labor	54.80	332.38	387.18	54.80	332.38	387.18
Supervision	87.92	439.55	527.47	87.92	439.55	527.47
Technical Services						
(3) Operating Mat'ls. and Supplies:	151.04	517.77	668.81	151.04	517.77	668.81
Timber	484.52	2,496.66	2,981.18	484.52	2496.66	2981.18
Explosives		866.34	866.34		866.34	866.34
Fuse	10.48	670.56	681.04	10.48	670.56	681.04
Drill Steel & Bits	151.29	1,304.98	1,456.27	151.29	1304.98	1456.27
Electric Cable-Inst'n	1.00	32.77	33.77	1.00	32.77	33.77
Vent. Pipe-Inst'n	11.50	6.18	17.68	11.50	6.18	17.68
(4) Operating Equipment:						
Rental	6,049.97	10,966.24	17,016.21	6049.97	10581.42	16631.39
Purchase	83.25	405.75	489.00	83.25	405.75	489.00
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:	129.32	723.36	852.68	129.32	723.36	852.68
Repairs to Equipment	-	8.20	8.20		8.20	8.20
Sampling and Analysis	49.38	329.71	379.09	49.38	329.71	379.09
Payroll Taxes	71.62	294.09	365.71	71.62	294.09	365.71
Liability Insurance	189.81	925.11	1,114.92	189.81	925.11	1114.92
Tramming Compressed Air	42.67	773.16	815.83	42.67	773.16	815.83
(8) Contingencies (approx): Miner's Lamps	9.06	33.22	42.28	9.06	33.22	42.28
Handling Supplies	44.73	218.03	262.76	44.73	218.03	262.76
Totals	9,958.60	29,746.14	39,704.74	9958.60	29361.32	39319.92

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

Date 9-7-54 *Payee Howe Sound Company

Per [signature] Title [signature]

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

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

(Instructions on reverse)

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

$ 4979 30

Signature [signature]
(Authorized Certifying Officer)

Date 9/23/54 Vou. No. 1294
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E6644 in accordance with the terms of the contract.

Signature 1st John R McWilliams Title Mining Eng Date 9/14/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 1st Stephen W Zoldok Title Mining Eng Date 9/15/54

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

Bureau Mines
RECEIVED
SEP 27 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1954 Docket No. DMEA 5142 Contract No. ldm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Feet	3,350.38	111	21,540.28	652	32.73		
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Feet	558.25	203	558.25	203	2.75	7,000	2.75
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Diamond Drill Sta.	Each	-	-	790.00	2	395.00	10	490.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		6,049.97		17,016.21				31,607.01
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		9,958.60		39,704.74				

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

Date 9-7-54 Operator Howe Sound Company
Per [signature] Title [signature]

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. 1dm-E644

The following is a narration of the Buckskin Mountain exploration work accomplished during the month of July, 1954.

The 1500 drift east was advanced 111 feet from U.S.B.M. No. 392 + 551 to + 662 feet.

The drift was driven in diorite and in amphibole schist.

Beginning late in the month the rounds were drilled so as to give a high and narrow arch to the back. Whether or not this will lessen the need for rock bolts is inconclusive at this date.

Seventeen hundred feet of electric cable for a 2300-volt line were installed eastward from about the 6300 coordinate. Messenger cable was installed as far east as the 8800 coordinate. An oil switch for the 2300-volt line was mounted at the fan station on the 6370 coordinate.

The Canton-type car transfer was moved to the diamond drill station at the 10,000 coordinate.

A Boyles Brothers I-U diamond drill was moved into the heading and core-drilling was begun in the drill station at the 9600 coordinate.

Other miscellaneous information appears in the table below:

Drift advance	-	111 feet
Rounds blasted	-	17
Advance per round	-	6.5 feet
Drift advance since February 1, 1954	-	652 feet
Average distance of tram to drift collar	-	3,414 feet
Number rock bolts used	-	6
Number rock bolts used since Feb. 1, 1954	-	281
EX core drilling	-	203 feet
Total EX core drilling since Feb. 1, 1954	-	203 feet

Maps are appended to this report.

Yours very truly,

J. S. Roper
Manager

JSR:mb

Enclosures

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

Budget Bureau No. 42-R1036.5

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

Month of June, 1954 Docket No. DMEA 3142 Contract No. ldm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington
Contract Amount, $ 219,400.00 Government Participation: 50 % Amount, $ 109,750.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Diamond Drill Sta.	$ 490.00	$ 300.00	$ 790.00	490.00	300.00	790.00
(2) Labor and Supervision:						
Labor	1,838.64	5,773.44	7,612.08	1838.64	5773.44	7612.08
Supervision	71.99	260.39	332.38	71.99	260.39	332.38
Technical Services	94.26	345.29	439.55	94.26	345.29	439.55
(3) Operating Mat'ls. and Supplies:						
Timber	180.18	337.59	517.77	180.18	337.59	517.77
Explosives	410.51	2,086.15	2,496.66	410.51	2086.15	2496.66
Pipe	7.68	858.66	866.34	7.68	858.66	866.34
Track	-	670.56	670.56	—	670.56	670.56
Drill Steel and Bits	160.30	1,144.68	1,304.98	160.30	1144.68	1304.98
Electric Cable-Inst'n	30.30	2.47	32.77	30.30	2.47	32.77
Vent Pipe - Inst'n	3.10	3.08	6.18	3.10	3.08	6.18
(4) Operating Equipment:						
Rental						
Purchase	824.40	10,141.84	10,966.24	794.30	9787.12	10581.42
Depreciation	54.00	351.75	405.75	54.00	351.75	405.75
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	99.66	623.70	723.36	99.66	623.70	723.36
Sampling and Analysis	-	8.20	8.20		8.20	8.20
Payroll Taxes	27.89	301.82	329.71	27.89	301.82	329.71
Liability Insurance	64.94	229.15	294.09	64.94	229.15	294.09
Tramming	123.12	801.99	925.11	123.12	801.99	925.11
Compressed Air	22.88	750.28	773.16	22.88	750.28	773.16
~~(8) Contingencies (specify)~~:						
Miners' Lamps	9.06	24.16	33.22	9.06	24.16	33.22
Handling Supplies	29.02	189.01	218.03	29.02	189.01	218.03
TOTALS	$ 4,541.93	$ 25,204.21	$ 29,746.14	4511.83	24849.49	29361.30

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

Date 7/12/54 *Payee Howe Sound Company

Per [signature] Title Vice Pres.

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

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

(Instructions on reverse)

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

$ 2255.91

Signature [signature]
(Authorized Certifying Officer)

Date 7/20/54 Vou. No. 1218

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 644 in accordance with the terms of the contract.

Signature /S/ John R. McWilliams Title Mining Engr Date 7/14/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldak Title Mining Engr Date 7/14/54

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1954 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Feet	$3,227.53	72	$ 17,989.90	541	$ 33.25	4100	
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Diamond Drill Sta.	Each	490.00	1	790.00	2	395.00	10	$ 490.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		824.40		10,966.24				31,607.01
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$4,541.93		$ 29,746.14				

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

Date 7/12/54 Operator Howe Sound Company

Per [signature] Title Vice Pres.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

JUL 26 1954

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narration of the Buckskin Mountain exploration work accomplished during the month of June, 1954.

The 1500 drift east was advanced 72 feet from U.S.B.M. No. 592 #479 to #551 feet. A diamond drill station was cut at the 10,000 coordinate to depths of 9 and 10 feet into the south and north ribs, respectively, of the drift.

The drift was driven in diorite.

One Hundred twenty-four rock bolts were installed to stabilize the back in the last 450 feet of the drift. A considerable part of this interval already had some rock bolts in it.

One set of timber was installed in the drift in a faulted area at about the 8700 coordinate.

The monorail, which is used in the dumping of the 30-cubic foot cars at the collar of the exploration drift, was lengthened by the addition of a 14-foot section.

New electric cable was installed in the 1500 haulage drift from the 283 winze station eastward to beyond the 6300 coordinate.

About one cubic yard of concrete was placed on the floor of the diamond drill station at the 9700 coordinate to make a suitable place for the installation of transformers.

Other miscellaneous information appears in the table below:

Drift Advance	-	72 feet
Rounds blasted in drift	-	12
Advance per round	-	6.0 feet
Drift advance since February 1, 1954	-	541 feet
Average distance of tram to drift collar	-	3,303 feet
Number rock bolts used	-	124

Survey and geologic maps are appended to this report.

Yours very truly,

J. S. Roper
Manager

JSR:mel

Enclosures

Form MF-104 (Rev. April 1953)

REC
JUN 14 1954
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1954 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington
Contract Amount, $ 219,400.00 Government Participation: 50 % Amount, $ 109,750.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Diamond Drill Station		$ 300.00	$ 300.00			
(2) Labor and Supervision:						
Labor	$1,512.68	4,260.76	5,773.44	1512.68		
Supervision	67.34	193.05	260.39	67.34		
Technical Services	72.31	272.98	345.29	72.31		
(3) Operating Mat'ls. and Supplies:						
Timber	57.11	280.48	337.59	57.11		
Explosives	607.76	1,478.39	2,086.15	607.76		
Pipe	254.28	604.38	858.66	254.28		
Track	271.96	398.60	670.56	271.96		
Drill Steel & Bits	281.56	863.12	1,144.68	281.56		
Elect. Cable Inst'n	-	2.47	2.47			
Vent. Pipe Installation	1.55	1.53	3.08	1.55		
(4) Operating Equipment:						
Rental						
Purchase	5,489.72	4,652.12	10,141.84	5135.00		
Depreciation	98.25	253.50	351.75	98.25		
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	86.62	537.08	623.70	86.62		
Sampling and Analysis	5.00	3.20	8.20	5.00		
Payroll Taxes	65.48	236.34	301.82	65.48		
Liability Insurance	60.34	168.81	229.15	60.34		
Tramming	224.01	577.98	801.99	224.01		
Compressed Air	33.96	716.32	750.28	33.96		
~~(8) Contingencies (specify):~~						
Miners' Lamps	6.04	18.12	24.16	6.04		
Handling Supplies	52.79	136.22	189.01	52.79		
TOTALS	$ 9,248.76	$ 15,955.45	$ 25,204.21	8894.04	15955.45	24849.49

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

Date JUN 11 1954 *Payee Howe Sound Company

Per [signature] Title Vice President

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

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

(Instructions on reverse)

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

$ 4447.02

Signature [signature] (Authorized Certifying Officer)

Date 6/23/54 Vou. No. 1197

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E644 in accordance with the terms of the contract.

Signature /S/ Stephen W Zoldok Title Mining Engr Date 6/15/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldok Title Mining Engr Date 6/15/54

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1954 Docket No. DMEA 3142 Contract No. ldm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Feet	$3,759.04	131	$ 14,762.37	469	$ 31.48	4100	
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Diamond Drill Station	Each			300.00	1	300.00	10	$ 490.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		5,489.72		10,141.84				$ 31,607.01
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$9,248.76		$ 25,204.21				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date JUN 11 1954 Operator Howe Sound Company

Per [signature] Title Vice President

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

United States Departme[illegible] the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

Defense Minerals Exploration Administration
JUN 28 1954

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. ldm-E644

The following is a narration of the Buckskin Mountain exploration work accomplished during the month of May, 1954.

The 1500 drift east was advanced 131 feet from U.S.B.M. #392 +348 to +479 feet.

The heading was driven mainly in amphibole biotite schists, some of which showed slight mineralization.

Rock bolts were used to hold the back in part of the new advance. These bolts were put in with wooden head boards and without pattern.

A new battery, made up of 77 A6 cells, was put into service on the 4-ton locomotive. With this battery a loaded train of ten 30-cubic foot cars are handled, and as a result about an hour of overtime is saved per day by each of the two crew members.

Below is a tabulation of data relevant to the work performed:

Advance	- 131 feet
Rounds blasted	- 22
Advance per round	- 6.0 feet
Total advance since February 1, 1954	- 469 feet
Average distance of tram to drift collar	-3,231 feet
Number rock bolts used	- 30

Survey and geologic maps are appended to this report.

Yours very truly,

J. S. Roper
Manager

JSR:mel

Enclosures

Form MF-104 (Rev.)
(April 1952)*

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

RECEIVED
MAY 20 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1954 Docket No. DMEA 3142 Contract No. ldm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington
Contract Amount, $ 219,400.00 Government Participation: 50 % Amount, $ 109,750.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Diamond Drill Station		$ 300.00	$ 300.00			
(2) Labor and Supervision:						
Labor	$1,391.51	2,869.25	4,260.76			
Supervision	66.05	127.00	193.05			
Technical Services	127.43	145.55	272.98			
(3) Operating Mat'ls. and Supplies:						
Timber	-	280.48	280.48			
Explosives	538.17	940.22	1,478.39			
Pipe	166.62	437.76	604.38			
Track	43.35	355.25	398.60			
Drill Steel & Bits	272.14	590.98	863.12			
Elect. Cable Install'n	-	2.47	2.47			
Vent. Pipe Install'n	1.53	-	1.53			
(4) Operating Equipment:						
Rental						
Purchase	137.45	4,514.67	4,652.12			
Depreciation	79.50	174.00	253.50			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	190.97	346.11	537.08			
Sampling and Analysis	-	3.20	3.20			
Payroll Taxes	79.25	157.09	236.34			
Liability Insurance	54.12	114.69	168.81			
Tramming	181.26	396.72	577.98			
Compressed Air	29.75	686.57	716.32			
~~(8) Contingencies (specify).~~						
Miners' Lamps	6.04	12.08	18.12			
Handling Supplies	42.72	93.50	136.22			
TOTALS	$3,407.86	$ 12,547.59	$ 15,955.45	3407.86	12547.59	15955.45

I certify that the above bill is correct and just and that payment therefor has not been received.

Date May 6, 1954 Payee Howe Sound Company

Per [signature] Title Vice President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1703 93

Signature [signature]
(Authorized Certifying Officer)

Date 5/14/54 Vou. No. 1160
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 644 in accordance with the terms of the contract.

Signature /S/ Stephen W Zoldok Title Mining Engr Date 5/12/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldok Title Mining Engr Date 5/12/54

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1954 Docket No. DMEA 3142 Contract No. ldm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Feet	3,270.41	106	11,003.33	338	32.55	4,100	
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Diamond Drill Station	Each			300.00	1	300.00	10	490.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		137.45		4,652.12				31,607.01
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3,407.86		15,955.45				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date May 6, 1954 Operator Howe Sound Company

Per [signature] Title Vice President

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

Department of the Interior
Defense Minerals Administration
RECEIVED
MAY 20 1954

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

Gentlemen:

Re: Docket No. DMEA 5142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narrative of the Buckskin Mountain exploration work accomplished during the month of April, 1954.

The 1500 drift east was advanced 106 feet from U.S.B.M. No. 392 +242 to +348 feet. At U.S.B.M. No. 392 +274 feet the heading was turned from N.77°E. to due east (mine bearing).

The advance was made in biotite schist and in peridotite. Excessive sloughing from the back slowed progress during the first three weeks of the month.

It was necessary to reblast two rounds in which powder in one or more holes had failed to detonate in the initial blasts.

Below are data regarding the work performed:

Advance	106 feet
Rounds blasted (excluding reblasts)	19
Advance per round	5.6
Average distance of tram to collar of drift	3,100 feet
Rock bolts used	none

Survey and geologic maps are appended to this report.

Yours very truly,

John J. Curzon
Manager

JJC:mel

Form MF-104 (Rev.) (April 1952)

RECEIVED BUREAU OF MINES APR 16 1954 SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

Defense Minerals Administration RECEIVED APR 29 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March, 1954 Docket No. DMEA 3142 Contract No. Idm-E644

Operator's Name Howe Sound Company - Chelan Division Minerals Copper

Address Holden, Washington

Contract Amount, $ 219,410.00 Government Participation: 50 % Amount, $ 109,705.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Diamond Drill Station	300.00	$ -	$ 300.00			
(2) Labor and Supervision:						
Labor	1,586.42	1,282.83	2,869.25			
Supervision	59.55	67.45	127.00			
Technical Services	107.43	38.12	145.55			
(3) Operating Mat'ls. and Supplies:						
Timber	129.44	151.04	280.48			
Explosives	524.59	415.63	940.22			
Pipe	21.16	416.60	437.76			
Track	4.33	350.92	355.25			
Drill Steel and Bits	246.22	344.76	590.98			
Elect. Cable Install'n	2.47	-	2.47			
(4) Operating Equipment:						
Rental						
Purchase	4,514.67	-	4,514.67			
Depreciation	93.75	80.25	174.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	84.75	261.36	346.11			
Sampling and Analysis	-	3.20	3.20			
Payroll Taxes	87.67	69.42	157.09			
Liability Insurance	60.98	53.71	114.69			
Tramming	213.75	182.97	396.72			
Compressed Air	264.07	422.50	686.57			
(8) ~~Contingencies (specify):~~						
Miners' Lamps	6.04	6.04	12.08			
Handling Supplies	50.38	43.12	93.50			
TOTALS	$8,357.67	$ 4,189.92	$ 12,547.59	8357.67	4189.92	12547.59

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 4/14/54 *Payee Howe Sound Company

Per [signature] Title Vice President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 4178.83

Signature [signature] (Authorized Certifying Officer)

Date 4/23/54 Vou. No. 1143 (See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 644 in accordance with the terms of the contract.

Signature /S/ John R. McWilliams Title Mining Eng. Date 4/19/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W. Zoldok Title Mining Eng. Date 4/19/54

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except ~~in cases of equipment~~ purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 29 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1954 Docket No. DMEA 3142 Contract No. ldm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Feet	$3,543.00	125	$ 7,732.92	232	$ 33.33	4,100	
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Diamond Drill Station	Each	300.00	1	300.00	1	300.00	10	$ 490.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		$4,514.67		$ 4,514.67				$31,607.01
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$8,357.67		$ 12,547.59				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 4/14/54 Operator Howe Sound Company

Per [signature] Title

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

EXTRA AS REQUESTED.

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 29 1954

Gentlemen:

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E644

The following is a narration of the Buckskin Mountain exploration work accomplished during the month of March, 1954:

The 1500 drift east was advanced 125 feet from U.S.B.M. #392 f117 to f242 feet. A diamond drill station was cut to a depth of 4 feet in each rib of the drift at the 9600 coordinate.

The heading was driven in diorite and in amphibole gneiss.

Rock bolts were installed to support the back to #392 f142 feet.

A 4-ton battery locomotive and a 7.5 KW battery charger, which were recently purchased, were put into service in the drift. The 80 A5 batteries which are being used temporarily in the locomotive, are adequate for only one 6-car trip from the face without recharging, so a 1 1/2-ton locomotive is also used to tram cars to the 1500 haulage drift.

The Canton-type car transfer was moved to the drill station at the 9600 coordinate allowing the trains of loaded cars to be made up at this point.

Below is a tabulation of data regarding the work performed:

Advance	-	125 feet
Rounds blasted (excluding drill station)	-	20
Advance per round	-	6.25
Average distance of tram to collar of drift	-	2,984 feet
No. rock bolts used	-	47

Survey and geologic maps are appended to this report.

Yours very truly,

John J. Curzon

John J. Curzon
Manager

JJC:mel

Enclosures

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53
Defense Minerals Administration
RECEIVED
APR 12 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 1954 Docket No. DMEA 3142 Contract No. ldm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington
Contract Amount, $ 219,410.00 Government Participation: 50 % Amount, $ 109,705.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	$1,282.83					
Supervision	67.45					
Technical Services	38.12					
(3) Operating Mat'ls. and Supplies:						
Timber	151.04					
Explosives	415.63					
Pipe	416.60					
Track	350.92					
Drill Steel and Bits	344.76					
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	80.25					
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	261.36					
Sampling and Analysis	3.20					
Payroll Taxes	69.42					
Liability Insurance	53.71					
Tramming	182.97					
Compressed Air	422.50					
~~(8) Contingencies (specify):~~						
Miners' Lamps	6.04					
Handling Supplies	43.12					
TOTALS	$4,189.92			4189.92		4189.92

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Mar. 22, 1954 Payee Howe Sound Company

Per [signature] Title Vice President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 2094 96

Signature [signature]
(Authorized Certifying Officer)

Date 4/1/54 Vou. No. 1128
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E644 in accordance with the terms of the contract.

Signature /S/ John R McWilliams Title Mining Engr Date 3/25/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldok Title Mining Engr Date 3/25/54

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAY 12 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1954 Docket No. DMEA 3142 Contract No. Idm-E644
Operator's Name Howe Sound Company - Chelan Division Minerals Copper
Address Holden, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Feet	$4,189.92	107				4,100	
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$4,189.92	107					TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS								

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date May 22, 1954 Operator Howe Sound Company

By [signature] Title Vice President

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

United States Department of the Interior
Defense Minerals Exploration Administration
1201 North Division Street
Spokane 2, Washington

DEPT. OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 12 1954

Re: Docket No. DMEA 3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. IDM - E 644

Gentlemen:

The following is a narration of the Buckskin Mountain exploration work accomplished during the month of February, 1954:

DMEA work, which began on February 1, 1954, advanced the 1500 drift east 107 feet from U.S.B.M. # 392 + 10 to + 117 feet. A small amount of drilling was done toward cutting a diamond drill station at the 9,600 coordinate.

The heading was driven in amphibole gneiss containing marble streaks with garnet, all of which was cut by replacement diorite dikes.

As the heading advanced systematic rock bolting kept the back supported to within a very short distance of the face. Bolts used were of the split-pin type and were made in our shop. They were installed in rows of 4 across the back with 4-foot spacing between rows. At the start of the month rows of 3 with a 5-foot spacing were tried but this pattern did not adequately hold the rock.

In a normal day the 2-man crew completed a working cycle in an 8-hour shift with about 2 hours overtime. Their cycle was mucking out, rock bolting, drilling, and blasting. An incentive bonus schedule covered all these operations as well as installation of air, water and ventilation pipe when needed.

Tramming from the face was done by a 1 1/2-ton battery locomotive; a spare battery was required to accomplish a working cycle in one day. Trains of 3 cars were made up at the 455 crosscut south which is 480 westward from U.S.B.M. # 392. The muck broken by one round fills about 18 to 21 30-cubic foot cars. The broken rock is hauled to a transfer station which is some 2,805 westward from U.S.B.M. # 392. At the transfer station muck from the smaller cars is dumped with the aid of an air hoist, into 130 cubic foot cars which are parked in the 1500 haulage drift at a slightly lower horizon than the exploration heading. From this point it is about a 3,860 foot haul to the mine portal.

Below is tabulated a list of data regarding the work performed:

<u>Drilling Operation</u>

Drills used	- 3 1/2" drifters.
Jumbo	- 2 machine, hydraulic drill, jib with 10' feed.
Drill steel	- 1-inch, quarter octagon, carbon steel.
Drill bits	- 4 wings, 1 1/2", tungsten carbide, detachable.
No. holes in round	- 34.
Depth of holes	- 7 feet.
Type of round	- burn cut.

Blasting

Rounds in February	- 18
Advance per round	- 6.5 feet
Powder type	- 65% semi-gelatin
Cartridge size	- 1 1/4" x 8"
Cartridge per round	- 262 (About 114 pounds)

Mucking and Tramming

Muck cars	- 30 cubic foot, rocker dump
Tramer	- 1 1/2 battery tramer
Length of tram (in 30 cubic foot cars)	- about 2,900 feet
Cars of muck per round	- 18 to 21
Cars pulled per trip	- 3

Rock Bolting

Rock bolts	- 1" x 5' split pin type
No. bolts used	- 74
Washers on bolts	- 3/8" and 1/2" plate (No wooden head boards)

Miscellaneous

Size of heading	- 7' x 7'
Track gage	- 24"

Yours truly,

John J. Curzon
Manager

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

1201 N. Division St.
Spokane 2, Washington
March 17, 1954

Howe Sound Mining Company
Chelan Division
Holden, Washington

Re: Docket No. DMEA 3142 (copper)
Holden Mine
Howe Sound Company
Contract No. Idm-2644

Gentlemen:

Reference is made to your letter of March 12, 1954 to Mr. R. J. Hindman, Certifying Officer, concerning the method of payment for 1000 feet of 3 conductor No. 1 Tyrex cable which you have in stock and wish to use under the DMEA exploration contract.

We have no objections to your using the 3 conductor cable out of your warehouse stock; however, only the actual cost of the cable, which can be supported by an invoice, may be claimed for reimbursement even though the current price of the cable may be greater than when purchased.

We also have no objections to your mechanical department constructing a battery box if its cost is less than the estimated $572.00 authorized under Amendment No. 1. The only requirement would be that a detailed record of all labor and materials be kept to show how you arrived at the cost of the box.

By Field Team, Region II

A. E. Weissenborn, Executive Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

Contr. Admin. & Audit Div.

cc: DMEA, Wash. (2)
USGS (2)
Certifying Officer
Auditor

HOWE SOUND COMPANY
Chelan Division
Holden, Wash.

March 12, 1954

Mr. R. Hindman
Certifying Officer DMEA
Bureau of Mines
North 1207 Division Street
Spokane, Washington

Dear Mr. Hindman:

Re: Docket No. DMEA-3142
Holden Mine
Contract No. Idm-3644

Due to extra work on our engineering and accounting departments at the first of the month, we were unable to prepare the necessary documents for your report as quickly as we had hoped.

It has recently been forwarded to New York and should be sent to your office in short order.

We have in stock 1,000 feet of 3-cond. No. 1 Tyrex cable which was originally purchased for a shaft sinking program. This is the same type of cable that will be used in the exploration contract. We will have to install this type of cable in April and are desirous to know if it is permissible to charge this 1,000 feet from stock at current prices and forward a certified copy of the purchase invoice with the increased price added when our account is submitted. We suggest the use of current prices as this cable will have to be replaced when our shaft sinking program is resumed.

Our mechanical department now advises that they can construct a battery box for less than the price shown in Amendment No. 1 of $572.00 which covers a factory-made box.

Your comments on the above proposals will be appreciated at your convenience.

Yours very truly,

R. Scott /s/

R. Scott

RS:mel

COPY

Audio Copy

DATE	INITIALS	COMMENTS

AMERICAN STABILIZATION PROTECTS CONTRACT
BANK ACTING GENERAL
SOUTHEY EN, 1948-1950

PRINCIPAL AGREEMENT

This agreement made this 24th day of July 1947, between the United States of America, acting through the Department of the Treasury, hereinafter designated the "Contracting Corporation", hereinafter called the "Government", and Bank Central Company, hereinafter called the "Contractor", pursuant to Federal Stabilization Project contract IDA-1948 (Docket No. 1147), dated June 30, 1947, hereinafter called the "Contract", that:

1. Effective June 1, 1947, the Contractor and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall continue to allocate bank insured money to meet effective date, and shall continue to allocate extra insured or to be insured deficiency with said original date in performing winding-up and terminal expense provided for in the Contract, including (a) the preservation and disposal of property on the day or after the determination of termination, and (b) the settle and reclaiming of taxes and accounts.

3. The Contractor shall promptly perform all liquidating and accounting services provided for in the Contract, including (a) the disposal of any Contractor facilities, fixtures, equipment, or other items, the cost of which the Government has reimbursed, and (b) the collecting of the final water and rental account. All rights of the Government under the Contract shall remain in effect, and all rights with respect to accounts, and all rights with respect to recovery of payment, are preserved.

Audit Copy

DATE	INITIALS	CODE

[redacted]

[redacted]

[redacted]

[redacted]

It is agreed this 31st day of July 1957, between the United States of America, acting through the Department of the Interior, Bureau of Reclamation (hereinafter sometimes called the "Government") and the Water Users' Association (hereinafter sometimes called the "Operator") parties to Contract Reclamation Project, Contract Ilr-1047 (Contract No. 7[illegible]), dated June 25, 1954, hereinafter called the "Contract", that:

1. Effective June 1, 1957, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute to allowable costs incurred prior to said effective date and shall contribute to allowable costs incurred or to be incurred beginning with said effective date in performing winding-up and equipment salvage provided for in the Contract, including (a) the preservation and disposal of property to the end of after the Government has established, and (b) the making and rendering of reports and accounts.

3. The Operator shall promptly perform all winding-up and equipment salvage provided for in the Contract, including (a) the disposal of any buildings, buildings, fixtures, equipment, or other items to the end of which the Government has authorized and (b) the rendering of the final report and final account. All rights of the Government under the contract with respect to audits, audits, and all rights with respect to recovery of overpayment, are preserved.

4. The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer, shall pay to the Government the royalty on production provided for in the Contract in the same manner and amount, for the same period, and subject to the same conditions as if a certification of discovery or development has been made, such certification being hereby waived.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided for in this Termination Agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By C O Mitchendorf
Administrator, Defense Minerals
Exploration Administration

HOWE SOUND COMPANY

By William T. Holmes
William T. Holmes

Title Secretary-Treasurer

Contract No. Idm-E [illegible]

Docket No. 3142

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
December 7, 1953	I	Washington	Copper

Name and Address of Operator: Nevo Sound Company
720 5th Avenue
New York, N. Y.

	Reserve	Obligation
Prior Amount	0	181,920.00
Increase	0	0
Decrease	0	~~27,565.55~~
Revised Amount	0	154,354.45

Remarks:

ALLEN S. DAKAN
(Name)
Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 9/10/57

989[illegible]

Contract No. Idm-E 644

Docket No. 3142

DEPARTMENT OF THE INTERIOR

Executed amendment

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
December 7, 1953	I NW	Washington	Copper

Name and Address of Operator: Howe Sound Company
730 5th Avenue
New York, N. Y.

	Reserve	Obligation
Prior Amount	$26,925.00	$154,995.00
Increase	0	26,925.00
Decrease	26,925.00	0
Revised Amount	0	$181,920.00

Remarks:

(Name)
Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 11/6/56

98963

Government's copy

AMENDED EXPLORATION PROJECT CONTRACT
HOWE SOUND COMPANY
DOCKET NO. DMEA-3142

AMENDMENT NO. 3

It is agreed this 10th day of October, 1956, between the United States of America, acting through the Department of the Interior, and Howe Sound Company, that Amended Exploration Project Contract Idm-E644 (Docket No. DMEA-3142), dated June 25, 1954, as amended (hereinafter referred to as the "Amended Contract"), is further amended as follows:

1. The completion date, extended by Amendment No. 2 to July 1, 1956, is hereby further extended to January 1, 1958.

2. The maximum period for royalty payments and lien for the payment thereof, provided for in the Amended Contract, is extended to thirteen years.

3. All the work delineated in Exhibit "A" attached to Amendment No. 2 (dated January 17, 1956) to the Amended Contract, shall hereafter be referred to as Stage I work.

4. The following Stage II work and costs are added to the Amended Contract.

STAGE II

Description of the Work

A. Underground diamond drilling

1. One diamond drill hole, not to exceed 1200 feet in length, EX size or larger, shall be drilled from the face of the Buckskin drift, 1500 level.

2. Five drill holes, not to exceed a total length of 3000 feet, EX size or larger, shall be drilled downward from the 2500 level.

B. Surface drilling

1. Northwest Area. Three holes shall be drilled from the surface, not to exceed a total length of 3000 feet, in the Northwest Area. All diamond drilling done in bedrock shall be AX size or larger.

2. Ebbutt's Breccia Area. Three holes shall be diamond drilled, not to exceed a total length of 1000 feet, AX size or larger, in the Ebbutt's Breccia Area.

C. All drill holes shall be logged and all drill core shall be made available to the Government for examination.

All significantly mineralized core shall be properly sampled and the samples assayed for gold, silver, copper and zinc. Assays, logs of drill holes, and proper plan maps and sections showing progress of the work, shall be furnished to the Government.

D. The location, direction and inclination of all diamond drilling, both underground and from the surface, shall be subject to prior approval of the Government.

ESTIMATED COSTS OF STAGE II

I. Agreed Unit Costs

1500 level	
1200 feet of diamond drilling at $3.70 per ft.	$4,440.00
2500 level	
3000 feet of diamond drilling at $4.25 per ft.	12,750.00
30 samples to be assayed at $3.50 per sample	105.00
Total agreed unit costs	$17,295.00

The Government will contribute to the agreed unit costs set forth above as they accrue for units of work actually performed, in lieu of, and without regard to, the actual costs incurred for such work.

Actual Costs, Surface Drilling

(1) Independent Contracts

Drilling and driving pipe through overburden estimated 600 feet at $10.00 per ft.	$6,000.00
Diamond drilling, to depth of 500 feet estimated 1900 feet at $6.00 per ft.	11,400.00
Diamond drilling, depths from 500 to 1000 feet, estimated 1500 feet at $7.30 per ft.	10,950.00

Reaming and casing of drill holes, estimated 680 feet at $2.50 per ft.		$1,700.00
Cementing of drill holes, estimated 680 feet at $2.50 per ft.		1,700.00
Total estimated cost, Independent Contracts		$31,750.00

(2) Labor, Supervision, Consultants

(a) and (b) Supervising engineer - geologist, 7 months at $600.00 monthly, half time $300.00	$2,100.00	
(c) Labor Engineer's helper 70 days at $15.00	1,050.00	3,150.00

(3) Operating materials and supplies

240 core boxes at $2.50 each		600.00

(4) Operating Equipment

None

(5) Rehabilitation and repairs

None

(6) New Buildings, improvements, installations

None

(7) Miscellaneous

Mobilization of surface drill	$755.00	
3 drill moves at $65.00 each	195.00	
30 samples to be assayed at $3.50 each	105.00	1,055.00

(8) Contingencies

None

Summary of Costs

Estimated Total Costs Stage I (See Amendment No. 2 to Amended Contract)	$309,990.00
Estimated Total Costs Stage II	53,850.00
Estimated Total Cost of Project	$363,840.00
Government's Participation at 50%	$181,920.00

Executed in sextuplicate the day and year first above written.

UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

HOWE SOUND COMPANY

By _____

Title _____

Contract No. Idm-E 644

Docket No. 3142

DEPARTMENT OF THE INTERIOR

~~Approved Contract~~ Revision of Approved amend.

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
December 7, 1953	I NW	Washington	Copper

Name and Address of Operator: Howe Sound Company
730 5th Avenue
New York, N. Y.

	Reserve	Obligation
Prior Amount	$24,375.00	$154,995.00
Increase	$ 2,550.00	0
Decrease	0	0
Revised Amount	$26,925.00	$154,995.00

Remarks:

(Name)

Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 10/11/56

98963

RECEIVED
OCT - 1 1956

xxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

September 28, 1956

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3142 (Copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Idm-E744

Dear Mr. Selfridge:

Enclosed are all copies of Amendment No. 3 to the subject contract which the Howe Sound Company has returned unsigned. Also enclosed are two copies of a letter from the Operator stating his objections to the amendment. This letter, although dated August 18, 1956, was not received here until September 4. The Operator's main objection is to the prices authorized for both the underground and surface diamond drilling.

When we submitted our recommendations for additional work on July 2, 1956, we assumed that the established prices for underground drilling in the completed contract were firm and could not be raised for the new work; however, during his recent visit to Region I, Northwest District, Mr. Jay L. Chambers, Chief of the Contract Administration and Audit Division, pointed out that agreed unit costs can be raised where additional work is contemplated provided the Operator can justify the increased costs.

In his June 11 application, the Operator's estimate for drilling from the 1500 level drift was $3.50 per foot, and below the 2500 level $4.12 per foot. In his August 18 letter he estimates his drilling costs at from $3.70 to $4.15 per foot using figures quoted by Boyles Bros. With extras, this may amount to $4.25 per foot. Drilling costs are obviously now higher than were allowed under the original contract.

Since the cost of underground drilling under the schedule presented by Boyles Bros. would be variable, it is difficult to arrive at a valid estimated cost per foot. We suggest therefore that the underground drilling be placed on an actual cost basis with a maximum allowable of either $3.50 or $3.70 per foot for the 1500 level and $4.12 or $4.25 per foot for the 2500 level.

The Operator's objection to the costs of surface diamond drilling is concerned with the depth of the holes rather than with the cost per foot. The Operator originally proposed three holes each 1,750 feet long (250 in overburden + 1,500 feet in bedrock) costing $15,000 each. At our June 8 conference it was our understanding that these holes would each be 1,000 feet deep. In his letter of August 18 Mr. J. S. Roper, Manager, Chelan Division, Howe Sound Company, has used essentially the same costs as we did but because his holes are 500 feet deeper the total cost is higher. We believe that the 1,000-foot holes would be adequate to explore for the extension of the Holden zone. We would be glad to have you talk this over with Fred W. Cater, Jr., of the Geological Survey who is now in Washington, D. C. Our drilling recommendations were based on his advice.

In his June 11 letter, Mr. Roper estimated $50,000 as the cost of the three surface diamond drill holes; $45,000 for drilling and $5,000 for "preparatory work and moving," which presumably includes the cost of road construction. The cost of an access road was not discussed in our June 8 conference and appears to have been overlooked in the estimate of cost submitted following that meeting. Because of the rugged terrain $5,000 for a road to the drill sites does not seem excessive, but the cost is difficult to estimate closely. The Operator undoubtedly owns his own bulldozer and therefore we suggest an allowance of $10 per hour for a 50 H.P. or larger bulldozer complete with operator, fuel and maintenance, plus an allowance for whatever hand labor, powder, caps, fuse, drill steel and other supplies are needed, the total not to exceed a $5,000 maximum.

We assume that the $3,150 authorized under Technical Services is for the geologic study which is supposed to precede diamond drilling in the Northwest Area. However, the amendment as written does not specially mention that the work is to be done in the Northwest Area. The total amount is sufficient but it is difficult to forecast exactly how it should be broken down. Two geologists would be required at least part of the time and the salary of at least one should be higher--$600 a month would be more realistic. Also a helper employed on day's pay will be required part of the time. As written, the amendment will not cover these contingencies. Can it be revised slightly so as to be more flexible without increasing the cost of this item?

We are in accord with Mr. Roper's suggestion that the completion time be extended to January 1, 1958.

It is obvious that part of the trouble results from the fact that the Operator did not break down his estimated costs in sufficient detail. It is now apparent that the Field Team should have been more insistent that he do so. Actually there is little fundamental disagreement and we hope that the suggested changes and additions can be made to the amendment.

You will note that Mr. Roper states that a surface drill is being moved into the Northwest Area now. We understand that some surface geologic work was done last summer but inasmuch as the amendment was not in force we have not seen the results nor do we know what drilling site has been selected.

By Field Team, Region I, NW Dist.

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures

cc: USBM (2)
USBM (AD)
Turner
Sample

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington
March 9, 1956

RECEIVED
MAR 12 1956

Mr. J. S. Hoper, Manager
Chelan Division
Howe Sound Company
Holden, Washington

Re: Docket No. DMEA-3142 (copper)
Howe Sound Company
Holden Mine
Chelan County, Washington
Contract No. Ida-2644

Dear Mr. Hoper:

Your request of February 14 is hereby approved to use unexpended funds allowed for ventilation pipe for any item of actual cost allowable under Amendment No. 2 to the contract, except such items of actual cost as are subject to an allowable maximum.

The unexpended amount of $1,632.05 requested in your letter is subject to audit, as are other actual cost items in the contract, and therefore it is not considered a firm figure. However, use of the unexpended amount is approved within the limits stated.

By Field Team, Region I, NW District

A. E. Weissenborn, Executive Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: Mr. V. H. Clarke, Vice-Pres.

DMEA (3)
USGS (2)
USBM (AD)

C
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Y

HOWE SOUND COMPANY
Chelan Division
Holden, Wash.

RECEIVED
MAR 12 1956

February 14, 1956

Mr. Wing Agnew, Member
D.M.E.A. Field Team, Region II
Defense Minerals Exploration Administration
c/o U. S. Bureau of Mines
1201 N. Division St.
Spokane 2, Washington

Re: Docket No. DMEA 3142
Contract No. Idm-E644

Dear Mr. Agnew:

We hereby request permission to have the unexpended portion of funds allowable for ventilation pipe amounting to $1,632.05 set aside for any item of actual cost allowable under the Amended Contract No. Idm-E644 dated January 17, 1956, except such items of actual cost as are subject to an allowable maximum.

As per Contract	-	3500 ft. @ $2.00	$7,000.00
As Claimed to December 31, 1955	- Final -	3500 ft. @ $1.53	5,367.95
		Amount Unexpended	$1,632.05

This request is made in accordance with the foot note on page four of the Amended Contract.

Yours very truly,

J. S. ROPER /s/

J. S. Roper
Manager

JSR:jhk
cc: V. H. Clarke

Government's copy

RECEIVED
FEB 17 1956

AMENDMENT NO. 2
to
AMENDED EXPLORATION PROJECT CONTRACT Idm-E644
dated June 25, 1954
DOCKET NO. DMEA-3142
between
THE UNITED STATES OF AMERICA
and
HOWE SOUND COMPANY

It is agreed this 17th day of January, 1956, that the Amended Contract, as amended, is further amended as follows:

1. The completion date, which Article 3 of the Amended Contract prescribes as "not later than December 7, 1955," is hereby extended to July 1, 1956.

2. The maximum period for royalty payments and lien for the payment thereof, provided for in the Amended Contract, is extended to eleven years.

3. That portion of the second sentence of Article 10 of the Amended Contract beginning with the word "Provided" is deleted.

4. All of Exhibit "A" attached to the Amended Contract (except the two maps attached thereto which are incorporated by reference in Exhibit "A" attached to this Amendment) is deleted, and the attached Exhibit "A" is substituted.

This amendment shall not be construed to increase the estimated total cost of the project or the aggregate total amount which the Government may be required to contribute.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals
Exploration Administration

HOWE SOUND COMPANY

By [signature]

Title [signature]

RECEIVED
FEB 17 1955

AMENDED EXPLORATION PROJECT CONTRACT
HOWE SOUND COMPANY
DOCKET NO. DMEA-3142

EXHIBIT "A" of AMENDMENT NO. 2

Description of the Work

The purpose of the project is to explore for copper ores. The work is to be done on two levels, namely, the 1,500 and the 2,500, of the Holden Mine.

1500 Level

The work consists of drifting and crosscutting not in excess of 4,100 feet in an easterly direction from the existing drift on the 1500 level of the Holden Mine, and diamond drilling not in excess of 7,416 feet to test the eastern continuations of the general rock series which have been productive in the Holden Mine. The work is indicated roughly on the map entitled "Longitudinal Section through Holden Mine and Buckskin Mt., Nov. 5, 1953, DMEA-3142," which was attached to Exhibit "A" of the Amended Contract and is incorporated herein by reference. The location, direction, and inclination of the diamond drill holes shall be subject to Government approval. There shall be 10 diamond drill stations constructed.

2500 Level

The work consists of exploring in the Holden Mine at deeper horizons than are now known, by crosscutting and by diamond drilling from the 2500 level of this mine, roughly as indicated on the map dated April 2, 1954, entitled "Howe Sound Company, Chelan Division, Proposed Exploration below 2500 Level," which was attached to Exhibit "A" of the Amended Contract and is incorporated herein by reference. The location, direction, and extent of all work are subject to the approval of the Government. The crosscutting shall not be in excess of 1,368 feet and the diamond drilling shall not be in excess of 7,000 feet. Three transfer stations, each approximately 1,000 cubic feet in size, and 6 diamond-drill stations shall be constructed on this level.

Requirements Applicable to Both Levels

All drifts and crosscuts are to be of the approximate maximum size of 7 feet by 7 feet and timbered where necessary.

All diamond drilling shall be of EX size or larger.

Diamond drill stations shall be approximately 1,000 cubic feet in size.

All drifts and crosscuts shall be sampled at 6-foot intervals where mineralized, all diamond-drill cores shall be sampled in 5-foot core sections where mineralized, and proper assays shall be made of all samples. The Government shall be kept informed monthly as to the results of such sampling and assaying. Progress maps shall be prepared at the end of each month and copies furnished to the Government.

Estimated Costs of the Project

I. Agreed Unit Costs

1500 Level		
Diamond-drill stations		
9 @ $490.00/ea.	$ 4,410.00	
1 @ $300.00/ea.	300.00	
		$ 4,710.00
Diamond drilling		
7,416 feet @ $2.75/ft. 1/	20,394.00	20,394.00
Total Agreed Unit Costs, 1500 Level		25,104.00
2500 Level		
Diamond drill stations		
6 @ $600.00/ea.	3,600.00	
Transfer stations		
3 @ $500.00/ea.	1,500.00	5,100.00
Diamond drilling		
7,000 feet @ $3.00/ft. 1/	21,000.00	21,000.00
Total Agreed Unit Costs, 2500 Level		$ 26,100.00

The Government will contribute to the agreed unit costs set forth above as they accrue for units of work actually performed in lieu of actual costs. These agreed unit costs include all costs of the work set forth under the heading "Agreed Unit Costs," except as otherwise specifically provided below under the heading "Actual Costs."

1/ The cost of assaying is included in the unit price.

The work set forth under the heading "Agreed Unit Costs" may be performed by independent contractor without reference to the provisions relating to independent contracts and contractors in Articles 4(a) and (b) and 6(a)(1) of the contract form.

II. Actual Costs for drifting and crosscutting and for certain other costs specifically allowable below in connection with the Agreed Unit Costs set forth above. (*Indicates Allowable Maximum.)

(1) Independent Contracts

None

(2) Labor, supervision, consultants

Detailed schedules for labor and for superintendence and consultants are waived. The labor estimated here is for work other than drill stations, transfer stations, and diamond drilling. Costs of labor which are higher than the wage rates prevailing in the area shall not be allowable. The actual costs of all supervision and consultants (exclusive of the cost of surveying diamond drill holes under the heading "Miscellaneous") shall be allowable only in connection with drifting and crosscutting and at not to exceed an aggregate cost of $3.00 per foot* of drifting and crosscutting.

Labor	$95,915.75	
Supervision and technical services	16,404.00*	$112,319.75

(3) Operating materials and supplies

A detailed schedule is waived. Upon the completion or termination of the project, the Government may fix the value of its equity in all pipe and track purchased under this category of cost as 10 percent of the cost price and may deduct this percentage from vouchers due the Operator.

Operating materials and supplies	72,472.84

(4) Operating equipment

To be rented

None

To be purchased 2/

Upon the completion or termination of the project, the Government may (a) fix the value of its equity in the battery locomotive, charging unit, 2 Edison batteries, battery box, all 3-conductor cable, messenger cable, diamond drill, and surveying instrument at 25 percent of the delivered cost price of each; (b) fix the value of its equity in the rock drills and vent pipe as 10 percent of the delivered cost price of each; and (c) deduct these percentages from vouchers due the Operator.

1 Mancha Electric mule - used	$ 3,662.96	
1 Charging unit	952.75	
2 Edison batteries	7,425.40	
1 Battery box	374.36	
2 Rock drills	1,617.10	
1 Tro-Pari borehole survey instrument	1,136.81	
1 No. 1-U Diamond drill	2,000.00	
3,500 feet of ventilation pipe @ $2.00/ft.	7,000.00 3/	
6,100 feet of Messenger cable	684.03	
1,225 feet Type W-600 volt-49 strand cable	1,979.60	
5,007 feet #6 Tyrex cable	7,706.13	$ 34,539.14*

2/ The items set forth under this category may be used in connection with the work of making drill stations and transfer stations, and of diamond drilling, and the cost is not included in the agreed unit costs of said work.

3/ So much of the funds allowable for ventilation pipe as are not spent for ventilation pipe may, with the prior approval of the Government, be used for any item of actual costs allowable under this contract except such items of actual cost as are subject to an allowable maximum.

? True of all items above!

To be furnished by Operator

All equipment necessary for the project and not included in any schedules herein shall be furnished by the Operator. In lieu of the detailed schedule of requirements and in lieu of depreciation, the Operator shall be paid the fixed sum of 75 cents per foot for drifting and crosscutting.

5,468 feet of drifting and crosscutting @ $0.75/ft.	$ 4,101.00*

(5) Rehabilitation and repairs

None

(6) New buildings, improvements, installations

None

(7) Miscellaneous

Costs of sampling and assaying of drifts and crosscuts are allowable for the work on the 1500 level. Costs of surveying of diamond drill holes are not allowable on this level.

Costs of assaying and sampling of crosscuts are not allowable on the 2500 level.

Costs of surveying diamond drill holes are allowable on the 2500 level.

Miscellaneous	23,908.27

(8) Contingencies

To cover, among other things, increases in labor costs for drifting and crosscutting.	11,445.00*

SUMMARY OF PROJECT COSTS

Estimated Total Actual Costs on 1500 and 2500 Levels	$224,246.86*
Estimated Agreed Unit Costs for 1500 Level	25,104.00*

Estimated Agreed Unit Costs for 2500 Level	$ 26,100.00*	
Estimated Cost of Machinery to be Purchased	34,539.14*	
Estimated Total Cost of the Project		$309,990.00*
Government Participation @ 50%		$154,995.00*

3

Government's Copy

FEB 24 1955

EXPLORATION PROJECT CONTRACT
HOWE SOUND COMPANY
DOCKET NO. DMEA-3142

AMENDMENT NO. 1

It is agreed this 28th day of January, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Howe Sound Company, that Amended Exploration Project Contract Idm-E644 (Docket No. DMEA-3142), dated June 25, 1954, is amended effective June 25, 1954, as follows:

1. In Article 2, the reference to "28 unpatented claims" is changed to read "36 unpatented claims".

2. In Annex II, the following claims are added at the end of the list of unpatented claims:

Name of Claim	Book	Page
Cliff	503	651
Crest	503	653
Lakeside No. 2	503	655
Lakeside No. 3	503	657
Lakeside No. 4	503	659
Pine Tree No. 2	503	661
Pine Tree No. 3	503	663
Pine Tree No. 4	503	665

All the land referred to in Article 2, as amended herein, is shown on the map entitled "Howe Sound Company Chelan Division Claim Map,. . .Date 4-2-54. . .Amended 12-22-54", attached hereto and made a part hereof.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, the amount of any item designated as "allowable maximum," nor the agreed unit cost of any item of work.

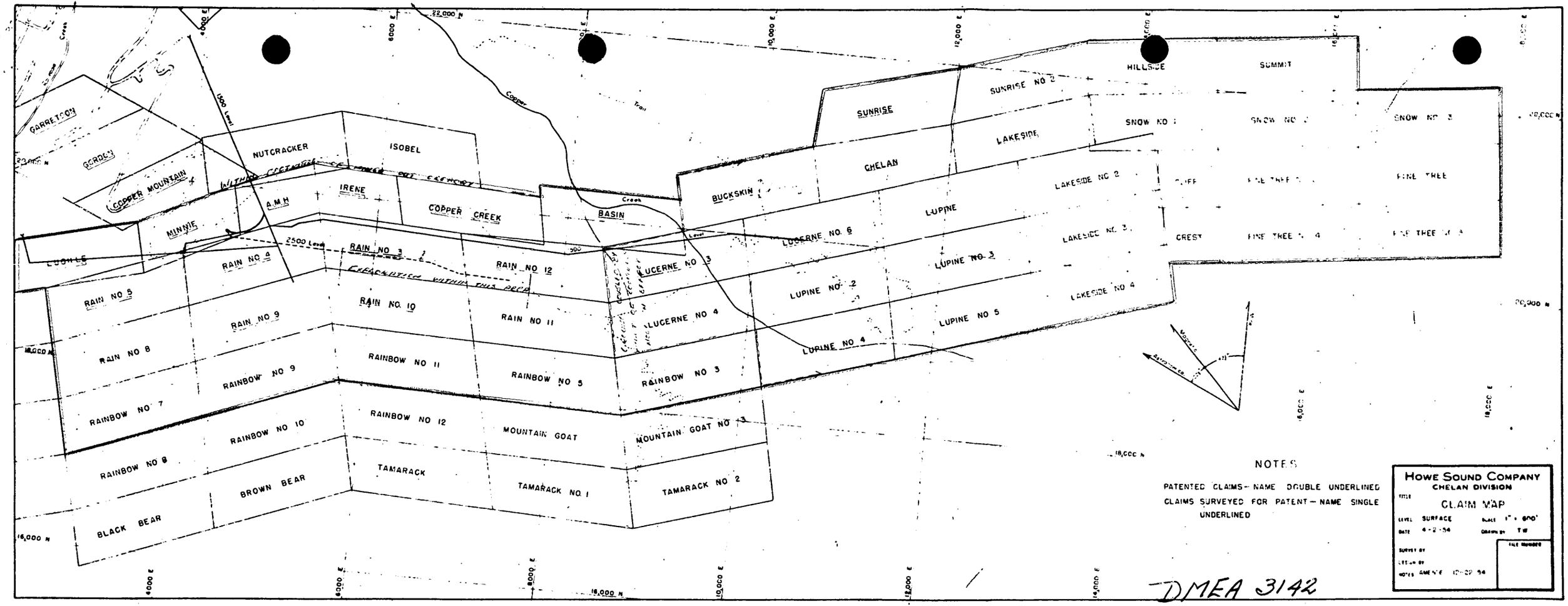
Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals Exploration Administration

HOWE SOUND COMPANY

By [signature]


GARRETSON
GORDON
COPPER MOUNTAIN
LUCILLE
MINNIE
NUTCRACKER
ISOBEL
A.M.H.
IRENE
COPPER CREEK
BASIN
Copper Creek
Trail
1500 Level
2500 Level
RAIN NO 5
RAIN NO 8
RAIN NO 7
RAIN NO 4
RAIN NO 9
RAINBOW NO 9
RAINBOW NO 10
RAINBOW NO 8
BROWN BEAR
BLACK BEAR
RAIN NO 3
RAIN NO 10
RAINBOW NO 11
RAINBOW NO 12
TAMARACK
RAIN NO 12
RAIN NO 11
RAINBOW NO 5
MOUNTAIN GOAT
TAMARACK NO 1
LUCERNE NO 3
LUCERNE NO 4
RAINBOW NO 3
MOUNTAIN GOAT NO 3
TAMARACK NO 2
BUCKSKIN
SUNRISE
CHELAN
LUCERNE NO 6
LUPINE NO 2
LUPINE NO 4
LUPINE
LUPINE NO 3
LUPINE NO 5
SUNRISE NO 2
LAKESIDE
LAKESIDE NO 2
LAKESIDE NO 3
LAKESIDE NO 4
HILLSIDE
SUMMIT
SNOW NO 1
SNOW NO 2
SNOW NO 3
CREST
FINE TREE
FINE TREE NO 4
FINE TREE NO 5
22,000 N
20,000 N
18,000 N
16,000 N
6000 E
8000 E
10,000 E
12,000 E
14,000 E
16,000 E
18,000 E
Magnetic
Astronomic
NOTES
PATENTED CLAIMS – NAME DOUBLE UNDERLINED
CLAIMS SURVEYED FOR PATENT – NAME SINGLE UNDERLINED
HOWE SOUND COMPANY
CHELAN DIVISION
TITLE
CLAIM MAP
LEVEL SURFACE
SCALE 1" = 600'
DATE 4-2-54
DRAWN BY T.W.
SURVEY BY
LETTERING BY
NOTES AMENDED 10-22-54
FILE NUMBER
DMEA 3142

Contract No. Idm-E 644

Docket No. 3242

DEPARTMENT OF THE INTERIOR

Approved Amendment

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
December 7, 1953	I NW	Washington	Copper

Name and Address of Operator: Howe Sound Company
730 5th Avenue
New York, N. Y.

	Reserve	Obligation
Prior Amount	0	$154,995.00
Increase	$24,375.00	0
Decrease	0	0
Revised Amount	$24,375.00	$154,995.00

Remarks:

for W. N. Chamberlain
(Name)
Robert E. Adams, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 8/7/56

98963

Docket No. ~~DMEA - 3142~~

Commodity ~~Copper~~

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

AMENDMENT

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E ~~644~~

Date of Contract ~~or Amendment:~~ December 7, 1953

Name and Address of Operator:

Howe Sound Company
730 5th Avenue,
New York, N. Y.

Amount of Government participation ____ $154,995.00

Percent of Government participation 50 %

Region: 11 State: Washington

Note: This document establishes the obligation shown above and cancels the previous obligation of $109,705.00

J. L. Chambers (Name)
Chief Contract Adminstration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. 6/25/54

54458

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. M[illegible]A 3142

COMMODITY Copper

IDM - E 644

Government's Copy

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

AMENDED
EXPLORATION PROJECT CONTRACT [1]

IT IS AGREED this 25th day of June, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Howe Sound Company, a corporation duly organized and existing under and by virtue of the laws of the State of Maine
730 Fifth Avenue
New York 19, New York
and as set forth in Annexes I, II, III, and IV, attached hereto and made a part hereof:
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 Chelan, described as follows: [3] 28 unpatented and 10 patented claims, as set forth in Annex II and indicated on the map attached hereto and made a part hereof, entitled "Howe Sound Company, Chelan Division, Claim Map,"

the Operator represents and undertakes: [4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:

None

(*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 continue ~~commence~~ work on a project of exploration for [5] Copper in or upon the described land; and shall bring the project to completion not later than December 7, 1955. ~~within a period of ..... from the date of this contract.~~ The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following: See paragraph 2 of Annex I.

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) Compliance with requirements.—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 50 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $154,995.00, which is 50 percent of $309,990.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations. See Annex IV, substituted for Article 9.

ARTICLE 10. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* ----------

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Whittendorf
Administrator, Defense Minerals Exploration Administration

HOWE SOUND COMPANY
(Operator)

By [signature]

I, WILLIAM T. HOLMES, certify that I am the secretary of the corporation named as Operator herein; that VINTON H. CLARKE, Vice President, 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.

William T. Holmes

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

AMENDED EXPLORATION PROJECT CONTRACT
HOWE SOUND COMPANY
DOCKET NO. DMEA-3142

ANNEX I

WHEREAS, the parties to this Amended Exploration Project Contract are also parties to Exploration Project Contract Idm-E644 (Docket No. DMEA-3142), dated December 7, 1953, as amended, hereinafter called the "Prior Contract"; and

WHEREAS, the parties desire to increase the scope of the project, to increase the estimated total cost thereof, and to restate their agreement;

NOW THEREFORE, it is mutually agreed that:

1. Effective as of December 7, 1953, the Prior Contract is amended and superseded by this Amended Contract in which all rights and obligations of both parties are fully merged.

2. To the extent that costs are set forth in Exhibit "A" as "agreed unit costs," they are in lieu of actual costs that would otherwise be allowable costs of the project as provided in Article 6(a) of the Amended Contract form.

3. The Operator hereby releases and agrees to save the Government harmless from all claims or demands arising out of the Prior Contract.

AMENDED EXPLORATION PROJECT CONTRACT
HOWE SOUND COMPANY
DOCKET NO. DMEA-3142

ANNEX II

The land referred to in Article 2 of the Amended Contract form and in Annex IV attached thereto consists of the following 28 unpatented and 10 patented claims, as follows:

Unpatented Claims	Book	Page No.
Basin	218	368
Buckskin	218	367
Chelan	218	367
Hillside	254	63
Lakeside	152	540
Lucerne No. 3	218	215
Lucerne No. 4	254	29
Lucerne No. 6	218	365
Lupine	218	354
Lupine No. 2	503	231
Lupine No. 3	503	233
Lupine No. 4	503	235
Lupine No. 5	503	237
Pine Tree	254	64
Rain No. 8	218	230
Rain No. 11	218	217
Rain No. 12	218	218
Rainbow No. 3	218	227
Rainbow No. 5	218	217
Rainbow No. 7	218	229
Rainbow No. 9	218	225
Rainbow No. 11	218	221
Summit	254	66
Snow No. 1	254	65
Snow No. 2	254	65
Snow No. 3	254	65
Sunrise	152	569
Sunrise No. 2	152	570

Patented Claims	Numbers
AMH	1,054,835
Copper Creek	1,068,711
Irene	1,054,835
Lucille	1,069,269
Minnie	1,054,835

Patented Claims	Numbers
Rain No. 3	1,111,729
Rain No. 4	1,111,729
Rain No. 5	1,111,729
Rain No. 9	1,111,729
Rain No. 10	1,111,729

The location notices of the unpatented claims are recorded with the Chelan County Auditor at Wenatchee, Washington.

Any land hereafter acquired by the Operator for the purposes of Stage II of Item I of Exhibit "A" shall be included in Article 2 of this Amended Contract.

Excepted from the land described in this Annex II is:

All production from the presently known Holden ore body above the 2500 level between coordinates 3500 E and 7500 E as shown on the ore reserve map (submitted by the company) entitled, "Howe Sound Company, Chelan Division, East-West Section, Holden Mine, Showing Ore Reserve Blocks, Scale: 1 In. = 200 Ft., Dec. 31, 1952." A copy of this map is contained in Docket No. DMEA-3142 and is incorporated herein by reference.

AMENDED EXPLORATION PROJECT CONTRACT
HOWE SOUND COMPANY
DOCKET NO. DMEA-3142

ANNEX III 1/

Materials and Supplies. For the purpose of determining the Government's interest in materials or supplies remaining upon any termination of the work, they shall be considered in groups or categories (such as pipe, or explosives, or rails, or drill steel), and if the original cost of the remaining unexpended portion of any such group or category exceeded $50, the Government shall have an interest therein as provided in Article 11 of the contract form.

Equities in Equipment. Unless expressly permitted by provisions in Exhibit "A", the operator shall not procure equipment or any other item under a rental-purchase agreement, an installment-purchase agreement, any agreement which creates or builds up an equity or interest in the thing procured which can be converted to legal title only by further payment or some other consideration, or any agreement other than for straight rental or cash purchase and delivery.

Preservation of Property. Until the final disposal of any equipment or other property in which the Government has an interest or equity, the operator shall preserve and protect same for the mutual best interests of the parties, any reasonable and necessary cost thereof to be treated as an allowable cost of the exploration work to which the Government will contribute.

1/ The provisions in this annex apply only to materials and supplies, equipment, and property to the cost of which the Government has contributed on an actual-cost basis; they have no application to costs contributed to on a unit-cost basis.

AMENDED EXPLORATION PROJECT CONTRACT
HOWE SOUND COMPANY
DOCKET NO. DMEA-3142

Defense Minerals Administration
RECEIVED
JUN 29 1954

ANNEX IV

The following provisions are in lieu of Article 9 :

Repayment by Operator.--a. Certification.--If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Royalty on production.--The Operator, as principal, if the Operator is the producer, or as surety, if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, 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.

c. Basis for computation.--The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight paid by the buyer to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the

Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

d. Unsold production.--If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

e. Percentages of royalty.--The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.
>
> (For instance: the royalty on an amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

f. Lien for payment.--To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

g. Notice to purchasers.--The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

h. No obligation to produce.--Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

i. Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

58694

AMENDED EXPLORATION PROJECT CONTRACT
HOWE SOUND COMPANY
DOCKET NO. DMEA-3142

EXHIBIT "A"

Description of the Work

The purpose of the project is to explore for copper ores. The work is divided into two major items, each of which is subdivided into two stages.

ITEM I

Item I consists of drifting and crosscutting not in excess of 4,100 feet in an easterly direction from the existing drift on the 1500 level of the Holden Mine, and diamond drilling not in excess of 7,000 feet to test the eastern continuations of the general rock series which have been productive in the Holden Mine. The work is indicated on the attached map entitled "Longitudinal Section through Holden Mine & Buckskin Mt., Nov. 5, 1953, D.M.E.A. 3142," and is to be done in two stages. The work of the second stage is subject to the prior approval of the Government which shall not be granted unless and until the Operator acquires an interest, deemed adequate by the Government, in the land on which the work in Stage II is to be performed. The location, direction, and inclination of the diamond-drill holes shall be subject to Government approval. All drifts and crosscuts are to be of the approximate maximum size of 7 feet by 7 feet and timbered where necessary.

All drifts and crosscuts shall be sampled at 6-foot intervals, all diamond-drill cores shall be sampled in 5-foot core sections, and proper assays shall be made of all samples. The Government shall be kept informed monthly as to the results of such sampling and assaying. Progress maps shall be prepared at the end of each month and copies furnished to the Government.

Stage I

This stage consists of not more than 3,100 feet of drifting, the construction of 8 diamond-drill stations, and not more than 5,000 feet of diamond drilling.

Stage II

This stage consists of not more than an additional 1,000 feet of drifting and crosscutting, the construction of 2 diamond-drill stations, and not more than 2,000 feet of diamond drilling.

ITEM II

Item II consists of exploring in the Holden Mine at deeper horizons than are now known, by crosscutting and by diamond drilling from the 2500 level of this mine as indicated on the attached map entitled "Howe Sound Company, Chelan Division, Proposed Exploration below 2500 Level." The work shall be done in two stages with performance of the second stage subject to the prior approval of the Government. The location, direction, and extent of all work under both stages are subject to the approval of the Government.

The specifications for the work set forth under Item I apply equally to the same work under this Item II.

Stage I

This stage consists of not more than 1,000 feet of crosscutting, 4 transfer stations, 4 diamond-drill stations, and 4,000 feet of diamond drilling.

Stage II

This stage consists of not more than 450 feet of crosscutting, 2 transfer stations, 2 diamond-drill stations, and 2,000 feet of diamond drilling.

Estimated Costs of the Project

Agreed Unit Costs

ITEM I

Stage I

Diamond-drill stations 8 @ $490.00/ea.	$3,920.00

Diamond drilling 5,000 feet @ $2.75/ft. 1/	$13,750.00	$17,670.00
Stage II		
Diamond-drill stations 2 @ $490.00/ea.	$980.00	
Diamond drilling 2,000 feet @ $2.75/ft. 1/	5,500.00	6,480.00
Total Agreed Unit Costs, Item I		$24,150.00

ITEM II

Stage I		
Transfer stations 4 @ $500.00/ea.	$2,000.00	
Diamond-drill stations 4 @ $600.00/ea.	2,400.00	
Diamond drilling 4,000 feet @ $3.00/ft. 1/	12,000.00	16,400.00
Stage II		
Transfer stations 2 @ $500.00/ea.	$1,000.00	
Diamond-drill stations 2 @ $600.00/ea.	1,200.00	
Diamond drilling 2,000 feet @ $3.00/ft. 1/	6,000.00	8,200.00
Total Agreed Unit Costs, Item II		$24,600.00

The Government will contribute to the agreed unit costs set forth above as they accrue for units of work actually performed in lieu of actual costs. These agreed unit costs include all costs of the work set forth under

1/ The cost of assaying is included in the unit price.

the heading "Agreed Unit Costs," except as otherwise specifically provided below under the heading "Actual Costs." The work set forth under the heading "Agreed Unit Costs" may be performed by independent contractor without reference to the provisions relating to independent contracts and contractors in Articles 4 (a) and (b) and 6 (a)(1) of the contract form.

Actual Costs for drifting and crosscutting under Item I and Item II and for certain other costs specifically allowable below in connection with the Agreed Unit Costs set forth above.
(* Indicates allowable maximum)

(1) Independent contracts

None

(2) Labor, supervision, consultants

Detailed schedules for labor and for supervision and consultants are waived. The labor estimated here is for work other than drill stations, transfer stations, and diamond drilling. Costs of labor which are higher than the wage rates prevailing in the area shall not be allowable. The actual costs of all supervision and consultants (exclusive of the cost of surveying diamond-drill holes under Item II under the heading "Miscellaneous") shall be allowable only in connection with drifting and crosscutting and at not to exceed an aggregate cost of $3.00 per foot* of drifting and crosscutting.

ITEM I

Stage I		
Labor	$52,700.00	
Supervision and technical services	9,300.00*	$62,000.00
Stage II		
Labor	$17,000.00	
Supervision and technical services	3,000.00*	20,000.00

ITEM II

Stage I		
Labor	$17,000.00	
Supervision and technical services	3,000.00*	$20,000.00
Stage II		
Labor	$7,650.00	
Supervision and technical services	1,350.00*	9,000.00

(3) Operating materials and supplies

A detailed schedule is waived. Upon the completion or termination of the project, the Government may fix the value of its equity in all pipe and track purchased under this category of cost as 10 percent of the cost price and may deduct this percentage from vouchers due the Operator.

ITEM I

Stage I	$40,353.99	
Stage II	12,810.00	53,163.99

ITEM II

Stage I	$12,500.00	
Stage II	5,625.00	18,125.00

(4) Operating equipment

To be rented

None

To be purchased 2/

Upon the completion or termination of the project, the Government may fix the value of its equity in the battery locomotive, charging unit, 2 Edison batteries, battery box, all 3-conductor cable, messenger cable, mucking machine, diamond drill, and surveying instrument at 25 percent of the delivered cost price of each; and may fix the value of its equity in the rock drills and vent pipe as 10 percent of the delivered cost price of each; and the Government may deduct these percentages from vouchers due the Operator.

ITEM I

Stage I

1 Titan AN Mancha mule (used)	$3,250.00	
1 Charging unit	925.00	
2 Edison batteries	6,214.40	
1 Battery box	572.00	
	10,961.40	
3% tax	328.85	
Estimated freight	514.76	$11,805.01
2 Rock drills, complete @ $1,200/ea.		2,400.00
3,500 Feet vent pipe @ $2.00/ft.		7,000.00
1,600 Feet 3-conductor cable, 2200 V, No. 1		4,800.00
1,700 Feet 3-conductor cable, 600 V, No. 1		3,100.00
1,000 Feet 3-conductor cable, 600 V, No. 2		1,200.00
1,000 Feet 3-conductor cable, 600 V, No. 6		702.00
6,100 Feet messenger cable		600.00
		31,607.01*

Stage II

None

2/ The items set forth under this category may be used in connection with the work of making drill stations and transfer stations, and of diamond drilling, and the cost is not included in the agreed unit costs of said work.

ITEM II

Stage I

1 - Gardner-Denver mucking machine	$3,281.00	
2 - Rock drills @ $806.50/ea.	1,613.00	
1 - No. 1-U diamond drill	2,000.00	
1 - Tro-pari surveying instrument	1,325.00	$8,219.00*

Stage II

None

To be furnished by Operator

All equipment necessary for the project and not included in any schedules herein shall be furnished by the Operator. In lieu of the detailed schedule of requirements and in lieu of depreciation, the Operator shall be paid the fixed sum of 75 cents per foot for drifting and crosscutting.

ITEM I

Stage I	$2,325.00*	
Stage II	750.00*	3,075.00*

ITEM II

Stage I	$750.00*	
Stage II	337.00*	1,087.00*

(5) Rehabilitation and repairs

None

(6) New buildings, improvements, installations

None

(7) Miscellaneous

ITEM I

Costs of sampling and assaying of drifts and crosscuts are allowable under this Item. Costs of surveying of diamond-drill holes are not allowable under this Item.

Stage I	$13,516.00	
Stage II	4,360.00	$17,876.00

ITEM II

Costs of assaying and sampling of crosscuts are not allowable under this Item. Costs of surveying of diamond-drill holes are allowable under this Item.

Stage I	$4,140.00	
Stage II	1,502.00	5,642.00

(8) Contingencies

To cover, among other things, increases in labor costs for drifting and crosscutting.

ITEM I

Stage I	$5,673.00	
Stage II	1,865.00	7,538.00*

ITEM II

Stage I	$2,550.00	
Stage II	1,357.00	3,907.00*

SUMMARY OF PROJECT COSTS

Estimated Total Actual Cost of Item I	$195,260.00*	
Estimated Total Agreed Unit Costs of Item I	24,150.00	
Estimated Total Actual Costs of Item II	65,980.00*	
Estimated Total Agreed Unit Costs of Item II	24,600.00	
Estimated Total Cost of Project		$309,990.00*
Government Participation @ 50%		$154,995.00*

Docket No. DMEA 3142
(copper)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 28 1954

GOVERNMENT COPY

AMENDMENT NO. 1

It is agreed this 13th day of January 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, and Howe Sound Company, New York, New York

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E 644 of December 7, 1953 between the parties hereto be modified and amended as described in Exhibit "F" attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be December 7 1953.

This amendment is made by authority granted the Executive Officer, DMEA Field Team, Region II, in Order No. 2684 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "Allowable Maximum."

Executed in sextuplicate the day and year first above written.

HOWE SOUND COMPANY
(Operator)

By [signature]

THE UNITED STATES OF AMERICA

By A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

HOWE SOUND COMPANY
Holden Mine
Chelan County, Washington
Exploration Project Contract No. Idm-E644
Docket No. DMEA 3142 (copper)

AMENDMENT NO. 1

Exhibit "F"

1. Under "Estimated Costs of the Project", page 3, under "To be purchased" delete:

Stage I in its entirety

and substitute:

Stage I

1 Titan AN Mancha mule (used)	$3,250.00	
1 Charging unit	925.00	
2 Edison batteries	6,214.40	
1 Battery box	572.00	
	$10,961.40	
3% tax	328.85	
Estimated freight	514.76	
Total cost		$11,805.01
2 Rock drills, complete @ $1200/ea.		2,400.00
3500 feet vent pipe @ $2.00/ft.		7,000.00
1600 feet 3-conductor cable, 2200 V, No. 1		4,800.00
1700 feet 3-conductor cable, 600 V, No. 1		3,100.00
1000 feet 3-conductor cable, 600 V, No. 2		1,200.00
1000 feet 3-conductor cable, 600 V, No. 6		702.00
6100 feet messenger cable		600.00
		$31,607.01 1/

1/ As the value of its equity in the equipment purchased, the Government shall deduct from the final contribution payable to the Operator 25% of the delivered cost price of the battery locomotive, charging unit, 2 Edison batteries, battery box, 3-conductor cable, and messenger cable, and 10% of the delivered cost price of the rock drills and vent pipe.

2. Under "Estimated Cost of Project", page 4, item 8, Contingency, delete:

Stage I	$5,673.

and substitute:

Stage I	$6,466.

HOWE SOUND COMPANY
Holden Mine
Chelan County, Washington
Contract No. Idm-E644
Docket No. DMEA 3142 (copper)

Justification of Amendment No. 1

The initial capital investment and cost of installation of the substituted equipment is less than that of the deleted equipment, primarily because of the excessive amount of ventilation required to comply with safety regulations governing the use of diesel equipment underground. In addition, the Operator will be able to utilize battery equipment in the ordinary operation of this property after the completion of the contract.

J. R. McWilliams

Dock[illegible] No. [illegible] 7142

Commodity [illegible]

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 644

Date of Contract or Amendment: December 7, 1953

Name and Address of Operator:

Howe Sound Company
730 5th Avenue
New York, N. Y.

Amount of Government participation $ 109,705.00

Percent of Government participation 50 %

Region: II State: Washington

E. R. Talbot
(Name)
for J. S. Chambers,
Chief, Contract Administration and Audit Division
(Title)
12/7/53

Date Delivered to Bureau of Mines, Washington.

13808

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. [redacted]A 3142

COMMODITY Copper

Government's Copy

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

IDM-E 644

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 7th day of December, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] The Howe Sound Company, a corporation duly organized and existing under and by virtue of the laws of the State of Maine
730 Fifth Avenue
New York, 19, N. Y.

hereinafter called the "Operator," as follows: as set forth in Annexes I, II and III, attached hereto and made a part hereof

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 Chelan, described as follows:[3] 19 unpatented claims as set forth in Annex II and indicated on the map attached hereto and made a part hereof, entitled "Claim map of Holden Area"

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:

None

(*b*) ~~That the Operator is entitled to possession and that the property is subject only to the following leases, licenses, or other rights of occupancy or possession:~~
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] Copper

in or upon the described land; and shall bring the project to completion within a period of 2 years from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) The Government's payment in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) Compliance with requirements.—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 50 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $ 109,705.00, which is 50 percent of $219,410.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations. See Annex I substituted for Article 9.

ARTICLE 10. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* To the extent that costs are set forth in Exhibit "A" as "agreed unit costs" they are in lieu of the actual costs that would otherwise be allowable costs of the project as provided in Article 6(a) of the contract form.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. M. Mitteudorf
Administrator, Defense Minerals Exploration Administration

HOWE SOUND COMPANY
(Operator)

By Vinton H. Clarke

I, WILLIAM T. HOLMES, certify that I am the secretary of the corporation named as Operator herein; that VINTON H. CLARKE, who signed this contract on behalf of the Operator, was then Vice President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

William T. Holmes

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

ANNEX I

The following provisions are in lieu of Article 9 :

Repayment by Operator.--a. Certification.--If at any time 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 the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--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,--(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 (or other period fixed by this contract) 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:

(a) 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.

(b) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts, plus one-half ($\frac{1}{2}$) per cent 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) 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.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--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.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--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.

HOWE SOUND COMPANY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-3142

ANNEX II

The land referred to in Article 2 of the contract form consists of the following 19 unpatented mining claims whose location notices are recorded as below indicated with the Chelan County Auditor at Wenatchee, Washington:

Claim	Book	Page
Sunrise	152	569
Sunrise No. 2	152	570
Lakeside	152	540
Lucerne No. 3	218	215
Lucerne No. 4	254	29
Lucerne No. 6	218	365
Buckskin	218	367
Chelan	218	367
Lupine	218	354
Lupine No. 2	503	231
Lupine No. 3	503	233
Lupine No. 4	503	235
Lupine No. 5	503	237
Hillside	254	63
Summit	254	66
Snow No. 1	254	65
Snow No. 2	254	65
Snow No. 3	254	65
Pine Tree	254	64

Any land hereafter acquired by the Operator for the purposes of Stage II of Exhibit "A", shall be included in Article 2 of this contract.

ANNEX III */

Materials and Supplies. For the purpose of determining the Government's interest in materials or supplies remaining upon any termination of the work, they shall be considered in groups or categories (such as pipe, or explosives, or rails, or drill steel), and if the original cost of the remaining unexpended portion of any such group or category exceeded $50, the Government shall have an interest therein as provided in Article 11 of the contract form.

Equities in Equipment. Unless expressly permitted by provisions in Exhibit "A", the operator shall not procure equipment or any other item under a rental-purchase agreement, an installment-purchase agreement, any agreement which creates or builds up an equity or interest in the thing procured which can be converted to legal title only by further payment or some other consideration, or any agreement other than for straight rental or cash purchase and delivery.

Preservation of Property. Until the final disposal of any equipment or other property in which the Government has an interest or equity, the operator shall preserve and protect same for the mutual best interests of the parties, any reasonable and necessary cost thereof to be treated as an allowable cost of the exploration work to which the Government will contribute.

*/ The provisions in this annex apply only to materials and supplies, equipment, and property to the cost of which the Government has contributed on an actual cost basis; they have no application to costs contributed to on a unit-cost basis.

HOWE SOUND COMPANY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-3142

EXHIBIT "A"

Description of the Work

The purpose of the project is to explore for copper ores by drifting and crosscutting not in excess of 4,100 feet in an easterly direction from the existing drift on the 1500 level of the Holden Mine, and by diamond drilling not in excess of 7,000 feet to test the eastern continuations of the general rock series which have been productive in the Holden Mine. The work is indicated on the attached map entitled "Longitudinal Section Through Holden Mine & Buckskin Mt., Nov. 5, 1953, D.M.E.A. 3142," and is to be done in two stages. The work of the second stage is subject to the prior approval of the Government which shall not be granted unless and until the Operator acquires an interest, deemed adequate by the Government, in the land on which the work in Stage II is to be performed. The location, direction, and inclination of the diamond drill holes shall be subject to Government approval. All drifts and crosscuts are to be of the approximate maximum size of 7 feet by 7 feet, timbered, where necessary, but not in excess of 600 feet in Stage I and 200 feet in Stage II.

All drifts and crosscuts shall be sampled at six feet intervals and all diamond drill cores shall be sampled in 5-foot core sections, and proper assays shall be taken. The Government shall be kept informed monthly as to the results of such sampling and assaying. Progress maps shall be prepared at the end of each month and copies furnished to the Government.

Stage I

This stage shall consist of not more than 3,100 feet of drifting, the construction of 8 diamond drill stations and not more than 5,000 feet of diamond drilling.

Stage II

This stage shall consist of not more than an additional 1,000 feet of drifting and crosscutting, the construction of 2 diamond drill stations and not more than 2,000 feet of diamond drilling.

Estimated Costs of the Project
(*Indicates allowable maximum)

Actual Costs

Stages I and II

(1) Independent contracts

None

(2) Labor, supervision, consultants

Schedule waived, but labor shall not receive any more than the wage rate prevailing in the area, and the cost of supervision and technical services shall not exceed a maximum allowance of $3.00 per foot of drifting in Stage I, and $3.00 per foot of drifting or crosscutting in Stage II.

Stage I		
Labor	$52,700.00	
Supervision and technical services	9,300.00*	$ 62,000.00
Stage II		
Labor	17,000.00	
Supervision and technical services	3,000.00*	20,000.00

(3) Operating materials and supplies

Schedule waived for purchase of timber, explosives, pipe for air and water lines, track, fuel and lubricants, drill steel and bits, and other miscellaneous supplies.

Stage I	39,561.00	
Stage II	12,810.00	52,371.00

(4) Operating equipment

Stages I and II

To be rented

None

To be purchased

Stage I

1 - 3-ton diesel locomotive	$ 8,000.00	
2 - rock drills complete @ $1,200/ea.	2,400.00	
3,500 feet vent pipe @ $2.00/ft.	7,000.00	
5,000 feet of three-conductor cable @ $3.00/ft.	15,000.00	$32,400.00 1/

Stage II

None

To be furnished by Operator

The Operator shall furnish without any cost to the Government all other equipment necessary for the project, including diamond drill machines, mine cars, mine locomotives, battery-charging stations, and air compressors, and shall be allowed thereon a maximum depreciation at the rate of $0.75 per foot of crosscutting, or drifting.

Stage I	2,325.00*	
Stage II	750.00*	3,075.00

(5) Rehabilitation and repairs

Stages I and II

None

(6) New buildings, improvements, installations

Stages I and II

None

1/ As the value of its equity in the equipment purchased, from the final contributions payable to the Operator, the Government shall deduct 25% of the delivered cost price of the diesel locomotive and the three-conductor cable, and 10% of the delivered cost price of the rock drills and vent pipe.

(7) Miscellaneous

Including Assaying and Sampling

Stage I	$13,516.00	
Stage II	4,360.00	$ 17,876.00

(8) Contingencies

To cover among other things, increases in labor costs.

Stage I	5,673.00	
Stage II	1,865.00	7,538.00
Total Estimated Actual Costs		$195,260.00

The Government will contribute to the costs of the excavation of the below mentioned diamond drill stations and diamond drilling in Stages I and II as they accrue for units of work actually performed on the basis of the below agreed unit cost per foot and per station in lieu of actual costs. These costs include all costs of the excavation of these stations and of the diamond drilling including assaying and all costs of the work except those costs set forth under "Actual Costs," to which the Government will contribute on the basis of actual costs as set forth in Article 6(a) of the contract. Work to the costs of which the Government will contribute on the basis of agreed unit costs may be performed by independent contractor without reference to the provisions relating to independent contracts and contractors in Articles 4(a) and (b), and 6(a)(1) of the contract form.

Agreed Unit Costs

Stage I

Diamond drill stations - 8 @ $490.00/ea.	$ 3,920.00
Diamond drilling[2] 5,000 feet @ $2.75/ft.	13,750.00

2/ This includes cost of assaying.

Stage II

Diamond drill stations - 2 @ $490.00/ea.	$ 980.00	
Diamond drilling 3/2,000 feet @ $2.75/ft.	5,500.00	
Total Agreed Unit Costs		$ 24,150.00

S U M M A R Y

Total estimated actual costs	$195,260.00*	
Total estimated agreed unit costs	24,150.00	
Total estimated cost of the project		$219,410.00*
Government participation @ 50%		$109,705.00*

3/ This includes cost of assaying.

HOWE SOUND COMPANY
730 FIFTH AVENUE
NEW YORK 19 N Y

December 11 1953

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington, 25, D. C.

RE: DOCKET NO. DMEA-3142 (COPPER)

Dear Mr. Mittendorf:

This will acknowledge your letter of December 7th regarding the above and please find enclosed five (5) signed copies of the contract dated December 7, 1953.

You have called our attention to the fact that you require certain book and page numbers covering the claim locations in Annex 2. This information has been inserted in the space provided. We have noticed also that the time covered by the contract has not been inserted and we have, after discussion with Mr. W. R. Griswold, typed in time period of two years.

It is our intention to stake additional claims as soon as possible next summer in order to cover the ground under which exploration work on Stage 2 will be done. You will of course be fully advised when this work has been completed and before any development has been started on Stage 2 of this contract.

We have noted two particular items of cost in the contract which are omitted but which we feel should logically be part of the program. These items of cost have been discussed with Mr. Griswold and, in brief, call for three conductor cable at $3000.00 necessary for completion of Stage 2, and the cost for nickel assays of approximately $4000.00. We do not feel it wise to hold up the contract at this time for these items but may wish to request some amendment at a future date if it then seems necessary.

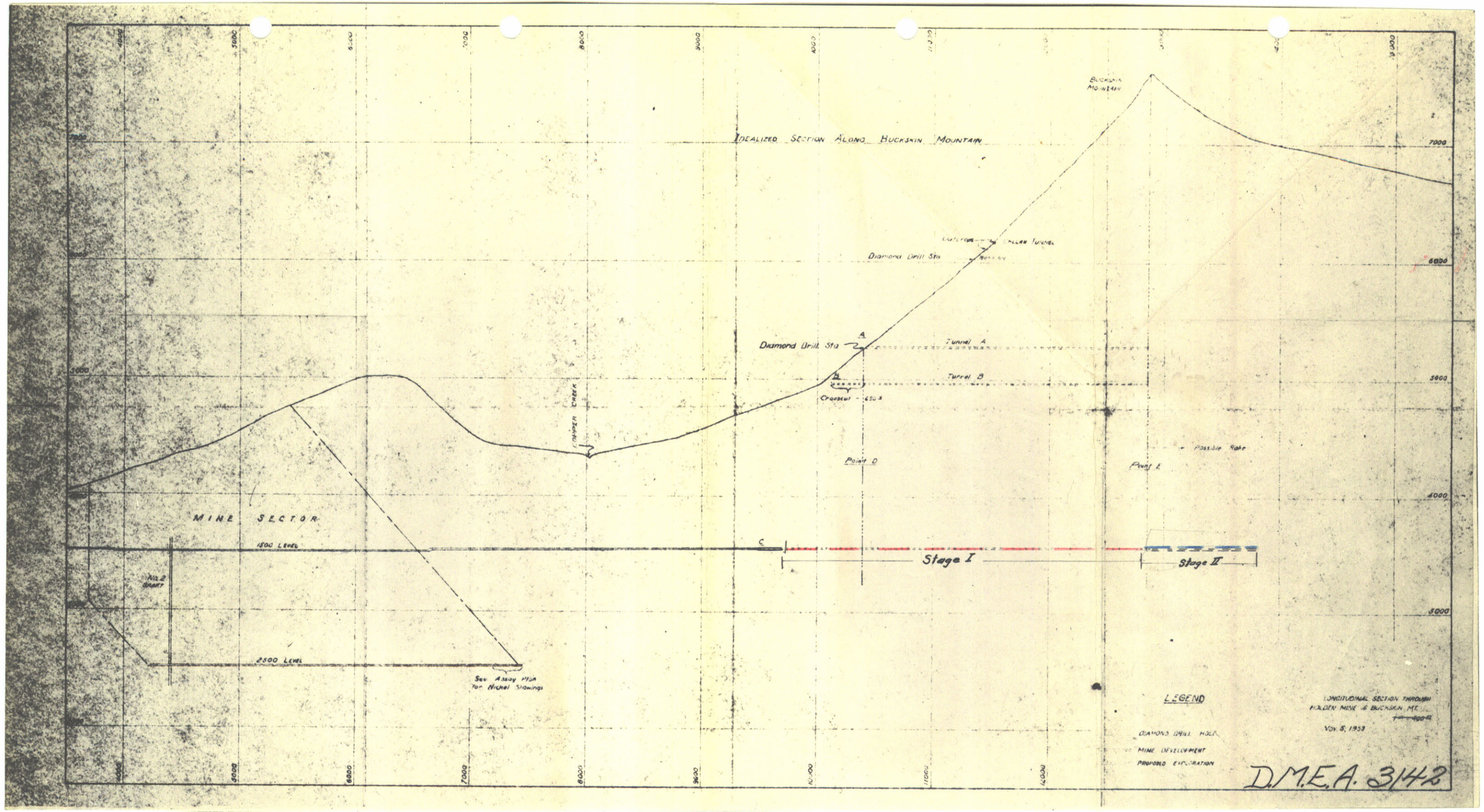
I understand that all reports from the operating property must be submitted to your Spokane office and that invoices should be sent to the same address. We will require that our property submit these particular reports to our New York office and we will then re-submit the report with invoice to the Spokane office of the D.M.E.A.

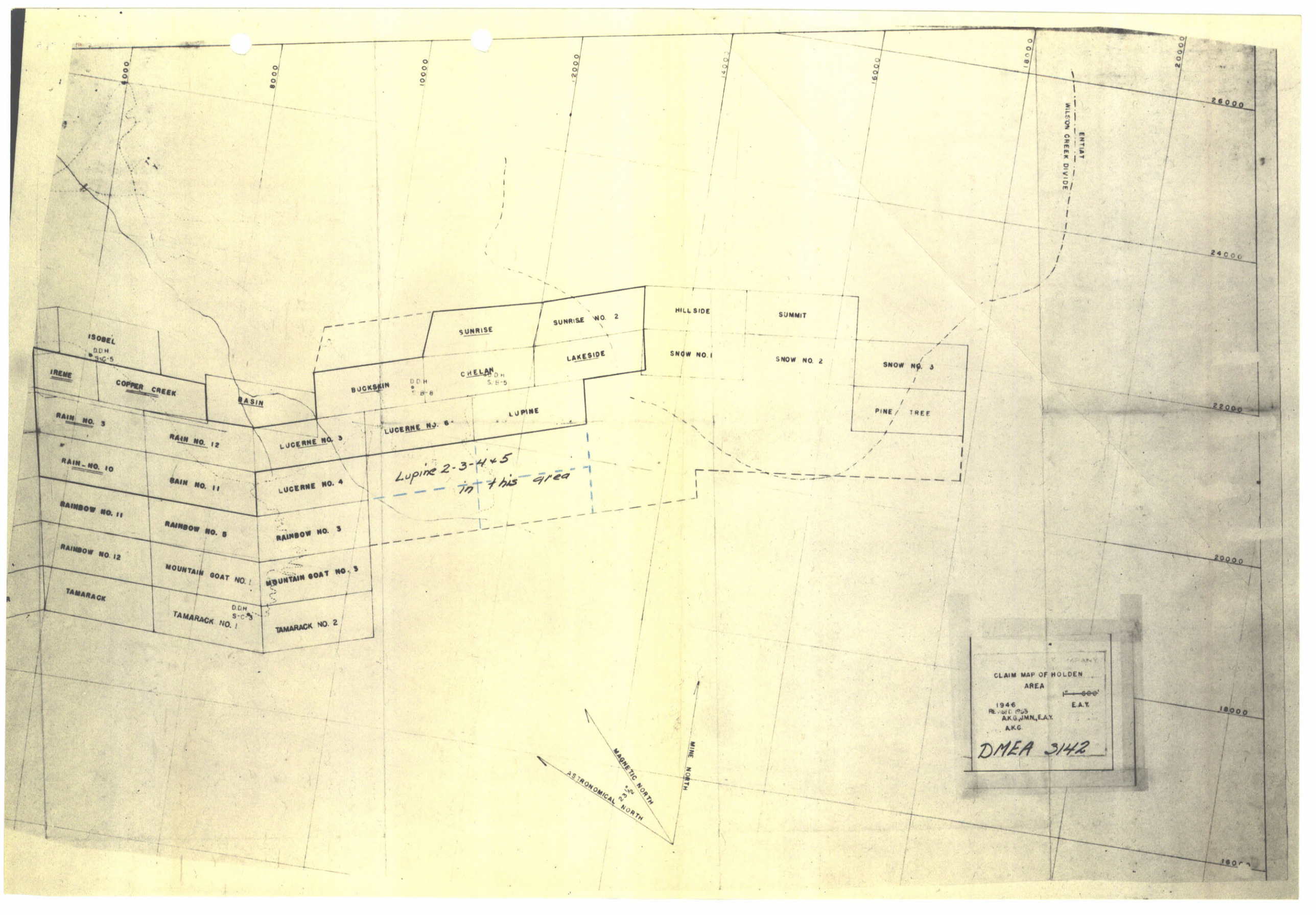
We would appreciate it very much if you can find it possible to mail us one additional copy (unsigned, if more convenient) for our Chelan Division.

Yours sincerely
HOWE SOUND COMPANY

Vinton H. Clarke
Vice President

VHC:ac
Encl.


IDEALIZED SECTION ALONG BUCKSKIN MOUNTAIN
BUCKSKIN MOUNTAIN
Diamond Drill Sta
Diamond Drill Sta
A
Tunnel A
Tunnel B
B
Crosscut - 650'±
COPPER CREEK
Point D
Point E
Possible Rake
MINE SECTOR
1500 LEVEL
C
Stage I
Stage II
No. 2 SHAFT
2500 LEVEL
See Assay Map for Nickel Showings
LEGEND
DIAMOND DRILL HOLE
MINE DEVELOPMENT
PROPOSED EXPLORATION
LONGITUDINAL SECTION THROUGH HOLDEN MINE & BUCKSKIN MT.
NOV. 5, 1953
D.M.E.A. 3142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8000
10000
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14000
16000
18000
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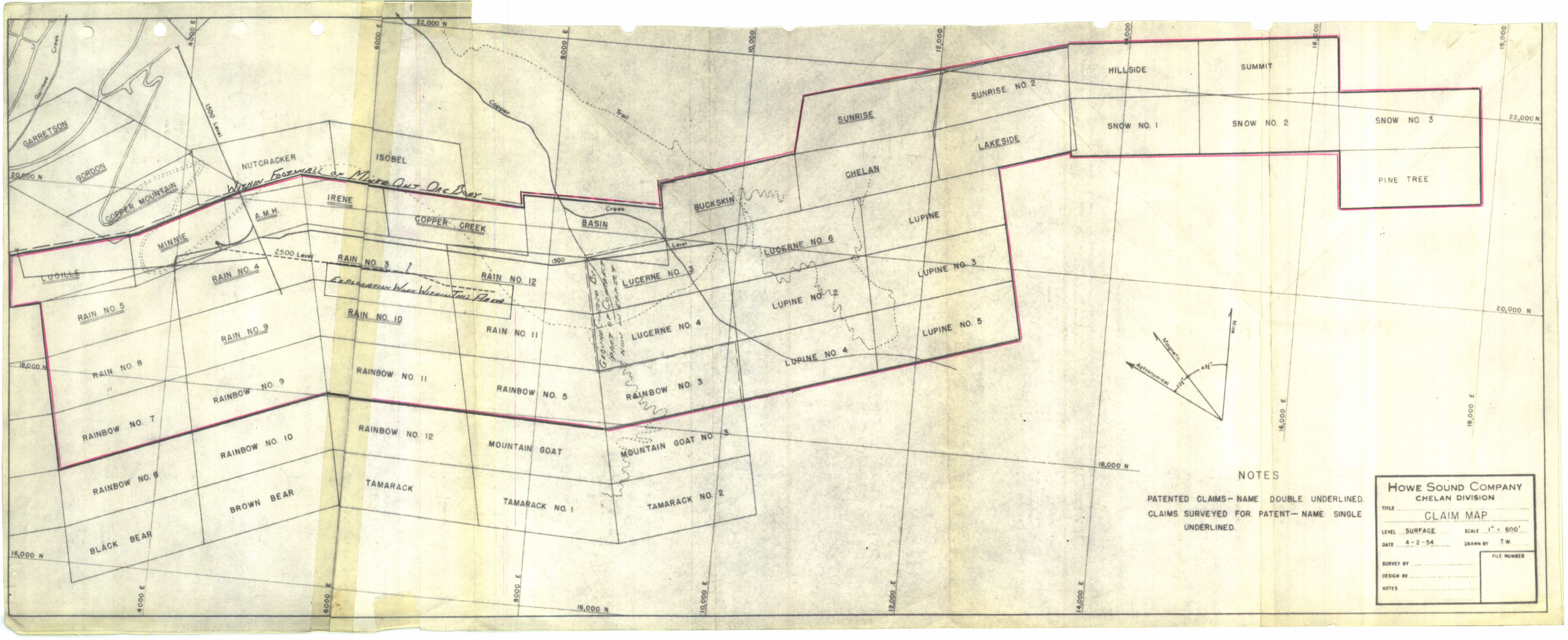
26000
24000
22000
20000
18000
ENTIAT
WILSON CREEK DIVIDE
ISOBEL
D.D.H.
S-C-5
IRENE
COPPER CREEK
BASIN
RAIN NO. 3
RAIN NO. 12
RAIN NO. 10
RAIN NO. 11
RAINBOW NO. 11
RAINBOW NO. 5
RAINBOW NO. 12
RAINBOW NO. 3
MOUNTAIN GOAT NO. 1
MOUNTAIN GOAT NO. 3
TAMARACK
D.D.H.
S-C-3
TAMARACK NO. 1
TAMARACK NO. 2
SUNRISE
SUNRISE NO. 2
BUCKSKIN
D.D.H.
B-8
CHELAN
D.D.H.
S.B-5
LAKESIDE
LUPINE
LUCERNE NO. 3
LUCERNE NO. 6
LUCERNE NO. 4
Lupine 2-3-4+5
in this area
HILLSIDE
SUMMIT
SNOW NO. 1
SNOW NO. 2
SNOW NO. 3
PINE TREE
MAGNETIC NORTH
23½°
ASTRONOMICAL NORTH
MINE NORTH
CLAIM MAP OF HOLDEN
AREA
1" = 600'
1946
E.A.Y.
REVISED 1953
A.K.G., J.M.N., E.A.Y.
A.K.G.
DMEA 3142

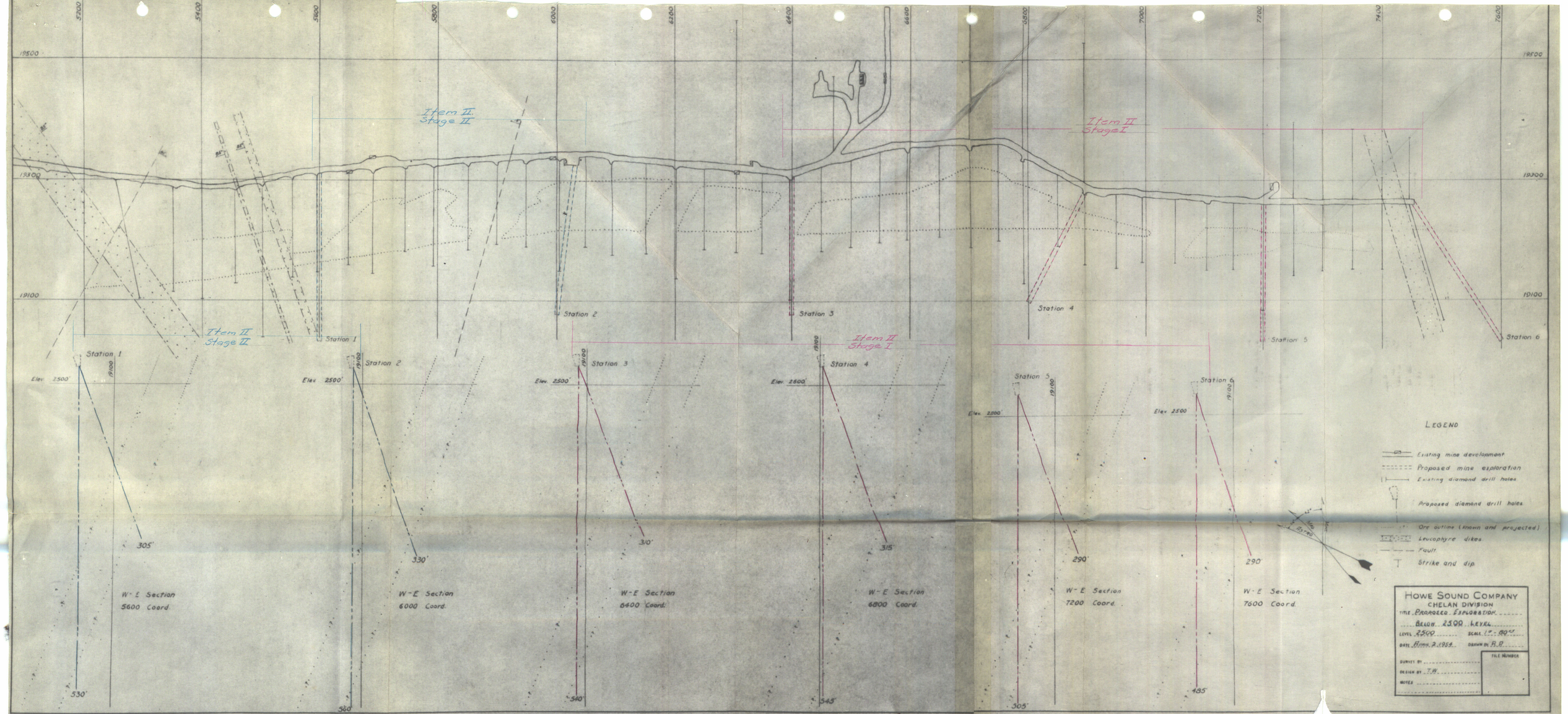


NOTES

PATENTED CLAIMS – NAME DOUBLE UNDERLINED.
CLAIMS SURVEYED FOR PATENT – NAME SINGLE UNDERLINED.

HOWE SOUND COMPANY
CHELAN DIVISION

TITLE: CLAIM MAP
LEVEL: SURFACE
SCALE: 1" = 600'
DATE: 4-2-54
DRAWN BY: T.W.
SURVEY BY:
DESIGN BY:
NOTES:
FILE NUMBER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5400
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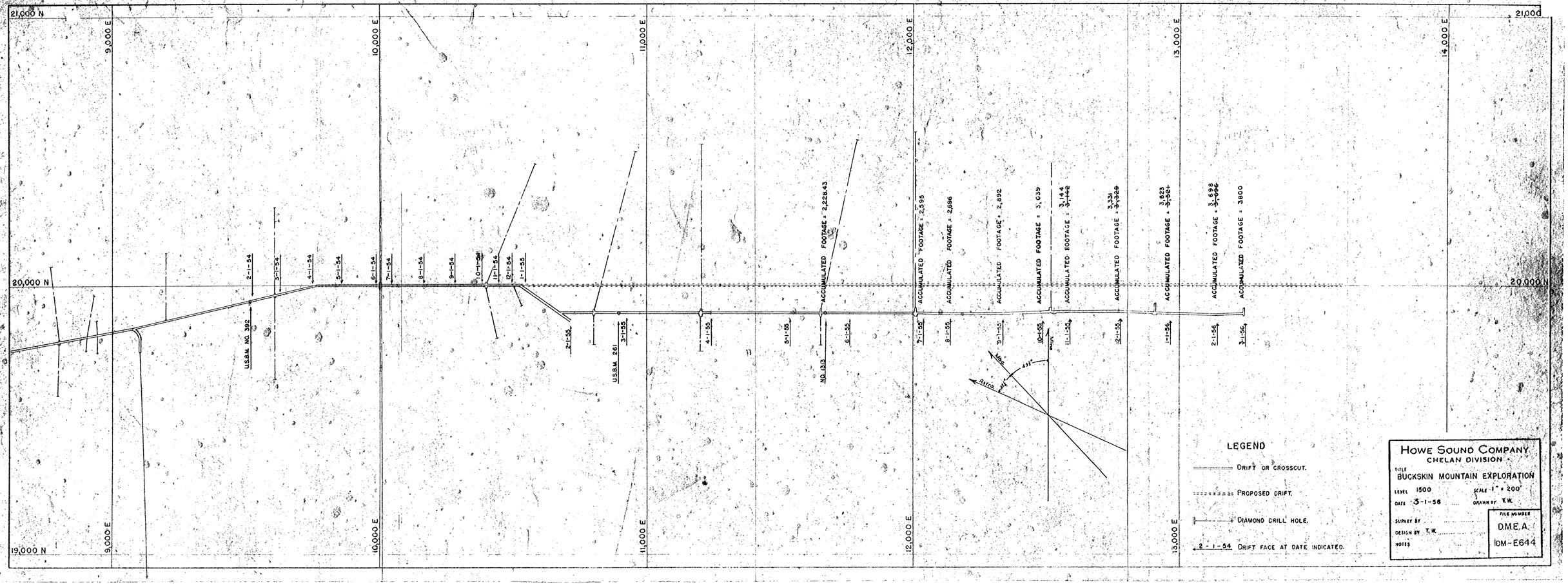
5800
6000
6200
6400
6600
6800
7000
7200
7400
7600
19500
19300
19100
Item II
Stage II
Item II
Stage I
Station 1
Station 2
Station 3
Station 4
Station 5
Station 6
Elev. 2500'
305'
530'
330'
580'
310'
540'
315'
545'
290'
305'
290'
485'
W-E Section
5600 Coord.
W-E Section
6000 Coord.
W-E Section
6400 Coord.
W-E Section
6800 Coord.
W-E Section
7200 Coord.
W-E Section
7600 Coord.
LEGEND
Existing mine development
Proposed mine exploration
Existing diamond drill holes
Proposed diamond drill holes
Ore outline (known and projected)
Leucophyre dikes
Fault
Strike and dip
HOWE SOUND COMPANY
CHELAN DIVISION
TITLE PROPOSED EXPLORATION
BELOW 2500 LEVEL
LEVEL 2500
SCALE 1" = 80'
DATE Mar. 2, 1959
DRAWN BY R.D.
SURVEY BY
DESIGN BY T.H.
NOTES
FILE NUMBER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U.S.B.M. NO 392
U.S.B.M. 261
NO. 1313
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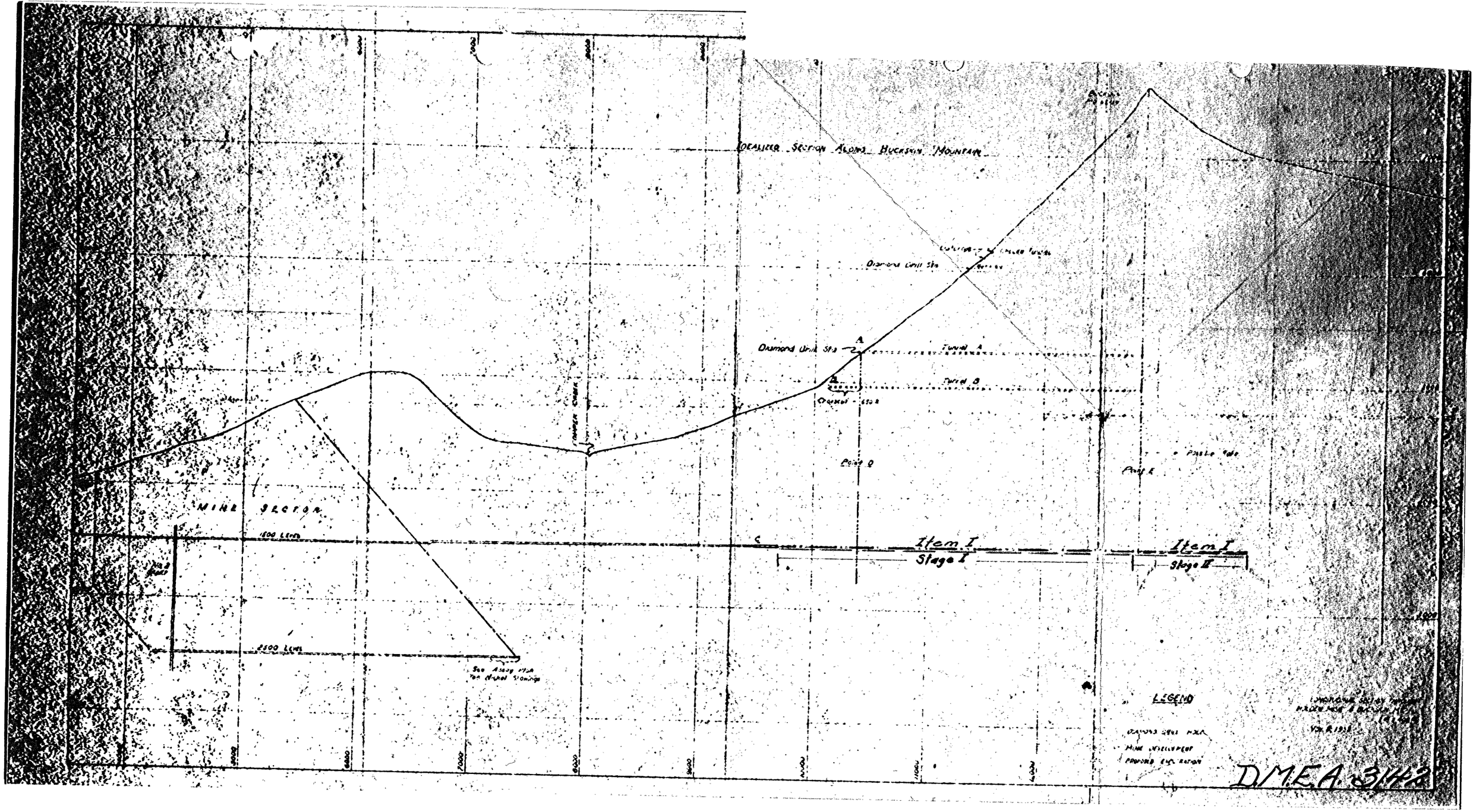
ACCUMULATED FOOTAGE = 3,698
ACCUMULATED FOOTAGE = 3800
Vine
Zero
LEGEND
DRIFT OR CROSSCUT.
PROPOSED DRIFT.
DIAMOND DRILL HOLE.
2-1-54 DRIFT FACE AT DATE INDICATED.
HOWE SOUND COMPANY
CHELAN DIVISION
TITLE
BUCKSKIN MOUNTAIN EXPLORATION
LEVEL 1500
SCALE 1" = 200'
DATE 3-1-56
DRAWN BY T.W.
SURVEY BY
DESIGN BY T.W.
NOTES
FILE NUMBER
D.M.E.A.
DM-E644


LOCALIZED SECTION ALONG HUCKSIN MOUNTAIN
Diamond Drill Site
Diamond Drill Site
A
Tunnel A
Tunnel B
Drawout - 650 ft
Point D
Point E
MINE SECTION
1500 LEVEL
2500 LEVEL
See Assay Plan for Nickel Showings
Item I
Stage I
Item I
Stage II
LEGEND
DIAMOND DRILL HOLE
MINE DEVELOPMENT
PROPOSED EXPLORATION
D.M.E.A. 3142

SCHEDULE -- AUDIT SUMMARY

Howe Sound Company DMEA 3142 Idm E 644

	Totals May 1957 Form MF-104	Corrected Distribution	Disallowed By Audit	Corrected Costs	1500 Level	2500 Level	Surface
1. Agreed Unit Costs	$	$	$	$	$	$	$
Drill Stations		8,310.00		8,310.00	4,710.00	3,600.00	—
Transfer Stations	9,810.00	1,500.00		1,500.00	—	1,500.00	—
Diamond Drilling	37,965.75	47,858.50	12.75	47,845.75	23,043.75	24,802.00	—
Samples Assayed	—	105.00		105.00	—	105.00	—
Independent Contracts							
Drilling	21,674.03	10,045.20		10,045.20		—	10,045.20
Cementing	—	121.70		121.70	—	—	121.70
2. Labor and Supervision							
Labor	106,278.53	106,278.53		106,278.53	89,686.62	16,591.91	—
Supervision	8,160.31	8,712.19		8,712.19	6,865.80	1,294.51	551.88
Technical Services	3,690.82	3,690.82		3,690.82	2,627.98	1,062.84	—
3. Operating Materials & Supplies							
Timber	9,966.33	9,966.33		9,966.33	9,889.66	76.67	—
Explosives	21,330.73	21,330.73		21,330.73	15,270.90	6,059.83	—
Pipe	5,398.99	6,748.73		6,748.73	6,748.73	—	—
Track	4,497.47	5,621.83		5,621.83	4,865.67	756.16	—
Drill Steel & Bits	12,300.71	12,300.71		12,300.71	8,129.43	4,171.28	—
Electric Cable	358.64	358.64		358.64	358.64	—	—
Vent Pipe	352.90	352.90		352.90	352.90	—	—
4. Operating Equipment							
Rental	—	—		—		—	—
Purchased	17,549.07	30,907.09		30,907.09	30,907.09	—	—
Depreciation	3,873.75	3,873.75		3,873.75	2,850.00	1,023.75	—
5. Initial Rehabilitation & Repairs	—	—		—	—	—	—
6. New Buildings, Impv., Etc.	—	—		—	—	—	—
7. Miscellaneous							
Repairs to Equipment	9,847.12	9,847.12		9,847.12	7,431.51	2,415.61	—
Sampling and Analysis	130.32	235.32		235.32	130.32	—	105.00
Payroll Taxes	3,621.00	3,621.00		3,621.00	3,076.20	544.80	—
Ind. Ins. and Med. Aid	4,834.84	4,834.84		4,834.84	4,049.05	785.79	—
Tramming	8,832.15	8,832.15		8,832.15	6,498.00	2,334.15	—
Compressed Air	13,816.74	13,816.74		13,816.74	8,891.02	4,925.72	—
Core Boxes	—	102.50		102.50	—	—	102.50
Mobilization of Drill	—	750.00		750.00	—	—	750.00
Miner's Lamps	—	593.42		593.42	449.12	144.30	—
Handling Supplies	—	2,440.20		2,440.20	1,772.30	667.90	—
Hoisting	—	1,397.84		1,397.84	—	1,397.84	—
8. Contingencies							
Miner's Lamps	593.42	—		—	—	—	—
Handling Supplies	2,440.20	—		—	—	—	—
Hoisting	1,397.84	—		—	—	—	—
Total	$308,721.66	$324,553.78	$ 12.75	$324,541.03	$238,604.69	$ 74,260.06	$ 11,676.28
Less Salvage	—	15,832.14 *	—	15,832.14	15,832.14	—	—
Total	$308,721.66	$308,721.64 *	$ 12.75	$308,708.89	$222,772.55	$ 74,260.06	$ 11,676.28

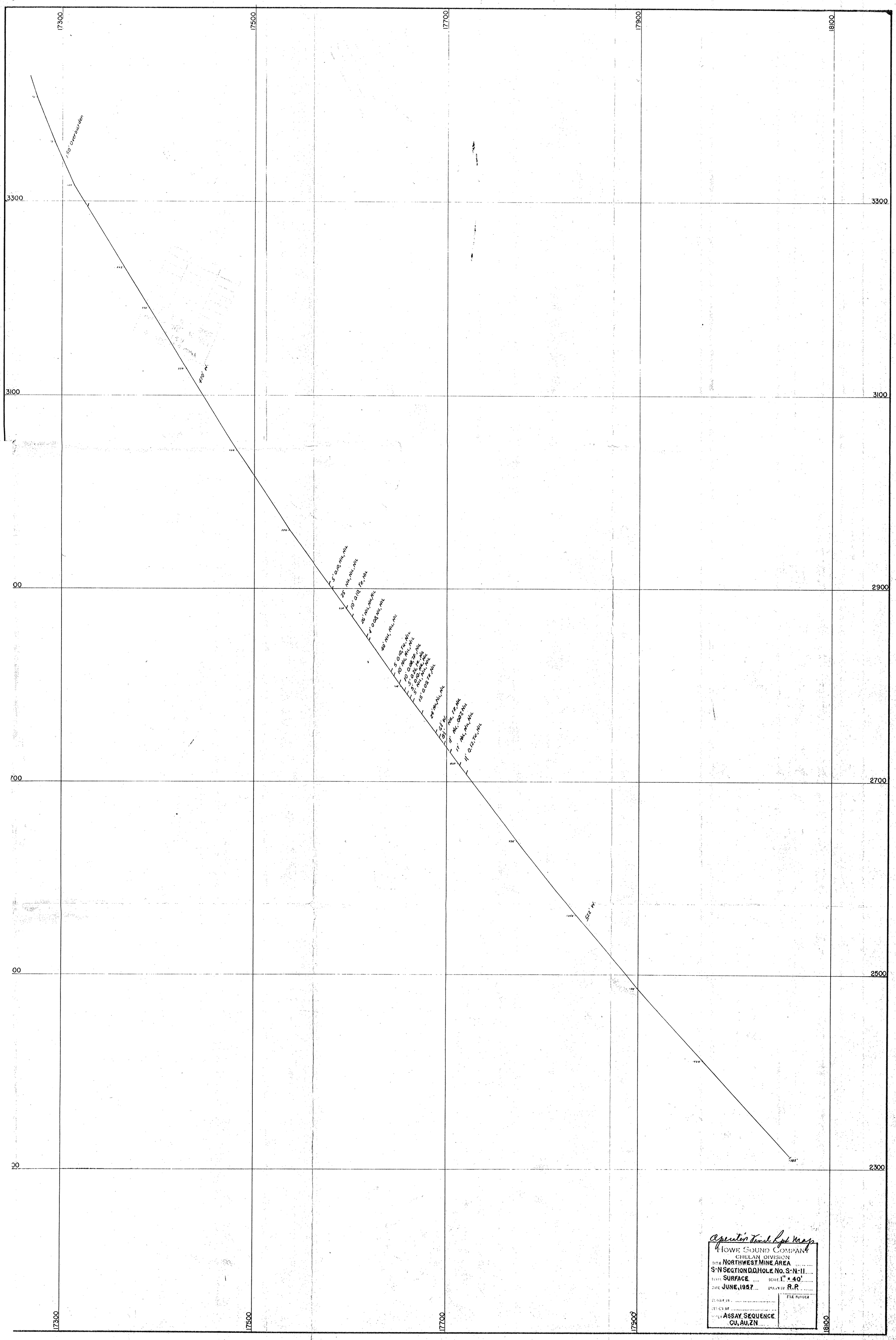
* See Schedule - Proceeds from Property Disposition

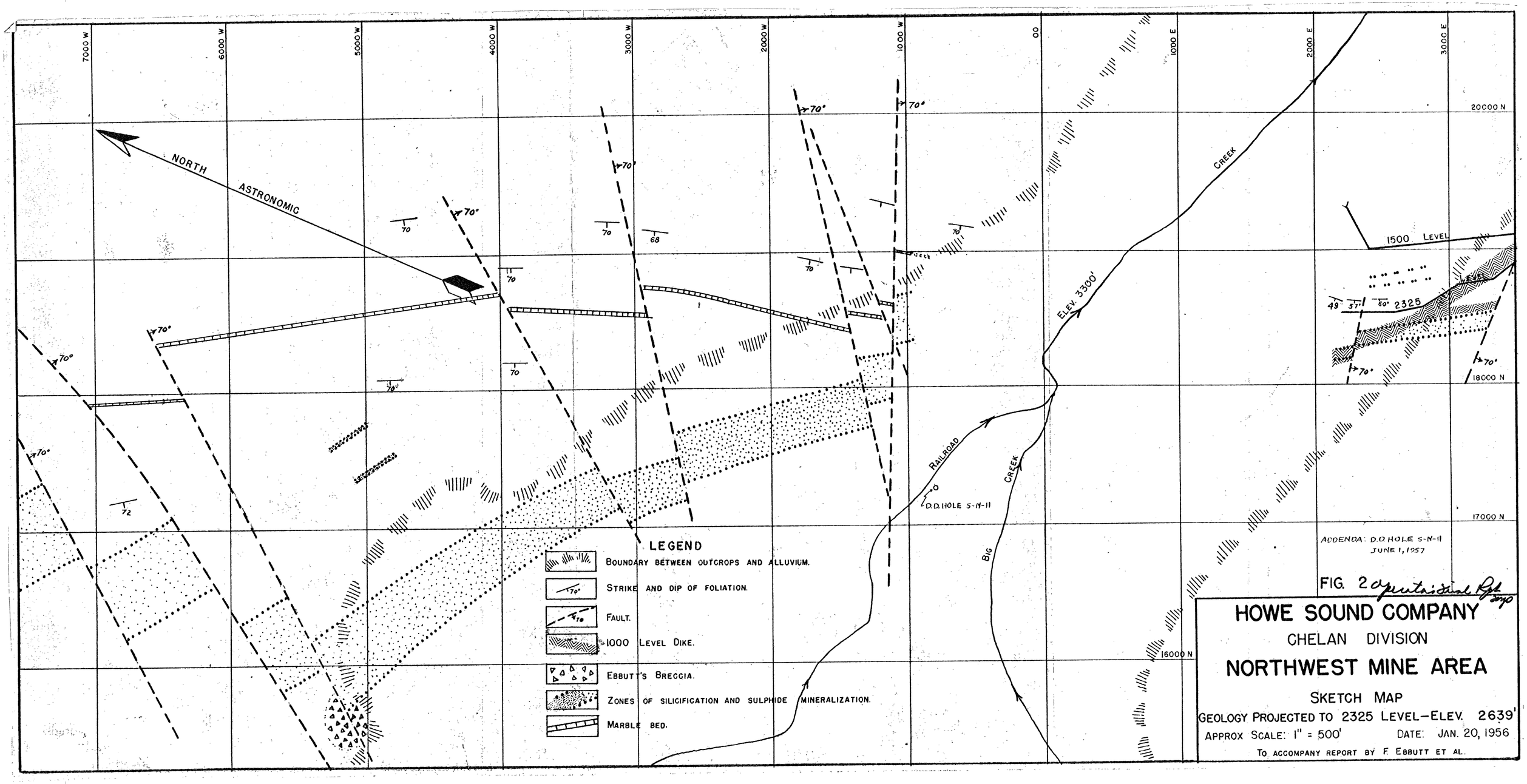
August 21, 1957

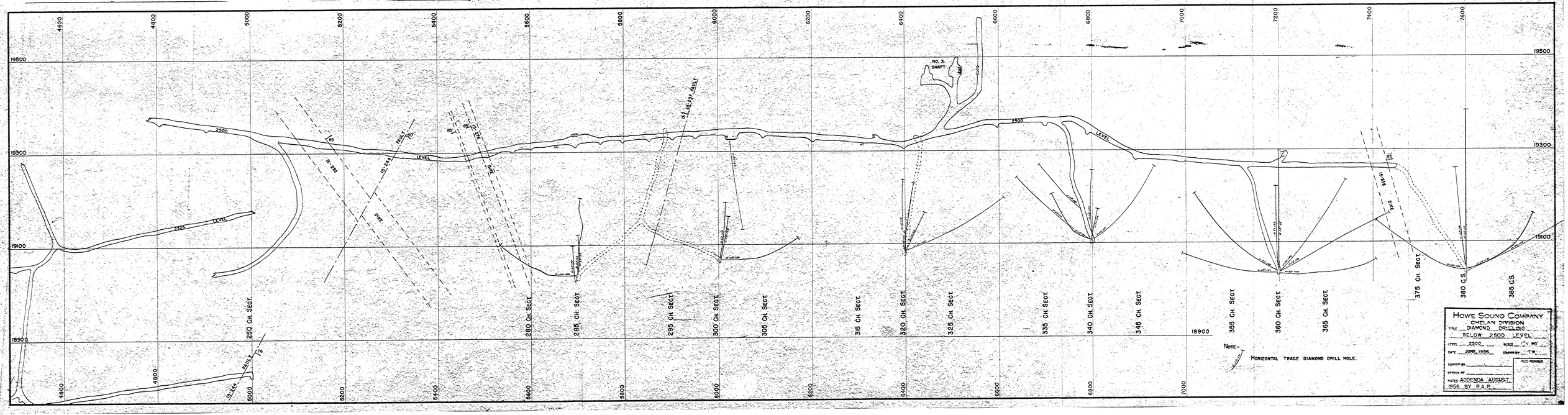
C. A. Turner, Auditor

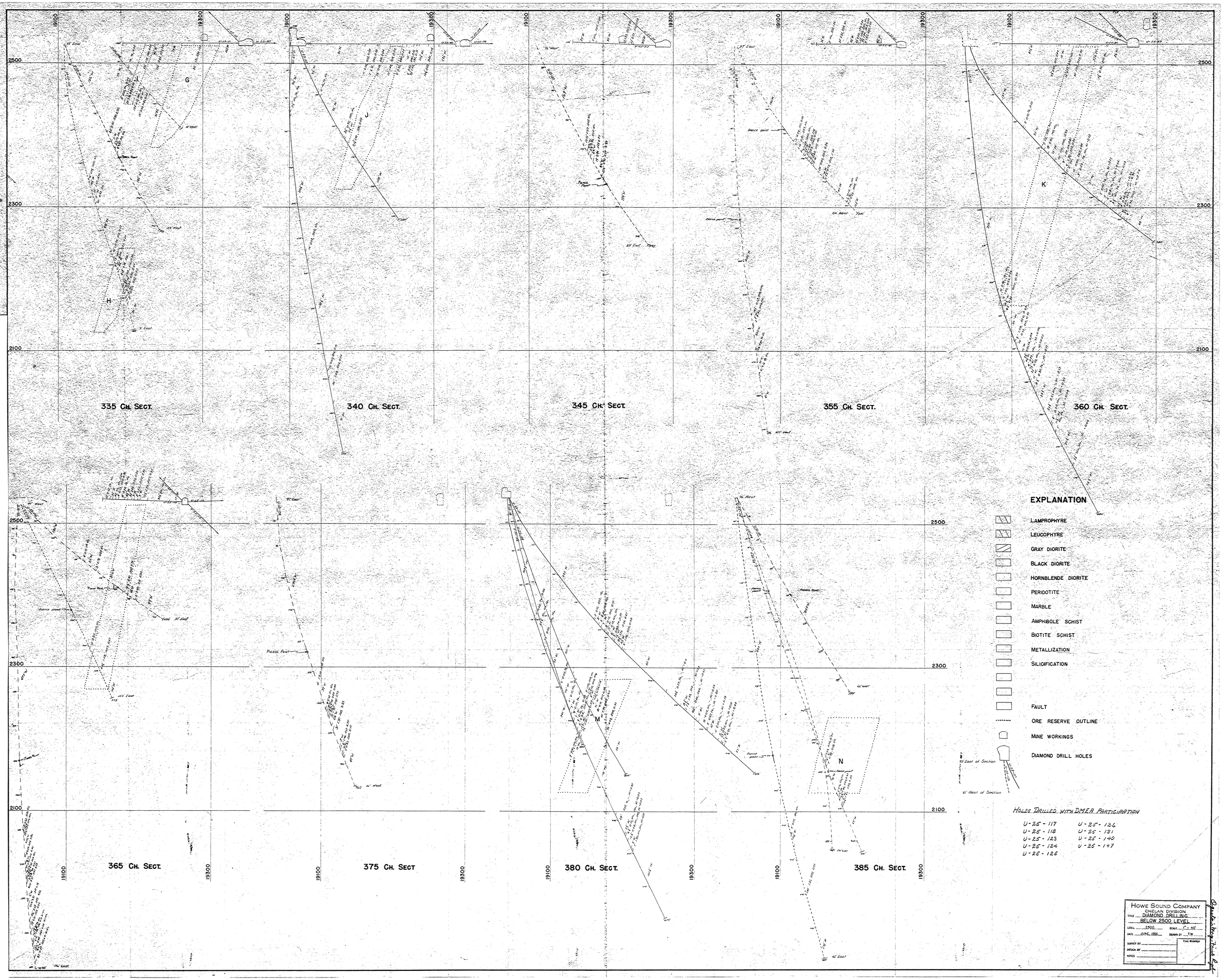
Exhibit "A" AUDIT SUMMARY Idm-E644

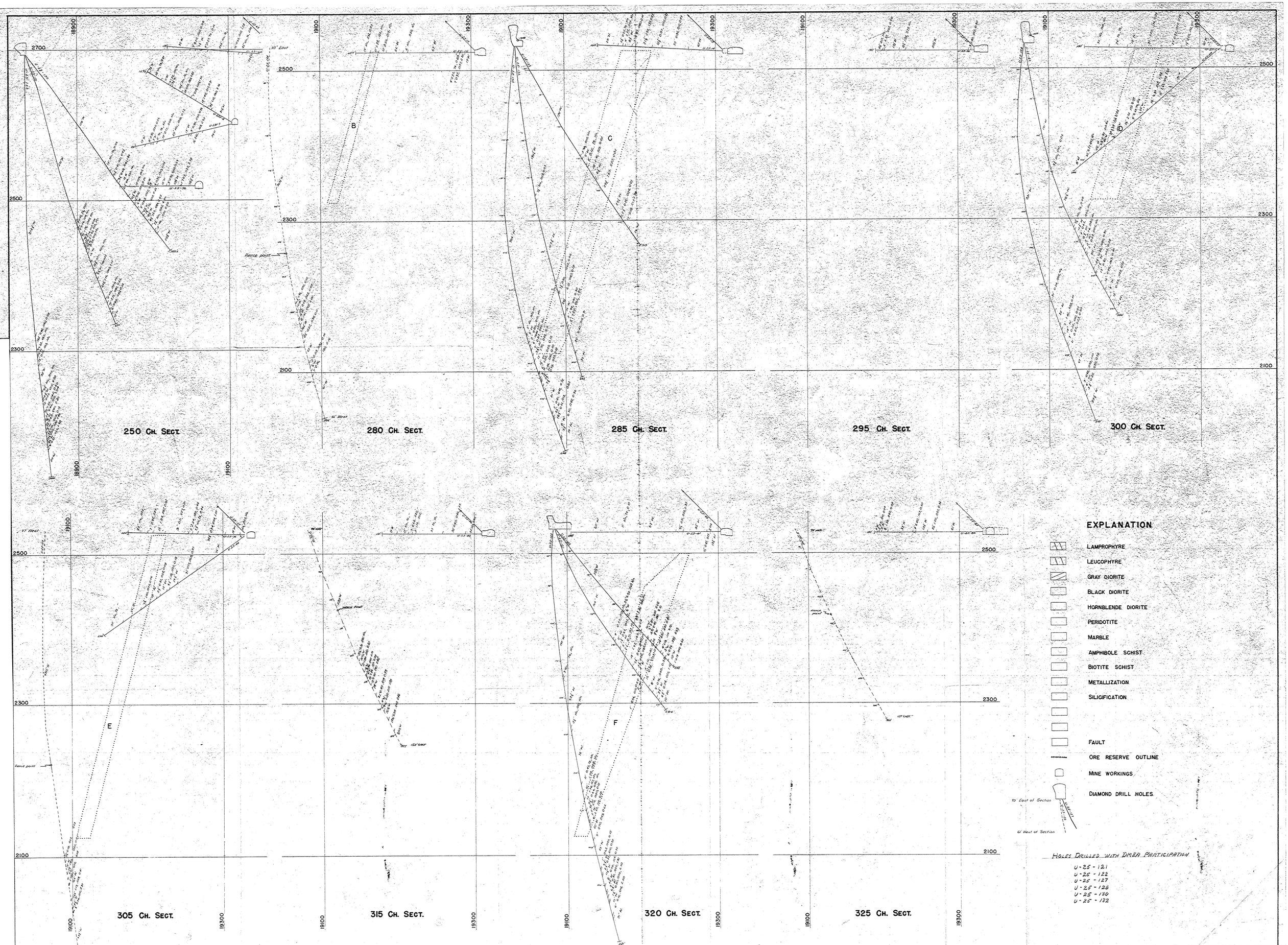
	Totals Mar. MF-104	Corrected Distribution	Disallowed by Audit	Accepted Costs
(1) Agreed Unit Costs				
Diamond drill stations	$ 8,310.00	$ 8,310.00	$	$ 8,310.00
Core drilling	29,414.00	29,414.00		29,414.00
Transfer stations	1,500.00	1,500.00		1,500.00
(2) Labor and Supervision				
Labor	105,177.98	106,278.53		106,278.53
Supervision	8,160.31	8,160.31		8,160.31
Technical services	3,690.82	3,690.82		3,690.82
(3) Operating Matl's and Supplies				
Timber				
Explosives	10,470.23	9,966.33		9,966.33
Pipe	21,330.73	21,330.73		21,330.73
Track	6,748.73	6,748.73		6,748.73
Drill steel and bits	5,117.93	5,621.83		5,621.83
Electric cable installation	12,300.71	12,300.71		12,300.71
Ventilation pipe installation	358.64	358.64		358.64
	352.90	352.90		352.90
(4) Operating Equipment				
Rental	-	-		-
Purchase	-	-		-
Depreciation	30,907.09	30,907.09		30,907.09
	3,873.75	3,873.75		3,873.75
(5) Initial Rehabilitation and Repairs	-	-		-
(6) New Buildings, Improvements, etc.	-	-		-
(7) Miscellaneous				
Repairs to equipment	9,847.12	9,847.12		9,847.12
Sampling and analysis	130.32	130.32		130.32
Payroll taxes	4,148.34	4,148.34	327.34	3,821.00
Liability insurance	4,834.84	4,834.84		4,834.84
Tramming	8,842.10	8,842.10	9.93	8,832.15
Compressed air	13,816.74	13,816.74		13,816.74
Miner's lamps	593.42	593.42		593.42
Handling supplies	2,440.20	2,440.20		2,440.20
Retroactive pay	1,100.33			
Hoisting - 2500 Level	1,397.84	1,397.84		1,397.84
Totals	$294,865.49	$294,865.49	$ 337.49	$294,328.00

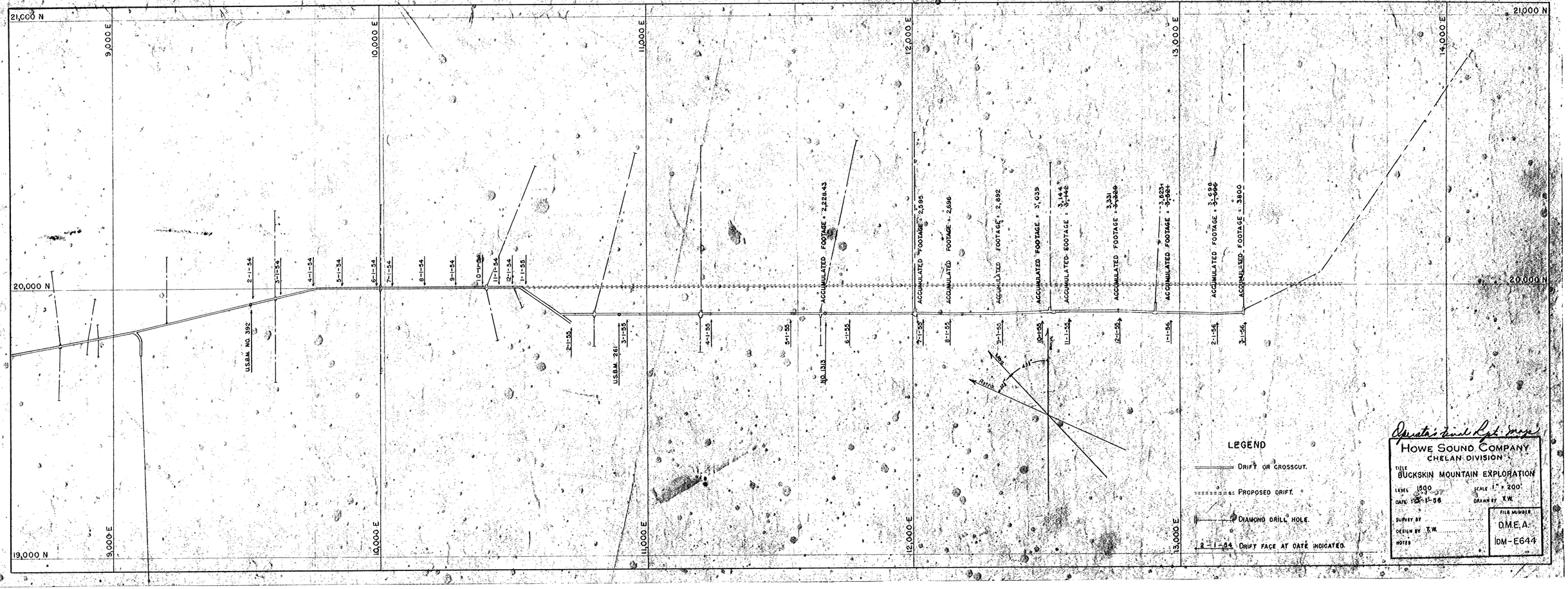

17300
17500
17700
17900
18100
3300
3100
00
700
00
00
2900
2700
2500
2300
150' Overburden
470' W.
5' 0.10, NIL, NIL
25 NIL, NIL, NIL
10' 0.10, TR, NIL
26' NIL, NIL, NIL
4' 0.08, NIL, NIL
40' NIL, NIL, NIL
5' 0.10, TR, NIL
10' NIL, NIL, NIL
10' 0.08, TR, NIL
5' 0.26, TR, NIL
3' 0.10, TR, NIL
3' NIL, NIL, NIL
15' 0.08, TR, NIL
24' NIL, NIL, NIL
0.5' W.
18' NIL, TR, NIL
11' NIL, 0.02%, NIL
17' NIL, NIL, NIL
11' 0.12, TR, NIL
522' W.
Operator's Final Log Map
HOWE SOUND COMPANY
CHELAN DIVISION
TITLE NORTHWEST MINE AREA
S-N SECTION D.D. HOLE No. S-N-11
LEVEL SURFACE
SCALE 1" = 40'
DATE JUNE, 1957
DRAWN BY R.P.
FILE NUMBER
ASSAY SEQUENCE
CU, AU, ZN

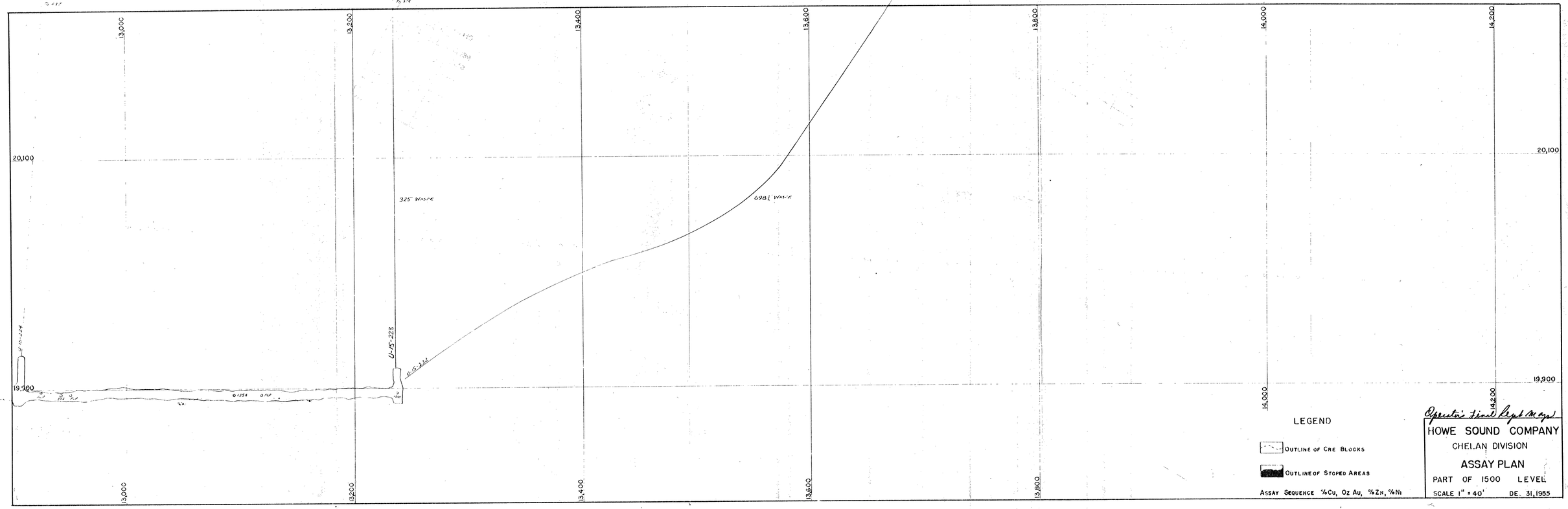

7000 W
6000 W
5000 W
4000 W
3000 W
2000 W
1000 W
00
1000 E
2000 E
3000 E
20000 N
18000 N
17000 N
16000 N
NORTH
ASTRONOMIC
70°
68
72
1500 LEVEL
2325
49°
57'
80°
ELEV. 3300'
CREEK
RAILROAD
BIG
CREEK
D.D. HOLE S-N-11
LEGEND
BOUNDARY BETWEEN OUTCROPS AND ALLUVIUM.
STRIKE AND DIP OF FOLIATION.
FAULT.
1000 LEVEL DIKE.
EBBUTT'S BRECCIA.
ZONES OF SILICIFICATION AND SULPHIDE MINERALIZATION.
MARBLE BED.
ADDENDA: D.D. HOLE S-N-11
JUNE 1, 1957
FIG. 2
HOWE SOUND COMPANY
CHELAN DIVISION
NORTHWEST MINE AREA
SKETCH MAP
GEOLOGY PROJECTED TO 2325 LEVEL—ELEV. 2639'
APPROX SCALE: 1" = 500'
DATE: JAN. 20, 1956
TO ACCOMPANY REPORT BY F. EBBUTT ET AL.

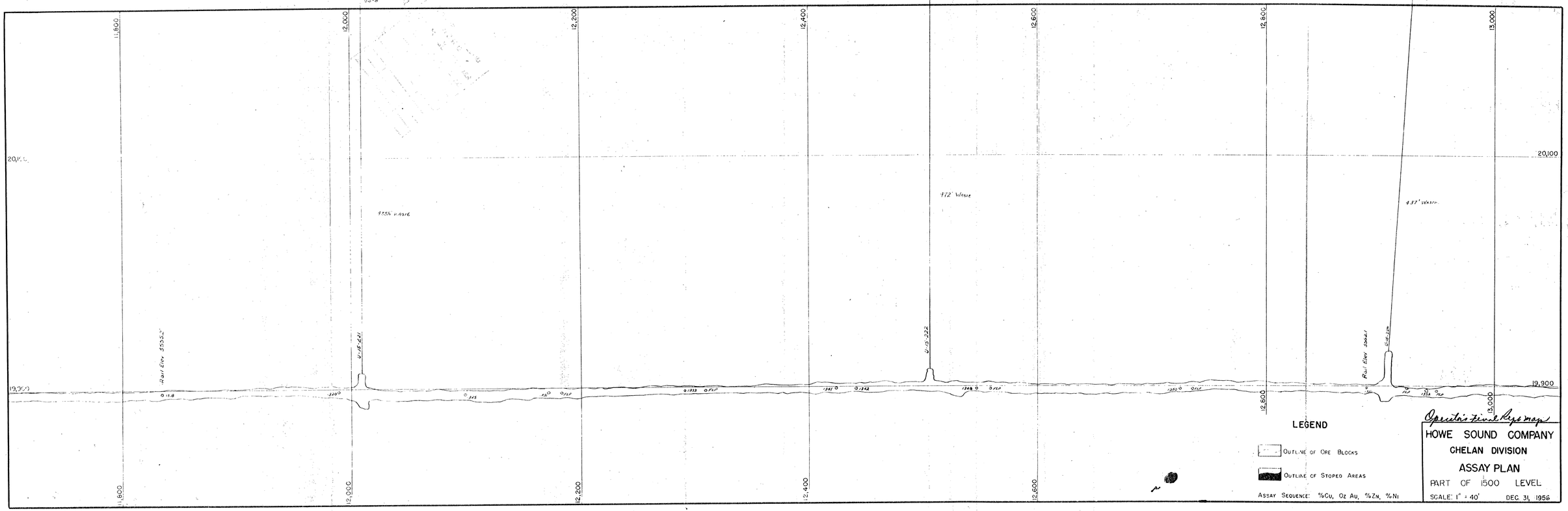

HOWE SOUND COMPANY
CHELAN DIVISION
TITLE DIAMOND DRILLING
BELOW 2500 LEVEL
LEVEL 2500
SCALE 1" = 40'
DATE JUNE, 1956
DRAWN BY T.W.
SURVEY BY
DESIGN BY
NOTES ADDENDA AUGUST, 1956 BY R.A.P.
FILE NUMBER
NO. 3 SHAFT
2500 LEVEL
2365 LEVEL
FAULT 85
FAULT 76
DIKE
NOTE - HORIZONTAL TRACE DIAMOND DRILL HOLE.
250 CH. SECT.
280 CH. SECT.
285 CH. SECT.
295 CH. SECT.
300 CH. SECT.
305 CH. SECT.
315 CH. SECT.
320 CH. SECT.
325 CH. SECT.
335 CH. SECT.
340 CH. SECT.
345 CH. SECT.
355 CH. SECT.
360 CH. SECT.
365 CH. SECT.
375 CH. SECT.
380 C.S.
385 C.S.
19500
19300
19100
18900
4600
4800
5000
5200
5400
5600
5800
6000
6200
6400
6600
6800
7000
7200
7400
7600

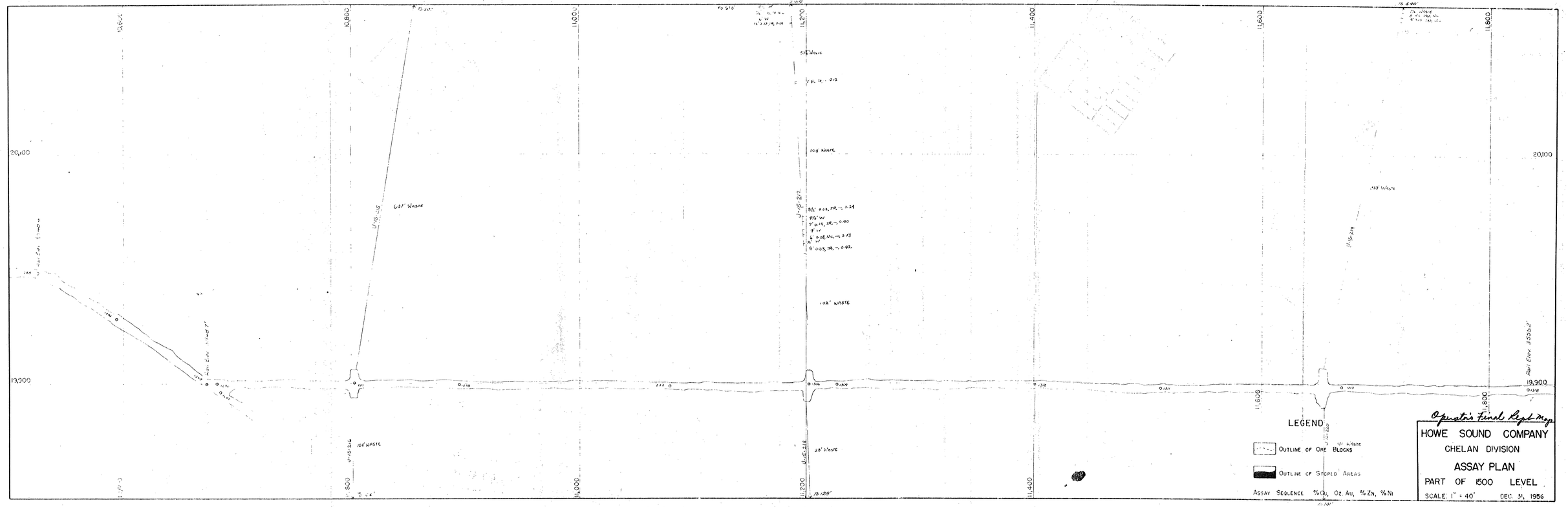

335 CH. SECT.
340 CH. SECT.
345 CH. SECT.
355 CH. SECT.
360 CH. SECT.
365 CH. SECT.
375 CH. SECT
380 CH. SECT.
385 CH. SECT.
EXPLANATION
LAMPROPHYRE
LEUCOPHYRE
GRAY DIORITE
BLACK DIORITE
HORNBLENDE DIORITE
PERIDOTITE
MARBLE
AMPHIBOLE SCHIST
BIOTITE SCHIST
METALLIZATION
SILICIFICATION
FAULT
ORE RESERVE OUTLINE
MINE WORKINGS
DIAMOND DRILL HOLES
HOLES DRILLED WITH DMEA PARTICIPATION
U-25-117
U-25-118
U-25-123
U-25-124
U-25-125
U-25-126
U-25-131
U-25-140
U-25-147
HOWE SOUND COMPANY
CHELAN DIVISION
TITLE DIAMOND DRILLING BELOW 2500 LEVEL
LEVEL 2500
SCALE 1" = 40'
DATE JUNE, 1956
DRAWN BY T.M.
SURVEY BY
DESIGN BY
NOTES
FILE NUMBER


250 Ch. Sect.
280 Ch. Sect.
285 Ch. Sect.
295 Ch. Sect.
300 Ch. Sect.
305 Ch. Sect.
315 Ch. Sect.
320 Ch. Sect.
325 Ch. Sect.
Pierce point
EXPLANATION
LAMPROPHYRE
LEUCOPHYRE
GRAY DIORITE
BLACK DIORITE
HORNBLENDE DIORITE
PERIDOTITE
MARBLE
AMPHIBOLE SCHIST
BIOTITE SCHIST
METALLIZATION
SILIGIFICATION
FAULT
ORE RESERVE OUTLINE
MINE WORKINGS
DIAMOND DRILL HOLES
75' East of Section
61' West of Section
HOLES DRILLED WITH DMEA PARTICIPATION
U-25-121
U-25-122
U-25-127
U-25-128
U-25-130
U-25-132
HOWE SOUND COMPANY
CHELAN DIVISION
TITLE DIAMOND DRILLING
BELOW 2500 LEVEL
LEVEL 2500
SCALE 1" = 40'
DATE JUNE, 1956
DRAWN BY T.M.
SURVEY BY
DESIGN BY
NOTES
FILE NUMBER

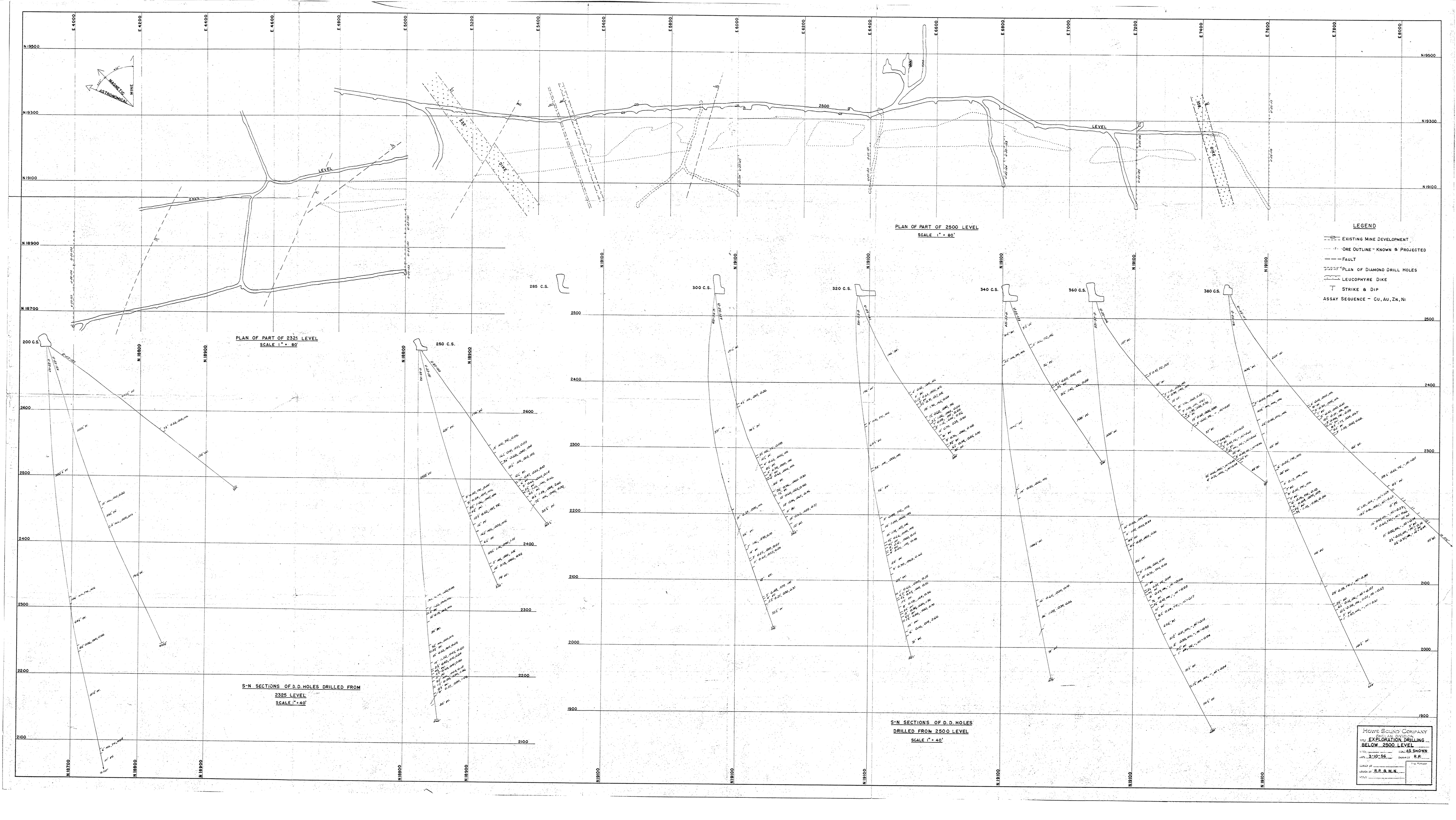

21,000 N
20,000 N
19,000 N
9,000 E
10,000 E
11,000 E
12,000 E
13,000 E
14,000 E
USBM NO. 392
USBM 261
NO. 1313
ACCUMULATED FOOTAGE = 2,228.43
ACCUMULATED FOOTAGE = 2,595
ACCUMULATED FOOTAGE = 2,696
ACCUMULATED FOOTAGE = 2,892
ACCUMULATED FOOTAGE = 3,039
ACCUMULATED FOOTAGE = 3,144
ACCUMULATED FOOTAGE = 3,331
ACCUMULATED FOOTAGE = 3,623
ACCUMULATED FOOTAGE = 3,696
ACCUMULATED FOOTAGE = 3,800
LEGEND
DRIFT OR CROSSCUT.
PROPOSED DRIFT.
DIAMOND DRILL HOLE.
2-1-54 DRIFT FACE AT DATE INDICATED.
HOWE SOUND COMPANY
CHELAN DIVISION
TITLE BUCKSKIN MOUNTAIN EXPLORATION
LEVEL 1500
SCALE 1" = 200'
DATE 3-1-56
DRAWN BY E.W.
SURVEY BY
DESIGN BY E.W.
NOTES
FILE NUMBER
D.M.E.A.
DM-E644

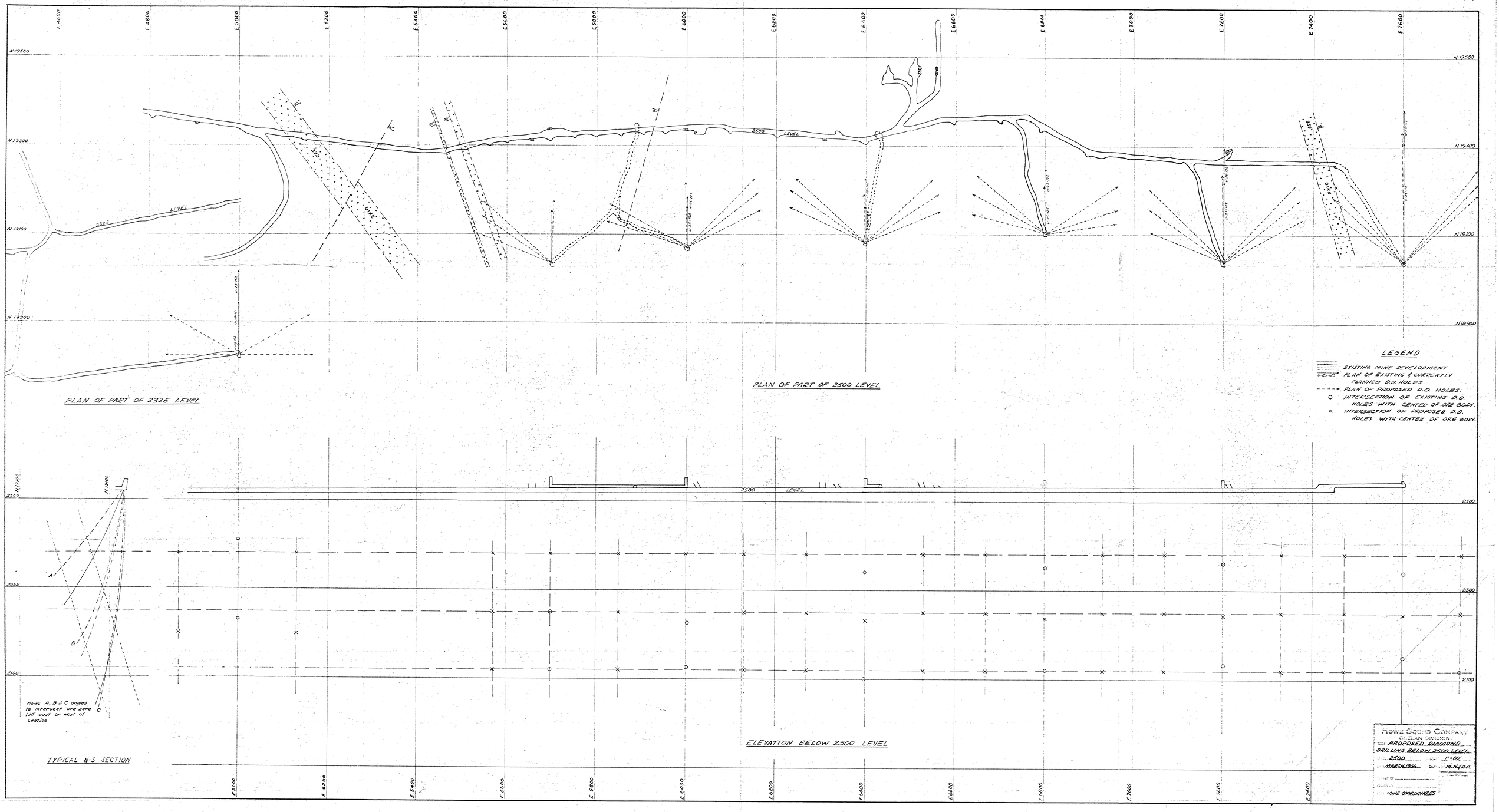

13,000
13,200
13,400
13,600
13,800
14,000
14,200
20,100
19,900
325' Waste
698' Waste
U-15-223
U-15-224
U-15-222
LEGEND
Outline of Ore Blocks
Outline of Stoped Areas
Assay Sequence %Cu, Oz Au, %Zn, %Ni
Operator's Final Rept Map
HOWE SOUND COMPANY
CHELAN DIVISION
ASSAY PLAN
PART OF 1500 LEVEL
SCALE 1" = 40'
DE. 31, 1955

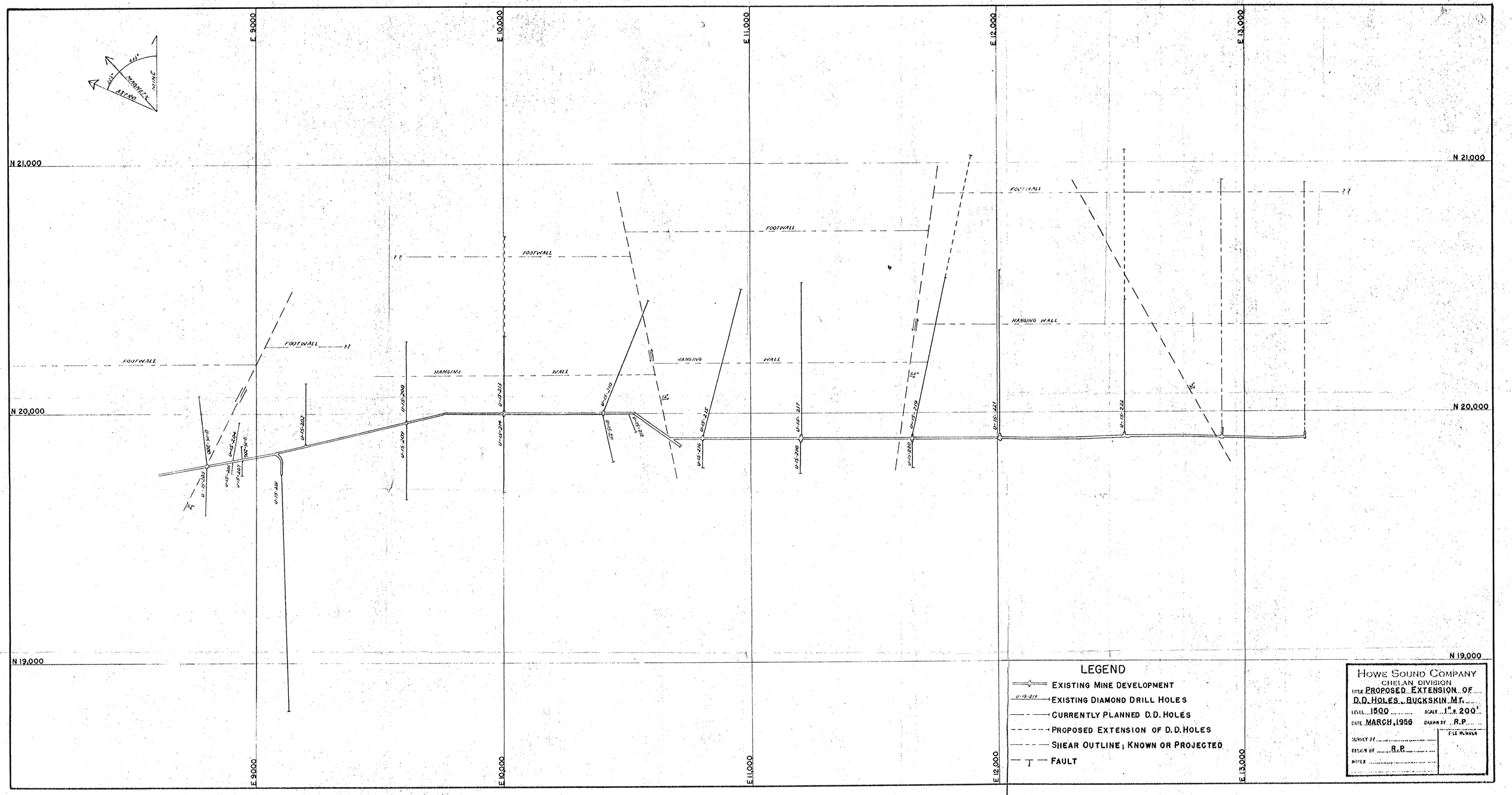

11,600
12,000
12,200
12,400
12,600
12,800
13,000
20,100
19,900
9.55' Waste
7.12' Waste
4.37' Waste
Rail Elev. 5535.2'
Rail Elev. 5544.1
U/S 221
U/S 222
U/S 226
0.18
320
0.145
180
0.FLP
0.1833
0.FLP
1341
0.1242
1348
0.FLP
1320
0.FLP
FLP
1334
0.FLP
LEGEND
Outline of Ore Blocks
Outline of Stoped Areas
Assay Sequence: %Cu, Oz Au, %Zn, %Ni
Operator's Final Ope map
HOWE SOUND COMPANY
CHELAN DIVISION
ASSAY PLAN
PART OF 1500 LEVEL
SCALE: 1" = 40'
DEC. 31, 1956

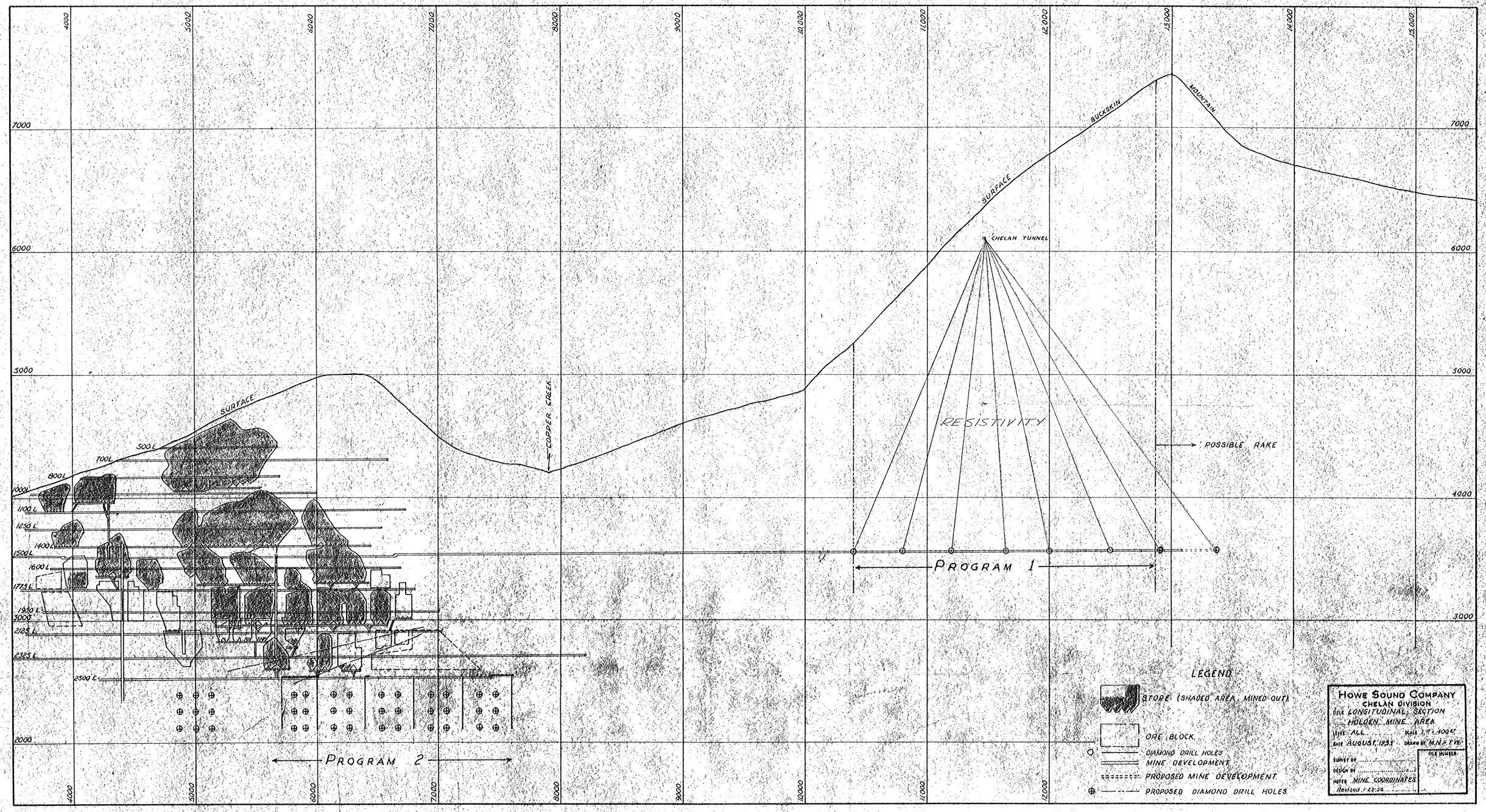

10,800
11,000
11,200
11,400
11,600
11,800
20,100
19,900
LEGEND
OUTLINE OF ORE BLOCKS
OUTLINE OF STOPED AREAS
ASSAY SEQUENCE %Cu, Oz. Au, %Zn, %Ni
Operator's Final Rept. Map
HOWE SOUND COMPANY
CHELAN DIVISION
ASSAY PLAN
PART OF 1500 LEVEL
SCALE 1" = 40'
DEC. 31, 1956

20,100
9400
9600
9800
10000
10200
10400
10600
20,300
20,100
19,900
19,700
To 299'
To 477'
319' WASTE
299' WASTE
415' WASTE
U-15-208
U-15-209
U-15-213
U-15-214
U-15-210
U-15-211
U-15-212
Rail Elev 3544
Rail Elev 3544.9'
Rail Elev 3548.4'
U.S.B.M. No 392
1274
1275
1279
1280
1281
1283
1284
1286
1287
1288
1294
2' Nil, Nil, Nil, 0.12
12' WASTE
5½' Nil, Nil, Nil, 0.23
92½' WASTE
303' WASTE
121½' WASTE
9' Nil, Nil, Nil, 0.12
171½ WASTE
189' WASTE
77' WASTE
To 303'
To 302'
To 189'
Operator's Final Rpt. Map
LEGEND
Outline of Ore Blocks
Outline of Stoped Areas
Assay Sequence: % Cu, Oz. Au, % Zn
HOWE SOUND COMPANY
CHELAN DIVISION
ASSAY PLAN
PART OF 1500 LEVEL
SCALE: 1" = 40'
DEC. 31, 1956


PLAN OF PART OF 2321 LEVEL
SCALE 1" = 80'
PLAN OF PART OF 2500 LEVEL
SCALE 1" = 80'
S-N SECTIONS OF D.D. HOLES DRILLED FROM 2325 LEVEL
SCALE 1" = 40'
S-N SECTIONS OF D.D. HOLES DRILLED FROM 2500 LEVEL
SCALE 1" = 40'
LEGEND
EXISTING MINE DEVELOPMENT
ORE OUTLINE - KNOWN & PROJECTED
FAULT
PLAN OF DIAMOND DRILL HOLES
LEUCOPHYRE DIKE
STRIKE & DIP
ASSAY SEQUENCE - CU, AU, ZN, NI
MAGNETIC
ASTRONOMICAL
MINE
LEVEL
DIKE
200 C.S.
250 C.S.
285 C.S.
300 C.S.
320 C.S.
340 C.S.
360 C.S.
380 C.S.
HOWE SOUND COMPANY
EXPLORATION DRILLING
BELOW 2500 LEVEL
AS SHOWN
3-10-56
R.P.
R.P. & M.N.


E 4200
E 4800
E 5000
E 5200
E 5400
E 5600
E 5800
E 6000
E 6200
E 6400
E 6600
E 6800
E 7000
E 7200
E 7400
E 7600
N 19500
N 19300
N 19100
N 18900
2325 LEVEL
DIKE
2500 LEVEL
PLAN OF PART OF 2325 LEVEL
PLAN OF PART OF 2500 LEVEL
LEGEND
EXISTING MINE DEVELOPMENT
PLAN OF EXISTING & CURRENTLY PLANNED D.D. HOLES.
PLAN OF PROPOSED D.D. HOLES.
INTERSECTION OF EXISTING D.D. HOLES WITH CENTER OF ORE BODY.
INTERSECTION OF PROPOSED D.D. HOLES WITH CENTER OF ORE BODY.
2500 LEVEL
2500
2300
2100
A
B
Holes A, B & C angled to intersect ore zone 130' east or west of section
TYPICAL N-S SECTION
ELEVATION BELOW 2500 LEVEL
HOWE SOUND COMPANY
CHELAN DIVISION
PROPOSED DIAMOND DRILLING BELOW 2500 LEVEL
2500
1" = 80'
MARSHUNG
M.N.H.&R.R.
MINE COORDINATES


MAGNETIC
ASTRO
MINE
E 9,000
E 10,000
E 11,000
E 12,000
E 13,000
N 21,000
N 20,000
N 19,000
FOOTWALL
HANGING WALL
U-15-200
U-15-201
U-15-202
U-15-203
U-15-204
U-15-205
U-15-206
U-15-207
U-15-208
U-15-209
U-15-210
U-15-211
U-15-212
U-15-213
U-15-214
U-15-215
U-15-216
U-15-217
U-15-218
U-15-219
U-15-220
U-15-221
U-15-222
LEGEND
EXISTING MINE DEVELOPMENT
EXISTING DIAMOND DRILL HOLES
CURRENTLY PLANNED D.D. HOLES
PROPOSED EXTENSION OF D.D. HOLES
SHEAR OUTLINE; KNOWN OR PROJECTED
FAULT
HOWE SOUND COMPANY
CHELAN DIVISION
TITLE PROPOSED EXTENSION OF D.D. HOLES, BUCKSKIN MT.
LEVEL 1500
SCALE 1" = 200'
DATE MARCH, 1956
DRAWN BY R.P.
SURVEY BY
DESIGN BY R.P.
NOTES
FILE NUMBER


4000
5000
6000
7000
8000
9000
10000
11000
12000
13000
14000
15000
7000
6000
5000
4000
3000
2000
SURFACE
BUCKSKIN
MOUNTAIN
CHELAN TUNNEL
RESISTIVITY
POSSIBLE RAKE
COPPER CREEK
300 L
700 L
800 L
1000 L
1100 L
1250 L
1400 L
1500 L
1600 L
1775 L
1950 L
2125 L
2325 L
2500 L
PROGRAM 1
PROGRAM 2
LEGEND
STOPE (SHADED AREA MINED OUT)
ORE BLOCK
DIAMOND DRILL HOLES
MINE DEVELOPMENT
PROPOSED MINE DEVELOPMENT
PROPOSED DIAMOND DRILL HOLES
HOWE SOUND COMPANY
CHELAN DIVISION
FILE LONGITUDINAL SECTION
HOLDEN MINE AREA
LEVEL ALL
SCALE 1" = 100'
DATE AUGUST 1953
DRAWN BY M.N. & F.W.
SURVEY BY
DESIGN BY
NOTES MINE COORDINATES
Revised 1-13-56
FILE NUMBER

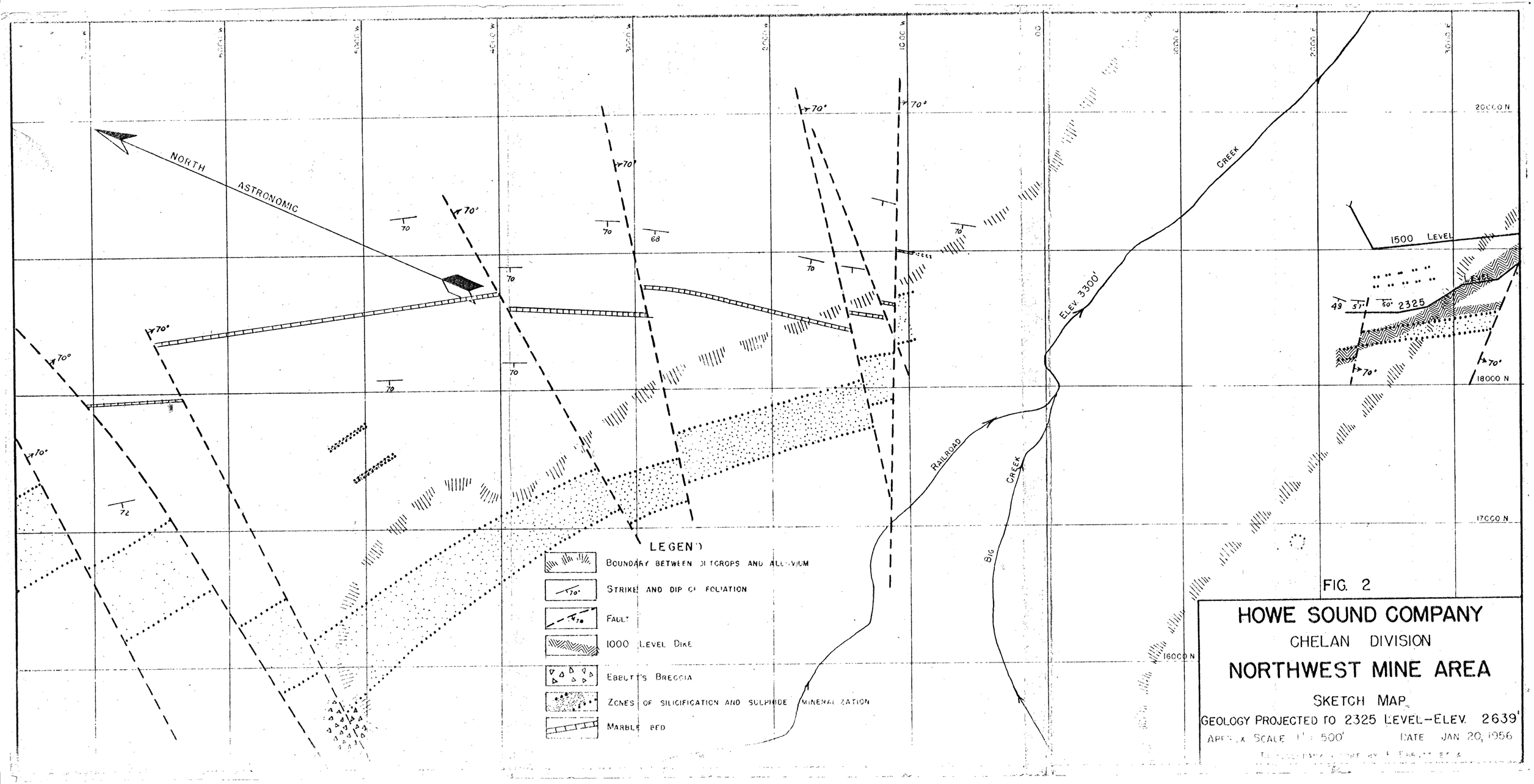


FIG. 2

HOWE SOUND COMPANY

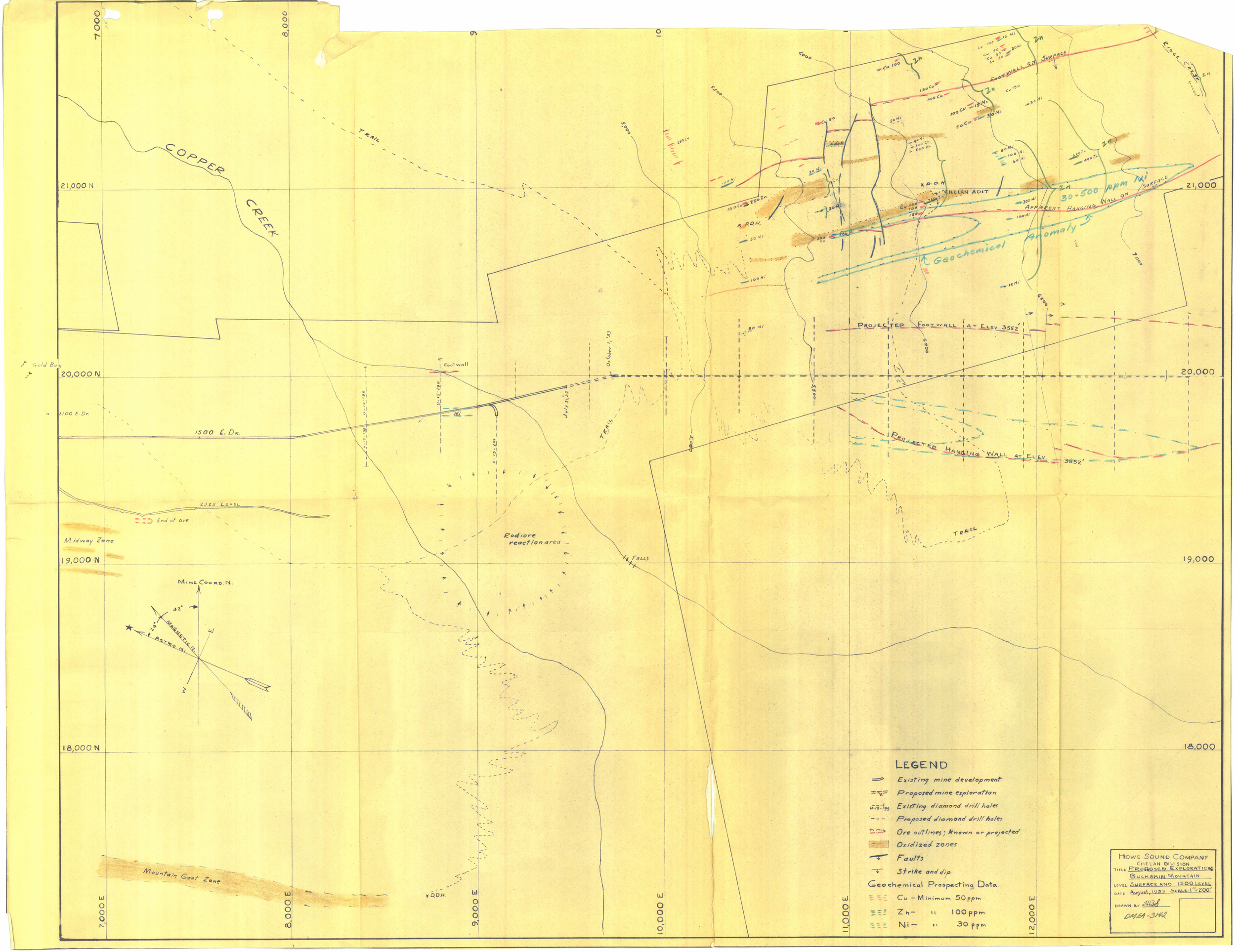
CHELAN DIVISION

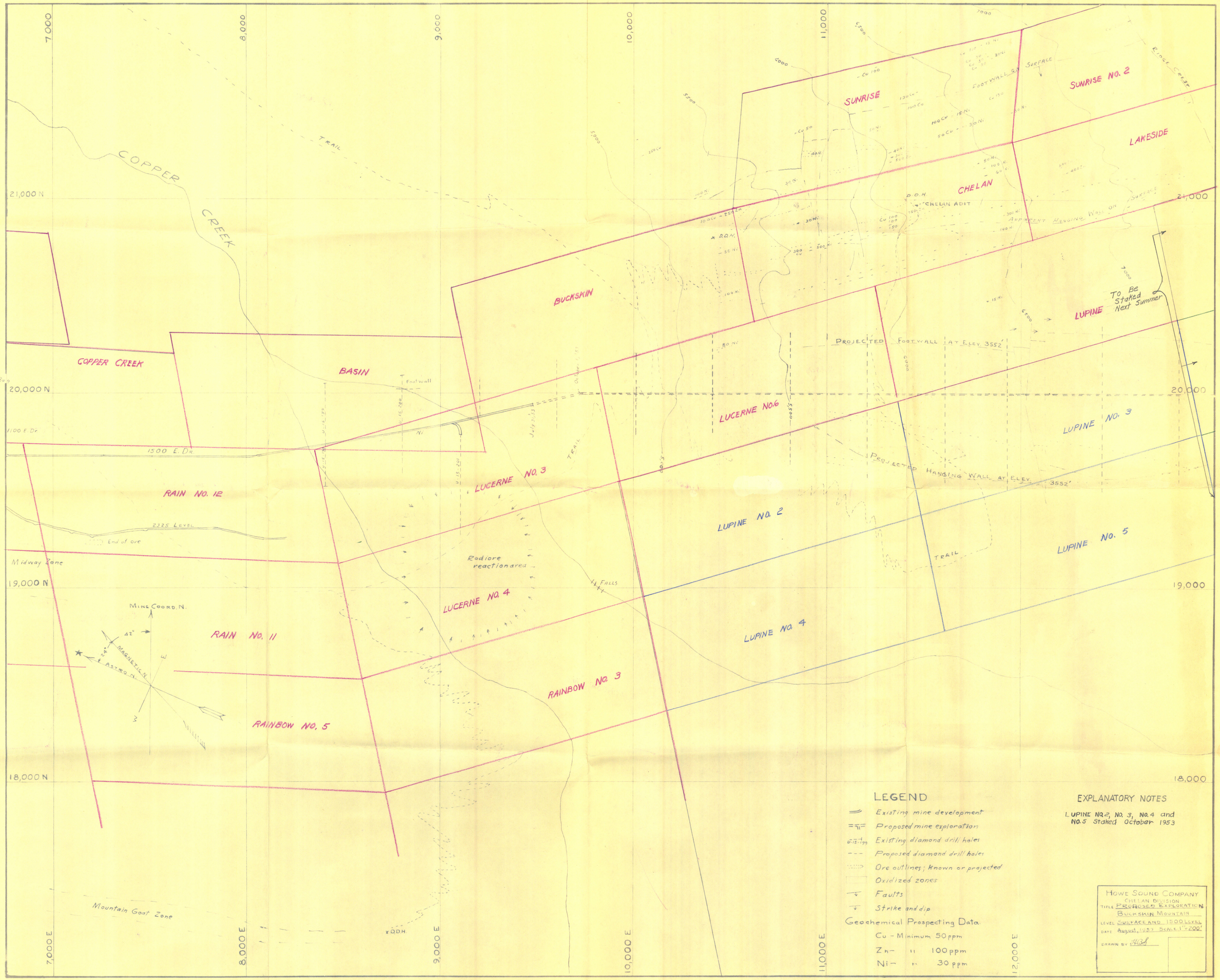
NORTHWEST MINE AREA

SKETCH MAP

GEOLOGY PROJECTED TO 2325 LEVEL—ELEV. 2639'

APPROX. SCALE 1" = 500' DATE JAN. 20, 1956


COPPER CREEK
TRAIL
Footwall
Gold Bug
1100 E. Dr.
1500 E. Dr.
2325 LEVEL
End of ore
Midway Zone
Mountain Goat Zone
MINE COORD. N.
42°
24°
MAGNETIC N.
ASTRO N.
E
W
Radiore reaction area
FALLS
October 1, 1953
July 31, 53
FOOTWALL ON SURFACE
CHELAN ADIT
APPARENT HANGING WALL ON SURFACE
30-500 ppm Ni
Geochemical Anomaly
PROJECTED FOOTWALL AT ELEV. 3552'
PROJECTED HANGING WALL AT ELEV. 3552'
ROCK CREEK
7000
8000
9000
10000
11000
12000
21,000 N
20,000 N
19,000 N
18,000 N
7,000 E
8,000 E
9,000 E
10,000 E
11,000 E
12,000 E
LEGEND
Existing mine development
Proposed mine exploration
Existing diamond drill holes
Proposed diamond drill holes
Ore outlines; known or projected
Oxidized zones
Faults
Strike and dip
Geochemical Prospecting Data.
Cu - Minimum 50 ppm
Zn - " 100 ppm
Ni - " 30 ppm
HOWE SOUND COMPANY
CHELAN DIVISION
TITLE PROPOSED EXPLORATION
BUCKSKIN MOUNTAIN
LEVEL SURFACE AND 1500 LEVEL
DATE August, 1953 SCALE 1" = 200'
DRAWN BY
DMEA-3142



LEGEND

- Existing mine development
- Proposed mine exploration
- Existing diamond drill holes
- Proposed diamond drill holes
- Ore outlines; known or projected
- Oxidized zones
- Faults
- Strike and dip

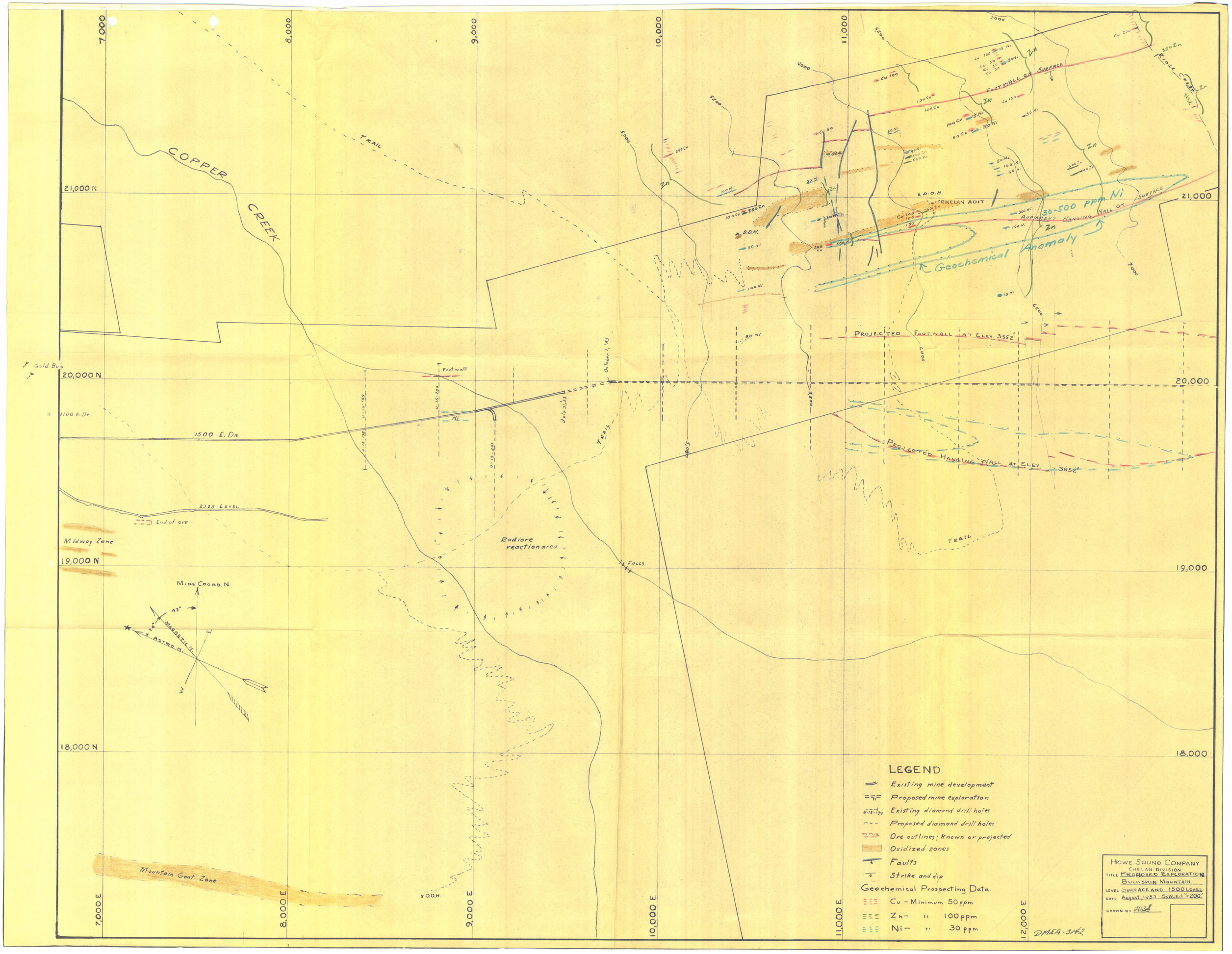
Geochemical Prospecting Data.

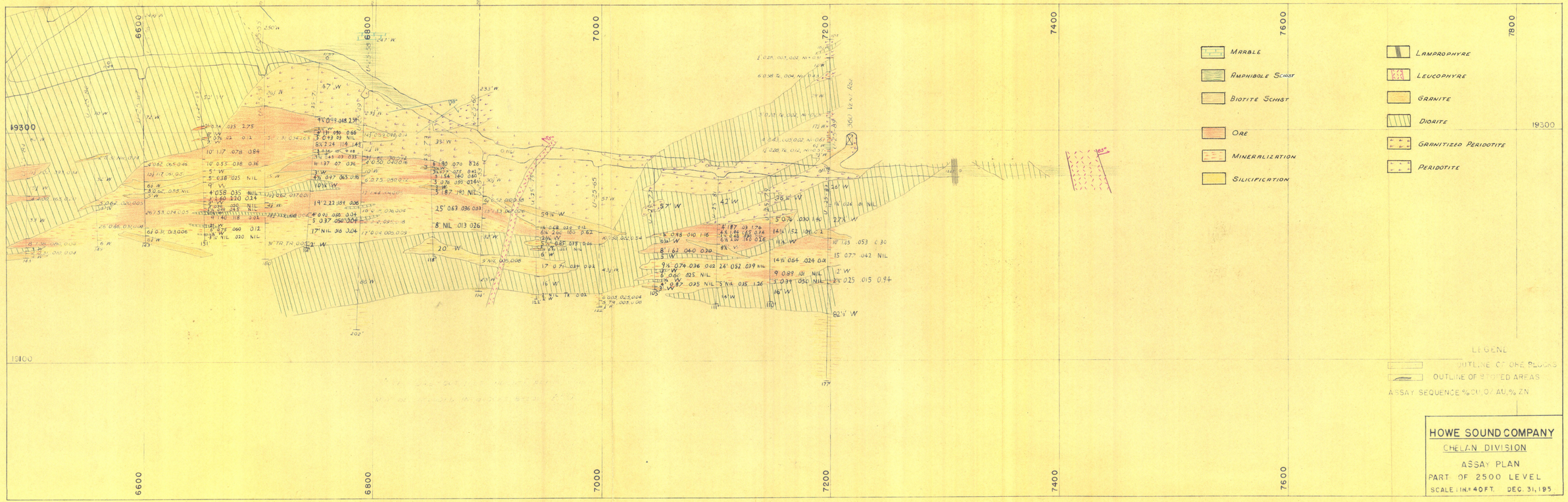
Cu – Minimum 50 ppm
Zn – " 100 ppm
Ni – " 30 ppm

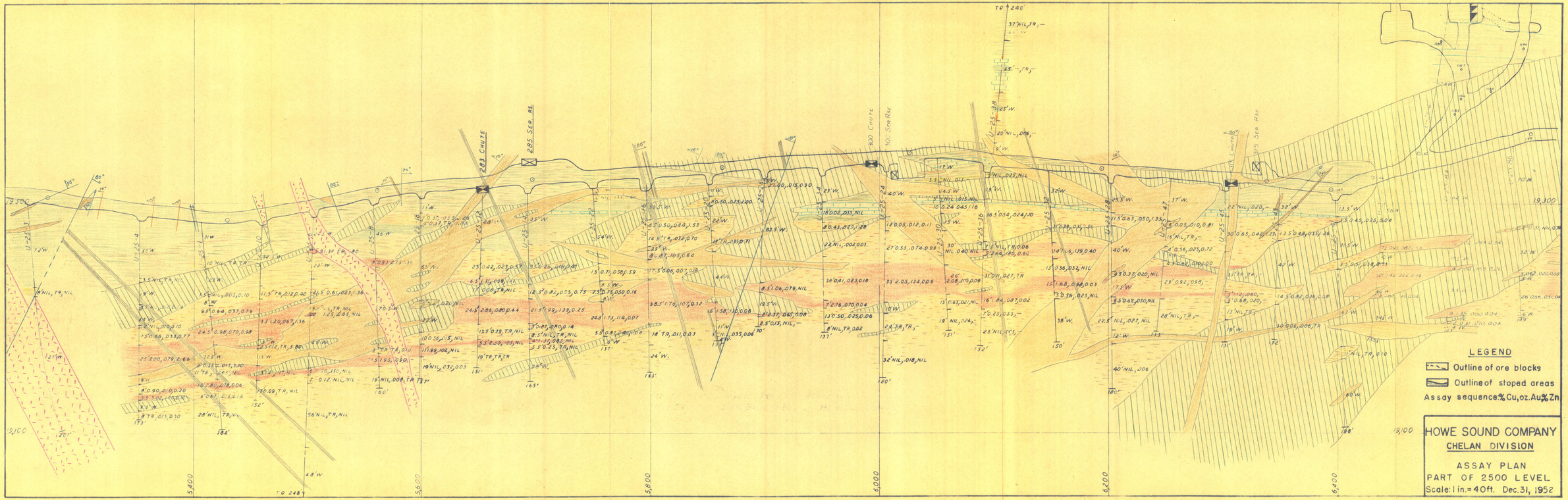
EXPLANATORY NOTES

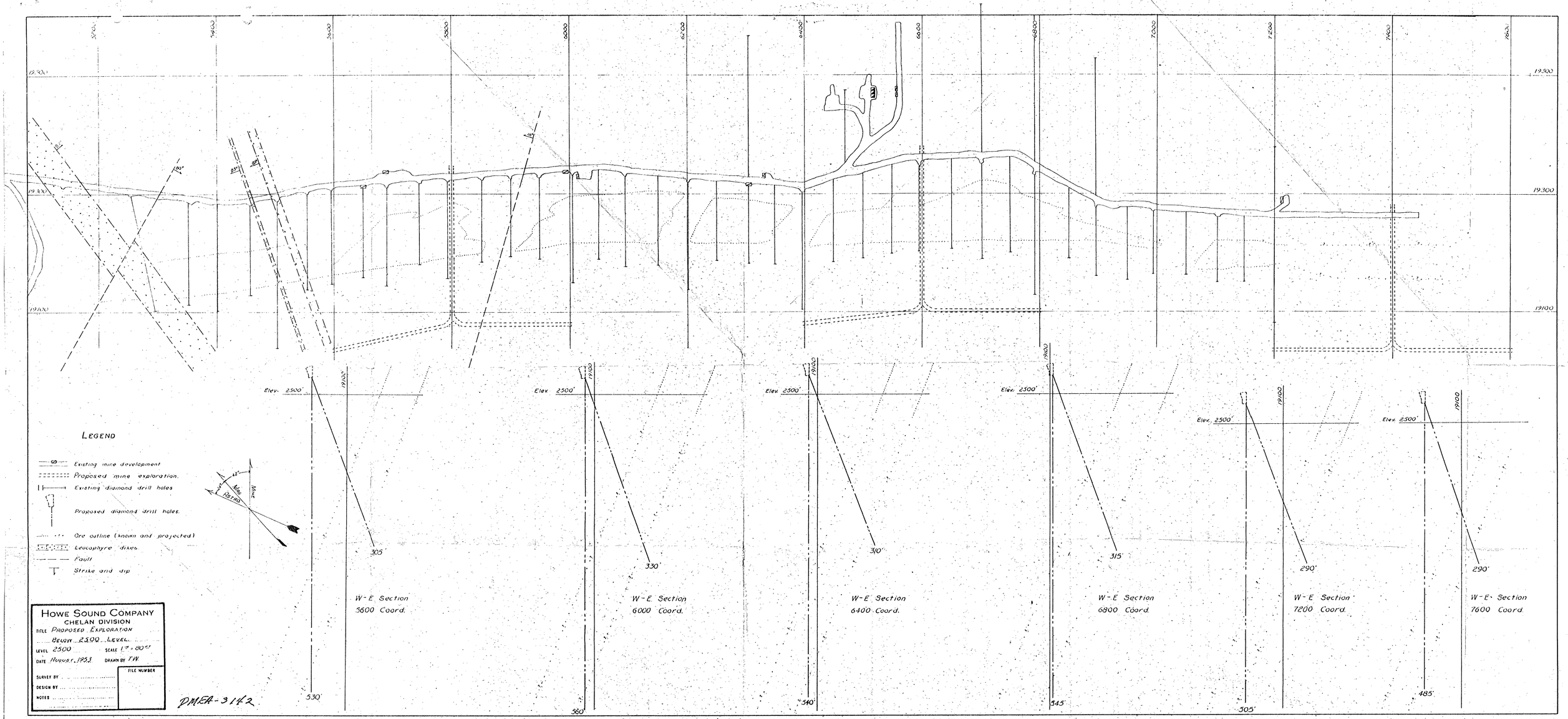
LUPINE No. 2, No. 3, No. 4 and No. 5 Staked October 1953

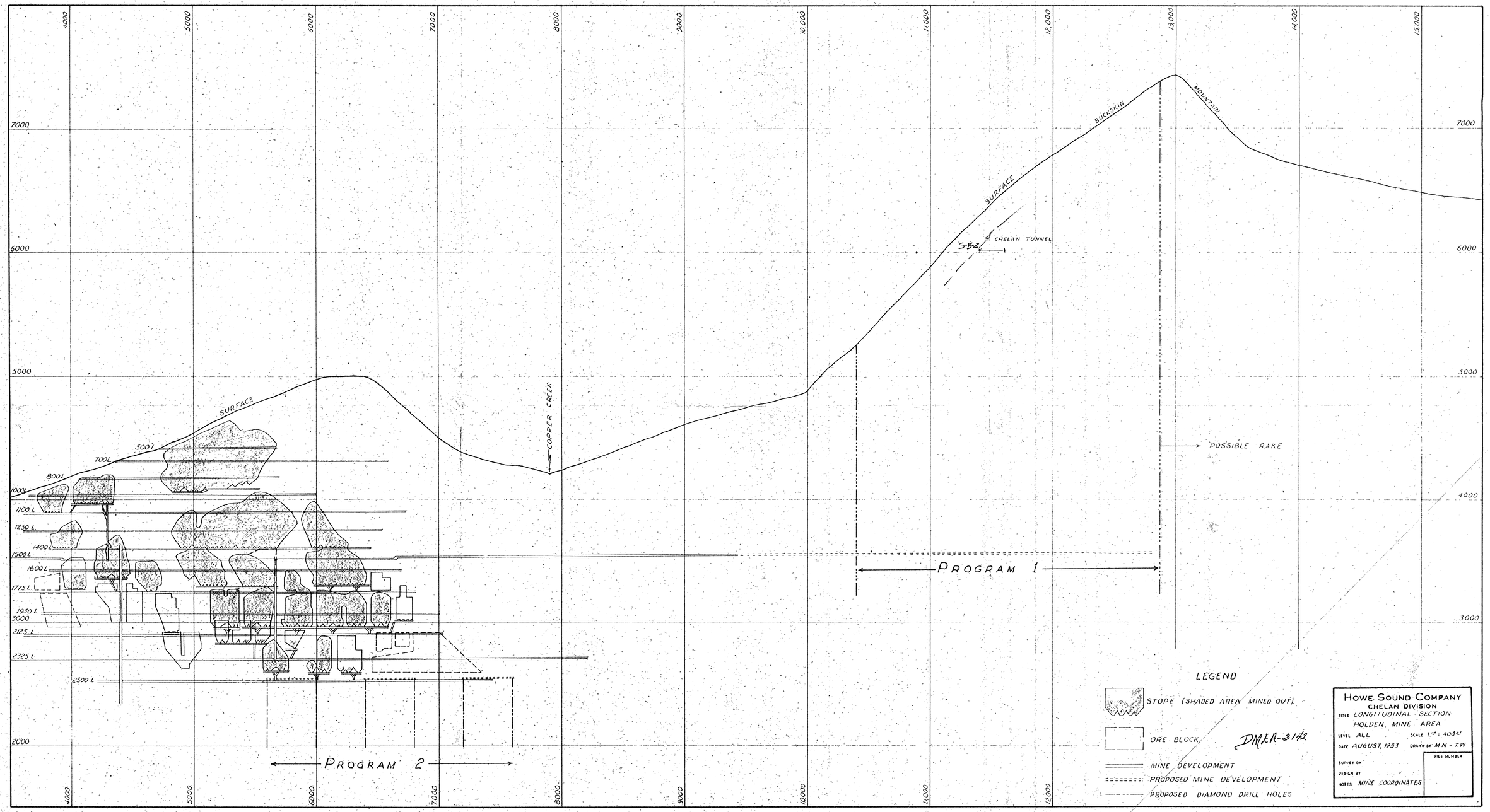
HOWE SOUND COMPANY
CHELAN DIVISION
TITLE PROPOSED EXPLORATION
BUCKSKIN MOUNTAIN
LEVEL SURFACE AND 1500 LEVEL
DATE August, 1953 SCALE 1" = 200'
DRAWN BY


7,000
8,000
9,000
10,000
11,000
12,000 E
21,000 N
20,000 N
19,000 N
18,000 N
21,000
20,000
19,000
18,000
COPPER CREEK
TRAIL
Gold Bug
1100 E. Dr.
1500 E. Dr.
2325 LEVEL
End of ore
Midway Zone
Mountain Goat Zone
Footwall
Ni
U-15-280
U-15-199
U-15-201
July 31, 53
October 1, 53
Radiore reaction area
FALLS
MINE COORD. N.
42°
28°
MAGNETIC N.
ASTRO N.
E
W
X D.D.H.
CHELAN ADIT
FOOTWALL ON SURFACE
APPARENT HANGING WALL ON SURFACE
30-500 ppm Ni
Geochemical Anomaly
PROJECTED FOOTWALL AT ELEV. 3552'
PROJECTED HANGING WALL AT ELEV. 3552'
ROCK CREEK
LEGEND
Existing mine development
Proposed mine exploration
Existing diamond drill holes
Proposed diamond drill holes
Ore outlines; known or projected
Oxidized zones
Faults
Strike and dip
Geochemical Prospecting Data.
Cu - Minimum 50 ppm
Zn - " 100 ppm
Ni - " 30 ppm
HOWE SOUND COMPANY
CHELAN DIVISION
TITLE PROPOSED EXPLORATION
BUCKSKIN MOUNTAIN
LEVEL SURFACE AND 1500 LEVEL
DATE August, 1953 SCALE 1" = 200'
DRAWN BY HGB
DMEA-3142


6600
6800
7000
7200
7400
7600
7800
19300
19100
MARBLE
AMPHIBOLE SCHIST
BIOTITE SCHIST
ORE
MINERALIZATION
SILICIFICATION
LAMPROPHYRE
LEUCOPHYRE
GRANITE
DIORITE
GRANITIZED PERIDOTITE
PERIDOTITE
LEGEND
OUTLINE OF ORE BLOCKS
OUTLINE OF STOPED AREAS
ASSAY SEQUENCE % CU, % AU, % ZN
HOWE SOUND COMPANY
CHELAN DIVISION
ASSAY PLAN
PART OF 2500 LEVEL
SCALE 1 IN. = 40 FT.
DEC. 31, 195


LEGEND
Outline of ore blocks
Outline of stoped areas
Assay sequence % Cu, oz. Au, % Zn
HOWE SOUND COMPANY
CHELAN DIVISION
ASSAY PLAN
PART OF 2500 LEVEL
Scale: 1 in. = 40 ft. Dec. 31, 1952
283 CHUTE
285 SEA RE
300 CHUTE
301. Sea Rec
305 CHUTE
305 SEA RE
19,300
19,100
19,000
5,400
5,600
5,800
6,000
6,200
6,400
TO 240'
TO 248'


5200
5400
5600
5800
6000
6200
6400
6600
6800
7000
7200
7400
7600
19500
19300
19100
Elev. 2500'
305'
530'
W-E Section
5600 Coord.
330'
360'
W-E Section
6000 Coord.
310'
340'
W-E Section
6400 Coord.
315'
345'
W-E Section
6800 Coord.
290'
305'
W-E Section
7200 Coord.
290'
485'
W-E Section
7600 Coord.
LEGEND
Existing mine development
Proposed mine exploration
Existing diamond drill holes
Proposed diamond drill holes
Ore outline (known and projected)
Leucophyre dikes
Fault
Strike and dip
Mine
HOWE SOUND COMPANY
CHELAN DIVISION
TITLE PROPOSED EXPLORATION
BELOW 2500 LEVEL
LEVEL 2500
SCALE 1" = 80'
DATE March, 1953
DRAWN BY T.W.
SURVEY BY
DESIGN BY
NOTES
FILE NUMBER
DMEA-3142


4000
5000
6000
7000
8000
9000
10,000
11,000
12,000
13,000
14,000
15,000
7000
6000
5000
4000
3000
2000
SURFACE
BUCKSKIN MOUNTAIN
SURFACE
CHELAN TUNNEL
S-82
COPPER CREEK
POSSIBLE RAKE
500 L
700 L
800 L
1000 L
1100 L
1250 L
1400 L
1500 L
1600 L
1775 L
1950 L
3000
2125 L
2325 L
2500 L
PROGRAM 1
PROGRAM 2
LEGEND
STOPE (SHADED AREA MINED OUT)
ORE BLOCK
MINE DEVELOPMENT
PROPOSED MINE DEVELOPMENT
PROPOSED DIAMOND DRILL HOLES
DMEA-3142
HOWE SOUND COMPANY
CHELAN DIVISION
TITLE LONGITUDINAL SECTION
HOLDEN MINE AREA
LEVEL ALL
SCALE 1" = 400'
DATE AUGUST, 1953
DRAWN BY M.N - T.W
SURVEY BY
DESIGN BY
NOTES MINE COORDINATES
FILE NUMBER