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

RECEIVED
JUL 29 1955

224 New Customhouse
Denver, Colorado

July 26, 1955

Certified Mail

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3669 (Uranium), Contract Idm-E834, Globe Uranium, Inc. (Sue Mine), Gila County, Arizona

Enclosed are the Government, Division and Docket copies of the subject contract which was forwarded by your letter of June 30, 1955 for signature of the Operator.

The Operator's copy is being forwarded to him, a copy submitted to the Region III Finance Officer, copies distributed to the field offices and a copy retained in our files.

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

Enclosures

Division copy

RECEIVED
JUL 29 1955

MF-200A
(Revised June 1954)

Docket No. DMEA 3669

Commodity Uranium

Contract No. Idm-E 834

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 30th day of June, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Globe Uranium, Inc., an Arizona corporation, (Owner) See letter August 31, 1955, change of name: Arizona Globe Uranium, Inc.

whose mailing address is Mining Office: 293 North Broad Street, Globe, Arizona; General Offices: 31 West Monroe St., Phoenix, Arizona,

hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and 2 maps.

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

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

(b) The Operator represents and undertakes that:

(1) The Operator is the[4] owner of[5] the entire interest in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a[6] —, [7] — recorded in Book —, page —, official records of said County; and

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

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows:

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

16—70618-1

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of uranium. The work to be performed is described in Exhibit "A." The Operator on or before August 15, 1955 shall commence the work, and on or before December 1, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $49,285.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $36,964.00 (rounded) *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value 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 (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

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

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

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

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

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

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

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

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

GLOBE URANIUM, INC.
(Operator)

By J R Heron

THE UNITED STATES OF AMERICA

By C M Mitchenor
Administrator, Defense Minerals
Exploration Administration

Pontin
J Thompson
Ellis
Chambers

I, CHUCK O. LEE, certify that I am the secretary of the corporation named as Operator herein; that J. R. HERON who signed this contract on behalf of the Operator, was then PRESIDENT of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Chuck O Lee

[CORPORATE SEAL]

Selfridge

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
GLOBE URANIUM, INC.
DOCKET NO. DMEA-3669

RECEIVED
JUL 29 1955

ANNEX I

The land referred to in Article 2 of the contract form is known as the Sue Mine and consists of twelve (12) unpatented lode mining claims, all owned by the Globe Uranium, Inc. The claims are located in the Sierra Ancha, Sections 24 and 25, Township 5 North, Range 14 East, and Sections 19 and 30, Township 5 North, Range 15 East, as is shown on the attached maps entitled "Figure 2 Claim Map - Sue Mine - Globe Uranium, Inc.," and "Figure - 3 - Sue Uranium Mine - Plan Showing Proposed Exploration," Gila and Salt River Base and Meridian, Gila County, Arizona.

The claims are recorded in the Gila County Recorder's Office, Globe, Arizona, as follows:

Claim		Docket	Page
Sue No. 9		6	113
Sue No. 10		6	114
Sue No. 11		6	115
Sue No. 12		6	116
Sue No. 13	Amended	7 10	61 467
Sue No. 15	Amended	7 10	265 469
Sue No. 16		6	117
Sue No. 17		6	118
Sue No. 18		6	119
Climax No. 1		15	81
Climax No. 2		15	82
Climax No. 3		15	83

EXPLORATION PROJECT CONTRACT
GLOBE URANIUM, INC.
DOCKET NO. DMEA-3669

RECEIVED
JUL 2 1 1965

EXHIBIT "A"

Description of the Work

The purpose of the work is to explore the upper member of the Dripping Springs quartzite formation of the Apache Group of pre-Cambrian Age, by drifting, crosscutting, and long-hole percussion drilling.

The work is divided into two stages. Stage I shall be started first, and shall be completed. The Operator shall also perform so much of Stage II work as is approved by the Government in writing in advance, performance to be done either after completion of Stage I or concurrently therewith as indicated by the Government.

Stage I

From the southwest face of Junction No. 1 adit, drift along the radioactive mineralized zone 500 feet in a southwesterly direction; and crosscut normal to the direction of the drift both easterly and westerly from the drift in the mineralized zone not to exceed 250 feet, at locations approved in writing in advance by the Government. From the drift and crosscuts under this stage, not more than 800 feet of long-hole percussion drill holes shall be drilled to explore the mineralized zone above the workings.

Stage II

From the southwest drift face completed under Stage I, drift along the radioactive mineralized zone in a southwesterly direction not to exceed 500 feet; and crosscut normal to the direction of the drift along the mineralized zone not to exceed 250 feet, at locations and in directions approved by the Government. From the drift and crosscuts under this stage, not more than 800 feet of long-hole percussion drill holes shall be drilled to explore the mineralized zone above the workings.

The work described in Stage I and Stage II is shown, in part, generally and tentatively, on the attached map, Figure 3.

General

All drill-hole diameters, locations, directions, and depths shall have the prior approval of the Government.

The Operator shall furnish the Government with such samples as it specifies, and the method of all sampling and of all sample analyses are subject to the approval of the Government. Not more than 155 samples shall be analyzed for U_3O_8 and $CaCO_3$ for Stage I, and not more than 155 samples shall be analyzed for Stage II.

All drifts and crosscuts shall be timbered as necessary and shall be not less than 5 feet by 7 feet in cross section in the clear of timber.

The project shall be directed for the Operator by an engineer approved by the Government, who shall devote at least thirteen days per month, or one-half of the time the project is operating, to the project work. Said engineer shall do the required surveying, mapping, sampling, and shall prepare all reports required under the contract.

Fixed Unit Costs

(The unit costs include all costs whatsoever necessary to complete the work.)

1500 feet of drifting and crosscutting @ $30.00/ft.	$45,000.00	
1600 feet of long-hole drilling @ $2.00/ft.	3,200.00	
310 sample analyses @ $3.50/sample	1,085.00	
Estimated Total Cost of Project		$49,285.00
Government Participation @ 75% rounded to		$36,964.00

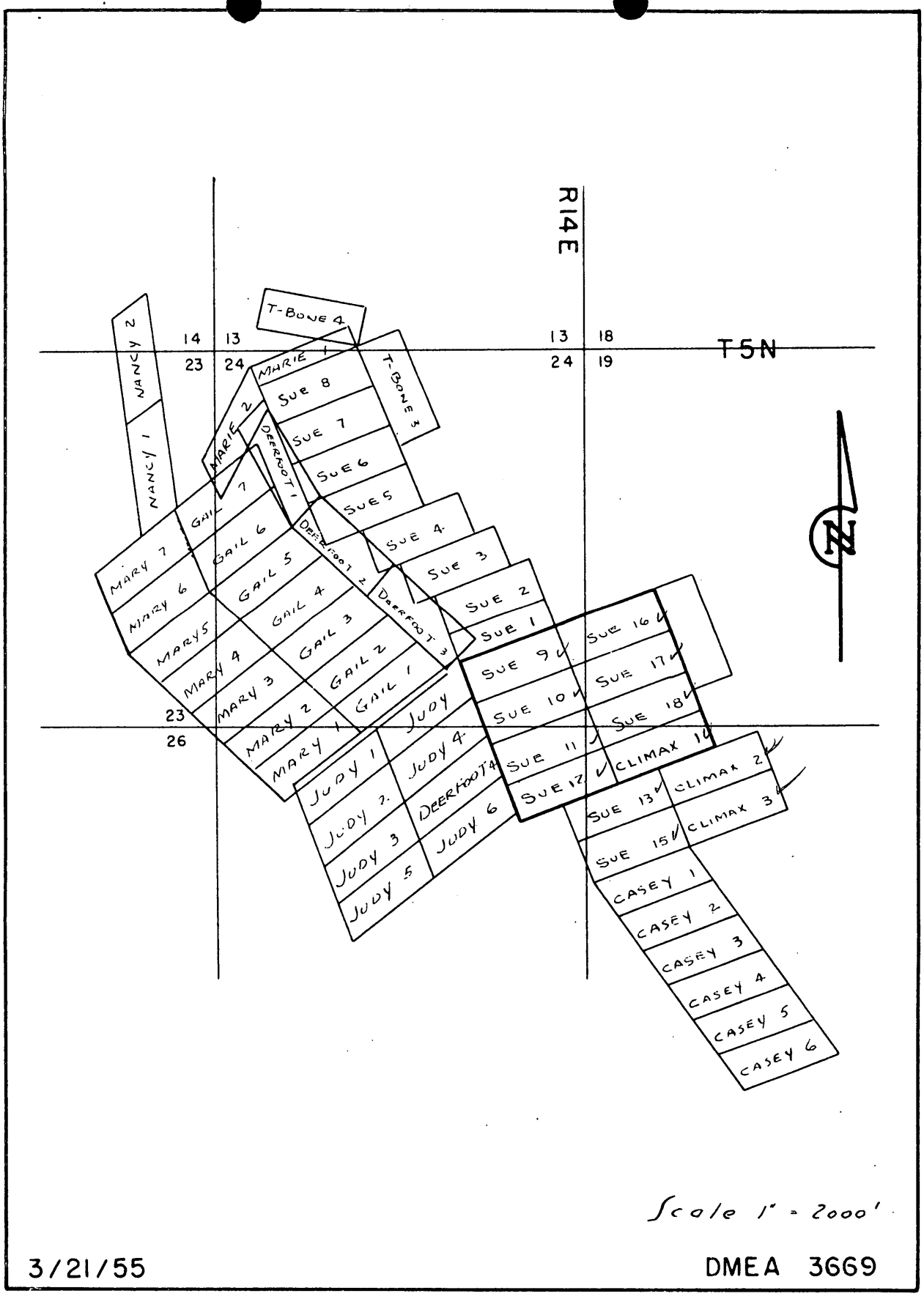


FIGURE 2 CLAIM MAP - SUE MINE - GLOBE URANIUM INC.

RECEIVED
1955

WORK ANALYSIS SHEET - DMEA PROJECT

☐ Actual Cost

☑ Agreed Unit Costs

☐ ...ed

Analysis as of 2/12/57

Incl. Voucher for July 1956

...zona Globe Uranium, Inc.

Docket No. DMEA-3669

Arizona

Commodity Uranium

Idm-E No. Idm-E834

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	1500 ft	$45,000.00	750 ft	$22,500.00	$22,500.00
Raising					
Shafts					
Winzes					
Drilling percussion-long hole (Specify)	1600 ft	$3200.00	800 ft	1600.00	1,600.00
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Sample analyses 310@$3.50		1,085.00		21.00	21.00
Totals		$49,285.00		$24,121.00	$24,121.00

Prepared by J L Krouse

Project Summary Report

By: F. L. Knouse February 13, 1957

1. Docket No. DMTA-3669 (Uranium)
Contract No. Idm-E834

Operator: Arizona Globe Uranium, Inc.
31 West Monroe Street
Phoenix, Arizona

Property: Sue Mine - consists of 12 contiguous unpatented lode mining claims: Sue Nos. 9 through 13, 15, 16, 17, and 18, and Climax Nos. 1, 2, in secs. 24 and 25, T. 5 N., R. 14 E., and secs. 19 and 30, T. 5 N., R. 15 E., G. & S. R. M. & B., Gila County, Arizona.

Property Rights - Owner.

2. Contract dated June 30, 1955.

The project work was started on August 1, 1955, and was terminated in June, 1956, after Stage I work was completed.

Work Authorized -

A 2-stage drifting, crosscutting and long-hole drill program to explore the Dripping Springs quartzite formation, Apache group of pre-Cambrian Age, for uranium-bearing ore.

Stage I consisted of 500 feet of drifting from the existing face of the Junction No. 1 adit, 250 feet of crosscut on each side of the drift, and 800 feet of long-hole drilling to explore the ore horizon in the quartzite.

Stage II consisted of 500 feet of drifting (extension of the Junction No. 1 adit), 250 feet of crosscutting on both sides of the drift, and 800 feet of long-hole drilling to explore the mineralized quartzite, provided findings in Stage I justified a part or all of the work and, also, if approved by the Government. Only Stage I work was allowed by the Government.

Estimated and completed cost of the project work

Work Allowed	Est. Cost.	Work completed	
		Feet	Cost
1500 feet of drifting and crosscutting @ $30.00/ft.	$45,000.00	750	$22,500.00
1600 ft. of long-hole drilling @ $2.00/ft.	3,200.00	800	1,600.00

Estimated and completed cost of the project work
(continued)

Work Allowed	Est. Cost.	Work completed Feet	Cost
310 sample analyses @ $3.50/sample	$ 1,085.00	6	$ 21.00
Total	$49,285.00		$24,121.00
Government participation @ 75%	$36,964.00		$18,090.75

Amendments - None

3. Audit Report of Review, dated October 16, 1956,

Total cost as billed by Contractor		$24,121.00
Exceptions:		
By DMEA Finance Officer	$0.00	
Herewith	0.00	0.00
Total Accepted Cost		$24,121.00
Government participation @ 75%		$18,090.75

Inasmuch as the work was done on a unit cost basis, no equipment was purchased in which the Government had an equity.
Operator's final report, dated Oct. 26, 1956, recd. Nov. 7, 1956

4. Certification:

The Field Team reports that the completed exploration work discovered or developed a few small, discontinuous scattered ore bodies from which about 265 tons of low-grade ore were shipped and royalties paid to the Government. A small quantity of ore remains in the mine in small, scattered ore bodies (possibly 200 tons), but these reserves are not considered minable in the present or foreseeable economic conditions. Therefore, certification of the project as a discovery is not recommended.

Mr. John S. Crawford, USBM, December 5, 1956, agrees that no certification of discovery should be issued.

Mr. W. S. Williams, USGS, December 13, 1956, writes: "About 265 tons of ore were shipped from the DMEA project area. Royalty payments were made to the Government from sales of the ore. Slightly over 185 tons of ore were shipped before the DMEA work took place; and that ore is exempt from Government royalty. - - - The possibility and feasibility of the ore being mined, however, will always be present. - - - In view of the foregoing I suggest that serious consideration be given to certifying the subject project as a discovery."

264.674 tons of ore containing 0.14 percent to 0.37 percent U_3O_8 were from the DMEA project.

About 185 tons of ore containing from 0.10 percent to 0.24 percent U_3O_8 were shipped from the property before the DMEA project.

A review of the available information indicates that the royalties on future production from the property would not equal the cost of policing the project if it is certified as a discovery. Therefore, the project should not be certified.

Comments: Final field team report (by John N. Faick, Geologist, USGS, and T. M. Romslo, Engineer, USBM, dated November 14, 1956) recd. November 29, 1956.

The Operator submitted an acceptable final engineer and geological report. The Field Team reports that during the first few months the operations were inefficiently conducted largely because of an inexperienced foreman, inadequate equipment, and living accommodations for the workmen. During December, 1955, and afterward the work was conducted in an efficient manner.

The project was established to explore a uranium-bearing zone 1,000-1,200 feet long, about 300 feet wide, in nearly horizontal quartzite from 1 to 8 feet thick. The zone is an extension of a uranium-bearing quartzite bed explored by outcrop stripping and several hundred feet of underground workings from which 185 tonsof uranium ore were produced, and also was estimated to contain 2,500 tons of low-grade uranium-bearing material. A total of 500 feet of drifting, 250 feet of crosscut, and 800 feet of long-hole drilling were completed under the terms of the contract. The drift was driven from the face of Junction No. 1 adit drift S. 12° W., and three crosscuts were driven normal to the direction of the drift: No. 1 - 125 feet westerly, No. 2 - 50 feet westerly, and No. 3 - 50 feet easterly. Also, a total of 17 almost horizontal percussion drill holes totaling 800 feet were completed. In addition, the Operator drilled (at his expense) many 6-foot-long stoper drill holes to explore the overlying member. Each of the percussion drill holes were probed with a DG-9 Geiger counter equipped with a 9-inch probe and 100 feet of cable.

Small amounts of low-grade uranium ore is localized in nearby horizontal thin-bedded, shaley, flaggy sandstones. The uraniferous beds range from 1 to 8 feet thick, and the principal uranium concentrations are along or near the northern or easterly trending joints in the favorable beds. However, with increasing depth the host rocks become more massive-bedded, porosity decreases, and the fractures become tighter and less numerous. Stage I work resulted in the discovery of a few small bodies of low-grade ore (one contained about 200 tons and another about 40 tons) from which 265 tons of low-grade ore were shipped.

Probably not over 200 tons of ore remain in the mine in small, discontinuous, scattered ore bodies.

The project was terminated after completion of Stage I work because of unfavorable findings.

Since there is no geological reason to expect to discover more numerous and larger ore bodies than has been found, additional exploration is not recommended. Sufficient ore was not discovered in the course of the contract work to justify certifying that a discovery or development had been made.

/s/ F. L. Knouse

F. L. Knouse

FLKnouse/gla
2-13-57
cc to: Admr.'s Reading File
Code 700
Mr. Knouse

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

MAY 16 1957

Mr. J. E. Baron, President
Arizona Globe Uranium, Inc.
31 West Moreau Street
Phoenix, Arizona

Re: Docket No. MEA-369 (Uranium)
Contract No. [illegible]
Sue Mine
Gila County, Arizona

Dear Mr. Baron:

Reference is made to your exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the period indicated.

Your interest in the DMEA exploration program and participation therein are fully appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

FMHouse/gla
2-13-57
cc to: Admr.'s Reading File
Code 700
Mr. Kenney
DMEA Field Team, Region III (2)
Contract Adm. & Audit Division

COPY

TELETYPE

DN 235 BUR MINES 5-3-47XX 5-3-57 4-20

CHAIRMAN OPERATING COMMITTEE DMEA

RE YOUR LETTER DATED 5/1/57, DOCKET DMEA 3669, ARIZONA GLOBE URANIUM, INC., CONTRACT IDM-834. FROM COPIES OF SETTLEMENT SHEETS RECEIVED AT THIS OFFICE ALL ROYALTIES DUE FROM SUBJECT PROPERTY HAVE BEEN PAID

E N MARSHMAN ACTING EXECUTIVE OFFICER

EXTRA COPY
DMEA
RECEIVED MAY 6 1957

DATE	INITIALS	CODE
5-6	Howard	700
	Ellis	700
	Chambers	800

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

Mr. [illegible] Hershman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

MAY - 1 1957

Re: Docket No. DMA-3069 (Uranium)
Contract No. [illegible]
Arizona Globe Uranium, Inc.
[illegible] Mine
Gila County, Arizona

Dear Mr. Hershman:

Our records show that all royalties due from the subject project have been paid. However, before sending out our closing letter to the operator next week (six months following receipt of the operator's final report), we would like you to verify whether or not such is the case.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Concurred:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

[illegible]llis/gla/dlm
4-29-57
cc to: Admr.'s Reading File
Operating Committee
THKiillsgaard, 5224
Code 700

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

FIRST REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, DMEA Field Team, Region III, pertaining to Contract Idm-M834, Docket No. DMEA-3669 (Uranium) dated June 30, 1955, with

Arizona Globe Uranium, Inc.
(Formerly Globe Uranium, Inc.)
293 North Broad Street
Globe, Arizona

for the purpose of determining the amount of royalties due the United States Government on sale of uranium bearing ores from the Sue Mine located in Gila County, Arizona, during the period June 30, 1955 through February 15, 1957.

A Report of Review in lieu of a Final Audit dated October 16, 1956, indicated accepted costs under the Exploration Contract to be $24,121.00, with the Government's contribution on a 75 percent basis being $18,090.75.

The status of the contract, the scope of review and the reasons therefor are stated on page two.

My review established the total net sales of uranium bearing ores subject to DMEA royalty to be $10,201.67. (See Schedule I attached.)

Royalty due the United States Government at the contract rate of 5 percent is $510.09. The status of the royalty payments is as follows:

Total Royalty Due	$510.09
Royalty Received	510.09
Balance of Royalty Due	$ 0.00

February 21, 1957

Donald T. Finch, Auditor

EXTRA COPY
DMEA
RECEIVED FEB 28 1957

DATE	INITIALS	CODE
3-8	Krause	700

STATUS OF THE CONTRACT, SCOPE OF REVIEW AND REASONS THEREFOR

CONTRACT IDM-E334 DOCKET NO. DMEA-3669

The project has not been certified, but the contract provides that regardless of any certification of discovery or development, royalties are due the Government on any production from land described in Article 2 of the contract from the date thereof until the total amount of Government advance has been repaid without interest or until the lapse of time (six months after a final report and final account has been rendered) within which certification of discovery or development may be made, whichever occurs first.

The Operator submitted a final report on November 5, 1956; therefore, the Government is entitled to royalties subject to repayment limitation on production from the subordinated land during the period June 30, 1955 through May 5, 1957.

The Operator has submitted detailed schedules of all production and sales of ores from the Sue Mine for the period June 30, 1955 through February 15, 1957.

During this review the Operator's production was confirmed by recomputation of all data. Correspondence with the Field Operations Office of the Atomic Energy Commission at Grand Junction, Colorado, confirmed the Operator's production agreed with the A.E.C. records and that office reports it has no record of production subsequent to June 20, 1956.

The review disclosed that shipments by the Operator during the period August 2, to November 21, 1955, totalled 185.3095 dry tons of ore with contained U_3O_8 of 573.98 lbs. The Operator reported this 1955 production was mined prior to June 30, 1955, the effective date of the exploration contract. Correspondence with the Examining Engineer corroborates this statement.

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

(a) The Examining Engineer is of the opinion that all sales of ore produced during the period June 30, 1955 through February 15, 1957, have been properly accounted for.

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

SCHEDULE I

ARIZONA GLOBE URANIUM, INC. (SUE MINE)
293 NORTH BROAD STREET
GLOBE, ARIZONA

CONTRACT IDM-E834 DOCKET DMEA-3669

Summary of sales of uranium ores subject to DMEA royalty
Period June 30, 1955 through February 15, 1957

Wet weight, lbs.	539,050
Dry weight, lbs.	529,346
Dry weight, tons	264.673
Average assay U_3O_8	.2429
Pounds U_3O_8	1,285.54
Base Payment U_3O_8	$4,269.98
Development allowance	$ 642.77
Premium	
Excess of 4 lbs. U_3O_8 per ton	
Excess pounds of U_3O_8	299.92
Amount of premium @ 75¢ per excess lb.	$ 224.94
Haulage Allowance	
Number of wet tons	269.525
Amount per ton	$ 2.94
Haulage allowance	$ 792.40
Haulage adjustment	$ 1.58
Total Receiving Station Payments	$5,931.67
A.E.C. production bonus	4,270.00
Total value subject to DMEA royalty	$10,201.67

Average value per ton	$ 38.54
DMEA royalty percentage	5%
DMEA royalties due	$510.09
DMEA royalties received	510.09
Balance DMEA royalties due	$ 0.00

Check Sheet of Examining Engineer

Operator's Name Arizona Globe Uranium, Inc. (Sun Mine)

Address 293 North Broad Street

Globe, Arizona

Exploration Contract No. Idm-2834 Docket No. DMEA-3669

		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?		X
2. (a)	Does Operator commingle production subject to DMEA royalties with exempt production?		X
(b)	If so, do you consider the allocation of the comingled 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 royalties?	X	
7.	Does the Operator buy from or sell to other Operators?		X

EXTRA COPY
DMEA
RECEIVED FEB 22

DATE	INITIALS	CODE

8. Comment on any item 2 (b) to 6 if answer is No.

NOTE: Information obtained during monthly inspections to termination of the contract work in July 1956.

Date February 15, 1957

Mining Engineer
Original signed by
T. M. Romslo

T. M. Romslo

DMEA
DEPARTMENT OF THE INTERIOR
FEB 18 1957
REGION III
DENVER, COLORADO

February 15, 1957

Memorandum

To : W. M. Traver, Executive Officer, DMEA Field Team

From : Superintendent, Southwest Experiment Station

Subject : Engineer's Check Sheet, Contract Ida-2834 (Uranium), Docket DMEA-3649, Arizona Globe Uranium, Inc. (Sun Mine), Gila County, Ariz.

In answer to your memorandum of February 6 and our conversation last week with Ben Finch, I am enclosing a memorandum from T. M. Remsle and also the engineer's check sheet.

I hope this answers your questions.

Signed by Walter R. Storms

Walter R. Storms

CC W. M. Traver (8)
DMEA-3668
RF

WRStorms:frj

EXTRA COPY
DMEA
RECEIVED FEB 28 1957

DATE	INITIALS	CODE

February 15, 1957

Memorandum

To : Walter R. Stearns, Supt., Southwest Experiment Station

From : T. M. Rosale, Mining Engineer, Tucson, Ariz.

Subject : Arizona Globe Uranium, Inc. Docket DMA-3669 (Uranium), Contract EGs-2024 (Sun Mine), Gila County, Ariz.

W. M. Trauer in his memorandum to you of February 6, 1957 requests an opinion as to whether any of the 1955 sales of uranium ore from the captioned mine were from production subsequent to June 30, 1955, and if so, approximately how many tons. He also wants to know if there is any current production.

It is my opinion that none of the referred to ore, 185.3086 tons instead of the nearer 222.9605 dry tons, was produced after June 30, 1955. The opinion is largely based on statements of the Operator in a letter to the AEC and his Final Report to the DMEA. In the last paragraph of the letter to the AEC, dated April 16, 1956, the operator states: "There are certain stockpiles of ore from the Sun Mine property which were accumulated prior to the execution of the aforesaid contract, and which then said, will not be subject to the Government royalty". The last paragraph on page 3 of the Operator's Final Report has the following statement:

"By the end of May 1955, about 300 feet of sub-level drifting was done and several hundred tons of development ore had been segregated in three dumps according to indicated grade. These dumps were subsequently exposed to the leaching effects of rains pending completion of an ore buying station near Globe, Arizona, and shipments ranged in grade from 0.105 U3O8 to 0.345 U3O8. It was decided not to ship most of this ore because of its too low grade."

Information obtained during my monthly progress examinations shows the stockpiled material, that was not shipped, amounts to a few hundred tons containing meager amounts of U3O8. This material is the "certain stockpiles of ore" of the Operator's letter to the AEC.

cc W. M. Trauer (Orig. & 8)
DMEA-3669
WF

WMStermanfrj

RECEIVED FEB 28 1957
DATE | RECORD | CODE

Additional evidence that the 1965 sales were from ore produced before June 30, 1965 is contained in the reported finding of DMEA representatives. Mr. William R. Kendrick, in his report of examination of May 1965, says that 100 tons of ore had been stockpiled to April 6, 1965. He today informed me that ore was being mined and added to the stockpile during the field examination. Subsequent visits to the mine by DMEA representatives were made at roughly monthly intervals, starting July 28, 1965. Information obtained during these visits indicated that there was no production to early in 1966 when the operator started mining and shipping ore from the small deposits encountered by project workings.

Information obtained by me at the Butte depot and from R. J. Schnurrs of the AEC indicates that no ore shipments have been made from the Sun Mine since about the middle of 1966. According to Mr. Schnurrs, operations at the mine since that time have been confined to a small amount of long hole drilling in the area immediately west of the small stopes. Preparations are now being made to drive a crosscut to test a favorable zone that was penetrated by one of the long holes.

Original signed by
E. M. Romslo

T. M. Romslo
Mining Engineer
Southwest Experiment Station

U. S. DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

224 New Customhouse
Denver 2, Colorad

Date: January 18, 1957

Memorandum

To: Chairman, Operating Committee, DMEA
From: Executive Officer, DMEA Field TEam, Region III
Subject: Royalty payments, Docket DMEA 3669 (Uranium), Contract Idm-E834, Arizona-Globe Uranium, Inc.(Sue Mine), Gila County, Arizona

Period: December, 1956

Enclosed are settlement sheets for which royalty payments were received for ore or concentrates shipped from the subject property during the above month:

Date	Lot No.	Dry Tons	Royalty Due	Royalty Paid	Bonus Roy. Due	Bonus Roy. Pd.
			None			

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 24 1957

DATE	INITIALS	CODE
1.24	C	220
		700

* Payment of AEC bonus on Liq. Nos. 377,482, 564, 616, 617 & 947 and additional royalty on Liq. No. 377.

Totals:

Past Due Royalties Collected	$216.38 *
Total Dry Tons (Ore or Cons.) Shipped to Date	264.674

W. M. Traver

vj
cc: Royalty File E 834 w/settlement sheets
Monthly Royalty Payment File
W. R. Storms
Chron.

U. S. DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

224 New Customhouse
Denver 2, Colorad

Date: January 18, 1957

Memorandum

To: Chairman, Operating Committee, DMEA
From: Executive Officer, DMEA Field TEam, Region III
Subject: Royalty payments, Docket DMEA 3669 (Uranium), Contract Idm-E834, Arizona-Globe Uranium, Inc.(Sue Mine), Gila County, Arizona
Period: December, 1956

Enclosed are settlement sheets for which royalty payments were received for ore or concentrates shipped from the subject property during the above month:

Date	Lot No.	Dry Tons	Royalty Due	Royalty Paid	Bonus Roy. Due	Bonus Roy. Pd.
			None			

EXTRA COPY
DMEA
RECEIVED

DATE	INITIALS	CODE

* Payment of AEC bonus on Liq. Nos. 377,482, 564, 616, 617 & 947 and additional royalty on Liq. No. 377.

Totals:

Past Due Royalties Collected $216.38 *

Total Dry Tons (Ore or Cons.) Shipped to Date 264.674

Original signed by
W. M. TRAVER

W. M. Traver

vj
cc: Royalty File E 834 w/settlement sheets
Monthly Royalty Payment File
W. R. Storms
Chron.

12-18-56

December 13, 1956

Memorandum

To: W. W. Allis, Defense Minerals Exploration Administration

From: W. F. Williams, U. S. Geological Survey

Subject: Review of Final Report, DMEA 3669, Contract No. Idm-2834, Globe Uranium, Inc., Sue Mine, Gila County, Arizona. (Uranium)

The Field Team report that the Operator completed the work under Stage I of the subject contract. No further work in Stage II was authorized by field personnel because results in Stage I were discouraging.

The field examiners find that only a few small, discontinuous, scattered ore bodies were discovered by the project. They estimate that ore reserves now existing in the Sue Mine "probably do not exceed a couple hundred tons and probably are less." About 265 tons of ore were shipped from the DMEA project area. Royalty payments were made to the Government from sales of the ore. Slightly over 185 tons of ore were shipped before the DMEA work took place; and that ore is exempt from Government royalty.

Because uranium minerals are found in the Dripping Springs quartzite in discrete, fractured, flaggy, relatively thin beds in the upper member it seems unlikely that large-sized ore bodies will ever be developed on the Operator's property. The examining team's assertion that the small amount of ore discovered probably will never be mined seems to be correct. The possibility and feasibility of the ore being mined, however, will always be present. That possibility plus the fact that ore has been shipped and royalties paid to the Government gives the impression that the project should be certified as a discovery in order to protect the Government's interest.

In view of the foregoing I suggest that serious consideration be given to certifying the subject project as a discovery.

W. F. Williams

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
Chron. file
J. S. Crawford, 3643
WFWilliams:pbb
G: 12/13/56

12/6/56

RECEIVED 6 DEC DMEA

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

Date December 5, 1956

DMEA Docket No. 3669
DMEA Contract No. Idm-E834
Commodity Uranium
Name of applicant Arizona Glove Uranium, Inc.
Name of property Sue mine
Location of property Gila County, Arizona
Estimated cost of project $24,121.00

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: John E. Crawford, Bureau of Mines Member
Uranium Commodity Committee

Subject: Review of Final Report
(Application, Field Team Report, etc)

1. Date of subject document: 11/20/56 2. Date received by reviewer: 12/4/56

3. Prior reports on this property known to reviewer: Yes ☐ No ☐

4. Prior reports on nearby properties known to reviewer: Yes ☐ No ☐

5. Information available on past production: Yes ☐ No ☐

6. Other pertinent factors known to reviewer: Yes ☐ No ☐

7. Explain items marked yes above:

8. Factors needing special consideration:
   a. Location ☐
   b. Ownership ☐
   c. Evidence of mineralization ☐
   d. Geology ☐
   e. Proposed exploration method ☐
   f. Alternate exploration method ☐
   g. Costs ☐
   h. _____ ☐

9. Action advised:
   a. Obtain information from applicant ☐
   b. Refer to Field Team ☐
   c. Denial ☐
   d. Agree with Field Team ☒
      i. Consult with Mr. _____ at _____ AEC office.
   e. Disagree with Field Team ☐
   f. Suggest alternate plan ☐
   g. Request another examination ☐
   h. Approval ☐

10. Remarks: (Use back of page if necessary) Mr. J. O. Hosted, Washington representative of the Atomic Energy Commission, assisted in the review. Certification of project as discovery or development is not recommended.

11/26/56

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

RECEIVED NOV 26 1956 D.M.E.A.

224 New Customhouse
Denver 2, Colorado

November 23, 1956

Mr. C. O. Lee, Secretary-Treasurer
Arizona Globe Uranium, Inc.
31 West Monroe Street
Phoenix, Arizona

Re: Royalty payments, Docket DMEA 3669 (Uranium)
Contract Idm-E834, Arizona Globe Uranium,
Inc. (Sue Mine), Gila County, Arizona

Dear Mr. Lee:

In response to your letter of November 21, 1956, which contained information previously requested, the Liquidation Numbers covering reported production and royalty data pertaining thereto are listed below as follows:

Liq. No.	Royalty Due	Royalty Paid	Bonus Roy.Due	Bonus Roy.Paid
377	$14.39	$11.51	$ 8.50	$0.00
482	15.33	15.33	10.36	0.00
564	34.91	34.91	23.64	0.00
616	66.40	66.40	48.92	0.00
617	54.49	54.49	40.16	0.00
947	111.07	111.07	81.92	0.00
	$296.59	$293.71	$213.50	$0.00

Total Royalty Due	$510.09
Total Royalty Paid	293.71
Bal. of Royalty Due	$216.38

You will note an increase in royalty due on Liquidation No. 377 above the amount stated in our letter of July 19, 1956. This is due to an increase in the royalty rate as a result of increase in value by AEC bonus payment on this production.

Your check for $216.38 representing payment for balance now due should be made payable to the Defense Minerals Exploration Administration and sent to the Executive Officer, DMEA, Region III, 224 New Customhouse, Denver 2, Colorado.

Yours very truly,

Original signed by
W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

MHM/vj

cc: Royalty File E834 w/cy related material
Corres. File E845 " " "
Sec. Opr. Comm. (2) " " "
W. R. Storms " " "
Marshall
Chron.

RECEIVED
NOV 26 1956
D.M.E.A.

November 21, 1956

United States Department of the Interior
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 3669 (Uranium)
Contract Idm-E834
Arizona Globe Uranium, Inc.
(Sue Mine), Gila County, Arizona

Attention: Mr. W. M. Traver
Executive Officer, DMEA
Field Team, Region III

Gentlemen:

In response to your letter of November 16th, and to bring your royalty files current, we submit herewith six copies of our Atomic Energy Commission Certification of the Sue Group for bonus on the first 10,000 pounds of U_3O_8 production. We also submit six copies of each and every of our applications for bonus payment under this certification, for all production at the Sue Mine. The first two applications dated December 1, 1955 and December 19, 1955 respectively, are for non-DMEA ore, which was mined before the DMEA contract was awarded. The remaining two applications cover ore subject to DMEA royalty.

We would appreciate receiving from you a recap of DMEA ore royalties paid by our company to the DMEA to date, and showing what we still owe in the way of royalties, so that we may check our records and send you any deficiency.

Yours very truly,

ARIZONA GLOBE URANIUM, INC.

C. O. Lee
Secretary Treasurer

COL/en
Encls.

COPY

See Opr Comm (2)

UNITED STATES
ATOMIC ENERGY COMMISSION
GRAND JUNCTION OPERATIONS OFFICE
GRAND JUNCTION, COLORADO

IN REPLY REFER TO: MD:DRH

November 18, 1955

RECEIVED NOV 26 1956 D.M.E.A.

Globe Uranium, Inc.
293 North Broad Street
Globe, Arizona

Re: CERTIFICATION OF THE SUE GROUP, GILA COUNTY, ARIZONA (APPLICATION NO. 1018)

Gentlemen:

Reference is made to your application dated January 4, 1955, requesting certification of the Sue Group for bonus payments under the provisions of Domestic Uranium Program Circular 6.

This will serve as notification that the captioned application has been reviewed and the following described property certified as a unit eligible to receive bonus payments:

Claim	Docket	Pages	Claim	Docket	Pages
Sue 1 - 12	6	105-116	Climax 1-3	15	81-83
Sue 13	7	61	Climax 4-5	20	504-508
Sue 14	7	62	Judy	7	255
Sue 15	7	265	Judy 1-5	8	457-461
Sue 16-18	6	117-119	Judy 6	18	244
Sue 19	7	267	Deer Foot 1-4	5	465-468
Sue 20	7	266	Tee Bone 3	5	479
Sue 21	9	53	Tee Bone 4	6	458
Casey 1-4	12	230-233	Marie 1	18	245
Casy 5-6	18	246-247	Marie 2	16	384

That portion of the Sue No. 21 claim which overlaps Deep Creek No. 1 claim is excluded from the certified property.

The above property is situated in Sections 13, 23, 24, 25, T. 5 N., R. 14 E., G&SR B&M, and unsurveyed Sections 19 and 30, T. 5 N., R. 15 E, G&SR B&M, Arizona Mining District, SLEB, Gila County, Arizona.

Production records show that no U_3O_8 was produced from this property between April 9, 1948, and February 28, 1951, inclusive. Accordingly, 10,000 pounds of U_3O_8 are eligible for bonus payments when contained in ores mined from this property and delivered to a qualified mill or Commission ore-buying station between March 1, 1951, and February 28, 1957, inclusive.

The certification number you will use in making application for bonus payment is D.U.F. C6-C-638. Several copies of an "Application for Bonus Payment" form are enclosed for listing each month's production since March 1, 1951. In making application for bonus payments, please note the name of the claim or claims from which ore was shipped as well as the group name.

Very truly yours,

R. H. Teple, Chief
Leasing & Development Branch
Mining Division

Enclosure:
AEC-300 (6 sets)

Form AEC-[illegible] A

Form approved
Budget Bureau No. 46-R[illegible]

U. S. ATOMIC ENERGY COMMISSION

APPLICATION FOR BONUS PAYMENT

For ore delivered on or after March 1, 1951, in accordance with AEC Domestic Uranium Program Circular 6

1. NAME OF APPLICANT
Arizona Globe Uranium, Inc.

2. MAILING ADDRESS
293 North Broad Street
Globe, Arizona

3. NAME OF MINING PROPERTY
Sue Group (Sue/16)

4. MINING DISTRICT
Arizona, SLEB, Gila County, Arizona

5. DATE
December, 1, 1955

6. AEC LICENSE NO.
R-2225

7. MINING PROPERTY CERTIFICATION NO.
D. S. P. 06-C-630

No application for bonus payment will be considered on shipments from any mining property which has not been certified.

8. ORE SHIPMENTS DELIVERED TO AND PAID FOR BY Globe Receiving Station (Mill or station)

LOCATED AT Cutter, Arizona (about 8 miles out of Globe, Arizona)

DATES OF SETTLEMENT	(Fill in either) LIQUIDATION NO.	CHECK NO.	DRY TONS ORE	GRADE U_3O_8	POUNDS U_3O_8	BONUS PAYMENT PER POUND U_3O_8	AMOUNT OF BONUS PAYMENT	
8-2-55	8167		10.3340	0.2[illegible]%	43.40	3.50	152	90
8-2-55	8168		13.6690	0.2[illegible]%	161.61	3.50	565	64
8-17-55	8260		6.8270	0.12%	16.38	1.90	31	12
8-17-55	8261		17.8150	0.18%	64.13	3.10	198	80
8-22-55	8321		25.4760	0.18%	91.71	3.10	284	30
8-29-55	8364		19.9065	0.11%	43.79	1.70	74	[illegible]
8-30-55	8390		18.8080	0.10%	37.62	1.50	56	43
9-19-55	8581		[illegible]	0.10%	51.[illegible]	1.50	77	76
9-27-55	8664		16.1635	0.10%	32.33	1.50	48	50
						TOTAL	$1488	89

(If more space is needed, use a sheet of paper the same size as this page)

Arizona Globe Uranium, Inc.

C. O. Lee Dec. 3, 1955 Secretary-Treasurer

FOR USE BY ATOMIC ENERGY COMMISSION ONLY

	ACCOUNTING CLASSIFICATION	AMOUNT

16—[illegible]

Form AEC-900 A

Form approved
Budget Bureau No. 38-R048.

U. S. ATOMIC ENERGY COMMISSION

APPLICATION FOR BONUS PAYMENT

For ore delivered on or after March 1, 1951, in accordance with AEC Domestic Uranium Program Circular 6

1. NAME OF APPLICANT: Arizona Globe Uranium, Inc.

2. MAILING ADDRESS: [illegible] Broad Street, Globe, Arizona

3. NAME OF MINING PROPERTY: Sue Group (Sue #16)

4. MINING DISTRICT: Arizona, SLB, Gila County, Arizona

5. DATE: December 19, 1955

6. AEC LICENSE NO. P-2225

7. MINING PROPERTY CERTIFICATION NO. D. M. P. 06-C-630

No application for bonus payment will be considered on shipments from any mining property which has not been certified.

8. ORE SHIPMENTS DELIVERED TO AND PAID FOR BY Globe Receiving Station (Mill or station)

LOCATED AT Cutter, Arizona (about 8 miles out of Globe, Arizona)

DATES OF SETTLEMENT	(Fill in either) LIQUIDATION NO.	CHECK NO.	DRY TONS ORE	GRADE U_3O_8	POUNDS U_3O_8	BONUS PAYMENT PER POUND U_3O_8	AMOUNT OF BONUS PAYMENT	
11-21-55	9169	11/273	10.3690	0.15	31.17	2.50	77	93
						TOTAL,	$ 77	93

(If more space is needed, use a sheet of paper the same size as this page)

Arizona Globe Uranium, Inc.

C. O. Lee Dec. 19, 1955 Secretary-Treasurer

FOR USE BY ATOMIC ENERGY COMMISSION ONLY

	ACCOUNTING CLASSIFICATION	AMOUNT

Form AEC-300A (6-51)

Form approved Budget Bureau No. 30-[illegible]

U. S. ATOMIC ENERGY COMMISSION

APPLICATION FOR BONUS PAYMENT

For ore delivered on or after March 1, 1951, in accordance with AEC Domestic Uranium Program Circular 6

1. NAME OF APPLICANT: Arizona Globe Uranium, Inc.

2. MAILING ADDRESS: 293 North Broad Street, Globe, Arizona

3. NAME OF MINING PROPERTY: Sue Group (Sue #16)

4. MINING DISTRICT: Arizona, SLEB, Gila County, Arizona

5. DATE: June 7, 1956

6. AEC LICENSE NO.: P-2225

7. MINING PROPERTY CERTIFICATION NO.: D.U.P. C6-C-630

No application for bonus payment will be considered on shipments from any mining property which has not been certified.

8. ORE SHIPMENTS DELIVERED TO AND PAID FOR BY Globe Receiving Station (Mill or station)

LOCATED AT Cutter, Arizona (about 8 miles out of Globe, Arizona)

DATES OF SETTLEMENT	(Fill in either) LIQUIDATION NO.	CHECK NO.	DRY TONS ORE	GRADE U_3O_8	POUNDS U_3O_8	BONUS PAYMENT PER POUND U_3O_8	AMOUNT OF BONUS PAYMENT	
4-17-56	377		26.4050	0.16	73.93	2.30	170	04
4-24-56	482		21.0185	0.17	71.46	2.90	207	23
5-9-56	564		47.9640	0.17	163.01	2.90	472	73
5-18-56	615		37.7755	0.37	279.54	3.50	978	39
5-18-56	617		48.8840	0.23	229.47	3.50	803	15

(If more space is needed, use a sheet of paper the same size as this page)

TOTAL, $2,631 54

Arizona Globe Uranium, Inc.

June 7, 1956 President

J. R. Heron

FOR USE BY ATOMIC ENERGY COMMISSION ONLY

ACCOUNTING CLASSIFICATION	AMOUNT

16—67737-6 G.P.O.

Form AEC-300 A
(7-51)

Form approved.
Budget Bureau No. 38-R-10

U. S. ATOMIC ENERGY COMMISSION

APPLICATION FOR BONUS PAYMENT

For ore delivered on or after March 1, 1951, in accordance with AEC Domestic Uranium Program Circular 6

1. NAME OF APPLICANT
Arizona Globe Uranium, Inc.

2. MAILING ADDRESS
293 North Broad Street
Globe, Arizona

3. NAME OF MINING PROPERTY
Sue Group (Sue #16)

4. MINING DISTRICT
Arizona, SLRB, Gila County, Arizona

5. DATE
August 7, 1956

6. AEC LICENSE NO.
R-2225

7. MINING PROPERTY CERTIFICATION NO.
D.U.P. C6-630

No application for bonus payment will be considered on shipments from any mining property which has not been certified.

8. ORE SHIPMENTS DELIVERED TO AND PAID FOR BY Globe receiving station (Mill or station)

LOCATED AT Cutter, Arizona (about 8 miles out of Globe, Arizona)

DATES OF SETTLEMENT	(Fill in either) LIQUIDATION NO	CHECK NO.	DRY TONS, ORE	GRADE U_3O_8	POUNDS U_3O_8	BONUS PAYMENT PER POUND U_3O_8	AMOUNT OF BONUS PAYMENT
6-20-56	942		81.6400	0.286600	468.13	3.50	1,638.46

(If more space is needed, use a sheet of paper the same size as this page)

TOTAL, $ 1,638.46

Arizona Globe Uranium, Inc.

C. O. Lee Aug. 7, 1956 Secretary-Treasurer

FOR USE BY ATOMIC ENERGY COMMISSION ONLY

	ACCOUNTING CLASSIFICATION	AMOUNT

16—67727-3 GPO

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

224 New Customhouse
Denver 2, Colorado

November 23, 1956

Mr. C. O. Lee, Secretary-Treasurer
Arizona Globe Uranium, Inc.
31 West Monroe Street
Phoenix, Arizona

Re: Royalty payments, Docket DMEA 3669 (Uranium)
Contract Idm-E834, Arizona Globe Uranium,
Inc. (Sue Mine), Gila County, Arizona

Dear Mr. Lee:

In response to your letter of November 21, 1956, which contained information previously requested, the Liquidation Numbers covering reported production and royalty data pertaining thereto are listed below as follows:

Liq. No.	Royalty Due	Royalty Paid	Bonus Roy.Due	Bonus Roy.Paid
377	$14.39	$11.51	$ 8.50	$0.00
482	15.33	15.33	10.36	0.00
564	34.91	34.91	23.64	0.00
616	66.40	66.40	48.92	0.00
617	54.49	54.49	40.16	0.00
947	111.07	111.07	81.92	0.00
	$296.59	$293.71	$213.50	$0.00

Total Royalty Due	$510.09
Total Royalty Paid	293.71
Bal. of Royalty Due	$216.38

You will note an increase in royalty due on Liquidation No. 377 above the amount stated in our letter of July 19, 1956. This is due to an increase in the royalty rate as a result of increase in value by AEC bonus payment on this production.

Your check for $216.38 representing payment for balance now due should be made payable to the Defense Minerals Exploration Administration and sent to the Executive Officer, DMEA, Region III, 284 New Customhouse, Denver 2, Colorado.

Yours very truly,

Original signed by
W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

MHM/vj

cc: Royalty File E834 w/cy related material
Corres. File E845 " " "
Sec. Opr. Comm. (2) " " "
W. R. Storms " " "
Marshall
Chron.

COPY

November 21, 1956

United States Department of the Interior
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 3669 (Uranium)
Contract Idm-2834
Arizona Globe Uranium, Inc.
(Sue Mine), Gila County, Arizona

Attention: Mr. W. M. Traver
Executive Officer, DMEA
Field Team, Region III

Gentlemen:

In response to your letter of November 16th, and to bring your royalty files current, we submit herewith six copies of our Atomic Energy Commission Certification of the Sue Group for bonus on the first 10,000 pounds of U_3O_8 production. We also submit six copies of each and every of our applications for bonus payment under this certification, for all production at the Sue Mine. The first two applications dated December 1, 1955 and December 19, 1955 respectively, are for non-DMEA ore, which was mined before the DMEA contract was awarded. The remaining two applications cover ore subject to DMEA royalty.

We would appreciate receiving from you a recap of DMEA ore royalties paid by our company to the DMEA to date, and showing what we still owe in the way of royalties, so that we may check our records and send you any deficiency.

Yours very truly,

ARIZONA GLOBE URANIUM, INC.

C. O. Lee
Secretary Treasurer

COL/em
Encls.

Sec Do Comm (2)

UNITED STATES
ATOMIC ENERGY COMMISSION
GRAND JUNCTION OPERATIONS OFFICE
GRAND JUNCTION, COLORADO

MD:DRH

November 18, 1955

RECEIVED

Globe Uranium, Inc.
293 North Broad Street
Globe Arizona

Re: CERTIFICATION OF THE SUE GROUP, GILA COUNTY, ARIZONA (APPLICATION NO. 1010)

Gentlemen:

Reference is made to your application dated January 4, 1955, requesting certification of the Sue Group for bonus payments under the provisions of Domestic Uranium Program Circular 6.

This will serve as notification that the captioned application has been reviewed and the following described property certified as a unit eligible to receive bonus payments:

Claim	Docket	Pages	Claim	Docket	Pages
Sue 1 - 12	6	105-116	Climax 1-3	15	81-83
Sue 13	7	61	Climax 4-5	20	504-508
Sue 14	7	62	Judy	7	255
Sue 15	7	265	Judy 1-5	8	457-461
Sue 16-18	6	117-119	Judy 6	18	244
Sue 19	7	267	Deer Foot 1-4	5	465-468
Sue 20	7	266	Tee Bone 3	5	479
Sue 21	9	53	Tee Bone 4	6	458
Casey 1-4	12	230-233	Marie 1	18	245
Casy 5-6	18	246-247	Marie 2	16	384

That portion of the Sue No. 21 claim which overlaps Deep Creek No. 1 claim is excluded from the certified property.

The above property is situated in Sections 13, 23, 24, 25, T. 5 N., R. 14 E., G&SR B&M, and unsurveyed Sections 19 and 30, T. 5 N., R. 15 E, G&SR B&M, Arizona Mining District, SLEB, Gila County, Arizona.

Production records show that no U_3O_8 was produced from this property between April 9, 1948, and February 28, 1951, inclusive. Accordingly, 10,000 pounds of U_3O_8 are eligible for bonus payments when contained in ores mined from this property and delivered to a qualified mill or Commission ore-buying station between March 1, 1951, and February 28, 1957, inclusive.

The certification number you will use in making application for bonus payment is D.U.P. C6-C-630. Several copies of an "Application for Bonus Payment" form are enclosed for listing each month's production since March 1, 1951. In making application for bonus payments, please note the name of the claim or claims from which ore was shipped as well as the group name.

Very truly yours,

R. H. Toole, Chief
Leasing & Development Branch
Mining Division

Enclosure:
AEC-300 (6 sets)

Form AEC-800 A

Form approved
Budget Bureau No. 38-R031

U. S. ATOMIC ENERGY COMMISSION

APPLICATION FOR BONUS PAYMENT

For ore delivered on or after March 1, 1951, in accordance with AEC Domestic Uranium Program Circular 6

1. NAME OF APPLICANT
Arizona Globe Uranium, Inc.

2. MAILING ADDRESS
293 North Broad Street
Globe, Arizona

3. NAME OF MINING PROPERTY
Sue Group (Sue #16)

4. MINING DISTRICT
Arizona, SLFB, Gila County, Arizona

5. DATE
December, 1, 1955

6. AEC LICENSE NO.
P-2225

7. MINING PROPERTY CERTIFICATION NO.
D. M. P. C6-C-630

No application for bonus payment will be considered on shipments from any mining property which has not been certified.

8. ORE SHIPMENTS DELIVERED TO AND PAID FOR BY Globe Receiving Station (Mill or station)

LOCATED AT Cutter, Arizona (about 8 miles out of Globe, Arizona)

DATES OF SETTLEMENT	(Fill in either) LIQUIDATION NO.	CHECK NO.	DRY TONS ORE	GRADE U_3O_8	POUNDS U_3O_8	BONUS PAYMENT PER POUND U_3O_8	AMOUNT OF BONUS PAYMENT	
8-2-55	8167		10.3340	0.21%	43.40	3.50	151	90
8-2-55	8168		33.6690	0.24%	161.61	3.50	565	64
8-17-55	8260		6.8270	0.12%	16.38	1.90	31	12
8-17-55	8261		17.8150	0.18%	64.13	3.10	198	80
8-22-55	8321		25.4760	0.18%	91.71	3.10	284	30
8-29-55	8364		19.9065	0.11%	43.79	1.70	74	44
8-30-55	8398		18.8080	0.10%	37.62	1.50	56	43
9-19-55	8561		25.9215	0.10%	51.84	1.50	77	76
9-27-55	8664		16.1635	0.10%	32.33	1.50	48	50
(If more space is needed, use a sheet of paper the same size as this page)						TOTAL	$1488	89

Arizona Globe Uranium, Inc.

C. O. Lee Dec. 3, 1955 Secretary-Treasurer

FOR USE BY ATOMIC ENERGY COMMISSION ONLY

	ACCOUNTING CLASSIFICATION	AMOUNT

16—97727-2 GPO

AEC-380 A

Form approved
Budget Bureau No. 38-R043

U. S. ATOMIC ENERGY COMMISSION

APPLICATION FOR BONUS PAYMENT

For ore delivered on or after March 1, 1951, in accordance with AEC Domestic Uranium Program Circular 6

1. NAME OF APPLICANT: Arizona Globe Uranium, Inc.

2. MAILING ADDRESS: 293 North Broad Street, Globe, Arizona

3. NAME OF MINING PROPERTY: Sue Group (Sue #16)

4. MINING DISTRICT: Arizona, SLLB, Gila County, Arizona

5. DATE: December 19, 1955

6. AEC LICENSE NO.: P-2225

7. MINING PROPERTY CERTIFICATION NO.: D. M. P. 06-C-630

No application for bonus payment will be considered on shipments from any mining property which has not been certified.

8. ORE SHIPMENTS DELIVERED TO AND PAID FOR BY: Globe Receiving Station (Mill or station)

LOCATED AT: Cutter, Arizona (about 8 miles out of Globe, Arizona)

DATES OF SETTLEMENT	(Fill in either) LIQUIDATION NO.	CHECK NO.	DRY TONS ORE	GRADE U_3O_8	POUNDS U_3O_8	BONUS PAYMENT PER POUND U_3O_8	AMOUNT OF BONUS PAYMENT	
11-21-55	9169	11/273	[illegible]	0.35	31.17	2.50	77	93
						TOTAL	$ 77	93

(If more space is needed, use a sheet of paper the same size as this page)

Arizona Globe Uranium, Inc.

C. O. Lee Dec. 19, 1955 Secretary-Treasurer

FOR USE BY ATOMIC ENERGY COMMISSION ONLY

	ACCOUNTING CLASSIFICATION	AMOUNT

16—67757-6 GPO

U. S. ATOMIC ENERGY COMMISSION

APPLICATION FOR BONUS PAYMENT

For ore delivered on or after March 1, 1951, in accordance with AEC Domestic Uranium Program Circular 6

1. NAME OF APPLICANT
Arizona Globe Uranium, Inc.

2. MAILING ADDRESS
293 North Broad Street
Globe, Arizona

3. NAME OF MINING PROPERTY
Sue Group (Sue #16)

4. MINING DISTRICT
Arizona, SLEB, Gila County, Arizona

5. DATE
June 7, 1956

6. AEC LICENSE NO.
P-2225

7. MINING PROPERTY CERTIFICATION NO.
D.U.P. 66-C-630

No application for bonus payment will be considered on shipments from any mining property which has not been certified.

8. ORE SHIPMENTS DELIVERED TO AND PAID FOR BY Globe Receiving Station (Mill or station)

LOCATED AT Cutter, Arizona (about 8 miles east of Globe, Arizona)

DATES OF SETTLEMENT	(Fill in either) LIQUIDATION NO.	CHECK NO.	DRY TONS ORE	GRADE U_3O_8	POUNDS U_3O_8	BONUS PAYMENT PER POUND U_3O_8	AMOUNT OF BONUS PAYMENT	
4-17-56	377		26.4050	0.14	73.93	2.30	170	04
4-24-56	482		21.0185	0.17	71.46	2.90	207	23
5-9-56	564		47.9440	0.17	163.01	2.90	472	73
5-18-56	616		37.2755	0.37	279.56	3.50	978	39
5-18-56	617		49.8040	0.23	229.47	3.50	803	15

(If more space is needed, use a sheet of paper the same size as this page) TOTAL, $2,631 34

Arizona Globe Uranium, Inc.

June 7, 1956 President

J. R. Haren

FOR USE BY ATOMIC ENERGY COMMISSION ONLY

ACCOUNTING CLASSIFICATION	AMOUNT

16—67727-2 GPO

Form AEC-300 A
(6-51)

Form approved
Budget Bureau No. [illegible]

U. S. ATOMIC ENERGY COMMISSION

APPLICATION FOR BONUS PAYMENT

For ore delivered on or after March 1, 1951, in accordance with AEC Domestic Uranium Program Circular 6

1 NAME OF APPLICANT
Arizona Globe Uranium, Inc.

2 MAILING ADDRESS
293 North Broad Street
Globe, Arizona

3 NAME OF MINING PROPERTY
Sue Group (Sue #16)

4 MINING DISTRICT
Arizona, SLRB, Gila County, Arizona

5. DATE
August 7, 1956

6. AEC LICENSE NO.
F-2225

7. MINING PROPERTY CERTIFICATION NO.
D.U.P. C6-630

No application for bonus payment will be considered on shipments from any mining property which has not been certified.

8 ORE SHIPMENTS DELIVERED TO AND PAID FOR BY Globe receiving station (Mill or station)

LOCATED AT Cutter, Arizona (about 8 miles out of Globe, Arizona)

DATES OF SETTLEMENT	(Fill in either) LIQUIDATION NO	CHECK NO.	DRY TONS, ORE	GRADE U_3O_8	POUNDS U_3O_8	BONUS PAYMENT PER POUND U_3O_8	AMOUNT OF BONUS PAYMENT
6-20-56	947		81.6460	0.286683	468.15	$3.50	$ 1,638.46

(If more space is needed, use a sheet of paper the same size as this page)

TOTAL, $ 1,638.46

Arizona Globe Uranium, Inc.

C. O. Lee Aug. 7, 1956 Secretary-Treasurer

FOR USE BY ATOMIC ENERGY COMMISSION ONLY

ACCOUNTING CLASSIFICATION	AMOUNT

16—67727 2

12/4/56

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

RECEIVED NOV 23 1956 DMEA

224 New Customhouse
Denver 2, Colorado

November 20, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 3649 (Uranium), Contract No. Ida-2854, Arizona Globe Uranium, Inc. (Sue mine), Gila County, Arizona - FINAL REPORT.

Enclosed are the original and three copies of a joint final engineering and geologic report, dated November 14, 1956, from John H. Faick, Geologist, Geological Survey, and T. H. Romslo, Mining Engineer, Bureau of Mines, and transmittal thereof from John H. Faick and T. H. Romslo, dated November 14, 1956.

The original and one copy of the Operator's final report were forwarded to you by memorandum of November 11, 1956.

Project work under the contract was deemed to be completed upon completion of the work authorized for Stage I, as results of the work completed did not warrant the Government's participation in further work under the contract and the Operator was so notified by the DMEA Field Team, Region III, by letter of July 19, 1956.

Final payment to the Operator was processed by this office November 5, 1956, in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, dated October 16, 1956.

The exploration work completed consisted of 500 feet of drifting, 250 feet of crosscutting, and 800 feet of longhole percussion drilling, at a total accepted cost of $24,121.00, toward which the Government contributed 75%, or an amount of $18,090.75.

The exploration work completed under Stage I resulted in the discovery or development of a few small discontinuous

Reviewed by
DMEA OPERATING COMMITTEE
12-3-56
(date)

scattered ore bodies, from which about 265 tons of low grade ore were mined and shipped and royalties paid to the Government thereon as provided in the contract. A small quantity of ore remains in the mine in similar small discontinuous scattered ore bodies, but these reserves are not considered minable under present or foreseeable economic conditions. Therefore, under the circumstances, Certification of the project as a discovery or development as a result of the exploration work performed under the MKSA contract is not recommended.

Original signed by
W. M. TRAVER

W. M. Traver

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

cc: Allen E. Jones
Manager of Operations
Division of Raw Materials
Atomic Energy Commission
Grand Junction, Colorado

cc: Arthur E. Granger
Manager, Salt Lake Area Office
Atomic Energy Commission
Salt Lake City, Utah

Box 4126 University Station
Tucson, Arizona

RECEIVED
NOV 19 1956

November 14, 1956

MEMORANDUM

To: Executive Officer, DMEA Field Team, Region III

From: John N. Faick
T. M. Romslo

Through: E. N. Harshman
W. L. Emerick
W. R. Storms

Subject: Docket DMEA 3669 (Uranium) Contract Idm-2834, Globe Uranium, Inc. (Sue Mine), Gila County, Arizona

Enclosed are the original and 10 copies of our final report on the DMEA exploration project at the Sue Mine.

J. N. Faick
John N. Faick
U. S. Geological Survey

Original signed by
T. M. Romslo
T. M. Romslo
U. S. Bureau of Mines

JNF:ms

cc: Harshman (10)
King
Storms
Emerick

Reviewed by
DMEA OPERATING COMMITTEE
12-3-56
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT BY FIELD TEAM
REGION III

DMEA-3669 (URANIUM) CONTRACT Idm-E834

GLOBE URANIUM, INC. (SUE MINE)

GILA COUNTY, ARIZONA

John N. Faick, Geologist
U. S. Geological Survey

T. M. Romslo, Mining Engineer
U. S. Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE

12-3-56
(date)

November 14, 1956

Final FT. Rep.
Recd.12-4-56
Dated:11-14-56

SUMMARY AND CONCLUSIONS

The Defense Minerals Exploration Administration and Globe Uranium, Inc., during 1955 and 1956, jointly explored the Sue Mine under contract Idm E-834, Docket 3669. The Sue property, which is situated about 15 miles north of Globe, consists of 57 unpatented claims, of which 12 are subordinated to the Government under terms of the contract.

At the Sue mine a small amount of low grade uranium ore is localized in nearly horizontal thin-bedded, shaley, flaggy sandstones in the Dripping Spring quartzite of younger pre-Cambrian age. The uraniferous bed ranges from 1 to 8 feet thick, and the principal uranium concentrations are along or near the northerly or easterly trending joints in the favorable bed.

The property had been explored by about 660 feet of underground workings, consisting of 2 main adits, several drifts, crosscuts, and raises; prior to the company's application to the Government. Examination of the Sue mine indicated that further exploration was desirable and a 2-stage project was approved, with each stage consisting of 500 feet of drifting, 500 feet of crosscutting, and 800 feet of long-hole percussion drilling. Only the first stage of the work was completed, as the results did not warrant participation in the second stage. The total cost of the project was $24,121.00, of which the Government's share was $13,090.75.

Stage I work resulted in the discovery of a few small bodies of low-grade ore from which about 265 tons of low-grade ore were mined and shipped to the purchasing depot at Cutter, Arizona. Non-IMEA ore shipped amounted to 135 tons. The project was terminated in June 1956, and the Government denied the operator's request to participate in Stage II because of unfavorable findings under Stage I.

Probably not over 200 tons of ore remain in the mine, in small, discontinuous, scattered ore bodies. These small reserves are not economically minable under present or foreseeable conditions. Additional exploration is not recommended because there is no geological reason to expect results any better than obtained under Stage I.

DMEA-3669 (URANIUM) CONTRACT Idm-B834
GLOBE URANIUM, INC. (SUE MINE)
GILA COUNTY, ARIZONA

CONTENTS

	Page
INTRODUCTION	1
LOCATION, ACCESSIBILITY, PHYSICAL FEATURES & CLIMATE	2
PROPERTY OWNERSHIP & EXTENT	3
HISTORY	4
GENERAL GEOLOGY	5
GEOLOGY OF THE MINE AREA	5
THE PROJECT	8
Justification	8
Program originally proposed	9
Modified exploration proposals	10
Work completed	11
Discussion of the project	11
Results of Drifting and Crosscutting	13
Results of Drilling	15
SAMPLES, GRADE AND PRODUCTION	18
ORE RESERVES	22
EXPENDITURES	23
ROYALTY PAYMENTS	23
EFFICIENCY OF OPERATIONS	24

ILLUSTRATIONS

Fig. 1	Location Map	Following page	2
Fig. 2	Claim Map	" "	3
Fig. 3	General Geologic Map	" "	5
Fig. 4	Assay and Sample Map of Older Workings	In folder	
Fig. 5	Generalized Map of Underground Workings	In folder	
PLATE I	Section of Apache Group	Following page	5
TABLE I	Radiometric Logs of Percussion Drill Holes	Page	16

INTRODUCTION

Globe Uranium, Inc., an Arizona corporation, requested assistance from the Defense Minerals Exploration Administration, as authorized by the Defense Production Act of 1950 as amended, to explore for uranium in the Sue mining claims in the Sierra Ancha mountains, Gila County, Arizona. The application, docket DMEA 3669 (Uranium), which was received by DMEA early in 1955, was reviewed by R. D. Trace and John E. Crawford, members of the Uranium Commodity Committee, and the application was referred to the field for an examination and a report.

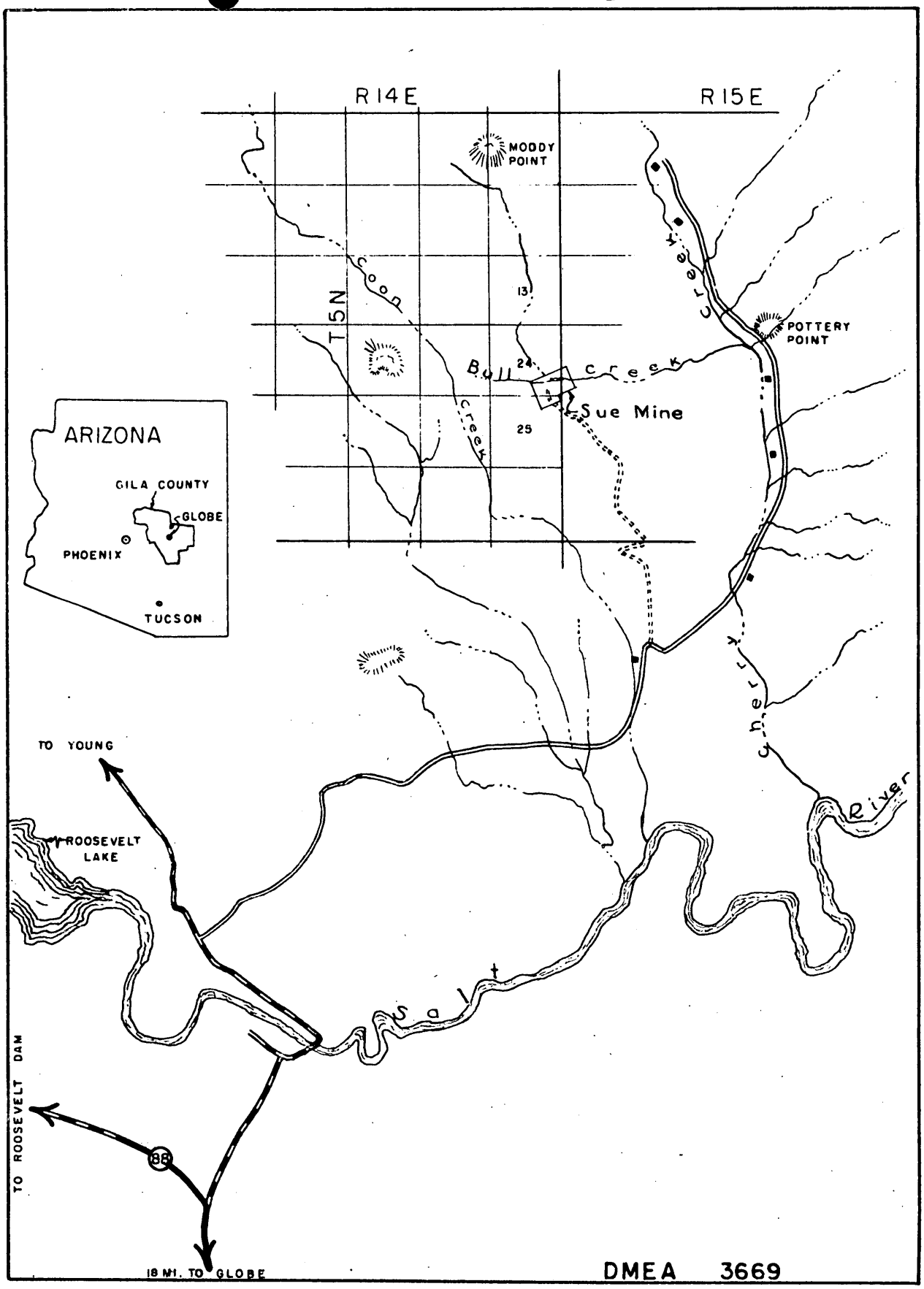
The Sue mine was examined on behalf of DMEA April 5 and 6, 1955, by J. N. Faick, U. S. Geological Survey, and W. H. Hardwick, U. S. Bureau of Mines. The examiners were accompanied by W. W. Sorsen, Mine Manager, who represented the applicant company, Globe Uranium, Inc. As a result of the DMEA field examination, it was decided that the property was worthy of additional exploration and contract No. Idm E-834 was granted to Globe Uranium, Inc. to explore the property in 2 stages.

The property previously had been studied in detail for the Atomic Energy Commission by R. J. Schwartz and E. D. Mace, and the results of these studies were made available to the examiners for inclusion in their report. Also included in their report was data made available by H. C. Granger and A. F. Shride, both of the U. S. Geological Survey.

LOCATION, ACCESSIBILITY, PHYSICAL FEATURES AND CLIMATE

The Sue mine is situated near the head of Bull Canyon, a tributary of Cherry Creek in the McFadden Peak quadrangle in Gila County, Arizona, approximately 15 airline miles north of Globe (see fig. 1). It is described as being situated in secs. 24 and 25, T. 5 N., R. 14 E., and secs. 19 and 30, T. 5 N., R. 15 E. The mine is reached from Globe by 15.7 miles of paved State highway, 17.1 miles of graded County road, and 5.2 miles of recently improved mine access roads. To reach the Sue mine from Globe drive west on U. S. Highway 60 to the junction with Arizona Highway 88, turn north at this junction and proceed 14 miles to the Young turnoff and follow this road for 6.9 miles to the Cherry Creek road, and drive east on the Cherry Creek road to Coon Creek. At a point 0.7 mile east of the cattle guard at the Coon Creek ranch, turn north onto the recently completed AEC road and proceed 4.8 miles to the easterly branching mine road. The access road, 0.6 mile long, terminates at the main adit of the mine. During wet weather a 4-wheel drive vehicle is preferable for the last 5 miles.

The Sue claims are in an area of relatively rugged topography characterized by plateaus and mesas into which narrow canyons have been deeply incised. Differences in elevation of 1,000 feet in a horizontal distance of half a mile are not uncommon, and in many places there are vertical cliffs ranging from 30 to 300 feet in height. The Sue mine occupies an area of comparatively low relief on the high ridge between Bull Canyon and Coon Creek.



- FIGURE 1 -
LOCATION MAP - SUE MINE - GLOBE URANIUM INC.
GILA COUNTY, ARIZONA

The climate is mild; however, snowstorms may interrupt work for short periods in the winter time. The precipitation ranges from 15 to 18 inches, most of which occurs as heavy snowstorms in December and January or as torrential thunderstorms in July and August. Sparse vegetation consists of juniper, pinon pine, live oak, and various grasses and cacti.

Water supply is available from Cherry Creek 3 miles east and 1500 feet below the Sue claims, or in Coon Creek 4½ miles west and 500 feet below the Sue claims. Labor and general mining supplies are available in Globe, a distance of about 40 miles by road from the mine.

PROPERTY OWNERSHIP AND EXTENT

Globe Uranium, Inc. is reported to control in excess of 300 unpatented claims, of which the 57 claims, shown on figure 2, constitute the group known as the Sue Mine. Only 12 claims, including the Sue Nos. 9 to 13 and 15 to 18, and Climax claims 1 to 3, were subordinated under the contract because it was decided that only these claims would be benefited by the exploration project. These claims were subject to royalty payments for the purpose of the contract.

The Globe Uranium, Inc. maintained an office at 31 West Monroe Street, Phoenix, Arizona. Officers of the corporation are J. R. Heron, President, and C. O. Lee, Secretary-Treasurer.

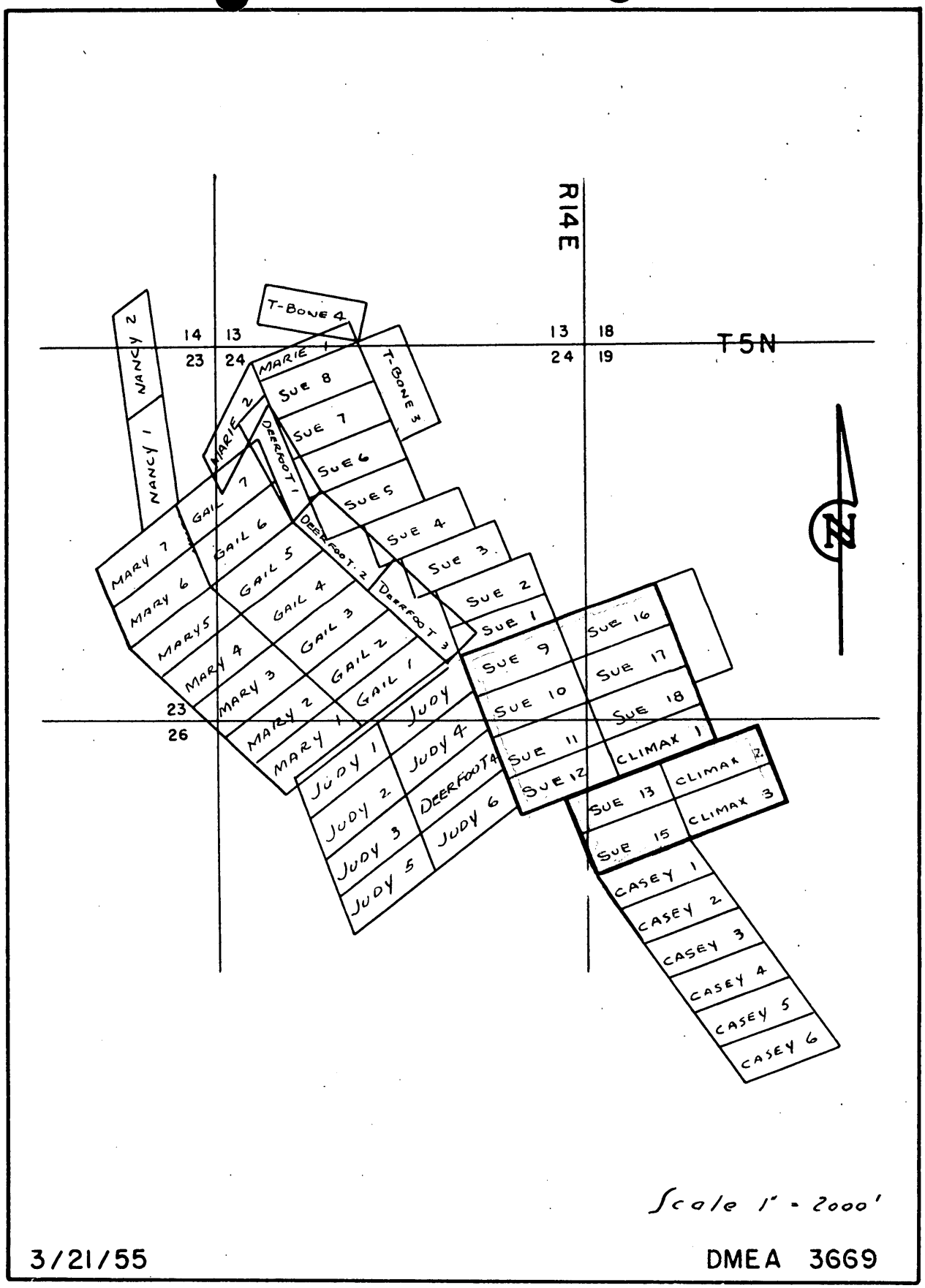


FIGURE 2 CLAIM MAP - SUE MINE - GLOBE URANIUM INC.

HISTORY

Uranium was first discovered in the Dripping Spring quartzite in Gila County, at the Red Bluff prospect in 1950, and several other discoveries were made shortly thereafter. Aerial radiometric surveys made over large areas by the AEC attracted attention to a number of radioactive anomalies in the Sierra Ancha Mountains. One of these anomalies was at the Sue Mine area. Here Mr. K. C. Heron located a large number of claims in 1954 and subsequently he and his brother J. R. Heron and C. O. Lee, formed Globe Uranium, Inc., for the purpose of developing the claims. Exploration of these claims at Company expense started in 1954. About 5 miles of rough access road was built to the mine, and this was replaced by a good improved road built by the county and AEC early in 1956. When the examiner visited the property in April 1955 it had been explored by adit No. 1 about 175 feet long, by adit No. 2 about 105 feet long, and by about 380 feet of drifts, crosscuts and sub-levels, and a couple of raises each a few feet long. The outcrop of the orebearing zone was stripped for about 1200 feet and a number of surface and sub-surface radiometric traverses had been made. This early exploration work resulted in mining a few hundred tons of ore that was stockpiled at the mine to await completion of the AEC purchasing depot near Globe, Arizona. About 185 tons of it was shipped in 1955 under AEC contract No. AT 05-1-440 and AEC license No. P-2225. The ore shipped contained from 0.10 to 0.24 percent U_3O_8.

GENERAL GEOLOGY

The Sue Mine area (see fig. 3) is underlain by nearly horizontal sedimentary formations of pre-Cambrian age, which rest upon a granitic complex of older pre-Cambrian rocks. Diabase sills and dikes, probably of later pre-Cambrian age, intrude the pre-Cambrian formations.

The most widely distributed formations in the area are limestones and clastic sediments belonging to the Apache group of the younger pre-Cambrian. Brief descriptions of these formations are given in Plate I, a generalized stratigraphic section appropriate for Gila County and adjacent areas in Central Arizona. The Dripping Spring formation of the Apache group is noteworthy in that it exhibits higher radioactivity than is normally found in the surrounding rocks. Only the upper member of the Dripping Spring is known to contain notable amounts of uranium and most of it has been found in the middle unit of the upper member. Most of the more significant concentrations of uranium discovered to date occur within an interval that lies from 50 to 150 feet above the base of the upper member.

GEOLOGY OF THE MINE AREA

The ore zone at the Sue Mine was explored by a 1000-foot long bench cut along the outcrop of the mineralized stratum and by approximately 1445 feet of underground workings within an area about 150 to 200 feet wide from east to west and about 700 feet long from north to south. These workings explored a stratum from about 1 to 8 feet thick in which small amounts of uranium are erratically distributed.

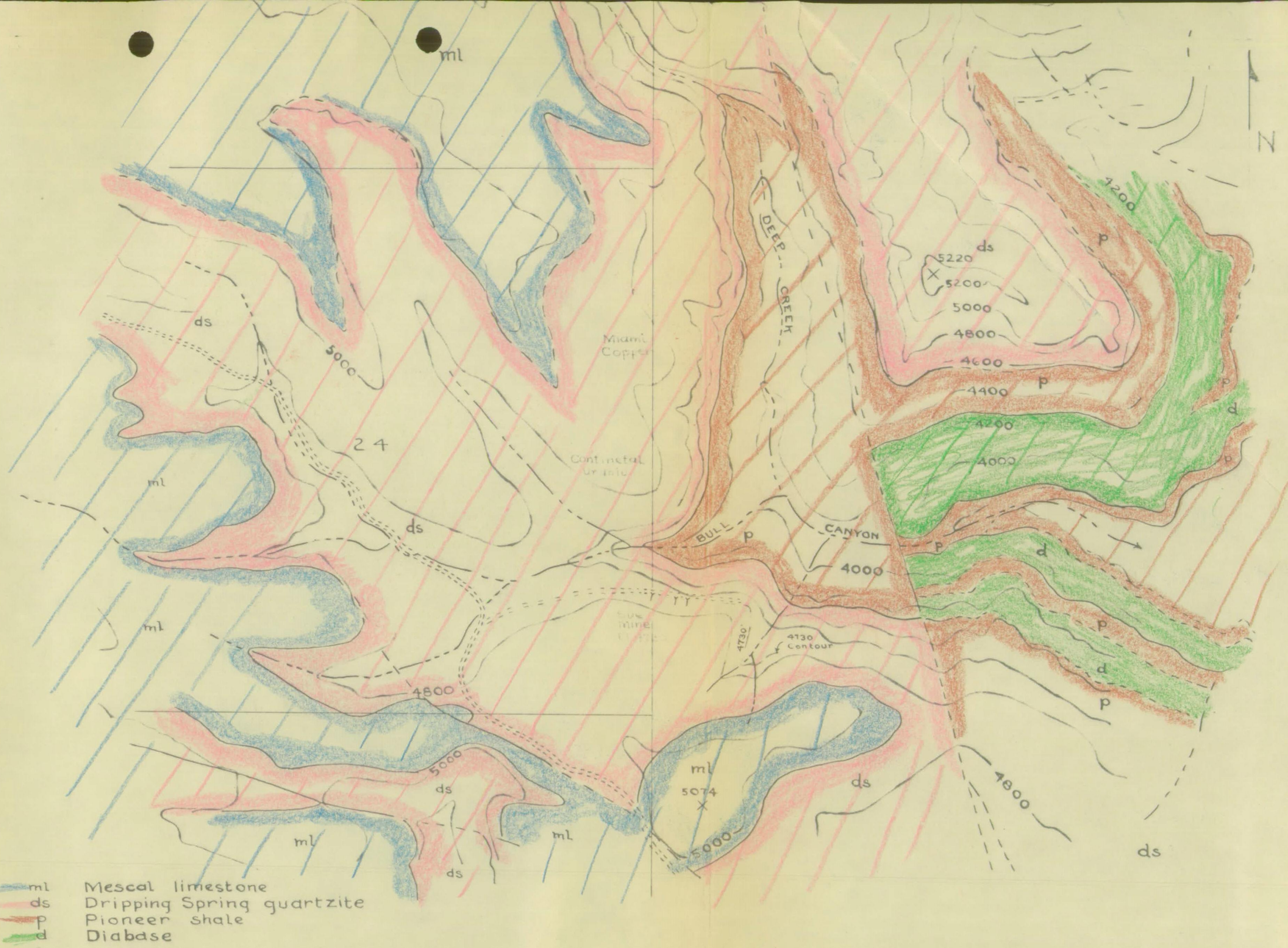


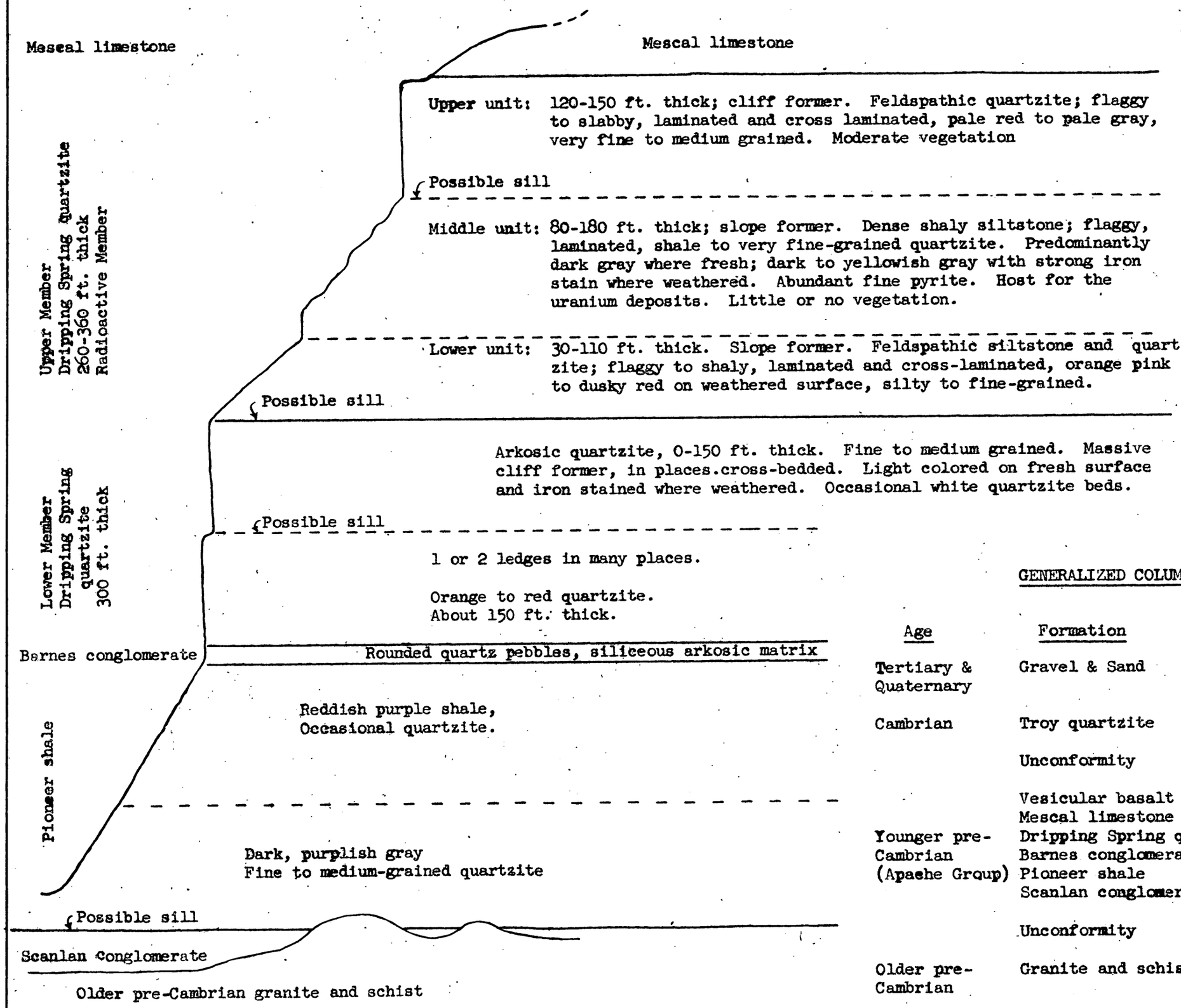
FIGURE 3
GEOLOGIC MAP, SUE MINE AREA

4-15-55 SCALE 1" = 100' DMEA 3660

RECEIVED
NOV 29 1956
D.M.E.A.

PLATE I

DIAGRAMATIC SECTION OF APACHE GROUP IN GILA COUNTY AND ADJACENT AREAS, ARIZONA



GENERALIZED COLUMNAR SECTION

Age	Formation	Thickness (feet)	Average Thickness
Tertiary & Quaternary	Gravel & Sand		
Cambrian	Troy quartzite	500	
	Unconformity		
Younger pre-Cambrian (Apache Group)	Vesicular basalt flow	0-75	75
	Mescal limestone	225-400	300
	Dripping Spring quartzite	450-700	700
	Barnes conglomerate	0-50	
	Pioneer shale	150-250	250
	Scanlan conglomerate		
	Unconformity		
Older pre-Cambrian	Granite and schist		

RECEIVED NOV 29 1956

The stratum in which the uranium is localized is predominantly a gray-brown, thin-bedded siltstone which in places is moderately laminated or flaggy. In places, particularly near the outcrop, the bed has a relatively high porosity which apparently results from very slight flexing, jointing and faulting. In places this thinly bedded or laminated uraniferous stratum rests upon a massive sandy bed several feet thick, of which the upper 12 to 15 inches is also uraniferous. The uranium in the upper part of the massive bed, in a zone 12 to 18 inches thick, may be due to reconcentration of uranium which has been leached from the thin-bedded uraniferous stratum.

The beds appear to have been slightly deformed by jointing and fracturing, and possibly by mild flexing, which is barely evident. The joints are nearly vertical and are in two principal sets which are nearly at right angles, one set trending about N 10° E, and the other trending about N 80° W. A few feet of displacement has taken place on 2 north trending inconspicuous faults which have cut the uraniferous stratum into 3 segments. These faults are believed to be approximately parallel to the prominent Deep Creek fault, which lies about 2000 feet east of the Sue prospect. In addition to the nearly vertical joints and faults the strata have been cut by several low angle faults and fractures, which in places have displaced the beds a few inches and in other places have caused only slight brecciation of the beds without noticeable displacement. In places these low angle faults pass into bedding planes and become very inconspicuous. The abundance of vague fractures,

joints and faults that are present indicate that the zone in which the uranium is localized has participated in adjustment to mild deformational stresses.

Localization of the ore at the Sue mine appears to be due to preferential selection by uranium of a thinly laminated stratum which appears to be more intensely fractured than other strata exposed in the same area. It is not known what influence other factors, such as major faults, regional metamorphism or proximity to diabase intrusions might have had in localizing the uranium. Evidence of mineralization is scarce and is best detected by a Geiger counter or scintillation counter.

AEC geologists (Schwartz and Mace), who have done considerable work on the Sue mine, report that pyrite, chalcopyrite, torbernite, metatorbernite, autunite, and uraninite have been identified from the ore zone. Only torbernite was recognized by DMEA, and in most places it occurs closely associated with relatively abundant limonite and with honey-yellow, waxy material reported to be an unstable compound of iron and phosphorous. No hypogene minerals except pyrite were recognized, and the abundant surficial stains and alteration products indicate that most of the ore zone, where explored, is in a zone of supergene alteration. Undoubtedly the zone has been subjected to leaching of unknown intensity by descending meteoric waters.

Oxidation appears to be important at the Sue Mine and radioactivity appears to be almost directly proportional to the intensity of oxidation. The amount of secondary torbernite, iron staining, and radioactivity decrease in the mine workings as these reach greater depths away from the outcrop. The character of the host rocks, and structural conditions also appear to become less favorable as greater distance from the outcrop is attained; however, specific data of a quantitative nature are lacking. With increasing depth the host rocks become more massive-bedded, the porosity decreases, and the fractures become tighter and less numerous.

THE PROJECT

Justification:

The project was intended to explore a uranium-bearing zone from 1000 to 1200 feet long and 300 feet wide in nearly horizontal quartzite from 1 to 8 feet thick. This zone is the extension of a uranium bearing stratum explored by outcrop stripping and by several hundred feet of underground workings. It was estimated to contain about 2500 tons of low-grade, probably submarginal ore, most of which may have suffered from leaching and oxidation due to proximity to the outcrop. Exploration was predicated on the hope that significant amounts of material containing commercial amounts of primary uranium minerals would be encountered at greater distances from the outcrop. The decision to participate in exploration of the Sue Mine was partly influenced by the following:

1. The Company had completed considerable exploration work at its own expense, thus demonstrating its ability to complete the project.

2. A couple hundred tons of possible commercial ore had been stockpiled and considerably more was indicated to exist in the mine.

3. A purchasing depot was being erected at Cutter, a few miles east of Globe, and a great deal of exploration work was being done in the Dripping Spring formation, with reasonable hope that some of it would be successful.

4. Most people familiar with the Dripping Spring formation thought that mineable deposits would be discovered in it and the Sue Mine, at the time, appeared to be one of the most likely to contain significant amounts of ore; therefore was considered worthy of exploration.

Program originally proposed:

The applicant proposed to explore the favorable quartzite bed with 2,000 feet of drifts or crosscuts estimated to cost $33.00 per foot, and with 4,000 feet of underground percussion drill holes at $2.00 per foot. The total cost estimated by the applicant was $74,000. Exploration of the deposit by diamond drilling was thought to be impractical because of (a) hard ground and difficult drilling conditions, (b) excessive depth to which drilling would be required, (c) small size and comparative thinness of deposits would make drill information difficult to evaluate.

Modified Exploration proposals:

The exploration project granted by the contract provided for 1,500 feet of drifting and crosscutting at $30.00 per foot, 1,600 feet of long-hole drilling at $2.00 per foot, and 310 sample analyses at $3.50 a sample. The total allowable cost was $49,285.00. Drifts and crosscuts were to be 5x7 feet in the clear, timbered where necessary. The work was to be directed by an engineer who was to devote at least half time to the project, and would do such drafting, surveying, mapping and report preparation as required. The project was divided equally into 2 stages, but work under the second stage was to be undertaken only with the consent of the Government and only if results of Stage I were satisfactory. The work allowed under the 2 stages is as follows:

Stage I

From the southwest face of Junction No. 1 adit, drift along the radioactive mineralized zone 500 feet in a southwesterly direction; and crosscut normal to the direction of the drift both easterly and westerly from the drift in the mineralized zone not to exceed 500 feet at locations approved by the Government. From the drift and crosscuts under this stage not more than 800 feet of long-hole percussion drill holes were to be drilled to explore the mineralized zone above the workings.

Stage II

From the southwest drift face completed under Stage I, execute a project of drifting, crosscutting and drilling similar to Stage I, to be executed only with the approval of the Government.

Work completed

Work under terms of Contract No. Idm-E834, which was executed June 30, 1955, started August 1, 1955 and was officially completed in July 1956. The results obtained in the work were not sufficiently promising to justify undertaking additional exploration and the operator's request for Stage II was denied. The operator than requested a one-year suspension of operations under the contract. The request was made to allow sufficient time to fully investigate the explored area with the thought that such further investigations would reveal mineralization of enough significance to justify Government participation in the work of Stage II of the contract. The request was denied and the contract was terminated. The Government in its letter of denial to the operator stated that contract could be revived in a manner similar to the original application if justified by future findings.

Discussion of the Project

The 500-foot drift started from the south face of the non-DMEA adit 183 feet horizontally in from the mountain side (see fig. 4) and extended in a S. 12° W. direction. From this drift (see fig. 5) the No. 1 crosscut was driven westerly a distance of 125 feet normal to the drift at station 135+00 in the main drift. The No. 2 crosscut was driven westerly a distance of 50 feet from station 330+00 in the main drift, and the No. 3 crosscut was driven easterly a distance of 75 feet from the main drift at station 410 + 00.

A total of 800 feet of drilling in 17 percussion drill holes was completed under the contract. Six samples were cut and analysed under terms of the contract.

During the life of the project, and at the sole expense of the operator, many 6-foot long stoper holes were drilled into the back of the adits and these were tested by probing. In places where favorable indications were obtained additional holes were drilled and tested by probing. In many places concentrations of uranium were revealed, and the best indications were subsequently tested under the contract by long percussion drill holes or by drifting and crosscutting. The most radioactive beds were in the back of the drift or a few feet above it. Radioactivity is noticeably greater near the back of the drift than in the floor. An observation made by the operator is that the toughest ground to drill and blast is also the most radioactive.

Each of the percussion drill holes was probed with a Detectetron DG-9 Geiger counter equipped with a 9-inch probe and 100 feet of cable for probing. For convenience, radiometric readings constituting the logs for each hole were taken at 1/2 meter or 1.64-foot intervals. The geiger counter was calibrated against a pre-determined standard prepared by filling a 6-inch long stovepipe with plaster of paris containing 0.14 percent U_3O_8, and provided with a 1½-inch longitudinal cylindrical hole axially through its center to accommodate the probe. The geiger counter readings obtained with the probe inserted in the hole, as compared to readings obtained for the "stovepipe", provide the means for estimating the uranium content in the rocks. All holes were probed in this manner.

Results of Drifting and Crosscutting

Exploration of the Sue Mine was undertaken through the Junction No. 1 tunnel (main adit) that was advanced a total of 500 feet, and from which were driven 250 feet of crosscuts. The locations of the most radioactive spots encountered are shown on figure 5. The first higher than normal radioactive zone was encountered at operator's station 47+00 to 52+00. This had a horizontal width from N. to S. of about 5 feet and a stratigraphic thickness of about 5 feet. The mineralized zone was on both sides of a vertical fracture that strikes N. 80 W. and the highest grade material was in a zone 24 inches wide adjacent to the fracture. The mineralization starts in the back of the drift and extends upward about five feet. Probing of stoper drill holes in this zone indicated an average grade of about 0.20 percent U_3O_8. Some of this ore was later mined and shipped. Other abnormally radioactive zones were encountered at 135+00 and at 174+00 in the Junction No. 1 adit. At 174+00 the upper 2 feet of the drift contains bassitite associated with small amounts of pyrite, and also possibly uraninite. This mineralization appears to be localized within about 2 feet of a minor easterly trending fault. Other spots of abnormal radioactivity were found between 167+00 and 258+00, and all appear to be associated with steep fractures with no visible displacement. A number of these fractures contain clay or earthy material.

An abnormally radioactive south-trending fracture was encountered by the adit from about 317 to 337. The adit cut unusually tough quartzite, according to the operators; however, the usual flaggy quartzite remained

in the back of the adit, and the greatest radioactivity is found in vicinity of the flaggy quartzite.

The zone from about 170+00 to 355+00 had an oxidized and altered appearance. In this zone the rocks were reddish brown, jointed and fractured, comparatively soft and more or less radioactive. At about 355+00 this general aspect of the drift changed to a dark nearly black color, and the rocks became harder, tougher and less fractured. Presumably the last mentioned zone has not been affected by supergene alteration. This dark, unaltered zone persists to the end of the drift at 507+00, but is not notably radioactive except for a small area in the floor at the face.

From 390+00 to 430+00 abnormal radioactivity was found along the walls of the adit at about 4 feet above the floor. At about 400+00 there is a minor fault with displacement of about a foot.

Three crosscuts were driven from the adit for the purpose of exploring for mineralized fractures that, it was hoped, would lead to minable ore bodies in the favorable beds. The No. 1 crosscut was driven westerly from the adit at station 135+00 to explore a mineralized fracture which crossed the adit. The fracture deviated from the crosscut which was continued for a total of 125 feet in order to explore possible north striking fractures. Two north-south fractures were

found to be abnormally radioactive. The most radioactive of these was at crosscut station 47+00 where long holes were drilled from a 5-foot long raise to explore the radioactive zone. Some ore grade material was found here and a small amount of ore was later stoped.

Crosscut No. 2 was driven westerly a distance of 50 feet from station 330+00 in the adit, and crosscut No. 3 was driven easterly a distance of 75 feet from station 41+00 in the adit. Crosscuts 2 and 3 followed weak easterly-trending mineralized fractures and both penetrated several weakly mineralized northerly trending fractures. Both crosscuts were explored by stoper holes. A northerly trending fracture that cuts No. 2 crosscut at 42+00 is believed to be an extension of the fracture explored by the short raise and small stope in crosscut No. 1.

Results of drilling

While the drifts and crosscuts were being driven the backs were drilled with 6-foot long stoper holes spaced at 4-foot intervals. These holes were probed for radioactivity and where it appeared to be present in significant amounts it was further tested by long percussion drill holes or by raises and crosscuts, etc. Long holes numbered 1 to 17, ranging in length from about 40 to 57.5 feet, were drilled. The locations of these holes are shown on figure 5 and the radiometric logs, as determined by the method explained on page 12, are given in Table I.

TABLE I

Radiometric Logs of Percussion Drill Holes

Hole No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Stovepipe reading	.25	.25	.25	.25	.25	.25	.25	.11	.25	.11	.12	.12	.20	.25	.20	.15	.15
Probe Inserted																	
0.75'	.20	.80	.26	.07	.10	.35	.08	.11	.03	.12	.09	.22	.07	.18	.12	.15	.15
2.39'	.40	1.5	.50	.05	.08	.20	.10	.10	.07	.12	.05	.21	.09	.15	.10	.14	.13
4.03'	.65	.65	.40	.07	.05	.05	.10	.08	.06	.07	.06	.17	.04	.16	.08	.10	.10
5.67'	.65	.65	.40	.05	.06	.05	.10	.10	.07	.08	.05	.18	.03	.15	.06	.08	.10
7.31'	.60	.20	.45	.05	.06	.05	.08	.09	.12	.09	.03	.20	.03	.20	.07	.08	.07
8.95'	.65	.20	.45	.05	.05	.05	.07	.08	.13	.10	.03	.18	.04	.21	.08	.07	.06
10.59'	.30	.15	.70	.06	.04	.05	.07	.07	.10	.11	.05	.21	.04	.25	.10	.08	.07
12.23'	.30	.10	.10	.03	.05	.05	.08	.04	.07	.07	.07	.22	.04	.23	.09	.06	.07
13.87'	.30	.07	.03	.03	.04	.05	.09	.05	.06	.09	.09	.16	.03	.28	.07	.07	.06
15.51'	.30	.025	.05	.02	.12	.07	.12	.05	.07	.11	.04	.11	.03	.20	.08	.10	.05
17.15'	.30	.025	.07	.02	.06	.06	.10	.05	.05	.15	.03	.11	.02	.20	.08	.08	.08
18.79'	.25	.025	.03	.03	.08	.05	.13	.05	.05	.30	.025	.09	.02	.26	.10	.09	.05
20.43'	.18	.06	.02	.03	.06	.04	.11	.045	.04	.25	.02	.07	.02	.15	.09	.08	.05
22.07'	.22	.08	.03	.03	.02	.04	.08	.04	.06	.22	.03	.09	.03	.14	.05	.05	.05
23.71'	.15	.025	.07	.03	.04	.04	.13	.035	.06	.21	.03	.10	.04	.16	.03	.06	.06
25.35'	.07	.025	.04	.02	.04	.05	.12	.035	.05	.25	.02	.14	.04	.30	.04	.05	.0[illegible]
26.99'	.07	.025	.03	.02	.05	.07	.13	.035	.04	.25	.015	.45	.02	.10	.05	.05	.0[illegible]
28.63'	.15	.025	.04	.03	.05	.05	.08	.04	.04	.25	.01	.90	.02	.08	.06	.08	.04
30.27'	.11	.05	.04	.03	.05	.05	.09	.06	.05	.25	.01	1.00	.025	.06	.09	.09	.04
31.91'	.07	.03	.04	.03	.03	.05	.07	.055	.07	.12	.01	.95	.02	.05	.15	.09	.04
33.55'	.07	.025	.04	.02	.03	.06	.06	.055	.05	.11	.02	.93	.02	.05	.20	.10	.03
35.19'	.05	.025	.10	.015	.03	.05	.08	.045	.05	.07	.01	.90	.02	.05	.12	.08	.04
36.83'	.04	.03	.10	.02	.04	.13	.08	.035	.06	.06	.01	.70	.02	.05	.12	.05	.05
38.47'	.06	.025	.06	.015	.03	.10	.08	.03	.08	.08	.01	.65	.015	.06	.07	.06	.05
40.11'	.06	.02	.07	.02	.03	.10	.06	.04	.05	.08	.01	.55	.02	.05	.06	.06	.06

TABLE I - CONTINUED

Hole No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Probe inserted																	
41.75'	.03			.02			.07	.03	.05	.10	.01	.50	.015	.06	.06	.06	[illegible]
43.39'	.04			.02			.06	.03	.03		.01	.50	.01	.06	.07	.05	.06
45.03'	.025			.02			.08		.04		.01	.40	.01	.12	.08	.05	.05
46.67'	.03			.05			.10		.05		.01	.35	.015	.08	.05	.06	.05
48.31'	.03			.10			.07		.06		.025	.40	.015	.06	.05	.06	.05
49.95'	.03			.09			.06		.05		.02	.50	.01	.05	.05	.06	.05
51.59'				.05					.04		.02	.65	.015	.06		.05	
53.23'													.01	.05			
54.87'													.01	.05			
56.51'														.06			
58.15'														.05			

Although several spots of moderate to high radioactivity were detected by the drill holes, only one hole (No. 12) revealed an ore zone of minable size, this being at station 47+00 in the No. 1 cross-cut. At this station a short raise was driven into the ore and about 200 tons of it was stoped and shipped to the buying station at Cutter, Arizona. The stope is about 5 feet high, 10 feet wide and 35 feet long. Apparently only a small pod of ore was present since further exploration failed to reveal additional ore.

While the adit was being driven a small pod of ore was found by stoper holes approximately at station 50+00. This pod of ore was found in the favorable beds above the adit, and the mineralized zone is about 5 feet thick, 10 feet wide and 20 feet long, from which about 40 tons of ore was shipped.

SAMPLES, GRADE AND PRODUCTION

At the time DMEA received the application from the Company, considerable exploration had been completed, radiometric surveys had been made and many samples taken (see figure 4). Results of this work, which were studied and checked at the time of the original field examination, are summarized from Hardwick[1/] as follows:

In March 1955, E. V. Mace cut 59 channel samples in the drifts and crosscuts. These channel samples were taken in the drifts and crosscuts that gave the best radiometric readings. They were cut across the favorable beds at the positions shown on figure 4 and were radiometrically

---

1/ Hardwick, W. R., Sue Uranium Mine, Gila County, Arizona, Engineering Report, p. 6-7, May 1955.

assayed in the Phoenix sub-office of the Atomic Energy Commission; 11 of the 59 samples were sent to the U. S. Bureau of Mines to be checked. The following tabulation compares the two sets of determinations.

Sample No.	AEC e % U_3O_8	USBM e % U_3O_8	USBM a % U_3O_8
2	0.14	0.12	0.14
8	1.50	1.52	1.70
11	0.60	0.60	0.64
15	0.09	0.09	0.07
18	0.14	0.12	0.12
22	0.13	0.12	0.12
30	0.48	0.44	0.46
40	0.63	0.58	0.62
47	0.07	0.06	-
51	0.20	0.18	0.20
57	0.05	0.04	-

On April 5 - 6, 1955, six channel samples, shown on fig. 4, were taken by the DMEA examining team at the same location as some of the Atomic Energy Commission samples were cut. These two sets of samples are compared below:

Atomic Energy Commission			U. S. Bureau of Mines		
Sample No.	Length	e % U_3O_8	Sample No.	Length	e U_3O_8
58	58"	0.04	13163	58"	0.03
53	36"	0.05	13164	36"	0.06
A-3105-28	48"	0.06	13165	18"	0.23
25	64"	0.05	13166	64"	0.03
17	76"	0.17	13167	76"	0.19
A-3105-9	62"	0.63	13168	48"	0.32

The average grade of 40 channel samples cut by Mace in the old part of the mine is 0.19 percent U_3O_8 for an average thickness of 59 inches.

The mineralized zone from stations 47+00 to 52+00 in the adit is localized near northerly trending and easterly trending fractures. A Bureau of Mines analysis of a sample taken from a one to three-inch wide fracture zone a few feet west of the adit contained 0.66 U_3O_8 (chemical) and 0.71 percent U_3O_8 (radiometric). A sample of about 30 tons of stockpiled ore, from the small stope in this zone probably represented by lot 28 assayed 0.14 and 0.17 percent U_3O_8 respectively chemical and radiometric.

Under the contract six samples were cut by the operator from the northern part of the small stope above the No. 1 crosscut. The location of the operator's samples is shown on Figure 4, and the results are as follows:

No.	Percent cU_3O_8	Description
A	3.47	Sample cut 3 ft. by 6 in. on east side of mineralized fracture 50 ft. north of crosscut, and midway between roof and floor of stope.
B	2.15	Same as "A", but taken 55 ft. north of crosscut.
C	1.93	Same as "A", but taken 60 ft. north of crosscut.
D	0.11	Chip sample taken 6 feet west of mineralized fracture at a point 40 ft. north of crosscut, and midway between roof and floor of stope.
E	0.06	Same as "D" except it was taken 2 ft. west of mineralized fracture.
F	0.20	Same as "D" except it was taken 4 ft. west of mineralized fracture.

At station 47+00 in crosscut No. 1 a sample along a mineralized fracture zone 3 inches wide yielded 0.06 and 0.08 percent U_3O_8, chemical and radiometric respectively. In this zone a small stope was developed in the favorable beds above the crosscut, the production of which is shown in the table below. Additional samples were not thought to be necessary, because of the very small extent of the radioactive zones and because a great many radiometric readings were taken and these were found to be reliable when checked by chemical analyses.

About 265 tons of ore in 7 lots were shipped from the DMEA project area to the AEC depot at Cutter, Arizona. These are as follows:

		Percent U_3O_8			
Lot No.	Tons	AEC	ARC Laboratory	Arizona Testing Laboratory	Mining Location
28	26.405	0.14		0.15	Adit Sta. 52
33	21.019	0.17	0.16	0.20	" " "
42	47.944	0.17	0.16		Above Sta. 47, No. 1 Xc
52	37.776	0.37	0.35		" " " " " "
54	49.884	0.23	0.21		" " " " " "
58)			0.30		
59)	81,646	0.29	0.24		" " " " " "
	264,674				

In the above table the ARC laboratory analyses are shown for comparison with the AEC analyses upon which ore payments are based.

Ore mined and stockpiled prior to beginning of the DMEA project, therefore, not subject to Government lien, was shipped in 1955. These shipments are as follows:

Dates	Liquidation No.	Tons	Percent U_3O_8
8- 2-55	8167	10.334	0.21
8- 2-55	8168	33.669	0.24
8-17-55	8260	6.827	0.12
8-17-55	8261	17.815	0.18
8-22-55	8321	25.476	0.18
8-29-55	8364	19.906	0.11
8-30-55	8398	18.808	0.10
9-19-55	8561	25.922	0.10
9-27-55	8664	16.164	0.10
11-21-55	9169	10.389	0.15
	Total	185.310	

ORE RESERVES

Under present conditions ore reserves in the Sue Mine probably do not exceed a couple hundred tons and probably are less. It is impossible to give an accurate estimate because of the scattered, erratic occurrence of ore and because of the small size and discontinuous nature of the ore bodies. The ore is localized in certain quartzite beds that are regarded as being more favorable than others. Most of the ore occurs along or near northerly striking joints; however, smaller amounts of ore is found on easterly trending joints, and some of the richer spots occur at joint intersections. There appears to be little or no relationship between the amount and radioactivity and the frequency of joints. Other than the jointing and the presence of presumably favorable

beds there are no practical guides to ore. The ore bodies are small and discontinuous and under these conditions it is almost impossible to estimate ore reserves. The small amount of ore that might remain could not be profitably mined under present conditions.

EXPENDITURES

The units of work performed and the Government approved expenditures under contract Idm-E634 were as follows:

Drifting - 500 feet @ $30.00/ft.	$15,000.00
Crosscutting - 250 feet @ $30.00/ft.	7,500.00
Long-holes - 800 feet @ $2.00/ft.	1,600.00
Sample analyses - 6 @ $3.50/sample	21.00
Total approved expenditures	$24,121.00
Government's share @ 75%	18,090.75

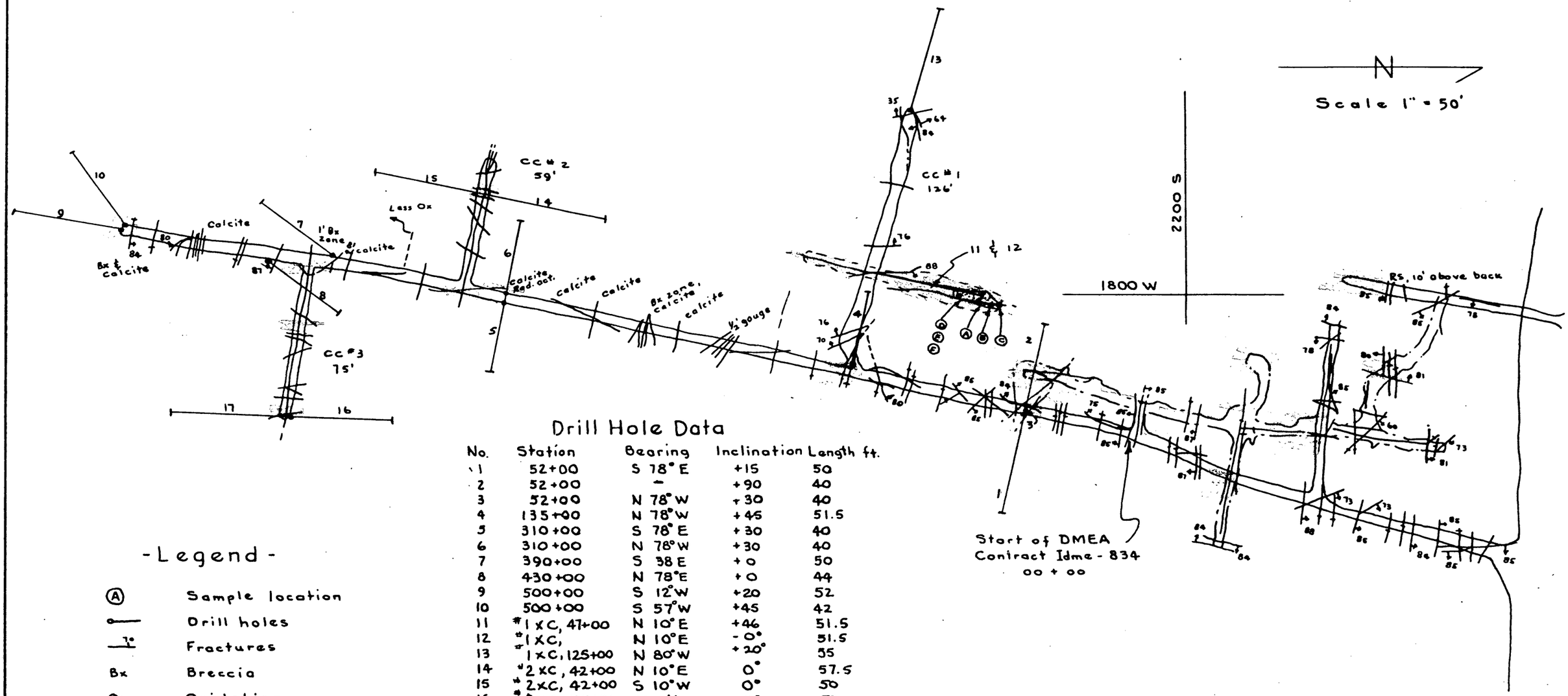
As of August 31, 1956, $500.00 of the $18,090.75 was being withheld by the Government pending resolution of matters relative to closing the account.

ROYALTY PAYMENTS

According to our records as of July 19, 1956 a total of 254,674 tons of ore having a gross value of $5,931.67, exclusive of AEC Production Bonus payments, was produced under the contract. Total royalty payments to the Government on the above production amounted to $293.71.

EFFICIENCY OF OPERATIONS

Richard W. Henes, a graduate mechanical engineer with about 3 years of previous experience in uranium prospecting in the Globe area, was project supervisor except for the first month of operations. During the first few months under Mr. Henes, the operations were rather inefficient, largely because of an inexperienced mine foreman and inadequate equipment and living accommodations for the workers. In December 1955, the work was contracted to Harrison C. Smith, a competent small mine operator of Globe, Arizona. Mr. Smith completed the project in an efficient manner after first constructing new living quarters and installing adequate equipment.



Drill Hole Data

No.	Station	Bearing	Inclination	Length ft.
1	52+00	S 78° E	+15	50
2	52+00	–	+90	40
3	52+00	N 78° W	+30	40
4	135+00	N 78° W	+45	51.5
5	310+00	S 78° E	+30	40
6	310+00	N 78° W	+30	40
7	390+00	S 38 E	+0	50
8	430+00	N 78° E	+0	44
9	500+00	S 12° W	+20	52
10	500+00	S 57° W	+45	42
11	#1 XC, 47+00	N 10° E	+46	51.5
12	#1 XC,	N 10° E	-0°	51.5
13	#1 XC, 125+00	N 80° W	+20°	35
14	#2 XC, 42+00	N 10° E	0°	57.5
15	#2 XC, 42+00	S 10° W	0°	50
16	#3 XC, 75+00	North	0°	50
17	#3 XC, 75+00	South	0°	50

-Legend-

Ⓐ	Sample location
—o—	Drill holes
—7°—	Fractures
Bx	Breccia
Ox	Oxidation
(~)	Radioactive area Stoped area

DMEA 3669
CONTRACT IdmE-834

FIGURE - 5 - SUE MINE, GILA COUNTY ARIZ.
ARIZONA GLOBE URANIUM, INC.

RECEIVED
NOV 29 1956
D.A.E.A.

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

224 New Customhouse
Denver 2, Colorado

November 16, 1956

Mr. C. O. Lee, Secretary-Treasurer
Arizona Globe Uranium, Inc.
31 West Monroe Street
Phoenix, Arizona

Re: Docket DMEA 3669 (Uranium), Contract Idm-E834, Arizona Globe Uranium, Inc. (Sue Mine), Gila County, Arizona

Dear Mr. Lee:

To bring our royalty files current, you are requested to submit an original and six (6) copies of a statement regarding your status of eligibility to receive AEC bonus payments for production of the first 10,000 lbs of U_3O_8 from land subordinated to the Government by the terms of Contract Idm-E834.

Yours very truly,

Original sig
W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

MMM/vj

cc: Royalty File E834
Corres. File E834
Sec. Opr. Comm. (2)
S. R. Wilson
Marshall
Chron.

RECEIVED NOV 19 1956 DMEA

11-15-56

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

224 New Customhouse
Denver 2, Colorado

November 13, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3669 (Uranium) Contract Idm-E834, Arizona Globe Uranium, Inc. (Sue Mine) Gila County, Arizona - FINAL PAYMENT

Enclosed are two copies of a memorandum to T. A. Christensen, dated November 5, 1956, relative to final payment under the terms of the subject contract.

Original signed by
W. M. TRAVER

W. M. Traver

Enclosures

jy
cc: MF-104 File E834
Storms
Chron.

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

224 New Customhouse
Denver 2, Colorado

November 5, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3669 (Uranium) Contract Idm-E834, Arizona Globe Uranium, Inc. (Sue Mine) Gila County, Arizona - FINAL PAYMENT

Reference is made to our memoranda of June 19, 1956 and August 31, 1956 wherewith we transmitted Forms MF-104, Operator's Monthly Report and Voucher for May, 1956 and July, 1956 (Final) and requested that you withhold the following amounts from reimbursement to the Operator pending resolution of matters relative to closing the account.

Amount withheld, MF-104 for May, 1956	$300.00
Amount withheld, MF-104 for July, 1956	200.00
Total amount withheld	$500.00

The Operator's final report has been received, therefore we recommend that payment be made on the following basis which is in conformance with the Report of Review of contract expenditures by the Contract Administration and Audit Division, dated October 16, 1956, which was released to this office October 16, 1956

Basis for Final Payment

Total accepted cost	$24,121.00
Government participation at 75 percent	18,090.75
Total prior payments	17,590.75
Balance due the Operator	$ 500.00

$500.00
7/2
11/6/56 200 $7-56

Original signed by
W. M. TRAVER

W. M. Traver

JDC:jy
cc: MF-104 File E834
Corresp. File
Chm. Op. Comm. (2)
Harshman
Storms Townsend Chron.

11/7/56 gla

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

224 New Customhouse
Denver 2, Colorado

November 5, 1956

RECEIVED
NOV 7 1956
D.M.E.A.

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 3~~9~~69 (Uranium), Contract No. Idm-E834, Arizona Globe Uranium, Inc. (Sue mine), Gila County, Arizona

Enclosed are the original and one copy of a final report submitted by the Operator, pertaining to work completed under the subject contract.

Final payment to the Operator will be processed by this office today, in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, dated October 16, 1956.

Original signed by
W. M. TRAVER

W. M. Traver

Enclosures

RECEIVED
NOV 2 1956
DMEA

November 1, 1956

United States Department of the Interior
Defense Materials Exploration Administration
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 3669 (Uranium)
Contract Idm-E 834
Sue Mine
Gila County, Arizona

FINAL ENGINEERING
AND GEOLOGIC REPORT

Attention: Mr. W. M. Traver
Executive Officer, DMEA
Field Team, Region III

Gentlemen:

In response to your letter dated August 31, 1956, we submit herewith our final engineering and geologic report as required under Article 6 (c) of the subject contract. We further request the release to your office of a Report of Review of contract expenditures by the Contract Administration and Audit Division, DMEA. We are at this moment unaware of the procedure to follow in effecting the aforesaid release, but stand ready to write such letters and make such authorizations as you may instruct, if that should be necessary.

Yours very truly,

ARIZONA GLOBE URANIUM, INC.

C. O. Lee
Secretary-Treasurer

cc: Mr. W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson, Arizona

FINAL ENGINEERING
AND GEOLOGIC REPORT
ON
SUE MINE
GILA COUNTY, ARIZONA

RECEIVED
OCT 27 1956
DMEA

SUBMITTED BY : ARIZONA GLOBE URANIUM, INC.
31 WEST MONROE STREET
PHOENIX, ARIZONA

SUBMITTED TO : UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

ATTENTION OF : MR. W. M. TRAVER
EXECUTIVE OFFICER, DMEA
FIELD TEAM, REGION III

RE : DOCKET DMEA 3669 (URANIUM)
CONTRACT Idm-E834
SUE MINE
GILA COUNTY, ARIZONA

SUBMITTED BY : RICHARD W. HENES
GENERAL SUPERINTENDENT & ENGINEER

DATE : OCTOBER 26, 1956

The purpose of the work at the Sue Mine since early in 1954, and more particularly since August, 1955, when operations under that certain U. S. Government loan, DMEA 3669, were begun, has been to explore the upper member of the dripping springs quartzite formation of the Apache Group of pre-Cambrian age, by drifting, crosscutting and long-hole percussion drilling.

Work since August, 1955, under DMEA 3669 has resulted in 750 feet of tunnel having an average 6' x 8' cross section and an average 3% grade.

The first 300 feet of tunnel were driven by drilling with two J40 Ingersoll Rand jackhammers using 24" Copco air legs and six foot 1" hexagonal integral carbide crossbit steel with 1.25-1.50" bits. 23-hole six-foot rounds were drilled with four and five hole burn cuts, and shot satisfactorily with ammonia-gelatin dynamite and nitro-starch powder, ranging in volume strength from 40% to 65%, depending upon the ground. The remaining tunnel was drilled with two S58 Gardner-Denver jackhammers using 30" Swede air legs and six foot 1" hexagonal integral carbide crossbit steel with 2.00" bits. This work, using larger bits, proved more efficient, as 23 hole rounds with five hole burn cuts were shot almost without bootleg using 65% volume strength nitro starch powder. All shooting was done with fuse and cap exploders.

Operator's
final report

An Eimco 12-B mucking machine was used in loading Card 3/4 ton mine cars with 6" side boards, and tramming was done by hand, for the entire work.

A Chicago Pneumatic 365 cfm diesel driven rotary compressor proved to be an economical and dependable source of air for actuating the mucking machine and jackhammers and adequate air was available at all times for full scale operation, even at the end of 650' of 2" pipe and 50' of 3/4" air hose.

Other equipment employed at and around the mine during DMEA operations included two 1½ ton dump trucks for hauling ore from the mine portal to the stockpile site, a 12" centrifugal mine ventilation blower driven by a four cylinder continental gasoline engine and connected with 12" and 8" flexible ventilation tubing, three four-wheel-drive vehicles, two pickup trucks, one Chicago pneumatic 105 cfm gasoline driven compressor, one LeRoi Tractair 105 cfm compressor, one WJ-55 jackhammer, one WR-31 stoper, one CP-32 drophammer, one 5 HP Worthington slusher, one 7½ HP Gardner Denver slusher, two heavy liners, one Model 4010 Phillips Geiger counter, one Model DG-9 Detectetron Geiger probe counter, two model 111 Precision Scintillators, one gasoline powered bit grinder, one gasoline powered centrifugal water pump, one oxy-acetylene welding outfit, one D-2 Caterpillar crawler tractor, two 250 gallon water tanks, and other miscellaneous small tools and equipment.

To recap generally, the Sue property area lies near the edge of the Mexican Highland and the Colorado Plateau, which gives rise to a butte and mesa topography that has been deeply incised by streams, giving steep sided canyons.

All the consolidated rocks in the area are considered to be of pre-Cambrian age, with the possible exception of the Apache diabase. The earliest rocks in the area are designated as Pinal schist, a thinly laminated sericitic variety, and certain granitic rocks that intrude the schist. Both the schist and the granite are described as older pre-Cambrian, and were subjected to a long period of erosion before the deposition of the succeeding formations.

Resting on the eroded surface of the older pre-Cambrian rocks is the Scanlan conglomerate. This formation varies from place to place. Generally, it is about five feet thick, and consists of sub-angular unclassified cobbles.

The Scanlan conglomerate is overlain conformably by the Pioneer shale. This formation consists of dark reddish brown sandy shale, composed largely of fine, granitic detritus and little or no calcareous material.

Overlying the Pioneer shale is the Barnes conglomerate, which consists of smooth cobbles of white vein quartz, and hard, vitreous, pink and white quartzite in an arkosic matrix.

The Dripping Spring quartzite lies conformably above the Barnes conglomerate, and is composed of a fine arkosic quartzite similar to the matrix of the underlying Barnes conglomerate. The lower third of the Dripping Spring quartzite formation consists of a hard, fine grained quartzite, which generally shows no definite division into distinct beds, and weathers to a lighter color than the upper member. Generally, the top of the lower member forms a well defined bench. The upper member consists of alternating beds, from a few inches to several feet in thickness, of a grayish silty quartzite, and a gray to tan, sandy arkosic quartzite. All beds weather to various shades of brown depending on the amount of pyrite present.

The ore horizon is generally located from 50 to 100 feet above the bottom of the

upper member. The flaggy beds below the ore horizon generally erode to a distinct slope in contrast to the beds in the ore horizon, which present a more or less vertical face of from six to forty feet in thickness. Above this horizon, the flaggy beds again erode to a slope for a vertical distance of up to 150 feet.

The Dripping Spring formation is believed to have been deposited in shallow water, giving as principal evidence the presence of ripple marks, sun cracks, and worm casts, visible on the surface of the beds. This is particularly noticeable in the flaggy sections of the Dripping Spring formation.

The Mescal limestone, characterized by many thin lenticular bands of chert, is a light gray to white limestone in beds one to four feet in thickness. Although remnants of this member are scattered throughout the area conformably overlying the Dripping Spring quartzite, most of the Mescal formation has been removed by erosion.

The younger pre-cambrian sediments overlying the Final schist are known as the Apache series. Diabase dykes and masses intrude the Apache sediments. Their intrusion was accompanied or preceded by extensive faulting, which divided the strata into numerous blocks. The diabase not only forced its way between the strata, but filled the fault fissures and forced the blocks apart. The dominant form is the intrusive sill which has been regular throughout the vicinity, and which, in lifting the brittle quartzite, has caused the extensive fracturing. The fracture system is great in extent, and has probably been responsible for the infiltration of mineralizing solutions throughout the formation.

The Apache diabase intrudes the Troy diabase, and may even be Mesozoic in age. The asbestos deposits of Arizona are associated with the Apache diabase.

As mentioned above, the Globe uranium district lies near the edge of the Colorado plateau. Formations are generally flat lying with dips less than 15°. The area has been cut by numerous block faults, which results in the Dripping Spring quartzite being present at the various elevations throughout the area. The horizontal attitude of the formations has been little disturbed by this faulting except for vertical movement retained in the various blocks.

This faulting and diabase intrusion has fractured the Apache series, particularly the more brittle ore-bearing series of the Dripping Spring quartzite.

Development work, including DMEA exploration, has been confined to the Sue #16, #17 and #18 claims, where initially a 1000 foot bench cut in the favorable uranium bearing horizon of the Dripping Spring quartzite exposed about 400 feet of that formation.

Two adits and two sub-levels have been driven in the radioactive zone. Junction #I adit was first driven on a well defined, almost vertical fracture in a grey siltstone bed dipping about 3° to the south. 180 feet of drifting and 90 feet of crosscutting were carried out in this horizon before it was determined that the work was slightly below the ore horizon, and a short raise was driven into the ore above. By the end of May, 1955, about 300 feet of sub-level drifting was done and several hundred tons of development ore had been segregated in three dumps according to indicated grade. These dumps were subsequently exposed to the leaching effect of rains pending completion of an ore buying station near Globe, Arizona, and shipments ranged in grade from 0.10% U_3O_8 to 0.24% U_3O_8. It was

decided not to ship most of this ore because of its too low grade.

This work proved that southerly trending fractures displayed highest radioactivity. The sub level drift followed a N 12° E fracture which produced an ore face varying in height from six to eight feet, in width from three to ten feet, and holding for approximately 180 feet in length.

At BMEA station 170/00 the Junction #I adit ran into a highly oxidized, iron stained rock, which became less oxidized in nature at BMEA station 350/00. No appreciable uranium mineralization, other than sparse secondary mineral coatings on sporadic fractures, was encountered to the end of the drift, at BMEA station 550/00. This condition leads to the conclusion that the oxidized zone cut off the occurrence of the uranium mineralization.

Crosscuts were driven 75 feet east at BMEA station 410/00 and 50 feet west at BMEA station 330/00, at which stations there were anomalously radioactive fractures, but no appreciable ore zones were uncovered in either of these crosscuts or in adjacent areas which were explored with long hole percussion drilling.

At BMEA station 135/00 a crosscut was driven west along a radioactive east-west fracture, which intersected a highly radioactive southerly trending fracture at 47 feet. A sub level drift was driven north and south on this fracture, with the north portion intersecting an ore body at 30 feet, which produced approximately 200 tons of ore ranging in grade from 0.14% U_3O_8 to 0.37% U_3O_8. This ore body presented a working face of ore ranging from four to six feet in height and from three to twelve feet in width.

At BMEA station 52/00 a sub level crosscut was driven west along a small ore body until it broke into the old sub level drift. Some insignificant ore production resulted here, while a short sub level crosscut to the east produced no ore.

The uranium bearing zone at the Sue property has been found so far to be in a brittle uranium bearing member of the Dripping Springs quartzite, which is from four to six feet thick in the sub levels of the mine. Metatorbernite is the most prevalent occurrence, but bassetite, uranocircite and uraniferous hyalite ore are also common. No primary minerals have been conclusively identified, but the ore is believed rather to be colloidal uranium or uranyl ions which were originally absorbed on clay. Even at depth certain beds are bleached and others stained dark by oxidized iron minerals.

The mineralization seems to be confined to almost vertical south trending fractures in the favorable quartzite horizon. The mineralized seams vary from paper thinness up to about an inch in thickness. It is believed that these fractures acted as both channelways for uranium bearing solutions and depositional openings. They may also have presented channelways for later meteoric solutions that leached the uranium already deposited, and redeposited it on the surface as metatorbernite.

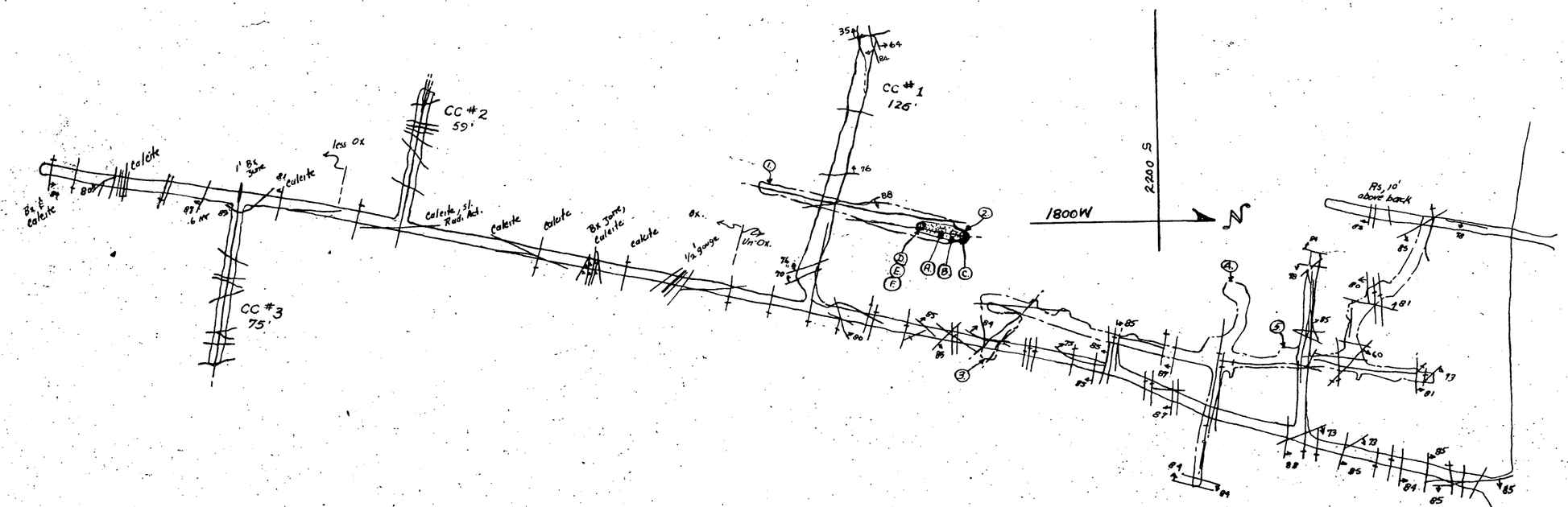
It is believed that the source of the uranium mineralization at the Sue may be from one or more of the following:

(1) A primary uranium-bearing zone, and the section in which the workings are presently located may be the altered or oxidized zone of a larger primary zone.

(2) The present mineralization found in the workings may have resulted from meteoric waters collecting uranium from a lean primary zone, and redepositing uranium in fractures. Solution and redeposition of uranium can be brought about by changes in Ph. of the solution. Deposition can be brought about by presence of carbonaceous material, carbonates, and reduction environments brought about by the presence of minerals in their reduced state, such as ferrous iron and cuprous copper. Release of pressure along the channelways in which these waters travel is probably another influencing factor in deposition of uranium.

(3) The source of uranium may be from uranium being deposited in the favorable horizon of the Dripping Spring quartzite when it was laid down. Certain beds contain anomalous amounts of uranium, which are not obviously related to fracturing. Assays of this type of material vary from 0.01% to 0.03% chemical U_3O_8, and is below ore grade. Mechanics of concentration from such a source could be carried out in a manner similar to that from a lean primary hydro-thermal zone, mentioned under #2.

The enclosed map shows the workings to date at the Sue Mine.



SUE

1" = 50'

1., 2., 3., 4., & 5. - Ore Locations

A. - Assay location (9.47% U_3O_8)
B. - Assay location (2.15% U_3O_8)
C. - Assay location (1.93% U_3O_8)
D. - Assay location (0.11% U_3O_8)
E. - Assay location (0.86% U_3O_8)
F. - Assay location (0.20% U_3O_8)

DOCKET DMEA 3669 (URANIUM)
CONTRACT Idm E-834
ARIZONA GLOBE URANIUM, INC.

PROGRESS MAP OF SUE MINE
MONTH OF JULY, 1956

RECEIVED
NOV 7 1956
D.M.E.A.

arizona globe uranium

GENERAL OFFICES: 31 West Monroe Street • Alpine 3-2137

RECEIVED
OCT 31 1956

October 19, 1956

U. S. Department of the Interior
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Re: Docket No. [illegible] (Prentice)
Contract No. [illegible]
Arizona Globe Uranium, Inc.
(Sue Mine)
Gila County, Arizona

Attention: Mr. J. W. Townsend:

Gentlemen:

We have received your letter dated October 17, 1956, and wish to advise that the report under Article 6 (c) of the subject contract is complete except for certain geological information which we expect to have next Tuesday, October 23. The report should be in the mail by Friday, October 26.

Very truly yours,

ARIZONA GLOBE URANIUM, INC.

R. W. Hames

R. W. Hames
General Superintendent

RWH:mla

10-24-56

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Arizona Globe Uranium, Inc.
(Formerly Globe Uranium, Inc.)
293 North Broad Street,
Globe, Arizona

pertaining to Exploration Project Contract No. Idm-E834, Docket No. DMEA-3669, for the months of August, 1955 to July, 1956, covering a project for the exploration of Uranium on property known as Sue Mine located in Gila County, Arizona.

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

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

> All of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of units of work actually performed.

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

Total cost as billed by Contractor		$24,121.00
Exceptions:		
By DMEA Finance Officer	$0.00	
Herewith	0.00	0.00
Total Accepted Cost		$24,121.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the Contractor by the Government in the amount of Eighteen thousand, ninety and 75/100ths Dollars

** $18,090.75 **

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.

October 16, 1956

T. H. Brading, Auditor

Audit Report of Review

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

RECEIVED
OCT 19 1956

224 New Customhouse
Denver 2, Colorado

October 17, 1956

Mr. Chuck O. Lee, Secretary-Treasurer
Arizona Globe Uranium, Inc.
31 West Monroe Street
Phoenix, Arizona

Re: Docket No. DMEA 3669 (Uranium)
Contract No. Idm-E834
Arizona Globe Uranium, Inc.
(Sue mine)
Gila County, Arizona

Dear Mr. Lee:

Your attention is directed to the provisions in Article 6(c) of the contract form on which Contract No. Idm-E834 is prepared, relative to the rendering by your company of a final engineering and geologic report pertaining to the work completed under the contract.

We are desirous of closing this account at an early date. Therefore, we will appreciate your prompt attention to the matter of rendering the required final engineering and geologic report and, further, we would appreciate advise by return mail as to the approximate date we can expect to receive the report.

Very truly yours,

J. W. Townsend

J. W. Townsend
Acting Executive Officer
DMEA Field Team, Region III

JWT:prl

cc: Chairman, Op. Comm. (2)
Harshman
Storms
Emerick
Townsend
Corres. file
Chron.

RECEIVED
SEP 13 1956

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

Administrative Audit Difference Statement

[illegible]
[illegible]
[illegible]

Date: [illegible]
Payee's Reference: [illegible]

FINAL DISTRIBUTION
MADE SEP 1 1 1956

DMEA-3669

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ [illegible]

Difference $

Amount Approved $ [illegible]

The reason for the difference was due to:

[illegible] pending resolution of matters relative to closing the account.

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-III-B & F Form No. 4
4-15-52 D

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

224 New Customhouse
Denver 2, Colorado

August 31, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3669 (Uranium) Contract Idm-E834, Arizona Globe Uranium, Inc. (Sue mine) Gila County, Arizona - Operator's Monthly Progress Report for the month of July, 1956

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report and Engineer's Report for the above period.

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report, except for the following deduction.

Withhold an amount of $200.00 pending resolution of matters relative to closing the account. An amount of $300.00 was withheld from the May, 1956 voucher, making a total of $500.00 withheld to date.

Remarks

Date of Report - - - - - - - - - - - - - - - - August 1, 1956
Date Received in Field Office- - - - - - - - August 23, 1956
Date Received in Region Office- - - - - - - August 27, 1956

W. M. TRAVER

W. M. Traver

Enclosures
JDC:jy
cc: MF-104 File E834
Sec. Op. Comm. (2)
Storms
Townsend w/copy engr's report
Chron.

August 23, 1956

Memorandum

To : W. A. Traver, Executive Officer, DMEA Field Team

From : Lincoln A. Stewart for Walter R. Storms

Subject : Progress Report for July 1956, Contract Ida-E834, Docket DMEA-3669, (Uranium) Arizona Globe Uranium, Inc. (Sue Mine) Gila County, Ariz.

Enclosed in quintuplicate are the following:

1. Bureau of Mines engineer's report;

2. Operator's narrative report with map;

3. Forms RF-104 and RF-104A.

Also enclosed are 4 extra copies of our engineer's report.

As all work is in accordance with the terms of the contract, I recommend that the Government's share of the costs be paid, withholding, however, $300.00 to be refunded when the operator furnishes an acceptable Final Report.

LINCOLN A. STEWART

Lincoln A. Stewart, Mining Engineer
for Walter R. Storms
Superintendent
Southwest Experiment Station

CC W. A. Traver (8)
DMEA-3669
RF

LAStewart:frj

August 23, 1956

Memorandum

To : Walter R. Sterns, Superintendent, Southwest Experiment Station

From : T. A. Romslo, Mining Engineer, Tucson, Arizona

Subject : Progress Report for July 1956, Contract Idm-E834, Docket DEA-3669, (Uranium) Arizona Globe Uranium, Inc. (Sue Mine), Gila County, Ariz.

On August 9, 1956 I visited the Sue Mine and inspected work performed under the contract during July with H. C. Smith, mine foreman and subcontractor. I found that progress was confined to the drilling of 207.5 feet in the 4 long holes shown on map attached to the operator's report. We probed the holes with make-shift equipment. Our findings were in close agreement with the operator's data that reportedly was obtained in an approved manner. The data shows that significant radioactivity is confined to the initial 27 feet of hole 1. This zone of radioactivity, localized along a weak north-south fracture, probably is not minable because of its limited extent.

ANALYSIS OF OPERATOR'S REPORT

Form MF-104

Drilling The $415.00 is for the authorized 207.5 feet of drilling at $2.00 per foot.

Total Costs These costs, $415.00, $23,706.00 and $24,121.00, appear to be correct.

Form MF-104A

The form has been properly completed.

Narrative Report

The narrative report with attached map is considered acceptable. It evidently was prepared as a combined Monthly Progress and Final Report.

CC W. M. Traver (Orig. & 8)
DEA-3669
DF

TARomslo:fr

Recommendation: Continue to withhold the $300.00 until the operator's Final Report is received and approved and the fiscal records have been audited. It is further recommended that the operator be informed that a separate Final Report is required. The report, in my opinion, should contain the logs of all holes drilled, a complete map of the mine workings and the information of pages 4 and 5 of this attached report.

Original signed by
T. M. Romslo

T. M. Romslo
Mining Engineer
Southwest Experiment Station

RECEIVED
SEP 13 1956

August 22, 1956

COPY

Mr. W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson, Arizona

FINAL REPORT
Re: Docket DMEA 3669 (Uranium)
Contract Idm-2834

Dear Mr. Storms:

Enclosed herewith are original and four copies of each Form MF 104 and MF 104A, and a progress map showing locations of DMEA percussion drill holes made during the month of July, 1956, in accordance with the DMEA letter dated June 18, 1956 from W. M. Traver and E. N. Marshman. All previous DMEA work is also shown.

DMEA work during July consisted solely of 207.5' long hole drilling, three 50 foot holes and one 57.5' hole. This drilling finishes up all the work under Phase I of the subject contract except for sample analyses, which it is not believed are necessary at this time.

For the purpose of ready reference, the long holes will be referred to by number hereafter as follows:

DMEA Crosscut No. 2
<u>Station 42/00</u>

Northerly extending hole (57.5') - 1
Southerly extending hole (50') - 2

DMEA Crosscut No. 3
<u>Station 75/00</u>

Northerly extending hole (50') - 3
Southerly extending hole (50') - 4

Each of the foregoing holes were probed with a Detectatron BG-9 Geiger Counter equipped with a long hole probe having 100 feet of cable, in the same manner as that described in our March, 1956 report on long hole

drilling dated April 9, 1956. Sectional cable support means one meter in length were used for the probing so that readings were taken at 1.64 foot (one half meter) intervals, the first reading being taken with the nine inch probe totally inserted in each drill hole, and ensuing readings being taken from the collar of each hole to the tip of the probe.

The geiger counter was calibrated for taking the following readings by totally inserting the geiger tube probe into a six inch stovepipe filled with plaster of paris enriched with U_3O_8 to a chemical assay value of 0.14% U_3O_8 and provided with a 1½ inch longitudinal cylindrical hole axially through its center to accomodate the probe. The geiger counter readings obtained with the geiger tube probe inserted in the stovepipe serve as a basis for estimating the U_3O_8 content of the ground penetrated with the percussion drill holes from which geiger counter readings were also taken as follows:

Hole No.	1	2	3	4
Stovepipe Reading	.25	.20	.15	.15
Probe Inserted				
0.75'	.18	.12	.15	.15
2.39'	.15	.10	.14	.13
4.03'	.16	.08	.10	.10
5.67'	.15	.06	.08	.10
7.31'	.20	.07	.08	.07
8.95'	.21	.08	.07	.06
10.59'	.25	.10	.08	.07
12.23'	.23	.09	.06	.07
13.87'	.28	.07	.07	.06
15.51'	.20	.08	.10	.05
17.15'	.20	.08	.08	.08
18.79'	.26	.10	.09	.05
20.43'	.15	.09	.08	.05

COPY

Mr. W. R. Storms
Tucson, Arizona

August 22, 1956

Hole No.	1	2	3	4
Probe Inserted				
22.07'	.14	.05	.05	.05
23.71'	.16	.03	.06	.06
25.35'	.30	.04	.05	.04
26.99'	.10	.05	.05	.05
28.63'	.08	.06	.08	.04
30.27'	.06	.09	.09	.04
31.91'	.05	.15	.09	.04
33.55'	.05	.20	.10	.03
35.19'	.05	.12	.08	.04
36.83'	.05	.12	.05	.05
38.47'	.06	.07	.06	.05
40.11'	.05	.06	.06	.06
41.75'	.06	.06	.06	.07
43.39'	.08	.07	.05	.06
45.03'	.12	.08	.05	.05
46.67'	.08	.06	.06	.05
48.31'	.06	.05	.06	.05
49.95'	.05	.05	.06	.05
51.59'	.06		.05	
53.23'	.05			
54.87'	.05			
56.51'	.06			
58.15'	.05			

COPY

RECEIVED
SEP 13 1956

COPY

Present activities at the Sue mine include an additional long hole drilling program.

The DMEA work performed consisted basically of a 500 foot main drift, three crosscuts of 125 feet, 50 feet and 75 feet, 800 feet of long hole percussion drilling, and six sample analyses.

The 500 foot main drift ran in a South 12° west direction, starting from a point in non-DMEA workings 183 feet horizontally in from the mountain side. This drift is in a thin bedded portion of the upper member of the dripping springs quartzite formation approximately one hundred feet above the top of the lower massive member of the dripping springs quartzite formation.

The 125 foot crosscut projects in a westerly direction, normal to the main drift, beginning at station 135/00 in said main drift. This crosscut is at the same elevation as the main drift and penetrates the same geological structure. It was calculated to crosscut north-south fractures instead of east-west fractures as in the case of the main drift, and this crosscut did intersect several such fractures, one located at station 47/00 which produced about 200 tons of ore six feet above the crosscut elevation and 30 feet northerly thereof.

The 50 foot crosscut was driven normal to the main drift at the main drift elevation in a westerly direction from station 330/00 in said main drift. This crosscut intersected several north-south fractures, including the one which produced ore in the first crosscut, but none of the fractures so intersected showed ore in the crosscut.

The 75 foot crosscut was driven normal to the main drift at the main drift elevation in an easterly direction from station 410/00 in said main drift. This crosscut intersected several north-south fractures showing abnormal radioactivity, but none carrying ore.

The 800 feet of percussion long hole drilling produced 17 holes ranging from 40 to 57.5 feet in length, 14 of which holes were discussed in our March, 1956 report dated April 9, 1956, and the remaining four of which are covered in this final report. Only one of these holes revealed an ore zone of minable size, that being the zone east of station 47/00 in the 125 foot crosscut. This ore zone has produced approximately 200 tons of ore, and the area is presently being further explored with long holes for additional mineralization.

Only six sample analyses were taken under the DMEA contract as explained in our May, 1956 report dated June 10, 1956. These analyses ran 3.47%, 2.15%, 1.93%, 0.11%, 0.86%, 0.20% U_3O_8. Further analyses were not deemed practical because other radioactive zones from which sample material could

Mr. W. R. Storms
Tucson, Arizona

August 22, 1956

have been taken were not of sufficient extent to justify an analyses, particularly since radiometric readings were always taken, and such readings produced reliable result in all instances where checked against assay reports.

Results of the RMEA work bear out the theory that radioactive zones in the upper member of the dripping springs quartzite formation follow fractures, and that the fractures of greatest promise at the Sue property are those on a north-south lead.

Ore reserves at the Sue mine are presently of a negligible amount, perhaps 100 tons, scattered throughout the workings, and no intelligent estimate is possible because of the spotty and incongruous nature of mineralized zones located to date.

The fixed unit costs under the subject contract were $30.00 per lineal foot of drift and crosscut, $2.00 per lineal foot of long hole and $3.50 per sample analysis. Actual cost to the company for doing each of the foregoing units of work considerably exceeded the fixed contract costs.

Any further or more detailed information you may desire will be gladly furnished.

Yours very truly,

ARIZONA GLOBE URANIUM, INC.

Richard W. Hewes

Richard W. Hewes
General Superintendent

C. O. Lee

C. O. Lee
Secretary-Treasurer

RWH/an
Encls.

COPY

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED SEP 13 1956

[redacted] OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1956 Docket No. DMEA 3669 Contract No. Idm E 931

Operator's Name Arizona Globe Uranium, Inc. Minerals Uranium

Address 31 West Monroe St., Phoenix, Arizona

Contract Amount, $49,285.00 Government Participation: 75 % Amount, $36,964.00

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) [redacted] Short Form } Contracts:						
Drilling (Pneumatic)	$415.00	$ 1,185.00	$ 1,600.00			
Bulldozing						
Crosscutting	0.00	7,500.00	7,500.00			
Drifting	0.00	15,000.00	15,000.00			
Sample Analyses	0.00	21.00	21.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$415.00	$23,706.00	$24,121.00	415.00	23,706.00	24,121.00

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

Date Aug. 1, 1956 Payee Arizona Globe Uranium, Inc.

Per G.O. Lee Title Secretary-Treasurer

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

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

(Instructions on reverse)

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

$ 111.25

Signature [illegible]
(Authorized Certifying Officer)

Date 9/6/56 Vou. No. DMEA 57-29

(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-E 834 in accordance with the terms of the contract.

Signature T M Ronald Ltd Title Mining Engineer Date 8/23/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: for WRS

Signature W. M. Jakey Title Executive Officer Date AUG 31 1956

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 13 1956

FINAL OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1956 Docket No. DMEA 3669 Contract No. 1001 5834

Operator's Name Arizona Globe Uranium, Inc. Minerals Uranium

Address 31 West Monroe Street, Phoenix, Arizona

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	$0.00	0	$15,000.00	500	$30.00	1000	$30.00
Crosscutting	Feet	0.00	0	7,500.00	250	30.00	500	30.00
Raising								
Shafts								
Winzes								
Drilling: Core Pneumatic	Feet	415.00	207.5	1,600.00	800	2.00	1600	2.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Sample analyses	Each	0.00	0	21.00	6	3.50	310	3.50
TOTAL DISTRIBUTED COSTS		$415.00		$24,121.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Short Form Contract								$49,205.00
TOTAL COSTS		$415.00		$24,121.00				$49,205.00

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 August 1, 1956 Operator Arizona Globe Uranium, Inc.

Per G. O. Lee Title Secy-Treas.

G. O. Lee

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)

W M Pomeroy

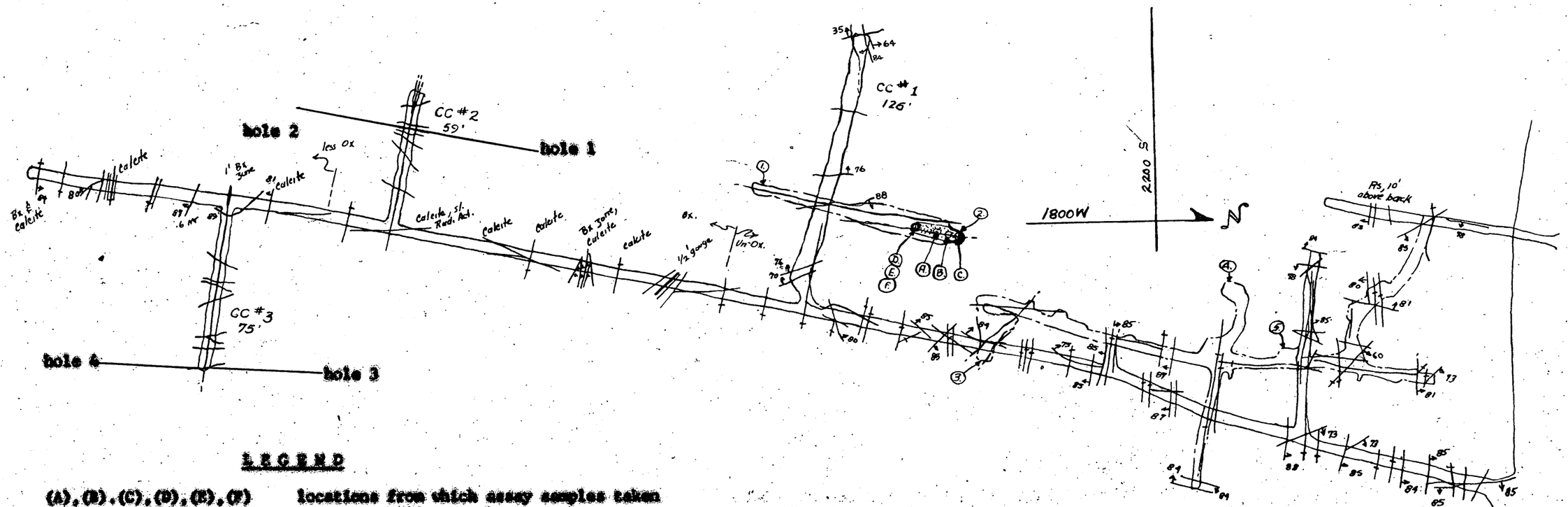
INSTRUCTIONS

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



LEGEND

(A),(B),(C),(D),(E),(F)	locations from which assay samples taken (see May, 1956 report)
(1),(2),(3),(4),(5)	last previous places worked for ore (see May, 1956 report)
hole 1	long hole (57.5')
hole 2	long hole (50')
hole 3	long hole (50')
hole 4	long hole (50')

SUE
1" = 50'

DOCKET DMEA 3669 (URANIUM)
CONTRACT Idm E-834
ARIZONA GLOBE URANIUM, INC.

PROGRESS MAP OF SUE MINE
MONTH OF JULY, 1956

9-5-56

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

RECEIVED
SEP - 4 1956

224 New Customhouse
Denver 2, Colorado

August 31, 1956

Mr. Chuck O. Lee, Secretary-Treasurer
Arizona Globe Uranium, Inc.
31 W. Monroe Street
Phoenix, Arizona

Re: Docket DMEA 3669 (Uranium)
Contract Idm-E834
Sue Mine
Gila County, Arizona

Dear Mr. Lee:

Form MF-104, Operator's Monthly Report and Voucher, for the month of July, 1956 has been received in this office and is being processed for payment.

An amount of $200.00 is withheld from the July Voucher, and an amount of $300.00 was withheld from the May, 1956 Voucher making a total of $500.00 withheld to date. This amount shall continue to be held pending resolution of all matters relative to closing the account which includes

1. The rendering by your company of an acceptable final engineering and geologic report as stipulated in Article 6 (c) of the contract form.
2. Release to this office of a Report of Review of contract expenditures by the Contract Administration and Audit Division, DMEA.

We request that your final engineering and geologic report be submitted as soon as possible.

Very truly yours,

W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

JDC:jy
cc: Corresp. E834
Sec. Op. Comm. (2)
Storms
Townsend
Chron.

8/24/56

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

224 New Customhouse
Denver 2, Colorado

August 22, 1956

Memorandum

To: W. R. Storms

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3669 (Uranium) Contract Idm-E834, Arizona Globe Uranium, Inc. (Sue Mine) Gila County, Arizona

Form MF-104, Operator's Monthly Report and Voucher, for May, 1956 was received in this office June 18, 1956 and processed for payment June 19, 1956.

We have not received a voucher for work performed during June and July, 1956. If a voucher covering this period has been submitted to your office by the Operator, please forward the voucher to this office as soon as possible. If the voucher has not been submitted to your office, please contact the Operator and find out whether or not he plans to submit a voucher for the period, and notify this office of the Operator's intention.

W. M. TRAVER

W. M. Traver

JDC:jy
cc: Corresp. E834
Sec. Op. Comm. (2)
Townsend
Chron.

8/14/56

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

224 New Customhouse
Denver 2, Colorado

August 9, 1956

RECEIVED
AUG 13 1956

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3669 (Uranium) Contract Idm-E834, Arizona Globe Uranium, Inc. (Sue mine) Gila County, Arizona

Enclosed are two copies each of the following

1) Operator's Narrative Report for June, 1956

2) Inspecting Engineer's Report

3) Memorandum of transmittal from Superintendent, Southwest Experiment Station

No work was accomplished under the contract during June because the Operator was performing necessary accessment work on uranium claims not covered by the contract.

Stage I long hole percussion drilling was completed in July, 1956.

W. M. Traver

Enclosures

DMEA
Date Rec'd,
JUL 30 1956
BUREAU OF MINES
Denver, Colorado

June 27, 1956

Memorandum

To : W. M. Traver, Executive Officer, DMEA Field Team

From : Superintendent, Southwest Experiment Station

Subject : June 1956 Progress Report, Docket DMEA-3669, Contract Idm-E834 (Uranium), Arizona Globe Uranium, Inc. (Sue Mine), Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report.

Also enclosed are 4 extra copies of our engineer's report.

No forms MF-104 and MF-104A are enclosed as the operator did no work under terms of the contract during June. The operator's narrative report explains the reasons for no contract work.

Signed by Walter R. Storms

Walter R. Storms

CC W. M. Traver (8)
DMEA-3669
DF

WRStorms:frj

July 27, 1956

RECEIVED AUG 13 1956

Memorandum

To : Walter R. Sterms, Superintendent, Southwest Experiment Station

From : T. M. Remsle, Mining Engineer, Tucson, Ariz.

Subject : Progress Report for June 1956, Contract Idm-E834, Docket DMEA-3669, (Uranium) Arizona Globe Uranium Inc. (Sue Mine), Gila County, Ariz.

On July 10, 1956 while enroute to the Sue mine I talked with M. C. Smith, miner foreman. Mr. Smith told me that the Sue mine was inactive during June and that the drilling of 4 long holes, the final work of Stage I, was expected to start within a few days. Since there was no progress for June I did not visit the mine.

The attached Operator's Narrative Report, which I had requested for record purposes, explains why there was no progress for June.

T. M. Remsle, Mining Engineer
Southwest Experiment Station

CC W. M. Traver (Orig. & 8)
DMEA-3669
DF

T.MRemsle:frj

RECEIVED
AUG 13 1956

July 25, 1956

Mr. W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson, Arizona

Re: Docket DMEA 3669 (Uranium)
Contract Idn - E 834
Arizona Globe Uranium, Inc.
(Sue Mine)
Gila County, Arizona

Dear Mr. Storms:

There are no MF 104 or MF 104A forms enclosed with this report, as there was no substantial activity at the Sue Mine during June. Company personnel were employed at doing the annual assessment work on other groups of uranium claims to meet the July 1st deadline for such work. There was at least one man at the Sue at all times during June, but no underground drilling or earth moving was undertaken.

Inasmuch as it is already late in July, it can be reported that the remaining DMEA Phase I long hole percussion drilling has now been completed and an additional long hole drilling program by the Company is being planned, details of which will be included in the July report.

Very truly yours,

ARIZONA GLOBE URANIUM, Inc.

Richard W. Henes

Richard W. Henes
General Superintendent

C. O. Lee

C. O. Lee
Secretary-Treasurer

RWH:mla

8/14/56

U. S. DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

224 New Customhouse
Denver 2, Colorado

Date: August 8, 1956

RECEIVED
AUG 13 1956

Memorandum

To: Chairman, Operating Committee, DMEA
From: Executive Officer, DMEA Field Team, Region III
Subject: Royalty payments, Docket DMEA 3669 (Uranium), Contract Idm-E834, Arizona-Globe Uranium, Inc. (Sue Mine), Gila County, Arizona
Period: July, 1956

Enclosed are settlement sheets for which royalty payments were received for ore or concentrates shipped from the subject property during the above month:

Date	Lot No.	Dry Tons	Royalty Due	Royalty Paid	Bonus Roy. Due	Bonus Roy. Pd.
6/19/56	58 & 59	81.646	$111.07	$87.23 *		

Totals:

Past Due Royalties Collected	$61.05 & $7.90
Per our letter to Mr. C. O. Lee, 7/19/56	
Total Dry Tons (Ore or Cons.) Shipped to Date	264.674

W. M. Traver

W. M. Traver

vj
cc: Royalty File E 834 w/settlement sheets
Monthly Royalty Payment File
W. R. Storms w/settlement sheet
Chron.

U. S. DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

224 New Customhouse
Denver 2, Colorado

Date: August 8, 1956

RECEIVED
AUG 13 1956

Memorandum

To: Chairman, Operating Committee, DMEA
From: Executive Officer, DMEA Field Team, Region III
Subject: Royalty payments, Docket DMEA 3669 (Uranium), Contract Idm-E834, Arizona-Globe Uranium, Inc. (Sue Mine), Gila County, Arizona
Period: July, 1956

Enclosed are settlement sheets for which royalty payments were received for ore or concentrates shipped from the subject property during the above month:

Date	Lot No.	Dry Tons	Royalty Due	Royalty Paid	Bonus Roy. Due	Bonus Roy. Pd.
6/19/56	58 & 59	81.646	$111.07	$87.23 *		

Totals:

Past Due Royalties Collected $61.05 & $7.90
Per our letter to Mr. C. O. Lee, 7/19/56
Total Dry Tons (Ore or Cons.) Shipped to Date 264.674

W. M. TRAVER

W. M. Traver

vj
cc: Royalty File E 834 w/settlement sheets
Monthly Royalty Payment File
W. R. Storms w/settlement sheet
Chron.

Form No. O-4 (Rev) 10M-4-56 W&Y

WESTERN URANIUM PROJECT

LUCIUS PITKIN, INC.

Ore Purchasing Agent for United States Atomic Energy Commission

RECEIVED
AUG 13 1956

[redacted]ing Station [redacted] Grand Junction, Colorado [redacted] 19 [redacted]

Liquidation No. [redacted] Lot No. [redacted] Shippers Lot No. [redacted]

Bought of [redacted] A.E.C. License No. [redacted] Expired

Address [redacted]

Type of Ore [redacted] Contract No. [redacted] Date Received [redacted]

Mining Claim [redacted] Mining District [redacted] Pile No. [redacted]

Lot No.	Wet Weight Pounds	H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	Cu	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$	Cu
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	—	[redacted]		[redacted]	—	[redacted]	

[redacted]	Per lb.	Per Ton.	Gross Amt	Total Value
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Development allowance [redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Premium in excess of [redacted] per ton ([redacted] - [redacted]) - [redacted]	[redacted]	[redacted]	[redacted]	[redacted]
TOTAL [redacted] PRICE		[redacted]	[redacted]	[redacted]
Haulage allowance [redacted] miles @ [redacted] per wet ton mile			[redacted]	[redacted]
TOTAL				[redacted]
[redacted]				—
TOTAL GROSS PRICE				[redacted]
Regulations [redacted] of ([redacted]) =				(-) [redacted]
NET PRICE				[redacted]

Computed [redacted]
Checked [redacted]
Approved [redacted]

[redacted]

[redacted]

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the Commission.
I certify that I hold A. E. C. Source Material License numbered above.
I hereby transfer to the Commission, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.
I will accept the amount as shown above as "Total Gross Price" in full settlement for sums due to me on account of the ore deliveries described herein.

Buyers assays govern if Seller fails to submit his assays prior to acceptance of payment.

All rates paid are based on U. S. Atomic Energy Commission Published Schedules unless otherwise provided in contract applicable to ore delivery described herein.

[redacted] Seller

By _____

Title _____

E834

8/7/56

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

RECEIVED
AUG - 3 1956

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

August 1, 1956

Mr. J. R. Heron, President
Arizona Globe Uranium, Inc.
293 North Broad Street
Globe, Arizona

Re: Docket DMEA 3669 (Uranium)
Contract Idm-E834
Arizona Globe Uranium, Inc.
(Sue mine)
Gila County, Arizona

Dear Mr. Heron:

Your letter of July 24, 1956, to Mr. W. R. Storms, Tucson, Arizona, relative to a one-year suspension of operations, was forwarded to this office for appropriate action.

By our letter to you of July 10, 1956, by certified mail, we informed you that the contract is to be considered completed upon completion of the work authorized under Stage I of the contract. Therefore your request for a one-year suspension of operations under the contract is denied.

In regard to considering the contract completed upon completion of the work authorized under Stage I, if future developments at the Sue mine provide additional information indicating that the property might qualify for additional Government assistance under the DMEA program, the contract can be revived upon your request submitted in a manner similar to your original application.

Very truly yours,

DMEA Field Team, Region III

By W. M. Traver
W. M. Traver
Executive Officer

JWT:prl

cc: Chairman, Op. Comm. (3)
Harshman
Storms
Emerick
Townsend
Corres. file
Finance Office, Reg. III
Contract File, Reg. III
Chron.

w/copy of Operator's request of July 24 and joint memorandum from J. N. Faick and T. M. Romslo, of July 26, 1956

DMEA
Date Rec'd,

JUL 30 1956

BUREAU OF MINES
Denver, Colorado

MINERAL DEPOSITS
DMEA
RECEIVED

JUL 30 1956

U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

July 26, 1956

RECEIVED

AUG - 3 1956

WRS
WRE
EWH

Memorandum

To : Executive Officer, DMEA Field Team, Region III

From : J. N. Faick
T. M. Romalo

Through: W. R. Storms
W. L. Emerick
E. N. Hershman

Subject : Request for recess, Docket DMEA-3668, Contract Ida-E834 (Uranium) Arizona Globe Uranium, Inc. (Sue Mine(Gila County, Ariz.

The operator in a letter of July 24, 1956 to W. R. Storms, requests that project be recessed for a period of one year. During the recess the operator plans to more fully investigate the area explored under Stage I with the hope of revealing evidence to justify Government participation in the explorations of Stage II.

Richard W. Hanes, General Manager for the corporation, told Romalo on July 25 that Stage I of the project was completed early in July after drilling 4 long holes, none of which penetrated uranium ore. These findings will be checked next month during a progress examination. They are not expected to alter the writers' recommendation of June 28, 1956 that the contract should be terminated because additional exploration cannot reasonably be expected to yield results better than those obtained in Stage I. If the operator's findings subsequent to termination of the contract appear to justify additional exploration it can re-apply for Governmental aid.

T M Romalo

T. M. Romalo, Mining Engineer
U. S. Bureau of Mines

J. N. Faick

J. N. Faick, Geologist
U. S. Geological Survey

CC W. M. Trawer (8)
W. L. Emerick
E. N. Hershman
DMEA-3668
DF

TMRomalo:JNFaick:frj

RECEIVED
AUG - 3 1956

July 24, 1956

Mr. W. T. Stormes
U. S. Bureau of Mines
P. O. Box 1097
University Station
Tucson, Arizona

Re: Docket DMEA 3669 (Uranium)
Contract Idn - E 834
Arizona Globe Uranium, Inc.
(Due Mine)
Gila County, Arizona

Dear Mr. Stormes:

Request is hereby made for a recess in the running of the subject contract for a one (1) year period from the date hereof, or for a shorter period at the option of Arizona Globe Uranium, Inc., if favorable developments at the Due Mine should occur earlier.

This request is made to allow us sufficient time to fully investigate the underground area penetrated to date under Phase I of the subject DMEA contract, with the thought that such further investigation may reveal mineralization of enough significance to justify Government participation under Stage II of the subject contract.

Very truly yours,

ARIZONA GLOBE URANIUM, Inc.

J. R. Heron,
President

JRH:PW:lmla

I, C. C. LEE, certify that I am the Secretary of A[illegible] A G[illegible] U[illegible], INC.; that J. P. [illegible], who signed this request on behalf of A[illegible] A G[illegible] U[illegible], INC. was then the President of A[illegible] A G[illegible] U[illegible], INC.; that this request was duly signed for and in behalf of A[illegible] A G[illegible] U[illegible], INC. by authority of its governing body, and is within the scope of its corporate powers.

C. C. Lee, Secretary

7/23/56

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

RECEIVED
JUL 23

New Customhouse
er 2, Colorado

July 19, 1956

. C. O. Lee, Secretary-Treasurer
rizona Globe Uranium, Inc.
1 West Monroe Street
hoenix, Arizona

Re: Royalty payments, Docket DMEA 3669 (Uranium)
Contract Idm-E834, Arizona Globe Uranium, Inc.
(Sue Mine), Gila County, Arizona

Dear Mr. Lee:

Settlement sheets and partial royalty payments of $205.89 for liquidation Nos. 564,616, 617 and 947 have been received from Lucius Pitkin, Inc. The correct royalty due on the four shipments, exclusive of AEC Production Bonus payments is $266.87, leaving a balance of $60.98 due as follows:

	Liq. No. 564	Liq. No. 616	Liq. No. 617	Liq. No. 947
Ore Value	$472.73	$ 978.38	$ 803.13	$1,638.45
Development Allow.	81.50	139.77	114.73	234.07
Hauling Allowance	143.93	113.45	149.57	242.65
Premiums	-- --	96.33	22.45	106.16
Gross Value	$698.16	$1,327.93	$1,089.88	$2,221.33
Allowable Deductions	-- --	-- --	-- --	-- --
Net Value	698.16	1,327.93	1,089.88	2,221.33
Royalty Due	34.91	66.40	54.49	111.07
Royalty Paid	23.64	53.74	41.28	87.23
Balance Royalty Due	$11.27	$12.66	$13.21	$23.84

Your corporation's check for $7.90 as additional royalty payment on Liquidation Nos. 377 and 482 has also been received. The correct balance of royalty due, as stated in our letter of June 4, 1956, is $7.97. You thus owe $0.07 royalty on these two shipments exclusive of AEC Production Bonus payments.

Your check for $61.05 representing payment for total balance of royalties now due should be made payable to the Defense Minerals Exploration Administration and sent to the Executive Officer, Room 224 New Customhouse, Denver 2, Colorado.

Yours very truly,

W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

J
Royalty File E834
Correspondence File E834
Sec. Opr. Comm. (2)
W. R. Storms
Marshall
Chron.

7-16-56

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

RECEIVED
JUL 1 3 1956

224 New Customhouse
Denver 2, Colorado

July 13, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3169 (Uranium), Contract Idm-2834, Arizona
Globe Uranium, Inc. (Sue Mine), Gila County, Arizona

Consistent with advice from you by teletype of July 10, 1956, we are enclosing four copies of a notice to the Operator, dated July 10, 1956 that the contract is to be considered completed upon completion of the work authorized under Stage I.

Also enclosed are four sets of data relative to the matter.

W. M. Traver

W. M. Traver

Enclosures

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

RECEIVED
JUL 13 1956

[illegible] New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

July 10, 1956

Mr. J. R. Heron, President
Arizona Globe Uranium, Inc.
295 North Broad Street
Globe, Arizona

Re: Docket DMEA 3669 (Uranium)
Contract [illegible]
Arizona Globe Uranium, Inc.
(Sue Mine)
Gila County, Arizona

Dear Mr. Heron:

Your letter of June 15, 1956 to Mr. W. R. Storms, U. S. Bureau of Mines, Tucson, Arizona, requesting the Government's approval for certain work under Stage II of the Contract, was forwarded to this office for appropriate action.

Project work approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding material of acceptable grade and in quantities that will significantly improve the mineral supply position for the National Defense program.

A careful study of the results of the exploration work performed under Stage I of DMEA Contract [illegible] indicates to this agency that the probability of disclosing a significant quantity of minable grade uranium ore by the additional work you propose under Stage II is not considered sufficiently promising to justify Government participation in the costs of the proposed work.

Under the circumstances, we regret to advise you that your request for the Government's approval of the additional work to be performed under Stage II of the Contract is denied.

Inasmuch as the Government's approval for additional work to be performed under the Contract will not be forthcoming, the Contract is to be considered as being completed upon completion of the work approved for performance under Stage I of the Contract.

As the contract is considered to be completed, your attention is directed to the provisions of Article 6 (c) of the Contract form relative to the rendering of a final engineering and geologic report as well as a final progress report and voucher pertaining to the work completed under the Contract.

Very truly yours,

DMEA Field Team, Region III

W. M. Traver

E. N. Harshman

JWT:prl

c.: Chairman, Oper. Comm. (4)
Finance Office, Region III
Contract file, Region III
Harshman
Storms
Emerick
Townsend
Corres. file
Chron.

MINERAL DEPOSITS
DMEA
RECEIVED
JUL 2 1956
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO
DMEA
Date Rec'd.
JUL 2 1956
BUREAU OF MINES
Denver, Colorado

Box 4125 University Station
Tucson, Arizona

June 29, 1956

MEMORANDUM

To: Executive Officer, DMEA Field Team Region III

From: J. H. Faick
T. M. Beasley

Through: J. R. Sterns
W. L. Emerick
R. M. Barnhart

Subject: Requested amendment, Docket DMEA 3069, Contract Ida 2834 (Uranium), Arizona Globe Uranium, Inc. (Joe Mine) Gila County, Arizona

Under date of June 15, 1956 the operators of the above subject project requested permission to start Stage II of the project with modifications which would require an amendment to the contract. The proposed exploration, which is illustrated by the operator's map included with the request, consists of 2 parts: (1) extend DMEA Crosscut #2 westerly 250 feet, (2) extend DMEA Crosscut #3 easterly 250 feet. To support this request the applicant cites a comparatively small production of approximately 300 tons of low-grade ore, most of which was localized near northerly trending faults where they cut an apparently favorable bed in the Dripping Spring quartzite. The purpose of the proposed crosscuts is to expose more of the northerly trending fractures, along which it is hoped to find additional ore.

The writers are opposed to the work allowed under Stage II of the contract and do not believe further Government participation in the project is justified. This project was originally undertaken because:

1. It was expected that ore bodies of minable size and grade would be found in the favorable beds where intersected by high-angle fractures and faults.

2. It was expected that commercial ores of a primary nature would be found at depth, beyond the zone of supergene oxidation.

Our impressions of the results of the project work completed thus far are as follows:

1. The larger and more radioactive zones appear to be closest to the outcrop, and, as depth is attained by the workings, smaller, fewer, and less-radioactive zones are encountered.

2. Radioactivity at the Sun mine appears to be directly proportional to the intensity of oxidation. The amount of iron oxide stain, the amount of secondary uranium minerals, and the intensity of radioactivity all seem to diminish as greater depth is attained by the workings.

3. The character of the host rocks, and structural conditions appear to become less favorable as greater depth is attained; however, specific data of a quantitative nature are lacking. The porosity of the host rocks appears to decrease with increasing depth and the fractures become tighter and less numerous.

Stage I of the project has failed to find appreciable amounts of uranium ores and has given no indication that larger amounts of ore exist on the property. It has explored the zone originally thought most likely to contain ore, and the remaining exploration possibilities do not appear to be any better. The applicant does not point out more favorable objectives, but only proposes additional work of the same type. If additional work is done, it would appear best to do it from crosscut No. 1, which is close to the most highly mineralized part of the mine workings. If it is desirable to widen the zone of exploration, we would suggest driving a raise into the favorable bed from the end of crosscut No. 1, and crosscutting in the favorable bed westward from the raise.

We do not believe additional exploration would yield results better than those obtained by Stage I; therefore, we recommend that Government participation in this project be terminated.

I concur
CMH

J. H. Faick

J. H. Faick
U. S. Geol. Survey

T. M. Romalo

T. M. Romalo
U. S. Bureau of Mines

JHF:rmk

cc: Hartmann (5)
Storms
Faick

RECEIVED
JUL 16 1956

June 15, 1956

COPY

Mr. W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson, Arizona

RE DMEA Docket 3669 (Uranium)
Contract Idm - E834

Dear Mr. Storms:

Enclosed herewith are six copies of a map of the Sue Mine, Gila County, Arizona, showing progress to date, including all of the DMEA drifting and crosscutting, and also other mine workings.

This letter is our formal request for an amendment of the subject contract to allow the Phase II drifting to be changed to crosscutting normal to the DMEA main drift, as shown in red on the maps; 250 feet westerly, normal to drift, extending DMEA crosscut No. 2, and 250 feet easterly, normal to drift, extending DMEA crosscut No. 3. Mining developments at the Sue mine lead us to believe that this exploration is justified, and we therefore further request your authority to commence said crosscuts and prosecute the same to completion.

In addition to the recent ore shipments from the Sue mentioned in our May DMEA report, additional shipments of approximately 60 tons of 0.30% U_3O_8 ore and 20 tons of 0.25% U_3O_8 ore have been made. The AEC returns on this ore have not yet been received.

Findings to date at the Sue indicate a north-south trend in fracture mineralization. The recent ore shipments aforementioned came from two small stopes on or associated with north-south fractures, one parallel to the main drift, and just a few feet westerly of Station 52 + 00, and the other parallel to the main drift and 47 feet westerly of Station 135 + 00. In addition, most of the production before the DMEA work was commenced came from a stope parallel to the main drift, and 20 feet westerly thereof. The mineralization in the vicinity of DMEA Station 52 + 00 was definitely associated with the north-south fracture in the old stope worked prior to the DMEA work, and that westerly of Station 135 + 00 was on a separate north-south fracture. The mineralization encountered in crosscut No. 2 at Station 42 + 00, and in crosscut No. 3 at Station 75 + 00 is also along

COPY

north-south fractures. Mineralization in crosscut No. 2 seems to be along the same fracture which was worked for ore in crosscut No. 1. In view of the foregoing, it appears advisable to crosscut rather than drift any further, to reveal as many north-south fractures as possible, with the thought that the north-south fractures will be drifted along for ore, and that the extent of mine workings can and should be governed by the extent of the north-south fracture mineralization encountered.

There is no major work of consequence presently being done at the Sue, as most company personnel and equipment are deployed in completing the annual assessment work on other groups of claims, and all DMEA work approved to date has been completed. After July 1st, full scale work at the Sue will be resumed.

Very truly yours,

ARIZONA GLOBE URANIUM, Inc.

By J R Heron
J. R. Heron
President

I, C. O. LEE, certify that I am the Secretary of Arizona Globe Uranium, Inc.,; that J. R. HERON, who signed this request on behalf of Arizona Globe Uranium, Inc. was then the President of Arizona Globe Uranium, Inc.; that this request was duly signed for and in behalf of Arizona Globe Uranium, Inc. by authority of its governing body, and is within the scope of its corporate powers.

C O Lee
C. O. Lee
Secretary

JRH:RWH:mla
Enclosures

7-13-56

U. S. DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

RECEIVED
JUL 12 1956

224 New Customhouse
Denver 2, Colorado

Date: July 10, 1956

Memorandum
To: Chairman, Operating Committee, DMEA
From: Executive Officer, DMEA Field Team, Region III
Subject: Royalty payments, Docket DMEA 3669 (Uranium), Contract Idm-E834, Arizona Globe Uraniu, Inc. (Sue mine), Gila County, Ariz.

Period: June, 1956

During the above month the following royalty payments were received for ore or concentrates shipped from the subject property:

Date	Lot No.	Dry Tons	Royalty Due	Royalty Paid	Bonus Roy. Due	Bonus Roy. Pd.
1956						
5/7	564	47.944	$34.91	$23.64 *		
5/17	616	37.776	66.40	53.74 *		
5/17	617	49.884	54.49	41.28 *		
Totals:		135.604	$155.80	$118.66		

Past Due Royalties Collected	None
Total Dry Tons (Ore or Cons.) Shipped to Date	183.028
Expiration Date of Royalty Repayment	Not determined
Amount of Government Participation	" "
Total Royalty Payments to Date	$137.53
Percent of Loan Repayment	-- --

W. M. Traver

vj
cc Royalty File E 834 w/Settlement Sheets
Monthly Royalty Payment File
W. R. Storms w/settlement sheets
Chron.

U. S. DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

RECEIVED
JUL 12 1956

224 New Customhouse
Denver 2, Colorado

Date: July 10, 1956

Memorandum
To: Chairman, Operating Committee, DMEA
From: Executive Officer, DMEA Field Team, Region III
Subject: Royalty payments, Docket DMEA 3669 (Uranium), Contract Idm-E834, Arizona Globe Uraniu, Inc. (Sue mine), Gila County, Ariz.

Period: June, 1956

During the above month the following royalty payments were received for ore or concentrates shipped from the subject property:

Date	Lot No.	Dry Tons	Royalty Due	Royalty Paid	Bonus Roy. Due	Bonus Roy. Pd.
1956						
5/7	564	47.944	$34.91	$23.64 *		
5/17	616	37.776	66.40	53.74 *		
5/17	617	49.884	54.49	41.28 *		
Totals:		135.604	$155.80	$118.66		

Past Due Royalties Collected — None

Total Dry Tons (Ore or Cons.) Shipped to Date — 183.028

Expiration Date of Royalty Repayment — Not determined

Amount of Government Participation — " "
Total Royalty Payments to Date — $137.53
Percent of Loan Repayment — -- --

W. M. TRAVER

W. M. Traver

vj

cc Royalty File E 834 w/Settlement Sheets
Monthly Royalty Payment File
W. R. Storms w/settlement sheets
Chron.

O-4 (Rev) 5M-1-56 W&Y

WESTERN URANIUM PROJECT

LUCIUS PITKIN, Inc.

Ore Purchasing Agent for United States Atomic Energy Commission

RECEIVED JUL 12 1956

Receiving Station Globe — Grand Junction, Colorado May 7, 1956 19

Liquidation No. 564 — Lot No. 43 — Shippers Lot No.

Bought of Arizona Globe Uranium, Inc. — A.E.C. License No. R-2225

Address 203 North Broad Street, Globe, Arizona

Type of Ore Carnotite — Contract No. AT(05-1)-633 — Date Received 4/23/56

Mining Claim Sam #16 — Mining District Sierra Ancha — Pile No. 1 B

Lot No.	Wet Weight Pounds	H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	Cu	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$	Cu
43	97,910	2.07	95,860	0.17	-	0.6		163.01	-	575.	

	Per lb.	Per Ton	Short Tons	Total Value
U3O8				
0.17 % = 3.4 # ut	2.80	9.56	47.9440	472.73
Development allowance 3.4 # ut	.50	1.70	-	81.50
TOTAL U3O8 PAYMENT		11.56	47.9440	554.23
Haulage allowance 40 miles @ 6¢ per wet ton mile			48.9550	143.93
TOTAL				698.16
V2O5				- - - -
TOTAL GROSS PRICE				698.16
Deductions: UMA 3% of (472.73				(-) 23.64
NET PROCEEDS				674.52

Correct [illegible]
Checked AMC
Approved [illegible]

Paid May 8, 1956
Voucher No. 5-85
Check No. 1272

MW

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the Commission.
I certify that I hold A. E. C. Source Material License numbered above.
I hereby transfer to the Commission, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.
I will accept the amount as shown above as "Total Gross Price" in full settlement for sums due to me on account of the ore deliveries described herein.

Arizona Globe Uranium, Inc.
Seller or Agent

Buyers assays govern if Seller fails to submit his assays prior to acceptance of payment.

All rates paid are based on U. S. Atomic Energy Commission Published Schedules unless otherwise provided in contract applicable to ore delivery described herein.

By

Title

E 834

Form No. O-4 (Rev) 10M-4-56 W&Y

WESTERN URANIUM PROJECT

LUCIUS PITKIN, INC.

Ore Purchasing Agent for United States Atomic Energy Commission

Receiving Station Globe — Grand Junction, Colorado May 17 19 56

Liquidation No. 636 — Lot No. 52 — Shippers Lot No.

Bought of Arizona Globe Uranium, Inc. — A.E.C. License No. [redacted]

Address 203 No. Broad Street; Globe, Arizona

Type of Ore Uranium — Contract No. AT(05-1)-422 — Date Received 4/27/56

Mining Claim Sue # 16 — Mining District Sierra Anche — Pile No. 8

Lot No.	Wet Weight Pounds	H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	Cu	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$	Cu
52	77,100	2.11	75,551	0.37	-	0.2		279.54	-	151.	

[redacted]	Per Lb.	Per Ton	Short Tons	Total Value
0.37% - 7.4# at	1.50	25.00	37.7755	$ 943.38
Development allowance 7.4# at	.50	3.70	"	139.77
Premium in excess of 4# per ton (7.4# — 4#) - 3.4# at	.75	2.55	"	96.31
TOTAL UNIT PAYMENT		32.15	37.7755	$1,214.46
Haulage allowance 49 miles @ 6¢ per wet ton mile			38.5000	113.45
TOTAL				$1,327.91
V205				—
TOTAL GROSS PRICE				$1,327.91
Royalties: DMEA 5% of (1094.71) -				(-) 54.74
NET PROCEEDS				$1,274.19

Computed VRJ
Checked AEC
Approved HER

Paid May 18, 1956
Voucher No. 3-219
Check No. 1386

Ie

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the Commission.
I certify that I hold A. E. C. Source Material License numbered above.
I hereby transfer to the Commission, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.
I will accept the amount as shown above as "Total Gross Price" in full settlement for sums due to me on account of the ore deliveries described herein.

Buyers assays govern if Seller fails to submit his assays prior to acceptance of payment.

All rates paid are based on U. S. Atomic Energy Commission Published Schedules unless otherwise provided in contract applicable to ore delivery described herein.

Arizona Globe Uranium, Seller or Agent

By

Title

E 834

Form No. O-4 (Rev) 10M-4-56 W&Y

WESTERN URANIUM PROJECT

LUCIUS PITKIN, INC.

Ore Purchasing Agent for United States Atomic Energy Commission

Receiving Station Globe — Grand Junction, Colorado May 17 19 56

Liquidation No. 617 — Lot No. 34 — Shippers Lot No.

Bought of Arizona Globe Uranium, Inc. — A.E.C. License No. [illegible]

Address [illegible] No. Broad Street; N Globe, Arizona

Type of Ore Carnotite — Contract No. AT(05-1)-622 — Date Received 4/20/56

Mining Claim Sue # 16 — Mining District Sierra Ancha — Pile No. 8

Lot No.	Wet Weight Pounds	H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	Cu	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$	Cu
34	101,730	1.95	99,768	0.2[illegible]	-	0.2		220.47	-	200.	

[illegible]	Per Lb.	Per Ton	Short Tons	Total Value
0.22% - 4.4# at	3.30	16.10	49.8840	$ 803.13
Development allowance 4.6# at	.50	2.30	"	114.73
Premium in excess of 4# per ton (4.6# - 4#) - 0.6# at	.75	.45	"	22.45
TOTAL [illegible] PAYMENT		18.85	49.8840	$ 940.31
Haulage allowance 49 miles @ 4¢ per net ton mile			50.8750	148.57
TOTAL				$1,088.88
[illegible]				—
TOTAL GROSS PRICE				$1,088.88
Royalties: UMA 5% of ($25.58) -				(-) 1.28
NET PROCEEDS				$1,048.60

Correct [illegible]
Checked [illegible]
Approved [illegible]

Paid May 18, 1956
Voucher No. 5-[illegible]
Check No. 1[illegible]

In

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the Commission.
I certify that I hold A. E. C. Source Material License numbered above.
I hereby transfer to the Commission, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.
I will accept the amount as shown above as "Total Gross Price" in full settlement for sums due to me on account of the ore deliveries described herein.

Buyers assays govern if Seller fails to submit his assays prior to acceptance of payment.

All rates paid are based on U. S. Atomic Energy Commission Published Schedules unless otherwise provided in contract applicable to ore delivery described herein.

Arizona Globe Uranium, Seller or Agent

By

Title

E 834

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

DMEA
1[illegible]01(01) Revolving Fund,
Defense Production Act,
(Allocated Working Fund to the
Office of the Secy.)

JUL 10 1956

T E L E T Y P E

W. M. TRAVER
EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REURTT JULY 3 DMEA 3669 ARIZONA GLOBE URANIUM, INC. WE SUGGEST A LETTER TO OPERATOR IN LIEU OF TERMINATION AGREEMENT ADVISING RESULT OF STAGE I DOES NOT JUSTIFY GOVERNMENT PARTICIPATION IN FURTHER EXPLORATION OF PROPERTY. THIRD SENTENCE SECOND PARAGRAPH EXHIBIT A PRECLUDES OPERATOR FROM STAGE II WORK UNLESS GOVERNMENT GIVES ADVANCE WRITTEN APPROVAL. OPERATORS FINAL REPORT SHOULD BE REQUESTED.

George C. Selfridge

CHAIRMAN, OPERATING COMMITTEE

FIKnouse/izm 7-6-56

cc to: Docket
Code 700
Mr. Knouse
Admr.'s Reading File
Operating Committee
Confirmation to Region III (2)
Messrs. JECrawford, Rm1 3643
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

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

224 New Customhouse
Denver 2, Colorado

July 5, 1956

Mr. C. O. Lee, Secretary-Treasurer
Arizona Globe Uranium, Inc.
31 West Monroe Street
Phoenix, Arizona

Re: Royalty payments, Docket DMEA 3669, Contract Idm-E834 (Uranium), Arizona Globe Uranium, Inc. (Sue mine), Gila County, Arizona

Dear Mr. Lee:

Enclosed is a photocopy of our letter dated June 4, 1956 for which we have not received your reply.

Please give this matter your prompt attention.

Yours very truly,

W. M. TRAVER

W.M. Traver
Executive Officer, DMEA
Field Team, Region III

Enclosure

MHM/vj

cc: Royalty File E834
Sec. Opr. Comm. (2)
W. R. Storms
Marshall
Chron.

JUL 9 -

7-5-56

COPY

TELETYPE

DN 235 BUR MINES 7-3-56 4-14

CHAIRMAN, OPERATING COMMITTEE, DMEA

RE DOCKET DMEA 3669, CONTRACT IDM-E834, ARIZONA GLOBE URANIUM INC. STAGE I WORK COMPLETED RESULTING IN MINOR PRODUCTION. OPERATOR REQUESTS APPROVAL OF ADDITIONAL WORK FOR STAGE II BUT NOT AS OUTLINED IN THE CONTRACT. FIELD AND THIS OFFICE IN AGREEMENT THAT FURTHER GOVERNMENT PARTICIPATION NOT WARRANTED. PLEASE TELETYPE AUTHORIZATION TO TERMINATE CONTRACT BY DENYING THE OPERATORS REQUEST FOR STAGE II WOR½/

W M TRAVER

6/27/56

FINAL DISTRIBUTION
MADE JUN 25 1956

RECEIVED
JUN 27 1956

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

Administrative Audit Difference Statement

[illegible]

Date: [illegible]
Payee's Reference: [illegible]

[illegible]

DME A-3669

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ [illegible]

Difference $ [illegible]

Amount Approved $ [illegible]

The reason for the difference was due to:

[illegible]

[illegible]

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-III-B & F Form No. 4
4-15-52 D

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

RECEIVED
JUN 27 1956

224 New Customhouse
Denver 2, Colorado

June 19, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3669 (Uranium) Contract Idm-E834, Arizona Globe Uranium, Inc. (Sue Mine) Gila County, Arizona - Operator's Monthly Progress Report for the month of May, 1956

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report, except for the following reinstatement and deduction.

Reinstate: the amount of $300.00 which was disallowed from the March, 1956 voucher.

Withhold: an amount of $300.00 pending the performance of additional work, or if no further work is performed, continue to hold this amount pending resolution of matters relative to closing the account.

All authorized Stage I work has been completed with the exception of 207.5 feet of long-hole percussion drilling at $2.00 per foot. Government approval for this drilling has been given the Operator.

Remarks

Date of Report----------June 1, 1956
Date Received in Field Office----------June 12, 1956
Date Received in Region Office----------June 18, 1956

W. M. TRAVER

W. M. Traver

Enclosures

JDC:jy
cc: MF-104 File E834
Sec. Op. Comm. (2)
Storms
Townsend w/copy engr's report
Chron.

DMEA
Date Rec'd.
JUN 18 1956
BUREAU OF MINES
Denver, Colorado

June 15, 1956

Memorandum

To : W. M. Traver, Executive Officer, DMEA Field Team

From : Superintendent, Southwest Experiment Station

Subject : May 1956 Progress Report, Docket DMEA-3569, Contract IdM-2834 (Uranium), Arizona Globe Uranium, Inc. (Sue Mine), Gila County, Ariz.

Enclosed in quadruplicate are the following:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report with map;
(3) Forms MF-104 and MF-104A, with uranium analyses statements.

Also enclosed are 4 extra copies of our engineer's report.

As all work is in accordance with terms of the contract, I recommend that the Government's share of the costs be paid.

Signed by Walter R. Storms

Walter R. Storms

CC W. M. Traver (6)
DMEA-3569
MF

WRStorms:frj

June 15, 1956

Memorandum

To : W. R. Storms, Superintendent, Southwest Experiment Station

From : T. M. Ramale, Mining Engineer, Tucson, Arizona

Subject : Progress Report for May 1956, Contract AEc-2534, Docket DMEA-3560, (Uranium) Arizona Globe Uranium, Inc. (Sue Mine), Gila County, Ariz.

On June 5, 1956, I visited the Sue Mine and inspected underground workings with Chris Franco, miner. I found that advance for May included 134.0 feet of crosscutting, 30 feet in No. 2 and 75 feet in No. 3. 125 feet of the crosscutting was authorized by the contract. Each of the crosscuts followed N-S trending fractures and intersected E-W fractures, some of which show abnormal radio-activity. Permission has been requested to explore zones along the most favorable by drilling 4 long holes.

Other work performed and described in the Operator's Narrative Report included a reported several hundred feet of long hole drilling, 47 feet of driving from 3 locations, breakage of 30 cubic yards of rock in testing a favorable zone, and the mining and shipping of ore from the recently discovered deposit. During the month this deposit was essentially mined out. According to the operator, the following lots of ore have been shipped to the AEC depot at Canton, Ariz.:

Lot No.	Tons	% U_3O_8 AEC	Mining Location
29	25.4080	0.14	Adit Sta. 52
33	32.6185	0.17	do
42	47.9440	0.17	North of Sta. 47 in X-cut No. 1
52	37.7750	0.37	do
54	40.2040	0.23	do
55	60 approx.	Pending	do
58	20 "	"	do

Royalty payments to the Government reportedly have been made on all lots through 54. The payments are before an initial production bonus. Copies of the application for the bonus are attached to the Operator's report.

CC W. M. Traver (Orig. & 5)
DMEA-3560
RF

TMRamale:frj

To obtain a record on the distribution of values in a deposit, I had asked the operator to chip sample the face of the larger stope at intervals and to have the samples chemically assayed. The locations and assays of 6 samples obtained are reported by the operator.

All work of Stage I, except 297.5 feet of long hole drilling, has been completed. Approval of the long hole drilling has been requested. Stage II probably will not be approved.

ANALYSIS OF OPERATOR'S REPORT

Form MF-104

Crosscutting — The $3,750.00 is for the authorized 125 feet of advance of $30.00 per foot.

Sample Analysis — The $21.00 is for the chemical analysis of the 6 samples at $3.50 each. Actual costs according to a statement attached to the report were $5.00 per sample.

Total Costs — The total costs, $3,771.00, $19,935.00 and $23,706.00, are believed to be correct.

I recommend that the $350.00 withheld from the March report should not be paid until warranted.

Form MF-104A

The form has been properly completed.

Narrative Report

As usual, the operator's narrative report with map supplies all essential data and other valuable information.

T. M. Romslo
Mining Engineer
Southwest Experiment Station

RECEIVED
JUN 27 1956

June 10, 1956

COPY

Mr. W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson, Arizona

Dear Mr. Storms:

Re: Docket DMEA 3669 (Uranium)
Contract Idm - E834

Enclosed herewith are original and four copies of each Form MF 104 and MF 104A and a progress map showing advance for the month of May, 1956 at the Sue Mine, Gila County, Arizona.

Advance this month on DMEA work consisted of 125 feet of crosscut pursuant to the authority granted in DMEA letter dated April 23, 1956 and signed by W. M. Traver and E. N. Harshman. At a point 330 feet from the starting point of the DMEA main drift, DMEA Crosscut No. 2 was driven in Westerly, normal to the main drift, a distance of 59 feet, and at a point 410 feet from the starting point of the DMEA main drift, DMEA Crosscut No. 3 was driven in Easterly, normal to the main drift, a distance of 75 feet.

DMEA Crosscut No. 2 followed a prominent East-West fracture for its entire length, and intersected seven well defined North-South fractures at stations 14 + 00, 30 + 00, 35 + 00, 39 + 00, 42 + 00, 47 + 00 and 55 + 00. The fracture at 42 + 00 cuts the crosscut at right angles, and shows slight radioactivity in the drift. A six foot stoper hole adjacent this fracture also shows radioactivity, and leads us to believe that this fracture is an extension of the one cut in DMEA Crosscut No. 1 from which ore has been taken. The other prominent fractures cut in this crosscut give slightly greater than drift readings.

DMEA Crosscut No. 3 also followed a distinct East-West fracture for its full length, cutting eight major North-South fractures at stations 22 + 00 32 +00, 35 + 00, 42 + 00, two at 61 + 00, 65 + 00, and 75 + 00. Each of the foregoing fractures showed higher than background radioactivity, with the one at Sta. 75 + 00 showing greatest promise. A six foot stoper hole adjacent this fracture rendered good radiometric readings.

COPY

Additional work in the mine during May included several hundred feet of long hole percussion drilling and further drifting as follows:

1. 24 feet of raised drift in a southerly direction normal to DMEA Crosscut No. 1, and along the North-South fracture at DMEA Crosscut No. 1 station 47 + 00;

2. 10 feet of additional raised drift in a northerly direction normal to DMEA Crosscut No. 1, and along the North-South fracture at DMEA Crosscut No. 1 station 47 + 00;

3. Seven feet of raised drift in an Easterly direction at DMEA main drift station 52 + 00 along a fracture;

4. Six feet of drift at the westermost end of the existing raised East-West crosscut crossing the main drift 50 feet to the North of the beginning of the DMEA main drift work; and

5. Breaking out of approximately 20 cubic yards of radioactive material at the Southwest corner of the intersection of the East-West crosscut crossing the main drift 90 feet to the North of the beginning of the DMEA main drift work, and the raised drift 30 feet to the West of the main drift and parallel thereto.

The foregoing work areas are colored in on the enclosed progress map in red, and are noted by encircled numbers corresponding to the numbers above.

A. The DMEA-CC1-S47-55, (Lab. No. 1963) is a chip sample taken 50 feet in the stope running northerly from DMEA Crosscut No. 1 at station 47 + 00. The sample was cut from the stope face for a length of three feet, six inches to the east of the mineralized fracture being followed, and midway between the roof and floor of the stope. The sample ran 3.47% U_3O_8;

COPY

B. 1 (bag), (Lab. No. 2052), was taken in the same manner as sample A, supra, except this sample was taken five feet further North in the stope. The sample ran 2.15% U_3O_8;

C. 2 (bag), (Lab. No. 2053), was taken in the same manner as sample A. supra, except this sample was taken ten feet further North in the stope. The sample ran 1.93% of U_3O_8.

D. 2X, (Lab No. 2054), is a chip sample taken 40 feet in the stope running northerly from DMRA Crosscut No. 1 at station 47 + 00. The sample was cut from the stope face for a length of three feet, six feet to the west of the mineralized fracture being followed, and midway between the roof and floor of the stope. The sample ran 0.11% of U_3O_8;

E. 3X, (Lab. No. 2055), is a sample taken at the same station as D. supra, except that it was taken two feet to the west of the mineralized fracture being followed. The sample ran 0.86% of U_3O_8;

F. 4, (Lab. No. 2056), is a sample taken at the same station as D. supra, except that it was taken four feet to the West of the mineralized fracture being followed. The sample ran 0.20% of U_3O_8.

The foregoing samples are located on the enclosed maps by encircled letters, as listed above. These samples were all run by ARC Laboratories, which is one of seven nationally recognized AEC umpires. Their charge per analyses is $5.00, as evidenced by the enclosed invoice. All returns (5) from assayers are enclosed herewith, full explanations for which follow.

Arizona Testing Laboratories return dated April 9, 1956 on Lot #28, showing 0.15% of U_3O_8, is on the pulp sample from the first ore shipment of 26.4050 short tons, which came from the small stope adjacent DMRA Main Drift station 52 + 00. The AEC assay ran 0.14% U_3O_8. Arizona Testing Laboratories return dated April 25, 1956 on Lot #33 showing 0.20% U_3O_8

COPY

is on the pulp sample from the second ore shipment of 21.0185 short tons, which came from the same location as the first shipment. The AEC assay ran 0 17% U_3O_8. This pulp sample was rerun by ARC Laboratories to double check the AEC assay, and ARC showed 0.16% U_3O_8. It was decided thereafter to have ARC run the assays, as their assay method is the same as that used by the AEC, and therefore more reliable. Royalty was not paid to the DMEA on these first two shipments directly by the AEC Purchasing Agent, as the agent apparently had not yet received our letter instructing it to do so. We sent the DMEA our company check for royalty on these first shipments. All subsequent shipments have DMEA royalty taken out by the AEC purchasing agent.

ARC Laboratories return dated May 7, 1956 includes an assay on Lot #42 for 47.9440 short tons of ore shipped from the beginning of the stope running northerly from DMEA Crosscut No. 1 station 47 + 00. This assay showed 0.16% U_3O_8. The AEC return showed 0.17% U_3O_8. The ARC assay on Lot #52 for 37.775 tons of ore taken from the same stope as Lot #42, about 30 feet in, showed 0.35% U_3O_8. The AEC allowed 0.37% U_3O_8 on this shipment. The ARC assay on Lot #54 for 49.8840 short tons in the same stope showed 0.21% U_3O_8. The AEC allowed 0.23% U_3O_8 on this shipment. ARC Laboratories was informed of their lower assay value on these shipments and they explained that a certain basic solution used in the assay process may have been slightly off standard and that they would check the solution. The Lab. Nos. 1963 and 1964 on this return have been explained above, DMEA-CC1-S47-55 being A. supra, and Lot 33 being ARC's check of the earlier Arizona Testing Laboratories return.

The ARC Laboratories return dated May 17, 1956 on Lot #58 (Lab. No. 1991) is an assay of an approximate 60 ton shipment from the same stope at DMEA Crosscut No. 1 station 47 + 00 to the North, about 50 feet in, and shows a 0.30% U_3O_8 content. The AEC return on this shipment has not yet been received.

The ARC Laboratories return dated May 31, 1956, Lab. No. 2051, Lot #59, shows a 0.24% U_3O_8 content for an approximate 20 ton shipment of ore taken from the same stope as Lot #58, but about ten feet further in. No. AEC return has yet been received on this shipment. The remaining reports on this return have been explained supra as follows:

COPY

Lab. No. 2052	-	B. supra
Lab. No. 2053	-	C. supra
Lab. No. 2054	-	D. supra
Lab. No. 2055	-	E. supra
Lab. No. 2056	-	F. supra

The enclosed map is colored in dark green in areas where radioactivity indicating an ore zone has been encountered, and in light green in other promising areas where abnormal radioactivity exists, but where exploration to date does not reveal the presence of ore.

A neighboring property across Bull Canyon from the Sue Mine has encountered a mineralized ore bearing fracture zone of a reported 20 feet and greater vertical extent. This property, according to AEC geological information, is being worked in the upper member of the dripping springs quartzite formation 170 feet above the lower member. The Sue property, according to the same geological information, is being worked 110 feet above this lower member. It is our present intention to explore upward at least 60 feet by raising and drilling to determine whether another, and perhaps more extensive, ore horizon exists at the Sue.

We enclose herewith, for your information, copies of our first request for AEC bonus payment on DMEA royalty ore shipped.

Our request for the remaining DMEA Phase I long hole percussion drilling will closely follow this report.

Very truly yours,

ARIZONA GLOBE URANIUM, INC.

R. W. Henes

R. W. Henes
General Superintendent

J. R. Heron

J. R. Heron
President

RWH:mla
Enclosure

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

Budget Bureau No. 42-R1036.5

RECEIVED
JUN 27 1956

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

Month of May, 1956 Docket No. DMEA 3669 Contract No. IDM E834
Operator's Name Arizona Globe Uranium, Inc. Minerals Uranium
Address 31 W. Monroe St., Phoenix, Arizona
Contract Amount, $49,285.00 Government Participation: 75 % Amount, $36,964.00

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) Contracts: Short Form						
Drilling (Pneumatic)	0.00	$ 1,185.00	$ 1,185.00			
Bulldozing						
Crosscutting	$ 3,750.00	3,750.00	7,500.00			
Drifting		15,000.00	15,000.00			
Sample Analyses	21.00	0.00	21.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3,771.00	$19,935.00	$23,706.00	3,771.00	19935.00	23,706.00

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

Date June 1, 1956 *Payee Arizona Globe Uranium, Inc.

Per [signature] Title 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:

$2828.25

Signature [signature]
(Authorized Certifying Officer)

Date 6/19/56 Vou. No. DMA 56-127
(See other side)

Withheld 300.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E834 in accordance with the terms of the contract.

Signature T. M. Romolo WRH Title Mining Engineer Date 6/14/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Lowry Title Executive Officer Date JUN 19 1956

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
JUN 27 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 195 6 Docket No. DMEA Contract No. IDM 2834
Operator's Name Arizona Globe Uranium, Inc. Minerals
Address 31 West Monroe Street, Phoenix, Arizona

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	0	0	$ 15,000.00	500	$ 30.00	1000	$ 30.00
Crosscutting	Feet	$3,750.00	125	7,500.00	250	30.00	500	30.00
Raising								
Shafts								
Winzes								
Drilling: ~~Air~~Pneumatic	Feet	0	0	1,185.00	592.5	2.00	1600	2.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Sample Analysis	Each	21.00	6	21.00	6	3.50	310	3.50
TOTAL DISTRIBUTED COSTS		$3,771.00		23,706.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Short Form Contract								$49,285.00
TOTAL COSTS		3,771.00		23,706.00				$49,285.00

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 June 1, 1956 Operator Arizona Globe Uranium, Inc.

Per J. R. Heron Title President
J. R. Heron

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)

T. M. Ponsler

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

PRODUCT DEVELOPMENT APPLIED RESEARCH

ARC LABORATORIES

Division of Arizona Research Consultants, Inc.

917 W. HATCHER RD. PHOENIX, ARIZONA WINDSOR 3-3573

RECEIVED JUN 27 1956

June 1, 1956

Arizona Globe Uranium Co.
122 North Central Ave.
Phoenix, Arizona

- Statement -

12 Uranium analysis $ 60.00

ARC 3667

AFFILIATIONS

TRUESDAIL LABORATORIES INC. VALLEY LABORATORIES, INC.

American Association for the Advancement of Science, American Chemical Society, Association of Official Racing Chemists, American Society of Agronomy, American Society for Testing Materials, American Water Works Association, Soil Science Society of America, Western Society of Soil Science, American Oil Chemists Society, American Concrete Institute

PRODUCT DEVELOPMENT APPLIED RESEARCH

ARC LABORATORIES

Division of Arizona Research Consultants Inc.
917 W. HATCHER ROAD PHOENIX, ARIZONA Windsor 3-3573

RECEIVED JUN 27 1956

FOR: Arizona Globe Uranium Co.
122 N. Central Ave
Phoenix, Arizona

DATE May 7, 1956
LAB No.

RESULTS

Lab. No.	Description	% U_3O_8
1960	Lot 48	0.28
1961	Lot 52	0.35
1962	Lot 54	0.21
1963	DMEA-OCL-247-55	3.47
1964	Lot 35	0.16

Respectfully submitted,

ARC Laboratories

John T. Long, Jr.

As a mutual protection to clients, the public and this corporation, this report is submitted and accepted for the exclusive use of the client to whom it is addressed and upon the condition that it is not to be used, in whole or in part, in any advertising or publicity matter without prior written authorization from this corporation.

ARC LABORATORIES

Division of Arizona Research Corporation Inc.
917 W. HATCHER ROAD PHOENIX, ARIZONA WINDSOR 3-3573

RECEIVED JUN 27 1956

FOR: Arizona Globe Uranium Co.
122 North Central Ave.
Phoenix, Arizona

DATE May 31, 1956

LAB No.

RESULTS

Lab. No.	Description	% U_3O_8
2051	Lot 59 Sac 16	0.24
2052	1 (bag)	2.15
2053	2 (bag)	1.93
2054	2 X	0.11
2055	3 X	0.86
2056	4	0.20

Respectfully submitted,

ARC Laboratories

George W. Olson

As a mutual protection to clients, the public and this corporation, this report is submitted and accepted for the exclusive use of the client to whom it is addressed and upon the condition that it is not to be used, in whole or in part, in any advertising or publicity matter without prior written authorization from this corporation.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
PHONE AL 3-4272 617 WEST MADISON ST. P. O. BOX 1888 PHOENIX

Chemists . . . Engineers

RECEIVED
JUN 27 1956

For Arizona Globe Uranium Inc.
c/o Mr. Dick Henes
222 North Central Avenue
Phoenix, Arizona

Date April 25, 1956

Sample of ore

Received:

Submitted by: same

ASSAY CERTIFICATE

Gold figured at $ 35.00 per ounce. Silver figured at $ 0.90 per ounce.

Lab. No.	Identification	Gold		Silver		Percentage	
		Oz. per Ton	Value	Oz. per Ton	Value	URANIUM (U_3O_8)	
126326	Lot #33					0.20	

REGISTERED ASSAYER
CERTIFICATE
CLAUDE E. McLEAN
ARIZONA, U.S.A.

Respectfully submitted,
ARIZONA TESTING LABORATORIES

Claude E. McLean

Charges: $ 5.00 c
Mail

1000 3-56 AMPCO 60804

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
PHONE AL 3-6272 817 WEST MADISON ST. P. O. BOX 1888 PHOENIX

Assayers . . . Engineers

RECEIVED
JUN 27 1956

For Arizona Globe Uranium, Inc.
Mr. Dick Henes
122 North Central Avenue
Phoenix, Arizona

Date April 9, 1956

Sample of ore

Received:

Submitted by: same

ASSAY CERTIFICATE

Gold figured at $ 35.00 per ounce. Silver figured at $ 0.90 per ounce.

Lab. No.	Identification	Gold		Silver		Percentages
		Oz. per Ton	Value	Oz. per Ton	Value	URANIUM (U_3O_8)
105037	Lot #28					0.15

REGISTERED ASSAYER CERTIFICATE EXPIRES CLAUDE E. McLEAN DEC. 31, 1956 ARIZONA, U.S.A.

Respectfully submitted,
ARIZONA TESTING LABORATORIES

Charges $ 5.00

Claude E. McLean

PRODUCT DEVELOPMENT APPLIED RESEARCH

ARC LABORATORIES

[illegible] of Advanced Research Consultants Inc.

[illegible] W. HATCHER ROAD [illegible]

FOR: Arizona Globe Valentine Co.
122 N. Central
Phoenix, Arizona

DATE [illegible]

LAB No. [illegible]

[illegible]

Lot 58

Respectfully submitted,

ARC Laboratories

George S. [illegible]

As a mutual protection to clients, the public and this corporation, this report is submitted and accepted for the exclusive use of the client to whom it is addressed and upon the condition that it is not to be used, in whole or in part, in any advertising or publicity matter without prior written authorization from this corporation.

Form AEC-000
(6-51)

Form approved.
Budget Bureau No. 29-R043.

U. S. ATOMIC ENERGY COMMISSION

APPLICATION FOR BONUS PAYMENT

For ore delivered on or after March 1, 1951, in accordance with AEC Domestic Uranium Program Circular 6

(For instructions, see reverse side)

1. NAME OF APPLICANT: Arizona Globe Uranium, Inc.
2. MAILING ADDRESS: 293 North Broad Street, Globe, Arizona
3. NAME OF MINING PROPERTY: Sue Group (Sue #16)
4. MINING DISTRICT: Arizona, SLRB, Gila County, Arizona
5. DATE: June 7, 1956
6. AEC LICENSE NO.: F-2225
7. MINING PROPERTY CERTIFICATION NO.: D.U.P. C6-C-630

No application for bonus payment will be considered on shipments from any mining property which has not been certified.

8. ORE SHIPMENTS DELIVERED TO AND PAID FOR BY Globe Receiving Station (Mill or station)

LOCATED AT Cutter, Arizona (about 8 miles out of Globe, Arizona)

DATES OF SETTLEMENT	(Fill in either) LIQUIDATION NO.	CHECK NO.	DRY TONS ORE	GRADE U_3O_8	POUNDS U_3O_8	BONUS PAYMENT PER POUND U_3O_8	AMOUNT OF BONUS PAYMENT	
4-17-56	377		26.4050	0.14	73.93	2.30	170	04
4-24-56	482		21.0185	0.17	71.46	2.90	207	23
5-9-56	564		47.9440	0.17	163.01	2.90	472	73
5-18-56	616		37.7755	0.37	279.54	3.50	978	39
5-18-56	617		49.8840	0.23	229.47	3.50	803	15
						TOTAL	$2,631	54

(If more space is needed, use a sheet of paper the same size as this page)

I CERTIFY that the above application is correct and just and that payment therefor has not been received. *(See Instruction G.)*

PAYEE Arizona Globe Uranium, Inc.

PER Y. R. Kerr DATE June 7, 1956 TITLE President

NOTE.—Misrepresentation or falsification of facts in this application may subject the applicant to criminal penalties under pertinent provisions of the United States Code including section 1001 of title 18. Any such offense may also disqualify the applicant from receiving bonus payments.

FOR USE BY ATOMIC ENERGY COMMISSION ONLY

Pursuant to authority vested in me, I certify that this application is correct and proper for payment.

(Administrative approval)

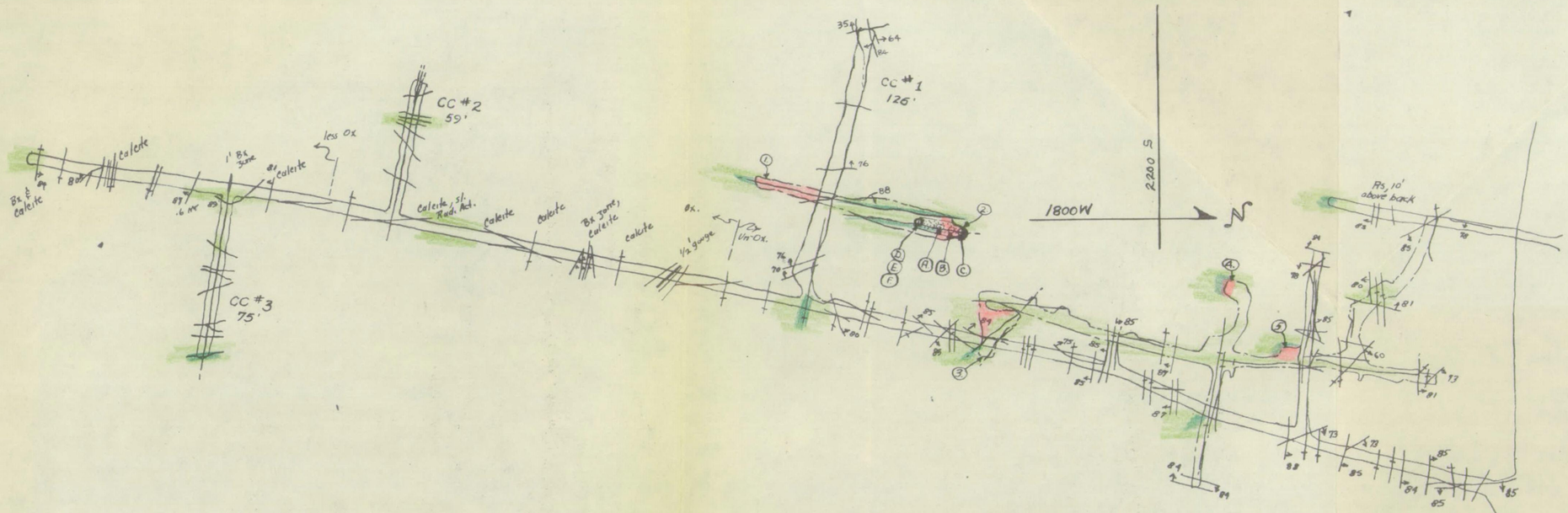
TITLE

(Authorized certifying officer)

DATE

ACCOUNTING CLASSIFICATION	AMOUNT	

16—97222-1



SUE

1" = 50'

DOCKET DMEA 3669 (URANIUM)
CONTRACT Idm E-834
ARIZONA GLOBE URANIUM, INC.

PROGRESS MAP OF SUE MINE
MONTH OF MAY, 1956

RECEIVED
JUN 27 1956

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

RECEIVED
JUN 25 1956

[redacted]

[redacted]

Mr. J. R. [redacted], President
Arizona Globe Smelter, Inc.
[redacted] North Broad Street
Globe, Arizona

Re: Contract DMEA [redacted] (Vanadium)
Contract [redacted]

Dear Mr. [redacted]:

In reference to your letter of June 16, 1956, and consistent with provisions in the contract pertaining to long-hole percussion drill holes to be drilled under Stage I of the contract, the Government approves the following four drill holes which will complete the drilling to be performed under Stage I of the contract.

(1) From a point in No. 2 Crosscut approximately 42 feet from the beginning, drill two horizontal percussion drill holes, one nominally not to exceed 37.5 feet in length, and one nominally not to exceed 30 feet in length.

(2) From a point in No. 3 Crosscut approximately 75 feet from the beginning, drill two horizontal percussion drill holes, one nominally not to exceed 30 feet in length, and one nominally not to exceed 30 feet in length.

Bidding in this work approval shall be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the final unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

W. M. Graves
W. M. Graves

E. M. Kaufman
E. M. Kaufman

[redacted]
cc-Chairman, Op. Comm. (4)
Finance Office, Region III
Accountant File
Northman
Stogner
Pelch
Yentzend
Secretary, File E-834
Chron.

RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
WASHINGTON, D.C.

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

RECEIVED
JUN 25 1956

224 New Customhouse
Denver 2, Colorado

June 20, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3469 (Uranium), Contract Ida-8834
Arizona Globe Uranium, Inc. (Sun Mine)
Gila County, Arizona

Enclosed for your records are four copies of project work approval issued by the DMEA Field Team, Region III. Also enclosed are four sets of data relative to the work approval.

W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEPARTMENT MANAGEMENT INFORMATION
WASHINGTON, D.C.

RECEIVED
JUN 2 1 1993

MINERAL DEPOSITS
DMEA
RECEIVED
JUN 15 1956

RECEIVED
JUN 25 1956
U.S. GEOLOGICAL SURVEY
DENVER, COLORADO

DMEA
Date Rec'd.
JUN 18 1956

June 13, 1956

BUREAU OF MINES
Denver, Colorado

Memorandum

To : Executive Officer, DMEA Field Team, Region XII

Through : W. A. Storms and E. N. Harshman

From : T. M. Rosale and Leonid Bryner

Subject : Proposed additional long hole drilling, DMEA contract I4s-2814, Project DMEA-3020 (Uranium) Arizona Globe Uranium, Inc., (Sun Mine), Gila County, Ariz.

Reference is made to the attached 6 copies of the operator's letter of June 10, 1956, with maps. The letter requests permission for the drilling of the remaining 207.5 feet of long holes authorized under Stage I. Locations and designs of the proposed drilling are shown on the map.

We recommend approval of operator's request because: (1) The proposed holes will explore along radioactive N-S fractures that apparently localize ore mineralization at the Sun mine; (2) The 207.5 feet of requested drilling is the remainder of the 600 feet authorized by Stage I; and (3) drilling alone will be prepared at no expense to the Government by drilling short raises from the 2 crosscuts recently completed under the contract.

The proposed drill holes may encounter small amounts of commercial ore, but the results of this drilling should not affect our decision to recommend denial of Stage II explorations for reasons given in Falck's memorandum of April 17, 1956 to E. N. Harshman.

T. M. Rosale, Mining Engineer
U. S. Bureau of Mines

Leonid Bryner, Geologist
U. S. Geological Survey

cc W. M. Tanner (Orig. & 6)
E. N. Harshman
J. H. Falck
DMEA-3020
WF

TMRosale:frj

RECEIVED

JUN 2 5 1956

June 10, 1956

COPY

Mr. W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson, Arizona

Re: DMEA Docket 3669 (Uranium)
Contract Idm - E834

Dear Mr. Storms:

Request is hereby made for the remaining 207.5 feet of percussion long hole drilling under Phase I of the subject contract.

Enclosed are six (6) copies of a map of the Sue Mine, Gila County, Arizona, showing proposed locations of the requested holes in red. Each hole is to be of a minimum diameter of 1½" to allow for geiger tube probing.

Two holes, totaling 107.5 feet are requested at DMEA Crosscut No. 2 Sta. 42 + 00, where it is believed the radioactive fracture from Crosscut No. 1 comes through. It is intended that a horizontal hole be drilled in each direction, northerly and southerly, along this fracture and in the ore horizon. We request authorization for a DMEA hole northerly 57.5 feet in length, and one southerly 50 feet in length.

Two holes, totaling 100 feet are requested at DMEA Crosscut No. 3 Sta. 75 + 00, where a pronounced north-south radioactive fracture has been encountered. We request authorization for a 50 foot horizontal hole in each direction, northerly and southerly, along said fracture and in the ore horizon.

It is anticipated that raises will be driven at each of the aforesaid two drilling stations to provide room for drilling horizontally as requested.

RECEIVED
MAR 2 2 1976

COPY

These raises will be driven a sufficient height to expose the most radioactive horizon existent within a short distance above each of the aforesaid stations, and the horizontal drilling will be undertaken in these horizons. Stoper holes indicate that the raises will probably not have to be over five feet in height above the tops of the crosscuts.

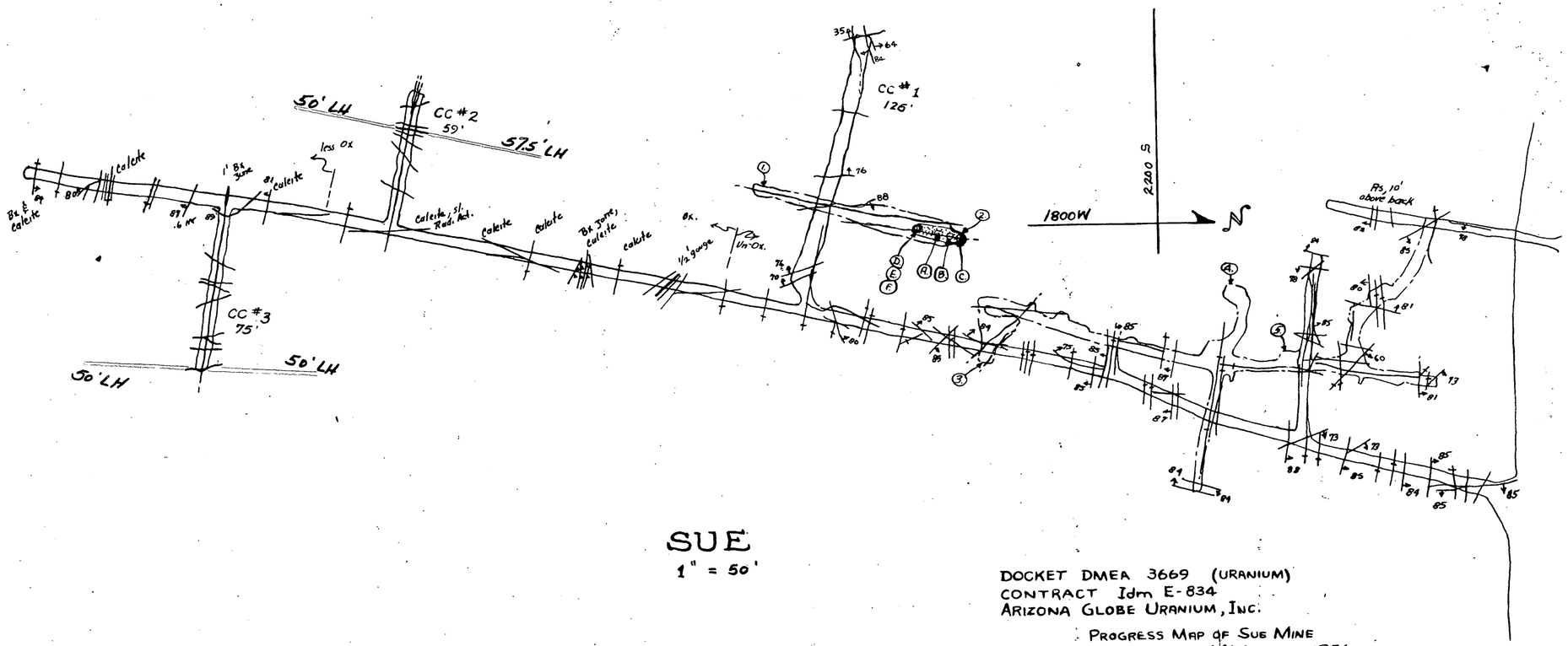
Very truly yours,

ARIZONA GLOBE URANIUM, INC.

R. W. Hanes
General Superintendent

J. R. Heron
President

RWH:mla
Enclosures



SUE
1" = 50'

DOCKET DMEA 3669 (URANIUM)
CONTRACT Idm E-834
ARIZONA GLOBE URANIUM, INC.

PROGRESS MAP OF SUE MINE
MONTH OF MAY, 1956

RECEIVED
JUN 2 5 1956

U. S. DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

224 New Customhouse
Denver 2, Colorado

Date: June 7, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty payments, Docket DMEA 3669 (Uranium), Contract Idm-E834, Arizona Globe Uranium, Inc. (Sue mine), Gila C County, Arizona

Period: May, 1956

During the above month the following royalty payments were received for ore or concentrates shipped from the subject property:

Date	Lot No.	Dry Tons	Royalty Due	Royalty Paid	Bonus Roy. Due	Bonus Roy. Pd.
4/13/56	377	26.405	$11.51	$8.50*	---	---
4/23/56	482	21.019	15.33	10.37*	----	---
Totals:		47.424	$26.84	$18.87		

Past Due Royalties Collected	None
Total Dry Tons (Ore or Cons.) Shipped to Date	47.424
Expiration Date of Royalty Repayment	Not determined
Amount of Government Participation	" "
Total Royalty Payments to Date	$18.87
Percent of Loan Repayment	- --

W. M. Traver

W. M. Traver

vj

cc Royalty File E 834 w/Settlement Sheets
Monthly Royalty Payment File
W. R. Storms w/settlement sheets
Chron.

U. S. DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

224 New Customhouse
Denver 2, Colorado

Date: June 7, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty payments, Docket DMEA 3669 (Uranium), Contract Iam-E834, Arizona Globe Uranium, Inc. (Sue mine), Gila C County, Arizona

Period: May, 1956

During the above month the following royalty payments were received for ore or concentrates shipped from the subject property:

Date	Lot No.	Dry Tons	Royalty Due	Royalty Paid	Bonus Roy. Due	Bonus Roy. Pd.
4/13/56	377	26.405	$11.51	$8.50*	---	---
4/23/56	482	21.019	15.33	10.37*	----	---
Totals:		47.424	$26.84	$18.87		

Past Due Royalties Collected	None
Total Dry Tons (Ore or Cons.) Shipped to Date	47.424
Expiration Date of Royalty Repayment	Not determined
Amount of Government Participation	" "
Total Royalty Payments to Date	$18.87
Percent of Loan Repayment	- --

W. M. TRAVER

W. M. Traver

vj

cc Royalty File E 834 w/Settlement Sheets
Monthly Royalty Payment File
W. R. Storms w/settlement sheets
Chron.

DMEA
Date Rec'd.

Form 2-0-4 (Rev) 5M 1-56 W&Y

WESTERN URANIUM PROJECT

MAY 28 1956

LUCIUS PITKIN, Inc.

RECEIVED BUREAU OF MINES Denver, Colorado

Ore Purchasing Agent for United States Atomic Energy Commission

Pick-up Station Globe — Grand Junction, Colorado April 13 19 56

Liquidation No. 177 — Lot No. 28 — Shipper's Lot No.

Bought of Arizona Globe Uranium Incorporated — A.E.C. License No. R-2064

Address 331 North Broad Street, Globe, Arizona

Type of Ore Uraninite — Contract No. — Date Received 4/27/56

Mining Claim Sue # 16 — Mining District Storm Auster — Pile No. 8

Lot No.	Wet Weight Pounds	H O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	Cu	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$	Cu
28	53,010	2.04	52,010	0.14	–	0.3		73.91	–	158.	

	Per Lb.	Per Ton	Short Tons	Total Value
0.14% - 2.8# at	2.10	6.44	26.4050	$170.05
Development allowance 2.8# at	.50	1.54	"	40.97
TOTAL USDS PAYMENT		7.94	26.4050	$207.02
Haulage allowance 49 miles .. by per wet ton mile			26.9550	71.75
				286.27
TOTAL				$286.27
TVA				—
TOTAL GROSS PRICE				$286.27
Hilango adjustment - Detail attached				(+) 1.58
NET PROCEEDS				$287.85

Correct DPH
Checked RJP
Approved HER

Paid April 17, 1956
Vo. No. 4-213
Check No. 862

10

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the Commission.
I certify that I hold A. E. C. Source Material License numbered above.
I hereby transfer to the Commission, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.
I will accept the account as shown above as "Total Gross Price" in full settlement for sums due to me on account of the ore deliveries described herein.

Arizona Globe Uranium Incorporated
Seller or Agent

Buyers assays govern if Seller fails to submit his assays prior to acceptance of payment

Rates paid are based on U. S. Atomic Energy Commission Published Schedules unless otherwise provided in contract applicable to ore delivery described herein.

By

Title President

E-834

6-7-56

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

224 New Customhouse
Denver 2, Colorado

June 4, 1956

Mr. E. G. Lee, Secretary-Treasurer
Arizona Globe Uranium, Inc
31 West Monroe Street
Phoenix, Arizona

Re: Royalty payments, Docket DMEA 3669, Contract Idm-883h (Uranium), Arizona Globe Uranium, Inc. (Sue mine), Gila County, Arizona

Dear Mr. Lee;

Settlement sheets and partial royalty payment of $18.87 for liquidation Nos. 377 and 482 have been received from Lucius Pitkin, Inc. The correct royalty on these two shipments, excluding A.E.C. Production Bonus payments, is $26.84 leaving a balance of $7.97 due as follows:

	Liq. No. 377	Liq. No. 482
Ore Value	$170.05	$207.24
Development Allowance	36.97	35.88
Haulage Allowance	80.83	63.55
Gross Value	287.85	306.52
Minus Allowable Deductions	-- --	-- --
Net Value	287.85	306.52
Value per ton	10.90	14.58
Royalty due	11.51	15.33
Royalty paid	8.50	10.37
Balance Royalty Due	3.01	4.96

Your check for $7.97 should be made payable to the Defense Minerals Exploration Administration and sent to the Executive Officer, Room 224 New Customhouse, Denver 2, Colorado.

In addition, it is to your advantage to make application to the Atomic Energy Commission for bonus payment on initial production if you have not done so, and to inform this office when payment is begun.

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

Payment is made directly to the operator. You are therefore requested to include this benefit in computing the total amount of royalty due and to make payment accordingly. Computation of royalty on Liquidation Nos. 377 and 482 including the A.E.C. Production Bonus Payment for example is:

	Liq. No. 377	Liq. No. 482
Value prior to Prod.Bonus	$287.85	$306.52
A.E.C. Production Bonus	170.05	207.24
Gross Value	457.90	513.76
Minus Deductions	-- --	-- --
Net Value	457.90	513.76
Value per ton	17.34	24.44
Royalty due at 5%	22.90	25.69

We trust the foregoing information and the enclosed copy of MMBA Order 1 Amended fully explains the $7.97 still due and royalty payments when receiving A.E.C. Production benefits.

Yours very truly,

W. M. TRAVER

W. M. Traver
Executive Officer, MMBA
Field Team, Region III

Enclosure

MHM/vj

cc: Royalty File E834
Sec. Opr. Comm. (2)
W. R. Storms
Marshall
Chron..

[illegible]

[illegible]

[illegible]

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

RECEIVED
MAY 28 1956

224 New Customhouse
Denver 2, Colorado

FINAL DISTRIBUTION
MAY 24 1956
MADE

May 17, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3669 (Uranium) Contract Idm-E834, Arizona Globe Uranium, Inc. (Sue Mine) Gila County, Arizona - Operator's Monthly Progress Report for the month of April, 1956

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

No payment is involved inasmuch as no contract work was performed during the month.

Remarks

Date of Report----------May 1, 1956
Date Received in Field Office---------- May 8, 1956
Date Received in Region Office--------- May 14, 1956

W. M. TRAVER

W. M. Traver

res

File E834
Comm. (2)

w/copy engr's report

RECEIVED
MAY 2 3 1955

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

FINAL DISTRIBUTION
MAY 2 4 1955
MADE_____

DMEA
Date Rec'd
MAY 14 1956
BUREAU OF MINES
Denver, Colorado

RECEIVED
MAY 28 1956

May 10, 1956

Memorandum

To : W. M. Traver, Executive Officer, DMEA Field Team, Region III

From : Superintendent, Southwest Experiment Station

Subject : April 1956 Progress Report, Docket DMEA-3669, Contract IAc-2834 (Vanadium), Arizona Globe Uranium, Inc. (Sun Mine), Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

(3) Forms MF-104 and MF-104A.

Also enclosed are 4 extra copies of our engineer's report.

As no contract work was done during the month, the operator's report merely is submitted for the record.

Signed by Walter R. Storms

Walter R. Storms

CC W. M. Traver (8)
DMEA-3669
MF

WRSbolmm:fr]

RECEIVED
MAY 2 8 1986

RECEIVED
MAY 28 1956

May 10, 1956

Memorandum

To : W. R. Stevens, Superintendent, Southwest Experiment Station, Region III

From : T. M. Rumale, Mining Engineer, Tucson, Ariz.

Subject : Progress Report of April 1956, DMEA-3560, Contract Ida-2034, (Uranium), Arizona Globe Uranium, Inc. (Sun Mine), Gila County, Ariz.

On May 2, 1956 I visited subject mine and inspected pertinent underground workings with H. O. Smith, mine foreman. I found that no contract work had been performed during April. Approval for driving 3 crosscuts from stations DMEA 330 and 420 was reportedly received by the operator April 26. Preparations for this work were completed and one round had been drilled and blasted in each of 2 crosscuts on May 1.

Operations during April were largely confined to mining and shipping ore from 2 small open stopes, one at sta. 32 in the adit and the other at sta. 47 of the crosscut. The larger stope is from the crosscut. It is about 5 feet high, 10 feet wide and 35 feet in length. The stope follows the mineralized zone that was explored by long hole No. 12. An estimated 100 tons of ore has been mined from this stope. About one-half of this ore has been shipped to the AEC purchasing depot at Grants, Ariz. and the remainder is stockpiled at the mine. Mr. Smith believed this ore would assay about 0.2 percent U_3O_8. An additional 30 tons of ore was mined from the other stope and shipped to the depot. Settlement for 27 tons of this ore was based on the depot's assay of 0.14 percent U_3O_8. The depot's assay on the remaining 23 tons had not been received but the operator's assay of this lot was 0.2 percent U_3O_8.

CC W. M. Trauer (Orig. & 3)
DMEA-3560
DF

TMRumale:frj

RECEIVED
MAY 23 1955

ANALYSIS OF OPERATOR'S REPORT

Form MF-104

No contract work was performed, consequently the form shows no costs for the period. Although contract work was resumed May 1, sufficient work has not been performed to warrant payment of the $300.00 withheld as the Government's share of costs for March.

Form MF-104A

The Form has been properly completed.

Narrative Report

A narrative report was requested, even though no contract was performed, in order that a complete record of operations during the life of the contract be available for the Final Report.

T. M. Rongle

T. M. Rongle, Mining Engineer
Southwest Experiment Station

RECEIVED
MAY 28 1956

May 1, 1956

Re: Docket DMEA 3669 (Uranium)
Contract Idm - E834

Mr. W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson, Arizona

Dear Mr. Storms:

Enclosed herewith are original and four copies each Form MF104 and MF104A and a progress map showing advance for the month of April, 1956 at the Sue Mine, Gila County, Arizona.

Advance this month was restricted to mining operations as shown in red on the map. This has resulted in the production of approximately 150 tons of ore. The reason for there being no DMEA work done this month is that all approved work, except for sample analyses, was completed during March, 1956, and approval of the remaining Phase I crosscut (125 feet) was not received until April, 25, 1956. It is expected that during May, 1956, the remaining Phase I crosscut will be completed, and perhaps also the remaining 207.5 feet of Phase I long hole drilling, if the other work progresses rapidly enough to permit an early request and approval of location and length for long holes. Several channel samples are being taken, and will be submitted for analysis under the DMEA contract. We have had analyses run on the pulp samples from lots of ore shipped to the ore buying station, keeping careful records of where each lot was taken from in the mine, and we wish to know whether or not you would consider these analyses reimbursable under the DMEA contract. Analyses in Phoenix cost $5.00 each.

The first load of ore shipped in April consisted of approximately 27 tons. Our pulp sample assayed 0.15% U_3O_8, but the buying station assay ran only 0.14% U_3O_8. We accepted the buying station assay on this ore, but have decided to have further differences settled by umpire. The second shipment of approximately

23 tons assayed 0.20% U_3O_8 by our pulp sample, but the buying station assay has not yet been received. These first two shipments came out of a raise at DMEA station 50 + 00, and represent roughly a 4' x 4' average face of ore mined.

Approximately 100 additional tons of ore have been or are ready to be shipped, but no chemical assays have been made to date. We have the pulp sample from one 50 ton lot shipped, but our analysis has not yet been returned. This ore has come out of a stope proceeding northerly from DMEA crosscut No. 1 station 47 + 00, along a fracture. A face of ore has been developed here measuring five feet thick and 10 feet wide. Work is continuing in this stope, following the mineralized fracture. The last radiometric reading taken at this fracture ran 12.0 Mr/hr.

Very truly yours,

ARIZONA GLOBE URANIUM, INC

R. W. Hones
General Superintendent

C. O. Lee
Secretary-Treasurer

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

Budget Bureau No. 42-R1036.5

RECEIVED
MAY 28 1956

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

Month of April, 1956 Docket No. DMEA 3669 Contract No. IDM E834
Operator's Name Arizona Globe Uranium, Inc. Minerals Uranium
Address 31 W. Monroe St., Phoenix, Arizona
Contract Amount, $49,285.00 Government Participation: 75 % Amount, $36,964.00

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 (Pneumatic)	0	$ 1,186.00	$ 1,186.00			
Bulldozing						
Crosscutting	0	3,750.00	3,750.00			
Drifting	0	15,000.00	15,000.00			
Sample Analysis						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	0	$19,935.00	$19,935.00			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date May 1, 1956 *Payee Arizona Globe Uranium, Inc.
Per [signature] Title Secretary-Treasurer

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

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

(Instructions on reverse)

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

No Claim

Signature [signature]
(Authorized Certifying Officer)

Date 5/22/56 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Jelm-E834 in accordance with the terms of the contract.

Signature [illegible] Title Mining Engineer Date 4/10/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date MAY 17 1956

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 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAY 28 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1956 Docket No. DMEA 3669 Contract No. IDM 1834
Operator's Name Arizona Globe Uranium, Inc. Minerals Uranium
Address 31 West Monroe St., Phoenix, Arizona

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	0	0	$15,000.00	500	$30.00	1000	$30.00
Crosscutting	Feet	0	0	3,750.00	125	30.00	500	30.00
Raising								
Shafts								
Winzes								
Drilling: ~~Cx~~ Pneumatic	Feet	0	0	1,185.00	5925	2.00	1600	2.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Sample Analysis	Each						310	$ 3.50
TOTAL DISTRIBUTED COSTS		0		$19,935.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Short Form Contract								$49,285.00
TOTAL COSTS		0		$19,935.00				$49,285.00

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 1, 1956 Operator Arizona Globe Uranium, Inc.

Per G. O. Lee Title Secy.-Treas.

→ 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

Form No. O-4 (Rev) SM-1-56 WOY

DMEA
Date Rec'd.

WESTERN URANIUM PROJECT

LUCIUS PITKIN, Inc.

On Purchasing Agent for United States Atomic Energy Commission

RECEIVED JUN 1 2 1956 BUREAU OF MINES Denver, Colorado

MAY 28 1956

Receiving Station Olsen

Grand Junction, Colorado April 23, 19 56

Liquidation No. 48 482 Lot No. 33 Shippers Lot No.

Bought of Arizona Olsen Uranium, Inc. A.E.C. License No. P-T

Address 203 North Broad Street, Olsen, Arizona

Type of Ore Carnotite Contract No. AT(05-1)--(22 Date Received 4/4/56

Mining Claim Sun #16 Mining District Sierra Anchu File No. 0

Lot No.	Wet Weight Pounds	H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	Cu	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$	Cu
33	49,250	2.76	48,037	0.17		1.3		71.45		545.	

USA	Per Lb.	Per Ton	Short Tons	Total Value
0.17 % - 3.4 # at	2.50	8.50	21.0105	207.24
Development Allowance 3.4 # at	.50	1.70	" -	35.73
TOTAL USA PAYMENT		11.56	21.0105	242.97
Haulage allowance 40 miles @ 4¢ per wet ton mile			21.0150	63.55
TOTAL GROSS PRICE				306.52
Deductions:				- - -
NET PROCEEDS				306.52

Correct
Checked
Approved

Paid; 4-24-56
Voucher No. 4-385
Check No. 1046

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have lawful right to deliver the same to the Commission.
I certify that I hold A. E. C. Source Material License numbered above.
I hereby transfer to the Commission, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.
I will accept the amount as shown above as "Total Gross Price" in full settlement for same due to me on account of the ore delivered herein.

Arizona Olsen Uranium, Inc.
Seller or Agent

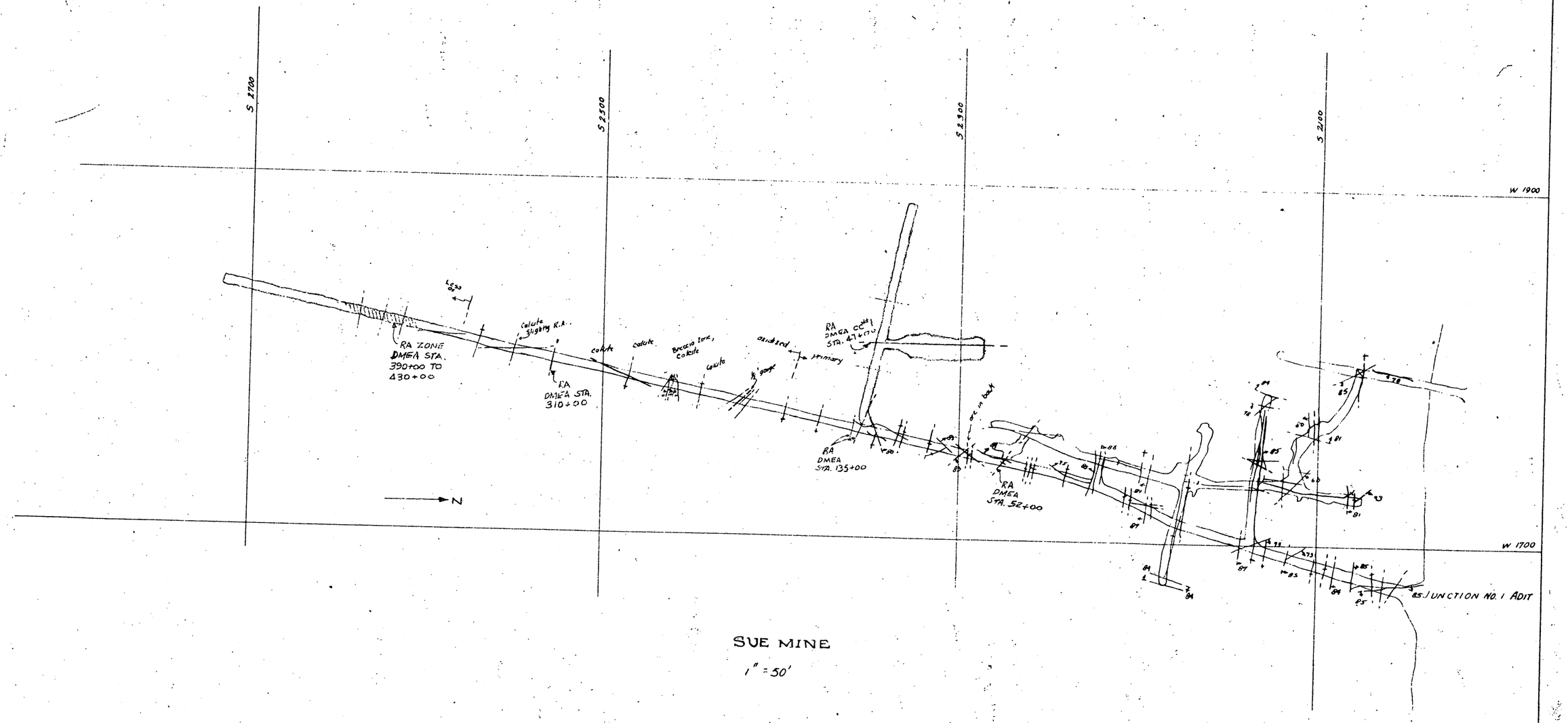
Buyers assays govern if Seller fails to submit his assays prior to acceptance of payment.

All rates paid are based on U. S. Atomic Energy Commission Published Schedule values otherwise provided in contract applicable to ore delivery described herein.

By

Title

E-834



SUE MINE

1" = 50'

DOCKET DMEA 3669 (URANIUM)
CONTRACT Idm E-834

ARIZONA GLOBE URANIUM, INC.
PROGRESS MAP OF SUE MINE
MONTH - APRIL, 1956

RECEIVED
MAY 28 1956

5-3-56

Date Rec'd.

APR 30 1956

BUREAU OF MINES
Denver, Colorado
RECEIVED
MAY 2 - 1956

COPY

April 27, 1956

Western Uranium Project
Lucius Pitkin, Inc.
P. O. Box 1351
Grand Junction, Colorado

Attention: Mr. H. C. Jackson
Business Administrator

Docket No. DMEA-3669
Royalty Contract Idm-E 834

Gentlemen:

We have received your letter dated April 23, 1956, a copy of which is attached hereto, regarding royalty payments to the D.M.E.A., and wish to advise that your procedure, using 5% of settlement values exclusive of development and haulage allowances for calculating royalty will be satisfactory. We also agree that royalty checks should be sent to:

Executive Officer
DMEA
Region III
Room 224, New Customhouse
Denver 2, Colorado

and be payable to the Defense Minerals Exploration Administration.

Yours very truly,

ARIZONA GLOBE URANIUM, INC.

C. O. Lee

C. O. Lee
Secretary-Treasurer

cc: (6) W. M. Traver
Executive Officer
DMEA, Region III
Room 224, New Customhouse
Denver 2, Colorado

Sec. Op. Comm. (2)

GS: (3) Charles A. Rasor, Chief
Ore Procurement Branch,
Mining Division
U. S. Atomic Energy Commission
Grand Junction Operations Office
Grand Junction, Colorado

CC: (2) W. R. Storms, U. S. Bureau of Mines
P. O. Box 4097, University Station, Tucson, Arizona

WESTERN URANIUM PROJECT
LUCIUS PITKIN, INC.
ORE PURCHASING AGENT FOR
UNITED STATES ATOMIC ENERGY COMMISSION
P. O. BOX 1351
GRAND JUNCTION, COLORADO

RECEIVED
MAY 2 - 1956

April 23, 1956

C O P Y

C. O. Lee
Arizona Globe Uranium, Inc.
31 West Monroe Street
Phoenix, Arizona

Dear Sir:

We have your letter of April 10 to the U. S. Atomic Energy Commission, Grand Junction, regarding royalty to be withheld from your ore settlements and paid over to the:

U. S. Bureau of Mines
Box 4097 University Station
Tucson, Arizona

We have also been advised by D.M.E.A. that D.M.E.A. Docket 3669 royalty should be paid to D.M.E.A., Denver, Colorado, and not the Bureau of Mines, Tucson, Arizona.

This is to advise that we can only apply one set rate of royalty, in this instance 5% of settlement values exclusive of development and haulage.

Copy of this letter to the U. S. Atomic Energy Commission, Mining Division, Grand Junction, will so advise.

If this procedure is not agreeable to you, we would ask you to consider royalty payment direct to the proper recipient.

Will you please advise.

Yours very truly,

/s/ H. C. Jackson

H. C. Jackson,
Business Administrator

HCJ:je
cc: C. A. Rasor - U.S.A.E.C. Mining Division
DPRay

4-26-56

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

RECEIVED
APR 2 6 1956

224 New Customhouse
Denver 2, Colorado

April 24, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3669 (Uranium), Contract Idm-2834, Arizona Globe Uranium, Inc. (Sue mine), Gila County, Arizona

Enclosed are four copies of project work approval issued by the DMEA Field Team, Region III.

Also enclosed are four sets of data relative to the matter.

W. M. Traver

W. M. Traver

Enclosures

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

APR

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

RECEIVED
APR 23 1956

22d Rev Customhouse
Denver 2, Colorado

CERTIFIED MAIL

April 23, 1956

Mr. C. O. Lee, Secretary-Treasurer
Arizona Globe Uranium, Inc.
31 West Monroe Street
Phoenix, Arizona

Re: Docket DMEA 1669 (Uranium),
Contract DMA-[illegible],
Arizona Globe Uranium, Inc.,
(Sun mine),
Gila County, Arizona

Dear Mr. Lee:

In reference to your letter of April 13, 1956, and consistent with provisions in the Contract relative to the crosscutting to be performed under Stage I, this constitutes the Government's approval for you to crosscut from the drift driven under Stage I of the Contract at the following locations:

1. At a point approximately 330 feet from the starting point of the DMEA drift, crosscut Westerly normal to the drift.

2. At a point approximately 460 feet from the starting point of the DMEA drift, crosscut both Easterly and Westerly normal to the drift.

The total crosscutting under this approval shall not exceed 165 feet and the extent of crosscutting at each location must be acceptable to the Government.

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

W. H. Traver

E. N. Hershman

JWT:ysl

cc: Chairman, Oper. Comm. (4)
Finance Office, Region III
Amendment file
Hershman
Storms
Faick
Townsend
Corres. file
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU MINERALS EXPLORATION COMPANIE NATION
WASHINGTON 25, D.C.

MINERAL DEPOSITS
DMEA
RECEIVED
APR 19 1956
GEOLOGICAL SURVEY
DENVER, COLORADO

RECEIVED
APR 20 1956

Box 4125 University Station
Tucson, Arizona

DMEA
Date Rec'd.
APR 19 1956
BUREAU OF MINES
Denver, Colorado

April 17, 1956

MEMORANDUM

To: Executive Officer, DMEA Field Team, Region III

From: J. M. Faick
T. M. Romalo

Through: E. H. Barnhart
" H. R. Shorts

Subject: Docket DMEA 3669 (Uranium), Contract Ida-2894, Arizona-Globe Uranium, Inc., Sue Uranium Mine, Gila County, Arizona.

On April 13, 1956, the operators of the above subject contract submitted a request for permission to drive 125 feet of crosscut, the remainder to be driven under Stage I of the contract. This project was visited by T. M. Romalo, U.S.B.M., and J. M. Faick, U.S.G.S., on April 2 and 3, to study the results of the exploration work done thus far, and to determine whether additional exploration was desirable. We concluded that the small amount of work remaining in Stage I should be done, and that the information obtained would be evaluated before considering any work under Stage II. Work remaining to be done amounts to 125 feet of crosscut and some long hole exploratory drilling.

The operators propose crosscutting at 3 places, which may be located on the previously submitted map showing locations of long drill holes. The lengths of the crosscuts are not exactly known; however, the total is not to exceed 125 feet. The location, direction and objective is given below:

Location in Drift	Direction of Crosscut	Objective
EMKA Station 330+00	Westerly	To explore a zone where 2 mineralized fractures might intersect.
EMKA Station 420+00	Easterly	To explore a zone of slightly radioactive fractures.
EMKA Station 420+00	Westerly	To explore the westerly extension of the zone of radioactive fractures.

The operators request that they be granted permission to distribute the 125 feet of crosscutting at their discretion so that they will be able to do the most work on the best showings. We believe the operators' request is reasonable; therefore we recommend that permission to complete this phase of Stage I be granted. It is likely that permission to drill the remaining long holes will be requested when the crosscutting nears completion. At present there is no indication that permission to start Stage II will be requested by the operators or granted by EMKA.

John R. Falck

John R. Falck

T. K. McDonald

T. K. McDonald

JRF:ms

cc: Barnhamm (6)
Storms

RECEIVED
APR 23 1956

COPY

April 13, 1956

Re: Docket BMEA 3669 (Uranium)
Contract Idm-EE34

Mr. W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson, Arizona

Dear Mr. Storms:

Permission is hereby requested for crosscutting under Phase I of the subject BMEA contract normal to the BMEA main drift, said crosscutting not to exceed 125 feet and to be distributed, at the discretion of Arizona Globe Uranium, Inc., at not to exceed three locations as follows:

BMEA Sta. 330/00 - in a westerly direction normal to drift

BMEA Sta. 420/00 - in an easterly direction normal to drift

BMEA Sta. 420/00 - in a westerly direction normal to drift

The last BMEA progress report shows a slightly anomalous condition above the drift at BMEA sta. 330/00, where a vertical stoper hole has been drilled right on a prominent east-west fracture. It is believed that a westerly crosscut here will serve the two-fold purpose of exploring the possibilities of the east-west fracture at that station and also determining whether the north-south fracture at BMEA crosscut sta. 47/00 carries as far south as BMEA sta. 330/00. If this north-south fracture does intersect the east-west fracture at BMEA sta. 330/00, it would appear that there is a better possibility of an extensive ore zone at this intersection than at any other point between BMEA sta. 135/00 and 330/00. This crosscut will be driven first to an approximate depth of 30 feet, and then further, if showings justify.

BMEA sta. 420/00 presents a fracture series in an area where several other slightly radioactive fractures have been encountered (BMEA sta. 390/00 to 430/00) and it is intended that following driving of the crosscut at BMEA sta. 330/00, or simultaneous therewith, a crosscut to the east at BMEA sta. 420/00 will be undertaken, as the east wall of the drift in

this area shows greatest radioactivity. If, within 50 feet or so, favorable ore or fracture zones do not develop, it is intended to crosscut west at DMEA sta. 420/00 for the remainder of the DMEA Phase I crosscut work, and further, at the expense of Arizona Globe Uranium, Inc., if showings justify. In this connection, however, the total DMEA crosscut work may be used up in either or both of the previously described locations if showings justify in the opinion of Arizona Globe Uranium, Inc., considering what information is available, including recommendations by the AEC staff in Globe, Arizona.

This request seeks authorization up to three crosscuts, so that we can continuously prosecute this final Phase I crosscut work in the most practical manner, keeping the work in the most favorable of three locations day by day as it progresses. Under the authorization requested, it is possible that all of the remaining DMEA work could be used up in one of the requested locations if favorable showings seemed to justify, and on the other hand, any one or two of the crosscuts could be abandoned after a few feet of advance if geological conditions and drilling seemed to indicate that good results would not be forthcoming.

The pulp sample from the first 22-ton lot of ore non-selectively taken from above DMEA sta. 52/00 in a six foot by six foot block was chemically assayed privately at 0.15% U_3O_8. DMEA royalty is forthcoming from this 22-ton lot. Work is presently being done at DMEA sta. 51/00 and along a north-south fracture at that location, above the drift and six feet to the west of the drift. Ore is being stockpiled for sampling before shipment is made. In addition, a drift is being driven to the north along the north-south fracture at DMEA crosscut sta. 47/00 for the development of additional ore.

It is expected at this time that the remaining 207.5' of long hole drilling under Phase I of the DMEA contract will be requested for use in the crosscuts covered herein at a later date.

Yours very truly,

ARIZONA GLOBE URANIUM, INC.

Richard W. Howes

Richard W. Howes
General Superintendent

C. O. Lee

C. O. Lee
Secretary-Treasurer

RWH/em

COPY

MINERAL DEPOSITS
DMEA
RECEIVED
APR 19 1956
APR 20 1956

Box 4156 University Station
Tucson, Arizona

April 17, 1956

MEMORANDUM

DMEA
Date Rec'd.
APR 19 1956
BUREAU OF MINES
Denver, Colorado

To: Mr. E. M. Harshman EMH

From: J. H. Faick

Subject: Interim Examination, Docket DMEA 3669 (Uranium) Contract Ide-2834, Arizona-Globe Uranium, Inc., Sun Uranium Mine, Gila County, Arizona

On April 2-3, 1956 the writer and T. N. Donale re-examined the Sun mine. At this time operations had halted temporarily because of inclement weather but Richard W. Evans, Superintendent, and H. Smith, a mining contractor, were present during the first part of the examination and together we were able to make radiometric logs of 4 holes, which completed radiometric logging of all the long holes drilled under the contract. This examination confirms our growing suspicions that unless larger quantities of higher grade material are encountered soon there will be no justification for undertaking Stage II of the project.

Inspection of the underground workings leaves the examiners with 4 fairly definite impressions, as follows:

1. The largest and most radioactive bodies appear to be localized near intersections of nearly vertical, northerly trending fractures and thin, irregularly bedded shaly quartzite.
2. The host rocks, the Dripping Spring quartzite, appears to be nearly horizontal and the most favorable bed stays a few feet above the exploration drifts, and does not dip into the workings at the south end of the mine as previously expected.

3. The larger and more radioactive zones appear to be closest to the outcrop, and as depth is attained by the workings, smaller, fewer and less-radioactive zones are encountered.

4. Radioactivity at the face appears to be directly proportional to the intensity of oxidation; the amount of iron oxide stain, the amount of secondary uranium minerals, and the intensity of radioactivity seem to diminish as greater depth is attained by the workings.

A few samples were cut by the examiners and these analyses will be submitted by Rosalo when available. Analyses of the operator's samples and his radiometric logs will be available at a later date. The applicant is expected to request permission to complete Stage I of the contract, and we believe this is a reasonable request; however, it does not appear now that Stage II of the contract would be justified.

John H. Feick

JHF:mm

cc: Hornbaum (6)
Skorna

Schedule No. 56-100
4-25-56

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

RECEIVED
APR 25 1956

Administrative Audit Difference Statement

Globe Uranium, Inc.
293 North Broad Street
Globe, Arizona

Date: April 20, 1956
Payee's Reference: March 1956
DMEA-3669

FINAL DISTRIBUTION

Gentlemen:

MADE APR 23 1956

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ 1,185.00

Difference $

Amount Approved $ 1,185.00

The reason for the difference was due to:

* Withheld - $300.00 pending resumption of work under the contract.

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

~~XXXXXXXXXXXX~~
~~XXXXXXXXXXXX~~
~~XXXXXXXXXXXX~~
Randel R. Cooper
Fiscal Officer

R-III-B & F Form No. 4
4-15-52 D

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

RECEIVED
APR 2 5 1956

224 New Customhouse
Denver 2, Colorado

April 19, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3669 (Uranium) Contract Idm-E834, Arizona Globe Uranium, Inc. (Sue Mine) Gila County, Arizona - Operator's Monthly Progress Report for the month of March, 1956

Enclosed are the original and four copies of Form MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report, except as follows.

Withhold an amount of $300.00 pending resumption of work under the contract, or if work is not resumed continue to hold this amount pending resolution of matters relative to closing the account.

Remarks

Date of Report----------April 1, 1956
Date Received in Field Office---------- April 11, 1956
Date Received in Region Office---------- April 18, 1956

W. M. TRAVER

W. M. Traver

Enclosures
JDC:jy
cc: MF-104 File E834 Storms
Sec. Op. Comm. (2) Townsend w/copy engr's report
Cooper Chron.

DMEA
Date Rec'd.

APR 18 1956

BUREAU OF MINES
Denver, Colorado

April 16, 1956

Memorandum

RECEIVED
APR 2 1956

To : W. M. Traver, Executive Officer, DMEA Field Team Region III

From : Superintendent, Southwest Experiment Station

Subject : March 1956 Progress Report Docket DMEA-2669, Contract Ym-2534 (Uranium), Arizona Globe Uranium, Inc., Sue Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report;
(3) Forms MF-104 and MF-104A.

Also enclosed are 4 extra copies of our engineer's report.

As all work is in accordance with terms of the contract, I recommend that the Government's share of the costs be paid.

Signed by Walter R. Storms

Walter R. Storms

CC W. M. Traver (8)
DMEA 2669
MF

WRStorms:frj

DMEA
Date Rec'd.
RECEIVED APR 18 1956
APR 2 5 1956
BUREAU OF MINES
Denver, Colorado

April 16, 1956

Memorandum

To : Walter R. Sterns, Superintendent, Southwest Experiment Station, Region III

From : T. M. Rosalie, Mining Engineer, Tucson, Ariz.

Subject : Progress Report for March 1956, DMEA-3669, Contract Ida-2834, Arizona Globe Uranium, Inc., Sun Mine (Uranium) Gila County, Ariz.

John Faick, Geologist, U. S. Geological Survey and I visited the Sun Mine April 2 and 3, 1956. On April 2 we assisted R. W. Hunes and H. C. Smith, General Superintendent and Mine Foreman, respectively, in the measurement and probing of long holes that had been drilled during the period of February 16 to March 31, 1956. On April 3, Mr. Faick and I inspected and sampled other mine workings.

I found that authorized progress was confined to the drilling of the DMEA approved 13 long holes from 8 locations. All of these holes except No. 8 were drilled and probed to depths slightly in excess of those shown on the map which accompanied the operator's request for approval of the drilling. Hole 8, reportedly drilled to an approved depth of 50 feet, was probed to a block of raveling ground at 42.3 feet.

Probing of the holes shows that significant radio-activity is confined to zones at survey stations 52 + 00 in the adit and station 47 in crescent No. 1. At station 52 + 00, abnormal radio-activity was confined to the back of the adit and appeared to be localized by an east-west fracture. The grade of ore in this zone was tested by crosscutting about 5 feet to the east and 10 feet to the west. A mineralized north-south fracture encountered at about 8 feet in the west crescent was followed to the south for about 5 feet. Testing of the working with a Geiger counter indicated that the remaining material of significant radio-activity is confined to a 1- to 3-inch wide zone at one place along the north-south fracture. A Bureau of Mines assay of my sample from this zone contained 0.66 percent U_3O_8 (chemical) and 0.71 percent U_3O_8 (radiometric). Another sample of

CC W.M. Traver (8)
DMEA-3669
DF

TMRosalie:frj

about 30 tons of stock-piled material from these workings assayed 0.14 and 0.17 percent U_3O_8, respectively chemical and radiometric. In addition to the 30 tons, one truck load of material reportedly was hauled to the AEC purchasing depot at Cutter, Ariz. The assay of a sample from the truck load of ore had not been received.

At station 47 in crosscut No. 1, hole 12 follows a relatively strong north-south fracture that probably localized the highly mineralized zone indicated by the probing operation. My chip sample along this zone, about 3 inches wide, assayed 0.06 and 0.08 percent U_3O_8. Testing of this zone by drifting was expected to be in progress within a few days after the examination.

The operator is expected to request approval for the remaining crosscutting of Stage I within a few days.

ANALYSIS OF OPERATOR'S REPORT

Form MF-104

Drilling: Pneumatic - The $1,185.00 is for 592.5 feet of authorized long-hole drilling at $2.00 per foot. An additional 44.48 feet of drilling included 30.27 feet in an extra hole, 7.5 feet in hole 8, and 6.71 feet of excessive drilling in the other 12 holes.

Form MF-104A

The form has been properly completed.

Narrative Report

The report is considered acceptable. It includes Geiger counter readings of the long holes and the numerous short stoper holes drilled in the back of both the adit and crosscut at no expense to the Government.

T. M. Romslo
Mining Engineer
Southwest Experiment Station

DMEA
Date Rec'd.
APR 18 1956
BUREAU OF MINES
Denver, Colorado

COPY

April 9, 1956

RECEIVED
APR 2 1956

Mr. W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson, Arizona

Re: Docket DMEA 3669 (Uranium)
Contract Idm-2834

Dear Mr. Storms:

Enclosed herewith are the original and four copies of each form MF 104 and MF 104A.

Progress during March, 1956, included 592.5 feet of percussion long hole drilling as authorized in that letter dated March 14, 1956 from W. H. Traver and E. M. Harshman.

For the purpose of ready reference, as recommended by your Mr. T. M. Romslo, the percussion holes will be referred to by number hereafter as follows:

Station 52+00
East hole - 1
Verticle hole - 2
West hole - 3

Station 135+00
Only hole - 4

Station 310+00
East hole - 5
West Hole - 6

Station 390+00
Only Hole - 7

Station 430+00
Only Hole - 8

Station 500+00
Only Hole - 9

Station 501+00
Only Hole - Extra; this hole goes 15° downward in a S12° W direction.

RECEIVED
APR 25 1956
DMEA
Date Rec'd.
APR 18 1956
BUREAU OF MINES
Denver, Colorado

COPY

Crosscut Sta. 47+00
South hole - 10
N33°W Hole - 11
North Hole - 12

Crosscut Sta. 125+00
Only Hole - 13

Each of these holes has been probed with a Detectatron D3-9 Geiger Counter equipped with a long hole probe having 100 feet of cable. The probe was inserted into the drill holes using sectional cable support means consisting of half-cylindrical aluminum sections one meter in length which were assembled and disassembled surrounding the probe cable and supporting the probe for each hole. For convenience, the radiometric readings constituting the logs for each hole have been taken at one half meter or 1.64 feet intervals. Each log was started by taking the first reading with the nine-inch geiger tube probe totally inserted in the beginning of the hole, so that ensuing readings are logged at hole depths measuring from the collar of the hole to the tip of the nine-inch geiger tube probe.

The geiger counter was calibrated for taking the following readings by inserting the geiger tube probe into a six-inch stovepipe filled with plaster of paris enriched with U_3O_8 to a chemical assay value of 0.14% U_3O_8, and provided with a 1-1/2 inch longitudinal cylindrical hole through the center to accomodate the probe. The geiger counter readings obtained with the geiger tube probe inserted in the stovepipe serve as a basis for estimating the U_3O_8 content of rock penetrated with the percussion drill holes from which geiger counter readings were also taken, as follows:

Hole No. -	1	2	3	4	5	6	7	8	9	10	11	12	13	Extra
Stovepipe reading	.25	.25	.25	.25	.25	.25	.25	.11	.25	.11	.12	.12	.20	.25
Probe inserted														
0.75'	.20	.80	.26	.07	.10	.35	.08	.11	.03	.12	.09	.22	.07	.12
2.39'	.40	1.5	.50	.05	.08	.20	.10	.10	.07	.12	.05	.21	.09	.12
4.03'	.65	.65	.40	.07	.05	.05	.10	.08	.06	.07	.06	.17	.04	.10
5.67'	.65	.65	.40	.05	.06	.05	.10	.10	.07	.08	.05	.18	.03	.09
7.31'	.60	.20	.45	.05	.06	.05	.08	.09	.12	.09	.03	.20	.03	.10
8.95'	.65	.20	.45	.05	.05	.06	.07	.08	.13	.10	.03	.18	.04	.12
10.59'	.30	.15	.70	.06	.04	.05	.07	.07	.10	.11	.05	.21	.04	.12
12.23'	.30	.10	.10	.03	.05	.05	.08	.04	.07	.07	.07	.22	.04	.10
13.87'	.30	.07	.03	.03	.04	.05	.09	.05	.06	.09	.09	.16	.03	.18
15.51'	.30	.025	.05	.02	.12	.07	.12	.05	.07	.11	.04	.11	.03	.10
17.15'	.30	.025	.07	.02	.06	.06	.10	.05	.05	.15	.03	.11	.02	.07
18.79'	.25	.025	.03	.03	.08	.05	.13	.05	.05	.30	.025	.09	.02	.16

Hole No. -	1	2	3	4	5	6	7	8	9	10	11	12	13	Extra
Probe Inserted														
20.43'	.18	.06	.02	.03	.06	.04	.11	.045	.04	.25	.02	.07	.02	.14
22.07'	.22	.08	.03	.03	.02	.04	.08	.04	.06	.22	.03	.09	.03	.08
23.71'	.15	.085	.07	.03	.04	.04	.13	.035	.06	.21	.03	.10	.04	.05
25.35'	.07	.085	.04	.02	.04	.05	.12	.035	.05	.25	.02	.14	.04	.03
26.99'	.07	.025	.03	.02	.05	.07	.13	.035	.04	.25	.015	.45	.02	.04
28.63'	.15	.085	.04	.03	.05	.05	.08	.04	.04	.25	.01	.90	.02	.04
30.27'	.11	.05	.04	.03	.05	.05	.09	.06	.05	.25	.01	1.00	.085	.04
31.91'	.07	.03	.04	.03	.03	.05	.07	.055	.07	.12	.01	.95	.02	
33.55'	.07	.085	.04	.02	.03	.06	.06	.055	.05	.11	.02	.93	.02	
35.19'	.05	.025	.10	.015	.03	.05	.08	.065	.05	.07	.01	.90	.02	
36.83'	.04	.03	.10	.02	.04	.13	.08	.035	.06	.06	.01	.70	.02	
38.47'	.06	.085	.06	.015	.03	.10	.08	.03	.08	.08	.01	.65	.015	
40.11'	.06	.02	.07	.02	.03	.10	.06	.04	.05	.08	.01	.55	.02	
41.75'	.03			.02			.07	.03	.05	.10	.01	.50	.015	
43.39'	.04			.02			.06	.03	.03		.01	.50	.01	
45.03'	.025			.02			.08		.04		.01	.40	.01	
46.67'	.03			.05			.10		.05		.01	.35	.015	
48.31'	.03			.10			.07		.06		.025	.40	.015	
49.95'	.03			.09			.06		.05		.02	.50	.01	
51.59'				.05					.04		.02	.65	.015	
53.23'													.01	
54.87'													.01	

The actual full length of hole no. 8 was 50 feet after drilling, but a continual raveling in the hole made it impossible to probe over 42.5 actual feet, so that the entire long hole work falls 7-1/2 feet short of that authorized in the DMEA letter approving the drilling program. This 7-1/2 feet will be used up later, when the remainder of Phase I drilling is undertaken.

The stoper hole program in the DMEA workings yielded the following results with the geiger counter reading 0.25 on the stovepipe test:

DMEA Sta.	FEET DEPTH OVER TOP OF DRIFT .75	2.39	4.03	5.67	7.31
0+00	.1	.05	.05	.06	
4+00	.12	.17	.14	.13	
7+00	.03	.03	.03		
8+00	.03	.03	.02	.03	
9+00	.06	.04	.04	.03	
11+00	.07	.07	.06		
14+00	.05	.03	.03		
18+00	.06	.06	.04		
23+00	.07	.07	.06	.03	

COPY

DMEA Sta.	FEET DEPTH OVER TOP OF DRIFT .75	2.39	4.03	5.67	7.31
27+00	.07	.05	.05		
31+00	.12	.07	.03	.05	
35+00	.12	.09	.06	.04	
37+00	.11	.05	.04	.05	.04
38+00	.1	.1	.08	.06	.04
42+00	.11	.09	.06	.04	.03
43+00	.07	.07	.07	.05	
50+00	1.00				
52+00	1.28	2.32	2.36	1.32	
56+00	.20	.28	.28	.12	
60+00	.09	.08	.07	.06	.08
64+00	.07	.07	.06	.12	
68+00	.07	.06	.07	.06	
73+00	.07	.06	.03	.03	
76+00	.07	.06	.04	.04	.04
77+00	.06	.04	.03	.03	
78+00	.07	.07	.04	.04	.03
82+00	.05	.05	.05	.03	
86+00	.05	.03	.04	.04	
90+00	.07	.06	.08	.05	
95+00	.05	.04	.04		
99+00	.06	.03	.03	.05	
104+00	.05	.05	.05	.04	
109+00	.07	.07	.07	.04	
114+00	.07	.07	.07	.05	
116+00	.1	.06	.05	.05	
118+00	.1	.07	.07	.05	
122+00	.11	.08	.03	.03	
126+00	.05	.05	.05		
128+00	.1	.05	.04	.03	
130+00	.1	.1	.07	.03	
135+00	.45	1.43	1.10	.07	
136+00	.4	1.45	1.25	.2	
137+00	.6	.2	.15	.03	
138+00	.20	.20	.15		
139+00	1.00	2.00	.20	.1	
140+00	.25	1.20	.15	.1	
143+00	.25	.12	.10	.1	
146+00	.20	.12	.12	.12	
148+00	.07	.06	.06	.05	
152+00	.06	.07	.05	.05	
156+00	.05	.05	.05	.05	
160+00	.07	.06	.03	.04	
164+00	.07	.07	.07	.05	
168+00	.10	.08	.07	.05	
172+00	.17	.05	.11	.05	
176+00	.05	.04	.05	.03	
180+00	.03	.05	.04	.04	.03

COPY

IMEA Sta.	FEET DEPTH OVER TOP OF DRIFT .75	2.[illegible]	4.03	5.67	7.31
184+00	.04	.04	.04	.03	
188+00	.04	.04	.02	.03	
192+00	.06	.03	.03	.03	
196+00	.03	.04	.04	.03	
200+00	.05	.03	.02	.03	
204+00	.06	.07	.07	.07	
208+00	.07	.07	.04	.04	
212+00	.05	.04	.05	.04	
216+00	.03	.04	.05	.04	
220+00	.03	.03	.02	.03	
224+00	.04	.03	.03	.03	
228+00	.05	.03	.03	.03	
232+00	.04	.04	.03	.03	
236+00	.05	.04	.03	.03	
240+00	.04	.04	.03	.03	
244+00	.05	.05	.04	.04	
248+00	.04	.03	.04	.04	
252+00	.04	.03	.03	.03	
256+00	.03	.03	.03	.03	.04
260+00	.05	.04	.03	.03	
264+00	.04	.04	.05	.04	
268+00	.04	.04	.04	.04	
272+00	.05	.05	.05	.05	
276+00	.05	.05	.05	.05	
280+00	.07	.07	.05	.03	.03
284+00	.05	.07	.05	.04	
288+00	.05	.04	.03	.04	
292+00	.07	.06	.05	.04	
296+00	.07	.05	.04	.04	
300+00	.1	.09	.07	.06	
302+00	.1	.09	.07	.05	
306+00	.08	.08	.06	.06	
310+00	.10	.10	.10	.10	
314+00	.06	.06	.06	.06	
318+00	.08	.06	.06	.04	.06
322+00	.10	.04	.06	.06	
326+00	.10	.06	.06	.06	
330+00	.2	.2	.22	.2	
334+00	.06	.05	.05	.04	
338+00	.07	.04	.03	.03	
342+00	.05	.05	.04	.03	
346+00	.08	.07	.05	.04	
350+00	.07	.04	.03	.03	
354+00	.05	.03	.03	.03	
358+00	.06	.04	.04	.02	
362+00	.09	.06	.03	.03	
366+00	.08	.08	.05	.03	

COPY

DMEA Sta.	FEET DEPTH OVER TOP OF DRIFT .75	2.39	4.03	5.67	7.31
370+00	.06	.05	.04	.04	
374+00	.06	.05	.04	.04	
378+00	.06	.06	.04	.04	
382+00	.06	.05	.04	.03	
386+00	.07	.06	.04	.04	
390+00	.07	.05	.05	.05	
394+00	.05	.05	.05	.04	
398+00	.1	.09	.07	.07	
402+00	.07	.05	.05	.05	
406+00	.09	.07	.07	.09	
410+00	.1	.04	.03	.04	
414+00	.08	.05	.04	.04	
418+00	.07	.06	.03	.03	
422+00	.08	.06	.03	.03	
426+00	.07	.05	.05	.05	
430+00	.08	.07	.05	.05	
434+00	.08	.04	.03	.02	
438+00	.07	.05	.04	.05	
442+00	.05	.04	.04		
446+00	.07	.05	.05	.05	
450+00	.04	.03	.03	.03	
454+00	.05	.04	.04	.04	
458+00	.04	.03	.05	.05	
462+00	.05	.05	.05	.03	
466+00	.06	.04	.04	.04	
470+00	.05	.025	.025	.02	
474+00	.06	.05	.04	.03	
478+00	.05	.04	.04	.04	
482+00	.07	.06	.04	.04	
486+00	.07	.08	.06	.05	
490+00	.08	.07	.04	.04	
495+00	.07	.05	.04	.05	
500+00	.05	.04	.03	.04	
DMEA Crosscut Sta.					
2 +00	.5	.42	.22	.1	
10+00	.09	.09	.1		
17+00	.07	.05	.03		
24+00	.08	.07	.07		
31+00	.08	.05	.03	.04	
32+00	.09	.09	.08	.06	
36+00	.09	.06	.05		
40+00	.07	.06	.05	.04	
44+00	.1	.1	.1	.08	

COPY

DMSA Crosscut Sta.	FEET DEPTH OVER TOP OF DRIFT .75	2.39	4.03	5.67	7.31
47+00	.12	.2	.2	.15	
50+00	.05	.06	.05		
54+00	.06	.05	.05	.06	
58+00	.1	.3	.25	.25	
62+00	.06	.04	.03	.05	
66+00	.06	.04	.03	.02	
70+00	.05	.03	.03		
74+00	.07	.03	.02	.02	
78+00	.04	.03	.03	.03	
82+00	.03	.03	.03	.04	
86+00	.04	.03	.03	.03	
90+00	.03	.02	.03	.02	
94+00	.05	.04	.03	.02	
98+00	.05	.04	.03	.04	
102+00	.04	.05	.03	.03	
106+00	.05	.04	.02	.02	
110+00	.02	.03	.03	.04	
114+00	.03	.05	.04	.03	
118+00	.05	.04	.02	.03	
122+00	.05	.03	.03	.02	
125+00	.06	.04	.03	.04	
127+00	.05	.05	.03	.04	.02

COPY

Ore is now being removed from the workings at the mine in the vicinity of DMSA Sta. 52+00, and the crew is drifting north along the long hole which showed abnormal radioactivity at DMSA Crosscut Sta. 47+00 for further production. It is expected that shearings turned up in this mining work will enable us to determine the best possible location for the remaining DMSA work under Phase I of the contract during this month.

Very truly yours,

ARIZONA GLOBE URANIUM, INC.

Richard W. Hence

Richard W. Hence
General Superintendent

C. C. Lee

C. C. Lee
Secretary-Treasurer

HWH/em
Encls.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
APR 25 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March, 1956 Docket No. DMEA 3669 Contract No. IDN E834
Operator's Name Arizona Globe Uranium, Inc. Minerals Uranium
Address 31 W. Monroe St., Phoenix, Arizona
Contract Amount, $ 49,285.00 Government Participation: 75 % Amount, $ 36,964.00

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) [redacted] Contracts:						
Short Form (Pneumatic)						
Drilling	$1,185.00		$1,185.00			
Bulldozing						
Crosscutting		$3,750.00	$3,750.00			
Drifting		$15,000.00	$15,000.00			
Sample Analyses						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1,185.00	$18,750.00	$19,935.00	1,185.00	18,750.00	19,935.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date April 1, 1956 *Payee Arizona Globe Uranium, Inc.
Per [signature] Title Secretary-Treasurer

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

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

(Instructions on reverse)

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

$ 588.75

Signature [signature]
(Authorized Certifying Officer)

Date 4-20-56 Vou. No. DNA-56-100
(See other side)

Note: Withhold 300.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idaho 834 in accordance with the terms of the contract.

Signature M. J. Tamblo Title Mining Engineer Date 4/16/1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Davey Title Executive Officer Date APR 19 1956

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
APR 25 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1956 Docket No. DMEA 3669 Contract No. IDM E834
Operator's Name Arizona Globe Uranium, Inc. Minerals Uranium
Address 31 W. Monroe St., Phoenix, Arizona

OPERATIONS	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			$15,000.00	500	$30.00	1000	$30.00
Crosscutting	Feet			3,750.00	125	$30.00	500	$30.00
Raising								
Shafts								
Winzes								
Drilling: Pneumatic	Feet	$1,185.00	592.5	1,185.00	592.5		1600	$ 2.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Sample Analyses	Each						310	$ 3.50
TOTAL DISTRIBUTED COSTS		$1,185.00		$19,935.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Short Form Contract								$49,285.00
TOTAL COSTS		$1,185.00		$19,935.00				$49,285.00

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 April 1, 1956 Operator Arizona Globe Uranium, Inc.

Per C. O. Lee Title Secretary-Treasurer

C. O. Lee

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)

M. Pomeroy

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

4-23-56

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

RECEIVED
APR 23 1956

224 New Customhouse
Denver 2, Colorado

April 19, 1956

Mr. Chuck O. Lee, Secretary-Treasurer
Arizona Globe Uranium, Inc.
31 West Monroe Street
Phoenix, Arizona

Re: Docket DMEA-3669 (Uranium)
Contract Idm-E834
Sue Mine
Gila County, Arizona

Dear Mr. Lee:

We are processing your Monthly Report and Voucher for March, 1956.

An amount of $300.00 is withheld pending resumption of work under the contract. If work is not resumed, this amount shall continue to be held pending resolution of matters relative to closing the account, which includes the rendering of a Final Engineering and Geologic Report as stipulated under Article 6 (c) of the contract, and release of the final Report of Review of contract expenditures by the Contract Administration and Audit Division, DMEA.

No maps were submitted with the March, 1956 Monthly Report. If work is resumed under the contract, please include with all future reports such maps as are necessary to show progress for each reporting period and also the progress to date at the end of each period.

Very truly yours,

W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

JDC:jy
cc: Corresp. E834
Sec. Op. Comm. (2)
Storms
Townsend
Chron.

RECEIVED
APR 2 3 1956

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

4-20-56

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

RECEIVED
APR 20 1956

224 Bur Customhouse
Denver 2, Colorado

April 17, 1956

DMEA 3669

Mr. Charles A. Rutter, Chief
Ore Procurement Branch, Mining Division
United States Atomic Energy Commission
Grand Junction Operations Office
Grand Junction, Colorado

Dear Mr. Rutter:

On April 10, 1956 a letter was sent to your attention by C. O. Lee, Secretary-Treasurer of Arizona Slate Uranium, Inc., regarding the requirement for Government's royalty on future production. A copy of this letter is enclosed for your convenience.

Please review your records to have the subject royalty checks sent to the Executive Officer, DMEA, Region III, Room 224 Bur Customhouse, Denver 2, Colorado. All Government royalty checks are to be made payable to the Defense Minerals Exploration Administration, and we would appreciate receiving four copies of each settlement sheet for our files.

Very truly yours,

W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

Enc.

RDR:bh
cc - Mr. C. O. Lee
Royalty File E-834 w/copy letter
Sec., Op. Comm. (2) " "
W. R. Storms " "
Berk.
Chron.

RECEIVED
APR 2 0 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
FEDERAL POWER COMMISSION
WASHINGTON 25, D.C.

RECEIVED
APR 2 0 1956

COPY

April 10, 1956

United States Atomic Energy Commission
Grand Junction Operations Office
Grand Junction, Colorado

Attention: Mr. Charles A. Bacor, Chief
Ore Procurement Branch
Mining Division

Re: Contract No. AT (05-1)-622

Gentlemen:

This is to give notice of the United States Government's claim for royalty on uranium ores purchased from the Arizona Globe Uranium, Inc. Sue Mine after March, 1956, and you are hereby authorized to pay the royalty, as explained below, directly to the Government and to furnish the Government with copies of the settlement sheets. The Government agent for collection of these amounts is:

Mr. W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson, Arizona

The Government's royalty is due by virtue of an Exploration Project Contract (Short Form), Form No. MF-200A as revised June, 1954, Docket No. DMEA-3669, Contract No. Idm-E 834, which provides:

" (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

RECEIVED
APR 2 0 1956

United States Atomic Energy Commission
Grand Junction, Colorado
Attention: Mr. Charles A. Rasor

April 10, 1956

RECEIVED
APR 2 0 1956

COPY

term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes" as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

" (a) Percentages of royalty. - The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (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 (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.) "

There are certain stockpiles of ore from the Sue Mine property which were accumulated prior to the execution of the aforesaid contract, and which, when sold, will not be subject to the Government's royalty. You will be notified in advance when any of this ore is shipped so as not to take a royalty out of the proceeds therefrom, but unless such notice is received with the shipment, or before, all ore hereafter is to be considered subject to the royalty.

Yours very truly,

ARIZONA GLOBE URANIUM, INC.

C. O. Lee, Secretary-Treasurer

cc: W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson, Arizona

cc: United States Atomic Energy Commission (2 cc)
Globe Ore-Buying Station
Cutter, Arizona

RECEIVED
APR 20 1956

3/21/56

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

FINAL DISTRIBUTION MADE MAR 19 1956

224 New Customhouse
Denver 2, Colorado

March 15, 1956

Memorandum

RECEIVED MAR 21 1956

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3669 (Uranium) Contract Idm-E834, Arizona Globe Uranium, Inc. (Sue Uranium Mine) Gila County, Arizona. Operator's Monthly Progress Report, for the period February, 1956

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Amount claimed by Operator---------- $2,340.00

Recommended payment to Operator at 75%--- $1,755.00

Remarks

Date of Report----------March 1, 1956
Date Received in Field Office---------- March 7, 1956
Date Received in Region Office---------- March 15, 1956

W. M. TRAVER

W. M. Traver

Enclosures
JDC:jy
cc: MF-104 File E834 Storms
Sec. Op. Comm. (2) Chron.

DMEA
Date Rec'd.

MAR 15 1956

BUREAU OF MINES
Denver, Colorado

March 13, 1956

Memorandum

To : W. M. Traver, Executive Officer, DMEA Field Team,

From : Superintendent, Southwest Experiment Station

Subject : February 1956 Progress Report, DMEA Contract Idm-8234, Docket DMEA-3669, Arizona Globe Uranium, Inc., Sue Uranium Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

(3) Forms MF-104 and MF-104A.

Also enclosed are 4 extra copies of our engineer's report.

As all work is in accordance with terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC W. M. Traver (8)
DMEA-3669
DF

WRStorms:frj

March 13, 1956

Memorandum

To : Walter R. Storms, Superintendent, Southwest Experiment Station, Region III

From : T. M. Romslo, Mining Engineer, Tucson, Arizona

Subject : Progress Report for February 1956, DMEA-3669, Contract Ion-E834, Arizona-Globe Uranium, Inc., Sue Mine (Uranium) Gila County, Ariz.

On March 2, 1956, I visited the Sue Mine and checked progress under subject contract with R. W. Hemes and R. C. Smith, General Superintendent and Mine Foreman, respectively. I found the progress for February was confined to 51 feet of advance in the adit and 27 feet of advance in the crosscut. The adit and crosscut now have been driven as far as authorized by Stage I, 500 and 125 feet, respectively.

Anomalous radioactivity encountered during February was confined to a small area in the floor at the face of the adit.

Two of the recently proposed long holes were drilled but had not been probed.

Work for March will be confined to the testing of the most favorable zones by long-holes and possibly some mining. Present indications are that this work will show that additional drifting and crosscutting is not warranted.

ANALYSIS OF OPERATOR'S REPORT

Form MF-104

Drifting - The $1,530.00 is for the authorized 51 feet of advance in the adit at $30.00 per foot.

Crosscutting - The $810.00 is for the authorized 27 feet of advance at $30.00 per foot.

CC W. W. Traver (Orig. & 8)

DMEA-3669
DF

TMRomslo:fmj

Form MF-104A

The form has been properly completed.

Narrative Report

The Narrative Report with attached map is considered satisfactory.

T. M. Romslo
Mining Engineer
Southwest Experiment Station

RECEIVED
MAR 8 1956

March 6, 1956

Mr. W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson, Arizona

Dear Mr. Storms:

Enclosed herewith are the original and four copies of each form MF 104 and MF 104A and a progress map showing the advance for the month of February at the Sue Mine, Gila County, Arizona.

Advance during February was fifty-one (51) feet in the DMEA main drift and twenty-seven (27) feet in the DMEA crosscut no. 1.

Advance in the main drift exposed considerable dense dark colored rock of the type which is associated with ore, but no noteworthy radioactive zones were discovered except for a small area in the floor of the drift at the drift face. The series of fractures and faults along the main drift has resulted in an overall shift in the ground which has not yet been figured out. Surface showings do not seem to bear out any particular trend of settling or raising of the formation, and the surfaces showing in the drift cannot be definitely identified stratigraphically. Stoper holes in the roof of the drift have not yet been probed in this area.

The Atomic Energy Commission has informed us that it intends to move a diamond core drill rig onto the Sue property to drill at least one hole down from the surface to the lower member quartzite in the vicinity of the innermost face of the DMEA main drift. The core from this hole is expected to furnish valuable stratigraphic information.

Crosscut no. 1 was completed this month, and a five foot raise was shot in at station 47+00, where a pronounced anomalous north-south fracture was encountered. Very high radiometric readings characterize the raise. The area penetrated from station 98+00 to 125+00 revealed no significant radioactive fractures.

Our long hole drilling program has been begun with two holes in the old

Mr. W. R. Sterns
Tucson, Arizona

March 6, 1956

Sue workings and one vertical hole at DMFA sta. 52+00 already completed. No long holes have been probed as we have not yet procured a probe cable support means capable of being run 50 feet into a vertical drill hole. Garden hose has proved effective up to 25 feet, but it appears that a plumber's tape will be required for greater distances.

The new mine access road is now fully completed except for finish grading along the last two miles.

Yours very truly,

ARIZONA GLOBE URANIUM, INC.

Richard W. Hence

Richard W. Hence
General Superintendent

C. O. Lee

C. O. Lee
Secretary

RWH/em
Encls.

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

Budget Bureau No. 42-R1036.5

RECEIVED
MAR 21 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 1956 Docket No. DMEA 300 Contract No. [illegible]
Operator's Name Arizona Globe Uranium, Inc. Minerals Uranium
Address 31 W. Monroe St., Phoenix, Arizona
Contract Amount, $ 40,200.00 Government Participation: 75% Amount, $ 30,924.00

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) [redacted] Short Form } Contracts:						
Drilling						
Bulldozing	810.00	2,940.00	3,750.00			
Crosscutting	1,530.00	13,470.00	15,000.00			
Drifting						
[illegible]						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2,340.00	16,410.00	18,750.00	2,340.00	16,410.00	18,750.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Mar. 1, 1956 Payee Arizona Globe Uranium, Inc.
Per [signature] Title Secretary-Treasurer

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

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

(Instructions on reverse)

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

$ 1755.00

Signature [signature]
(Authorized Certifying Officer)
Date 3/16/56 Vou. No. DMEA 56-83
(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-E-834 in accordance with the terms of the contract.

Signature M M Kennedy Title Mining Engineer Date Mar. 13, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Ivey Title Executive Officer Date MAR 15 1956

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 21 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1956 Docket No. DMEA 3669 Contract No. IDM E 834
Operator's Name Arizona Globe Uranium, Inc. Minerals Uranium
Address 31 West Monroe St., Phoenix, Arizona

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	$1,530.00	51	$15,000.00	500	$30.00	1000	$30.00
Crosscutting	Feet	$ 810.00	27	$ 3,750.00	125	$30.00	500	$30.00
Raising								
Shafts								
Winzes								
Drilling: Air Pneumatic	Feet						1600	$ 2.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Sample Analyses	Each						310	$ 3.50
Total Distributed Costs		$2,340.00		$18,750.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Short Form Contract								$49,285.00
Total Costs		$2,340.00		$18,750.00				$49,285.00

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 Mar. 1, 1956 Operator Arizona Globe Uranium, Inc.

Per C. O. Lee Title Secretary-Treasurer

C. O. Lee

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)

Remarks:

(For Government use only)

T M Ramsey

INSTRUCTIONS

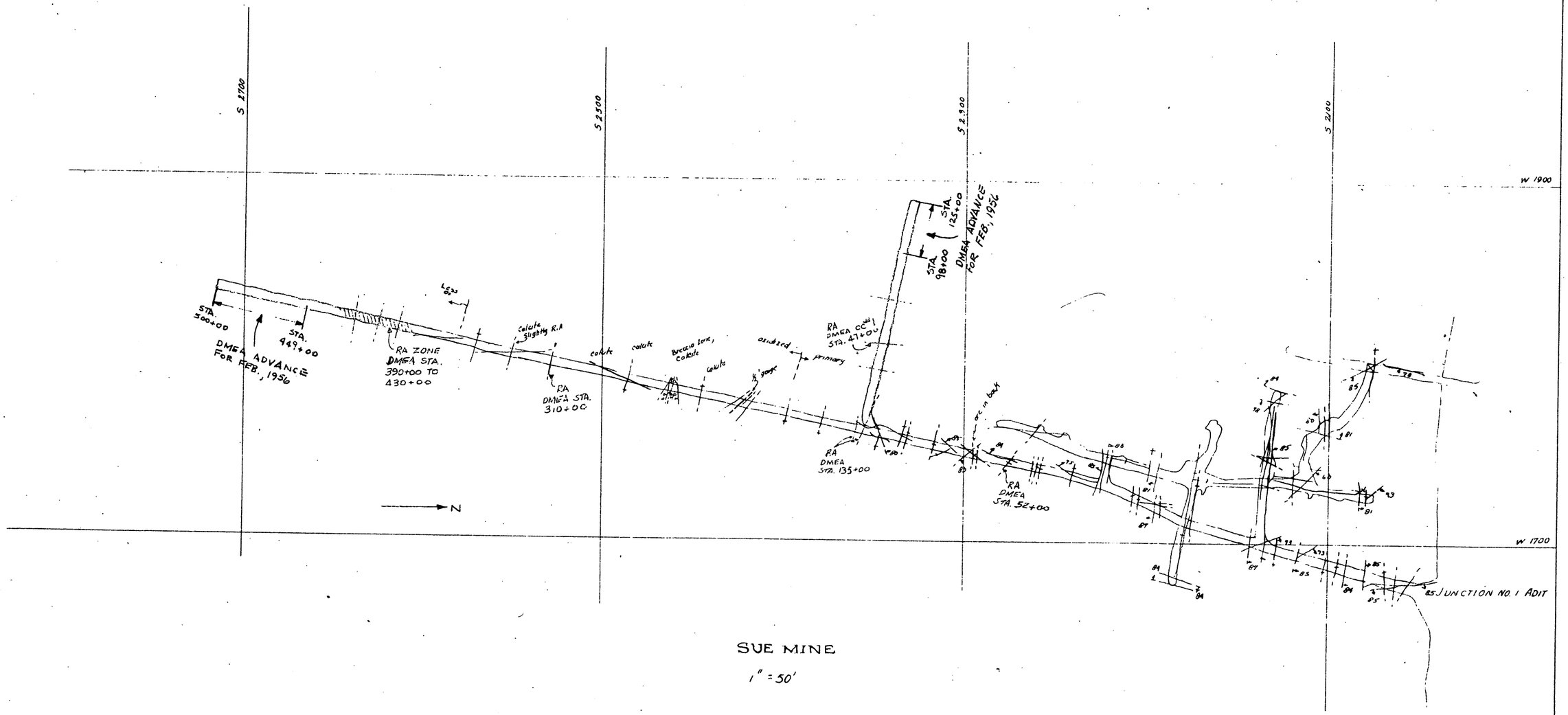
Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better 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
WASHINGTON 25, D. C.



SUE MINE

1" = 50'

DOCKET DMEA 3669 (URANIUM)
CONTRACT Idm E-834

ARIZONA GLOBE URANIUM, INC.
PROGRESS MAP OF SUE MINE
MONTH - FEBRUARY, 1956

RECEIVED
MAR 21 1956

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

RECEIVED
MAR 19 1956

224 New Customhouse
Denver 2, Colorado

March 16, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3669 (Uranium), Contract Idm-E834, Arizona
Globe Uranium, Inc., Sue mine, Gila County, Arizona

Enclosed are four copies of project work approval issued by the DMEA Field Team, Region III.

Also enclosed are four sets of data relative to the matter.

W. M. Traver

Enclosures

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

224 New Customhouse
Denver 2, Colorado

March 14, 1956

Mr. J. R. Heron, President
Arizona Globe Uranium, Inc.
293 North Broad Street
Globe, Arizona

Re: Docket DMEA 3669 (Uranium)
Contract Idm-2834

Dear Mr. Heron:

In reference to your letter of February 20, 1956, and consistent with provisions in the contract pertaining to Stage I work, this constitutes the Government's approval for you to drill not to exceed thirteen (13) percussion drill holes from eight drill stations as shown on the map entitled, "Docket DMEA 3669 (Uranium), Contract Idm-2834, Arizona Globe Uranium, Inc. (Long Hole Drilling Plan)," dated 2/16/56, which is attached hereto and made a part of this work approval.

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

W. M. Trever

E. W. Harshman

Enclosure
JWT:prl
cc: Chairman, Oper. Comm. (4)
Finance Office, Region III
Amendment File
Harshman
Storms
Faick
Townsend
Corres. file
Chron.

MINERAL DEPOSITS DATA RECEIVED MAR 6 1956

Box 4125 University Station
Tucson, Arizona

DMEA Date Re MAR 9 1 BUREAU OF Denver, Co. RECEIVED MAR 1 9 1956

March 5, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: T. N. Rumsle
J. H. Faick

Through: W. B. Storms
E. E. Kerstenn

Subject: Proposed Long Hole Drilling, DMEA-3569 (Uranium) Contract Ida-2694, Arizona Globe Uranium, Inc., Sun Uranium Mine, Gila County, Arizona

Reference is made to W. M. Trever's letter of February 28, 1956 to W. B. Storms.

The requested 11 copies of the map are attached to this memorandum that contains requested comments on 3 items.

Item 1, Do conditions at this time indicate that Stage II work will be recommended for approval? The answer is no. To date only a few zones of weak anomalous radio-activity have been encountered by the submarined 300 feet of adit and 185 feet of crosscutting. These zones will be tested by the long holes to determine if they could contain significant amounts of commercial ore. The best of these zones, as determined by long hole drilling, probably will be further tested by mining small sections in an effort to more accurately establish the grade of ore and the conditions under which the mineralized zones occur. We now doubt that significant amounts of uranium ore will be developed. As Stage II probably will not be recommended, we believe hole No. 6 should be drilled to explore in advance of the present adit face.

Item 2, Why did crosscut diverge from favorable structure? Uranium mineralization associated with the favorable cross-fracture died out within several feet of the adit. Consequently it was decided to run the crosscut normal to the average trend of the more favorable north-south fractures.

Item 3, Has verbal approval been given for any of the drilling? The answer is no. However, an approval was anticipated the 40-foot vertical hole of DMEA Station 32 + 00 was

started and completed during the last half of February. For this reason we believe approval of the requested drilling should be made retroactive to February 15, 1956.

M Parnado
U. S. Bureau of Mines

John M. Faith
U. S. Geological Survey

BMM Field Team (8) 10
W. E. Sharon (2)
J. M. Faith

DMEA
Date Rec'd.

FEB 28 1956

BUREAU OF MINES
Denver, Colorado

February 23, 1956

Memorandum

To : DMEA Field Team, Region III

Through : Walter R. Storms, Superintendent, Southwest Experiment Station, Region III
E. N. Harshman, Denver Federal Center, Denver, Colo.

From : J. N. Faick, Geologist, U. S. Geological Survey and
T. M. Romslo, Mining Engineer, U. S. Bureau of Mines

Subject : Proposed long hole drilling, DMEA Contract Lm-E834, Docket DMEA-3669, Arizona Globe Uranium, Inc., Sue Uranium Mine, Gila County, Ariz. (Reference: Attached 6 copies of Operator's letter, with maps, of February 20, 1956).

The operator requests permission for the drilling of 600 feet of the allowable 800 feet of long holes under Stage I. Locations and designs of the proposed holes are shown on the map and the reasons for the drilling are given in the letter.

We find the proposed drilling program preferable to that outlined by the contract because it is designed to explore only in and near those zones found favorable by the adit and crosscut and by drilling done at no expense to the Government. Therefore we recommend that the contract be amended, if necessary, to provide for the proposed drilling. To provide for drilling that may have started shortly after completion of the survey by Messrs. Hanes and Schmarts, the effective date of the amendment or authorization should be February 15, 1956.

J. N. Faick

J. N. Faick, Geologist
U. S. Geological Survey

T. M. Romslo

T. M. Romslo, Mining Engineer
U. S. Bureau of Mines

CC W. M. Traver (8)
E. N. Harshman
J. N. Faick
DMEA-3669
BF

JNFAICK-T.M.ROMSLO:FRJ

[illegible]

February 20, 1956

Re: Docket DMEA 3669 (Uranium)
Contract Idm-883

Mr. W. R. Sterns
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson, Arizona

Dear Mr. Sterns:

Enclosed are six copies of a map of the Sue Mine, Gila County, Arizona, showing proposed locations for the placement of long percussion drill holes under Phase I of the subject contract, which allows 800 feet of drilling. We are requesting only 600 feet at this time. Inasmuch as the drill holes requested are not exactly spaced not less than 100 feet apart as shown in Figure 3, DMEA 3669, this request is submitted in sextuplicate so that it may be used as a request for amendment to the subject contract if necessary, however, it is believed that the aforesaid Figure 3 is not intended as an inflexible requirement, deviation from which will require an amendment.

The program of drilling mapped on the enclosed maps was worked out by the writer and Roland J. Schwartz, head geologist of the Globe Office of the U. S. Atomic Energy Commission located in Globe, Arizona. Mr. Schwartz and the writer mapped this program on February 14, 1956, taking into consideration all showings in the Sue Mine to date, and especially those encountered in the DMEA work. The program is specifically aimed toward accomplishing the dual object of defining the extent of radioactive zones uncovered in the underground workings and also exploring the greatest possible favorable appearing area for the discovery of presently unknown radioactive zones. The drill holes are to be of a minimum diameter of 1-1/8" to allow for the insertion of geiger tube probes to render radioactivity readings along the length of the holes. A radiometric log for each hole will be prepared on the basis of the geiger counter readings procured.

Three holes totaling 130 feet are requested at station no. 1, DMEA Sta. 52+00. A strong east-west fracture in this area has been tested out with short vertical percussion drill holes and geiger tube probing, rendering the following results:

DMEA Sta.	MR/HR @ 1' up	MR/HR at 2' up	MR/HR at 3' up	MR/HR at 4' up	MR/HR at 5' up	MR/HR at 6' up	MR/HR at 7' up
46+00				1.00			
47+00		.50	.75				
49+00			.70	.70	.70	.70	
50+00	.50	.60	.70	1.50	2.20	.90	.70
50+50		1.50	2.10	1.50	1.20	.50	
51+00		.60	.60	.60	.60	.60	.60
52+00	2.50	3.10		3.30	1.50	1.60	
53+00	1.00	1.00	.50	.40	.35		

The hole to the west is calculated to pass over the old workings in the mine, and to define vertical and horizontal extent of the fracture encountered to the west. The hole to the east is calculated to produce like information in the opposite direction. The vertical up hole is placed here to test for the presence of additional ore horizons. This location is considered wise for an up hole because of the extraordinarily high radioactivity in the roof of the drift, enhancing the possibility of like concentrations existing in other favorable horizons directly above.

One hole 50 feet in length is requested at station no. 2, DMEA sta. 135+00, where the DMEA crosscut no. 1 was approved on the basis of strong radioactivity in the roof of the drift. Inasmuch as the crosscut has deviated from the radioactive fracture started in on, it is believed that a long hole angled upward and following the true course of the fracture will serve best to define the extent of the mineralization associated with the fracture, both vertically, and to the west.

Two holes, each 40 feet long, are requested at station no. 3, DMEA sta. 310+00, where readings at the roof of the drift are about five times background, and where a pronounced east-west fracture occurs. This location presents an isolated spot of abnormal radioactivity in the main drift which has no easy explanation. A 40 feet long hole in each direction along the east-west fracture, and angled upward, will do most in defining both vertical and horizontal linear extent of any radioactive zone above the drift.

One 50 foot hole is requested at station no. 4, DMEA sta. 370+00, where there begins a 40 feet zone of radioactivity which strengthens and wanes as east-west fractures are encountered along the drift. The radioactivity

along this stretch of drift occurs about three feet up from the floor of the drift, and it seems that there may have been some shifting of the ground to perhaps lower the radioactive horizon which previously existed above the roof of the drift. The flaggy bedded quartzite structure lies about two feet down from the roof of the drift in this area, but it cannot definitely be identified as that which was encountered back at the first part of the drift. The multitude of fractures and scattered breccia zones present the possibility of slips having occurred which cumulatively have resulted in an overall change in elevation of the bedding planes. Since the location of greatest radioactivity in this 40 foot zone has been definitely established as being about three feet up from the drift floor, a horizontal long hole on this plane and angled out to the side of the drift is believed to present the best possibility for cutting similar, and perhaps better zones to the west of the drift.

One 50 foot hole is requested at station no. 5, DMEA sta. 430+00, as a correlative to that hole requested at station no. 4. The hole at station no. 5 will serve to furnish like information on the east side of the drift along the same horizon and in the same area as the hole at station no. 4.

One 50 foot hole is requested at station no. 6, at the face of the DMEA main drift for Phase I. This hole is calculated to explore the area above, beyond and to the west of the main drift.

Two 50 foot holes and one 40 foot hole are requested at station no. 7, DMEA crosscut No. 1 sta. 47+00, where the crosscut cuts a north-south fracture giving radioactivity readings of triple background at the roof of the drift. We propose to drive a raise at this station not to exceed five feet above the roof of the drift, which will put us in the horizon from which ore was produced in the mine prior to the DMEA work. It is proposed to drill one 50 foot horizontal hole along the course of the fracture to the north, and one 40 foot horizontal hole along the course of the fracture to the south. These two holes are expected to reveal whether this fracture is an extension of that productive fracture which was worked earlier in the mine, and which produced several hundred tons of ore, and also whether there are zones of ore interspersed along its course. A third hole 50 feet in length is proposed at this station at an angle of 45° to the horizontal and on a N 33° W course. This hole is to explore the ground above the drift and also in the area of a second radioactively anomalous north-south fracture in the crosscut to the west.

This request includes one final 50 feet hole at the face of DMEA crosscut no. 1, sta. 125+00, to explore the area above, beyond and to the north of the face of the crosscut. This hole will explore area further west of the Sue workings than any other work done to date, will penetrate area in a horizon presently believed to be most favorable for the presence of ore, and in addition, will furnish information on the advisability of extending the crosscut.

Mr. W. R. Storms
Tucson, Arizona

February 20, 1956

This request, embracing a total of 600 feet, is based upon recommendations by Mr. Schwartz, who has followed the uranium picture in the Globe area since its inception, as both a geologist and an engineer. It is submitted as presenting the most practical and intelligent program possible considering the geology and mineral occurrences in the Sue Mine. Arizona Globe Uranium, Inc. is undertaking additional long hole drilling at its own expense in accordance with Mr. Schwartz's recommendations, the results of which will also provide further information for the benefit of the DMEA workings. The last 200 feet of Phase I DMEA long hole drilling is being reserved at this time pending the results of the drilling under this request, and also the results of the second DMEA Phase I crosscut, which has not yet been requested.

Your early action on this request is respectfully solicited.

Very truly yours,

ARIZONA GLOBE URANIUM, INC.

R. W. Hewes
General Superintendent

J. R. Maren, President

G. C. Lee, Secretary-Treasurer

RWH/em
Encls.

3/5/56

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

RECEIVED
MAR - 5 1956
FINAL DISTRIBUTION
MADE FEB 29 1956

224 New Customhouse
Denver 2, Colorado

February 23, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3669 (Uranium) Contract Idm-E834, Arizona Globe Uranium, Inc., Sue Mine, Gila County, Arizona - Operator's Monthly Progress Report for the period January 1956

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Amount Reported by Operator----------$4,650.00

Recommended payment to Operator at 75%-----$3,487.50

Remarks

Date of Report----------February 1, 1956
Date Received in Field Office----------February 16, 1956
Date Received in Region Office--------- February 20, 1956

W. M. TRAVER

W. M. Traver

Enclosures
JDC:jy
cc: MF-104 File E834 Storms
Sec. Op. Comm. (2) Chron.

DMEA
Date Rec'd.

FEB 20 1956

BUREAU OF MINES
Denver, Colorado

February 16, 1956

Memorandum

RECEIVED
MAR 5 1956

To : W. M. Traver, Executive Officer, DMEA Field Team, Region III

From : Superintendent, Southwest Experiment Station

Subject : January 1956 Progress Report, DMEA Contract Idm-2834, Docket DMEA-3669, Arizona Globe Uranium, Inc., Sue Uranium Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

(3) Forms MF-104 and MF-104A.

Also enclosed are 4 extra copies of our engineer's report.

As all work is in accordance with terms of the contract and its amendments, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC: W. M. Traver (8)
DMEA-3669
DF

WRStorms:frj

DMEA
Date Rec'd.
FEB 29 1956
BUREAU OF MINES
Denver, Colorado

February 16, 1956

RECEIVED
MAR - 5 1956

Memorandum

To : Walter R. Storms, Superintendent, Southwest Experiment Station, Region III

From : T. M. Romalo, Mining Engineer, Tucson, Ariz.

Subject : Progress Report for January 1956, Docket DMEA-3669, Contract IGn-E834, Arizona-Globe Uranium, Inc., Sue Mine (Uranium) Gila County, Ariz.

On February 9, 1956, I visited the Sue mine and inspected and measured the adit and crosscut of subject contract with Richard W. Hones, General Superintendent. I found that the adit and crosscut had been advanced 67 and 88 feet, respectively, since the end of December. As measured from the starting points, the adit had been advanced from 382 to 449 feet and the crosscut had been advanced from 10 to 98 feet.

A zone of anomalous radio-activity was encountered at approximately 390 to 430 feet in the adit. Within this zone, Geiger counter readings of 2 to 8 times the mine background were encountered at numerous places, most of which were at 3 to 5 feet above the floor. Other anomalous readings were confined to 2 widely separated zones at the back of the crosscut. These zones occur along north-south fractures and appear to be about 1 foot in width.

During February the operator intends to test the above mentioned favorable zones by probing short drill holes that will be driven into the walls and backs of the workings. He also intends to complete a survey to determine the most favorable locations for the long hole drilling allowed by the contract. An AEC geologist from the Globe, Ariz. office will work with the operator on the survey.

Mining operations were about to be resumed after a shut down of a few days due to snow and freezing temperatures.

CC W. M. Traver (Orig. & 8)
DMEA-3669
DF

TMRomalo:frj

RECEIVED
MAR - 6 1986

ANALYSIS OF OPERATOR'S REPORT

Form MF-104

Crosscutting - The cost of $2,640.00 is for the 88 feet of authorized advance at $30.00 a foot.

Drifting - The cost of $2,010.00 represents the 67 feet of allowable advance at $30.00 a foot.

The minimum cross section of both the adit and crosscut is at least 5 by 7 feet.

Form MF-104A

The form has been properly completed.

Narrative Report

The narrative report with attached map is considered satisfactory. It is supplemented by a State Mine Dust Engineer's report on dust and Radon Gas at the Sue Mine. The engineer found that Safety and Dust Laws are not being violated.

T. M. Romalo
Mining Engineer
Southwest Experiment Station

RECEIVED

MAR - 5 1956

February 8, 1956

Mr. W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson, Arizona

Dear Mr. Storms:

Enclosed herewith are the original and four copies of each form MF 104 and MF 104 A and a progress map showing the advance for the month of January at the Sue Mine, Gila County, Arizona.

Advance during January was sixty-seven (67) feet in the DMEA main drift and eighty-eight (88) feet in the DMEA crosscut no. 1.

Advance in the main drift has exposed a zone of radioactivity extending approximately from station 390+00 to station 430+00. Highest values in this zone occur approximately halfway between the floor and roof of the drift along the side walls. Although there has been no commercial grade ore exposed in this area, we are presently exploring around it with six foot percussion drill holes, which we intend to probe later this week. In the vicinity of station 400+00 there appears to have been some faulting which has resulted in a drop of a foot or so in the formation beyond that station. The rock at the back of the main drift continues to be extremely dense and tough, presenting a most favorable host rock for the occurrence of primary uranium mineralization.

Crosscut no. 1 had to be deviated considerably from the direction of the mineralized fracture which it was started in on, in order to maintain this crosscut normal to the direction of the main drift. When it became apparent that the fracture was angling back to the north in a direction 10° too sharply, we decided it would be better to continue in a direction normal to the main drift than to request a contract amendment to allow us to follow the fracture, because this would afford us the greatest opportunity of crosscutting previously unknown north-south fractures. So far, two interesting areas have been penetrated in this crosscut. Both of these areas yield abnormally high radioactivity readings at the roof of the drift at north-south fracture locations. These areas are now being drilled, and will be probed later this week. We intend to raise into the mineralized zone of the fracture which this crosscut

started in on at a later date, and to follow this fracture as a part of our mining operations for the production of ore.

Subfreezing weather hampered operations for part of the past month, but nevertheless it was our best month to date from the standpoint of progress with our DMEA work, and is a credit to Harrison C. Smith who is now running the drifting crew.

The new road into our mining area has now been roughed in for its total distance by the Nafziger Tillage Company of Coolidge, Arizona, and it passes within 50 feet of our ore stockpiles from the Sue Mine. It appears that within a month or six weeks this road will be ready for use.

Enclosed are copies of a letter written by the State Mine Dust Engineer regarding the Sue Mine. You will find this report complimentary to the procedures being followed by Arizona Globe Uranium, Inc. in carrying out its DMEA work.

Please send us sufficient MF 104 and MF 104 A forms by return mail for making next month's report.

Very truly yours,

ARIZONA GLOBE URANIUM, INC.

Richard W. Henes

Richard W. Henes
General Superintendent

C. O. Lee

C. O. Lee
Secretary

RWH/en

Encls.

RECEIVED

MAR - 5 1956

January 27, 1956

Mr. Harrison Smith, Contractor
Herron Uranium Mine
Box 347
Globe, Arizona

Dear Mr. Smith:

I took two Radon Gas samples at the two drift fronts where you are working. Both of these samples were below the [illegible] Curies per liter of air as prescribed by United States Health Department.

Sample No. 1 taken at the face of the drift where the round already drilled had a radon gas count of 78 Micro-Micro curies per liter of air.

Sample No. 2 taken at the face where the men were drilling a round had considerable higher count. This sample had a radon gas count of 116 Micro-Micro curies per liter of air.

These drifts as they progress further into the mountain will have to have fresh air pumped into the working face and you probably will have to use the large Vent Tube instead of [illegible] Your Blower outside is plenty large [illegible] Vent. Tube smaller than the one you [illegible].

I am glad to say this work being done by people who [illegible] and Dust conscious as you are. [illegible] that the Safety and Health [illegible].

I want to thank you and your men for cooperating and [illegible] shown me on my recent visit.

Very truly yours,

[illegible]
Mining Mine Health Engineer

AB:b
cc: J.R. Herron, [illegible] Street St. Globe, Arizona
John T. Harris, Mgr. Assistant Pub. Health, [illegible]
E. F. Chavez, Deputy State Mine Inspector, [illegible]
Files

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
MAR - 5 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January, 1956 Docket No. DMEA 3669 Contract No. DMA E834
Operator's Name Arizona Globe Uranium, Inc. Minerals Uranium
Address 31 West Monroe, Phoenix, Arizona
Contract Amount, $ 49,285.00 Government Participation: 75% Amount, $ 36,964.00

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	2,640.00	300.00	2,940.00			
Drifting	2,010.00	11,460.00	13,470.00			
Sample Analyses						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	4,650.00	11,760.00	16,410.00	4,650.00	11,760.00	16,410.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Feb 1, 1956 *Payee Arizona Globe Uranium, Inc.
Per [signature] Title Secretary-Secretary

*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:

$ 3487.50

Signature [signature]
(Authorized Certifying Officer)

Date 2/27/56 Vou. No. DMA 56-76

(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-E 834 in accordance with the terms of the contract.

Signature T M Donald WMS Title Mining Engineer Date Feb. 16, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Shaner Title Executive Officer Date FEB 23 1956

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 - 5 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1956 Docket No. DMEA 669 Contract No. IUM E834
Operator's Name Arizona Globe Uranium, Inc. Minerals Uranium
Address 31 W. Monroe St., Phoenix, Arizona

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	$2,010.00	67	$13,470.00	449	$30.00	1,000	$30.00
Crosscutting	Feet	$2,640.00	88	$ 2,940.00	98	$30.00	500	$30.00
Raising								
Shafts								
Winzes								
Drilling: ~~Core~~ Pneumatic	Feet						800	$ 2.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Sample Analyses	Each						310	$ 3.50
TOTAL DISTRIBUTED COSTS		$4,650.00		$16,410.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Short Form Contract								$49,285.00
TOTAL COSTS		$4,650.00		$16,410.00				$49,285.00

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 February 1, 1956 Operator Arizona Globe Uranium, Inc.

Per C. O. Lee Title Secretary-Treasurer

C. O. Lee

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)

DM Romeo

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
WASHINGTON 25, D. C.

RECEIVED
JAN 30 1956

224 New Customhouse
Denver 2, Colorado

FINAL DISTRIBUTION
MADE JAN 26 1956

January 19, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3669 (Uranium) Contract Idm-E834, Arizona Globe Uranium, Inc., Sue Uranium Mine, Gila County, Arizona - Operator's Monthly Progress Report, for the period December, 1955

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Amount claimed by Operator on Form MF-104 - - - $1,860.00
Recommended payment at 75 percent - - - - - - - - 1,395.00

Remarks

Date of Report - - - - - - - - - - - - - - - - - - - January 1, 1956
Date Received in Field Office - - - - - - - - - - January 11, 1956
Date Received in Region Office - - - - - - - - - January 18, 1956

JDC:jy
cc: MF-104 File E834
Sec. Op. Comm. (2)
Storms
Chron.
Enclosures

W. M. TRAVER

W. M. Traver

DMEA
Date Rec'd.
JAN 18 1956
BUREAU OF MINES
Denver, Colorado

RECEIVED
JAN 30 1956

Box 4097
Tucson 5, Arizona

January 16, 1956

Memorandum

To : W. M. Traver, Executive Officer, DMEA Field Team

From : Superintendent, Southwest Experiment Station

Subject : December 1955 Progress Report, DMEA Contract Idm-2834, Docket DMEA 3669, Arizona Globe Uranium, Inc., Sue uranium Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report with map;
(3) Forms MF-104 and MF-104A.

Also enclosed are 4 extra copies of our engineer's report.

As all work is in accordance with terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC W. M. Traver (8)
DMEA-3669
DF

WRStorms:frj

ORIGINAL

RECEIVED
JAN 30 1956

Box 4097
Tucson 5, Arizona

January 16, 1955

Memorandum

To : Walter H. Storms, Superintendent, Southwest Experiment Station

From : T. M. Romslo, Mining Engineer, Tucson, Arizona

Subject : Progress Report for December 1955, Docket DMEA-3669, Contract Dm-E834, Arizona Globe Uranium, Inc., Sue Mine (Uranium) Gila County, Ariz.

During a visit to the Sue mine on January 6, 1956, I found that progress under subject contract was confined to an extension of the adit and the driving of a crosscut. Inspections and measurements of the workings were made in the presence of H. C. Smith, the mine foreman-contractor.

The face of the adit was 382.0 feet from the starting point. Of the 382.0 feet, 330.0 feet had been driven to November 30 and the remaining 52.0 feet reportedly was advance for the month of December. The crosscut was started during December and had been advanced a total of 14.0 feet. Ten of the 14 feet of advance reportedly was made during December and the remaining 4 feet was driven inJanuary.

ANALYSIS OF OPERATOR'S REPORT

Form MF-104

Drifting - The cost of $1,560.00 represents 52.0 feet of authorized advance at $30.00 per foot. The drift (adit) continues to be driven to a minimum cross section of 5 by 7 feet.

Crosscutting - The $300.00 represents the 10 feet of authorized advance at $30.00 per foot. The minimum cross section of the crosscut is at least 5 by 7 feet.

Form MF-104A

The form has been property completed.

CC W. M. Traver (Orig. & 8)
DMEA-3669
DF

TMRomslinfrj

Narrative Report

The narrative report and its attached map is considered satisfactory. My findings from an inspection of the headings and by probing drill holes with the corporation's instrument were substantially as reported by Mr. Hanse.

T. M. Romulo

T. M. Romulo
Mining Engineer
Southwest Experiment Station

RECEIVED
JAN 30 1956

January 9, 1956

Mr. W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson, Arizona

Dear Mr. Storms:

Enclosed herewith are original and four copies of each form MF 104 and MF 104A and a progress map showing the advance for the month of December at the Sue Mine, Gila County, Arizona.

Advance during December was fifty-two (52) feet in the DMEA main drift and ten (10) feet in the DMEA cross cut no. 1, which begins at DMEA main drift station 135+00 and proceeds in a westerly direction normal to the direction of the DMEA main drift, as authorized in a letter dated December 14, 1955 from E. N. Harshman, Acting Executive Officer, DMEA Field Team, Region III.

Significant change has occurred in the main drift for the last 30 feet, where it appears that we are leaving an oxidized zone which has run approximately from station 170+00 to 355+00. At various points between the foregoing stations promising fractures were encountered, but six foot stoper holes failed to reveal anything more than fair radiometric background counts in their vicinity. The structure in the last 30 feet has changed from reddish-brown in color to black, and has become harder and tougher. This denser sulfide ground is obviously more impervious to seeping surface waters than the foregoing oxidized zone, and should therefore be a more desirable zone for primary uranium minerals. A steadier high radiometric background characterizes the back of the drift, but no anomalous fractures have yet been exposed. The same flaggy bedded horizon continues to hold in the roof of the drift, and it appears that we are still below our known ore horizon. Lack of evidence of any appreciable faulting in the main drift lends to the theory that the horizontal dip of the bedding planes roughly corresponds with the incline of the main drift.

Stoper holes six feet straight up have been drilled on four foot centers throughout the DMEA main drift, and have been probed to DMEA station 330+00. Two major east-west mineralized fractures exist at DMEA stations 50+00 and 135+00. Supplementary drilling around these stations indicates

a two foot thickness of commercial grade and better ore at station 50+00, with a north-south width of at least two feet. Radiometric probe readings in this area correspond with readings which have in the past meant 1% U_3O_8 ore. Station 135+00 supplementary drilling and probing produced almost identical results, except that a north-south width of at least three feet was found. Inasmuch as our drilling and probing was confined to that limited area above the drift, and mineralization characteristically varies in cross sectional area and grade along the favorable fractures, no reliable estimate of ore reserves can be made from our preliminary findings. Operators in the area generally agree that reserves cannot be calculated with certainty or accurateness in the quartzite formation where the mineralization is subject to fracture control.

DMEA cross cut no. 1 has progressed ten feet in a westerly direction normal to the main drift, and it appears that at least for the present this cross cut will follow the mineralized fracture which crosses the main drift at station 135+00. Good radiometric readings are procured in the roof of this drift along the mineralized fracture, but since the ore is at least a foot above the drift, and since one foot of rock will damp out over 98% of the radiation of an ore body, readings in the drift have little qualitative or quantitative significance in respect to ore bodies above. We will drill stoper holes all along this fracture as it is exposed in the drift.

New living quarters for the men have been erected near the mine, and a ventilation system comprising a twelve inch blower driven by a four cylinder gasoline engine has been set up. It is hoped that two shifts may be employed next month.

Please send us sufficient MF-104 and MF-104A forms to make next month's report on.

Very truly yours,

ARIZONA GLOBE URANIUM, INC.

R. W. Hanes

R. W. Hanes
General Superintendent

RWH/en
Encls.

C. O. Lee

C. O. Lee
Secretary-Treasurer

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JAN 30 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December 1955 Docket No. DMEA 3669 Contract No. IDM E834

Operator's Name Arizona Globe Uranium, Inc. Minerals Uranium

Address 31 W. Monroe St. Phoenix, Arizona

Contract Amount, $49,285.00 Government Participation: 75% Amount, $36,964.00

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	300.00	0.00	300.00			
Drifting	1,560.00	9,900.00	11,460.00			
Sample Analysis						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1,860.00	9,900.00	11,760.00	1,860.00	9,900.00	11,760.00

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

Date Jan. 1, 1956 *Payee Arizona Globe Uranium, Inc.

Per [signature] Title Secretary-Treasurer

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

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

(Instructions on reverse)

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

$1395.00

Signature [signature]
(Authorized Certifying Officer)

Date 1/24/56 Vou. No. 1956-62

(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-E384 in accordance with the terms of the contract.

Signature [illegible] Title Mining Engineer Date Jan 16, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Maier Title Executive Officer Date JAN 19 1956

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
JAN 30 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1955 Docket No. DMEA 3669 Contract No. IDM E834

Operator's Name Arizona Globe Uranium, Inc. Minerals Uranium

Address 31 W. Monroe St. Phoenix, Arizona

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	1,560.00	52	11,460.00	382	30.00	1000	30.00
Crosscutting	Feet	300.00	10	300.00	10	30.00	500	30.00
Raising								
Shafts								
Winzes								
Drilling ~~xxx~~ Pneumatic	Feet						800	2.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Sample Analysis	Each						310	3.50
TOTAL DISTRIBUTED COSTS		1,860.00		11,760.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Short Form contract								49,285.00
TOTAL COSTS		1,860.00		11,760.00				49,285.00

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 Jan 1, 1956 Operator Arizona Globe Uranium, Inc.

Per C. O. Lee Title Secretary-Treasurer

C. O. Lee

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)

M Pombo

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

1-17-56 dzm

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

RECEIVED
JAN 16 1956

224 New Customhouse
Denver 2, Colorado

January 11, 1956

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3669 (Uranium) Contract Idm-E834, Arizona Globe Uranium, Inc., Sue Uranium Mine, Gila County, Arizona

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data pertaining to work under the subject contract for the month of November, 1955.

W. M. Traver

W. M. Traver

Enclosures

RECEIVED
JAN 16 1985

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

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

RECEIVED
JAN 16 1956

224 New Customhouse
Denver 2, Colorado

December 15, 1955

Memorandum

To: T. A. Christensen

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3669 (Uranium) Contract Idm-E834, Arizona Globe Uranium, Inc., Sue Uranium Mine, Gila County, Arizona - Operator's Monthly Progress Report, for the period November, 1955

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks

Date of Report- - - - - - - - - - - - - - - December 1, 1955
Date Received in Field Office- - - - - - December 12, 1955
Date Received in Region Office- - - - - December 14, 1955

E. N. Harshman

E. N. Harshman

Enclosures
JDC:jy
cc: MF-104 File E834
Sec. Op. Comm. (2)
Storms
Chron.

RECEIVED
JAN 16 1945

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

RECEIVED

JAN 16 1956

DEC 14 1955

Box 4097
Tucson, 5, Arizona

December 12, 1955

Memorandum

To : W. M. Trever, Executive Officer, DMEA Field Team, Region III

From : Superintendent, Southwest Experiment Station

Subject : November 1955 Progress Report, DMEA Contract Idm-2834, Docket DMEA-3669, Arizona Globe Uranium, Inc., Sun Uranium Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;
(2) Operator's monthly narrative report with map;
(3) Forms MF-104 and MF-104A.

Also enclosed are 4 extra copies of our engineer's report.

As all work is in accordance with the terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC W. M. Trever (8)
DMEA-3669
DF

WRStorms:frj

[illegible]
[illegible]NAL

RECEIVED
JAN 16 1956

Box 4097
Tucson 5, Arizona

December 12, 1955

Memorandum

To : Walter R. Stearns, Superintendent, Southwest Experiment Station, Region III

From : T. H. Romalo, Mining Engineer, Tucson, Ariz.

Subject : Progress Report for November 1955, Docket DMA-3669, Contract, EMn-2834, Arizona Globe Uranium, Inc., Sue Mine (Uranium) Gila County, Ariz.

On December 2, 1955, I visited the Sue mine and inspected pertinent underground workings with R. W. Hanes, General Superintendent of subject corporation and H. C. Smith, the mine foreman and contractor.

I found the work under the contract was confined to the adit which had been advanced to 334.0 feet from the starting point. Of the 334 feet, 258 feet had been driven to October 31, 73 feet reportedly was driven during November, and the remaining 4.0 feet was advance for December 1.

Anomalous radioactivity encountered since the end of October was confined to the last 20 feet of the adit. It is localized at the back of the working. Stoper holes will be drilled at 4-feet intervals to test the indicated favorable zone.

The camp's living and office quarters are being cleaned up by the new mine foreman.

ANALYSIS OF OPERATOR'S REPORT

Form MF-104

The form shows a cost of $2,160.00 for 72 feet of authorized drifting at $30.00 a foot. It has been completed in the proper manner.

CC W. M. Traver (Orig. & 8)
DMA-3669
DF

THRomalo:frj

Form MF-1044

The form has been properly completed.

Narrative Report

The narrative report and its attached map is acceptable. During the field inspection, Mr. Hames said that he was preparing a new map showing pertinent geologic and assay data.

T. M. Remsio

RECEIVED
JAN 16 1956

December 1, 1955

Re: Docket DMEA 3669 (Uranium)
Contract IDM-E834

Mr. W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson 5, Arizona

Dear Mr. Storms:

Enclosed herewith are original and four copies of each Form MF 104 and MF 104A, and a progress map showing the advance for the month of November, 1955 at the Sue Mine, Gila County, Arizona.

Advance this month was seventytwo (72) feet in the DMEA drift, and continued beneath the ore horizon. The same flaggy bedded quartzite material holds in the roof of the drift, and radioactivity readings are greater near the roof of the drift than they are near the floor.

A noticeable increase in toughness of the quartzite material has occurred in the last 50 feet of drift, which has increased drilling time considerably, and produced bootlegging in several rounds. The disadvantages of tougher rock in the back of the drift are compensated for by the presence of a north-south fracture in the drift for the last 20 feet which shows highly abnormal radiation in the roof of the drift. It has been common in the past to encounter mineralization in the toughest quartzite zones, and it appears that this is happening again now. It is believed that there is an ore zone above the roof of the drift along the north-south fracture for about 20 feet so far, and we intend to make sure of this during December by drilling up six foot stoper holes in the area. If the fracture carries mineralization and continues to hold in the drift, we may be able to block out ore directly above the DMEA drift.

Newspaper reports in Phoenix state that a contract has been let for building a 12 foot road into the Bull Canyon-Deep Creek area. This road will make possible the practical mining of ore from the company's Sue property, as ore may be loaded into large transport trucks at or near the mine portal, and shipped to the buying station without intermediate stockpiling or reloading, which has in the past resulted in loss of fines and leaching, with a consequent decrease in U_3O_8 content.

The DMEA work at the Sue Mine was let out to Harrison C. Smith of Globe, Arizona last week. Mr. Smith will assume the duties previously in charge of Paul Foerster. Mr. Smith has just come from the Doughboy manganese mine, where he was contracting the mining of manganese ore for the Globe Miami Copper Zinc Company.

Please send us additional MF 104 and MF 104A forms for our next month's report.

Respectfully submitted,

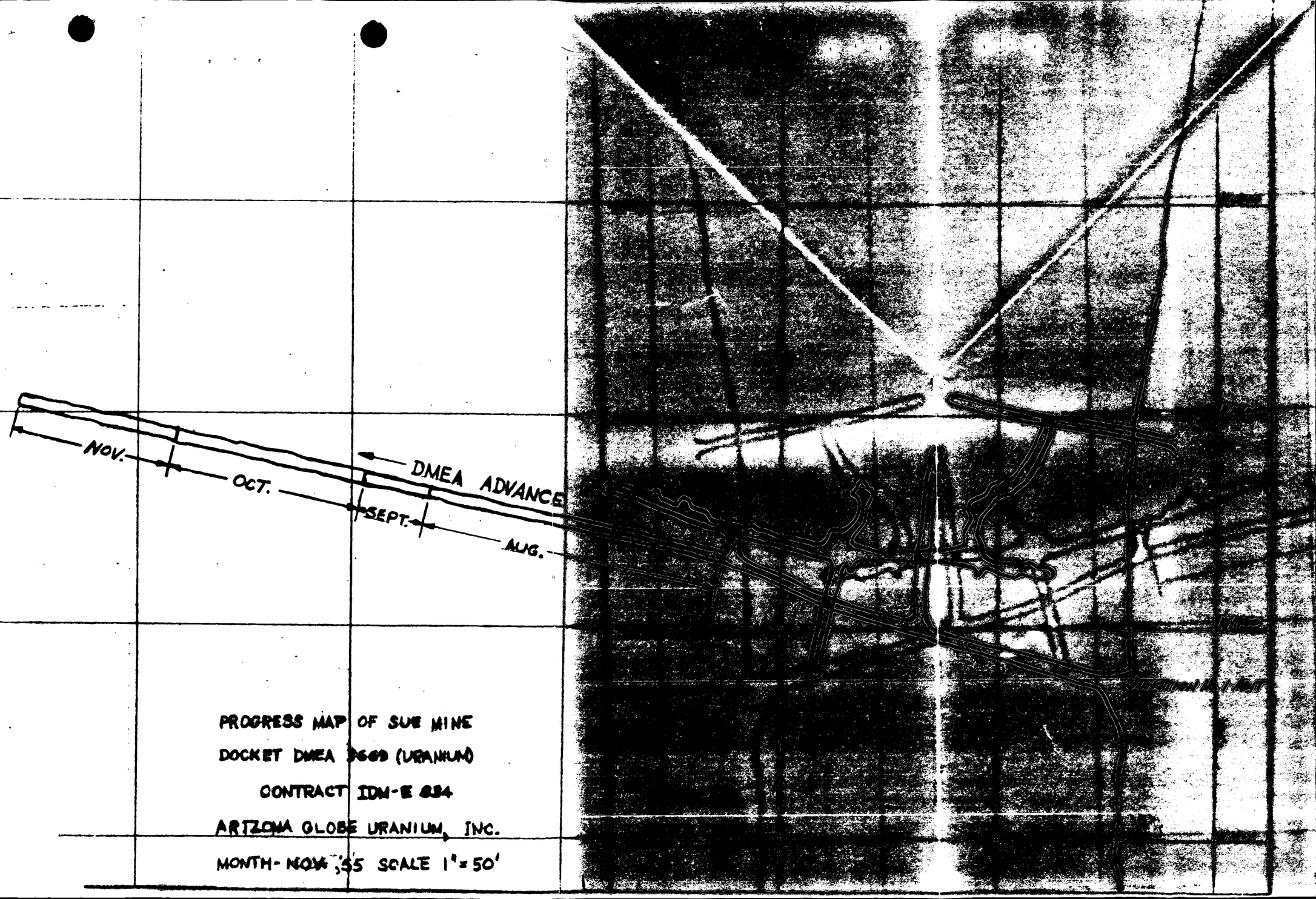
ARIZONA GLOBE URANIUM, INC.

Richard W. Henes
General Superintendent

C. O. Lee
Secretary-Treasurer

RWH
COL/en

Encls.



PROGRESS MAP OF SUE MINE

DOCKET DMEA 3609 (URANIUM)

CONTRACT IDM-E 834

ARIZONA GLOBE URANIUM, INC.

MONTH- NOV. '55 SCALE 1" = 50'

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

Budget Bureau No. 42-R1036.5

RECEIVED
JAN 16 1956

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

Month of November 1955 Docket No. DMEA 3669 Contract No. IDM E834
Operator's Name Arizona Globe Uranium, Inc. Minerals Uranium
Address 31 W. Monroe St., Phoenix, Arizona
Contract Amount, $ 49,285.00 Government Participation: 75 % Amount, $ 36,964.00

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	$2160.00	$7740.00	$9900.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$2160.00	$7740.00	$9900.00	2160.00	7740.00	9900.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Dec. 1, 1955 *Payee Arizona Globe Uranium, Inc.
Per E. O. Lee Title Secretary-Treasurer

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

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

(Instructions on reverse)

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

$ 1620.00

Signature RRa
(Authorized Certifying Officer)

Date 1-9-56 Vou. No. DMA-52-55

(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. DMA-E834 in accordance with the terms of the contract.

Signature M. Ronald WRA Title Mining Engineer Date Dec 12, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Acting Executive Officer Date DEC 15 1955

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
JAN 16 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1955 Docket No. DMEA 3669 Contract No. IDM E834

Operator's Name Arizona Globe Uranium, Inc. Minerals

Address 31 W. Monroe St., Phoenix, Arizona

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	$2160.00	72	$9900.00	330	$30.00	1000	$30.00
Crosscutting	Feet						500	$30.00
Raising								
Shafts								
Winzes								
Drilling: ~~Core~~ Pneumatic	Feet						800	$ 2.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Sample Analyses	Each						310	$3.50
TOTAL DISTRIBUTED COSTS		$2160.00		$9900.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Short Form Contract								$49,285.00
TOTAL COSTS		$2160.00		$9900.00				$49,285.00

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 Dec. 1, 1955 Operator Arizona Globe Uranium, Inc.

Per C. O. Lee Title Secretary-Treasurer

C. O. Lee

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)

W. M. Romolo

INSTRUCTIONS

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

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

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

U. S. Bureau Of Mines
Southwest Experiment Station
DEC 1955
Tucson, Arizona

GPO 872894

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

RECEIVED
DEC 19 1955

224 New Customhouse
Denver 2, Colorado

December 16, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3669 (Uranium) Contract Idm-E834, Arizona Globe Uranium, Inc., Sue Uranium Mine, Gila County, Arizona

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data pertaining to work under the subject contract for the period October, 1955.

E. N. Harshman

E. N. Harshman

Enclosures

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

RECEIVED
DEC 1 9 1955

224 New Customhouse
Denver 2, Colorado

November 28, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3669, (Uranium) Contract Idm-E834, Arizona Globe Uranium, Inc., Sue Uranium Mine, Gila County, Arizona. Operator's Monthly Progress Report, for the period October, 1955

Enclosed are the original and four copies of Form MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-104A, therefore, we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks

Date of Report- - - - - - - - - - - - - - -November 1, 1955
Date Received in Field Office- - - - - - -November 7, 1955
Date Received in Region Office- - - - - -November 23, 1955

W. M. Traver

By J. W. Townsend
J. W. Townsend

Enclosures
JDC:jy
cc: MF-104 File E834
Sec. Op. Comm. (2)
Storms
Chron.

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

RECEIVED
DEC 19 1955

November 22, 1955

Memorandum

To : W. M. Traver, Executive Officer, DMEA Field Team Region III

From : Superintendent, Southwest Experiment Station

Subject : October 1955 Progress Report, DMEA Contract Idm-5834, Docket DMEA-3669, Arizona Globe Uranium, Inc., Sue Uranium Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report with map;
(3) Forms MF-104 and MF-104A.

Also enclosed are 4 extra copies of our engineer's report.

As all work is in accordance with terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC W. M. Traver (8)
DMEA-3669
DF -

WRStorms:frj

RECEIVED

DEC 19 1955

November 22, 1955

Memorandum

To : W. R. Stamm, Superintendent, Southwest Experiment Station, Region III

From : T. M. Rancie, Mining Engineer, Tucson, Ariz.

Subject : Progress Report for October 1955, Contract DMSA-3560, Contract IDc-2834, Arizona Globe Uranium, Inc. Sun Mine (Uranium), Gila County, Ariz.

On November 17, 1955, I visited the Sun mine with Paul Fentner, mine foreman, and inspected the adit which is being driven under subject contract.

I found the face of the adit at 305 feet from the starting point under the contract. Of the 305 feet of advance, 167 feet had been driven to October 1, 55.5 feet reportedly was advance for October, and the remaining 45 feet represents subsequent advance.

Since the beginning of the project, abnormal radioactivity has been confined to a few small areas, some of which are believed to contain material of ore grade. Testing of the more favorable spots with short drill holes is planned by the operator. The results of this work could indicate a time where long-hole drilling or overcutting under the contract may be justified.

The camp's living and office quarters, a stone-iron shack and 2 tents, that was recently destroyed by fire, has been rebuilt. As rebuilt, the camp remains in a sorry condition and is ripe for another fire. On the other hand, conditions at the mine and mine plant are excellent. The adit and equipment are kept clean and a blower is being installed to better ventilate the working face.

CC W. M. Tranor (Orig. & 2)
DMSA-3560
RF

TMRancie:fr

Analysis of Operator's Report

Form MF-104

The form has been completed in an acceptable manner. It includes a cost of $2,730.00 for the 91 feet of authorized advance at $30.00 per foot.

Form MF-104A

The form has been completed in a proper manner.

Narrative Report

The Narrative Report is considered adequate. The attached map should include radioactivity readings obtained by the operator from the AEC. I have requested that these data be included in the future.

T. M. Romalo
Mining Engineer
Southwest Experiment Station

RECEIVED
DEC 19 1955

November 4, 1955

Mr. W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson 5, Arizona

Dear Mr. Storms:

Enclosed herewith are original and four copies of each Form MF 104 and MF 104A and a progress map showing the advance for the month of September at the Sue Mine, Gila County, Arizona.

Advance during October was ninety-one (91) feet in the DMEA drift. The latter part of the month showed a marked improvement in operational efficiency of the drifting team, mainly because of our acquisition of an expert miner who has had experience drifting in quartzite material, and who is able to pull a six foot round with 14 drill holes, using a three hole burn cut. This improvement is offset in part by the inevitable increase in tramming with each foot of advance, but is nevertheless encouraging. The drifting operation during October was carried on by one shift working eight hours a day, six and seven days a week. A fire of unknown origin, which started on a Sunday when no one was at the site, destroyed the cook shack, bunk house and one sleeping tent at the mining camp, along with considerable personal property, including Geiger counter, spare machine parts, black light, refrigerator, bedding, etc. This unfortunate occurrence disrupted mining operations for about a week.

The drifting program is being carried on by drilling with J40 IR jackhammer on Copco airlegs, using six foot hexagonal drill steel having integral bits 1¼" to 1½" in diameter. Mucking is with our Eimco 12B machine on 16 pound rail, and tramming is done with Card 3/4 ton cars provided with 6" side boards. Good blasting results are being secured with ammonia-gelatin dynamite and nitro-starch powder used in varying strengths from 40% to 65%, depending upon the rock being blasted. The partial elimination of bootlegged rounds has been accomplished through the use of dummy plugs, which are rammed firmly into each drill hole behind the powder charge. These plugs consist of fine damp clay or sand which is rolled into a paper cylinder 12" long and 1" in diameter. In general, blasting this past month, using fuse and cap exploders, has been producing quite satisfactory results.

We plan to drill several vertical stoper holes in the DMEA drift this month, time permitting, to determine the most logical stations for DMEA long holes, and also the best location for our DMEA crosscut. After passing through the major mineralized east-west fracture exposed in the face of the drift last

month, we found an abnormal radioactive zone on each side of the drift for approximately two feet in length and one foot in height. Samples from this zone appear to carry uraninite, and will be submitted for assaying under the DMEA contract. A north-south fracture junctioning with the aforesaid east-west fracture did not hold in the drift and produced no ore. It is believed that the roof of the present drift at this station is slightly below the major ore horizon anyway, and that future stoping will be necessary to effect the production of ore. This presence of abnormal radioactivity in the sides of the drift has recurred to a lesser extent at other stations between 167+00 and 258+00. The normal upward incline of the drift has not raised into the ore horizon, as the base of the flaggy bedded quartzite member continues to hold in the roof of the drift. It is believed that the lower occurrence of abnormal radioactivity points up the presence of more definite and pronounced fracture channels in the area which have carried the mineralization down into lower favorable bedding areas. This possibility appears logical in view of the presence of earthy material in fractures at DMEA stations 177+60, 192+10, 192+30 and 201+50, which bear E 20°S, E 10° S, E 60° S and E 15° S respectively. The fracture at station 201+50 contains a two inch thickness of clay, and occurs under a small wash at the surface, about 200 feet above. The material beyond station 201+50 shows less horizontal displacement, and carries a slightly higher overall radioactivity, as well as a small visible quantity of manganese, but otherwise retains the same characteristics as the rest of the drift, with the same flaggy quartzite beds commencing at the roof of the drift. There has been no noticable vertical displacement.

The enclosed progress maps for the Sue mine show fractures for the DMEA work through station 201+50. Fractures beyond that station have not yet been mapped. Fractures in the non-DMEA drifts were mapped by a U. S. Geological Survey team.

We request that you send us additional MF104 and MF104A forms for our next month's report.

Respectfully submitted,

ARIZONA GLOBE URANIUM, INC.

Richard W. Henes
General Superintendent

C. O. Lee
Secretary-Treasurer

Enclosures

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
DEC 19 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1955 Docket No. DMEA 3669 Contract No. DMA B 034
Operator's Name Arizona Globe Uranium Inc.,
Address 31 West Monroe St. Phoenix, Arizona
Minerals Uranium
Contract Amount, $ 40,285.00 Government Participation: 75 % Amount, $ 36,964.00

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	2,730.00	5010.00	7740.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2730.00	5010.00	7740.00	2730.00	5010.00	7740.00

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

Date November 1, 1955 *Payee Arizona Globe Uranium Inc.,

Per E. O. Lee Title Secretary-Treasurer

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

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

(Instructions on reverse)

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

$ 2047.50

Signature RRC
(Authorized Certifying Officer)

Date 12-14-55 Vou. No. DMA-56-48
(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-E834 in accordance with the terms of the contract.

Signature T M Tomalo WAF Title Mining Engineer Date 11/22/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature for W. M. Turner Title Executive Officer Date NOV 28 1955

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-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
DEC 19 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1955 Docket No. DMEA 3669 Contract No. IDM B 034
Operator's Name Arizona Globe Uranium Inc., Minerals Uranium
Address 31 West Monroe St. Phoenix, Arizona

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	$2730	91	$7740.00	258	$30.00	1000	$30.00
Crosscutting	Feet						500	$30.00
Raising								
Shafts								
Winzes								
Drilling: Core Pneumatic	Feet						600	$2.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Sample Analyses	each						310	$3.50
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc. Short term contract		$2730		$7740.00				$49,285.00
TOTAL COSTS		$2730		$7740.00				$49,285.00

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

Date November 1, 1955 Operator Arizona Globe Uranium Inc.,

Per C. D. Lee Title Secretary-Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

N. M. Lomolo

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
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

December 14, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3669 (Uranium), Contract Idm-E834, Arizona
Globe Uranium, Inc., Sue mine, Gila County, Arizona

Enclosed are four copies of work approval issued by this office.

Also enclosed are four sets of data relative to the matter.

E. N. Harshman

Enclosures

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

224 New Customhouse
Denver 2, Colorado

December 14, 1955

Mr. R. W. Hanes, General Superintendent
Arizona Globe Uranium, Inc.
293 North Broad Street
Globe, Arizona

Re: Docket DMEA 3669 (Uranium),
Contract Idm-2834

Dear Mr. Hanes:

In reference to your letter of November 25, 1955, to Mr. W. R. Storms, Tucson, Arizona, and in conformance with the provisions in Exhibit "A" attached to Contract Idm-2834 relative to Stage I work, this constitutes the Government's approval for you to perform the following work under Stage I of the Contract:

> Drive a crosscut not to exceed 125 feet in length in a westerly direction normal to the drift previously driven under Stage I of the Contract from a point in the drift beginning at DMEA Station 135 + 00.

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute under the terms of the Contract, nor the fixed unit cost of any item of work.

Very truly yours,

for E. H. Harshman
Acting Executive Officer
DMEA Field Team, Region III

JWT:prl
cc: Chairman, Oper. Comm. (4)
Finance Office, Region III
Amend. file, Region III
Harshman
Storms
Faick
Townsend
Corres. file
Chron.

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

DEC 16 1955
BUREAU OF MINES
Denver, Colorado

December 6, 1955

Memorandum

To: W.M. Traver, Executive Officer, DMEA Field Team, Region III, Denver, Colorado

From: T.M. Romslo, Mining Engineer, U.S. Bureau of Mines, and J.N. Faick, Geologist, U.S. Geological Survey, Tucson, Arizona

RECEIVED DEC 19 1955

Through: Walter R. Storms and E.N. Harshman

Subject: Operator's request for cross-cutting, DMEA Contract Idm-6834, Docket DMEA-3669 (Uranium) Globe Uranium, Inc., Sue Uranium Mine, Gila County, Arizona

Reference is made to the attached Operator's letter with map of November 25, 1955.

The operator requests permission for driving a cross-cut to the west from a zone of uranium mineralization at DMEA stations 135 to 145 feet in the adit which is presently being advanced under subject contract.

We recommend approval of the crosscut because:

1. It is allowable under the contract
2. It will test the most favorable zone encountered to date and for other mineralized zones that could be present
3. The cross-cut also will provide room for long-hole drilling if found advisable.

Present indications are that the most favorable horizon is immediately above the back of the adit. On this basis, the operator has started to drill 6-foot stoper holes in the adit at 4-foot intervals. The drilling is being done at no expense to the Government.

Copies to: W.M. Traver (8)
J.N. Faick
DMEA 3669
DF

T.M. Romslo

T.M. Romslo

J.N. Faick

J.N. Faick

GENERAL OFFICES: 31 West Monroe Street • ALpine 3-5187 • Phoenix, Arizona

November 25, 1955

U. S. BUREAU OF MINES
SOUTHWEST EXPERIMENT STATION
NOV 28 1955
TUCSON, ARIZONA

Mr. W. R. Storms
U. S. Bureau of Mines
P O Box 4097
University Station
Tucson 5, Arizona

Re: Docket DMEA 3669 (Uranium)
Contract IDM-E834

Dear Mr. Storms:

Permission is requested for crosscutting under Phase I of the subject DMEA contract normal to the DMEA drift in a westerly direction for 125 feet, beginning at DMEA station 135+00, and on the level with the DMEA drift.

A thorough investigation of the DMEA drift, which now has reached station 310+00, shows a great concentration of abnormal radiation to be centered in the area of DMEA station 135+00. Six foot vertical sloper holes in the roof of the drift at the following stations yield the following radiometric readings in MR / hour:

DMEA Station	Surface	1'depth	2' depth	3' depth	4' depth	5'depth	6' depth
135+00	0.40	0.60	1.50	1.00	2.00	0.18	0.10
136+00	0.40	0.60	2.00	2.00	1.50	0.50	0.30
139+00	0.40	0.50	0.90	0.40	0.40	0.20	0.10
140+00	0.30	1.50	1.00	0.40	0.30	0.10	0.10
141+00	0.30	0.60	0.80	0.30	0.20	0.20	

These stoper holes are located along the west side of the drift on either side of an east-west fracture. It is believed that a crosscut perpendicular to the drift in a westerly direction at DMEA Station 135+00 will be most desirable if done on the same level with the DMEA drift, so that ore bodies above the drift can be stoped out with greatest efficiency. It is anticipated that the crosscut will deviate from the course of the east-west fracture because of the DMEA limitations upon crosscut direction, but that nevertheless crusscutting in this area offers a good possibility for locating mineralized north-south fractures, inasmuch as a junction between mineralized east-west and north-south fractures will probably result in an extensive mineralized surrounding area.

We request only 125 feet of crosscut at DMEA station 135+00 because it is our intention to also request a crosscut of 125 feet to the east under Phase I in the near future. To date there has been very little exploration to the east.

Very truly yours,
ARIZONA GLOBE URANIUM, INC.

R. W. Henes

R. W. Henes, General Superintendant

C. S. Lee

C. S. Lee, Secretary-Treasurer

12/16/55 gla

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

RECEIVED
DEC 15 1955

22d New Customhouse
Denver 2, Colorado

AIR MAIL

December 14, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3669 (Uranium), Contract Idm-2834, Globe Uranium, Inc., Sue mine, Gila County, Arizona

Reference is made to the Administrator's letter of September 12, 1955, to Mr. S. G. Lee, Secretary, Arizona Globe Uranium, Inc.

We will appreciate advice as to the status of the Government's approval to the change of the company's name from Globe Uranium, Inc. to Arizona Globe Uranium, Inc.

for R. E. Marshman

RECEIVED
DEC 1 5 1966

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

11-22-55 gm

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

RECEIVED
NOV 21 1955

224 New Customhouse
Denver 2, Colorado

November 17, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3669 (Uranium), Contract Idm-E834, Arizona Globe Uranium, Inc., Gila County, Arizona

Enclosed are two copies of the Operator's Monthly Progress Report, Forms MP-104 and MP-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data pertaining to work under the subject contract for the month of September, 1955.

W. M. Traver

By J. W. Townsend
J. W. Townsend

Enclosures

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
NOV 1 1955

224 New Customhouse
Denver 2, Colorado

October 28, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 5669, (Uranium), Contract 1dm-2834, Arizona Globe Uranium, Inc., Sue Mine, Gila County, Arizona - Operator's Monthly Progress Report, for the period September, 1955

Enclosed are the original and four copies of Form MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks

Date of Report- - - - - - - - - - October 1, 1955
Date Received in Field Office - - October 20, 1955
Date Received in Region Office- - October 27, 1955.

W. M. Traver

By J. W. Townsend
J. W. Townsend

Enclosures
JWT:pr1
cc: MF-104 File 2834
Sec. Op. Comm. (2)
Stearns
Chrom.

DMEA
Date Rec'd.
OCT 24 1955
BUREAU OF MINES
Denver, Colorado

October 24, 1955

Memorandum

To : W. M. Traver, Executive Officer, DMEA Field Team, Region III

From : T. M. Rosale, Mining Engineer, Tucson, Arizona for Walter R. Storms, Superintendent, Southwest Experiment Station

Subject : September 1955 Progress Report, DMEA Contract Idu-2834, Docket DMEA-3568 (Uranium) Globe Uranium, Inc., Sun Uranium Mine, Yuma County, Ariz.

Enclosed in quintuplicate are the following:

1. Bureau of Mines engineer's report;

2. Operator's narrative report with map;

3. Forms MF-184 and MF-184A.

Also enclosed are 4 extra copies of our engineer's report.

As all work is in accordance with terms of the contract, I recommend that the Government's share of the costs be paid.

T. M. Rosale

T. M. Rosale, Mining Engineer
for Walter R. Storms
Superintendent,
Southwest Experiment Station

LABtuart:frj

CC W. M. Traver (8)
DMEA-3568
RF

RECEIVED
NOV 7 1955

Box 4897
Tucson 5, Arizona

October 24, 1955

Memorandum

To : Walter R. Steves, Superintendent, Southwest Experiment Station, Region III

From : William R. Hardwick, Mining Engineer, Tucson, Ariz.

Subject : Progress Report for September 1955, DMEA-3560, Contract DMn-2834, Arizona Globe Uranium, Inc. Sun Mine (Uranium), Gila County, Ariz.

The Sun mine was visited on October 13, 1955. Paul Foerster, mine foreman, was at the mine. Foerster stated that the camp had caught on fire and burned and the crew had failed to return to the mine from Globe on Monday October 10 but that he had arranged for a new crew to report on October 16.

During September the junction No. 1 adit was advanced 30 feet toward the north. Sampling results are not yet available but a check with a Geiger counter indicated two spots with good readings.

No ore from the DMEA work was sold during September.

MF-104 - Operator's Monthly Report and Voucher

This form appears to be correctly completed. The $900.00 is for 30 feet of drifting at $30.00 per foot.

MF-104A - Operator's Unit Cost and Production Report

This report appears to be correctly completed.

Narrative Report

The Operator's Narrative Report seems adequate.

CC W. M. Traver (Orig. & 2)
DMEA-3560
MF

WRHardwick:frj

[illegible]

Recommendation

As the 30 feet of drifting is in accordance with the terms of the contract, it is recommended that the Government's agreed part or $675.00 be paid to the Operator.

William R. Hardwick
William R. Hardwick
Mining Engineer
Region III

[illegible]

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
NOV 8 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September 1955 Docket No. DMEA 3669 Contract No. 3834
Operator's Name Arizona Globe Uranium, Inc. Minerals Uranium
Address 31 W. Monroe St., Phoenix, Arizona
Contract Amount, $49,285.00 Government Participation: 75 % Amount, $36,964.00

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	$900.00	$4,110.00	$5,010.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$900.00	$4,110.00	$5,010.00	900.00	4110.00	5010.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Oct. 1, 1955 *Payee Arizona Globe Uranium, Inc.
Per E O Lee Title Secretary-Treasurer

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

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

(Instructions on reverse)

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

$675.00

Signature [illegible]
(Authorized Certifying Officer)

Date 11-10-55 Vou. No. DMA-56-42

(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. dmf 834 in accordance with the terms of the contract.

Signature William R. Hardquist Title Mining Engineer Date 10/21/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature for W.M. Travers Title Executive Officer Date OCT 28 1955

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 21

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1955 Docket No. DMEA 3669 Contract No. IDM E834

Operator's Name Arizona Globe Uranium, Inc. Minerals Uranium

Address 31 W. Monroe St., Phoenix, Arizona

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	$900.00	30	$5,010.00	167	$30.00	1000	$30.00
Crosscutting	Feet						500	$30.00
Raising								
Shafts								
Winzes								
Drilling: ~~Core~~ Pneumatic	Feet						800	$2.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Sample Analyses	Each						310	$3.50
TOTAL DISTRIBUTED COSTS		$900.00		$5,010.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Short Form Contract								$49,285.00
TOTAL COSTS		~~$900.00~~		~~$5,010.00~~				~~$49,285.00~~

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 Oct. 1, 1955 Operator Arizona Globe Uranium, Inc.

Per C. O. Lee Title Secretary-Treasurer

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

REMARKS:

(Instructions on reverse)

(For Government use only) William R Hardinge

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

MINERS, DEVELOPERS, SHIPPERS OF URANIUM ORE

arizona globe uranium, inc.

MINING OFFICE: 293 North Broad Street Globe, Arizona

GENERAL OFFICES: 31 West Monroe Street • ALpine 3-5187 • Phoenix, Arizona

October 1, 1955

Re: Docket DMEA 3669 (Uranium)
Contract IDM-E834

Mr. W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson 5, Arizona

RECEIVED
NOV 21 1955

Dear Mr. Storms:

Enclosed herewith are original and four copies of each Form MF 104 and MF 104A and a progress map showing the advance for the month of September at the Sue Mine, Gila County, Arizona.

Advance this month was thirty feet in the DMEA drift. Drifting operations at the Sue Mine were suspended from September 1 to September 19, during which period geological studies of the drift were being conducted and costs and methods of operations were being re-examined and considered for possible improvements. In addition, the mine access road was worked on continuously.

Operations in the DMEA drift continued at an excessive cost, but the difficult nature of the quartzite material seems to offer little chance for improvement. Drilling with a liner was tried, but did not improve the operation, so we resumed with our two J40 IR jackhammers on Copco airlegs.

Two major mineralized east-west fractures were crossed in the drift this month, the first after six feet of advance, and the second at the back of the drift. The second fracture has just been exposed in the face of the drift, and shows mineralization across the face for two feet in height in the form of bassitite crystals, which fluoresce brilliantly under a black light. Iron pyrite has been encountered in conjunction with the bassitite, and this is encouraging, considering our past experience of having extracted commercial ore from zones carrying iron pyrite. A north-south fracture appears to junction with the east-west fracture at the back of the drift, and run back into the mountain. If this north-south fracture holds in the drift, it is possible that shipping quantities of ore might develop in the course of our DMEA advance.

Mr. W. R. Storms
Tucson 5, Arizona

October 1, 1955

We enclose herewith five copies of a progress map for the Sue Mine for the month of September, and are in the process of preparing an enlarged map of the mine, showing fractures, as requested by your Mr. T. M. Romslo.

We request also, that you send us additional MF 104 and MF 104A forms for our next month's report.

Respectfully submitted,

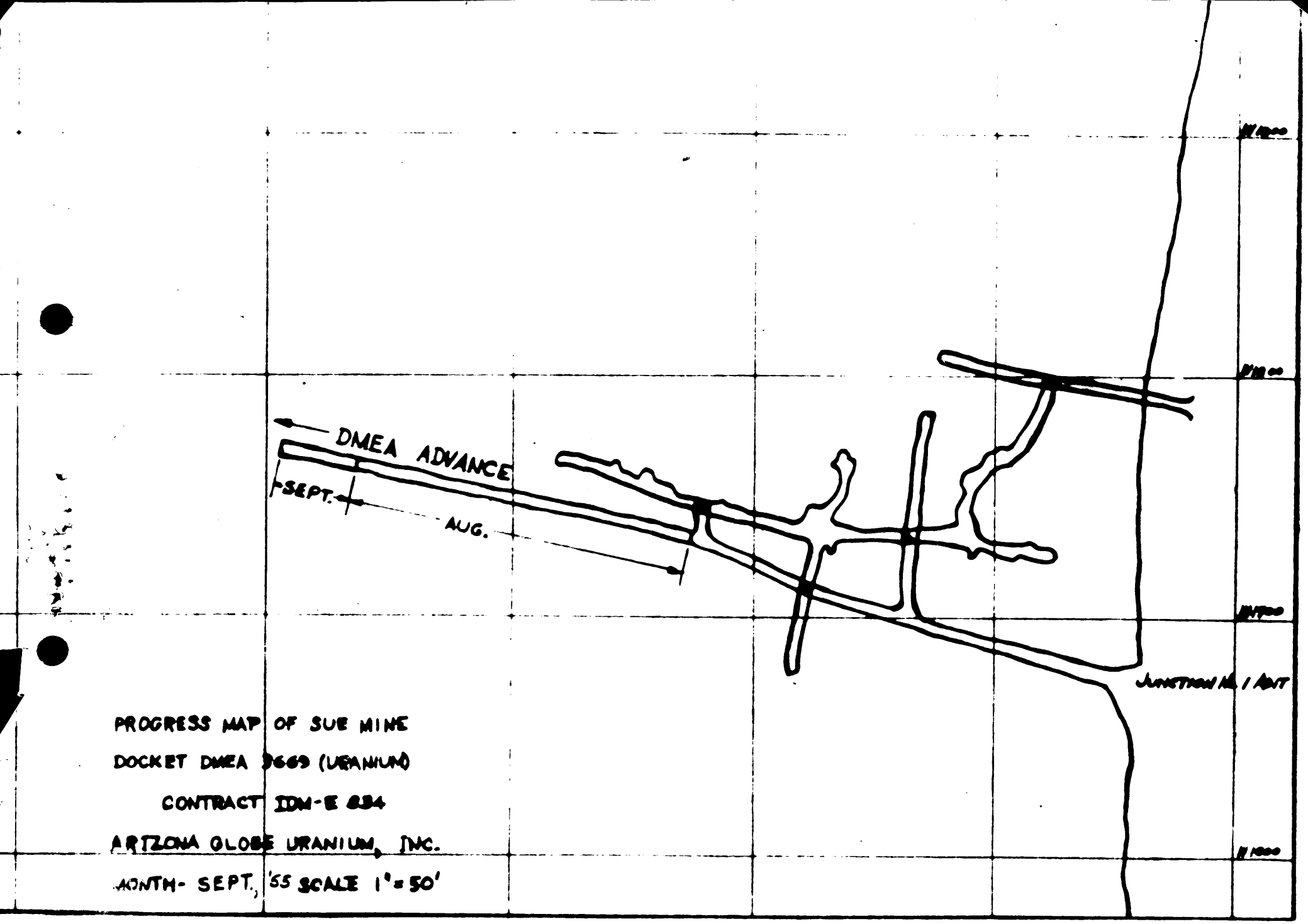
Richard W. Henes

Richard W. Henes
General Superintendent

C. O. Lee

C. O. Lee
Secretary-Treasurer

en
Enclosures



PROGRESS MAP OF SUE MINE

DOCKET DMEA 3669 (URANIUM)

CONTRACT IDM-E 234

ARIZONA GLOBE URANIUM, INC.

MONTH- SEPT., '55 SCALE 1" = 50'

RECEIVED
NOV 21 1955

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

RECEIVED
OCT 10 1955

224 New Customhouse
Denver 2, Colorado

October 5, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3669, (Uranium) Contract Idm-E834, (Arizona) Globe Uranium, Inc., Sue Uranium Mine, Gila County, Arizona.

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data pertaining to work under the subject contract for the period August, 1955.

W. M. Traver

W. M. Traver

Enclosures

RECEIVED
OCT 1 0 1955

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

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

RECEIVED
OCT 10 1955

224 New Customhouse
Denver 2, Colorado

September 20, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3669, (Uranium) Contract Idm-E834, (Arizona) Globe Uranium, Inc., Sue Uranium Mine, Gila County, Arizona - Operator's Monthly Progress Report for the period August, 1955.

Enclosed are the original and four copies of Form MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks

Date of Report- - - - - - - - - - - - - - - - - September 1, 1955
Date Received in Field Office- - - - - - - - - September 6, 1955
Date Received in Region Office- - - - - - - - September 19, 1955

W. M. Traver

W. M. Traver

Enclosures

JDC:jy

cc: MF-104 File E834
Sec. Opr. Comm. (2)
Storms
Chron.

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

RECEIVED
OCT 1 0 1955

DMEA
Date Rec'd.

RECEIVED SEP 19 1955

OCT 10 1955 BUREAU OF MINES
Denver, Colorado

Box 4097
Tucson, Arizona

September 15, 1955

Memorandum

To : W. M. Traver, Executive Officer, DMEA Field Team, Region III

From : Superintendent, Southwest Experiment Station

Subject : August 1955 Progress Report, DMEA Contract Ida-2834, Docket DMEA-3640, (Arizona) Globe Uranium, Inc., Sun Uranium Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report with map;
(3) Forms MF-104 and MF-104A.

Also enclosed are 4 extra copies of our engineer's report.

As all work is in accordance with terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC W. M. Traver (5)
DMEA-3640
SF

WRStorms:fr;

RECEIVED

OCT 10 1955

Box 4097
Tucson 5, Arizona

September 15, 1955

Memorandum

To : Walter R.Storms, Superintendent, Southwest Experiment Station, Region III

From : T. M. Rosale, Mining Engineer, Tucson, Arizona

Subject : Progress Report for August 1955, DMEA-3660, Contract Ida-2834, Globe Uranium, Inc., Sue Mine (Uranium), Gila County, Ariz.

The Sue Mine was visited September 8, 1955. Before reaching the mine I encountered Paul Fournier, mine foreman, who was repairing and building new sections of the mine road with a bulldozer. He followed me to the mine and assisted with measurements of the contract mine heading. James R. Harvey, president of the corporation, and Richard Hance arrived shortly after the measurements were completed.

According to Mr. Harvey, contract work was started August 1, 1955 and was temporarily suspended at the end of that month. It was confined to the extension of junction No. 1 Adit. My measurements showed that the adit had been advanced 137.0 feet from the initial starting point, 95.5 feet from a spad at about 86 feet from the portal. For future measurements the face of the adit at the end of August was 143.0 feet from a survey spad at the intersections of the center lines of the adit and the raised crosscut to the west. At 87.3 feet northerly from this spad, another survey spad was 84.7 feet from the face of the adit.

Mr. Harvey said that operations were temporarily suspended while costs were being analyzed and a search was made for a project supervisor to replace W. W. Sorensen. Arrangements had been completed to immediately resume operations under the supervision of Mr. Hess, who is a graduate mechanical engineer with about 3 years experience with uranium in the Globe area.

CC W. M. Traver (Orig. & 2)
DMEA-3660
MF

TMRosale:frj

CONTROLLED
INFORMATION

Significant uranium mineralization was encountered only along one of the numerous fractures of steep dip and northwesterly strike. Probing of 6.5-foot drill holes into the back of the adit indicates the zone is about 2 feet wide and 3 feet high. Assays ranged from 0.3 to 0.4 percent U_3O_8 and averaged about 0.2 percent. No ore was recovered from the adit. However, approximately 100 tons of ore, mined before contract work was initiated, has been shipped to the stockpile at Cutter, Ariz. Mr. Maren estimated the grade at 0.15 percent U_3O_8. He said that possibly 50 tons of similar grade ore could be sorted out of the remaining 300 to 400 tons of ore stockpiled at the mine.

FORMS MF-104 AND MF-104A AND OPERATOR'S NARRATIVE REPORT

MF-104 - The cost of $4,110.00 for drifting represents the 137 feet of authorized advance at the specified cost of $30.00 per foot. Payment of the Government's share of the cost is recommended.

MF-104A - The form has been properly prepared.

Operator's Narrative Report - The report, with map is considered adequate. A new map to be prepared for future reports will show area mined before initiation of contract work, fracture systems, and assays.

T. M. Romslo
Mining Engineer
Southwest Experiment Station

D

ARIZONA GLOBE URANIUM, INC.

31 West Monroe Street

PHOENIX, ARIZONA

RECEIVED

OCT 10 1955

September 1, 1955

Re: Docket DMEA 3669 (Uranium)
Contract Idm-8834

Mr. W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson 5, Arizona

Dear Mr. Storms:

Enclosed herewith are Form MF 104, MF 104A, and a progress map showing the advance for the month of August at the Sue Mine near Globe, Arizona.

Geological information and other data is being prepared in conjunction with the AEC Globe office. This material should be ready for inspection when the DMEA field representative checks the monthly progress.

Cost data on the first month's operation would be misleading. We had a large turnover due to the inability of some of the men to break the ground. The work was performed on a labor contract which automatically eliminated those men who could not produce results. Two men ultimately performed well, but there is still plenty of latitude for improvement. We are using an Kimco 12B mucker on 16 lb. rail, and drilling with two J40 IR jackhammers on Copco airlegs. Six foot 1" hexagonal integral carbide crossbit steel with 1½" to 1¾" diameter bits are used. Tramming is with Card 3/4 ton car with 6" side boards to increase capacity. Blasting was done with ammonia-gelatin dynamite and nitro-starch powder with fuse and cap exploders. The volume strength of the powder was from 45% to 65%. Powder consumption was excessively high due to the overloading of several rounds, and the necessity for re-shooting bootlegged rounds. A 23 hole round with a five hold burn cut was found to produce good results.

The high frequency of vertical cross fractures and occasional zones of oxidation caused difficulty in blasting some rounds in that propogation between holes would change the timing of the holes and cause detonation in the wrong sequence which resulted in frequent bootlegged rounds necessitating re-blasting, and in some cases, redrilling of the round. Good progress in this ground requires men with unusual determination, skill and disposition plus about two weeks training and experience in this mine. Assembling a crew with these qualifications is somewhat like an elimination tournament.

We have started drilling vertical stoper holes in the back of the new drift, and have found an ore zone which extends from 49 to 54 feet or a N-S width of

GEYRON

five feet and a vertical depth of 5 feet. The E-W dimension of this occurrence has not been established. The AEC field crew from the Globe office probed eight 6½' holes in this zone and arrived at assay values ranging from .05% to .40% with a probable average grade of .20%. The mineralized zone was on both sides of a vertical fracture striking N80W. The mineralization starts in the roof of the drift and extends upward for five feet. The best ore is in a 24" zone adjacent to the fracture. We are in the process of drilling additional vertical holes in the roof of this drift. The plan and section of the fracture system, drill holes, and radiometric probe logs will be available shortly. It was necessary to shut down the drifting operation temporarily to accomplish the shallow drilling, and to evaluate the results of the first month's work.

We would like clarification as to the procedure necessary to determine the location of contract drill holes and crosscuts.

Respectfully submitted,

Wm. W. Sorsen

Wm. W. Sorsen

C. O. Lee

C. O. Lee, Secy-Treasurer

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
OCT 10 1955

Month of August, 1955 Docket No. DMEA 3669 Contract No. IDM E834
Operator's Name Arizona Globe Uranium, Inc. Minerals Uranium
Address 31 W. Monroe St., Phoenix, Arizona
Contract Amount, $49,285.00 Government Participation: 75 % Amount, $36,964.00

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	$4110.00	None	$4110.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$4110.00	None	$4110.00	4110.00		4110.00

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

Date Sept. 1, 1955 *Payee Arizona Globe Uranium, Inc.

Per [signature] Title Secy.-Treas.

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

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

(Instructions on reverse)

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

$ 3082.50

Signature RRC
(Authorized Certifying Officer)

Date 9-27-55 Vou. No. DMA-56-30

(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: 12834 in accordance with the terms of the contract.

Signature D M Tomsho Title Mining Engineer Date 9/14/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Laver Title Executive Officer Date SEP 20 1955

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 3669 Contract No. IDM 8834
Operator's Name Arizona Globe Uranium, Inc. Minerals Uranium
Address 31 W. Monroe St., Phoenix, Arizona

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	$4110	137	4110.00	137	$30.00	1000	$30.00
Crosscutting	Feet						500	$30.00
Raising								
Shafts								
Winzes								
Drilling: Core Pneumatic	Feet						800	$ 2.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Sample Analyses	Each						310	$ 3.50
TOTAL DISTRIBUTED COSTS		$4110		$4110.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Short Form Contract								$49,285.00
TOTAL COSTS		$4110		$4110.00				$49,285.00

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 September 1, 1955 Operator Arizona Globe Uranium, Inc.

Per C.O. Lee Title Sec'y. Treas.

C.O. Lee

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)

M. Romero

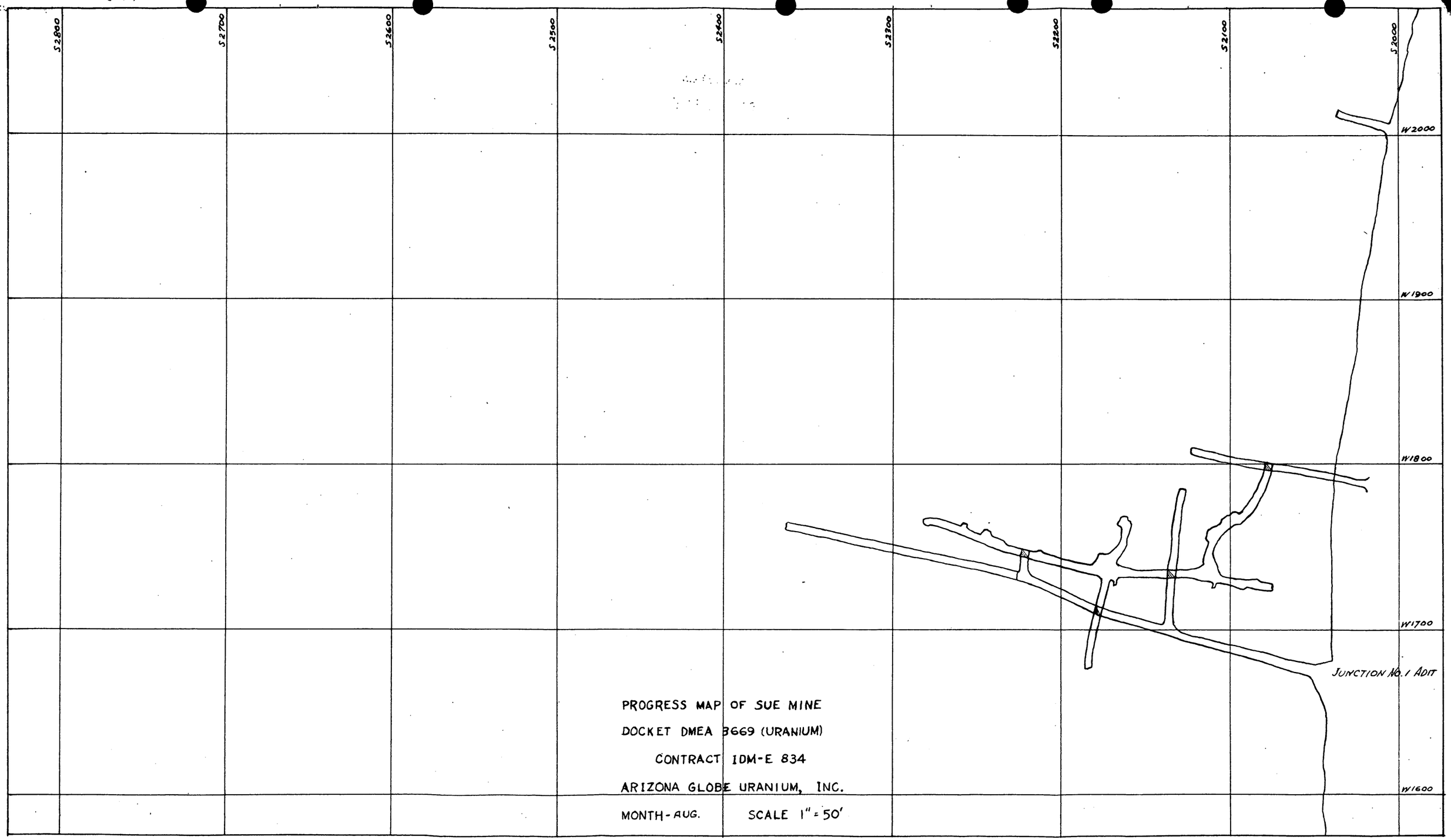
INSTRUCTIONS

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


S2800
S2700
S2600
S2500
S2400
S2300
S2200
S2100
S2000
W2000
W1900
W1800
W1700
W1600
JUNCTION No. 1 ADIT
PROGRESS MAP OF SUE MINE
DOCKET DMEA 3669 (URANIUM)
CONTRACT IDM-E 834
ARIZONA GLOBE URANIUM, INC.
MONTH - AUG.
SCALE 1" = 50'

RECEIVED
OCT 1 0 1955

ARIZONA GLOBE URANIUM, INC.

31 West Monroe Street, Phoenix, Arizona

October 17, 1955

United States Department of the Interior
Defense Materials Exploration Administration
Washington 25, D. C.

Attention: Mr. C. O. Mittendorf
Administrator

Re: Docket No. DMEA-3669 (Uranium)
Contract No. Idm - E834
Globe Uranium, Inc.
Sue Mine
Gila County, Arizona

Gentlemen:

In accordance with your letter dated September 12, 1955 relating to the subject docket, we enclose herewith two (2) duplicate copies of "Certificate of Amendment to Articles of Incorporation for Globe Uranium, Inc." wherein it is authorized that our corporate name be changed to Arizona Globe Uranium, Inc. The enclosed certificates were procured by us from the Arizona Corporation Commission, and have been certified by said commission.

Very truly yours,

ARIZONA GLOBE URANIUM, INC.

/s/ R. W.Henes

R. W. Henes

RWH:ll

c
o
p
y

Referred 10/20/55 to Legal Division for review — original this letter & 1 copy Cert. sent to M & F. for Docket.

STATE OF ARIZONA

ARIZONA CORPORATION COMMISSION

GREAT SEAL OF THE STATE OF ARIZONA
DITAT DEUS
1912

To all to Whom these Presents shall Come, Greeting:

I, MEL D. MICHAEL, SECRETARY OF THE ARIZONA CORPORATION COMMISSION, DO HEREBY CERTIFY THAT the annexed is a true and complete copy of the Amendment to the Articles of Incorporation of GLOBE URANIUM, INC. which was filed in the office of the said Arizona Corporation Commission as provided by law, which changes the name to ARIZONA GLOBE URANIUM, INC.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED THE OFFICIAL SEAL OF THE ARIZONA CORPORATION COMMISSION, AT THE CAPITOL, IN THE CITY OF PHOENIX, THIS 4th DAY OF October A. D. 1955

Mel D. Michael

BY SECRETARY,

ASSISTANT SECRETARY

CERTIFICATE OF AMENDMENT TO
ARTICLES OF INCORPOTATION FOR
GLOBE URANIUM, INC.

RECEIVED
OCT 19 1955

THIS IS TO CERTIFY that at a special meeting of the stockholders of GLOBE URANIUM, INC., a corporation duly organized and existing under and by virtue of the laws of the State of Arizona, held at 31 West Monroe Street, Phoenix, Arizona, on the 11th day of April, 1955, at the hour of 10:00 of the morning, pursuant to notice in writing given all stockholders more than thirty (30) days prior to the date of the said meeting notifying the said stockholders of the purpose of the meeting in changing the corporate name and amending the Articles of Incorporation, upon the unanimous vote of more than fifty-one per cent (51%) of the stockholders, representing more than fifty-one per cent (51%) of the issued and outstanding stock of the corporation, said stockholders being present in person or represented by proxy, Article 1 of the Articles of Incorporation for Globe Uranium, Inc., was amended to provide as follows:

ARTICLE I

The name of the corporation shall be ARIZONA GLOBE URANIUM, INC., and its principal place of business shall be in Phoenix, Arizona, but other offices may be established and maintained within or outside of Arizona at such places as the board of directors may designate, where meetings of stockholders and directors may be held.

IN WITNESS WHEREOF, the president and secretary of Globe Uranium, Inc., have hereunto set their hands this 23rd day of June, 1955.

J. R. Heron
President

(CORPORATE SEAL)

ATTEST:

C. O. Lee
Secretary

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On this, the 23rd day of June, 1955, before me, the undersigned Notary Public, personally appeared J. R. HERON and C. O LEE, who acknowledged themselves to be the president and secretary, respectively, of GLOBE URANIUM, INC., an Arizona corporation, and that they, as such officers, being authorized so to do, executed the foregoing Certificate of Amendment to Articles of Incorporation for Globe Uranium, Inc. for and on behalf of the said corporation, for the purpose therein expressed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Lelia G. Long

NOTARIAL SEAL

My commission expires
August 7, 1958.

NOTARIAL
SEAL

ARIZONA CORPORATION COMMISSION

INCORPORATING DIVISION

FILED

JUN 24 1955

At 2:30 P. M. at request of

Shimmel, Hill & Cavanagh

whose address is T. & T. Bldg.,

Phoenix, Ariz.

MEL D. MICHAEL
ACTING SECRETARY

By Belle J. Lund.

RECEIVED
OCT 19 1955

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

SEP 12 1955

Mr. C. O. Lee, Secretary
Arizona Globe Uranium, Inc.
31 West Monroe Street
Phoenix, Arizona

Re: Docket No. DMEA-3669 (Uranium)
Contract No. IGm-[illegible]
Globe Uranium, Inc.
Sue Mine
Gila County, Arizona

Dear Mr. Lee:

This will acknowledge your letter of August 31, 1955, with two duplicate copies of your corporation's "Certificate of Amendment to Articles of Incorporation for Globe Uranium, Inc.," authorizing the change of your corporate name to Arizona Globe Uranium, Inc. Our letter of August 22 contemplated that you would send us, for our records, copies of the State's approval of the charter amendment changing the corporate name.

The corporate name will be changed in our records as soon as we receive copies of the authorization.

In the meantime, communications will be directed to you at 31 West Monroe Street, Phoenix, Arizona, rather than to your Mining Office at 293 North Broad Street, Globe, Arizona, as previously shown on the subject contract.

Sincerely yours,

C. O. Mittendorf

Administrator

EWEllis/HCRubin/gla
(9-7-55)
9-8-55
cc to: Admr.'s Reading File
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JCHosted, Rm. 3210, GSA
Code 700
DMEA Field Team, Region III (2)

RECEIVED
SEP - 6 1955

CERTIFICATE OF AMENDMENT TO ARTICLES OF INCORPORATION FOR GLOBE URANIUM, INC.

THIS IS TO CERTIFY that at a special meeting of the stockholders of GLOBE URANIUM, INC., a corporation duly organized and existing under and by virtue of the laws of the State of Arizona, held at 31 West Monroe Street, Phoenix, Arizona, on the 11th day of April, 1955, at the hour of 10:00 of the morning, pursuant to notice in writing given all stockholders more than thirty (30) days prior to the date of the said meeting notifying the said stockholders of the purpose of the meeting in changing the corporate name and amending the Articles of Incorporation, upon the unanimous vote of more than fifty-one per cent (51%) of the stockholders, representing more than fifty-one per cent (51%) of the issued and outstanding stock of the corporation, said stockholders being present in person or represented by proxy, Article I of the Articles of Incorporation for Globe Uranium, Inc., was amended to provide as follows:

ARTICLE I

The name of the corporation shall be ARIZONA GLOBE URANIUM, INC., and its principal place of business shall be in Phoenix, Arizona, but other offices may be established and maintained within or outside of Arizona at such places as the board of directors may designate, where meetings of stockholders and directors may be held.

Code 700

AUG 22 1955

Mr. [illegible] Lee, Secretary
Arizona Globe Uranium, Inc.
31 West Monroe Street
Phoenix, Arizona

Re: Docket No. [illegible]A-[illegible] (Uranium)
Contract No. [illegible]
Globe Uranium, Inc.
[illegible]
Gila County, Arizona

Dear Mr. Lee:

With reference to your letter of August 9, addressed to the attention of [illegible] Grover, Executive Officer, [illegible]A Region III, it is noted you are requesting a change in the name of the captioned contract from Globe Uranium, Inc. to Arizona Globe Uranium, Inc.

In this connection, will you kindly forward two copies of the amendment to your Company's charter which authorizes said change in name.

If we find this document in order, the Company name will be automatically changed in our records.

Incerely yours,
C. O. Mittendorf

Administrator

[illegible]:[illegible]:[illegible]
8/19/55
cc to: Admr. Reading File
Docket
Messrs. J.E.Crawford, Rm. 3041
T.E.Kilsgaard, Rm. 5222
J.C.Hoeted, Rm. 3210, [illegible]A
Code 700
[illegible]A Field Team, Region III (2)

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

224 New Customhouse
Denver, Colorado

August 16, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Change of company name, DMEA Docket 3669 (Uranium), Contract Idm-E834, Globe Uranium, Inc., Sue Mine Gila County, Arizona

In answer to our letter of August 3, 1955 to Mr. James R. Heron, President of Globe Uranium, Inc., the enclosed letter signed by the company secretary has been received.

Please prepare an amendment to Contract Idm-E834 changing the name of the operating company to the Arizona Globe Uranium, Inc., as requested in their August 11, 1955 letter, or authorize this office to make the amendment.

Wm. Traver

W. M. Traver

Enclosure

RECEIVED
AUG 18 1955

ARIZONA GLOBE URANIUM, INC.

General Offices: 31 West Monroe Street, Alpine 3-5187, Phoenix, Arizona

August 9, 1955

COPY

United States Department of the Interior
Defense Minerals Exploration Administration
224 New Custom House
Denver, Colorado

Re: DMEA Docket 3669 (Uranium)
Contract Idm-E834

Attention: W. M. Traver
Executive Officer, DMEA

Gentlemen:

We do hereby request that the name Globe Uranium, Inc. appearing in your Contract Idm-E834 be changed to Arizona-Globe Uranium, Inc.

The name of our company was changed from Globe Uranium, Inc. to Arizona-Globe Uranium, Inc. by a resolution of our Board of Directors. This change was made to distinguish our company from a Utah company going under the style of Globe Uranium. The change in name took place after our application Form MF-103 was filed with you, and therefor the old name appears on that form.

R. W. Henes is one of our attorneys.

Very truly yours,

ARIZONA-GLOBE URANIUM, INC.

By C. O. Lee /s/
C. O. Lee, Secretary

(stamped)
SEAL

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

RECEIVED
AUG - 8 1955

224 New Customhouse
Denver 2, Colorado

August 4, 1955

Wm. W. Sorsen, Engineer and Manager
Globe Uranium, Inc.
293 North Broad Street
Globe, Arizona

Re: Royalty payments - DMEA Docket 3669 (Uranium) Contract Idm-E834, Globe Uranium, Inc., Sue claims, Gila County, Arizona.

Dear Mr. Sorsen:

We acknowledge receipt of your letter of July 29, 1955 requesting clarification of royalty questions concerning ore shipments under the subject DMEA Contract.

Your company is not liable for payment of royalties on stockpiled ore which was actually mined from the Sue claims prior to June 30, 1955, the date of Contract Idm-E834; however, all ore encountered and mined subsequent to this date should be stockpiled separately if not shipped immediately, and royalty payments to the U. S. Government are due when payment for same is received by your company.

Please notify ore buyers when you begin shipping DMEA ore to withhold royalties due and to send remittance and four copies of all settlement sheets to the Executive Officer, DMEA Region III, Room 224 New Customhouse, Denver 2, Colorado. All royalty checks are to be made payable to the Defense Minerals Exploration Administration.

For your information, royalty is also due on all payments received from the Atomic Energy Commission as payment for the Initial Production Bonus on DMEA shipments. Our royalty payment on this bonus is to be sent directly by your company when payment is received. It will amount to 5.0 per cent of the amount of payment.

The method of calculating DMEA royalty is fully explained in Section 10 of the enclosed copy of DMEA Order 1 Amended.

Yours very truly,

W. M. TRAVER

W. M. Traver

Enclosure
RDB/vj
cc: Royalty File E834
W. R. Storms
Sec. Opr. Comm. (2)
Berkenkotter
Chron.

RECEIVED
AUG - 4 1995

IN WITNESS WHEREOF, the president and secretary of Globe Uranium, Inc., have hereunto set their hands this 23rd day of June, 1955.

J. R. Heron
President

ATTEST:

C. O. Lee
Secretary

STATE OF ARIZONA
COUNTY OF MARICOPA } ss.

On this, the 23rd day of June, 1955, before me, the undersigned Notary Public, personally appeared J. R. HERON and C. O. LEE, who acknowledged themselves to be the president and secretary, respectively, of GLOBE URANIUM, INC., an Arizona corporation, and that they, as such officers, being authorized so to do, executed the foregoing Certificate of Amendment to Articles of Incorporation for Globe Uranium, Inc. for and on behalf of the said corporation, for the purpose therein expressed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Lelia G. Long

My commission expires
August 7, 1958.

RECEIVED
AUG - 8 1955

284 New Customhouse
Denver, Colorado

August 3, 1955

Mr. James R. Heron, President
Globe Uranium, Inc.
293 North Broad Street
Globe, Arizona

Re: DMEA Docket 3669 (Uranium), Contract IAm-E834, Globe Uranium, Inc., Sun Claims, Gila County, Arizona

Dear Mr. Heron:

We have received correspondence concerning the subject DMEA contract from yourself and other Globe Uranium officials, all of which were on Arizona Globe Uranium, Inc. stationery. All letters were signed as Arizona Globe Uranium, Inc.

Please advise this office if you are doing business under the name of Globe Uranium, Inc., as stated in your application Form MF-103 and named as the operating company in Contract IAm-E834, or under the name of Arizona Globe Uranium, Inc., as shown on all recent correspondence.

If your company's name is the Arizona Globe Uranium, Inc., a formal request from you will be required before this change can be made to Contract IAm-E834. Please explain this difference to us and send an original and five copies of this request to this office at your earliest opportunity if it is required.

Also, please inform us what position R. W. Hanes holds in your company.

RDB:dja
cc: Corresp.File E834
Sec.Op.Comm. (2)
Storms
Townsend
Chron

Very truly yours,

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

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

RECEIVED
JUL 29 1955

224 New Customhouse
Denver, Colorado

July 26, 1955

Certified Mail

Mr. Chuck O. Lee
Secretary-Treasurer
Arizona Globe Uranium, Inc.
31 West Monroe Street
Phoenix, Arizona

Re: Docket DMEA 3669 (Uranium)
Contract Idm-E834

Dear Mr. Lee:

Enclosed herewith is the Operator's copy of Short Form Exploration Project Contract No. Idm-E834, Docket DMEA 3669. The starting date has been entered in Article 3 as on or before August 15, 1955.

Also enclosed are six copies of Form MF-104, "Operator's Monthly Report and Voucher" and six copies of Form MF-104A, "Operator's Unit Cost and Progress Report". At the completion of the first calendar month of operation and monthly thereafter you are required to submit five copies of the form to Mr. W. R. Storms, U. S. Bureau of Mines, P. O. Box 4097, University Station, Tucson 5, Arizona. The sixth form is for your records.

Please note that the monthly report requires a narrative report which should be accompanied by maps or sketches. The narrative report must be signed by the operator. The monthly report will not be processed for payment unless accompanied by a narrative report. Additional copies of Forms MF-104 and MF-104A will be forwarded to you as required.

For your information and in reply to many questions that have been asked, after Forms MF-104 and MF-104A are received, an engineer will check progress and approve your accounts, after which it will be sent to the Regional Office, Region III, U. S. Bureau of Mines, 224 New Customhouse, Denver 2, Colorado, for auditing and vouchering. If the report is in order, a check will be issued by the Treasury Department for the Government's portion of the costs. If you have any difficulty in completing these forms and the reports, please call on Mr. Storms or this office for assistance.

Your attention is directed to the provision that Stage II work is contingent on the results obtained from Stage I and performance of the work under Stage II is subject to the prior approval of the Government.

When Stage I has been completed, you should request approval from this office of the work you propose to perform under the next stage. Your request for the work approval must be in sextuplicate, complete with a map showing the results of the work performed under Stage I, including assay returns and any other pertinent data which will be of value to the Government in evaluating the work performed under Stage I. You should anticipate a suspension of operations between stages of work to enable the Government geologist and engineer to evaluate the results of the work performed and make their recommendations to this office relative to the additional work you propose.

To eliminate as much delay as possible, if that is of serious consideration, you should expedite forwarding of the results of the work completed and your request for the Government's approval of the additional work you propose.

Field representatives of the Government are not authorized to approve any changes in the work program or contract provisions. Such approval can only be given by the Washington office, DMEA or the DMEA Field Team, Region III, which is comprised of E. N. Harshman, U. S. Geological Survey member, and W. M. Traver, U. S. Bureau of Mines member.

No oral statement of any person shall modify or otherwise affect the terms or conditions of this contract.

It is a regulation that reimbursement for the cost of work accomplished prior to the date of the contract will not be allowed. It is also a requirement that you notify this office in writing the date work actually commences under the contract, with a copy of your letter to Mr. Storms.

Very truly yours,

W. M. Traver

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

Enclosures

WMT:dja

cc: Subject
Chron
Amendment File
Chairman Op. Comm. (2)
Harshman
Storms
Faick
Townsend

JUN 3 0 1955

Mr. [illegible] Brewer
Executive Officer
DMEA Field Team, Region III
[illegible] New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA-3469 (Uranium)
Globe Uranium, Incorporated
Sue Mine
Gila County, Arizona

Dear Mr. Brewer:

Enclosed, with attachments, are the original and five copies of a contract designed to explore the subject property, signed by the Administrator for the Government.

If the terms and conditions of this contract meet with your approval and the Operator's, insert in Article 3 of the contract the date when the work is to be started. Then have the original and all copies signed by the company official authorized to sign this document and take the usual distribution thereafter.

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

You will note that in addition to the unit cost for drifting, crosscutting, and long-hole drilling, an allowance for the analysis of 310 samples has been included at $3.50/sample. This allowance was added because of the advice from the Atomic Energy Commission's Washington office, that their policy was to analyze not more than three or four samples for such projects at no cost to the Operator.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

Attest:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Filenumber:
6-27-55
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. J.A.Crawford,Rm.3041
T.H.Kiilsgaard,Rm.5224
J.C.Hosted,Rm.3210,GSA
Code 700
Mr. Krause

June 1[illegible], 1955

Memorandum

To: The Administrator

From: F. L. Knouse, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-3669 (Uranium)
Globe Uranium, Incorporated
Sue Mine
Gila County, Arizona

UNIT COST JUSTIFICATION

Unit cost calculations are set forth in Mr. William R. Hardwick's memorandum dated June 3, 1955, to Mr. Walter R. Storms.

In addition to the unit cost for the drifting, cross-cutting and long-hole drilling, an allowance for the analysis of 310 samples for U_3O_8 and CaO has been included at $3.50/sample. This was made after a discussion with Mr. Joseph O. Hosted, AEC, regarding the statement made by the examining engineer that "Sample Analysis will be performed by the Atomic Energy Commission at no expense to the project." Mr. Hosted stated the AEC may analyze three or four samples for each project, but their policy would not permit them to analyze large quantities of samples for this type of project.

/s/

F. L. Knouse

FLKnouse/gla
cc to: Admr.'s Reading File
Operating Committee
Docket
Code 700✓
Mr. Knouse
DMEA Field Team, Region III (2)

DFAPT
6/25/55
DHouse/gla

Division

MF-200A
(Revised June 1954)

Docket No. DMEA 3669

Commodity Uranium

Contract No. Idm-E

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this ..... day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Globe Uranium, Inc., Incorporated in Arizona

whose mailing address is 393 North Pond Street
Globe, Arizona,
hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] owner of [5] entire interest in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] ....., [7] ....recorded in Book ....., page ....., official records of said County; and

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

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: .....

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

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of uranium. The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before December 1, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $19,284.00 (rounded). The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $ 36,963.00 : *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value 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 (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

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

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

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

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

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

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

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

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

[illegible] (Operator)

By .....

Administrator, Defense Minerals Exploration Administration

By .....

.....

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
GLOBE URANIUM, INC.
DOCKET NO. DMEA-3669

ANNEX I

The land referred to in Article 2 of the contract form, ~~for~~ known as the Sue Mine, consists of twelve (12) unpatented lode mining claims, all owned by the Globe Uranium, Inc. The claims are located in the Sierra Ancha, Sections 24 and 25, Township 5 North, Range 14 East, and Sections 19 and 30, Township 5 North, Range 15 East, as is shown on the attached map entitled "Figure 2 Claim Map - Sue Mine - Globe Uranium, Inc." and "Figure - 3 - Sue Uranium Mine - Plan Showing Proposed Exploration", ~~Globe~~ Gila and Salt River Base and Meridian, Gila County, Arizona.

The claims are recorded in the Gila County Recorder's Office, Globe, Arizona, as follows:

Claim	Recording Date	Docket	Page
Sue No. 9	4-23-54	6	113
" No. 10	"	6	114
" No. 11	"	6	115
" No. 12	"	6	116
" No. 13	(5-5-54 (7-2-54 Amended	(7 (10	(61 (467
" No. 15	(5-12-54 (7-2-54 Amended	(7 (10	(265 (469
" No. 16	4-23-54	6	117
" No. 17	"	6	118
" No. 18	"	6	119
Climax No. 1	8-30-54	15	81
" No. 2	"	15	82
" No. 3	"	15	83

EXPLORATION PROJECT CONTRACT
GLOBE URANIUM, INC.
DOCKET NO. DMEA-3669

EXHIBIT "A"

Description of the Work

The purpose of the work is to explore the upper member of the Dripping Springs quartzite formation of the Apache Group of pre-Cambrian Age, by drifting, crosscutting and long-hole percussion drilling.

The work shall be performed in two stages: Stage I shall be started first, and if, in the opinion of the Government expressed in writing in advance, the results of Stage I warrant it, a part or all of Stage II shall be commenced and prosecuted, either after completion of Stage I or concurrently, as indicated by the Government.

STAGE I

From the southwest face of Junction No. 1 adit, drift along the radioactive mineralized zone 500 feet in a southwesterly direction and crosscut normal to the direction of the drift in an easterly and westerly direction from the drift in the mineralized zone not to exceed 250 feet at locations approved by the Government. From the drift and crosscuts not more than 800 feet of long-hole percussion drill holes shall be drilled to explore the mineralized zone above the workings.

STAGE II

From the southwest drift face (Stage I), drift along the radioactive mineralized zone in a southwesterly direction not to exceed 500 feet and crosscut normal to the direction of the drift along the mineralized zone not to exceed 250 feet at locations approved by the Government. From Stage II drifting and crosscutting, not more than

800 feet of long-hole percussion drill holes shall be drilled to explore the mineralized zone above the workings.

The work described in Stage I and Stage II is shown on the attached map entitled "Figure - 3 - Sue Uranium Mine - Plan showing Proposed Exploration."

General

The Operator shall furnish the Government with such samples as it specifies, and the method of all sampling and of all sample determination are subject to the approval of the Government. Not more than 155 samples shall be analysed for U_3O_8 and CaO, and not more than 155 samples analysed for Stage II. All drill-hole diameters, locations, direction, and depth shall have the prior approval of the Government. All drifts and crosscuts shall be not less than 5 by 7 feet in cross section, in the clear.

The project shall be directed for the Operator by an engineer, approved by the Government, who shall devote at least thirteen days per month, or one-half of the time the project is operating, to the project work, and shall do the required surveying, mapping, sampling, and prepare all reports required under the contract.

Agreed Unit Costs of the Project

1500 feet of drifting and crosscutting @ $30.00/ft.	$45,000.00
1600 feet of long-hole drilling @ $2.00/ft.	3,200.00
310 sample analyses @ $3.50/sample	1,085.00
Estimated total cost of project	$49,285.00
Rounded to	$49,284.00
Government Participation at 75%	$36,963.00

MAY 2 5 1955

DEPARTMENT OF THE INTERIOR

DMEA

14X4601(C1) Revolving Fund,
Defense Production Act (Interior)
(Allocated Working Fund to the Office
of the Secretary)

TO: DMEA

K. W. TRAVER
Executive Officer
DMEA FIELD TEAM, REGION III
[illegible] New Customhouse Building
Denver 2, Colorado

REFERENCE FIELD TEAM REPORT DMEA 3669 CLOUD VANADIUM COMPANY, INC. PLEASE INITIATE REGARDING ALL COSTS JUSTIFYING RECOMMENDED COST FOR DRILLING, CONTRACTING, AND DRILLING, INCLUDE SUPERVISION, TECHNICAL SERVICES, AND LABOR RATES, SUPPLIES, EQUIPMENT, SAMPLE ANALYSES AND ALL OTHER ITEMS. SEE SPECIALLY OPERATING COMMITTEE MINUTES NO. 296 DATED NOVEMBER 23, 1953.

George C. Selfridge
George C. Selfridge, Chairman
Operating Committee

Filmmaster
5-25-55
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. J. R. Crawford, Rm. 3641
T. H. Killegaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Code 700
Mr. Kneuge
DMEA Field Team, Region III (1)

I called Mr. Edens
said the F.T. report
was in and that
the case was being processed

5/24/55

Mr. Ellis

Mr. Mittendorf's office phoned and relayed this phone request. It is Mr. Knouse's case, you will note, but I thought you might want to return the phone call.

FT-II recommended a 2-stage program in amount of $48,200.00 (original application $74,000).

USBM and USGS comments that they concur in reduced program recommended.

Contract to be prepared.

gla

3669
Globe Wrapping
Mr. Edens
Sen. Hayden's off.
(Arizona)
Ext. 85?
Capitol
States of Arizona

1—045

SPECIAL

U. S. GOVERNMENT PRINTING OFFICE 0—2060

5/16/55 gla

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

224 New Customhouse
Denver 2, Colorado

May 11, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Report of Examination, DMEA Docket 3669 (Uranium), Sue mine, Globe Uranium Co., Inc., Gila County, Arizona

Enclosed are the original and three copies of the report pertaining to the above application.

We concur with the recommendation of the field examiners that a modified exploration program is warranted.

Extra copies of maps for possible use in a contract requested in your letter of February 25, 1955 have been ordered, and will be forwarded to you.

W. M. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

Enclosures

TRANSMITTED
MAY 11 1955

DMEA
Dec Field
MAY 6 1955
BUREAU OF MINES
Denver, Colorado

May 4, 1955

Memorandum

To : W. M. Traver, Executive Officer, DMEA Field Team

From : Superintendent, Southwest Experiment Station

Subject : Report on Docket DMEA-3669, Globe Uranium, Inc., Sue Uranium Mine, Gila County, Ariz.

Enclosed are original and 10 copies of the section on Summary, Conclusions and Recommendations by W. H. Hardwick of the Bureau of Mines and J. N. Faick of the Geological Survey, and the section on Engineering by Hardwick for the above report. A separate section on Geology will be submitted by the Survey.

As there seems to be a good chance of discovering a significant amount of uranium ore by further exploratory work at the Sue mine, the DMEA examiners have recommended Government exploration assistance. I concur with this recommendation.

Brochure is enclosed.

Walter R. Storms

Walter R. Storms

CC W. M. Traver (10)
J. N. Faick (with report)
DMEA-3669
DF

WRStorms:frj

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMEA-3669, Globe Uranium, Inc., Sue Uranium Mine

Gila County, Arizona

William R. Hardwick, Mining Engineer
U. S. Bureau of Mines

John N. Faick, Geologist
U. S. Geological Survey

May 1955

TRANSMITTED
MAY 11 1955

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By William R. Hardwick[1] and John N. Faick[2]

Globe Uranium, Inc., an Arizona corporation, with an office at 203 N. Broad St., Globe, Ariz., requested assistance under the Defense Production Act of 1950, as amended, to explore its Sue mining claims in the Sierra Anche of Gila County, Ariz. for uranium. The application was docketed as DMEA-3660, reviewed by the uranium commodity committee, and referred to the Southwest Experiment Station for a field examination and report.

The Sue mine was examined on April 5-6, 1955 by William R. Hardwick[1] and John N. Faick[2]. The examining team was accompanied by W. W. Screen who is superintendent for the applicant company. The proposed project was discussed with R. J. Schwartz and E. V. Mace who examined the Sue mine for the Atomic Energy Commission.

The Sue mine was located by the present owners after the high uranium content of parts of the Dripping Spring formation became known in 1950. The Sue mining claims cover the mineralized outcrop of the upper member of the Dripping Spring quartzite, a part of the younger pre-Cambrian Apache formation. Oxidized uranium minerals (metatorbernite and autunite) are abundant in

---

1/ Mining engineer, U. S. Bureau of Mines
2/ Geologist, U. S. Geological Survey

the outcrop. In addition to the 100 tons of ore mined in the course of preliminary exploration, 2,300 tons of ore with an estimated uranium content of 0.19 percent U_3O_8 is indicated.

The applicant proposed to explore the favorable beds by a program to consist of 2,000 feet of drifting and crosscutting, and 4,000 feet of percussion drill sample holes for a total cost of $74,000.00. The examining team recommends that the property be explored by a program to consist of 1,300 feet of drifting and crosscutting, and 1,600 feet of percussion drill sample holes for a total estimated cost of $48,200.00.

The applicant proposes that the project be set up on a short form type contract with 25 percent of the cost to be at the expense of the applicant and 75 percent of the costs to be provided by the Government.

It is believed that the project may discover a substantial amount of uranium ore. As uranium is of extreme importance to the national economy, the proposed project is technicallyfeasible, and the applicant appears to have a capable staff, Government assistance in an exploration project at this property is recommended.

DMEA-3669, CLARK URANIUM, INC., SUN URANIUM MINE
GILA COUNTY, ARIZONA

Engineering Report

By William R. Hardwick
Mining Engineer
U. S. Bureau of Mines

May 1955

RMEA-3449, GLOBE URANIUM, INC., SUE URANIUM MINE
GILA COUNTY, ARIZONA

CONTENTS

Engineering report	Page
Introduction	1
Acknowledgements	2
Location, topography and climate	2
Ownership and extent	3
History and production	3
Description of the deposit	5
Ore reserves	6
Present Status exploration and development	8
Proposed exploration and development	9
Estimated cost of the project	10
Proposed financing	11
Conclusions	12
Recommendations	13

ILLUSTRATIONS

Figure		Following page
1	Location map	2
2	Claim map	4
3	Plan showing proposed exploration	5
4	Radiometric survey of surface outs	6
5	Radiometric Traverse of Sue mine	6
6	Assay map of Sue mine	6
7	Geologic map of Sue mine area	(with Geologic report)

Plate

1.	Generalized geologic section	(with Geologic report)

INTRODUCTION

Globe Uranium, Inc., an Arizona corporation with office at 293 N. Broad St., Globe, Ariz., requested assistance under the Defense Production Act of 1950, as amended, to explore its Sue mining claims in the Sierra Ancha of Gila County, Ariz. for uranium. This application, docket No. DMEA-3569 (Uranium), was reviewed by R. D. Trace and John E. Crawford, members of the Uranium Commodity Committee, DMEA, and was referred to the field for an examination and a report.

The Sue mine was visited and examined on April 5-6, 1955 by John N. Faick, geologist, U. S. Geological Survey, and William R. Hardwick, mining engineer, U. S. Bureau of Mines. The examiners were accompanied by W. W. Sersen, superintendent of the Sue mine, who represented the applicant.

The applicant proposes to explore a flat-lying segment of the upper Dripping Spring quartzite bed for uranium by 2,000 feet of drifting, and 4,000 feet of air-drill sample hole for a total cost which it estimates to be $74,000.00. The applicant proposes that the working agreement be a short form type contract and offers an estimated cost of $30.00 per feet for the drifting and $2.00 per feet for air-drill sample hole.

The merits of the proposed exploration project were discussed with R. J. Schwartz who examined the Sue mine for the Atomic Energy Commission. Some data from the study by Schwartz have been included with this report.

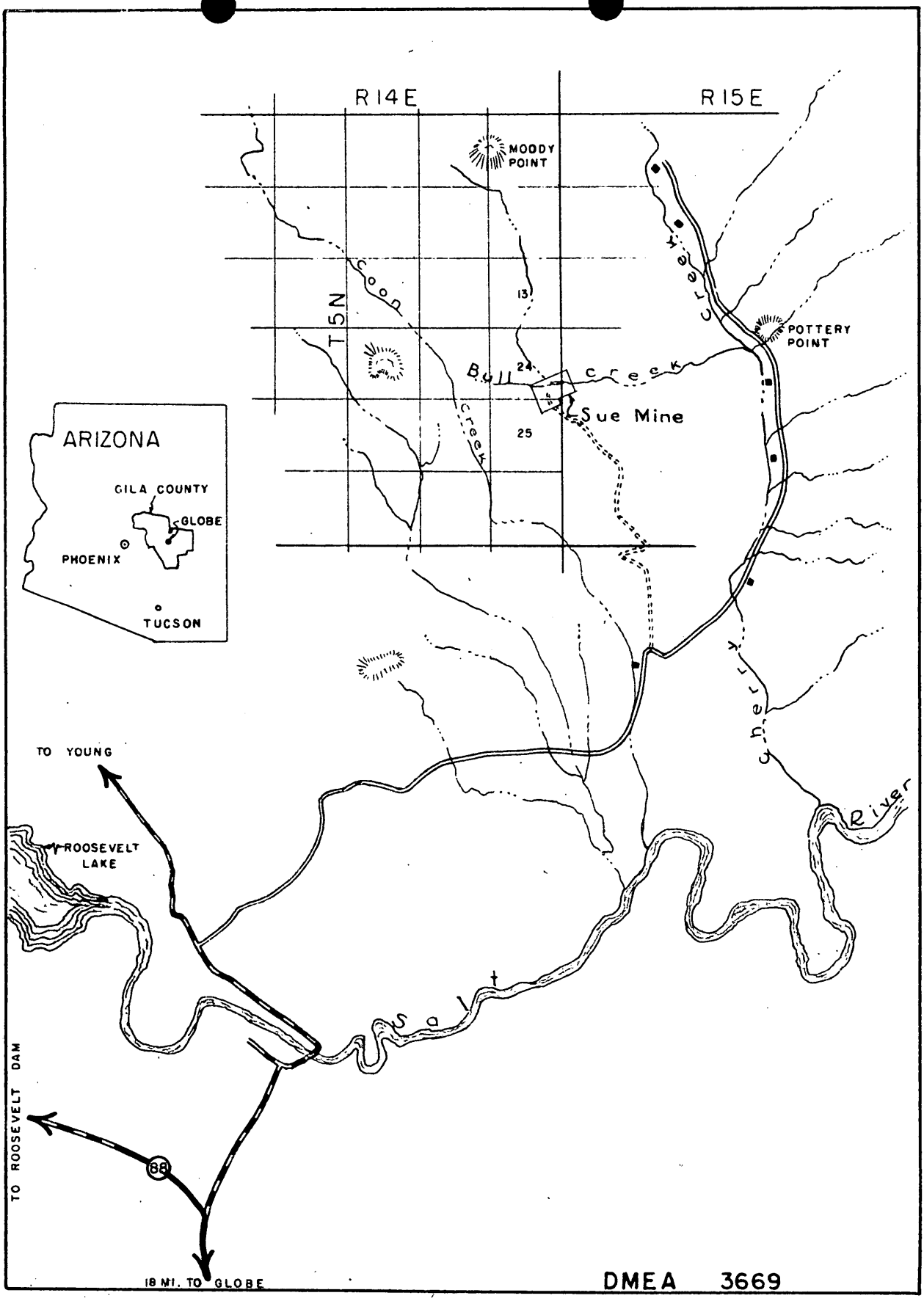
ACKNOWLEDGMENTS

Acknowledgment is due W. W. Serven, Superintendent of the applicant company, who was especially helpful in collecting information during the field examination. Acknowledgment also is due the Phoenix Field Office of the Atomic Energy Commission, especially to R. J. Schwartz of that office for helpful information on the district and for permission to use maps and plans from his study of the Sue mine in this report.

LOCATION, TOPOGRAPHY AND CLIMATE

The Sue mine is situated in secs. 24 and 25, T. 5 N., R. 14 E., and secs. 19 and 30, T. 5 N., R. 15 E. The mine is reached from Globe by 18.7 miles of paved State highway, 17.1 miles of graded county road, and 5.2 miles of jeep trail. To reach the Sue mine from Globe, drive west on U. S. Highway 60 to the junction with Arizona Highway 88; turn north at this junction and proceed 14 miles to the point where the county road to Young joins this road; drive north on this road for 6.9 miles to the point where the Cherry Creek road turns east; drive east on the Cherry Creek road to the point where this road crosses Coon Creek. At a point 0.3 miles east of the cattle guard at the Coon Creek ranch, turn north through a gate and drive 5.2 miles over a rough jeep trail to the mine. A 4-wheel drive vehicle is necessary for the last 5 miles.

The topography is rugged. Differences in elevation of 1,000 feet in a horizontal distance of half a mile are not uncommon, and vertical cliffs of from 50 to 300 feet are common. The Sue claims



- FIGURE 1 -
LOCATION MAP - SUE MINE - GLOBE URANIUM INC.
GILA COUNTY, ARIZONA

DEPARTMENT OF THE INTERIOR
Atomic Energy Commission
MAY 1 6 1955

on which the applicant proposes to do exploration cover a flat area on the high ridge between Bull Canyon and Coon Creek. The favorable beds outcrop at an altitude of 4,730 feet along the west side of Bull Canyon and are covered with 200 to 300 feet of the Apache group. The favorable beds also outcrop along the Coon Creek side of the area.

The climate generally is mild. Snow storms may interrupt work for short periods in the winter time. The precipitation ranges from 15 inches to 18 inches, most of which occurs as heavy snow storms in December and January, or as torrential thunder storms in July and August.

The vegetation includes juniper, pinon pine, and oak. Some small amount of mine timber may be cut on the claims, but most of the timber required must be hauled from Globe.

A water supply is available in Cherry Creek, 3 miles east and 1,500 feet below the Sue claims, or in Coon Creek, 4½ miles west and 500 feet below the Sue claims. Labor and general mining supplies are available in Globe, 40 miles from the mine.

OWNERSHIP AND EXTENT

When the occurrence of uranium in the area north of Globe became known, Keith C. Moren located a large number of mining claims on favorable outcrops. Later Keith C. Moren with his brother, James R. Moren, and Chuck O. Lee, formed Globe Uranium, Inc., an Arizona corporation.

Globe Uranium, Inc. is reported to own in excess of 300 claims. A part of these claims is shown on figure 2. This group is known as the Sun mine. The applicant has proposed to subordinate seven of these claims for royalty purposes under the proposed contract.

The question of how much ground would be benefited by the proposed project was discussed at some length with W. W. Sarson, who represented the applicant. It was Sarson's opinion that only the group of claims listed in the application would be benefited by the proposed work. However, Sarson stated that Globe Uranium, Inc. is anxious to obtain Government exploration assistance and would be willing to subordinate all of the claims necessary to get this aid.

John N. Faick stated that he believed that a larger group of claims might be benefited. Actually, if the continuity of the ore in the particular bed is proven by this project, all of the 6,000 square miles of Dripping Springs quartzite would be benefited to some extent. However, it seems probable that an operator who later discovers ore at his own expense on a claim which he has included in a subordination agreement at the insistence of the Government would not be satisfied.

It is the opinion of the undersigned that the mining claims Sun Nos. 9, 10, 11, 12, 16, 17, 18, and Climax No. 1 are all that would be benefited by the proposed project from a practical standpoint. It is recommended that these claims be subject to royalty payments for the purpose of this contract.

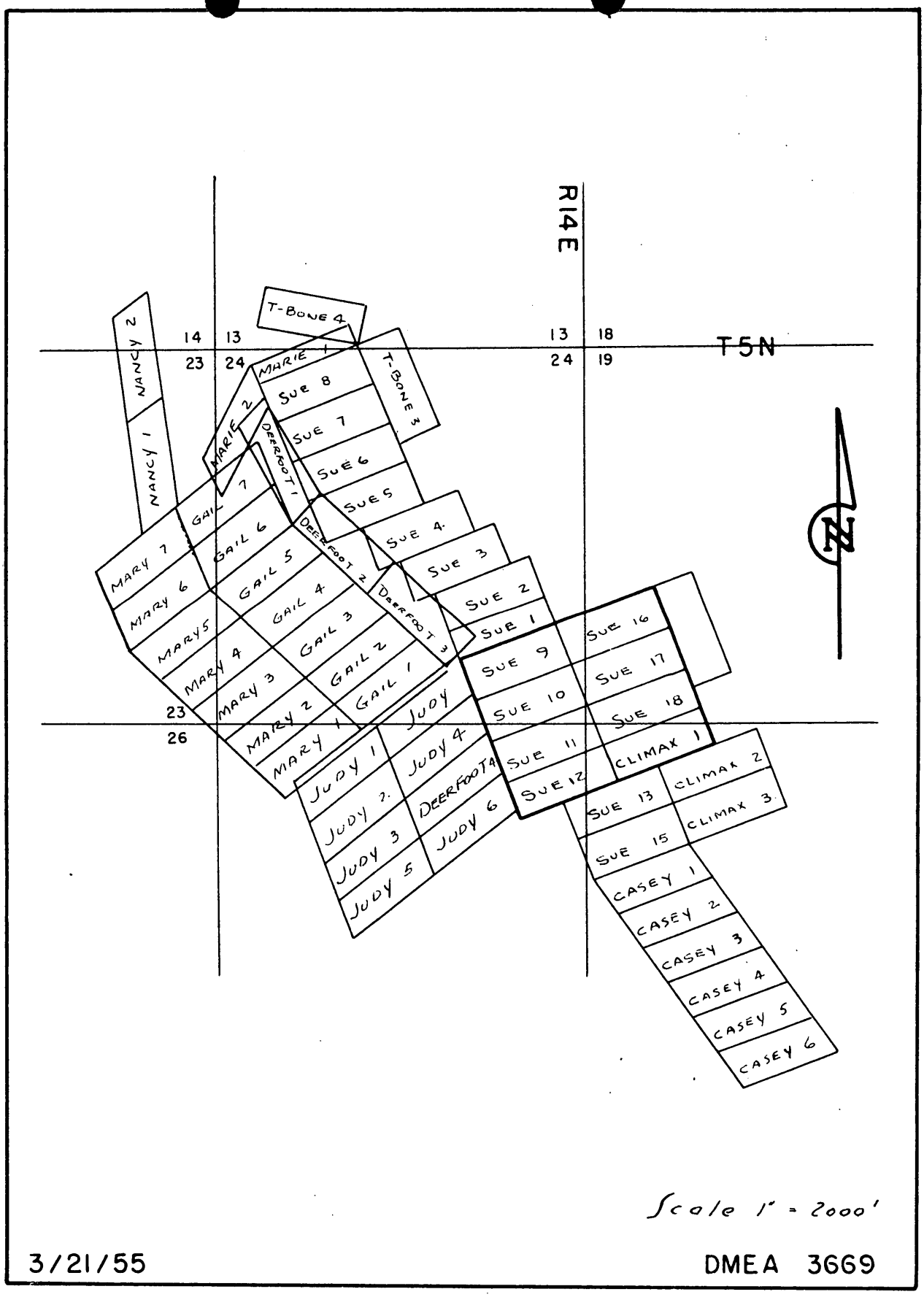


FIGURE 2 CLAIM MAP - SUE MINE - GLOBE URANIUM INC.

Department of the Interior
Bureau of Mines Administration
MAY 1 6 1956

HISTORY AND PRODUCTION

Uranium was discovered in the pre-Cambrian Dripping Springs quartzite north of Globe early in 1955. Prospecting activity has been intensive and many deposits with potential ore grade material have been located. Ore grade material has been mined from several deposits, including the Sun mine.

Approximately 100 tons of ore were mined from the Sun mine during the preliminary prospecting stage. Samples of this ore range from 0.15 to .30 percent uranium oxide. It has been stockpiled on the claims pending the completion of a haulage road and the opening of a uranium ore purchasing depot at Globe, Arizona.

DESCRIPTION OF DEPOSIT

The upper member of the Dripping Spring quartzite outcrops along the southwest side of Bull Canyon. This outcrop has been exposed by a bulldozer trench for 1,000 feet and has been explored by three adits. The outcrop was traced east and south along the 4,750-foot contour as shown on figure 3. The outcrop is reported to occur along the Coon Creek side of the Sun claims, but this western outcrop was not examined.

Along the trenched outcrop the rock was a thin-bedded, silicified, arkosic siltstone. The color was predominantly reddish to orange-brown. As nearly as could be observed, the bed ranged from 3 to 15 feet thick and was underlain by a blocky massive bed of quartzite. In the underground workings, fresh surfaces are sometimes medium to dark gray, but the workings are not deep enough to be free from the effects of oxidation from surface waters.

In the exposed surface trench, metatorbernite can be observed in many places. Autunite was identified in several places. At the Sun mine no primary minerals were identified in the dark grey rock. However, in other prospects in the district a similar dark grey thin-bedded rock contained visible pyrite, chalcopyrite, and pitchblende. The applicant contends that the primary minerals have been oxidized and partially leached from the ground now exposed and it believes that they will be found at greater depth.

ORE RESERVES

On April 1, 1955, E. V. Mace, geologist for the Atomic Energy Commission, and W. W. Berson ran a radiometric traverse. A La Rue Scintillation Detector was used and all readings were made with the detector held 2 feet above the rail in the center of the drifts and crosscuts. One hundred thirty readings were made in the traverse. The highest reading was 2.3 MR per hr. and the lowest reading was 0.14. The average of the 130 readings was 0.72; their distribution is shown on figure 5.

In March 1956, E. V. Mace cut 50 channel samples in the drifts and crosscuts. These channel samples were taken in the drifts and crosscuts that gave the best radiometric readings. They were cut across the favorable beds at the positions shown on figure 6 and were radiometrically assayed in the Phoenix sub-office of the Atomic Energy Commission; 11 samples were sent to the U. S. Bureau of Mines to be checked. The following tabulation compares the two sets of determinations.

Sample No.	AEC e % U_3O_8	USBM e % U_3O_8	e % U_3O_8
3	0.14	0.12	0.14
8	1.80	1.82	1.70
11	0.60	0.60	0.64
15	0.08	0.08	0.07
18	0.14	0.12	0.12
22	0.13	0.13	0.13
30	0.48	0.44	0.45
40	0.63	0.58	0.62
47	0.07	0.06	-
51	0.20	0.18	0.20
57	0.05	0.04	-

On April 5 - 6, 1955, channel samples were taken by the BMEA examining team at the same location as some of the Atomic Energy Commission samples were cut. These two sets of samples are compared below:

Atomic Energy Commission			U. S. Bureau of Mines		
Sample No.	Length	e % U_3O_8	Sample No.	Length	e U_3O_8
58	38"	0.04	13X63	38"	0.03
53	36	0.05	13X64	36	0.06
A-X105-26	48"	0.06	13X65	18"	0.23
15	64	0.05	13X66	64	0.03
17	76	0.17	13X67	76	0.19
A-X105-8	63"	0.61	13X68	48"	0.32

Based on the above checks and considering the fact that the chemical determination has as a rule been slightly higher than the radiometric determination for samples from the Sue mine, the radiometric determinations for the channel samples cut by the Atomic Energy Commission and shown on figure 6 are accepted as a reliable measure of the uranium content of the ore.

The applicant company has driven about 800 feet of drift and crosscut, and has stockpiled 100 tons of material. Samples by the applicant and by an Atomic Energy Commission representative indicate that this material will contain from 0.15 to 0.30 percent U_3O_8.

An average of 40 channel samples gave a grade of 0.19 percent U_3O_8 and an average thickness of 50 inches. Allowing 25 feet on each side of the drift sampled for a length of 130 feet (see figure 6), 2,500 tons of ore at an average grade of 0.19 are inferred.

The face of this drift is still in ore. In similar occurrences in other prospects in the district, sulfide or primary ore containing pyrite, chalcopyrite, and pitchblende has been found beyond the oxidized ground and it seems reasonable to infer that such ore will be found in the Sue mine. If sulfide ore containing pitchblende is not found, it still is possible that a significant amount of oxidized ore may be discovered of the same type as that now exposed in the drift.

The total minable ore reserves may be as follows:

Measured ore (dump)	100 tons @ 0.20 percent U_3O_8
Indicated ore	2,500 tons @ 0.19 percent U_3O_8
Inferred ore	Significant amount.

PRESENT STATUS EXPLORATION AND DEVELOPMENT

The applicant company has constructed a jeep trail to the mine, prospected the outcrop for the most favorable location, cut a trench 1,500 feet along the most favorable outcrop, and driven approximately 800 feet of drift and crosscut. According to W. W. Sorsen this work has been accomplished at a total cost of approximately $60,000.00.

Properties of Consolidated Uranium Co. and Miami Copper Co. are north of the Sue group, and Globe Uranium, Inc. has entered into an agreement with these companies to build a road to the property suitable for hauling ore to the highway.

PROPOSED EXPLORATION AND DEVELOPMENT

The applicant has proposed to explore the favorable quartzite bed with a program to consist of 1,000 feet of drifting or cross-cutting, estimated to cost $33.00 per foot, and 4,000 feet of underground percussion drill hole at $1.00 per foot. The total cost estimated by the applicant is $74,000.00.

The applicant proposes to drive three drifts southward from the face of the adits designated as Junction No. 1 and Junction No. 3. At favorable intervals along these drifts, the applicant proposes to drill the back with a long-hole drill and test with a radiometric probe.

The examining team proposes to explore the deposit in two stages by driving a single drift southward in the favorable beds, and testing the back and sides of the drift as shown on figure 3. Some drifting is provided to explore side areas from the drift when conditions warrant.

Exploration of the deposit by drilling core drill holes from the surface was discussed with the applicant. The extremely hard Dripping Springs quartzite is expensive to drill. The ore bodies

are relatively thin and sampling is difficult. The applicant believes that exploration by drilling would be more expensive and would produce less information than drifting. R. J. Schnerre, Atomic Energy Commission representative, stated that some drilling will be done for geological information very soon by his organization.

ESTIMATED COST OF THE PROJECT

The applicant proposes an estimated cost of $13.00 per foot for drifting and crosscutting, and $[illegible] per foot for percussion drilling.

Three factors tend to increase the cost of operating at this property: (1) The isolated location; (2) the lack of water; and (3) the hard quartzite formation. Cost of drifting and crosscutting is estimated to be as follows:

	Per foot
Operating labor	$17.34
Pay roll tax, etc.	2.63
Equipment and supplies	5.04
Engineering and supervision	1.00
Water supply	2.00
Repair and maintenance	3.00
Total	$[illegible].21

An estimated cost of $30.00 per foot would seem reasonable for this project.

The cost of longhole percussion drill sampling is estimated as follows:

Operating labor	$1.26
Payroll tax, etc.	0.19
Equipment and supplies	0.51
Miscellaneous	[illegible]
Total	[illegible]

[illegible]

[illegible]

[illegible]

The applicant's estimated cost of $2.00 per foot for percussion drill sample hole seems reasonable.

The program and costs proposed by the applicant are as follows:

	Total
2000 ft. drifting and crosscutting @ $25.00/ft.	$50,000.00
4,000 ft. percussion drilling @ $2.00/ft.	8,000.00
Total	$74,000.00

The program and costs recommended by the examining engineer are as follows:

	Total
1,000 ft. drifting and crosscutting @ $30.00/ft.	$45,000.00
1,000 ft. percussion drilling @ $2.00/ft.	2,000.00
Total	$47,000.00

It is recommended further that the exploration program be divided into two stages, each stage to consist of 500 feet of drifting, which shall be defined as driving in the favorable bed and in a direction that does not deviate more than 45 degrees from south, 250 feet of crosscutting, and 500 feet of percussion drill hole.

The dimension of the drifting is specified because the BGSA examining team believes that the important objective is to gain depth and determine the type and trend of ore.

PROPOSED FINANCING

The applicant has proposed to finance 25 percent of the costs of the proposed exploration project with its own funds and has requested that the Government advance 75 percent of the costs in the form of BGSA exploration assistance. All ore that may be discovered will be subject to royalty until the Government's advance has been repaid.

[illegible]

[illegible]

[illegible]

CONCLUSIONS

From a study of the information gained by a field examination of the Sun uranium mine, a visit to several other uranium mines in the district, supplemental a discussion with the district Atomic Energy Commission representative, and a review of the application for Government assistance, the following conclusions are drawn:

1. Globe Uranium, Inc. has done a substantial amount of exploration at its own expense.

2. Some ore (100 tons) has been mined and additional ore (2,000 tons) has been indicated with a grade of 0.12% U_3O_8.

3. A significant amount of ore is indicated in the district and a uranium purchasing depot is now under construction and will be in operation soon at Dustoy, a few miles east of Globe.

4. Geological controls of the uranium ores in the Naipping Spring formation are not known.

5. The similarity mineralization and formation at the Sun mine to other mines in the district, that have found primary uranium ore, is close.

6. A significant amount of uranium ore may be discovered by the proposed exploration program.

7. The applicant company as now organized appears to be qualified to complete the proposed program.

8. The commodity, uranium, is important to the national economy.

[illegible]

RECOMMENDATIONS

It is recommended that the applicant's request for assistance be granted and that a contract for Government participation in the costs of the exploration program as outlined in the following paragraph be drawn. This program has been discussed with the applicant's representative, W. W. Sarson, and it is believed that it will be acceptable although Sarson did not agree to the lower cost for drifting.

It is recommended that the contract provide for a two-stage exploration program as shown on figure 5 of this report and detailed as follows:

Stage 1:

(1) Extend junction No. 1 adit in a southerly direction. This drift should be limited to a deviation of not more than 15 degrees from south and should be in the mineralized bed.

(2) Drive crosscuts at favorable points to further explore ore bodies or mineralized trends that may be discovered by drifting. The location and direction of crosscuts is to be subject to prior approval by the BMSA field team.

(3) Drill percussion sample holes at regularly spaced intervals from the drift and crosscuts to test the favorable beds for thickness.

Stage II.

(1) Extend the drift of Stage 1 for an additional 300 feet.

(2) Same as provided in (2) of Stage 1.

(3) Same as provided in (3) of Stage 1.

The recommended program and costs are summarized as follows:

Stage I.

300 ft. of drift @ $50.00/ft.	$15,000.00
300 ft. of crosscutting @ $30.00/ft.	7,500.00
500 ft. drill hole @ $2.00	1,600.00
Total stage I	$24,100.00

Stage II.

300 ft. of drift @ $50.00/ft.	$15,000.00
250 ft. of crosscut @ $30.00/ft.	7,500.00
500 ft. of drill hole $2.00/ft.	1,600.00
Total Stage II	$24,100.00
Grand total Stage I and II	$48,200.00

The proposed exploration project is shown on figure 3.

[illegible]

(1) [illegible] the [illegible] [illegible] [illegible] [illegible]

(2) [illegible] as provided in (3) [illegible]

(3) [illegible] as provided in (1) of [illegible].

The [illegible] [illegible] and [illegible] are [illegible] as [illegible] [illegible]

[illegible] I.

300 [illegible] of [illegible] @ $30.00/[illegible] [illegible]

300 [illegible] of [illegible] @ $30.00/[illegible] [illegible]

300 [illegible] of [illegible] @ $30.00/[illegible] [illegible]

Total [illegible] [illegible]

[illegible] II.

300 [illegible] of [illegible] @ $30.00/[illegible] [illegible]

300 [illegible] of [illegible] @ $30.00/[illegible] [illegible]

300 [illegible] of [illegible] @ $30.00/[illegible] [illegible]

Total [illegible] [illegible]

[illegible] Total [illegible] [illegible]

The [illegible] by the [illegible] [illegible] [illegible] [illegible]

IN REPLY REFER TO:

/DMEA

Date Rec'd.

MAY 9 1955

BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

May 9, 1955

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 16 1955

TRANSMITTED
MAY 11 1955

Memorandum

To: Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 3669 (Uranium), Sue Mine, Globe Uranium Company, Inc., Gila County, Arizona

Enclosed are the original and 9 copies of a geologic report by J. N. Faick, U. S. Geological Survey, on the subject application.

A uraniferous stratum in the middle unit of the Upper Member of the Dripping Springs quartzite has been partially explored by a surface trench and tunnels. A mineralized zone about 120 feet long, 50 feet wide, and averaging 5 feet thick that contains an estimated 2,500 tons of low-grade ore is indicated by this work. The average grade of 40 samples taken in the mineralized zone is 0.19 percent U_3O_8. The ore has been leached and Faick concludes that the grade might be higher at greater depths. However, Faick concludes that the proposed program is somewhat pretentious, and recommends that a reduced program be approved.

I concur with this recommendation.

for DRMacLaren
E. N. Harshman
Member, Field Team

Enclosures (10)

DRMacLaren:arh

Box 4126 University Station
Tucson, Arizona

April 29, 1955

MEMORANDUM

To: Mr. E. H. Harshman

FROM: J. H. Faick

SUBJECT: DMEA 3669 -- Sue Mine, Globe Uranium Company, Inc., Gila County, Arizona (Uranium) Examination Report

Enclosed are the original and 10 copies of the above subject report. This report recommends Government participation in exploration, for reasons explained in the report.

One copy of the Application is returned herewith.

J. H. Faick

JHF:ms

cc: Mr. Harshman - 10
Mr. Strauss

U. S. DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Minerals Administration
RECEIVED

REGION III

GEOLOGY
EXAMINATION REPORT
DMEA 3669

SUN MINE
GLOBE URANIUM COMPANY, INC.

GILA COUNTY, ARIZONA

(Uranium)

By
John H. Faick
Geologist
U. S. Geological Survey

April 29, 1955

U. S. DEPARTMENT OF THE INTERIOR
BUREAU MINERALS EXPLORATION ADMINISTRATION
FIELD TEAM REGION XII

EXAMINATION REPORT

DMRA 3669
SUE MINE
GLOBE URANIUM COMPANY, INC.
GILA COUNTY, ARIZONA
(Uranium)

CONTENTS

	Page
INTRODUCTION	1
GENERAL GEOLOGY	1
GEOLOGY OF THE MINE AREA	2
ORE RESERVES	6
PROPOSED EXPLORATION	6
CONCLUSIONS AND RECOMMENDATIONS	8

ILLUSTRATIONS

Fig. 1	Location Map	See Engineering Report
Fig. 2	Claim Map	" " "
Fig. 3	Plan, showing proposed exploration	" " "
Fig. 4	Radiometric Survey of Surface Cuts	" " "
Fig. 5	Radiometric Traverse of Sue Mine	" " "
Fig. 6	Assay-Sample Map of Sue Mine	" " "
Fig. 7	Geologic Map, Sue Mine area	Following page 1
Plate I	Generalized Geologic Section	Following page 1

INTRODUCTION

The Sue Mine was examined on behalf of the Defense Minerals Exploration Administration April 5-6, 1955, by John H. Faick, U. S. Geological Survey, and W. H. Hendrick, U. S. Bureau of Mines. These examiners were accompanied by W. H. Burson, who represented the applicant company, Globe Uranium, Inc. The property previously had been studied in detail for the Atomic Energy Commission by R. J. Schwartz and E. V. Moss, and the results of these studies were made available for inclusion in this report. Also included herein are data made available to this writer by H. C. Granger, U. S. Geological Survey.

GENERAL GEOLOGY

The Sue Mine is situated near the head of Bull Canyon, a tributary of Cherry Creek on the McFadden Peak quadrangle in Gila County, Arizona, approximately 15 airline miles north of Globe. This is an area of relatively rugged topography, figure 7, characterized by plateaus and mesas into which steep narrow canyons have been deeply incised. The area is underlain by nearly horizontal or gently dipping sedimentary formations of pre-Cambrian and Paleozoic ages, which rest upon a granitic complex of older pre-Cambrian rocks. Diabase sills and dikes, probably of later pre-Cambrian age, intrude the pre-Cambrian formations.

The most widely distributed formations in the area are limestones and clastic sediments belonging to the Apache group

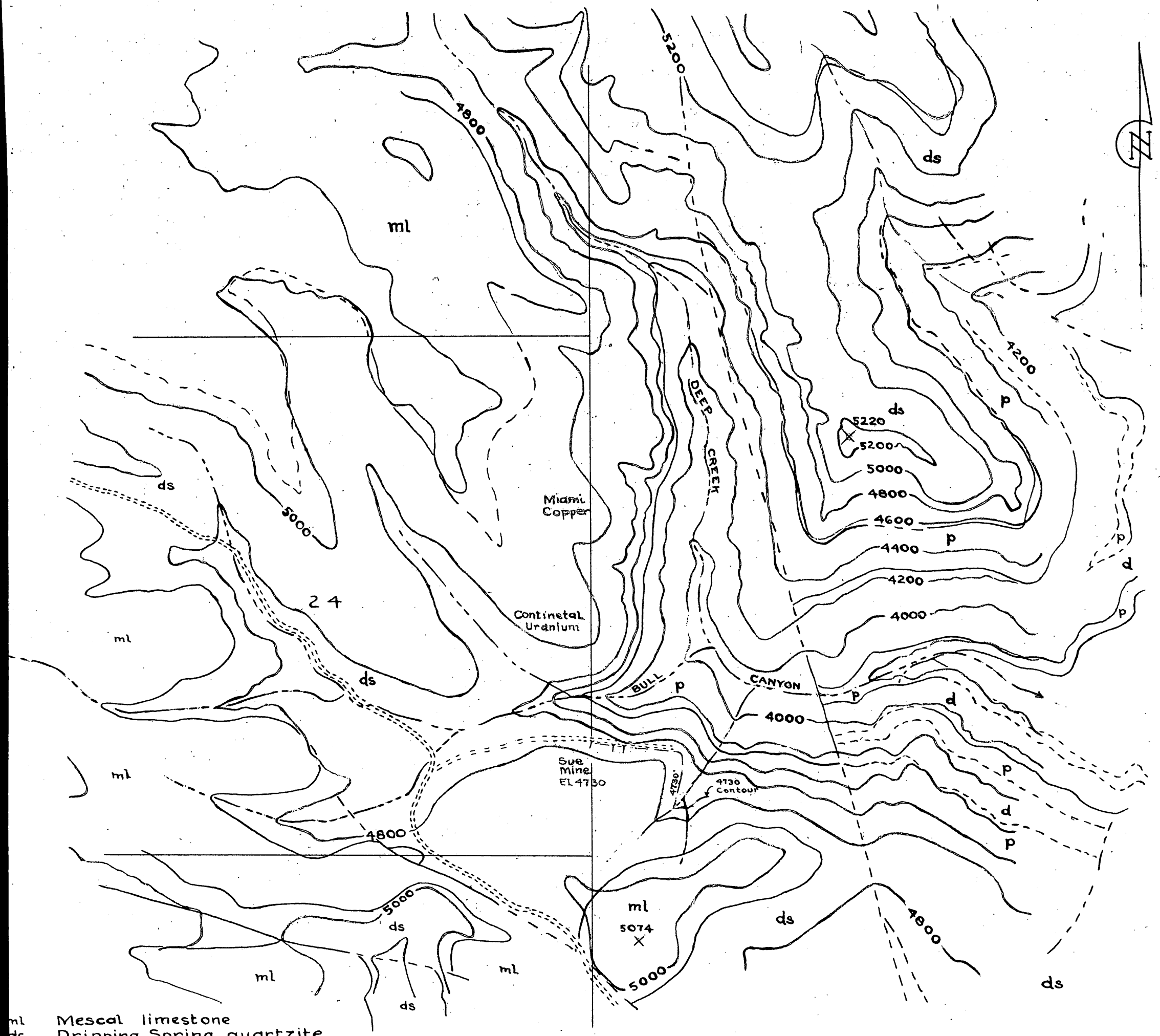


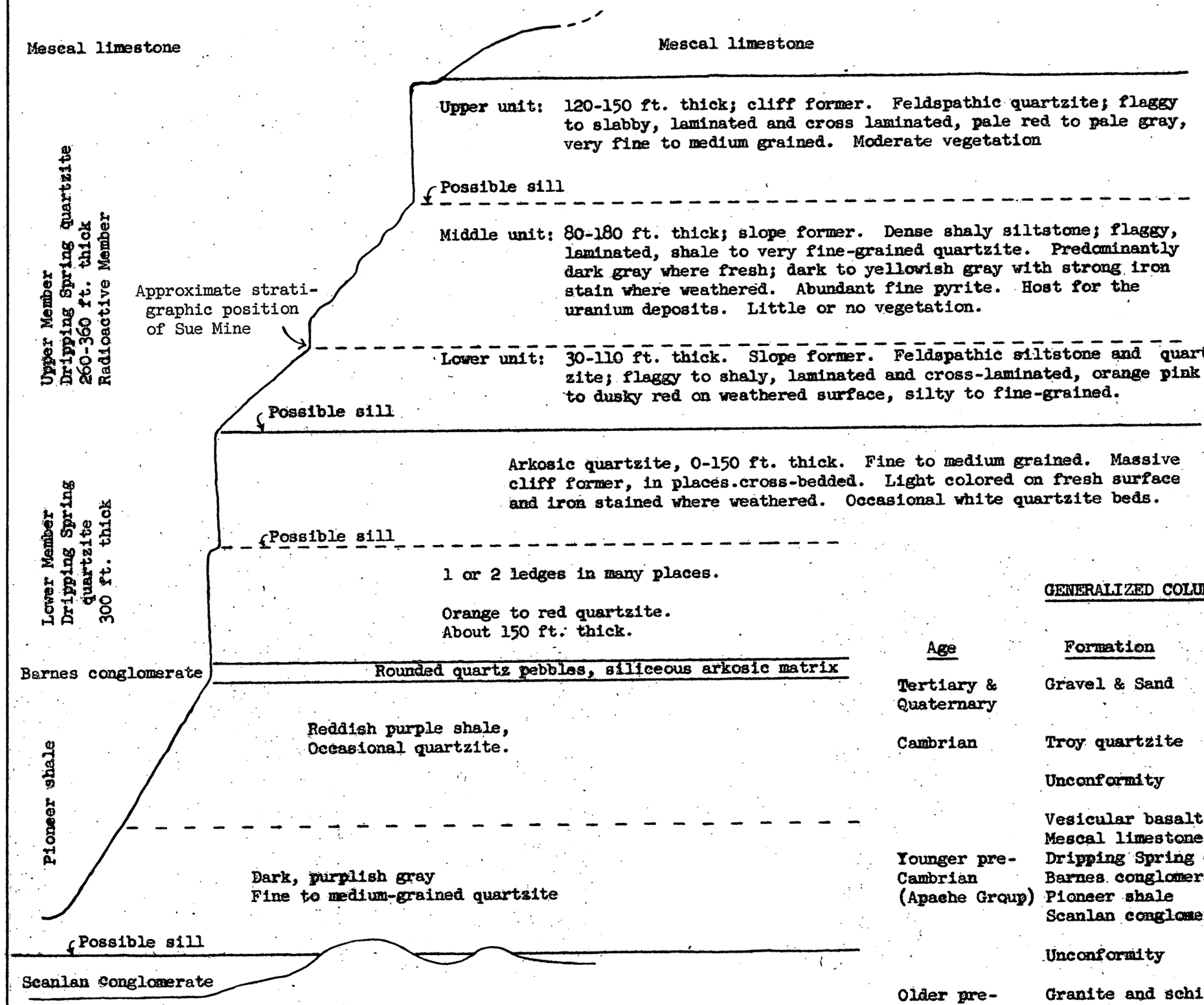
FIGURE 7
GEOLOGIC MAP, SUE MINE AREA

4-15-55 SCALE 1" = 1000' DMEA 3669

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 16 1955

PLATE I

DIAGRAMATIC SECTION OF APACHE GROUP IN GILA COUNTY AND ADJACENT AREAS, ARIZONA



GENERALIZED COLUMNAR SECTION

Age	Formation	Thickness (feet)	Average Thickness
Tertiary & Quaternary	Gravel & Sand		
Cambrian	Troy quartzite	500	
	Unconformity		
Younger pre-Cambrian (Apache Group)	Vesicular basalt flow	0-75	75
	Mescal limestone	225-400	300
	Dripping Spring quartzite	450-700	700
	Barnes conglomerate	0-50	
	Pioneer shale	150-250	250
	Scanlan conglomerate		
	Unconformity		
Older pre-Cambrian	Granite and schist		

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 16 1955

of the younger pre-Cambrian. Brief descriptions of these formations are given in Plate I, a generalized stratigraphic section appropriate for Gila County and adjacent areas in Central Arizona. The Dripping Spring formation of the Apache group is noteworthy in that it exhibits higher radioactivity than is normally found in the surrounding rocks and in several places this formation contains uranium in potentially mineable quantities. It is to be noted on Plate I that only the upper member of the Dripping Spring is known to contain notable amounts of uranium and most of it has been found in the middle unit of the upper member. Most of the more significant concentrations of uranium discovered to date occur within an interval that lies from 50 to 150 feet above the base of the upper member.

GEOLOGY OF THE MINE AREA

The outcrop of the ore zone at the Sue mine has been explored by a 1,000-foot bench cut along the ore horizon. Underground the ore zone has been explored by about 700 feet of adits, drifts and crosscut. These workings explored a radioactive stratum in an area about 175 feet long and about 125 feet wide. The radioactive stratum, which dips about 2 degrees south, ranges from about 1 feet to 8 feet thick and averages about 5 feet thick. This stratum is a laminated or flaggy, thin-bedded gray siltstone, which is very slightly crinkled and crumbled. Individual laminae

[illegible]

range in thickness from about 1/8 to 3/4 inches thick. In many places the individual partings or laminae are loose, or open, and the porosity of the stratum is very great, but in other places the planes of lamination are tight or compact, and in these places the stratum is relatively impervious. The thinly-bedded or laminated uraniferous stratum rests upon a massive sandy bed several feet thick, of which the upper 12 to 15 inches is also uraniferous. The uranium in the upper part of the massive bed, in a zone about 12 to 18 inches thick, may be due to reconcentration of uranium which has been leached from the thin-bedded uraniferous stratum.

The beds appear to have been slightly deformed by jointing and fracturing, and possibly by mild flexing, which is barely evident. The joints are nearly vertical and are in two principal sets which are nearly at right angles, one set trending about N 10° E, and the other trending about N 80° W. A maximum of about 20 feet of displacement has taken place on 2 north trending faults which have cut the uraniferous stratum into 3 segments. These faults are believed to be approximately parallel to the prominent Deep Creek fault, which lies about 2000 feet east of the Sue prospect. In addition to the nearly vertical joints and faults the strata have been cut by several low angle faults and fractures, which in places have displaced the beds a few inches

and in other places have caused only slight brecciation of the beds without noticeable displacement. In places these low angle faults pass into bedding planes and become very inconspicuous. The abundance of vague fractures, joints and faults that are present indicate that the zone in which the uranium is localized has participated in adjustment to mild deformational stresses.

Localization of the ore at the Sue mine appears to be due to preferential selection by uranium of a thinly laminated stratum which appears to be more intensely fractured than other strata exposed in the same area. It is not known what influence other factors, such as major faults, regional metamorphism or proximity to diabase intrusions might have had in localizing the uranium at the Sue property.

AEC geologists (Schwartz and Rhoe), who have done considerable work on the Sue mine, report that pyrite, chalcopyrite, torbernite, meta-torbernite, autunite, and uraninite have been identified from the ore zone. Only torbernite was recognized by this writer, and in all cases it was closely associated with relatively abundant limonite and with honey-yellow, waxy material reported to be an unstable compound of iron and phosphorous. No hypogene minerals were recognized by this writer, and the abundant surficial stains and alteration products indicate that the ore zone,

where explored, is in a zone of supergene alteration. Undoubtedly the zone has been subjected to leaching of unknown intensity by descending meteoric waters.

Radioactive measurements made by the AEC geologists and the applicants, and satisfactorily confirmed by the examiners, indicate that a background of 0.02 to 0.04 milliroentgens per hour is characteristic and that in the mine workings readings that are several times greater than background are obtained in some places. The radiometric survey, figure 5, shows that readings ranging from 0.14 to 1.9 milliroentgens per hour were obtained.

Radiometric analyses of 39 samples, figure 6, taken by the AEC geologists, indicate an equivalent uranium content ranging from 0.01 to 1.30 percent, with an average of 0.15 percent. Of these samples, 9 were chemically analyzed as a check on the radiometric analyses and these 9 samples contained an average of 0.45 percent U_3O_8.

During this examination Hardrick took 2 samples from the surface cut and 8 samples in the underground workings to check the sample analyses provided by AEC and the applicant. The samples taken by Hardrick revealed an equivalent uranium content ranging from 0.01 to 0.32 percent. The 3 samples found to contain the most uranium by radiometric analyses were chemically analyzed, and the average of these was found to be 0.28 percent U_3O_8. The [illegible] analyses closely checked those supplied by the applicant and AEC. On nearly all samples it was noted that the chemical analyses were slightly higher than the radiometric analyses.

[illegible] geology, in the case of magnetite deposits. Unusual [illegible] the zone was also accompanied by a variety of unknown [illegible] by [illegible] intensity [illegible].

Radiometric measurements made by the [illegible] and the geologists, was satisfactorily confirmed by the laboratory, indicating a background of 0.02 to 0.14 milliroentgens per hour [illegible] characteristic was that in the plus workings to which the [illegible] and their greater radioactivity were confined to more [illegible]. The [illegible] survey, figure 3, shows that readings ranged from 0.14 to 1.3 milliroentgens per hour were obtained.

Spectrographic analyses of 32 samples, figure 4, taken by the AEC geologists, indicate an equivalent uranium content ranging from 0.01 to 1.32 percent, with an average of 0.14 percent. Of these samples, 9 were chemically analyzed as a check on the radiometric analyses and these 9 samples contained an average of 0.19 percent U3O8.

During this examination Tachevah took 2 samples from the workings and 1 sample in the underground workings to check the sample analyses provided by AEC and the geologists. The samples were dry, by Tachevah analysis equivalent uranium content ranging from .01 to 0.32 percent. The 2 samples found to contain the most uranium by radiometric analyses were chemically analyzed, and the average of these was found to be 0.25 percent U3O8. The [illegible] analyses closely checked those supplied by the applicant and AEC. The value for samples in well raised when the mineral samples were [illegible] higher than the radiometric analyses.

ORE RESERVES

Ore reserves are not precisely estimated because there are no reliable geological criteria upon which to base an estimate. A mineralized zone, about 120 feet long and 90 feet wide, and averaging about 5 feet thick, appears to contain uraniferous material of potentially minable grade, thus a reserve of about 2500 tons of low-grade ore is indicated. The average grade of ore as shown by 40 samples taken in the mineralized zone is 0.10 percent U_3O_8. This ore has been leached and altered by meteoric waters, and it is possible that higher grade ore might be present at greater depths below the surface. Although data are not available on which to base an ore reserve estimate there is a possibility that substantial amounts of low grade ore might be discovered by the proposed exploration. It is reasonable to hope that the ore zone is very much larger than indicated by presently available data.

PROPOSED EXPLORATION

The applicants originally proposed exploration of the property by means of driving a total of 2000 feet of drifts, crosscuts and raises, and drilling a total of 1000 feet of underground percussion drill holes. Forum expressed a desire to set the project up in stages, with a fairly large amount of drifting and crosscutting provided in the first stage and a smaller amount in a second stage. He proposes to do the percussion drilling concurrently with the drifting, crosscutting and raising. It is proposed to drive the drifts and crosscuts in the ore zone and to

[illegible]

explore the ore and some of the strata above it by drilling at 100-foot intervals and by driving raises in favorable areas.

The applicant's program is reasonably good but is somewhat pretentious, considering the fact that criteria upon which exploration must be based are not well known. However, greatly reducing the size of the project might defeat its purpose. We, therefore, recommend an exploration program which we believe is feasible to execute, reasonable in cost, and adequate to determine if significant reserves are present. The program proposed, and illustrated in figure 3, is as follows:

Stage I. Drive the Junction No. 1 adit in a southerly direction about 500 feet and explore on either side of it with about 250 feet of drifting and crosscutting. Allow about 750 feet of drifts and crosscuts for Stage I.

Allow about 800 feet of percussion-type long hole drilling to explore the walls and backs of the drifts and crosscuts. This drilling is to be done concurrently with the drifting and crosscutting insofar as operations permit.

Stage II. Same as Stage I, but designed to explore the area south of that explored by Stage I.

This program must not be rigid, but must be sufficiently flexible to permit the operator to follow the trend of the ore insofar as possible and to place the drill holes in the places most likely to contain ore, as these are revealed by the drifts and crosscuts.

It is believed this program will adequately explore a zone about 1000 to about 1200 feet long and 300 feet wide. This zone is elongated in a southerly direction, and lies south of the zone which has been partly explored by the present workings.

CONCLUSIONS AND RECOMMENDATIONS

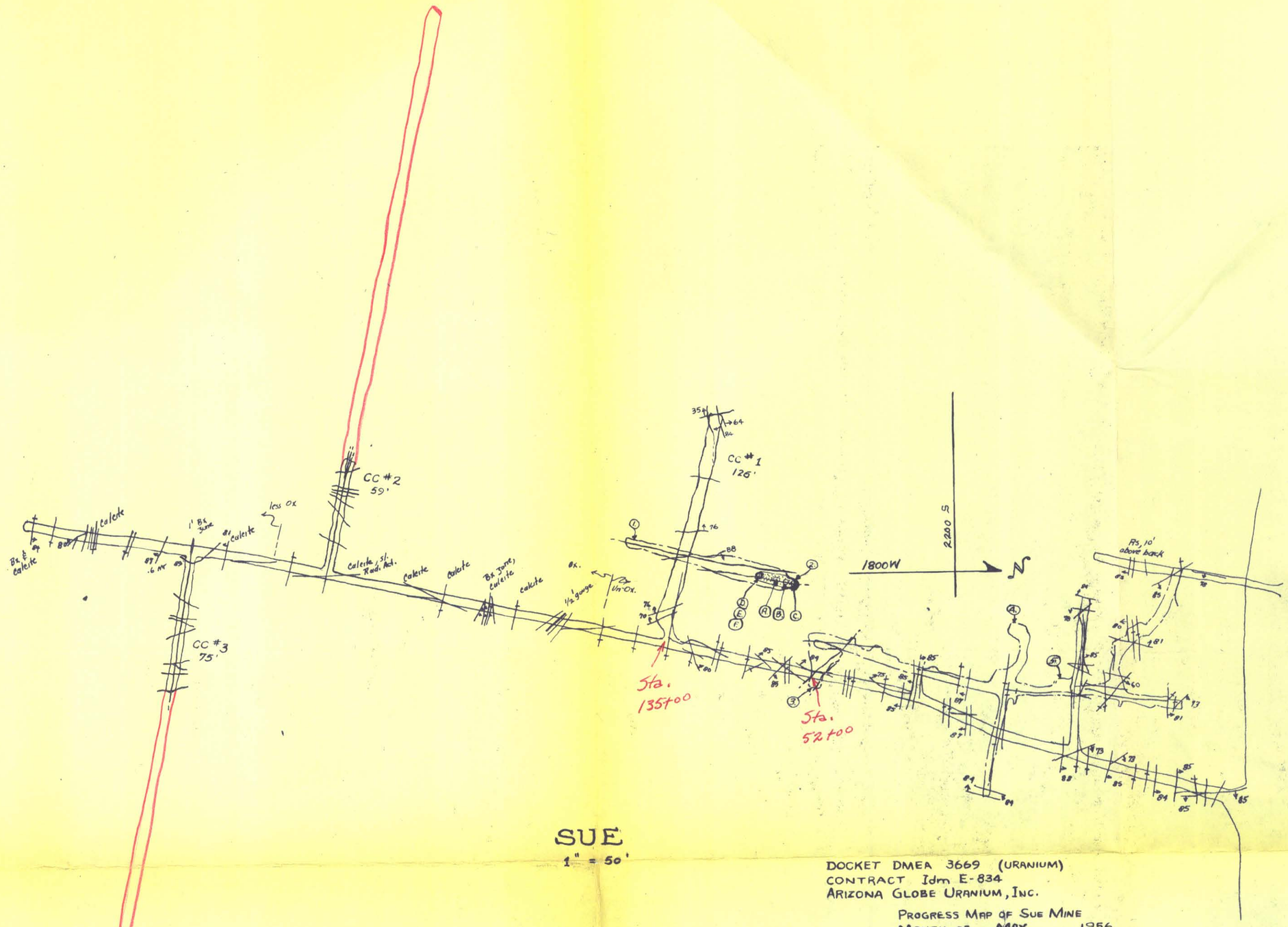
The Sue mine has explored a uraniferous stratum in the favorable Dripping Spring quartzite and has exposed about 2500 tons of low-grade, probably submarginal ore, most of which undoubtedly has suffered from leaching and oxidation. It is hoped that deeper in the hill in which the ore is developed, and at greater depths, will be found significant amounts of uraniferous material containing primary uranium minerals in sufficient quantity to be of possible commercial value. Therefore, Government participation in exploration is recommended.

It is believed this program will adequately produce a [illegible] about 4000 to 5000 ton a day, one 300 [illegible] plant would be designed in a continuous direction, and also small or [illegible] zone which has been partly explored by the present [illegible].

CONCLUSIONS AND RECOMMENDATIONS

The [illegible] has explored a mineralized [illegible] in the [illegible] Spring quadrant and has exposed [illegible] type of low-grade, probably supergene ore, and a [illegible] only has suffered from leaching and oxidation. It is known that [illegible] in the hill in which the ore is developed, [illegible] depths. [illegible] found significant amounts of manganese [illegible] constituting primary manganese minerals in sufficient quantity [illegible] of possible commercial value. The [illegible] is considered [illegible] in exploration is recommended.

RECEIVED
JUL 16 1956



SUE
1" = 50'

DOCKET DMEA 3669 (URANIUM)
CONTRACT Idm E-834
ARIZONA GLOBE URANIUM, INC.

PROGRESS MAP OF SUE MINE
MONTH OF MAY, 1956

ASSAY SAMPLE MAP

OF THE

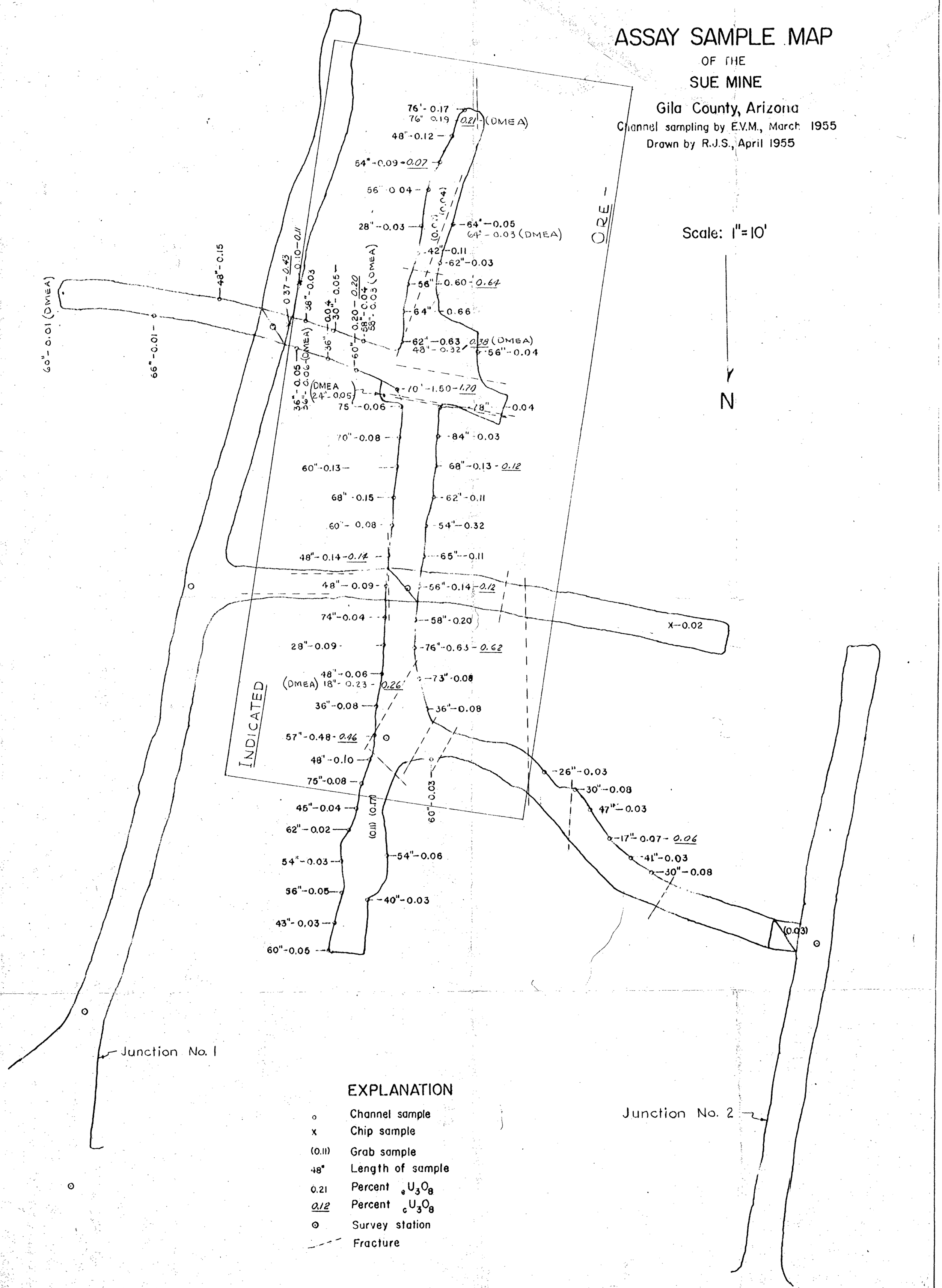
SUE MINE

Gila County, Arizona

Channel sampling by E.V.M., March 1955

Drawn by R.J.S., April 1955

Scale: 1" = 10'

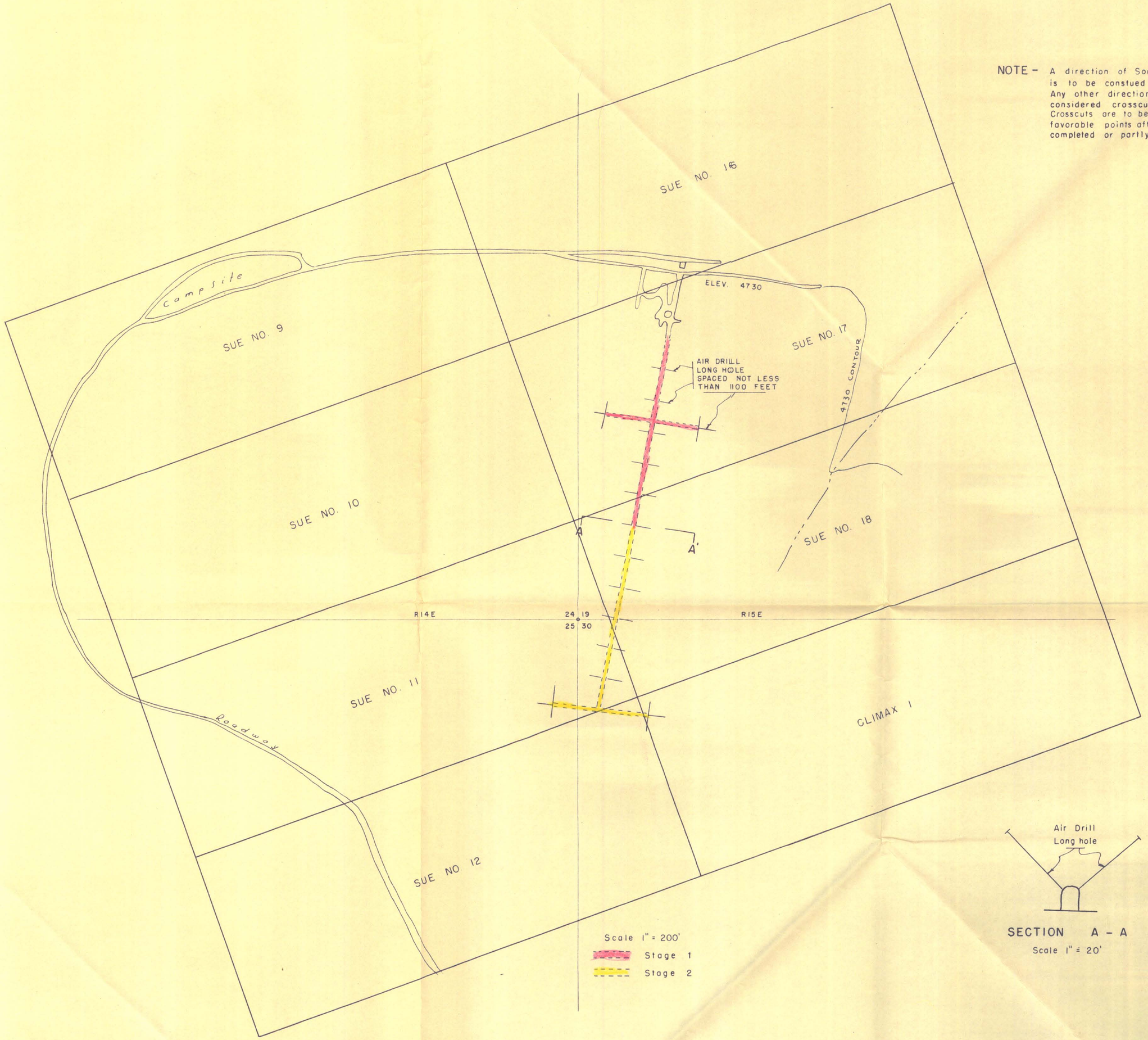


EXPLANATION

o	Channel sample
x	Chip sample
(0.11)	Grab sample
48"	Length of sample
0.21	Percent $_eU_3O_8$
0.12	Percent $_cU_3O_8$
⊙	Survey station
- - -	Fracture

FIGURE 4 — DMEA 3669

NOTE - A direction of South ± 15° in bed is to be constued as drifting. Any other direction is to be considered crosscuting. Crosscuts are to be located at favorable points after drifting is completed or partly completed.



DMEA 3669

FIGURE - 3 - SUE URANIUM MINE - PLAN SHOWING PROPOSED EXPLORATION

ASSAY SAMPLE MAP

OF THE

SUE MINE

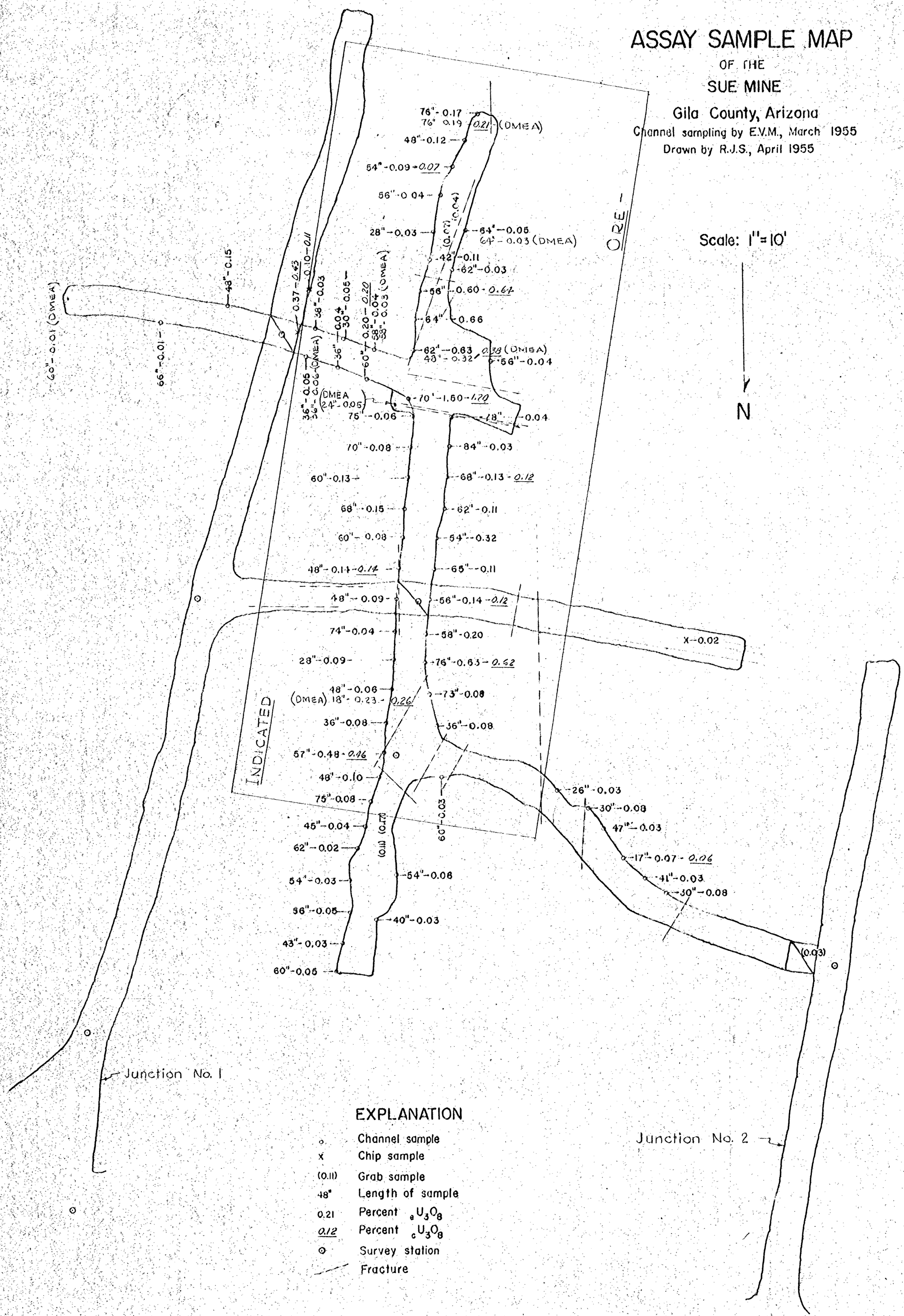
Gila County, Arizona

Channel sampling by E.V.M., March 1955

Drawn by R.J.S., April 1955

Scale: 1" = 10'

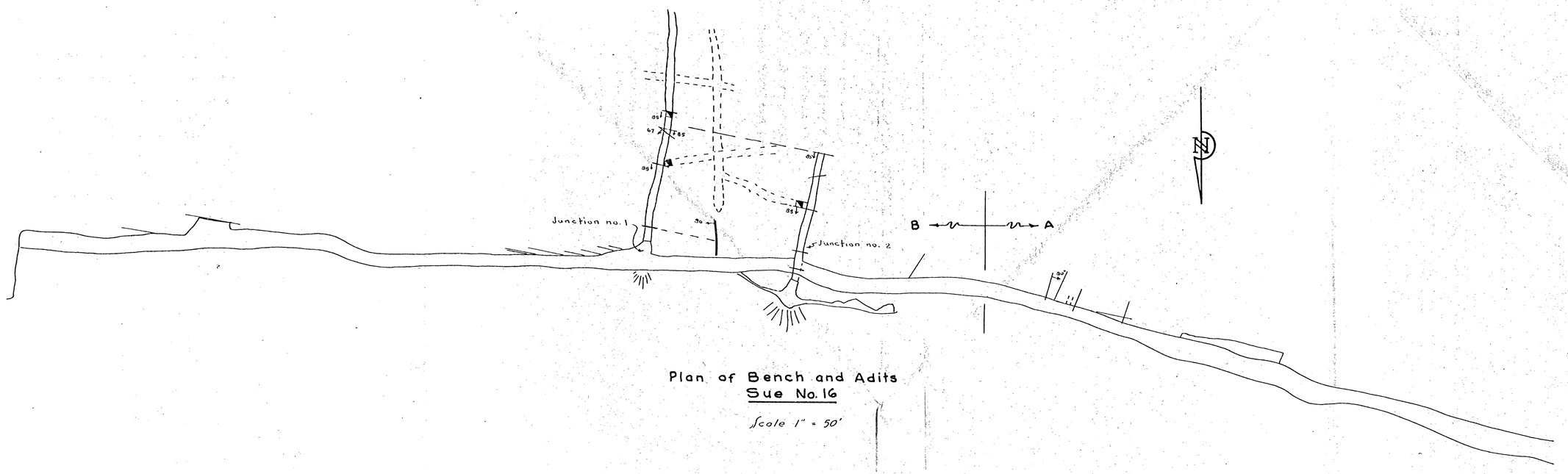
N



EXPLANATION

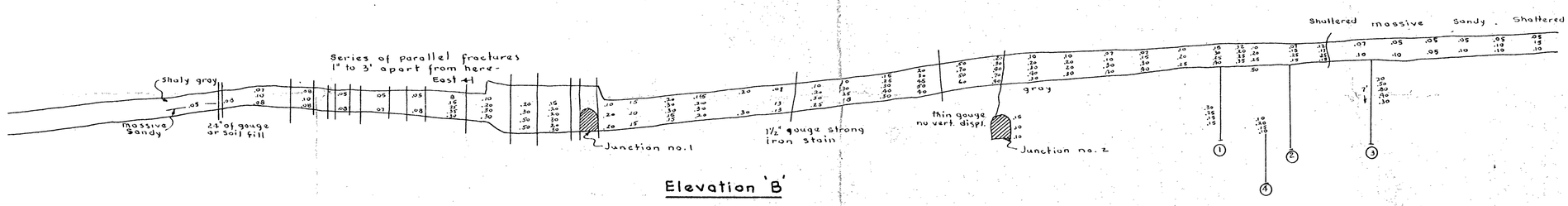
o	Channel sample
x	Chip sample
(0.11)	Grab sample
48"	Length of sample
0.21	Percent $_eU_3O_8$
0.12	Percent $_cU_3O_8$
⊙	Survey station
———	Fracture

FIGURE 6 — DMEA 3669

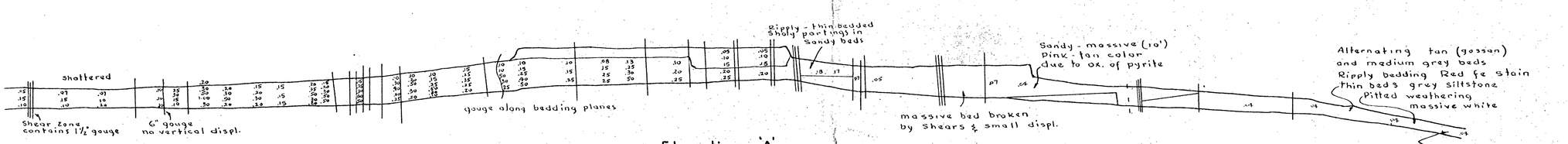


Plan of Bench and Adits
Sue No. 16

Scale 1" = 50'



Elevation 'B'



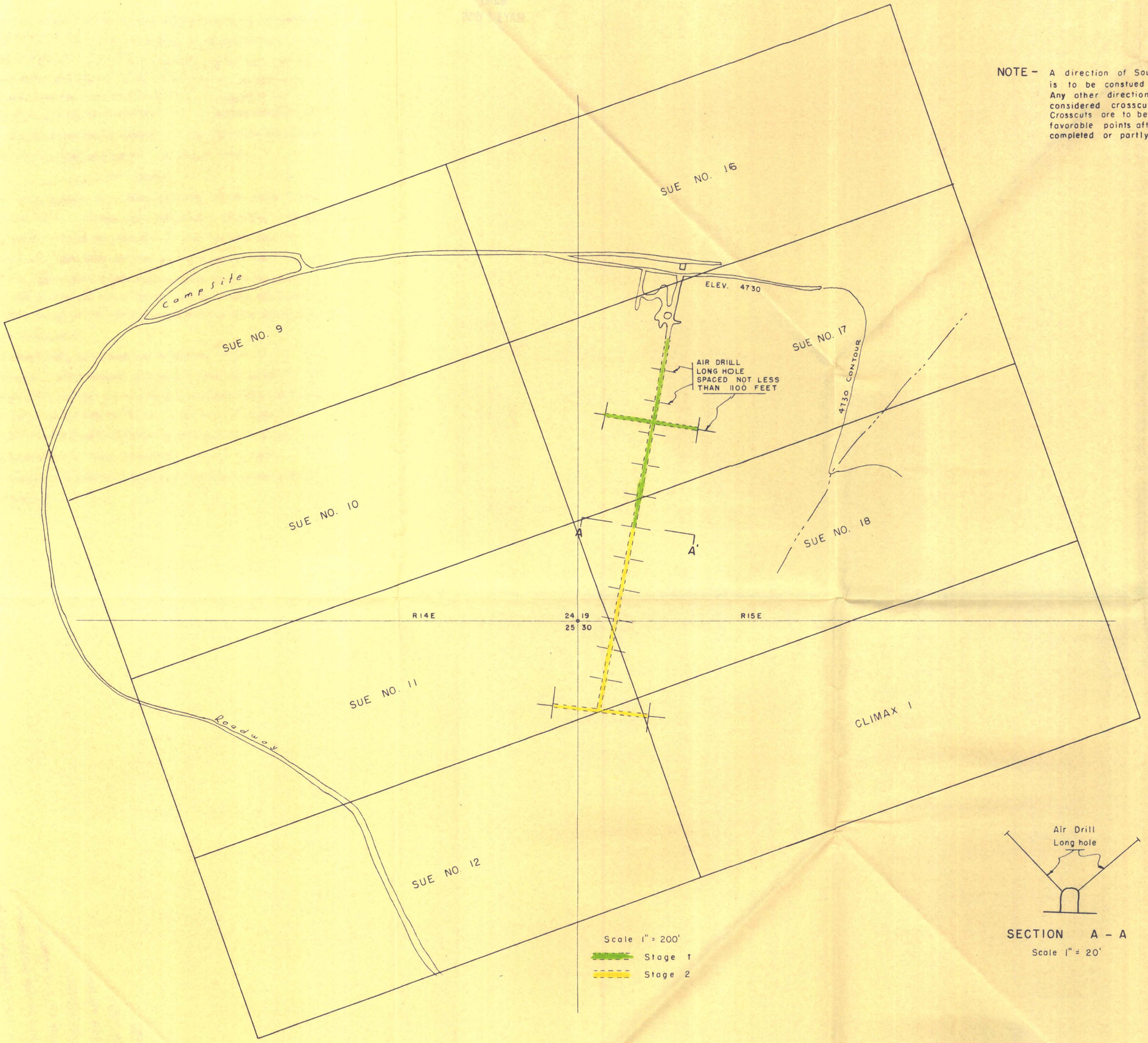
Elevation 'A'

Scale 1" = 20'

All readings in MR/hr.
Basic data from field notes by W.W. Sorsen -

FIGURE 4 RADIOMETRIC SURVEY OF SURFACE CUT

DMEA - 3669



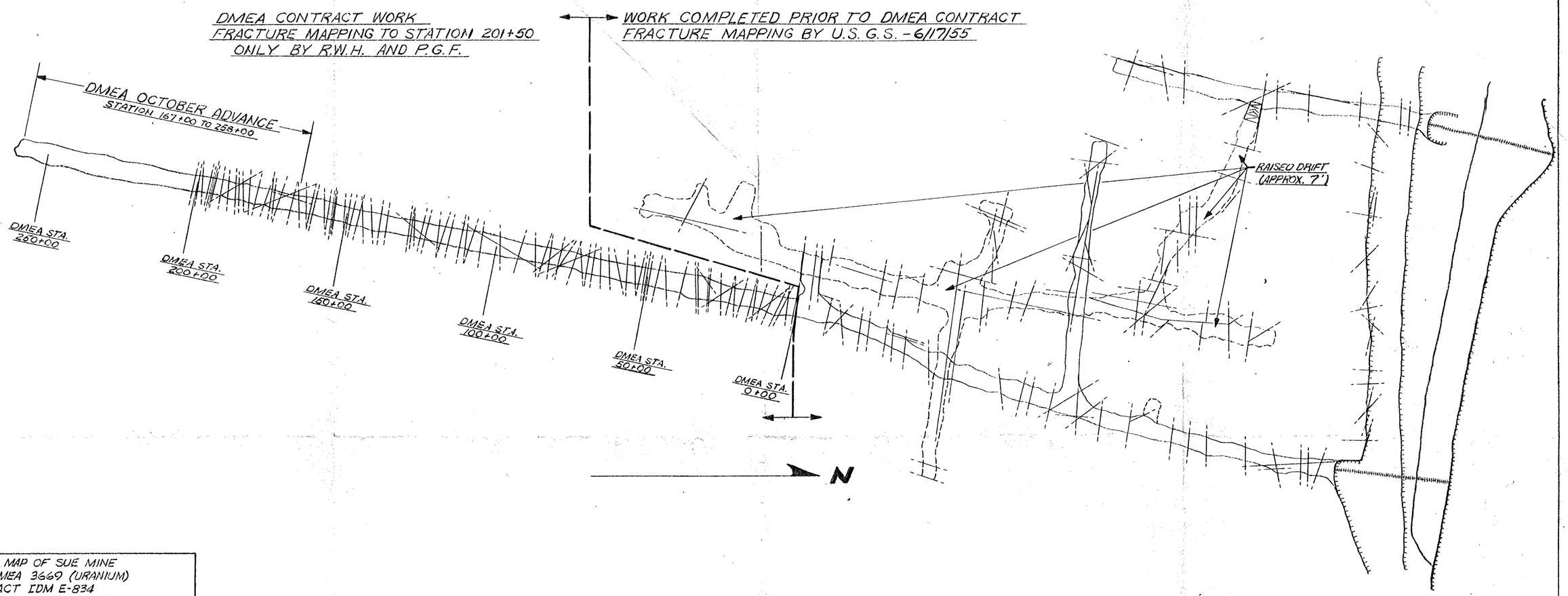
NOTE - A direction of South ±15° in bed is to be constued as drifting. Any other direction is to be considered crosscuting. Crosscuts are to be located at favorable points after drifting is completed or partly completed.

SECTION A - A

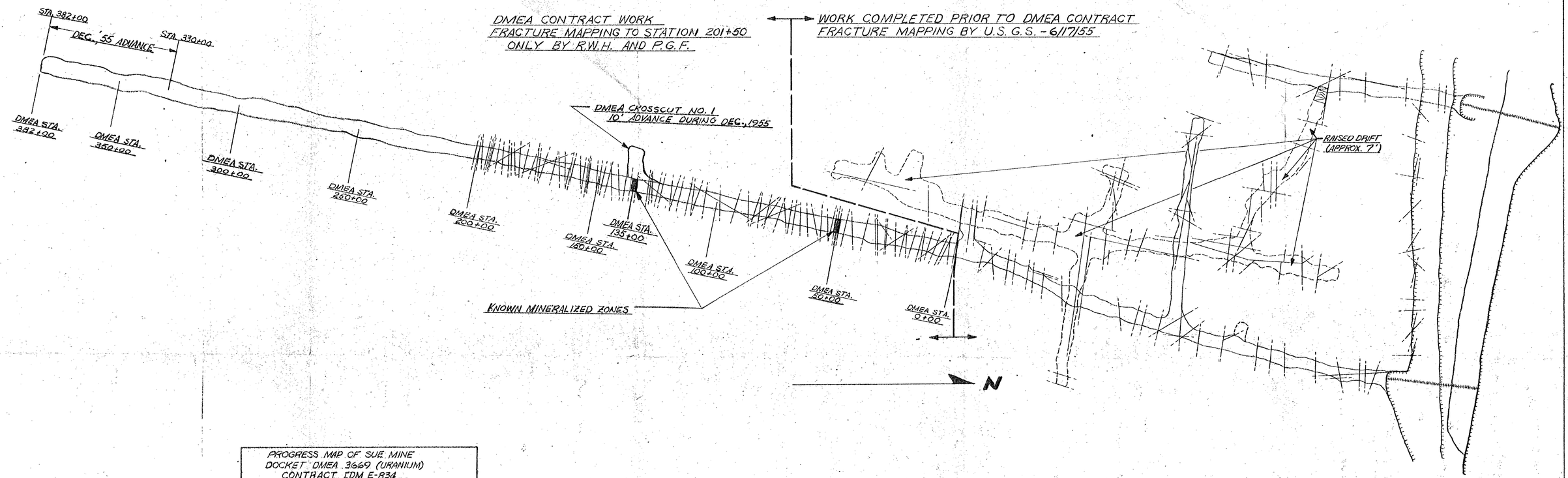
Scale 1" = 20'

DMEA 3669

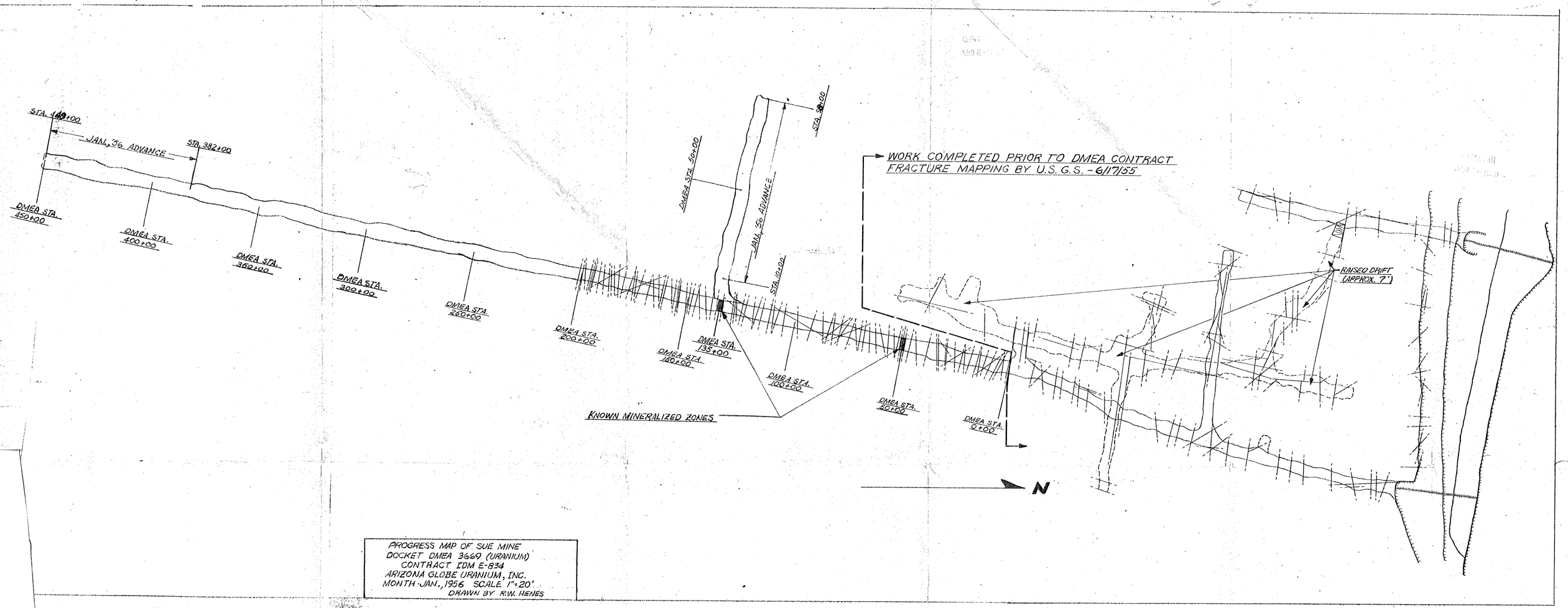
FIGURE - 3 - SUE URANIUM MINE - PLAN SHOWING PROPOSED EXPLORATION



PROGRESS MAP OF SUE MINE
DOCKET DMEA 3669 (URANIUM)
CONTRACT IDM E-834
ARIZONA GLOBE URANIUM, INC.
MONTH - OCT., 1955 SCALE 1" = 20'
DRAWN BY R.W. HENES 11-1-55

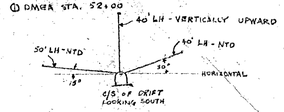


PROGRESS MAP OF SUE MINE
DOCKET DMEA 3669 (URANIUM)
CONTRACT IDM E-834
ARIZONA GLOBE URANIUM, INC.
MONTH DEC., 1955 SCALE 1" = 20'
DRAWN BY R.W. HENES

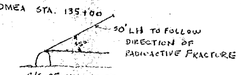


PROGRESS MAP OF SUE MINE
DOCKET DMEA 3669 (URANIUM)
CONTRACT IDM E-834
ARIZONA GLOBE URANIUM, INC.
MONTH JAN., 1956 SCALE 1"=20'
DRAWN BY R.W. HENES

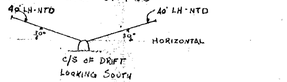
130' — ① DMEA STA. 52+00



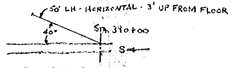
50' — ② DMEA STA. 135+00



80' — ③ DMEA STA. 310+00



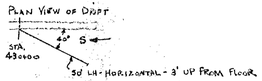
50' — ④ DMEA STA. 390+00



PLAN VIEW OF DRIFT

50' — ⑤ DMEA STA. 430+00

PLAN VIEW OF DRIFT



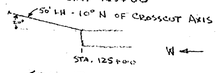
50' — ⑥ DMEA STA. 500+00

SECTION - ELEVATION OF DRIFT PLAN OF DRIFT

140' — ⑦ DMEA CROSSCUT #1
STA. 47+00

C/S OF #1 CROSSCUT

50' — ⑧ DMEA CROSSCUT #1
STA. 125+00



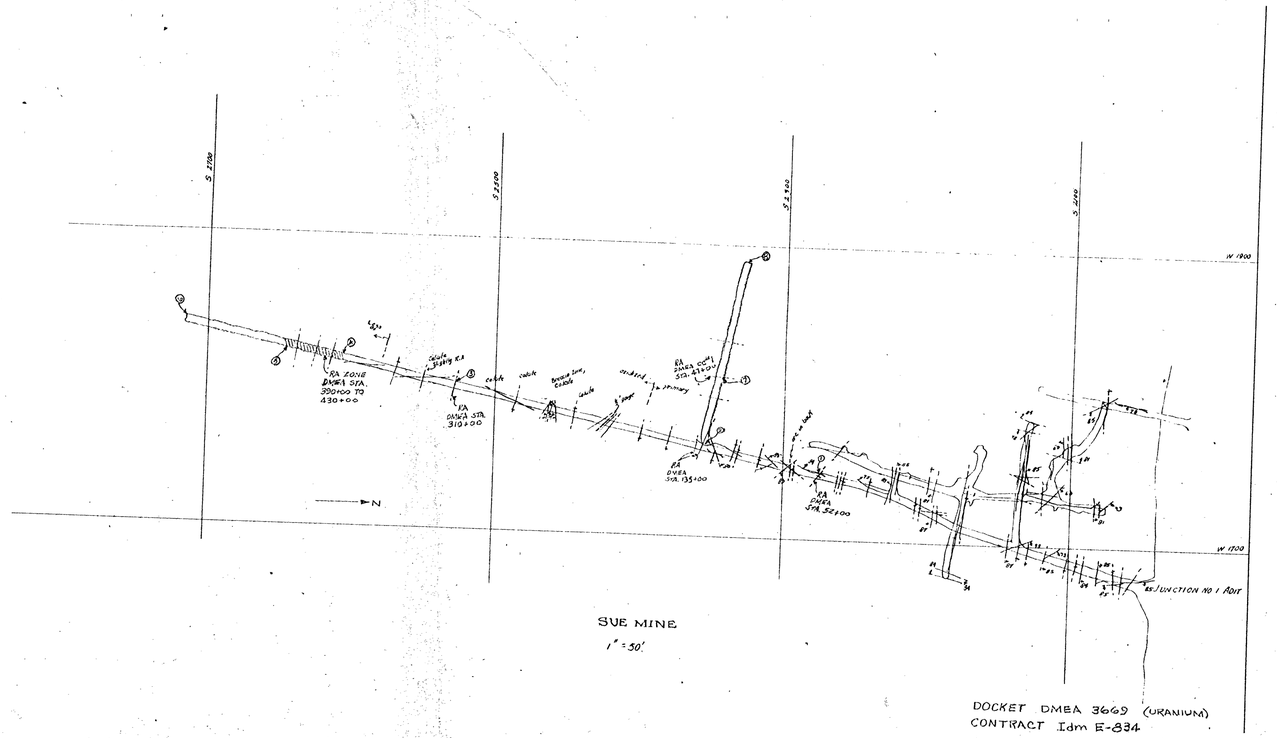
SECTION - ELEVATION OF CROSSCUT

TOTAL FOOTAGE REQUESTED HEREIN
600'

TYPE - PERCUSSION
SIZE - MINIMUM DIAMETER OF 1½"

LEGEND

LH = LONG HOLE
NTD = NORMAL TO DRIFT
RA = RADIOACTIVE

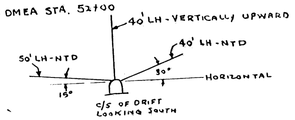


SUE MINE
1" = 50'

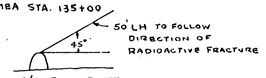
DOCKET DMEA 3669 (URANIUM)
CONTRACT Idm E-834

ARIZONA GLOBE URANIUM, INC.
(LONG HOLE DRILLING PLAN)

130' — ① DMEA STA. 52+00

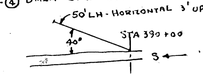


50' — ② DMEA STA. 135+00



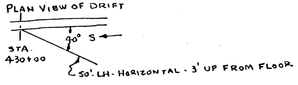
80' — ③ DMEA STA. 310+00

50' — ④ DMEA STA. 390+00

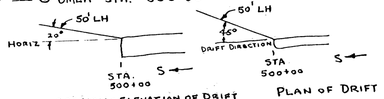


PLAN VIEW OF DRIFT

50' — ⑤ DMEA STA. 430+00



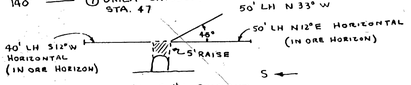
50' — ⑥ DMEA STA. 500+00



SECTION - ELEVATION OF DRIFT

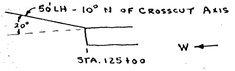
PLAN OF DRIFT

140' — ⑦ DMEA CROSSCUT #1
STA. 47



C/S OF #1 CROSSCUT

50' — ⑧ DMEA CROSSCUT #1
STA. 125+00



SECTION-ELEVATION OF CROSSCUT

TOTAL FOOTAGE REQUESTED HEREIN

600'

TYPE - PERCUSSION

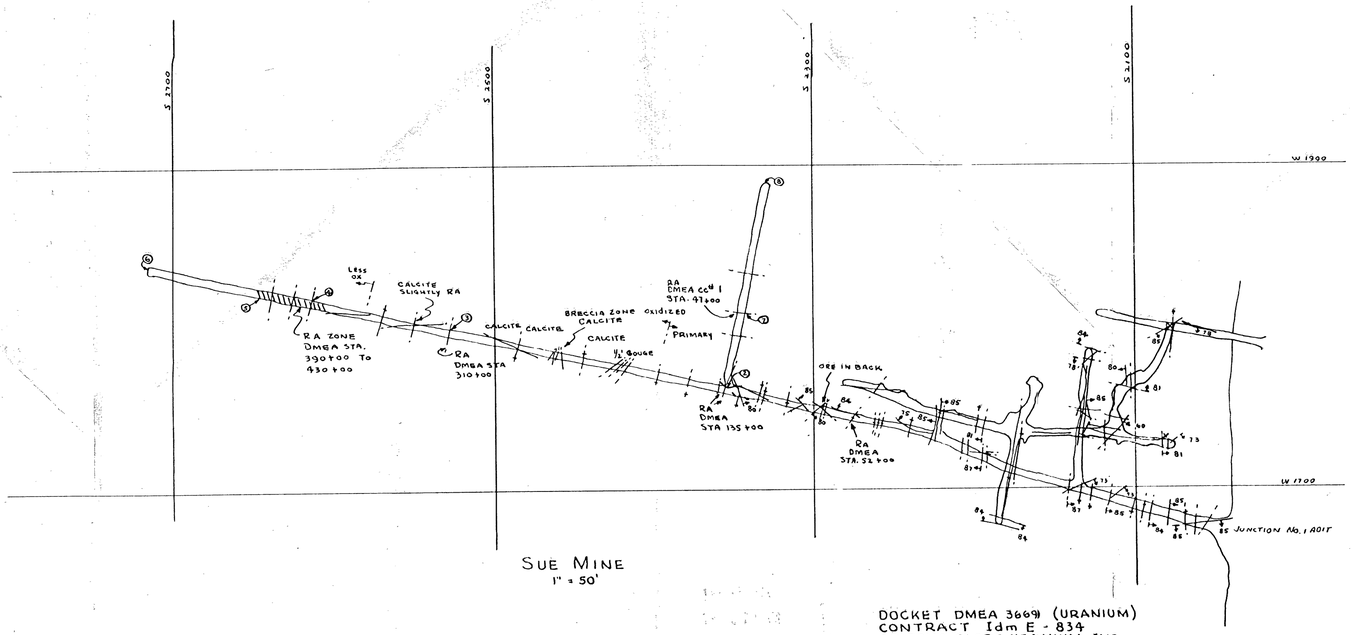
SIZE - MINIMUM DIAMETER OF 1½"

~ LEGEND ~

LH = LONG HOLE

NTD = NORMAL TO DRIFT

RA = RADIOACTIVE



SUE MINE
1" = 50'

DOCKET DMEA 3669 (URANIUM)
CONTRACT Idm E - 834
ARIZONA GLOBE URANIUM, INC.
(LONG HOLE DRILLING PLAN)

7/14/56