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-E834, 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

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DMEA
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STATUS OF THE CONTRACT, SCOPE OF REVIEW AND REASONS THEREFOR

CONTRACT IDM-E834 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. (Sue Mine)

Address 293 North Broad Street

Globe, Arizona

Exploration Contract No. Idm-E834 Docket No. DMEA-3669

		Check One Yes	No
1. (a)	Does the Operator stockpile ore subject to royalty repayment?		X
(b)	If so, is segregation and identification procedure adequate?		
2. (a)	Does Operator commingle production subject to DMEA 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
8.	Comment on any item 2 (b) to 6 if answer is No.		

NOTE; Information obtained during monrhly inspections to termination of the contract work in July 1956.

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DATE | INITIALS | CO

Date February 15, 1957

Mining Engineer
Original Signed by
T. M. Romslo
T. M. Romslo

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-2234 (Uranium), Docket DMEA-3649, Arizona Shake Uranium, Inc. (Fun Mine), Gila County, Ariz.

In answer to your memorandum of February 6 and our conversation last week with Don Finch, I am enclosing a memorandum from T. M. Ranalo 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 (3)
DMEA-3649
WF

WRStorms:frj

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DMEA
RECEIVED FEB 28 1957

DATE	INITIALS	CODE

February 15, 1957

Memorandum

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

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

Subject : Arizona Globe Uranium, Inc. Docket DMA-3560 (Uranium), Contract Nbr-2534 (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 1956 sales of uranium ore from the captioned mine were from production subsequent to June 30, 1956, 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, 125.2255 tons instead of the minus. 250.5255 dry tons, was produced after June 30, 1956. The opinion is largely based on statements of the Operator in a letter to the AEC and his Final Report to the DMA. In the last paragraph of the letter to the AEC, dated April 10, 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 sold, 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 1956, 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 0.305 U3O8. It was decided not to ship most of this ore because of its too low grade."

Information obtained during my monthly progress conferences about the stockpiled material, that was not shipped, amounts to a few hundred tons containing meagre 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)
DMA-3560
WF

WRStorms:fr]

Additional evidence that the 1955 sales were from ore produced before June 30, 1955 is contained in the reported finding of WSA representatives. Mr. William R. Hamblich, in his report of examination of May 1955, says that 100 tons of ore had been stockpiled to April 5, 1955. He today informed me that ore was being mined and added to the stockpile during the field examination. Subsequent visits to the mine by WSA representatives were made at roughly monthly intervals, starting July 28, 1955. Information obtained during these visits indicated that there was no production to early in 1956 when the operator started mining and shipping ore from the small deposits encountered by project workings.

Information obtained by me at the Custer depot and from R. J. Schwartz of the AEC indicates that no ore shipments have been made from the Sun Mine since about the middle of 1956. According to Mr. Schwartz, 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
T. M. Romslo

T. M. Romslo
Mining Engineer
Southwest Experiment Station

MAR - 8 1957

Mr. Donald T. Finch
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: First Report of Royalty Review
Idm-E834, DMEA-3669
Arizona Globe Uranium, Inc.

Dear Mr. Finch:

The recently submitted First Report of Royalty Review, covering the referenced project, is acceptable and normal distribution is authorized.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
March 7, 1947

Copy to: Docket
Admr. Reading File
Mr. Chambers

Will there be any further production prior to 5/5/57?

Is the project to be certified? Knowse says "yes".

Royalty received

Punch	$ 510.09
Anne	422.86
	$ 87 23

For Certificate of Deposit No. 78, dated December 6, 1956, giving royalty payment of $216.38, see E-440.

Denver, Colo.

THIS DEPOSIT IS NOT SUBJECT TO CHECK

DEPOSIT NO.
14-23-040-15

For credit of 413 Treasury Regional Office, Denver, Colo. 7/26/56
(Name, title, and disbursing officer identification symbol of accountable officer) (Date sent)

deposited with Federal Reserve Bank of Kansas City, Mo.Denver,Colo.
(Name and location of depositary)

$ 61.05

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		61.05

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

B. Heaney
(Authorized signature)

7/26/56
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

E-834

For Certificate of Deposit No. 10, dated July 19, 1956, giving royalty repayment of ~~$7.90~~ 95.13, see E-422.

E-834

For Certificate of Deposit No. 140, dated June 13, 1956, giving royalty repayment of $118.66, see E-360.

E-834

For Certificate of Deposit No. 133, dated May 29, 1956, giving royalty repayment of $18.87, see E-53.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED
OCT 19 1956

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
T. H. Brading, Auditor

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

Mr. Thomas H. Breding
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: Report of Review
Idm-E834, DMEA-3669
Arizona Globe Uranium, Inc.

Dear Mr. Breding:

The recently received copies of your Report of Review in lieu of final audit of the referenced project indicate the period covered as "months of August, 1955 to July, 1955". The period correctly should have been stated as "months of August, 1955 to July, 1956".

This Division corrected the Washington copies before effecting distribution. All other copies undoubtedly have been distributed in accordance with the authority delegated to you by the last paragraph of page 72 of the audit manual; however, you should arrange to have this correction made in all regional copies.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
October 22, 1956

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

$ 500.00

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

11/6/56 Lodged 27-56

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.

Form MF-504 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 13 1956

FINAL OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 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
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)	$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 C.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. DMA 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-E834 in accordance with the terms of the contract.

Signature M Romero Title Mining Engineer Date 8/23/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: for WRJ

Signature W M Lacy 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 1962)

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. IDM 8834
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								$49,285.00
TOTAL COSTS		$415.00		$24,121.00				$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 August 1, 1955 Operator Arizona Globe Uranium, Inc.

Per C.O. Lee Title Secy-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.

REMARKS:

(Instructions on reverse)

(For Government use only)

W M Reynolds

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
SEP 13 1956

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

Administrative Audit Difference Statement

Globe Trading, Inc.
273 North Broad Street,
Globe, Arizona

Gentlemen:

FINAL DISTRIBUTION
MADE SEP 11 1956

Date: September 6, 1956
Payee's Reference: July 1956

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

Amount Claimed $ 125.00

Difference $

Amount Approved $ 125.00

The reason for the difference was due to:

Withhold $200.00 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.

RECEIVED
SEP 12 1956

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.

DMEA
Date Rec'd,

AUG 27 1956

BUREAU OF MINES
Denver, Colorado

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 Idm-E334, 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 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, 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
DF

LAStewart:fr j

August 23, 1956

Memorandum

To : Walter H. Storms, Superintendent, Southwest Experiment Station

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

Subject : Progress Report for July 1956, Contract Ia-E834, Docket DMEA-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. H. Traver (Orig. & 8)
DMEA-3669
DM

T.Ronalo: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-E834

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. Harahman. 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 Detectetron DG-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			

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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

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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 RMKA 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. Henes

Richard W. Henes
General Superintendent

C. O. Lee
Secretary-Treasurer

RWH/en
Encls.

COPY

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

RECEIVED
AUG 13 1956

224 New Customhouse
Denver 2, Colorado

August 9, 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

RECEIVED
AUG 15 1956

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

From : Superintendent, Southwest Experiment Station

Subject : June 1956 Progress Report, Docket DMEA-3669, Contract IDm-4834 (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:fr j

July 27, 1956

Memorandum

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

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

Subject : Progress Report for June 1956, Contract Ion-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 Romslo

T. M. Romslo, Mining Engineer
Southwest Experiment Station

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

TMRomslo:frj

July 25, 1956

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AUG 13 1956

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

Re: Docket DMEA 3669 (Uranium)
Contract Idn - E 034
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

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) ~~[illegible]~~ Short Form Contracts:						
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	19,935.00	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)

Withhold $300.00

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 56-121

(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 D. M. Pomeroy W.R.S. Title Mining Engineer Date 6/14/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Maier 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 E834
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: ~~Com~~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. 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

RECEIVED
JUN 27 1956

FINAL DISTRIBUTION
MADE JUN 25 1956

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

Administrative Audit Difference Statement

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

Date: June 20, 1956
Payee's
Reference: May 1956

Gentlemen:

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

Amount Claimed $ 3,272.00

Difference $ 300.00

Amount Approved $ 2,972.00

The reason for the difference was due to:

Deductate $300.00 withheld from March 1956 Voucher.

Withheld $300.00 pending performance of additional work or 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.

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
Caren.

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-3669, Contract Ldm-2834 (Uranium), Arizona Globe Uranium, Inc. (Sun Mine), Gila County, Ariz.

Enclosed in ninteplicate are the following:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report with map;
(3) Forms MF-164 and MF-164A, 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 (8)
DMEA-3669
MF

WRStorms:frj

RECEIVED
JUN 27 1956

June 15, 1956

Memorandum

To : W. R. Storms, Superintendent, Southwest Experiment Station

From : T. M. Ronnals, Mining Engineer, Tucson, Arizona

Subject : Progress Report for May 1956, Contract Ldm-2834, Docket DMEA-3669, (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, 50 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 E-W trending fractures and intersected N-S 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 20 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 Cutter, Ariz.:

Lot No.	Tons	% U_3O_8 AEC	Mining Location
28	26.4050	0.14	Adit Sta. 52
33	21.0183	0.17	do
42	47.9440	0.17	North of Sta. 47 in X-cut No. 1
52	37.7750	0.37	do
54	49.8840	0.23	do
58	60 approx.	Pending	do
59	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. & 8)
DMEA-3669
BF

TMRonnals: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 MP-184

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, $1,771.00, $19,935.00 and $23,706.00, are believed to be correct.

I recommend that the $300.00 withheld from the March report should not be paid until warranted.

Form MP-184A

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. Rennie
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 DMEA 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 DMEA 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:

C O P Y

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
General Superintendent

J. R. Heron
President

RWH:mla
Enclosure

ARC LABORATORIES

Division of Arizona Research Consultants, Inc.
917 W. HATCHER RD. PHOENIX, ARIZONA WINDSOR 3-3073

RECEIVED
JUN 27 1956

June 1, 1956

Arizona Globe Uranium Co.
122 North Central Ave.
Phoenix, Arizona

- Statement -

12 Uranium analysis	$ 60.00

ARC 5607

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	0.16
1961	Lot 52	0.35
1962	Lot 54	0.21
1963	DMEA-CC1-347-55	3.47
1964	Lot 33	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.

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 North Central Ave.
Phoenix, Arizona

DATE May 31, 1956

LAB No.

RESULTS

Lab. No.	Description	% U_3O_8
2051	Lot 59 Sue 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 understanding 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.

RECEIVED
JUN 27 1956

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

Chemists . . . Engineers

For Arizona Globe Uranium Inc.
c/o Mr. Dick Henes
122 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		Percentages	
		Oz. per Ton	Value	Oz. per Ton	Value	URANIUM (U_3O_8)	
22636	Lot #33					0.20	

Respectfully submitted,
ARIZONA TESTING LABORATORIES

Claude E. McLean

Charges: $ 5.00 c
Mail

10M 3-56 AMPCO 05001

CHEMICAL · RESEARCH · ASSAY · ORE TESTING · PHYSICAL TESTING

RECEIVED
JUN 27 1956

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

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)	
6037	Lot #28					0.15	

Respectfully submitted,
ARIZONA TESTING LABORATORIES

Charges $ 5.00

Claude E. McLean

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
Phoenix, Arizona

DATE May 17, 1956

LAB No. 1991

RESULTS

Lot 58 0.30 % U_3O_8

Respectfully submitted,

ARC Laboratories

George J. Olson

To our 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 ... be used, in whole or in part, in any advertising or publicity matter without prior written authorization from this corporation.

Form AEC-600
(6-51)

Form approved.
Budget Bureau No. 30-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.
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 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		47.5440	0.17	163.04	2.90	472	73
5-18-56	616		37.7755	0.37	279.54	3.50	978	39
5-18-56	617		49.2050	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 thereof has not been received. *(See Instruction G.)*

PAYEE Arizona Globe Uranium, Inc.

PER _____ DATE June 7, 1956 TITLE President

NOTE.—Any false statement or fraud 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

INSTRUCTIONS

10—67820-1

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAY 28 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1956 Docket No. DMEA 3669 Contract No. IDM 8834
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	$ 1,185.00			
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 E. A. 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:

$ No claim

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

Signature D M Romolo WRH Title Mining Engineer Date 4/10/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W M Chaney 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.

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 E834
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	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: ~~Core~~ xxPneumatic	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 O. 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

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
MADE MAY 24 1956

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

Enclosures

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

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-3660, Contract Ida-2854 (Uranium), 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-3660
DF

WRSstokes:frj

RECEIVED
MAY 28 1956

May 10, 1956

Memorandum

To : W. R. Stearns, Superintendent, Southwest Experiment Station, Region III

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

Subject : Progress Report of April 1956, DMEA-3669, Contract Ida-2234, (Uranium), Arizona Globe Uranium, Inc. (Sue Mine), Gila County, Ariz.

On May 2, 1956 I visited subject mine and inspected pertinent underground workings with H. G. Smith, mine foreman. I found that no contract work had been performed during April. Approval for driving 3 crosscuts from stations DMEA 320 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. 52 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 Cutter, Ariz. and the remainder is stockpiled at the mine. Mr. Smith believed this ore would assay about 0.2 percent V_2O_5. 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 V_2O_5. The depot's assay on the remaining 23 tons had not been received but the operator's assay of this lot was 0.6 percent V_2O_5.

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

TMRomalo:fvj

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 on 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. Rangle, 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 appro imately 27 tons. Our pulp sample assayed 0.15% U_3O_8, but th buying station assay ran only 0.14% U_3O_8. We accepted the station assay on this ore, but have decided to have furth ferences settled by umpire. The second shipment of ap

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. Henes
General Superintendent

C. O. Lee
Secretary-Treasurer

Form MF-504 (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
APR 25 1956

Month of March 1956 Docket No. DMEA 3669 Contract No. DMA 203
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~~ Contracts:						
Short Form (Pneumatic)	$1,185.00		$1,185.00			
Drilling						
Bulldozing		$3,750.00	$3,750.00			
Crosscutting		$15,000.00	$15,000.00			
Drifting						
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. DMA-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. Idm-E-834 in accordance with the terms of the contract.

Signature D M Cromale WRA Title Mining Engineer Date 4/16/1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Maner 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

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			$15,000.00	500	$30.00	1000	$30.00
Crosscutting	Feet			3,750.00	125	$30.00	500	$30.00
Raising								
Shafts								
Winzes								
Drilling: C~~ore~~ 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)

D. M. Pomalo

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

Schedule #56-100

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

FINAL DISTRIBUTION
MADE APR 23 1956

Gentlemen:

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,

[redacted]
[redacted]
Handel 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.

224 New Customhouse
Denver 2, Colorado

April 19, 1956

RECEIVED
APR 2[illegible] 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

RECEIVED
APR 23 1956

Memorandum

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

From : Superintendent, Southwest Experiment Station

Subject : March 1956 Progress Report Docket DMEA-3669, Contract Ida-2234 (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 3669
MF

WRStorms:frj

DMEA
Date Rec'd

APR 18 1956

BUREAU OF MINES
Denver, Colorado
RECEIVED
APR 25 1956

April 16, 1956

Memorandum

To : Walter R. Stearns, Superintendent, Southwest Experiment Station, Region III

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

Subject : Progress Report for March 1956, DMEA-3649, Contract Kbn-2534, Arizona Globe Uranium, Inc., Sue Mine (Uranium) Gila County, Ariz.

John Faick, Geologist, U. S. Geological Survey and I visited the Sue Mine April 2 and 3, 1956. On April 2 we assisted R. W. Hunge 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 5 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 30 feet, was probed to a block of raveling ground at 42.5 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 crosscut 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 crosscut 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-3649
RF

TMRemale: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 Gutter, Ariz. The assay of a sample from the truck load of ore had not been received.

At station 47 in crosscut No. 1, hole 13 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 $1,184.00 is for 592.5 feet of authorized long-hole drilling at $2.00 per foot. An additional 44.48 feet of drilling included 30.37 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 stopper holes drilled in the back of both the adit and crosscut at no expense to the Government.

T. M. Remale
Mining Engineer
Southwest Experiment Station

RECEIVED
APR 25 1956
DMEA
Data Rec'd.
APR 18 1956
BUREAU OF MINES
Colorado

April 9, 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-[illegible]

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. M. Traver and E. N. Harshman.

For the purpose of ready reference, as recommended by your Mr. T. N. Ronalo, 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.

COPY

RECEIVED
APR 23 1956

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 DG-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 foot 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	.06	.06	.05	.08	.09	.12	.09	.05	.20	.03	.10
8.95'	.65	.20	.45	.05	.05	.05	.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	.025	.07	.03	.04	.04	.13	.035	.06	.21	.03	.10	.04	.05
25.35'	.07	.025	.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	.025	.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	.015	.04
31.91'	.07	.03	.04	.03	.03	.05	.07	.055	.07	.12	.01	.95	.02	
33.55'	.07	.025	.04	.02	.03	.06	.06	.055	.05	.11	.02	.93	.02	
35.19'	.05	.025	.10	.015	.03	.05	.08	.045	.05	.07	.01	.90	.02	
36.83'	.04	.03	.10	.02	.04	.13	.08	.035	.06	.06	.01	.70	.02	
38.47'	.06	.025	.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	.06	.03	.03		
18+00	.06	.06	.04		
23+00	.07	.07	.06	.03	

COPY

Mr. W. R. Storms
Tucson, Arizona

April 9, 1956

DMEA Sta.	FEET DEPTH OVER TOP OF ADIT .75	2.39	4.03	5.67	7.31
27+00	.07	.05	.05		
31+00	.12	.07	.03	.06	
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	.06	
50+00	1.00				
52+00	1.28	2.32	2.36	1.32	
56+00	.20	.28	.18	.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	.06	
95+00	.06	.04	.04		
99+00	.06	.03	.03	.06	
104+00	.05	.06	.06	.04	
109+00	.07	.07	.07	.04	
114+00	.07	.07	.07	.06	
116+00	.1	.06	.05	.06	
118+00	.1	.07	.07	.06	
122+00	.11	.08	.03	.03	
126+00	.05	.05	.05		
128+00	.1	.06	.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	.06	
152+00	.06	.07	.05	.06	
156+00	.06	.05	.05	.06	
160+00	.07	.06	.03	.04	
164+00	.07	.07	.07	.06	
168+00	.10	.08	.07	.06	
172+00	.17	.05	.11	.06	
176+00	.05	.04	.05	.03	
180+00	.03	.05	.04	.04	.03

COPY

IHEA Sta.	FEET DEPTH OVER TOP OF DRIFT .75	2.9	4.03	5.07	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	.05	
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	.05	
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	.06	.05	.04	.03	
346+00	.08	.07	.03	.04	
350+00	.07	.04	.03	.03	
354+00	.06	.03	.03	.03	
358+00	.06	.04	.04	.02	
362+00	.09	.06	.03	.03	
366+00	.08	.08	.05	.05	

COPY

COPY

DMEA Sta.	FEET DEPTH OVER TOP OF DRIFT .72	3.39	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	.06	
434+00	.08	.04	.03	.08	
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	.085	.085	.08	
474+00	.06	.06	.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	.06	
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		
28+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	

DMEA Crosscut Sta.	FEET DEPTH OVER TOP OF DRIFT .75	2.39	4.03	5.87	7.31
47+00	.12	.2	.2	.15	
50+00	.05	.06	.05		
54+00	.06	.05	.05	.06	
58+00	.1	.3	.15	.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 DMEA Sta. 52+00, and the crew is drifting north along the long hole which showed abnormal radioactivity at DMEA Crosscut Sta. 47+00 for further production. It is expected that showings turned up in this mining work will enable us to determine the best possible location for the remaining DMEA work under Phase I of the contract during this month.

Very truly yours,

ARIZONA GLOBE URANIUM, INC.

Richard W. Hanes

Richard W. Hanes
General Superintendent

C. C. Lee

C. C. Lee
Secretary-Treasurer

HWH/en
Encls.

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
MAR 21 1956

Month of February, 1956 Docket No. DMEA 360 Contract No. XEMD 034
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	810.00	2,940.00	3,750.00			
Drifting	1,530.00	13,470.00	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	$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. DMA 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 [illegible] Title Mining Engineer Date Mar. 13, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] 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: ~~See~~ 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.

REMARKS:

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)

(For Government use only)

T. T. Ronald

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.

FINAL DISTRIBUTION
MAR 19 1956
MADE

224 New Customhouse
Denver 2, Colorado

March 15, 1956

RECEIVED
MAR 21 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 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

RECEIVED
MAR 15 1956

Memorandum

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

From : Superintendent, Southwest Experiment Station

Subject : February 1956 Progress Report, DMEA Contract Idm-E834, 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 H. Storms, Superintendent, Southwest Experiment Station, Region III

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

Subject : Progress Report for February 1956, DMEA-3667, Contract Idm-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. A. Henes 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. H. Fraver (Orig. & 8)
DMEA-3667
DF

TMRomslo:frj

Form WF-104A

The form has been properly completed.

Narrative Report

The Narrative Report with attached map is considered satisfactory.

T. A. Romslo
Mining Engineer
Southwest Experiment Station

RECEIVED
MAR 21 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. Storms
Tucson, Arizona

March 6, 1956

Sue workings and one vertical hole at DMEA 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. Henes

Richard W. Henes
General Superintendent

E. C. Lee

C. O. Lee
Secretary

RWH/em
Encls.

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

Budget Bureau No. 42-R1036.5

RECEIVED
MAR - 5 1956

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

Month of January, 1956 Docket No. DMEA 3669 Contract No. IDM 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 E. O. Lee 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 [illegible]
(Authorized Certifying Officer)

Date 2/27/57 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-E834 in accordance with the terms of the contract.

Signature T M Tomalo Title Mining Engineer Date Feb. 16, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE

Signature W. M. Slaney 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 195 6 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	$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: 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)

D M Donald

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
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 MIN.
Denver, Colorado

February 16, 1956

RECEIVED
MAR - 5 1956

Memorandum

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

From : Superintendent, Southwest Experiment Station

Subject : January 1956 Progress Report, DMEA Contract Idm-E834, 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 20 1956

BUREAU OF MINE
Denver, Colorado

February 16, 1956

Memorandum

To : Walter R. Storms, Superintendent, Southwest Experiment Station, Region III

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

Subject : Progress Report for January 1956, Docket DMEA-3669, Contract I&m-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. Hames, 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

TMRomslo:frj

RECEIVED
MAR - 5 1956

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
Harron Uranium Mine
Box 347
Globe,Arizona

Dear Mr. Smith:

I took two Radon Gas samples at the two drift faces where you are working. Both of these samples were below the 200 Micro-Micro Curries per liter of air as prescribed by United States Health Department.

Sample No. 1 taken at the face of the drift with 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 110 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 reducing it down as you have done. Your Blower outside is plenty large providing you don't reduce the Vent. Tube smaller than the size you start with.

I am glad to see this work being done by someone who is Safety and Dust conscious as you are. In these out of way places it is nice to know that the Safety and Dust laws are not being violated.

I want to thank you and your men for courtesies and cooperation shown me on my recent visit.

Very truly yours

Anthony Bennett
State Mine Dust Engineer

AB:b
cc: J.R.Harron,293-N.Broad St. Globe,Arizona
John T. Davis, Mgr. Accident Prev.Dept.Ind.Com.
E. F. Chavez,Deputy State Mine Inspector,Globe,Arizona
Files

Form MI-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. DMA 1034

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 S 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:

$1395.00

Signature [illegible] (Authorized Certifying Officer)

Date 1/24/56 Vou. No. DMA 56-62

(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-E 384 in accordance with the terms of the contract.

Signature D. M. Romalo WMH Title Mining Engineer Date Jan. 16, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Draper 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.

GPO 872893

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: xxPneumatic Core	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.

Date Jan 1, 1956 Operator Arizona Globe Uranium, Inc.

Per C. O. 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)

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

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

RECEIVED
JAN 30 1956

FINAL DISTRIBUTION
MADE JAN 26 1956

224 New Customhouse
Denver 2, Colorado

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

Box 4097
Tucson 5, Arizona

January 16, 1956

Memorandum

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

RECEIVED
JAN 30 1956

From : Superintendent, Southwest Experiment Station

Subject : December 1955 Progress Report, DMEA Contract Ida-E834, 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
JAN 30 1956

Box 4097
Tucson 5, Arizona

January 16, 1956

Memorandum

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

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

Subject : Progress Report for December 1955, Docket AMEA-3669, Contract Bm-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, 339.0 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 in January.

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)
AMEA-3669
DF

TMRomslo:frj

Narrative Report

The narrative report and its presented map is considered satisfactory. My findings from an inspection of the headings and by probing drill holes with the surveyor's instrument were substantially as reported by Mr. Hanson.

T. M. Ramsle

T. M. Ramsle
Mining Engineer
Southwest Experiment Station

RECEIVED

JAN 3 0 1956

January 9, 1956

Mr. W. H. 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. M. 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 leads 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 those stations indicates

Mr. W. R. Stearns
Tucson, Arizona

January 9, 1956

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 accuratenesss 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 90% 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 MR-104 and MR-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 16 1956

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	$2160.00	$7740.00	$9900.00			
Drifting						
(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 S. 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 [illegible]
(Authorized Certifying Officer)

Date 1-9-56 Vou. No. DMA-56-55

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

Signature D M Pomeroy WRF Title Mining Engineer Date Dec. 12, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature E. M. Hendrickson 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. 1011 F834
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	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Feet	$2160.00	72	$9900.00	330	$30.00	1000	$30.00
Crosscutting	Feet						500	$30.00
Raising								
Shafts								
Winzes								
Drilling: ~~cor~~ Pneumatic	Feet						000	$ 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								$49,205.00
TOTAL COSTS		$2160.00		$9900.00				$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 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)

M. Bonds

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
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.

Box 4097
Tucson, 5, Arizona

December 12, 1955

RECEIVED
JAN 16 1956

Memorandum

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

From : Superintendent, Southwest Experiment Station

Subject : November 1955 Progress Report, DMEA Contract Idm-2834, Docket DMEA-3569, 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. Traver (8)
DMEA-3569
DF

WRStorms:frj

RECEIVED
JAN 16 1956

Box 4097
Tucson 5, Arizona

December 12, 1955

Memorandum

To : Walter R. Stevens, Superintendent, Southwest Experiment Station, Region III

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

Subject : Progress Report for November 1955, Docket DMEA-3569, Contract, EMc-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. Hanna, 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 134.0 feet from the starting point. Of the 134 feet, 58 feet had been driven to October 31, 72 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)
DMEA-3569
MF

T.M.Rumsle: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. Hanes said that he was preparing a new map showing pertinent geologic and mining data.

T. M. Rendle

RECEIVED
JAN 16 1956

December 1, 1955

Re: Docket DMEA 3669 (Uranium)
Contract IDM-2834

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 seventy-two (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.

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 360 Contract No. [illegible]
Operator's Name Arizona Globe Uranium Inc., Minerals Uranium
Address 34 Lord Murray St., Mesa, Arizona
Contract Amount, $ 10,225.00 Government Participation: 75% Amount, $ 34,036,[illegible].00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	2,730.00	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 [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:

$ 2047.50

Signature [signature]
(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. Romola WRA Title Mining Engineer Date 11/22/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature for W. M. Tower 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

RECEIVED
DEC 19 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1955 Docket No. DMEA 3669 Contract No. [illegible]
Operator's Name Arizona Globe Uranium Inc.; Minerals [illegible]
Address 21 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	2750	92	7740.00	350	30.00	1000	30.00
Crosscutting	Feet						500	30.00
Raising								
Shafts								
Winzes								
Drilling: Core	Footage Feet						50	12.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Sample Analyses	Each						319	12.50
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Stock and Cement		2750		7740.00				19,205.00
Total Costs		2750		7740.00				19,205.00

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.

Date November 1, 1955 Operator Arizona Globe Uranium Inc.,

Per C. [illegible] 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)

M Pernolo

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
DEC 19 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-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- - - - - - - - - - - - - - - -November 1, 1955
Date Received in Field Office- - - - - - -November 7, 1955
Date Received in Region Office- - - - - -November 25, 1955

W. M. Traver

By J. W. Townsend
J. W. Townsend

Enclosures
JDC:jy
cc: MF-104 File E834
Sec. Op. Comm. (2)
Sterms
Chron.

RECEIVED
DEC 10 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 Ish-E834, 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
MF

WRStorms:fr

RECEIVED
DEC 19 1955

November 22, 1955

Memorandum

To : W. R. Pearce, Superintendent, Southwest Experiment Station, Region III

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

Subject : Progress Report for October 1955, Report DMA-3560, Contract ID-2[illegible], Arizona Gold Dredge, Inc. Sun Mine (Tucson), Gila County, Ariz.

On November 17, 1955, I visited the Sun mine with Paul Fournier, mine foreman, and inspected the adit which is being driven under subject contract.

I found the face of the adit at 320 feet from the starting point under the contract. Of the 200 feet of advance, 167 feet had been driven to October 1, 55.0 feet reportedly was advance for October, and the remaining 43 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 appreciable of ore grade. Testing of the more favorable areas with short drill holes is planned by the operator. The results of this work could indicate a more short longhole drilling or crosscutting under the contract may be justified.

The camp's living and office quarters, a short-term shack and 3 tents, that was recently destroyed by fire, has been rebuilt. As rebuilt, the camp results in a sturdy condition and is safe for another fire. On the other hand conditions at the mine and mine plant are complete. The adit and equipment are kept clean and a blower is being installed to better ventilate the working face.

CC W. M. Trower (Orig. & 2)
DMA-3560
RF

TMBonnie:fr:j

RECEIVED
DEC 19 1955

Analysis of Operator's Report

Form AE-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 AE-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 10 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-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
NOV 21 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

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
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 [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:

$ 675.00

Signature RRa
(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. Hardwick Title Mining Engineer Date 10/21/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature for Wm Tosch 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

RECEIVED
NOV 21 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1955 Docket No. DMEA 3669 Contract No. DMI 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

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) William R. Hardwick

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
NOV 2 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 3669, (Uranium), Contract Idm-E834, 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;pcl
cc: MF-104 File E834
Sec. Op. Comm. (2)
Storms
Chron.

DMEA
Date Rec'd.
OCT 27 1955
RECEIVED
BUREAU OF MINES
Denver, Colorado

October 24, 1955

Memorandum

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

From : T. M. Romslo, Mining Engineer, Tucson, Arizona for Walter R. Storms, Superintendent, Southwest Experiment Station

Subject : September 1955 Progress Report, DMEA Contract Dm-2834, Docket DMEA-3669 (Uranium) Globe Uranium, Inc., San Brandon 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-184 and MF-1044.

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. Romslo

T. M. Romslo, Mining Engineer
for Walter R. Storms
Superintendent,
Southwest Experiment Station

LAStommrt:frj

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

RECEIVED
NOV 21 1955

Box 4097
Tucson 5, Arizona

October 24, 1955

Memorandum

To : Walter R. Storms, Superintendent, Southwest Experiment Station, Region III

From : William R. Hardwick, Mining Engineer, Tucson, Ariz.

Subject : Progress Report for September 1955, RMEA-3549, Contract IDa-2834, Arizona Globe Uranium, Inc. Sun Mine (Uranium), Gila County, Ariz.

The Sun mine was visited on October 11, 1955. Paul Fournier, mine foreman, was at the mine. Fournier 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 Rg. 1 adit was advanced 30 feet toward the south. Sampling results are not yet available but a check with a Geiger counter indicated two spots with good readings.

No ore from the RMEA work was sold during September.

MF-104 - Operator's Monthly Report and Voucher

This form appears to be correctly completed. The $[illegible].00 is for 30 feet of drifting at $30.00 per foot.

MF-104A - Operator's Unit Cost and Progress Report

This report appears to be correctly completed.

Narrative Report

The Operator's Narrative Report seems adequate.

CC W. M. Traver (Orig. & 3)
RMEA-3549
MF

WRHardwick:frj

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

ERS, DEVELOPERS, S PPERS 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

RECEIVED
NOV 21 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 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

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
OCT 10 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1955 Docket No. DMEA 3669 Contract No. DMA 1836
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	$4,110.00	None	$4,110.00			
(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	$4,110.00	None	$4,110.00	$4,110.00		$4,110.00

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

Date Sept. 7, 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 [signature]
(Authorized Certifying Officer)

Date 9-22-55 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-E 834 in accordance with the terms of the contract.

Signature T M Romero WRM Title Mining Engineer Date 9/14/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Mauer 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. [illegible]
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	Foot						800	$ 2.50
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Sample Analysis	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.

Date September 1, 1955 Operator Arizona Globe Uranium, Inc.

Per C.O. Lee Title Sec'y. 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)

REMARKS:

(For Government use only)

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.

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.

DMEA
Date Rec'd.

SEP 19 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

RECEIVED
OCT 10 1955

From : Superintendent, Southwest Experiment Station

Subject : August 1955 Progress Report, DMEA Contract Ide-5834, Docket DMEA-3649, (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-194 and MF-194A.

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-3649
DF

WRStorms:fr]

Significant uranium mineralization was encountered only along one of the numerous fractures of steep dip and northeasterly strike. Probing of 6.5-foot drill holes into the back of the adit indicates the zone is about 2 feet wide and 5 feet high. Assays ranged from 0.3 to 0.4 percent U_3O_8 and averaged about 0.3 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. Haven estimated the grade at 0.35 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 MONTHLY 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 Monthly 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. Romalo
Mining Engineer
Southwest Experiment Station

RECEIVED

OCT 10 1955

Box 4007
Tucson 5, Arizona

September 15, 1955

Memorandum

To : Walter H.Stone, Superintendent, Southwest Experiment Station, Region III

From : T. M. Rosile, Mining Engineer, Tucson, Arizona

Subject : Progress Report for August 1955, RMLA-3660, Contract Ida-6234, Globe Uranium, Inc., Sun Mine (Uranium), Gila County, Ariz.

The Sun Mine was visited September 8, 1955. Before reaching the mine I encountered Paul Fagreter, 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. Haven, president of the corporation, and Richard Hanna arrived shortly after the measurements were completed.

According to Mr. Haven, 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 98 feet from the portal. For future measurements the face of the adit at the end of August was 148.0 feet from a survey spad at the intersection of the center lines of the adit and the central crosscut to the west. At 57.3 feet northerly from this spad, another survey spad was 84.7 feet from the face of the adit.

Mr. Haven said that operations were temporarily suspended while costs were being analyzed and a search was made for a project supervisor to replace W. W. Sorenson. Arrangements had been completed to immediately resume operations under the supervision of Mr. Hanna, who is a graduate mechanical engineer with about 3 years experience with uranium in the Globe area.

CC W. M. Trauer (Orig. & 2)
RMLA-3660
RF

T:Rosile:fr]

ARIZONA GLOBE URANIUM, INC.

31 West Monroe Street

PHOENIX, ARIZONA

RECEIVED
OCT 10 1955

September 1, 1955

Re: Docket DMEA 3669 (Uranium)
Contract Idm-5834

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 Nimco 128 mucker on 16 lb. rail, and drilling with two J40 IR jackhammers on Cepco airlegs. Six foot 1" hexagonal integral carbide crossbit steel with 1⅛" to 1¼" 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 propagation 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

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 NNW. 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

800

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

MAY 16 1957

Mr. J. R. Heron, President
Arizona Globe Uranium, Inc.
31 West Monroe Street
Phoenix, Arizona

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

Dear Mr. Heron:

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

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

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-2834
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 o 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. Romalo, of July 26, 1956

DMEA
Date Rec'd.
JUL 30 1956

MINERAL DEPOSITS
DMEA
RECEIVED
JUL 30 1956

BUREAU OF MINES
Denver, Colorado

U. S.
GEOLOGICAL SURVEY
DENVER, COLO.
RECEIVED
AUG - 3 1956

July 26, 1956

Memorandum

To : Executive Officer, DMEA Field Team, Region III

From : J. M. Faick
T. M. Monsio

Through : W. M. Storms
W. L. Emerick
E. M. Marsman

WMS
WLE
EMM

Subject : Request for recess, Docket DMEA-3669, Contract Id-4334 (Uranium) Arizona Globe Uranium, Inc. (Sue Mine) Gila County, Ariz.

The operator in a letter of July 24, 1956 to W. M. 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. Jones, General Manager for the corporation, told Monsio 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 26, 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 Monsio
T. M. Monsio, Mining Engineer
U. S. Bureau of Mines

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

cc W. M. Trawer (8)
W. L. Emerick
E. M. Marsman
DMEA-3669
DI

T.Monsio:J.Faick:fr

RECEIVED
AUG - 3 1956

July 24, 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 - E 834
Arizona Globe Uranium, Inc.
(Sue Mine)
Gila County, Arizona

Dear Mr. Storms:

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 Sue 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:RWH:mla

I, C. C. LEE, certify that I am the Secretary of ARIZONA GLOBE URANIUM, INC.; that J. F. 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. C. Lee, Secretary

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

RECEIVED
JUL 1 0 1956

Mr. Ray Gustafsson
Denver 2, Colorado

CERTIFIED MAIL

July 10, 1956

Mr. J. E. Moran, President
Arizona Globe Uranium, Inc.
293 North Broad Street
Globe, Arizona

Re: Docket DMEA 3669 (Uranium)
Contract Ida-8Ah
Arizona Globe Uranium, Inc.
(Sue mine)
Gila County, Arizona

Dear Mr. Moran:

Your letter of June 15, 1956 to Mr. W. R. Stearns, 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 Ida-8Ah 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. A. Harshman

J.T:gel

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

MINERAL DEPOSITS
DMEA
RECEIVED
JUL 2 1956
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

Box 4126 University Station
Tucson, Arizona

June 26, 1956

RECEIVED
JUL 13 1956

MEMORANDUM

To: Executive Officer, DMEA Field Team Region III

From: J. E. Falck
T. M. Romslo

Through: W. R. Storms
W. L. Emerick
E. M. Hanshaw

WRS
WLE
EMH

Subject: Requested amendment, Docket DMEA 3669, Contract Ida 1834 (Uranium), Arizona Globe Uranium, Inc. (Sue 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 Bridging 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 sizable 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
RMH

J. B. Faick
U. S. Geol. Survey

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

JBF:ms

cc: Hartmann (5)
Sharma
Faick

arizona globe uranium, inc.

GENERAL OFFICES: 31 West Monroe Street • ALpine 3-5187 • Phoenix, Arizona

June 15, 1956

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

U. S. BUREAU OF MINES
SOUTHWEST EXPERIMENT STATION
JUN 22 1956
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

arizona globe uranium, inc

GENERAL OFFICES: 31 West Monroe Street • ALpine 3-5187 • Phoenix, Arizona

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

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

RECEIVED
JUN 25 1956

[illegible] Bar Continental
Denver 2, Colorado

June 18, 1956

Mr. J. E. Haven, President
Arizona Globe Vanadium, Inc.
[illegible] Fourth Street
Globe, Arizona

Re: Contract DMEA 3649 (Vanadium)
Contract Zm-8834

Dear Mr. Haven:

In reference to your letter of June 18, 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 25 feet from the beginning, drill two horizontal percussion drill holes, one northerly not to exceed 97.5 feet in length, and one southerly not to exceed 50 feet in length.

(2) From a point in No. 3 Crosscut approximately 75 feet from the beginning, drill two horizontal percussion drill holes, one northerly not to exceed 50 feet in length, and one southerly not to exceed 50 feet in length.

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. Traver
W. M. Traver

E. H. Kerchner
E. H. Kerchner

MT:bh
cc-Chairman, Op. Comm. (4)
Finance Office, Region III
Assessment File
Kerchner
Stone
Fudak
Townsend
Contract. File Z-834
Chron.

MINERAL DEPOSITS
DMEA
RECEIVED
JUN 15 1956
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

RECEIVED
JUN 25 1956

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

June 13, 1956

Memorandum

To : Executive Officer, DMEA Field Team, Region III

Through : W. R. Storms and E. N. Harshman

From : T. M. Rosale and Leonid Bryner

Subject : Proposed additional long hole drilling, DMEA contract Ldm-2834, Docket DMEA-3649 (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 12, 1956, with maps. The letter requests permission for the drilling of the remaining 297.5 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 297.5 feet of requested drilling is the remainder of the 600 feet authorized by Stage I; and (3) drilling sites will be prepared at no expense to the Government by drilling short radius 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 Faick's memorandum of April 17, 1956 to E. N. Harshman.

T. M. Rosale

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

Leonid Bryner

Leonid Bryner, Geologist
U. S. Geological Survey

CC W. H. Tanner (Orig. & 8)
E. N. Harshman
J. N. Faick
DMEA-3649
BF

TMRosale:frj

RECEIVED
JUN 25 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.

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.

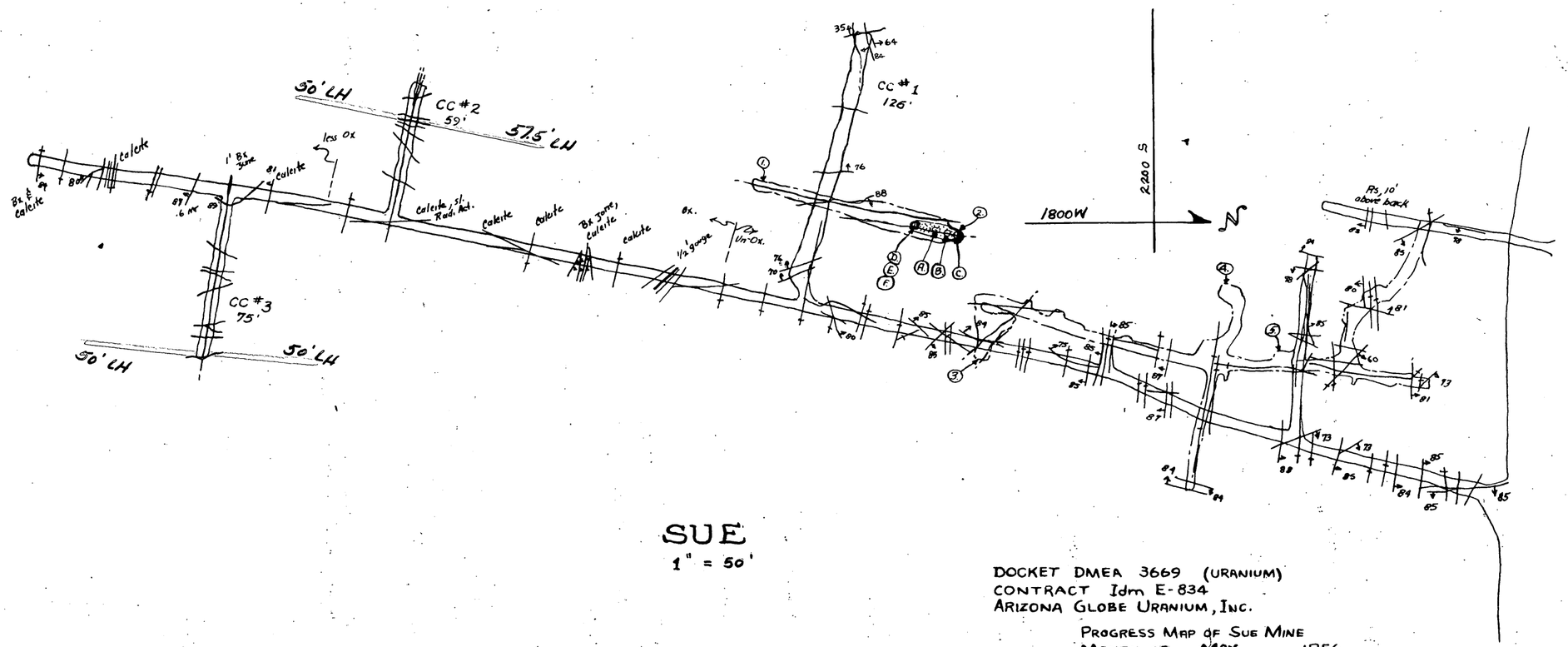
R. W. Henes

R. W. Henes
General Superintendent

J. R. Heron

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

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

RECEIVED
APR 26 1956

224 New 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 3669 (Uranium),
Contract Idm-2854,
Arizona Globe Uranium, Inc.,
(Sue 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 420 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 125 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. M. Harshman

JWT:prl

cc: Chairman, Oper. Comm. (4)
Finance Office, Region III
Amendment file
Harshman
Storms
Faick
Townsend
Corres. file
Chron.

MINERAL DEPOSITS
DMEA
RECEIVED
APR 19 1956
U.S.
GEOLOGICAL SURVEY
DENVER, COLORADO

RECEIVED
APR 20 1956

Box 4126 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. Romslo

Through: E. M. Hornbaker
W. R. Storms

Subject: Docket DMEA 3569 (Uranium), Contract Ian-1834, 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. Romslo, 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
DMEA Station 330+00	Westerly	To explore a zone where 2 mineralized fractures might intersect.
DMEA Station 420+00	Easterly	To explore a zone of slightly radioactive fractures.
DMEA 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 DMEA.

John H. Faick

John H. Faick

T. M. Rosalo

T. M. Rosalo

JHF:ms

cc: Harshman (8)
Storms

RECEIVED
APR 3 0 1956

COPY

April 13, 1956

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

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 DMEA contract normal to the DMEA 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:

DMEA Sta. 330/00 - in a westerly direction normal to drift

DMEA Sta. 420/00 - in an easterly direction normal to drift

DMEA Sta. 420/00 - in a westerly direction normal to drift

The last DMEA progress report shows a slightly anomalous condition above the drift at DMEA 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 DMEA crosscut sta. 47/00 carries as far south as DMEA sta. 330/00. If this north-south fracture does intersect the east-west fracture at DMEA 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 DMEA sta. 135/00 and 330/00. This crosscut will be driven first to an approximate depth of 50 feet, and then further, if showings justify.

DMEA sta. 420/00 presents a fracture series in an area where several other slightly radioactive fractures have been encountered (DMEA sta. 390/00 to 430/00) and it is intended that following driving of the crosscut at DMEA sta. 330/00, or simultaneous therewith, a crosscut to the east at DMEA 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. 52/00 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. Hewes

Richard W. Hewes
General Superintendent

C. O. Lee

C. O. Lee
Secretary-Treasurer

RWH/em

COPY

RECEIVED APR 19 1956
APR 23 1956
GEOLOGICAL SURVEY DENVER, COLORADO

Box 4186 University Station
Tucson, Arizona

April 17, 1956

DMEA
Date Rec'd.
APR 19 1956
BUREAU OF MINES
Denver, Colorado

MEMORANDUM

To: Mr. E. M. Harshman

From: J. M. Falck

Subject: Interim Examination, Docket DMEA 3669 (Uranium)
Contract Idm-7334, Arizona-Globe Uranium, Inc.,
Sue Uranium Mine, Gila County, Arizona

On April 2-3, 1956 the writer and T. N. Romslo re-examined the Sue mine. At this time operations had halted temporarily because of inclement weather but Richard W. Remes, 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 suspected.

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 engineers and these analyses will be submitted by Rossale 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 M. Faick

JMF:ms

cc: Harshman (8)
Storms

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 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. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

Enclosure
JWT:prl
cc: Chairman, Oper. Comm. (4)
Finance Office, Region III
Amendment File
Harshman
Storms
Faick
Townsend
Corres. file
Chron.

DMEA
Date Rec'd.
MAR 9 1956
BUREAU OF MINES
Denver, Colorado

Box 4126 University Station
Tucson, Arizona

March 5, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

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

Through: W. R. Storms
E. M. Zarembski

Subject: Proposed Long Hole Drilling, DMEA-369 (Uranium)
Contract Ida-2334, Arizona Globe Uranium, Inc.,
Sue Uranium Mine, Gila County, Arizona

Reference is made to W. M. Traver's letter of February 28, 1956 to W. R. 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 authorized 500 feet of adit and 125 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 2 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, as approval was anticipated the 40-foot vertical hole of DMEA Station 52 + 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.

D. W. Mc[illegible]
U. S. Bureau of Mines

John H. Dick
U. S. Geological Survey

Dist: Field Team (5)
W. R. Browne (2)
J. H. Falck

DMEA
Date Rec'd.

FEB 28 1956

BUREAU OF MINES
Denver, Colorado

REC'D
MAR 1

Memorandum

February 23, 1956

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

Subject : Proposed long hole drilling, DMEA Contract Lm-1834, 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 areas 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 Schwartz, 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. Romalo
T. M. Romalo, Mining Engineer
U. S. Bureau of Mines

CC W. R. Traver (8)
E. N. Harshman
J. N. Faick
DMEA-3669
DF

JNFAICK-T.M.ROMALO:FRJ

RECEIVED
MAR 6 1956

February 20, 1956

Re: Docket DMEA 3669 (Uranium)
Contract Ide-2833

Mr. W. R. Sterns
U. S. Bureau of Mines
P. O. Box 4397
University Station
Tucson, Arizona

Dear Mr. Sterns:

Enclosed are six copies of a map of the Sun 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 Sun 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 1-1/2" 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, embracing 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 foot 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. 350+00, where there begins a 40 foot 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 Suo 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. Sturm
Tucson, Arizona

February 20, 1956

-4-

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. Jones
General Superintendent

J. R. Mason, President

W. O. Lee, Secretary-Treasurer

RWH/em
Encls.

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

[illegible]
Denver 2, Colorado

December 14, 1955

Mr. R. W. Hanes, General Superintendent
Arizona Globe Uranium, Inc.
[illegible] North Broad Street
Globe, Arizona

Re: Docket DMEA 3669 (Uranium),
Contract [illegible]

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 [illegible] 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 133 + 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 R. W. Townsend
R. E. Marshman
Acting Executive Officer
DMEA Field Team, Region III

JWT:prl
cc: Chairman, Oper. Comm. (4)
Finance Office, Region III
Amend. file, Region III
Marshman
Storms
Faick
Townsend
Corres. file
Chron.

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-5834, 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

J.N. Faick

GENERAL OFFICES: 31 West Monroe Street • Alpine 3-3187 • Phoenix, Arizona

November 25, 1955

U. S. BUREAU OF MINES
SOUTHWEST EXPERIMENT STATION
NOV 2 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

DEC 1 1955

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. A. Lee

C. A. Lee, Secretary-Treasurer

Contract No. Idm-E 834

Docket No. 3669

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
June 30, 1955	XXI	Arizona	Uranium

Name and Address of Operator: Globe Uranium, Inc.
293 North Broad Street
Globe, Arizona

	Reserve	Obligation
Prior Amount	0	$36,964.00
Increase	0	0
Decrease	0	18,873.25
Revised Amount	0	$18,090.75

Remarks:

(Name)
Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 10/30/56

98963

Docket No. DMEA - 3669

Commodity Uranium

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 834

Date of Contract ~~amendment~~ June 30, 1955

Name and Address of Operator:
Globe Uranium, Inc., an Arizona corporation
293 North Broad Street
Globe, Arizona

Amount of Government participation ____ $ 36,964.00

Percent of Government participation 75 %

Region: 111 State: Arizona

(Name)
J. L. Chambers
Chief, Contract Administration and Audit Division
6/30/55

(Title)

Date Delivered to Bureau of Mines, Washington.

54458

Government's copy

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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,

whose mailing address is 293 North Broad 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 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."

(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.

ARIZONA GLOBE URANIUM, INC.

(FORMERLY) GLOBE URANIUM, INC.
(Operator)

By J R Heron

THE UNITED STATES OF AMERICA

By O O Muthendorf
Administrator, Defense Minerals
Exploration Administration

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]

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

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JUL 3 0 1955

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

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

RECEIVED
JUL 26 1955

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 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

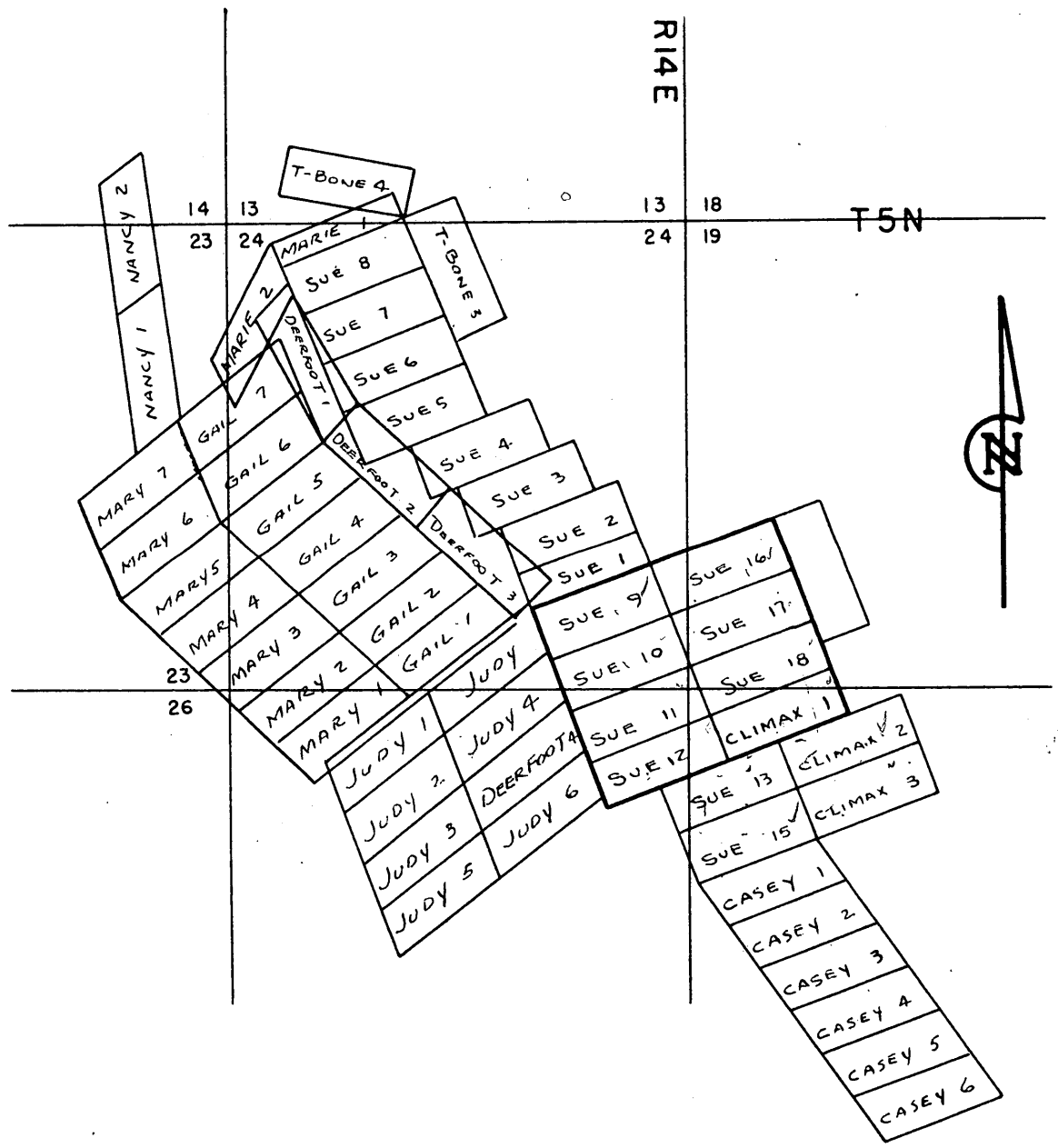
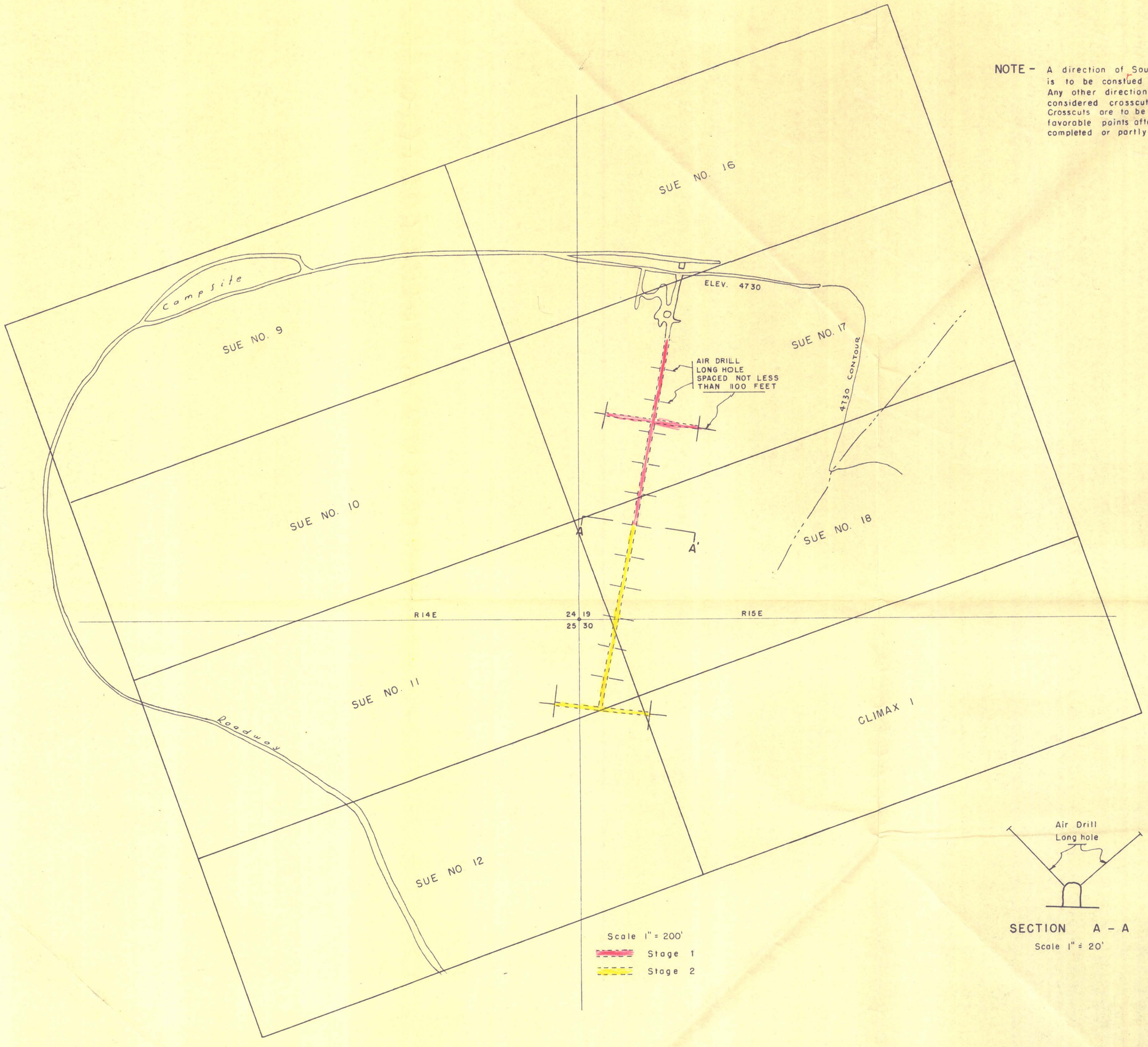


FIGURE 2 CLAIM MAP - SUE MINE - GLOBE URANIUM INC.

NOTE - A direction of South ±15° in bed is to be construed 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.

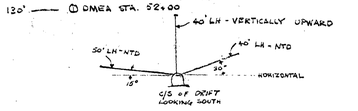


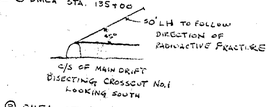
SECTION A - A

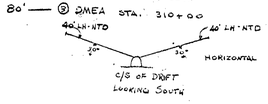
Scale 1" = 20'

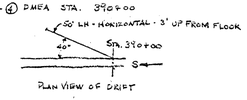
DMEA 3669

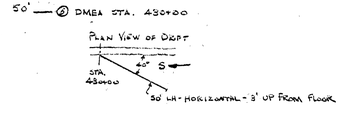
FIGURE - 3 - SUE URANIUM MINE - PLAN SHOWING PROPOSED EXPLORATION

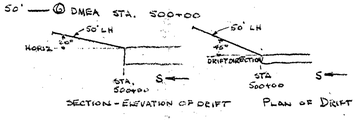




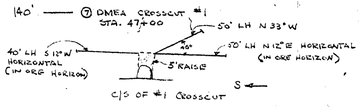


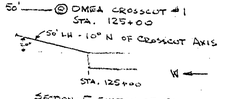






SECTION - ELEVATION OF DRIFT PLAN OF DRIFT





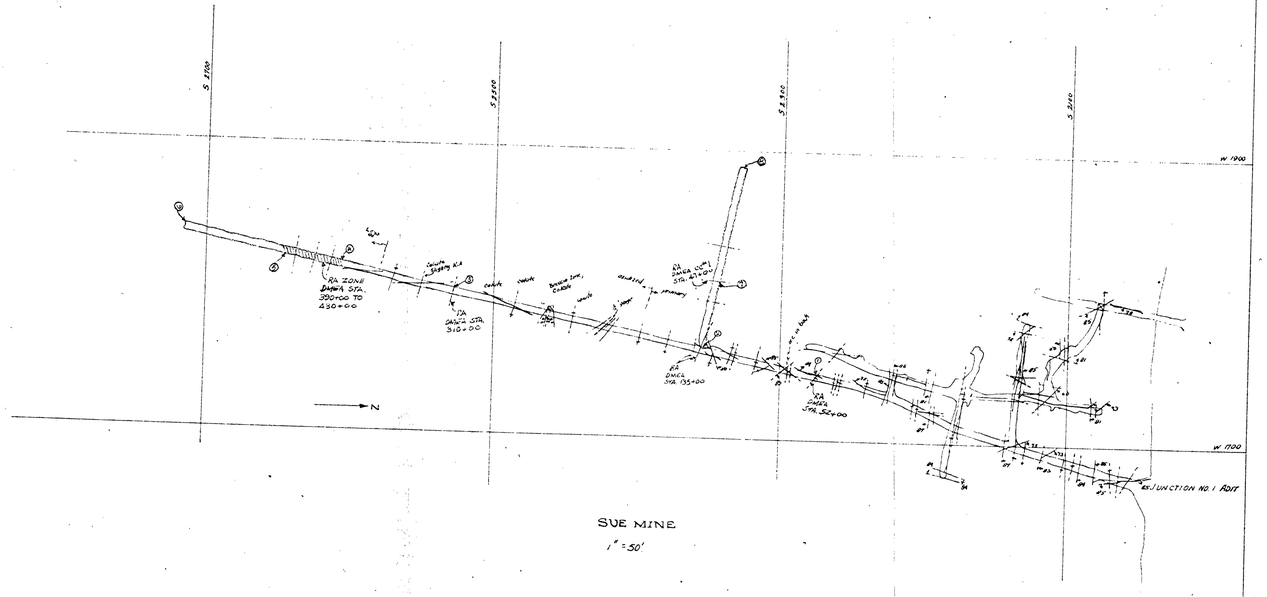
SECTION - ELEVATION OF CROSSCUT

TOTAL FOOTAGE REQUESTED HEREIN
600'

TYPE - PERCUSSION
SIZE - MINIMUM DIAMETER OF 1½"

LEGEND

LH = LONG HOLE
NTD = NORMAL TO DRIFT
RA = RADIOACTIVE



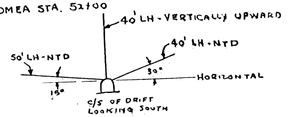
SUE MINE
1" = 50'

DOCKET DMEA 3669 (URANIUM)
CONTRACT Idm E-534

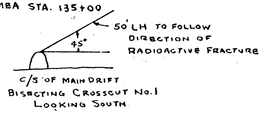
ARIZONA GLOBE URANIUM, INC.
(LONG HOLE DRILLING PLAN)

2/16/56

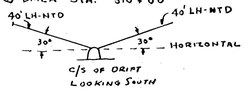
130' — ① DMEA STA. 52+00



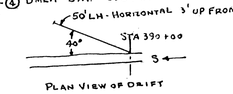
50' — ② DMEA STA. 135+00



80' — ③ DMEA STA. 310+00



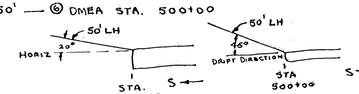
50' — ④ DMEA STA. 390+00



PLAN VIEW OF DRIFT

50' — ⑤ DMEA STA. 430+00

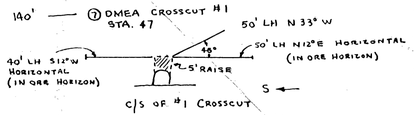
50' — ⑥ DMEA STA. 500+00



SECTION - ELEVATION OF DRIFT

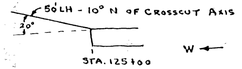
PLAN OF DRIFT

140' — ⑦ DMEA CROSSCUT #1
STA. 47



C/S OF #1 CROSSCUT

50' — ⑧ DMEA CROSSCUT #1
STA. 125+00



STA. 125+00

SECTION-ELEVATION OF CROSSCUT

TOTAL FOOTAGE REQUESTED HEREIN

600'

TYPE - PERCUSSION

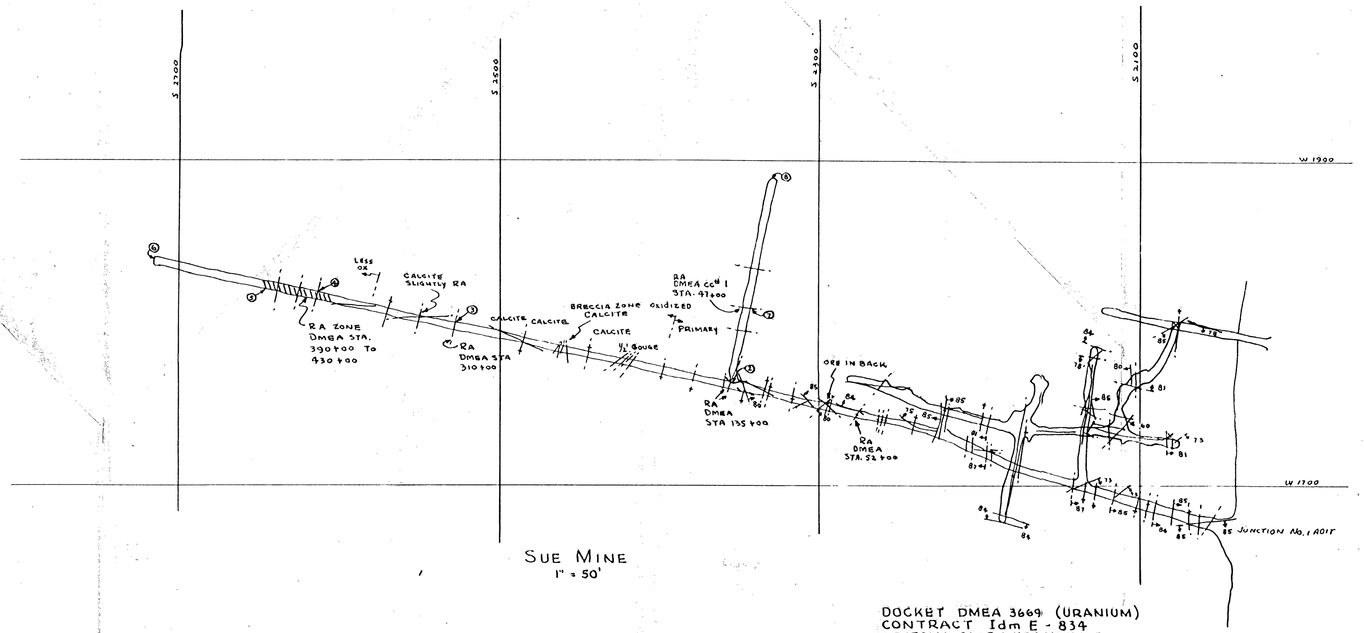
SIZE - MINIMUM DIAMETER OF 1½"

~ 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)

2/16/56