OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E703, Docket DMEA-3355 (uranium), dated September 9, 1954, with

Lowell A. Griffith Associates
c/o Neptune Uranium Corporation
2625 Walnut Street
Denver, Colorado

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Shamrock Group of Claims located in Montrose County, Colorado, during the period June 15, 1960, through September 13, 1963.

A certification of discovery or development was issued on May 19, 1955, and, in accordance with Annex II of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated April 5, 1955, indicated accepted costs under the exploration contract amounting to $16,305.00 with the Government's contribution on a 75 percent basis being $12,228.75.

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

This review found no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which found the sales subject to the Government's royalty through June 14, 1960, to be $50,373.89. The royalty account as of June 14, 1960, was:

Total Royalty Payable	$2,518.74
Total Royalty Paid	2,518.15
Balance of Royalty Due	$ .59

As of September 13, 1963, the royalty account of this project was found to be:

Total Royalty Payable	$2,518.74
Total Royalty Paid	2,518.15
Balance of Royalty Due	$ .59

E. D. Tolbert

E. D. Tolbert, OME Auditor

September 19, 1963

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The Operator is a partnership consisting of Lowell A. Griffith and Paul H. Keating, individuals, and Construction Specialties Company, a Colorado corporation. The land consists of seven unpatented claims (Piper Nos. 1 through 3, Shamrock Nos. 2 through 4, and Outlet) in secs. 14, 15, 22, and 23, T. 48 N., R. 18 W., N.M.P.M., Paradox mining district. The contract recites that the Operator is in possession as lessee and an Owner's Consent to Lien (covering all except the Outlet claim), executed on August 25, 1954, by Keith M. Andrews and Donald K. Andrews is attached.

Exploration work under the contract was completed during November 1954. Production during and after the exploration period resulted in sales through April 1958 of 1,343.69 SDT of uranium ores with total proceeds of $50,373.89 subject to royalty. These sales are covered by Reports of Royalty Review dated March 15, 1956, and June 16, 1960. A balance of $.59 in royalty is delinquently due on Vanadium Corporation of America settlement sheet no. 5-0-46 covering lot no. 89139.

All shipments were made in the name of Griffith Uranium Company and Neptune Uranium Corporation. By letter dated May 20, 1955, the Operator advised that Lowell A. Griffith Associates, sometimes known as Griffith Uranium Company, had incorporated in Colorado as the Neptune Uranium Corporation and assumed all assets and liabilities of the partnership.

Examinations of the property, checks of AEC production records, and inquiries by GME regional representatives disclosed no evidence of production from April 1958 through June 30, 1960. In replies to MME Form 63 inquiries Lowell A. Griffith, on April 25, 1962, as the Operator and on September 13, 1963, as mine superintendent and vice-president of Neptune Uranium Corporation, stated that: (1) Donald K. Andrews, Nucla, Colorado, had cancelled the lease in 1959 and inquiries for information should be directed to him; (2) Micro Copper Company, Moab, Utah, "own or control" the claims (other than Outlet, owned by Neptune); and (3) Neptune had "not made production during the last 3 years anywhere".

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

(1) The files indicate little probability of any unreported production since the date of the contract; and

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

RECEIVED 27 1963
CODE
800

Building 20 - Federal Center
Denver 25, Colorado
80225

September 24, 1965

Lowell A. Griffith Associates
c/o Neptune Uranium Corporation
Uravan, Colorado

Re: DMEA-3355 (Uranium)
Contract Idm-E703
Lowell A. Griffith Associates
(Shamrock Group)
Montrose County, Colorado

Gentlemen:

Enclosed is a copy of the Report of Royalty Review on the subject contract dated September 19, 1963, covering the period June 15, 1960, through September 13, 1963.

Please note that the balance due the Government according to this Report of Review is $0.59. Your prompt payment of $0.59 to this office will be appreciated.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosure
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. Idm-E703
Chron
HMC/lm

Building 20 - Federal Center
Denver 25, Colorado
80225

September 24, 1963

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMEA-3355 (Uranium)
Contract Idm-E703
Lowell A. Griffith Associates
(Shamrock Group)
Montrose County, Colorado

Attached is the original Report of Royalty Review dated September 19, 1963, on the subject property covering the period June 15, 1960, through September 13, 1963.

Original signed by

Hugh M. Connors

Attachments

cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. Idm-E703
Chron
HMC/lm

SEP 2 6 196

Memorandum

To: Acting Field Officer, Region III

From: E. D. Talbert, Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMEA-3355 (Uranium)
Lowell A. Griffith Associates
Shamrock Group of Claims
Montrose County, Colorado
Contract Idm-E703

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

(a) Original to the Fiscal Section, Division of Management Operations, Office of the Secretary, U. S. Department of the Interior, Washington, D. C. 20240;
(b) One copy for the Operator; and
(c) One copy for your files.

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

Enclosures

EDTalbert/ama 9-18-63

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

C
O
P
Y

NEPTUNE URANIUM CORPORATION

Denver Office
2625 Walnut St.
P. O. Box 927, Denver 1

Mine Address
Uravan, Colo.

Officers & Directors
W. E. Griffith, Pres. & Director
L. A. Griffith, V. Pres. & Director
F. A. Burns, Treasurer
R. B. Carson, Secy. & Director
Clark F. Barb, Director
Paul H. Keating, Cons. Geologist
Karl C. Brauns, Counsel

Denver, Colorado
Sept. 13, 1963

Mr. F.M. Murphy, Acting Chief
Division of Minerals
Deapratment of Interior
Washing ton 25, D.C.

RE: SHAMROCK GROUP
DMEA *3355 Uranium

Dear Mr. Murphy:

I am returning to you two copies of your letter of September 4th relating to our past operations on the Shamrock Group.

Micro Copper Company, Moab Utah now own or control the claims we has under lease until 1959. We have nothing whatsoever to do with them at this time.

Neptune Uranium has one valid claim OUTLET which covers ground the former owners moved corners on after our lease from Andrews of Nucla was entered into by us. We have not made production during the last 3 years anywhere.

Yours truly,

/s/ Lowell A. Griffith

1 Lowell A. Griffith Mine supt & V.P.

Building 20 - Federal Center
Denver 25, Colorado

March 24, 1961

EXTRA COPY
O. M. E.
RECEIVED MAR 27 1961

DATE	INITIALS	CODE
		800

Charles A. Rasor, Chief
Ore Reserves & Production Analysis Branch
Production Evaluation Division
U. S. Atomic Energy Commission
Grand Junction Operations Office
Grand Junction, Colorado

Re: DMEA 3355 (Uranium)
Contract Idm E703
Lowell A. Griffith Associates
Neptune Uranium Corporation
Shamrock Group of Claims
Montrose County, Colorado

Dear Mr. Rasor:

In checking the uranium production for the year 1960 it is noted that uranium was produced from the Shamrock claimsduring the second, third, and fourth quarters of the year.

By virtue of the captioned contract, production from the Shamrock Group of claims is subordinated to the Government. The Shamrock Group of claims covered by this contract are located in Sections 14, 15, 22, and 23, Township 48 North, Range 18 West.

Will you please advise if the Shamrock claims which produced ore in 1960 are the same Shamrock claims subordinated to the Government.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
cc Royalty Corres E703
Chron

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-E703, Docket No. DMEA-3355 (Uranium), dated September 9, 1954, with

Lowell A. Griffith Associates
Paul H. Keating, Agent
P. O. Box 163
Golden, Colorado

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Shamrock Group of Claims located in Montrose County, Colorado, during the period January 19, 1956, through June 14, 1960.

A certification of discovery or development was issued on May 19, 1955, and, in accordance with Annex II of the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final audit dated April 5, 1955, indicated accepted costs under the exploration contract amounting to $16,305.00 with the Government's contribution, on a 75 percent basis, being $12,228.75.

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

This review established the total sales of uranium ore for the period to be $28,640.41. Royalty due the Government at rates specified in the contract is $1,432.04.

A prior Report of Royalty Review found the sales subject to Government royalty through January 18, 1956, to be $21,733.48 which added to the sales for this subsequent period make a total of $50,373.89. The royalty account as of January 18, 1956, was:

Total Royalty Due	$1,086.70
Total Royalty Paid	1,086.70
Balance of Royalty Due	$ -0-

At June 14, 1960, the royalty account of this project was found to be:

Total Royalty Due	$2,518.74
Total Royalty Paid	2,518.15
Balance of Royalty Due	$ 0.59

June 16, 1960

C. E. Fisher, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

Mining operations at this property by Neptune Uranium Corporation, successors to the Operator, were discontinued in May 1958. The last sales on which royalty has been paid to the Government were covered by Union Carbide Nuclear Co. liquidation No. 8000, dated April 30, 1958, and Vanadium Corporation of America liquidation No. 5-0-46 covering the period April 28 to May 15, 1958. No ore is stockpiled at this property.

My review included a tabulation and recomputation of copies of liquidation statements received by Region III, Denver, Colorado, in support of royalty payments made by the purchasers of the ore and furnished to the OME Washington office. This tabulation is filed with my audit work-papers and the results are summarized on the attached Schedule "A".

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

(1) Examination of the copies of the liquidation sheets and correspondence in the Washington office files indicates that all production subject to Government royalty has been reported and proper royalty has been received, except for the underpayment noted on Schedule "A"; and

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

Schedule "A"

Idm-E705 | Lowell A. Griffith Associates | DMEA-3355

	Periods and Amounts		
	9/9/54 to 1/18/56	1/19/56 to 6/14/60	Totals
Production			
Short wet tons	432.01	983.15	1,415.16
Short dry tons	413.13	930.56	1,343.69
U_3O_8 - Pounds	2,712.53	5,022.43	7,734.96
" - Excess 4#/SDT	1,072.02	1,388.47	2,460.49
" - " 10#/SDT	125.24	6.89	132.13
V_2O_5 - Pounds	16,307.12	22,745.47	39,052.59
Proceeds			
U_3O_8 - Base payments	$ 9,438.63	$17,286.37	$26,725.00
" - Excess 4#/SDT	804.05	1,041.39	1,845.44
" - " 10#/SDT	31.30	1.72	33.02
Development allowance	1,556.36	2,311.27	3,867.63
Haulage allowance	631.82	748.56	1,380.38
V_2O_5	5,055.22	7,051.10	12,106.32
Total Receiving Stations	$17,317.38	$28,640.41	$45,957.79
AEC Production Bonus	4,416.10	-0-	4,416.10
Total Proceeds	$21,733.48	$28,640.41	$50,373.89
Royalty Due	$ 1,086.70	$ 1,432.04	$ 2,518.74
Royalty Paid	1,086.70	1,431.45	2,518.15
Balance of royalty due	$ -0-	$ 0.59*	$ 0.59

* Underpayment of royalty due to omission of haulage allowance in connection with V.C.A. settlement No. 5-0-46, as follows:

Item	Due	Settled	Difference
Base payment	$ 136.29	$ 136.29	
Excess 4#/SDT	7.58	7.58	
Development allowance	19.47	19.47	
Haulage allowance	11.75	-0-	$ 11.75
V_2O_5	61.69	61.69	
Total value subject to royalty	$ 236.78	$ 225.03	$ 11.75
Royalty at 5%	$ 11.84	$ 11.25	$ 0.59

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Lowell A. Griffith Associates

Address % Neptune Uranium Co.

2625 Walnut Street -- P. O. Box 927
Denver 1, Colorado

Exploration Contract No. E 703 Docket No. 3355

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

6-14-60
Date

Hugh M. Lemons
Mining Engineer

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY O. M. E RECEIVED JUL 5 1960		
DATE	INITIALS	CODE
		800

June 29, 1960

Memorandum:

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D.C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket No. [redacted]-3555 (Uranium)
Contract No. [redacted]-E703
Lowell A. Griffith Associates
Neptune Uranium Corporation
(Shamrock Group of Claims)
Montrose County, Colorado

Attached is the original of the Report of Royalty Review on the subject contract covering the period January 19, 1956, through June 14, 1960.

Original signed by

Hugh M. Connors

Attachment
HMC/lm
cc: Chief, Division of Field Operations (2)
Royalty Corres. E703
Chron

Building 20 - Federal Center
Denver 25, Colorado

INTL COPY
O. N. E.
RECEIVED JUL 5 1960
800

June 29, 1960

Mr. W. E. Griffith, President
Neptune Uranium Corporation
2625 Walnut Street
P. O. Box 927
Denver 1, Colorado

Re: Docket No. DMRA-3355 (Uranium)
Contract No. Ida-K703
Lowell A. Griffith Associates
Neptune Uranium Corporation
(Shamrock Group of Claims)
Montrose County, Colorado

Dear Mr. Griffith:

Enclosed is your copy of the Report of Royalty Review covering the period January 19, 1956, through June 14, 1960.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer
OME, Region III

Enclosure
HMC/lm

cc: Chief, Division of Field Operations (2)
E. B. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. K703
Chron

EXTRA COPY O. M. E. RECEIVED NOV 20 1959		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado
November 17, 1959

Mr. W. F. Griffith, President
Neptune Uranium Corporation
2625 Walnut Street
P. O. Box 927
Denver 1, Colorado

Re: Docket No. DMRA 3355 (Uranium)
Contract No. IAm-E703
Neptune Uranium Corporation
(Shamrock Group)
Montrose County, Colorado

Dear Mr. Griffith:

On your visit to this office on September 4, 1959, you advised that Andrews interests in the subordinated land had been transferred several times, and that the original locations of some of the claims were not valid and might be "jumped".

We are most anxious to receive the letter from you that you promised to write us.

Very truly yours,

Original signed by

J. W. Townsend
Executive Officer, CMX
Field Team, Region III

HMC:ltm

cc: Chmn. Op. Comm. (2)
Roy. Corres. E703
Chron.

800

224 New Customhouse
Denver 2, Colorado
July 18, 1958

Mr. W. E. Griffith, President
Neptune Uranium Corporation
2625 Walnut Street
P. O. Box 927
Denver 1, Colorado

Re: Docket No. DMEA 3355 (Uranium)
Contract No. Idm-E703
Neptune Uranium Corporation
(Shamrock Group)
Montrose County, Colorado

Dear Mr. Griffith:

We have received your check for $19.53 enclosed with your letter of ~~March~~ July 14, 1958. The check has been credited to the royalty account of the captioned contract.

Enclosed for your information is a photo copy of Annex II which is made a part of Contract Idm-E703. You will note in Section (c) that the Government's royalty on production sold, "shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold . . ." In essence then, the interpretation expressed in the last sentence of your letter is correct so long as you receive proceeds in the form of haulage allowance on production subject to DMEA royalty.

Under the terms of the contract, therefore, this office has no alternative but to continue to request from Neptune Uranium Corporation periodically the balance of royalties due on production sold when the ore purchaser computes and pays royalties to this office for you which excludes the Government's royalty on any bonuses, premiums, allowances, or other benefits from DMEA production.

Please feel free to contact this office if you believe that further explanation will add to your understanding of the haulage allowance and how it applies to the payment of royalty.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

MHM:dp
cc: Mun. Op. Comm. 2)w/cy of
Royalty File E703)Operator's ltr.
DMEA/GJ)dated 7-14-58
Chron.

NEPTUNE URANIUM CORPORATION

DMEA
DEPARTMENT OF THE INTERIOR
JUL 15 1958
REGION III
DENVER, COLORADO

Denver Office
2625 Walnut St.
P. O. Box 927, Denver 1

Mine Address
Uravan, Colo.

Officers & Directors
W. E. Griffith, Pres. & Director
L. A. Griffith, V. Pres. & Director
F. A. Burns, Treasurer
R. B. Carson, Secy. & Director
Clark F. Barb, Director

Paul H. Keating, Consulting Geologist
Karl C. Brauns, Counsel

14 July 1958

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

Re: Docket No. DMEA 3355 (Uranium)
Contract No. Idm-E703
Neptune Uranium Corporation
(Shamrock Group)
Montrose County, Colorado

Dear Mr. Townsend:

This will acknowledge receipt of your letter dated July 8, 1958, transmitting copy of your letter dated April 30, 1958.

I have examined our files and do not find copy of the original contract entered into between Paul H. Keating, Attorney in Fact for Lowell A. Griffith Associates, and the DMEA. The files of Neptune Uranium Corporation are split between this office, our attorney's office, the auditor's office, and Paul H. Keating's office.

I am paying the additional royalty under protest for the following reasons:

(1) I cannot see how the hauling, which is a service charge, can be construed as a proper evaluation of the ore produced. The ore is worth exactly the same, whether it is hauled one mile, or one hundred miles.

(2) Where the hauling is performed by an outside hauler, or by the mill purchasing the ore, there is no allowance made to the DMEA, nor is one claimed for a portion of the hauling charge.

(3) The hauling allowance @ 6¢ per mile is nominal only, and represents only a fraction of the cost of hauling the ore from the mine to the mill.

(4) It is my opinion that the enabling legislation by Congress did not intend the nominal hauling allowance to be considered as a part of the value of the ore.

Mr. J. W. Tomlinson
Defense Minerals Exploration Administration

I suggest that you review the original contract, and if the original contract provides that you are to be paid 5% of the service charge of hauling, then I will consider the matter to be closed.

Yours very truly,

NEPTUNE URANIUM CORPORATION

W. E. Griffith

W. E. Griffith
President

WEG/eg

cc: Prof. Paul H. Keating
Mr. Karl Brauns
Mr. L. A. Griffith

P.S.
REG III NOTE:
NEPTUNE URANIUM CORPORATION, CHECK NO 412, DATED JULY 10, 1958 IN THE AMOUNT OF $ 19.53 NOTED AS "PAID UNDER PROTEST" WAS ENCLOSED WITH THIS LETTER.

WEA

PHOTO CVTO
CHAIR OPR COMM-2
DMEA/G. Jet

TRIPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment): Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

7/16/58 (Date sent)

9 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Denver, Colorado

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

(3) The Sum of $ 457.99

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X1401	$ 457.99		$

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5)
14-23-040
Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) 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.

Marguerite Ollambers
(Authorized signature)

JUL 16 1958
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor for his retained copy.

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 24 1958

DATE	INITIALS	CODE
7/24	J.G.	225
		800

E-703	Neptune Uranium Corp.	$ 19.53
E-987	Simpson, Hamilton, et al	271.27
E-987	Simpson, Hamilton, et al	167.19
		$457.99

E-703

For Certificate of Deposit No. 136, dated May 27, 1958, giving royalty payment of $30.94, see E-445.

E-703

For Certificate of Deposit No. 134, dated May 16, 1958, giving royalty payment of $21.67, see E-445.

EXTRA COPY

224 New Customhouse
Denver 2, Colorado
April 30, 1958

RECEIVED MAY 5
DATE

CODE
800

CERTIFIED MAIL

Mr. W. E. Griffith, President
Neptune Uranium Corporation
P. O. Box 927
Denver 1, Colorado

Re: Docket No. DMEA 3355 (Uranium)
Contract Ida-E703
Neptune Uranium Corporation
(Shamrock group)
Montrose County, Colorado

Dear Mr. Griffith:

This office has received settlement sheets and royalties on the below-listed production, which has resulted in a net underpayment of $19.53.

Liquidation Number	Dry Tons	Royalty Due	Royalty Paid
11056	6.759	$ 9.36	$ 8.80
110108	13.860	13.79	12.66
12 55	14.991	25.34	24.11
12 116	29.213	55.53	53.15
10 73	29.632	61.64	59.20
2054	28.012	56.06	53.75
20105	13.462	13.66	12.55
3039	9.836	12.82	12.82
3038	37.569	50.52	47.42
3060	25.527	41.54	39.41
4047	38.072	46.92	43.78
		$387.18	$367.65

The underpayment in each instance is due to your ore purchaser omitting haulage allowance in computing the value of ore for DMEA royalty purposes. Accordingly, we request payment of $19.53 due on the above listed production, and suggest that you advise your ore purchaser that DMEA royalties are to be based on the total value of production including all bonuses, premiums, and allowances.

Your check for $19.53 should be made payable to Defense Minerals Exploration Administration, and sent at once to the Executive Officer, DMEA Field Team, Region III, 224 New Customhouse, Denver 2, Colorado.

Yours very truly,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

MHM;hmh

cc: Royalty E703
Sec. Roy. Comm. (2)
DMEA/G.Jct.
Chron

TRIPLICATE
Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.
Treasury Department Circular No. 945 -

CERTIFICATE OF DEPOSIT
Standard Form 219

4/28/58 (Date sent)

125 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Denver, Colo.

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

(3) The Sum of $ 271.44

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 271.44		$

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5)
14-23-040
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) 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.

L Jones
(Authorized signature)

APR 28 1958
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor for his retained copy.

E-1099	Four Corners	$ 82.03
E-703	Neptune Uran.	43.78
E-1033	Uranium Enterprises	$145.63
		271.44

E-703

For Certificate of Deposit No. 116, dated April 10, 1958, giving royalty payment of $39.41, see E-445.

E-703

For Certificate of Deposit No. 110, dated March 25, 1958, giving royalty payment of $60.24, see E-370.

224 New Customhouse
Denver 2, Colorado

March 24, 1958

DMEA
RECEIVED 27
DATE CODE
800

Vanadium Corporation of America
Naturita,
Colorado

Attention: Accounting Department

Re: Docket DMEA 3355 (Uranium)
Contract Idm-E703
Neptune Uranium Corporation
(Shamrock Group)
Montrose County, Colorado

Gentlemen:

Enclosed is a photo copy of your Settlement Sheet No. 11 0106, with load detail, for ore purchased from the above-captioned Operator. This office received your check for $12.66 as royalties on this production.

The Settlement Sheet covers the purchase of 13.8595 tons of ore. A routine check of our production records with those maintained by the Atomic Energy Commission indicates that the AEC was provided with a figure of 20.62 tons for this settlement.

Please advise us of the number of tons that should be recorded for this settlement.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

Enclosure
MHM:jy
cc: Semiannual Rpt. File E703)
Sec.Op.Comm.(2))
DMEA,G.Jct.) w/copy of Salsbury's
Hasler) memo, dtd. 3/18.
Chron.

DMEA
DEPARTMENT OF THE INTERIOR

MAR 19 1958
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

March 18, 1958

RECEIVED 27
DATE CODE

Memorandum

To: M. H. Marshall

Through: W. H. King

From: M. H. Salsbury

Subject: Docket No. DMEA 3355 (Uranium), Contract Idm-E 703, Neptune Uranium Corporation (Shamrock and Piper claims), Montrose County, Colorado.--Reconciliation of production.

Please refer to Robertson's memo to you dated March 5, 1958, and King's memo to DMEA/Grand Junction for attention of H. F. Robertson dated March 11, 1958.

So far as can be determined from data available to us, the discrepancy in the tonnage on Liquidation no. 11 108, shipped in November 1957, arises either from a failure on the part of the subject operator to report a shipment of 6.76 tons, or an error on the part of the Vanadium Corporation of America office.

The A.E.C. production figure is based on a summary of ore receipts furnished by the mill office, and is shown as 20.62 tons. This is the accumulated tonnage shown on the load detail furnished by the operator with the settlement sheet for liquidation no. 11 108, and presumably refers to the total of all shipments made in November 1957.

However, there is a possibility of error on the part of the mill office. Copies of settlement sheets are also furnished to the A.E.C. but we could not find a settlement sheet for November in the file other than the same one furnished DMEA which shows 13.8595 tons. The A.E.C. does not ordinarily check settlement sheets against the summary of ore receipts furnished by the mills.

The matter might be cleared up through inquiry of the operator and/or the Vanadium Corporation of America mill office.

M. H. Salsbury

M. H. Salsbury,
Mining Engineer

MHS/bh

E-703

For Certificate of Deposit No. 104, dated March 11, 1958, giving royalty payment of $12.55, see E-452.

For Certificate of Deposit No. 99, dated February 26, 1958, giving royalty payment of $97.28, see E-440.

E-703

For Certificate of Deposit No. 91, dated February 10, 1958, giving royalty payment of $59.20, see E-452.

E-703

For Certificate of Deposit No. 78, dated January 14, 1958, giving royalty payment of $53.15, see E-440.

E-703

For Certificate of Deposit No. 73, dated December 30, 1957, giving royalty payment of $24.11, see E-440.

E-703

For Certificate of Deposit No. 69, dated December 12, 1957, giving royalty payment of $12.66, see E-440.

E-703

For Certificate of Deposit No. 64, dated November 29, 1957, giving royalty payment of $8.80, see E-452.

E-703

For Certificate of Deposit No. 56, dated November 13, 1957, giving royalty payment of $78.84, see E-597.

TRIPLICATE

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

THIS DEPOSIT IS NOT SUBJECT TO CHECK

Denver, Colo.

DEPOSIT NO. 14-23-040-19

$ 77.42

For credit of 9013 Treasury Regional Office, Denver, Colo. 10/[illegible]/57
(Name, title, and disbursi[illegible] other identification symbol of accountable officer) (Date sent)

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

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	
14 X4401		

(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 [illegible] ONLY

I certify that the above amount h[illegible] for credit in the account of the Treasurer of the U[illegible] the date shown, subject to adjustment for uncollec[illegible]d therein.

Sam L. Cussler
(Authorized signatu[illegible]re)

10/28/57 (Date of cred[illegible] account)

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

16—59686b-1 GPO

E-[illegible] Neptune Uranium 77.42

57 OCT 28 AM 11 4[illegible]

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 31 1957

DATE	INITIALS	CODE
10/31	H.H.	225
		800

E-703

For Certificate of Deposit No. 43, dated October 14, 1957, giving royalty payment of $13.24, see E-440.

E-703

For Certificate of Deposit No. 32, dated September 12, 1957, giving royalty payment of $225.28, see E-440.

E-703

For Certificate of Deposit No. 6, dated July 12, 1957, giving royalty payment of $80.49, see E-408.

Denver, Colo.

THIS DEPOSIT IS NOT SUBJECT TO CHECK

DEPOSIT NO.
14-23-040-173

For credit of 9013 Treasury Regional Office, Denver, Colo. 6/26/57
(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)

$ 142.95

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		142.95

(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. Giacomazzi
(Authorized signature)

6/26/57
(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-703

For Certificate of Deposit No. 151, dated May 2, 1957, giving royalty payment of $17.38, see E-452.

For Certificate of Deposit No. 108, dated February 13, 1957, giving royalty payment of $27.18, see E-395.

E-703

For Certificate of Deposit No. 103, dated January 31, 1957, giving royalty payment of $40.38, see E-452.

For Certificate of Deposit No. 92, dated January 10, 1957, giving royalty payment of $67.54, see E-395.

E-703

For Certificate of Deposit No. 88, dated January 2, 1957, giving royalty payment of $68.14, see E-53.

For Certificate of Deposit No. 80, dated December 11, 1956, giving royalty payment of $48.84, see E-53.

E-703

For Certificate of Deposit No. 44, dated October 1, 1956, giving royalty payment of $12.83, see E-452.

For Certificate of Deposit No. 36, dated September 12, 1956, giving royalty payment of $12.10, see E-445.

E-703

For Certificate of Deposit No. 24, dated August 10, 1956, giving royalty repayment of $9.26, see E-660.

Denver, Colo.

THIS DEPOSIT IS NOT SUBJECT TO CHECK

DEPOSIT NO.
14-23-040-17

For credit of 413 Treasury Regional Office, Denver, Colorado 7/30/56
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

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

$ 7.91

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		7.91

(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.

(Authorized signature)

7/30/56
(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-703

For Certificate of Deposit No. 4, dated July 10, 1956, giving royalty repayment of $61.88, see E-577.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
GENERAL ADMINISTRATION AND AUDIT DIVISION

RECEIVED
MAR 21 1956

FIRST REPORT OF ROYALTY REVIEW

I have reviewed all copies of settlement sheets on file with the Executive Officer, DMEA Field Team, Region III, applicable to royalties collected on the sales of Carnotite ore for the period September 9, 1954 through January 18, 1956, by

Montana Uranium Corporation
(Successor to Lowell Griffith Associates)
P. O. Box 927
Denver, Colorado.

produced from Shamrock Group of Claims in Montrose County, Colorado, approximately nine miles northwest of Uravan, under the terms of Contract Idm-8703, Docket No. DMEA-3355.

The exploration contract authorized a total cost of $18,350.00 with Government participation at 75 percent, or $13,762.50.

A Report of Review dated April 5, 1955 by T. H. Bruding, Auditor, showed the total accepted cost to be $16,305.00, with Government participation of $12,228.75.

A Certificate of Discovery or Development was issued on May 19, 1955.

My review included an examination of the semi-annual inspection reports and Check Sheet of The Examining Engineer, U.S.B.M., dated March 2, 1956.

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

1. Correspondence with the Field Operations Office of the Atomic Energy Commission at Grand Junction, Colorado confirmed that all sales of U_3O_8 from this group of claims, subject to DMEA royalties, had been reported to the Executive Officer of DMEA Field Team, Region III.

2. 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.

3. The Examining Engineer is of the opinion that all sales of production have been properly accounted for.

The examination established the total sales of Carnotite ore for this period to be $21,733.48. (See summary attached.) Royalty due the United States Government at the contract rate of 5% is $1,086.70. The royalty paid and balance due are as follows:

Total Royalties Due	$1,086.70
Total Royalties Paid	1,086.70
Balance of Royalties Due	$ 0.00

Donald T. Finch

March 15, 1956

Donald T. Finch, Auditor

[redacted]

[redacted]

[redacted]

Docket No. [redacted]-1155

[redacted]TION FOR PERIOD SEPTEMBER 9, 1954 THROUGH JANUARY 16, 1956, -

	U.S.V. and L.C.N. Co.	L.C. of A.	Climax Corporation	Total
Gross Weight, Pounds	786,560	48,810	28,450	864,820
Dry Weight, Pounds	752,962.36	46,373	26,916	826,251.36
Dry Weight, Tons	376.4812	23.1865	13.4580	413.1257
Assays (Averages)				
U_3O_8	.33	.29	.35	.33
V_2O_5	1.92	2.34	2.84	1.97
Pounds U_3O_8	2,483.63	134.69	94.21	2,712.53
Base Payment U_3O_8	$8,637.47	$471.42	$329.74	$9,438.63
Development Allowance	$1,241.90	$ 67.35	$ 47.11	$1,356.36
Premiums				
Excess of 4 lbs. U_3O_8 per Ton				
Pounds U_3O_8	989.71	41.94	40.37	1,072.02
Amount @ 75¢ per lb.	$742.31	$31.46	$30.28	$804.05
Excess of 10 lbs. U_3O_8 per Ton				
Pounds U_3O_8	125.24	-	-	125.24
Amount @ 25¢ per lb.	$31.30			$31.30
Haulage Allowance				
Per Wet Ton (Average)	1.22	1.50	8.00	1.055
Number of Wet Tons	393.280	24.405	14.325	432.01
Amount of Haulage Allowance	$480.61	$36.61	$114.60	$631.82
Pounds of V_2O_5	14,455.72	1,087.00	764.48	16,307.12
Payment V_2O_5 @ 31¢ per lb.	$4,481.29	$336.97	$236.96	$5,055.22
Total Receiving Station Payment	$15,614.88	$ 943.81	$758.69	$17,317.38
A.E.C. Production Bonus	$ 3,837.51	$ 473.42	$107.15	$ 4,418.10
Total Value Subject to DMEA Royalty	$19,452.39	$1,417.23	$865.84	$21,735.48
Average Value Per Dry Ton	$ 51.65	$61.04	$64.34	$52.61
DMEA Royalty Percentage	5%	5%	5%	5%
DMEA Royalties Due	$972.65	$70.76	$43.29	$1,086.70
DMEA Royalties Received	$972.65	$70.76	$43.29	$1,086.70
Balance DMEA Royalties Due	$ 0.00	$ 0.00	$ 0.00	$ 0.00

Check Sheet of Examining Engineer

RECEIVED
MAR 23 1956

Operator's Name Neptune Uranium Corporation (Successor to Lowell Griffith Associates)

Address P. O. Box 927

Denver 1, Colorado

Exploration Contract No. Idm-8703 Docket No. DMEA-3355

	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 commingled production equitable?		
3. (a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?	X	
(b) If so, are adequate records maintained on such material to protect the Government's interest?	X	
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.

M. H. Salsbury
Mining Engineer

Date 3-2-56

82448

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

MAR 26 1956

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

Re: Report of Royalty Review
Idm-8703, DMEA-3355
Neptune Uranium Corporation

Dear Mr. Finch:

Receipt is acknowledged of your Report of Royalty Review covering the above-cited project.

The report is acceptable and normal distribution may be effected.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

WBoroviesWb
March 26, 1956

Copy to: Docket
Admr. Reading File
Mr. Chambers

For Certificate of Deposit No. 86, dated January 27, 1956, giving royalty repayment of $29.93, see E-317.

E-703

For Certificate of Deposit No. 82, dated January 13, 1956, giving royalty repayment of $27.93, see E-34.

E-703

For Certificate of Deposit No. 73, dated December 14, 1955, giving royalty repayment of $16.25, see E-333.

E-703

For Certificate of Deposit No. 72, dated December 28, 1955, giving royalty repayment of $16.39, see E-422.

E-703

For Certificate of Deposit No. 65, dated November 29, 1955, giving royalty repayment of $20.49, see E-4.

For Certificate of Deposit No. 60, dated November 10, 1955, giving royalty repayment of $11.86, see E-333.

TRIPLICATE

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

THIS DEPOSIT IS NOT SUBJECT TO CHECK

For credit of 413 Treasury Regional Office, Denver, Colo.
(Name, title, and disbursing or other identification symbol of accountable officer)

10/14/55
(Date sent)

DEPOSIT NO. 14-09-040-48

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

$ 25.25

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		25.25

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

Defense Minerals Exploration Administration
224 New Customhouse
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.

M Schlagel
(Authorized signature)

OCT 14 1955
(Date of credit in Treasurer's account)

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

16—59680b-1 GPO

E-703

For Certificate of Deposit No. 55, dated October 26, 1955, giving royalty repayment of $83.35, see E-33.

E-703

For Certificate of Deposit No. 18, dated August 9, 1955, giving royalty repayment of $15.38, see E-4.

For Certificate of Deposit No. 10, dated July 21, 1955, giving royalty repayment of $683.93, see E-265.

TRIPLICATE

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

THIS DEPOSIT IS NOT SUBJECT TO CHECK

For credit of 413 Treasury Regional Office, Denver, Colo. 7/18/55
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

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

for accounts listed below. SCHEDULE NOS.

DEPOSIT NO. 14-23-040-8

$ 21.24

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		21.24

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

Defense Minerals Exploration
Administration
224 New Customhouse
Denver 2, Colo.

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. Fedeleonzzi
(Authorized signature)

JUL 18 1955
(Date of credit in Treasurer's account)

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

16—59686b-1 GPO

For Certificate of Deposit No. 95, dated April 19, 1955, giving royalty repayment of $71.01, see E-4.

For Certificate of Deposit No. 92, dated April 12, 1955, giving royalty repayment of $63.69, see E-4.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

Defense Minerals Administration
RECEIVED
APR 11 1955

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Lowell A. Griffith Associates,
A Partnership Consisting Of
Lowell A. Griffith, P.O. Box 673, Central City, Colo.
Construction Specialties Co., 2625 Walnut St., Denver, Colo.
Paul A. Keating, Apartment 5, Mines Park, Golden, Colorado

pertaining to Exploration Project Contract No. Idm-E703, Docket No. DMEA 3355, including Amendment No. 1, for the months of September to December, 1954, inclusive, covering a project for the exploration of Uranium on property known as the Shamrock Group of Claims, located in Montrose County, Colorado.

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 reasons:

All of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated 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:		$16,587.10
Exceptions (schedule attached):		
Harewith	$282.10	282.10
Total Accepted Cost		$16,305.00

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 Twelve Thousand, Two Hundred Twenty-Eight and 75/100ths Dollars

** $12,228.75 **

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.

April 5, 1955

T. H. Brading

T. H. Brading, DMEA Auditor.

SCHEDULE OF EXCEPTIONS

Lowell A. Griffith Associates, Docket No. DMEA 3355, Contract Idm-E703

217 feet of drilling claimed in error at $1.30 per foot	$282.10

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

Budget Bureau No. 42-R1036.5

Defense Minerals Administration
RECEIVED
APR 25 1955

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

Month of December, 1954 Docket No. DMEA 3356 Contract No. Idm-5703
Operator's Name Lowell A. Griffith Associates Minerals Uranium)
Address Estes Park, Colo. (% Paul M. Keating, Box 163, Golden Colo.
Contract Amount, $ 10,350.00 Government Participation: 75% Amount, $ 13,762.50

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Chem. assays	*250.00	16337.10	16587.10			
(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	250.00	16337.10	16587.10	250.00	16337.00	16587.10

* Contract allowed for the assay of 160 samples @ $5 each for U. V. Fifty samples only were submitted. A 10% disc. for cash, by the assayer, was absorbed in delivery costs from the property to Grand Junction.

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

Date 12/24/54 *Payee Lowell A. Griffith Associates

Per Paul M. Keating Title Atty.-in-fact.

*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:

115.70 + 16,170.70 = 115.70 / 16305.00
134.30
$ 100.73

Signature
(Authorized Certifying Officer)

Date 4/8/55 Vou. No. DMA 55-80

(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. [illegible] E-703 in accordance with the terms of the contract.

Signature W. M. Graver Title Chief M.R.Br. Date 12/27/54

APPROVAL BY DMEA EXECUTIVE OFFICER, OR ALTERNATE:

Signature W. M. Graver Title Executive Officer Date APR 6 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 872893

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 25 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1954 Docket No. DMEA 3355 Contract No. Idm-1703
Operator's Name Lowell A. Griffith Associates Minerals
Address Uravan Colo. (Mail: % Paul M. Keating, Box 163, Golden Colo.).

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger				16,537.10	12567	1.30	13500	1.30
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Chemical assays	5.00	250.00	50	50.00	50	5.00	160	5.00
TOTAL DISTRIBUTED COSTS		250.00	50	16,587.10				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		250.00		16,587.10				$13,350.00

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

Date 12/24/54 Operator Lowell A. Griffith Associates.

Per Paul M Keating Title Atty-in-fact.

Paul M. Keating

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

Defense Minerals Administration
RECEIVED
APR 25 1955

224 New Customhouse
Denver 2, Colorado

April 20, 1955

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3355 (Uranium), Contract Idm-E703, Lowell A. Griffith Associates, Shamrock group, Montrose County, Colorado - Operator's Monthly Report for the month of December, 1954 - Final Payment

Enclosed are two copies of a memorandum to Mr. T. A. Christensen, dated April 6, 1955 relative to final payment under the terms of the subject contract.

Final payment to the Operator in the amount of $100.73 has now been made in conformance with the Report of Review by the Contract Administration and Audit Division, dated April 5, 1955.

W. M. Traver

Enclosures

W. M. Traver

DEPARTMENT OF THE INTERIOR
Uranium Minerals Administration
RECEIVED
APR 25 1955

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

Administrative Audit Difference Statement

Lowell A. Griffith
P. O. Box 673
Central City, Colorado

Date: April 7, 1955
Payee's Reference: Final Payment

Dear Sir:

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

Amount Claimed	$ 250.00
Difference	$ 115.70
Amount Approved	$ 134.30

The reason for the difference was due to:

69 feet @ $1.30 per ft. disallowed in accordance with MEA Auditors final report of March 1955	115.70

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

APR 25 1955

224 New Customhouse
Denver 2, Colorado

April 6, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3355 (Uranium), Contract Idm-E703, Lowell A. Griffith Associates, Shamrock group, Montrose County, Colorado - Operator's Monthly Report for the month of December, 1954 - FINAL PAYMENT

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, and the operator has complied with all requirements; therefore, we recommend that final payment be made on the following basis, which is in conformance with the Report of Review by the Contract Administration and Audit Division, dated April 5, 1955.

Basis for Final Payment

Total accepted cost.....	$16,305.00
Government participation at 75%.....	12,228.75
Total prior payments.....	12,128.02
Balance due the Operator	$ 100.73

W. M. TRAVER

W. M. Traver

Enclosures

JWT:pw

cc: Subject
Chron
Sec.Op.Comm. (2)
Shaw
Townsend

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA Data Rec'd
MAR 24 1955
BUREAU OF MINES
DENVER, COLO.

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
March 22, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Project Supervisor

From: M. H. Salsbury

Subject: DMEA 3355, Contract Idm-8703, (Uranium), Lowell A. Griffith Associates (Shamrock group), Montrose County, Colorado - Supplemental Progress Report for December 1954

Drilling under the subject contract was actually completed in November 1954, and the claim made in December 1954 was for chemical analysis of 50 samples in the amount of $250.00, which was approved for payment in a memorandum to the Executive Officer, Field Team, Region III, dated December 27, 1954.

However, an audit of the hole logs and other data submitted by the operator in the final report, and comparison with data submitted with the three monthly narrative reports, reveals differences between footages claimed in a number of drill holes and the logs of these holes. In addition, one hole has been claimed and approved for payment twice.

The amount of the December claim approved for payment, $187.50, or 75 percent of $250.00, has been withheld pending final audit and more than covers the overpayment which has been made for drilling.

Following is an analysis of the drilling footages reported:

Progress in each month	Drilling footage claimed feet
September 1954	2,189
October 1954	6,393
November 1954	3,985
Total footage claimed	12,567

Deductions made in November progress report:

Hole No.	Coordinates E	Coordinates N	Depth in feet by log	Depth in feet claimed	Month claimed	Difference claimed over log + claimed under log -
H-161	8500	8100	58	53	October	-5
H-77	8500	9600	69	67	October	-2
H-61	9700	9600	60	75	October	+15
H-45	9800	9700	120	120	October	+120 (unauthorized)
Total deducted from footage claimed in November 1954						128

Footages for which payment has been approved and made:

September 1954 (as claimed)	2,189 feet
October 1954 (as claimed)	6,393
November 1954 (November claim less deduction for audit differences in October) 3,985 less 128 feet	3,857
Total footage approved and payment made on	12,439 feet

Following are additional deductions to be made in line with the audit of March 22, 1955:

Hole coordinates E	Hole coordinates N	Depth in feet by log	Depth in feet claimed	Month claimed	Difference in feet (claimed over log)
9200	10200	60	70	September	10
9400	9300	60	65	October	65 (this hole was claimed previously in September as 60' deep)
9400	10000	100	108	September	8
9500	9500	58	53	September	1
9500	10200	63	68	September	5
Total footage to be deducted as a result of March 1955 audit differences					89 feet

Summary:

Amount of claims for which operator is entitled to payment as of March 21, 1955:

Rotary drilling 12,350 feet at $1.30 per foot	$16,055.00
Chemical analysis of 50 samples at $5.00 each (December 1954 claim)	250.00
Total claims	$16,305.00

Government participation at 75 percent		$12,228.75
Payments made:		
September 1954	$2,134.27	
October 1954	6,233.17	
November 1954	3,760.58	
Total of payments made as of March 22, 1955		12,128.02
Balance due operator as of March 22, 1955		$ 100.73

Note: Final payment of $100.73 should be made in lieu of $187.50 withheld from December 1954 claim.

M. H. Salsbury
Mining Engineer

cc 7
IDM-K703
DMEA Chron

MHS/cm

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

APR 25 1955

Region IV

Bldg. 20, Room 137
Denver Federal Center
Denver, 2, Colorado
December 27, 1954

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 3355, Contract Idm-E703 (Uranium), Lowell A. Griffith Associates (Shamrock group) Montrose County, Colo. Progress report for December 1954

Enclosed are the original and four copies of the subject progress report, the fourth and final one--forms MF-104 and MF-104A only, and the original and six copies of this memorandum covering checking of the reporting forms.

The report consists only of the MF-104 and MF-104A forms and constitutes the claim with explanation typed on the MF-104 form for the analyzing of 50 samples at the unit cost of $5.00 or a total of $250.00 as allowed by the contract. The claim is supported by a receipted invoice from the Minerals Assay Laboratory and the analyses, incorporated in the final report, are acceptable. Additional analyses are not considered necessary.

Payment is approved and certified on the MF-104 forms of $187.50 or 75 percent of the total, $250.00 claimed by the contractor.

W. M. Traver

WMT/dj

cc 6
E703
Charon.

Form MF 104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

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

Month of November, 1954 Docket No. DMEA 3355 Contract No. Idm-L703
Operator's Name Lowell A. Griffith Associates Minerals Uranium
Address Uravan, Colo. (% Paul H. Keating, Box 163, Golden, Colo.
Contract Amount, $ 18,350.00 Government Participation: 75 % Amount, $ 13,762.50

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Intermediate~~ Short Form Contracts:						
Drilling	$5180.50	$11156.60	$16337.10			
Bulldozing						
Crosscutting						
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	$5180.50	$11156.60	$16337.10	5180.50	11,156.60	16,337.10
				166.40		166.40
				5014.10		16,170.70

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

Date Dec. 2 1954 Payee Lowell A. Griffith Associates

Per Paul H. Keating Title Atty.-in-fact.

*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:

$ 3760.58

Signature Randell R. Cooper
(Authorized Certifying Officer)

Date 12-20-54 Vou. No. DMA-55-43

(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. I dm E 703 in accordance with the terms of the contract.

Signature W. H. Salsbury $3,760.58 WHS Title Mining Engineer Date December 14, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. H. King Title Executive Officer Date DEC 1 7 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

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

Month of November 1954 Docket No. DMEA 3355 Contract No. Idm-E703
Operator's Name Lowell A. Griffith Associates Minerals Uranium
Address Uravan, Colo. (Mail % Paul H. Keating Box 163, Golden Colo.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger	ft.	5180.50	3985	16,337.10	12567	1.30	13500	1.30
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		5180.50	3985	16,337.10				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		5180.50		16,337.10				$18,350.00

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 Dec. 2, 1954 Operator Lowell A. Griffith Associates,

Per Paul H. Keating Title Attorney-in-fact.
Paul H. Keating

Remarks: The drilling of some holes was not even attempted, due to impossible access within reasonable expense. A total of 164 holes has been completed

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

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

Administrative Audit Difference Statement

Date: 12/20/54
Payee's
Reference: Nov. 1954

Paul H. Keating
Lowell A. Griffith Associates
Apt. 5, Mines Park
Golden, Colo.

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

Amount Claimed	$ 5,180.50
Difference	$ 166.40
Amount Approved	$ 5,014.10

The reason for the difference was due to:

120 feet of drilling in Hole No. D-15 which is not authorized by contract.

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

Very sincerely yours,

N.E.Stokes
Audit Section

R-IV-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

December 17, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 3355 (Uranium), Contract Idm-E703, Lowell A. Griffith Associates (Shamrock group), Montrose County, Colorado. Operator's Monthly Progress Report for the period November, 1954.

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 per cent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

An amount of $166.40 is to be disallowed. This amount represents 120 feet of drilling in Hole No. H-45 (120 feet) which was unauthorized and other small differences between footages claimed and those substantiated by drill logs.

Remarks:

Date of Report	December 2, 1954
Date Received in Field Office	December 3, 1954
Date Received in Region Office	December 16, 1954

W. H. King

W. H. King

Enclosures

RDB:dm
cc: Sec. to Oper. Comm. (2)
Subject
WMTraver
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Date Rec'd. 1954

BUREAU OF MINES
Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
December 15, 1954

Region

Executive Officer, DMEA Field Team, Region IV

Chief, Mineral Resources Branch, Mining Division, Region IV

DMEA 3355, Contract Idm-E703 (Uranium), Lowell A. Griffith Associates (Shamrock group) Montrose County, Colorado--Progress report for November 1954

Enclosed are the original and four copies of the subject progress report, the third one--forms MF-104 and MF-104A, with narrative, progress map, tabulation of estimated drilling depths, statistical summary, drill hole logs, and the original and six copies of M. H. Salsbury's memorandum covering his inspection of the rotary drilling progress and checking the reporting forms. The contract is unit cost on short form MF-200A and documentation is not required.

Salsbury inspected the project progress for November on December 8, 1954, and confirmed the rotary drilling claimed by the contractor for the period of 3,985 feet in 47 holes, of which 44 holes were barren, two intersected high-grade ore, and one intersected mineralization. This was as reported in the narrative and shown on the reporting forms. Work performance was in accordance with the terms of the contract.

A check was made of project drilling to date, disclosing discrepancies in footages and non-authorization of one hole location making the basis for the disallowances for 128 feet of drilling at $1.30 a foot, or $166.40. Seven hole locations were inaccessible and were not undertaken. The amount disallowed subtracted from the November claim of $5,180.50 leaves $5,014.10 approved for payment as explained in the engineer's covering memorandum.

Payment is recommended and certified on the MF-104 forms of $3,760.58, or 75 percent of the $5,014.10 approved.

Wm. Traver

W. M. Traver

Enclosure

cc: 5
E703
DMEA Chron.

WMT/ici

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
December 14, 1954

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: M. H. Salsbury

Subject: DMEA 3355, Contract Idm-E703 (Uranium), Lowell A. Griffith Associates (Shamrock group) Montrose County, Colorado—Progress report for November 1954

Operations under the subject contract were inspected on December 8, 1954, in company with the operator's engineer.

The operator claims payment for 3,985 feet of rotary dry-drilling in 47 holes at $1.30 per foot or $5,180.50 for November 1954. Of these, 44 holes were reported to be barren, two in high-grade ore, and one mineralized.

The general area drilled in November was visited by the inspecting engineer and one of the ore holes, No. H-119, at coordinates 8,700 E. and 8,600 N. was reprobed. This hole showed a count on a Babbel instrument of 60 to 70 points on the third scale, equivalent after correction, to approximately 1.13 percent U_3O_8. The depth was from 52.5 to 53.5 feet. The Geological Survey reported probing results on this hole of 1.40 percent U_3O_8 from 53.6 to 54.2 feet.

Hole No. H-104 at coordinates 8,700 E., 8,900 N. was reprobed during the October inspection.

The operator submitted in quintuplicate, forms MF-104 and MF-104A, a narrative report, with map and drill logs. All are satisfactory and monthly totals are correct. An audit of the entire project was made, checking hole depths in the drill logs against the depths given in the list of footages claimed, and checking actual hole locations against locations authorized under the contract. All holes were drilled at authorized locations except hole No. H-45, 120 feet deep, at coordinates E. 9,800, N. 9,700, claimed in October, 1954. This hole was originally proposed by the operator but was deleted in the contract. Seven holes were omitted because of inaccessibility. Other minor differences were found as listed below:

Authorized drilling--171 holes	13,500 feet
Holes drilled and claimed --164 holes	12,567 feet
Audit differences (see below)	- 128 feet
Footages for which payment can be made under the contract--163 holes	12,439 feet

HOLE No.	COORDINATES E.	N.	DEPTH feet (Actual by log)	DEPTH feet (Claimed)	DIFFERENCE feet (Over +, under-)
M-161	8500	8100	58	53	- 5
M- 77	8500	9600	69	67	- 2
M- 61	9700	9600	60	75	+ 15
M- 45	9800	9700	120	120	+120 (unauthorized)
Total deduction for footage claimed in excess of drill log records, and for unauthorized hole No. M-45					128

The project has now been completed with the exception of analysing cutting samples taken from mineralized sections of the holes. The operator is preparing these samples for analysis, results of which will be submitted and a final claim for payment made.

Robert Boardman, the Geological Survey project chief at Craven, Colorado, has stated that the cutting samples taken during the project are of no further interest to them, and, as they are not wanted by the Bureau of Mines, permission was given the operator to dispose of all but the mineralized portions, splits of which are to be delivered to the Geological Survey office in Craven, Colorado, to be picked up later by the Bureau of Mines.

The Geological Survey has probed, or intends to probe, most of the holes drilled under this contract and the operator will furnish all information received from them in the final report.

Payment of $3,760.58, is recommended, or 75 percent of the amount claimed in November, 1954, $5,180.50, less $166.40, previously claimed for 128 feet of drilling which is recommended for disallowance, as a result of an audit of drilling reports.

M. H. Salsbury
M. H. Salsbury
Mining Engineer

cc: 6
M703
DMMA Ghren.

MHS/lei

PAUL H. KEATING
MINING ENGINEER

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
RECEIVED
DEC 6 1954

Defense Minerals Exploration Administration
224 New Customs House, Denver 2, Colorado.

NARRATIVE REPORT FOR NOVEMBER 1954

Docket $3355; Contract Idm-E703

Lowell A. Griffith Associates
Carpenter Flats, Montrose Co.
Colorado.

(URANIUM)

The drilling portion of this contract was completed November 20, 1954.

Drilling for November (only) included 47 holes completed. Forty-four were blank; two showed high-grade ore, and one showed definite mineralization. The gate-fold map bound herewith marks these three holes in color along the 8700 co-ordinate East, and between 8600 North and 9000 North.

The logs of all holes, and the probe data of the mineralized holes are enclosed in the pocket in the back cover of this binding.

The total footage drilled was 3985 ft. The average depth of hole was very close to 85 ft.

The Voucher and Progress report forms MF-104 and MF-104A for November are attached.

Under a separate binding, there will be submitted to your office, within a very few days, a complete summary of this entire operation. With that report will be included Barnaby-counter data and chemical analyses, and split samples of the drill hole cuttings.

Very truly yours

Paul H. Keating

Paul H. Keating
(Attorney in Fact for
Lowell A. Griffith Associates).

Dec. 2, 1954

Mail address:
P.O. Box 163,
Golden, Colo.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1954 Docket No. DMEA 3355 Contract No. Idm-E703
Operator's Name Lowell A. Griffith Associates Minerals Uranium
Address Uravan, Colorado
Contract Amount, $ 18,350.00 Government Participation: 75% Amount, $ 13,762.50

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	8310.90	2845.70	11,156.60			
Bulldozing						
Crosscutting						
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	8310.90	2845.70	11,156.60	8310.90	2845.70	11,560.60

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

Date Nov. 1, 1954 Payee Lowell A. Griffith Associates
Per Paul Keating (P.O. Box 163 Golden, Colo.) Title (Agent)

*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:

$ 6233.17

Signature Randell R. Cooper
(Authorized Certifying Officer)

Date 11-22-54 Vou. No. DMA-55-37

(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. E703 in accordance with the terms of the contract.

Signature M. H. Salabury $6,233.17 Wmt Title Mining Engineer Date 11-12-54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. H. KING Title Executive Officer Date NOV 18 1954

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 MP-101A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1954 Docket No. DMEA 3355 Contract No. Idm-L703

Operator's Name Lowell A. Griffith Associates Minerals Uranium

Address P.O. Box 163, Golden, Colo.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core						1.30	13,500 ft.	
Churn	ft.	8310.90	6393	11,156.60	8582	[redacted]		1.30
Auger							[redacted]	
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		8310.90	6393	11,156.60	8582			TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		8310.90	6393	11,156.60				

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 Nov. 1, 1954 Operator Lowell A. Griffith Assoc. (Authorized agent for above).

Per Paul H. Keating Title

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

WASHINGTON 25, D. C.

DEC - 6 1954

November 18, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 3355 (Uranium) Contract Idm-E703, Lowell A. Griffith Associates (Shamrock group) Montrose County, Colo. Operator's Monthly Progress Report for the period October 1954.

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 per cent 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, 1954
Date Received in Field Office	November 9, 1954
Date Received in Region Office	November 18, 1954

John F. Shaw
for W. H. King

Enclosures

RDB:dm
cc: Sec. to Oper. Comm. (2)
Subject
WMTraver
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
November 17, 1954

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 3355, Contract Idm-E703 (Uranium), Lowell A. Griffith Associates (Shamrock group), Montrose County, Colorado--Progress report for October 1954

Enclosed are the original and four copies of the subject progress report, the second one--forms MF-104 and MF-104A, with narrative, progress map, tabulation of estimated drilling depths, statistical summary, drill hole logs, and the original and six copies of M. H. Salsbury's memorandum covering his inspection of the rotary drilling progress and checking the reporting forms. The contract is unit cost on short form MF-200A and documentation is not required.

Salsbury on an inspection made November 4, 1954, confirmed the rotary drilling progress of 6,393 feet in 87 holes, making a cumulative total to date of 8,582 feet in 117 holes. The advance is correctly reported in the operator's narrative, shown on the progress map and entered on the MF-104A forms. Other entries and extensions on the reporting forms are correct and work was performed in accordance with the terms of the contract. The inspecting engineer adequately describes the month's operations. Ore has been encountered in sufficient holes to assure a Certification of Discovery or Development and when analyses are received, a reserve estimate should be forthcoming from the operator.

Payment is approved and certified on the MF-104 form of $6,233.17 or 75 percent of this total $8,310.90 claimed by the contractor.

W. M. Traver

W. M. Traver

WMT/dj

cc: 5
E703
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
November 12, 1954

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: M. H. Salsbury

Subject: DMEA 3355, Contract Idm-2703 (Uranium), Lowell A. Griffith Associates (Shamrock group), Montrose County, Colorado -- Progress report for October 1954

Operations under the subject contract were inspected on November 4, 1954, in company with the operator's engineer.

The operator claims payment for 6,393 feet of Porta drilling in 87 holes at $1.30 per foot, or $8,310.90.

Locations of certain of the drill holes were visited by the inspecting engineer, including the current drill site.

The sampling techniques had been changed to take representative samples of each 5-foot interval drilled, cutting them down to about 10 pounds each. These are placed in paper sacks and stored for inspection by Government representatives, if required. The procedure is satisfactory. The considerable total bulk of the samples creates a storage problem. When they have been inspected by DMEA representatives, it is recommended that the operator be permitted to discard all but those showing significant radiometric count.

The operator reports 62 barren holes, 16 with a trace of mineralization, 2 with ore grade material and 7 high-grade holes.

Drill logs of the 87 holes drilled were furnished by the operator together with probing data on the 25 holes which exhibited any radioactivity whatever. Location of all holes is shown on a map accompanying the narrative report. With the exception of 1 hole on the Piper No. 1 claim, and 3 holes on Shamrock No. 2, all mineralized holes reported to date are on Piper Nos. 2 and 3. They are grouped to indicate an ore body, and a reserve can probably be estimated by evaluating the results. The depth to mineralized strata in different holes indicates that mineralization changes suddenly from one horizon to another, which may complicate later mining operations.

DMMA 1355, E703
11/12/54

The following holes were reprobed in the presence of the DMMA inspector:

Hole No.	Coordinates N.	Coordinates E.	Depth Measured by inspector	Depth Reported by operator	Radiometric equivalent percent U_3O_8	Location of radioactivity feet
E-156	8,800	8,100	68	90	>.20 maximum count .80	37.8-39.5
E-199	8,100	8,300	90	54	>.20	20.0-20.7
E-153	8,200	8,400	58	60	>.20	49.5-50.5
*E-104	8,900	8,700	91.7		>.35 maximum count .35	70.4-70.8

*E-104 was drilled on date of inspection and is not included in list of holes with October report

It will be noted that the reported depth in several instances is a few feet more than the depth measured by the DMMA inspector. This can be accounted for by some caving in the holes which are not cased at any point.

The Geological survey probed a few of the holes in October and were scheduled to continue sometime in November.

No chemical analyses have been made to date.

The operator submits for October 1954, a satisfactory narrative report with map, including drill logs and forms MF-104 and MF-104A in quintuplicate. Monthly and cumulative totals are correct. All work was done in accordance with the terms of the contract and is within allowable maximums.

Payment of $6,233.17 or 75 percent of the amount claimed in October 1954, $8,310.90 is recommended.

L. A. Everett, for
M. E. Salsbury,
Mining Engineer

MEE/4j

cc: ✓
D703
DMMA Chron.

PAUL H. KEATING
MINING ENGINEER

Report

The exploration contract on this area will be completed on or about November 15-20th, 1954. The preceding summary indicates sufficient showings of ore in the drill holes to assure re-payment of the DMEA assistance. The attached maps and logs and tabulations include complete details of October operations.

The map, with colored legend, concerns October operations only. On the final report (for November 1954), the completed colored map of the entire program will be submitted.

The original logs of the holes drilled have been arranged in sequence upon 18"x24" sheets, and photographed. They read from left-to-right, and from the most southerly hole drilled to the most northerly hole. The co-ordinates of each hole are on each log, in terms of East, and North. A brief inspection of these 18"x24" prints will quickly show the pattern of their arrangement. This presentation makes available the logs of all holes to all agencies interested, for further study.

(There are technical problems concerning these logs which will be discussed a page or two below).

The "tabulations" attached show the actual depth immediately opposite the estimated depth on the original application-report. On the holes drilled the total estimated depth was 6588 ft.; the actual total is 6393 ft. (This is for October operations only). The driller was instructed to drill to the red-clay bottom, without estimate of depth.

PAUL H. KEATING
MINING ENGINEER

LOGS AND SAMPLING

The contract calls for samples in "waste" rock, at every 5 ft., and in "ore", or "mineralization" at every 1 ft. interval. It also required a "Duclone" sampler, manufactured by the Dust Control Corporation, of Mineola, Long Island, New York, (The company advertises in the technical journals as "DUCON", although on their gadget is plainly written "DUCLONE").

It has been the letter and spirit of the principals of this Contract Idm-E703: "We comply, and get the DMEA assistance; or we do not comply, and don't get it". It is as simple as that! So --- :

We hired a contractor to drill the program, but demanded that he install a "Duclone" sampler. This he did, from the S&M Supply Co., of Grand Junction, which is the local agent for that piece of equipment. We agreed to pay half the total cost of about $360, (or about $180 each).

This required "gadget" reduced the dust-problem for the workmen on the drilling machine, BUT IT COMPLETELY FRUSTRATED THE PURPOSE OF THE DRILLING PROGRAM!

Carnotite occurs in "lenses", of highly variable thickness. It "feathers out" within short distances of a yard, or a foot. A 3" streak of valuable ore is completely missed by the driller because the cuttings are accumulated into the Duclone tank along with the waste rock lying immediately above

a thin streak of ore.

The streak itself may not be thick enough to mine, but it is an important indicator, and would qualify that particular hole for "development" drilling, or encircling by a ring of holes on shorter centers.

Meanwhile, these thin streaks of mineralization are highly diluted for assaying, and, I believe, are sometimes missed entirely.

The original attempt to keep the probe of a Babel counter in contact with the dust stream at all times met with many practical difficulties. Hence, the assays or "probe data" attached (in the flap container), were obtained by the Babel probe after the holes were drilled. The readings given on the "Probe Data" forms herewith are the actual scale readings; the percentage is the radiometric value given by direct comparison with standards of known value. The manufacturer of the Babel counter has advised us that in a 4¼" hole probing, the "distance factor" should increase the readings up to .03% U_3O_8. The chemical assays of the cuttings selected have not yet been returned, but are en proces.

There is a large number of samples on hand. The total cuttings production from 14,000-plus ft. of 4¼" drilling amounts to several tons --- approximately 140 tons altogether. On total-waste and split-samples of

each 5-ft. interval requires nearly three thousand sample containers, upon each of which must appear the co-ordinates of the hole, and the interval from which the contained sample was a statistical average. Add to this the 1-ft. intervals at which samples are taken in mineralized zones, (which on this contract occurs in about 30% of the holes drilled). The total adds up to more than ten thousand entries on the sample containers; 750 pounds of cuttings in about 3000 containers per set. Most of these samples are waste rock, and are "statistical" only over 5 ft. intervals. Small "key beds" of blue mudstone, copper stain, etc. are lost for subsequent study and interpretation.

The mechanical chore of splitting 140 tons of cuttings, and recording the required data requires a great many man-hours of time, on the part of expensive personnel with engineering training, whose voluntary "responsibility to accuracy" is paramount. However,

This chore is being done as rapidly as possible, and the containers-enclosing-samples will be taken, assays made, and the totals reported along with the samples upon the termination of this contract. (May I suggest that a storage problem might be involved upon delivery of the samples).

PAUL H. KEATING
MINING ENGINEER

On the reverse side of Form MF-104, Rev. April1952), there is invited a description and expression of the contractees, under "c" of the first paragraph of that form.

It is the spirit and intent of this Contractee to comply with the terms of the contract. HENCE:

The foregoing narrative report is not offerred as objections in certain areas of effort. It is simple reporting of the problems and "difficulties" requested in such a narrative report.

Very truly yours,

LOWELL A. GRIFFITH ASSOCIATES

By Paul H Keating
Paul H. Keating
Box 163, Golden, Colo.

Nov. 1, 1954.

PAUL H. KEATING
MINING ENGINEER

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC - 6 1954

DOCKET #3355
Contract # Idm-E703

Golden, Colo., Nov. 1, 1954.

NARRATIVE REPORT TO THE

DEFENSE MINERALS EXPLORATION ADMINISTRATION
(224 New Customs House, Denver 2, Colorado)

FROM LOWELL A GRIFFITH ASSOCIATES' OPERATION
ON CARPENTER FLATS, MONTROSE COUNTY, COLO.

****

SUMMARY FOR OCTOBER 1954

Holes completed in October		87
Total footage explored	6393 ft.	
Average Depth	73.5 ft.	

Findings:

Totally blank holes	62	
"Trace" mineralization	16	
Definite ore holes	2	
High grade holes	7	
	87	87

LEGEND ON THE ACCOMPANYING MAP

- ● Black; totally blank
- ⊕ Green; Trace mineralization
- O Yellow; Definite ore grade
- O Red; High grade ore
- O Blank; Not drilled in October.

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

Defense Minerals Administration
RECEIVED
OCT 28 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1954 Docket No. DMEA 3355 Contract No. Idm-1708
Operator's Name Lowell A. Griffith Associates Minerals Uranium
Address P.O. Box 163, Golden, Colo.
Contract Amount, $ 18,350.00 Government Participation: 75 % Amount, $ 13,762.50

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling	$2,845.70	none	$2,845.70			
Bulldozing						
Crosscutting						
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	$2,845.70	none	$2,845.70	2845.70		2845.70

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

Date 10/1/54 *Payee Lowell A. Griffith Associates

Per Paul H. Keating Title (Authorized agent for above)

*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:

$ 2134.27

Signature Randell R. Cooper
(Authorized Certifying Officer)

Date 10/22/54 Vou. No. DMA-55-27
(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. IAm E703 in accordance with the terms of the contract.

Signature M. H. Salsbury $2,134.27 Title Mining Engineer Date October 13, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. L. King Title Executive Officer Date OCT 15 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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OCT 28 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1954 Docket No. DMEA 3355 Contract No. Idm-1703
Operator's Name Lowell A. Griffith Associates, Minerals Uranium
Address P.O. Box 163, Golden, Colo.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger	ft.	$2845.70	2189	$2845.70	2189	$1.30	13,800	$1.50
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$2845.70	2189	$2845.70				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		/	/	/				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$2845.70		$2845.70				

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, 1954 Operator Lowell A Griffith Associates.

Per Paul H Keating Title (Authorized agent (for above).

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1954

October 15, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 3355 (Uranium), Contract Idm-E703, Lowell A. Griffith Associates, Montrose County, Colorado. Operator's Monthly Progress Report for the month of September 1954.

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 per cent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Your attention is directed to the Power of Attorney, dated September 19, 1954, designating Paul H. Keating as agent of the partnership to receive and receipt for moneys due the partnership by reason of contract Idm-E703.

Remarks:

Date of operator's report	10-1-54
Date report received in B.O.M. field office	10-4-54
Date report received in Regional office	10-15-54

W. H. King

Enclosures

JWT:dm
cc: Sec. to Oper. Comm. (2)
WMTraver
Subject
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

OCT 28 1954

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
October 14, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 3355, Contract Idm-E703 (Uranium), Lowell A. Griffith Associates (Shamrock group), Montrose County, Colorado--Progress report for September 1954

Enclosed are the original and four copies of the subject progress report, the initial one--forms MF-104 and MF-104A, with narrative, progress map, tabulation of estimated drilling depths, statistical summary, drill hole logs (one copy)--and the original and six copies of M. H. Salsbury's memorandum covering his inspection of the rotary drilling progress and checking the reporting forms. The contract is unit cost on short form MF-200A and documentation is not required.

Salsbury inspected the project October 6, 1954, and verified the 2,189 feet of rotary hole drilling in 30 holes, as reported in the operator's narrative and entered on the MF-104A forms. He describes the period operations satisfactorily in detail as does the operator and found the work being done in conformance with the terms of the contract. Entries and extensions on the reporting forms are correct.

Payment is approved and certified on the MF-104 forms of $2,134.27, or 75 percent of the total $2,845.70 claimed by the contractor.

W. M. Traver

W. M. Traver

enclosures

WMT/kp

cc /4
E703
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
October 14, 1954

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: M. H. Salsbury

Subject: DMEA 3355, Contract Idm-5703 (Uranium), Lowell A. Griffith Associates (Shamrock group), Montrose County, Colorado--Progress report for September 1954

Operations under the subject contract were inspected on October 6, 1954, in company with Lowell A. Griffith, superintendent for the operator.

The operator claims payment for work starting on September 21, 1954, consisting of 2,189 feet of dry rotary drilling in 30 holes at a unit cost of $1.30 per foot.

Locations of holes already drilled and the current drilling sites were visited by the DMEA inspector. The hole locations have been surveyed and plotted on a map, are tabulated in the narrative report, and are satisfactory. Procedure for marking and preserving the hole is satisfactory: The marking stake for each hole is cast into a concrete plug manufactured on the site and the hole is fairly well protected but not sealed. The holes probed in the presence of the inspector were several feet shorter than the reported depth, but this was not surprising in view of the recent heavy rains in the area which must have carried a certain amount of sand and mud into many of them.

The operator has radiometric probing equipment and the results of probing were reported, together with one set of hole logs. Four holes in which some mineralization was reported were reprobed with the inspector present. The radiometric readings and the depths to the mineralized horizon substantiated the reported data. In the hole at co-ordinates 9400E.-9500N., 1 foot of ore from 46.5 to 47.5 feet gave readings equivalent to 0.10 percent U_3O_8. In the hole at co-ordinates 9400E.-9600N., 1 foot from 45 to 46 feet gave readings equivalent to 0.20 percent U_3O_8. Holes at co-ordinates 9500 E.-9300N. and 9600E.-9400N. showed a trace of mineralization. On the day of the inspection, Geological Survey personnel was engaged in probing drill holes with their recording equipment. They expect

eventually to probe all holes which remain open. The results of this work will be furnished the operator who has stated that such data will be included in monthly narrative reports. Chemical assays of drill cuttings corresponding to the horizons which showed mineralization radiometrically have not yet been furnished.

The operator has substituted dry rotary "Porta-type" drilling for the wagon drilling specified in the contract. The inspecting engineer considers this a permissible change as rotary drilling is generally superior to wagon drilling, particularly near the limit of feasible wagon drilling depths.

Sampling techniques being employed by the drill operator were not satisfactory: the machine was equipped with a Duclos apparatus placed some 8 to 10 feet above the collar of the hole, and all of the coarse cuttings were being spilled around the collar of the hole and not lifted and recovered with the fine cuttings going through the Duclos. In addition, a sample was being taken at 5-foot intervals by taking all of the stream of cuttings for a period covering only 3 or 4 inches of drilling. This was not a representative sample of each 5 feet of strata drilled. The operator agreed to change the sampling procedure so as to save all cuttings, coarse and fine, over the interval drilled, and then reducing this sample to convenient size for storing by coning and quartering, or by use of a sample splitter.

Samples taken are being saved and stored under cover. Samples which show significant radiometric count are being divided in three parts--one for the Government, one for the operator, and one for chemical assay.

The operator submits for September 1954 a narrative report including a map showing holes drilled, and forms MF-104 and MF-104A in quintuplicate. Monthly and cumulative totals on the MF-104 and MF-104A forms are correct.

All work was done in accordance with the terms of the contract, unless sampling procedures, which are being corrected, are considered to be in violation.

Payment of $8,134.27, or 75 percent of the amount claimed in September 1954, $2,845.70, is recommended.

W. R. Salsbury
R. R. Salsbury
Mining Engineer

RRS/ky

cc: 6
E703
Chron

Sept. 30, 1954.
Docket #3355;
Contract Idm-703

DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customs House, Denver 2, Colorado.

Herewith is a narrative report of the exploration for Uranium-bearing minerals under the above contract and docket number, which contract was awarded Sept. 9, 1954, to Lowell A. Griffith Associates, (a partnership).

Actual exploratory drilling started on the property concerned in the above contract on Sept. 20, 1954. The drillers are "Scott Bros., of Birmingham Alabama".

The drilling equipment itself is a modern Mayhew rotary type drill, putting down a 4¼" hole, equipped with a "Ducone" sample collector.

The specifications of the sample collector required the selection of a rotary-type rig rather than a wagon-drill rig because there is no wagon-drill outfit that has sufficient air-capacity to operate this sampling device. Therefore, on this contract, the same total footage of exploration will be obtained by rotary equipment with a Ducone sampler, instead of by wagon-drill (the air-capacities of which cannot operate a Ducone sampler).

The proposed holes have been laid out on the ground on 100-ft. centers, specified by co-odrinates. Each hole drilled has been capped by a concrete plug about 8" long, and conical in shape. Into each plug has been set a wooden stake, upon which the co-ordinates of that particular hole

are indelibly marked.

Samples of cuttings have been taken per the contract and letter of transmittal, to wit: At 5 ft. intervals in waste rock, and at 1 ft. intervals, or less, in mineralized zones. Mineralized hole samples are now en proces of chemical analysis, and copies of the results will be submitted in the next monthly report (for October '54). These cuttings have been divided into three units each: One for the chemical assay; one for the DMEA files; and one for the Operator's files.

A complete set of logs is also in preparation and will be submitted with the final (October) report. A resident engineer is on the ground at all times, and the originals of these logs are being made by him, or under his frequent (half-hourly) inspection of the drilling.

Radiometric control of the drilling is being made by a "Babel counter" probing unit. The probe capsule is in contact with a portion of the dust-stream, and the instrument dial is visible to the drillers at all times. Each hole showing any radioactivity is immediately blown clean, at that particular point, and samples taken at very short intervals. While the drill rig is being moved to the next location, the completed hole is immediately probed by this Babel counter, before caving or bridging can take place.

The Atomic Energy Commission has available a "Barnaby counter", which records on tape the radioactivity in a drill hole. As total footage drilled justifies the trip of this equipment from Grand Junction to the property being explored, we shall endeavor to obtain photostat copies of these charts, for inclusion in the October report. This probing service was offered by a Mr. Boardman, an AEC representative stationed at Uravan.

A statistical report is attached hereto, showing the progress and findings to and including September 30, 1954, on this exploration contract.

Also attached hereto is a "Power of Attorney" form specifying the undersigned as the Principal in financial matters pertaining to this contract.

Very truly yours,

Paul H. Keating

Paul H. Keating
Box 163, Golden, Colo.

Oct. 2, 1954

TABULATION OF ESTIMATED DRILLING DEPTHS

CO-ORDINATES		DEPTHS		CLAIM	Remarks
East	North	Est.	Actual		
9000	9700	80		Shamrock #4	
9000	9800	95		"	
9000	9900	105		"	
9000	10000	100		"	
9000	10100	79	80	"	
9000	10200	60	65	Shamrock #3	
9100	9700	75		Outlet	
9100	9800	95		Shamrock #4	
9100	9900	105		"	
9100	10000	102	94	"	
9100	10100	80	80	"	
9100	10200	65	65	Shamrock #3	
9200	9800	90		Shamrock #4	
9200	9900	103		"	
9200	10000	102	100	"	
9200	10100	82	85	Shamrock #3	
9200	10200	70	70	"	
9300	9500	58		Piper #1	
9300	9600	60		"	
9300	9700	70		"	
9300	9800	80		Outlet	
9300	9900	102		Shamrock #4	
9300	10000	103	100	Shamrock #3	
9300	10100	85	78	"	
9300	10200	70	60	"	
9400	9100	60		Piper #1	
9400	9200	58		"	
9400	9300	59	60	"	
9400	9400	59	60	"	
9400	9500	57	53	"	
9400	9600	59	55	"	
9400	9700	64		~~Piper #1~~	
9400	9800	75		~~Outlet~~	
9400	9900	88		Shamrock #4	
9400	10000	102	108	Shamrock #3	
9400	10100	98	98	"	
9400	10200	76	78	"	

(Continued, next page)

TABULATION OF ESTIMATED DRILLING DEPTHS (Cont.).

CO-ORDINATES		DEPTHS		CLAIM	Remarks
East	North	Est.	Actual		
9500	9100	58		Piper #1	
9500	9200	55		"	
9500	9300	55	60	"	
9500	9400	55	60	"	
9500	9500	54	54	"	
9500	9600	58	50	"	
9500	9700	67		"	
9500	9800	72		Outlet	
9500	9900	93		Shamrock #3	
9500	10000	102	105	"	
9500	10100	98	95	"	
9500	10200	68	68	"	
9600	9200	55		Piper #1	
9600	9300	55		"	
9600	9400	50	60	"	
9600	9500	50	50	"	
9600	9600	56		"	
9600	9700	62		"	
9600	9800	78		Shamrock #3	
9600	9900	102		"	
9600	10000	105		"	
9600	10100	90	90	"	
9600	10200	60	60	"	
9700	9300	50		Piper #1	
9700	9400	50		"	
9700	9500	47	48	"	
9700	9600	54		"	
9700	9700	60		"	
9700	9800	90		Shamrock #3	
9700	9900	102		"	
9700	10000	102		"	
9800	9400	45		Piper #1	
9800	9500	44		"	
9800	9600	50		"	
9800	9700	61		"	
9800	9800	90		Shamrock #3	
9800	9900	103		"	
9800	10000	103		"	

(Continued next page)

STATISTICAL SUMMARY
(For Sept. 1954).

Holes drilled	30
Average depth	73 ft.
Total footage	2189 ft.

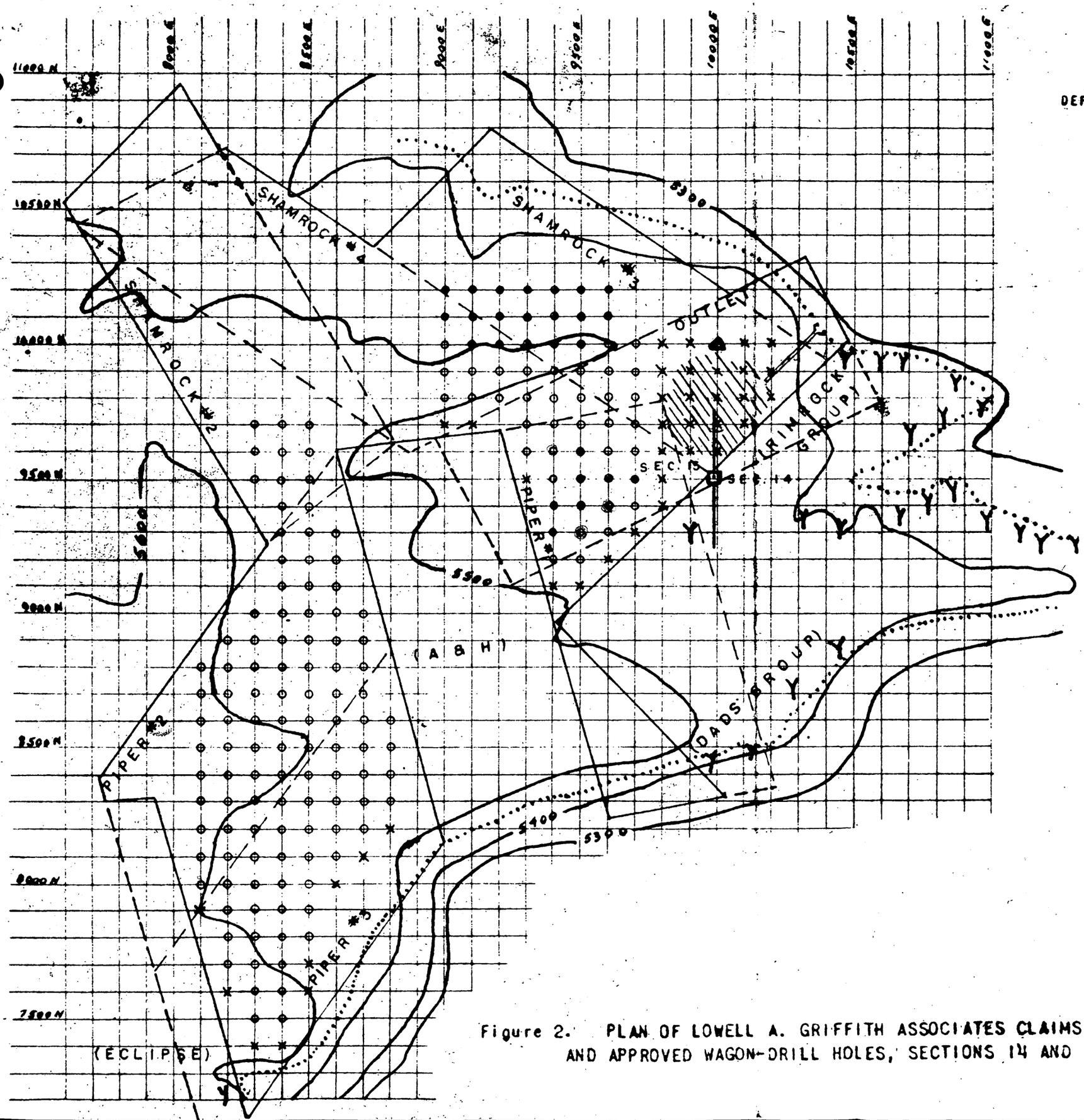
Mineralized holes, per attached gate-fold map:

Co-ordinates	
9400E - 9500N	.10% U_3O_8 (radiometric)
9400E - 9600N	.20% U_3O_8 (")
9500E - 9300N	Trace
9600E - 9400N	Trace

COLOR LEGEND:

On the attached gate-fold map the following color-legend is used:

- ● Blank hole
- o (Green) Trace of mineralization
- o (Yellow) Possible ore (to .10% U_3O_8)
- o (Red) Ore. (Cuttings over .10%).



U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET 3355

EXPLANATION

- APPROXIMATE BASE OF LOWEST SALT WASH SANDSTONE LENS
- o LOCATION OF WAGON-DRILL HOLE PROPOSED BY APPLICANTS AND APPROVED BY EXAMINING FIELD TEAM
- x LOCATION OF WAGON-DRILL HOLE PROPOSED BY APPLICANTS AND REJECTED BY EXAMINING FIELD TEAM
- Y PROSPECT OR MINE
- ADIT AND UNDERGROUND DRIFT
- △ U.S. GEOLOGICAL SURVEY TRIANGULATION POINT ARBITRARILY CHOSEN AS 10,000 FEET N., AND 10,000 FEET E., AS A REFERENCE POINT FOR THE LOCATION OF PROPOSED WAGON-DRILL HOLES
- APPROXIMATE AREA OF GROUND PREVIOUSLY DRILLED
- APPROXIMATE LOCATION OF ¼ LAND SECTION CORNER
- BOUNDARY OF GROUND LEASED BY APPLICANTS AND NOT IN CONFLICT WITH PREVIOUS CLAIMS. CLAIMS BELONGING OR LEASED TO PARTIES OTHER THAN THE APPLICANTS ARE LABELED IN PARENTHESES

BY R.L. BOARDMAN (COMPILED FROM MAPS SUBMITTED BY APPLICANTS AND FROM DATA OBTAINED FROM FIELD EXAMINATION)

Figure 2. PLAN OF LOWELL A. GRIFFITH ASSOCIATES CLAIMS SHOWING APPROXIMATE LOCATION OF PROPOSED AND APPROVED WAGON-DRILL HOLES, SECTIONS 14 AND 15, T. 48 N., R. 18 W., N.M.P.M.

COPY
([redacted])

POWER OF ATTORNEY

We, the undersigned, members of a partnership designated as Lowell A. Griffith Associates, composed of Lowell A. Griffith, Box 673, Central City, Colorado; Construction Specialties Company, 2625 Walnut Street, Denver 1, Colorado; and Paul H. Keating, Apt. 5, Mines Park, Golden, Colorado, do hereby appoint PAUL H. KEATING, GOLDEN, COLO. to act as the agent of said partnership in all matters connected with the United States Department of the Interior, Defense Minerals Exploration Administration, DMEA Docket 3355, Contract Idm-E703, and in behalf of said partnership to submit to the Government all necessary reports and information required under said contract, and said agent is authorized to receive individually, and to receipt for, any monies that are now or may hereafter become due to said partnership by reason of said Contract Idm-E703.

Date Sept. 19, 1954 Signed Lowell A. Griffith

CONSTRUCTION SPECIALTIES CO.
by W. E. Griffith, Pres.

SEP 2 3 1964

Lowell A. Griffith Associates
c/o Neptune Uranium Corporation
Uravan, Colorado

Re: DMEA-3255 (Uranium)
Neptune Uranium Corp.
Shamrock Group
Montrose County, Colorado
Contract Idp-2783

Gentlemen:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated May 19, 1953, all minerals mined or produced from September 9, 1954, to September 9, 1964, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

George Fumich, Jr.

Acting Director

MMarrithew/nm (9/22/64)
cc: Donald K. and Keith M. Andrews, Box 87, Nucla, Colo.
Director's Reading File
Region III w/cy of incoming 63 dated 9/9/64
✓CA&A Division
Docket
Code 120M

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

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Lowell A. Griffith Associates, a partnership consisting of Lowell A. Griffith, P. O. Box 673, Central City, Colorado; Construction Specialties Co., 2605 Walnut Street, Denver 1, Colorado; and Paul H. Keating, Apt. 5, Mines Park, Golden, Colorado

Pursuant to the provisions of Exploration Project Contract No. DMA-4703, dated September 9, 1954, (Docket No. DMA-3355), hereinafter called the "contract" between you and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

Limited high-grade concentrations of uranium-vanadium mineralization were disclosed by drilling in the lowest rim or horizon of the Salt Wash member of the Jurassic Morrison formation.

Dated: MAY 19 1955

THE UNITED STATES OF AMERICA

By C. Mitteudorf
Administrator, Defense Minerals Exploration Administration

AOKeating/pla 5-6-55
cc to: Lowell A. Griffith)
Construction Specialties Co.) partners
Paul H. Keating)
K. W. Andrews)
D. K. Andrews) owners
Clarence A. Fredell, Acting Director, Materials Division, DMEA
Contract Adm. & Audit Division
Field Team, Region III (2)
Finance Office
Bars & Misc. Metals Division

Docket
Adm.'s Reading File
Operating Committee
Mr. Hodges, Rm. 1601
Mr. Hillsgard, Rm. 5226
Mr. L. G. Johnson
Mr. Keating

No. 1

AMENDMENT OF CONTRACT: No. Idm-E703

Contract Docket No. DMEA 3355, dated September 9, 1954, between the United States of America and Lowell A. Griffith Associates, a partnership consisting of Lowell A. Griffith, Construction Specialties Co., and Paul H. Keating, is hereby amended as follows, effective as of the date of the contract:

> Referring to EXHIBIT "A" attached to Exploration Project Contract form MF-200(A) (February 1952), caption "Estimated Costs of the Work" delete the following: "2/ chemical analyses as required for U_3O_8 and V_2O_5 to a maximum of $800.00 ...." and in lieu thereof substitute the following: "2/ chemical analyses for U_3O_8 and V_2O_5 as required but not to exceed a maximum of 160 samples at $5.00 each." Delete foot note "2/" in its entirety and in lieu thereof substitute the following: "2/ claim for reimbursement for analyses charges must be supported with a copy of assay return showing results."

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated: November 24, 1954

LOWELL A. GRIFFITH ASSOCIATES

By Paul H. Keating
Paul H. Keating, Attorney in Fact

UNITED STATES OF AMERICA

By W.H. King
W.H. King, Executive Officer
DMEA Field Team, Region IV

Original
~~(SAMPLE)~~

POWER OF ATTORNEY

We, the undersigned, members of a partnership designated as Lowell A. Griffith Associates, composed of Lowell A. Griffith, Box 673, Central City, Colorado; Construction Specialties Company, 2625 Walnut Street, Denver 1, Colorado; and Paul H. Keating, Apt. 5, Mines Park, Golden, Colorado, do hereby appoint PAUL H. KEATING, GOLDEN, COLO. to act as the agent of said partnership in all matters connected with the United States Department of the Interior, Defense Minerals Exploration Administration, DMEA Docket 3355, Contract Idm-E703, and in behalf of said partnership to submit to the Government all necessary reports and information required under said contract, and said agent is authorized to receive individually, and to receipt for, any monies that are now or may hereafter become due to said partnership by reason of said Contract Idm-E703.

Date Sept. 19, 1954 Signed Lowell A. Griffith

CONSTRUCTION SPECIALTIES CO.
by W. E. Griffith, Pres.

Accepted:-
Paul H. Keating
P.O. Box 163
Golden, Colo.

Docket No. ~~DMEA - 3355~~

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 703

Date of Contract ~~[illegible]~~ Sept. 9, 1954

Name and Address of Operator:

Lowell A. Grifith Associates
Montrose, Colorado

Amount of Government participation ____ $ 13,762.50

Percent of Government participation 75 %

Region: 111 State: Colorado

Note: Please release $ 1,533.75

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

(Title)

Date Delivered to Bureau of Mines, Washington. 4/28/55

54458

Docket No. DMEA - 3355

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 703

Date of Contract ~~xxxAmendxxxxx~~ Sept. 8, 1954

Name and Address of Operator:
Lowell A. Grifith Associates
Montrose, Colorado

Amount of Government participation $13,762.50

Percent of Government participation 75 %

Region: 1V State: Colorado

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

Date Delivered to Bureau of Mines, Washington. 9/9/54

54458

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 13 1954

DOCKET NO. EA 3355

COMMODITY Uranium

Idm-E703

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 9th day of September, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Lowell A. Griffith Associates, a partnership consisting of:
Lowell A. Griffith, P.O. Box 673, Central City, Colorado
Construction Specialties Co., 2625 Walnut Street, Denver 1, Colorado
Paul H. Keating, Apt. 5, Mines Park, Golden, Colorado

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Colorado, County of Montrose, described as follows:[3] The Shamrock group of claims located in Secs. 14, 15, 22, and 23, T. 48 N., R. 18 W., further described in Annex I which is attached hereto.

the Operator represents and undertakes:[4]

~~(a) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:~~

None

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

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within sixty (60) days from the date of this contract shall commence work on a project of exploration for[5] Uranium

in or upon the described land; and shall bring the project to completion within a period of nine (9) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay seventy-five (75) percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $13,762.50, which is seventy-five percent of $18,350.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

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

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

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

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

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

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

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

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

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

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations. See Annex II substituted for Article 6 above.

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided*, that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* That part of the second sentence of Article 7 beginning with the word "Provided" is deleted.

Executed in sextuplicate the day and year first above written.

Lowell A Griffith Associates.

X Lowell A Griffith
(Operator)

CONSTRUCTION SPECIALTIES CO.

By F. A. Burns, Vice Pres.

Paul Keating

THE UNITED STATES OF AMERICA

By W H King
Executive Officer, DMEA
Field Team, Region IV

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

_____ [CORPORATE SEAL]

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

Department of the Interior
Defense Minerals Administration
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SEP 13 1954

DMEA-3355

ANNEX I

The Shamrock group of claims is recorded in the County Clerk and Recorder's Office of Montrose County, Colorado, as follows:

Claim Name	Date Filed	Book No.	Page No.
Piper No. 1	March 30, 1953	349	567
Piper No. 2	March 30, 1953	349	567
Piper No. 3	March 30, 1953	349	568
Shamrock No. 2	April 13, 1950	343	9
Shamrock No. 3	April 13, 1950	343	10
Shamrock No. 4	April 13, 1950	343	11
Outlet	April 15, 1954	In Recorder's Office but not yet filed because of work load.	

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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ANNEX II

The following provisions are in lieu of Article 6:

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

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

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

d. Unsold production. --If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes

its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

e. Percentages of royalty. --The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts (gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.
>
> (For instance: the royalty on an amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

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

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

h. No obligation to produce. --Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

i. Government not obligated to buy. --Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

58694

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 13 1954

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Colorado, County of Montrose, described as follows:1/

Piper No. 1 claim Recorded in Book No. 349 Pg. No. 567 Montrose County Recorders Office
Piper No. 2 claim Recorded in Book No. 349 Pg. No. 567 Montrose County Recorders Office
Piper No. 3 claim Recorded in Book No. 349 Pg. No. 568 Montrose County Recorders Office
Shamrock No. 2 claim Recorded in Book No. 343 Pg. No. 9 Montrose County Recorders Office
Shamrock No. 3 claim Recorded in Book No. 343 Pg. No. 10 Montrose County Recorders Office
Shamrock No. 4 claim Recorded in Book No. 343 Pg. No. 11 Montrose County Recorders Office
above claims located in Sec. 14, 15, 22, 23, T-48-N, R-18-W NMPM.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Lowell A. Griffith Associates

Uravan, Montrose County, Colorado

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract or any amendment thereof shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

(OVER)

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

4. Changes and added provisions _____

_____

_____

_____

Dated this 25 day of August, 1954.

K. M. Andrews [Seal]

D. K. Andrews [Seal]

_____ [Seal]

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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SEP 13 1954

DMEA-3355

EXHIBIT "A"

Description of the Work

The work consists of wagon drilling 171 holes, on a 100 foot grid pattern, at locations as shown on Figure 2 which is attached and made a part of EXHIBIT "A". The average depth of the 171 holes is estimated to be 79 feet to the base of the Salt Wash member of the Jurassic Morrison formation, which is the bottom of the known ore horizon. The wagon drilling and related operations will be performed in accordance with the following specifications:

1. The maximum footage will not exceed a total of 13,500 feet.

2. In the event that insufficient footage remains within the maximum allowable footage to permit completing a hole to the stated objective the hole will not be started.

3. No hole will be drilled closer than 100 feet from any other hole.

4. All drill-hole cuttings will be recovered by a Duclone dust collector.

5. Drill-hole cuttings will be taken at intervals of not more than 5 feet in barren material, and at intervals of not more than 1 foot in the ore horizon.

6. Drill-hole cuttings taken as heretofore specified will be split and one-half retained for the use of the Defense Minerals Exploration Administration.

7. All drill-hole cuttings will be checked for equivalent U_3O_8 by radiometric means and a portion of the operator's half of the split samples will be analyzed chemically for U_3O_8 and V_2O_5 if the equivalent U_3O_8 determination indicates the presence of an appreciable amount of uranium.

8. It is the operator's responsibility that supervision by an engineer-geologist will be maintained on the project at all times the drill-rig is in operation and that the work be performed in a manner acceptable to the Defense Minerals Exploration Administration.

9. Supervisory services will include hole spotting, collection, examination and storage of samples, preparation of maps and geologic and engineering reports.

Estimated Costs of the Work

1/ Wagon drilling 171 holes
13,500 feet at $1.30 per foot..... $17,550.00

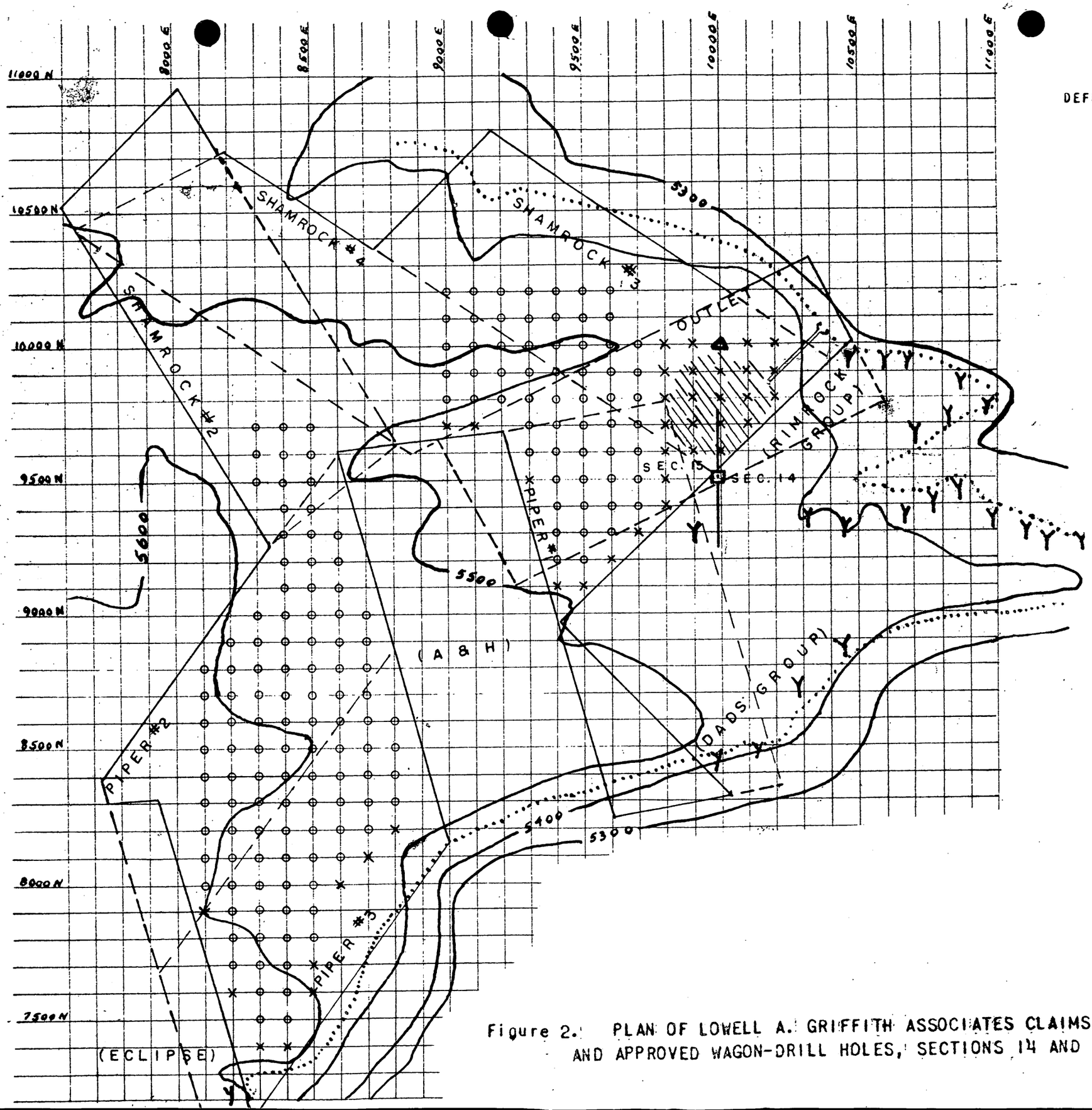
2/ Chemical analyses as required for
U_3O_8 and V_2O_5 to a maximum of $800.00..... 800.00

Estimated Total Cost..... $18,350.00

Government Participation at 75%.. $13,762.50

1/ No reimbursement will be made on partially completed holes. Claim for reimbursement for completed holes must be supported by a certified drill log of the hole or holes involved.

2/ Claim for reimbursement for analysis charges must be supported by a copy of the assay return showing costs and results.



U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

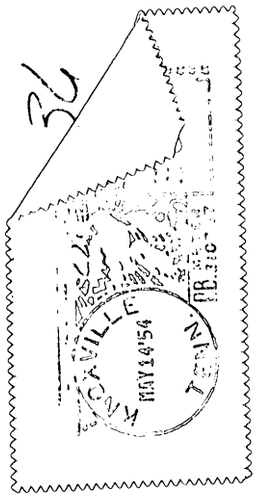
DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET 3355

EXPLANATION

- APPROXIMATE BASE OF LOWEST SALT WASH SANDSTONE LENS
- o LOCATION OF WAGON-DRILL HOLE PROPOSED BY APPLICANTS AND APPROVED BY EXAMINING FIELD TEAM
- X LOCATION OF WAGON-DRILL HOLE PROPOSED BY APPLICANTS AND REJECTED BY EXAMINING FIELD TEAM
- Y PROSPECT OR MINE
- ADIT AND UNDERGROUND DRIFT
- △ U.S. GEOLOGICAL SURVEY TRIANGULATION POINT ARBITRARILY CHOSEN AS 10,000 FEET N., AND 10,000 FEET E., AS A REFERENCE POINT FOR THE LOCATION OF PROPOSED WAGON-DRILL HOLES
- APPROXIMATE AREA OF GROUND PREVIOUSLY DRILLED
- APPROXIMATE LOCATION OF ¼ LAND SECTION CORNER
- BOUNDARY OF GROUND LEASED BY APPLICANTS AND NOT IN CONFLICT WITH PREVIOUS CLAIMS. CLAIMS BELONGING OR LEASED TO PARTIES OTHER THAN THE APPLICANTS ARE LABELED IN PARENTHESES

BY R.L. BOARDMAN (COMPILED FROM MAPS SUBMITTED BY APPLICANTS AND FROM DATA OBTAINED FROM FIELD EXAMINATION)

Figure 2. PLAN OF LOWELL A. GRIFFITH ASSOCIATES CLAIMS SHOWING APPROXIMATE LOCATION OF PROPOSED AND APPROVED WAGON-DRILL HOLES, SECTIONS 14 AND 15, T. 48 N., R. 18 W., N.M.P.M.



Map with letter

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