Division copy

RECEIVED

FEB - 9 1956

TERMINATION AGREEMENT

It is agreed this 21st day of December, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"), and Bula Belle Uranium, Inc. (hereinafter called the "Operator"), parties to Exploration Project Contract Idm-E794 (Docket No. DMEA-3579), dated May 3, 1955 (hereinafter called the "Contract"), that:

1. Effective October 1, 1955, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to allowable costs incurred prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By O O Muthersbaugh
Administrator, Defense Minerals Exploration Administration

"Appd. Sol. Off."
Murphy
Fisher
Chandler
Selfridge

KWLA BELLE URANIUM, INC.

By Jerome Craig Jr.
Vice President

Termination Notice

October 10, 1955

Memorandum

To: Hazel Berry, Operating Committee

From: Grace L. Ault, Rare and Miscellaneous Metals Division

Subject: Amendment to contract

Mr. Murphy has reviewed and approved Amendment No. 1, dated September 26, 1955, to Contract No. Idm-E794, Docket No. EMEA-3579, Eula Belle Uranium, Inc.

/s/ Grace L. Ault

Grace L. Ault

Engineer Mr. Murphy

Date Oct. 10

To: Mr. Murphy

Docket No. DMEA-3579 - Eula Belle Uranium, Inc.
Contract No. Idm-E794

Attached is Amendment No. 1, dated Sept. 26, 1955

to be reviewed.

Approved Murphy

Other action

Please return this slip to me for my records.

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

RECEIVED
OCT 6 - 1955

224 New Customhouse
Denver 2, Colorado

September 26, 1955

Memorandum

To: Chairman to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3579 (Uranium) Contract Idm-E794, Eula Belle Uranium, Inc., Montrose County, Colorado.

Enclosed are the original and two copies of Amendment No. 1 to Contract Idm-E794 prepared and executed in this office to permit changes in the drilling description one hole under Stage II of the contract. The change is required in order to permit proper further exploration of uranium mineralization disclosed in three Stage I drill holes.

The relevant data supporting the amendment are included in a work approval for Stage II submitted by our memorandum of September 26, 1955.

W. M. Traver

Enclosures

RECEIVED

OCT 6 - 1955

No. 1

AMENDMENT OF CONTRACT: No. Idm-E794

Contract Docket No. DMEA-3579, Contract Idm-E794, dated May 3, 1955, between the United States of America and Eula Belle Uranium, Inc., a Nevada corporation, is hereby amended as follows, effective September 12, 1955:

> Reference is made to EXHIBIT "A" attached to Exploration Project Contract Form - MF-200 (Revised June 1954) heading "Description of the work" subheading "Stage II"
>
> The first paragraph states that drill holes under Stage II shall not be drilled closer than 100 feet to any other hole. It appears advantageous to the Contractor and the Government to drill one of these Stage II holes at the center of a triangle formed by Stage I drill holes Nos. 5, 6, and 13. A paragraph is therefore added between the two paragraphs describing the Stage II work as follows:
>
> One of the Stage II offset holes shall be drilled in the center of a triangle formed by Stage I drill holes Nos. 5, 6, and 13, irrespective of the fact that it will be located closer than 100 feet to one or more of the three holes it offsets. The location of this hole, numbered 35, is shown on the map Figure 1 entitled "Plan Of Proposed and Recommended Exploration for Eula Belle Uranium, Inc. Claims in the Southeastern Mesa Creek Area, Section 2, T. 48 N., R. 18 W., N.M.P.M., Uravan District, Montrose County, Colorado". The map is attached to and made a part of this amendment.
>
> No other stipulations of either Stage I or Stage II of the contract are otherwise revised.

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

Dated September 26, 1955

EULA BELLE URANIUM, INC.

By Jerome Craig Sr.
Jerome Craig, Sr.,
Vice President

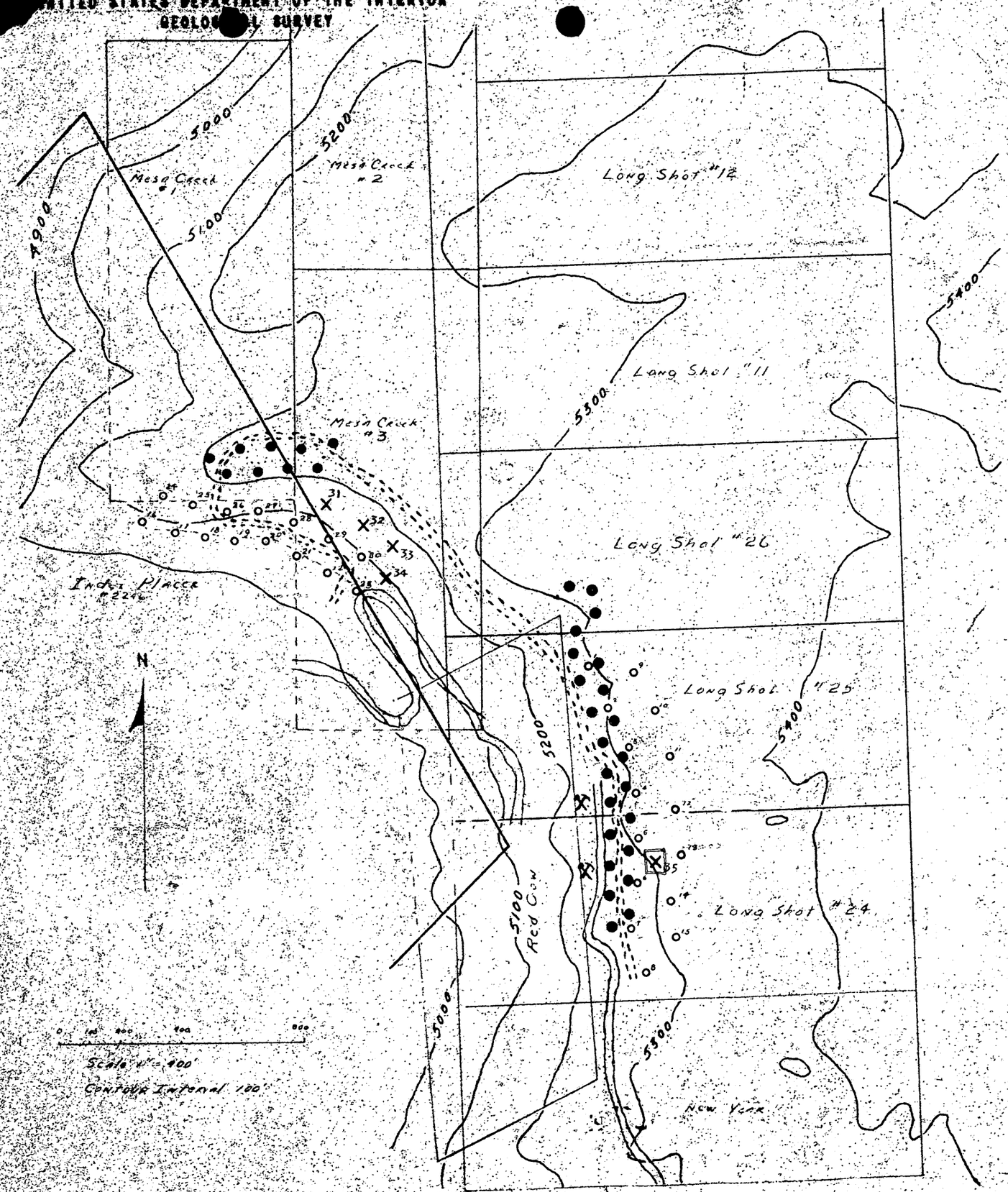
(Seal)

UNITED STATES GOVERNMENT

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

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET NO. 3579
REVISED SEPTEMBER 1955



EXPLANATION

APPROXIMATE TOP OF THE HIGHEST SANDSTONE LENSE IN THE SALT WASH MEMBER

APPROXIMATE TOP OF BASAL SANDSTONE LENSES OF THE SALT WASH MEMBER

● LOCATION OF DRILL HOLES PROPOSED BY APPLICANT AND REJECTED BY EXAMINING FIELD TEAM

o7 LOCATION OF DRILL HOLES RECOMMENDED BY EXAMINING FIELD TEAM, STAGE I

X35 PROPOSED LOCATION OF RECOMMENDED STAGE II HOLES

ROAD PROPOSED BY THE APPLICANT

ROAD NOW IN EXISTANCE

PROSPECT OR MINE

NOTE: CLAIM BOUNDARIES TAKEN FROM APPLICANTS MAP

Figure 1. PLAN OF PROPOSED AND RECOMMENDED EXPLORATION FOR EULA BELLE URANIUM INC. CLAIMS IN THE SOUTHEASTERN MESA CREEK AREA, SECTION 2, T.48 N., R.18 W., N.M.P.M.
URAVAN DISTRICT, MONTROSE COUNTY, COLORADO

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

RECEIVED
JUN - 6 1955

224 New Customhouse
Denver 2, Colorado

June 1, 1955

REGISTERED

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3579 (Uranium), Contract Idm-E794, Eula Belle Uranium, Inc., Montrose County, Colorado

Enclosed are the Government, Division and Docket copies of Exploration Project Contract Idm-E794 which was forwarded for signature by the operator by your letter of May 3, 1955.

Copies of the contract have been given to the operator, the Finance Office, Region III, and a copy has been retained for our files.

W.M. Traver

W.M. Traver

Encls.

Division copy

RECEIVED
JUN - 6 1955

DMEA
Date Rec'd.
MAY 5 1955
BUREAU OF MINES
Denver, Colorado

MF-200
(Revised June 1954)

Docket No. DMEA 3579

Commodity Uranium

Contract No. Idm-E 794

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 3rd day of May, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Bula Belle Uranium, Inc., a Nevada corporation,

whose mailing address is c/o Mr. Jerome Craig, Sr., Vice President Whitewater, Colorado,

hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

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

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: See Annex I

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

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

of the land (lessor, seller, optionor, etc.), are attached, as follows: Owner's Consent to Lien covering Index Placer Claim

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of uranium. The work to be performed is described in Exhibit "A." The Operator on or before June 15, 1955 shall commence the work, and on or before October 30, 1955 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A."

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

(b) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $12,603.00. The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $9,452.25: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated, total allowable cost of the work.

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums.

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 9.

And see Article 13.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 8. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 7) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value therof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

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

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

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

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

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

ARTICLE 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 13. *Changes and added provisions.*—

To the extent that costs are set forth in Exhibit "A" as "Fixed Unit Costs" they are in lieu of the actual costs that would otherwise be allowable under Article 6 of the contract.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. M. Mitchell
Administrator, Defense Minerals
Exploration Administration

EULA BELLE URANIUM, INC.
(Operator)

By Jerome Craig Sr.
Vice President.

I, R. D. Gardner, certify that I am the Secretary of the corporation named as Operator herein; that Jerome Craig, Sr. who signed this contract on behalf of the Operator, was then Vice Pres. 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.

R. D. Gardner, Secy.

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

EXPLORATION PROJECT CONTRACT
EULA BELLE URANIUM, INC.
DOCKET NO. DMEA-3579

ANNEX I

The land referred to in Article 2 of the contract form consists of 22 unpatented lode mining claims, and one patented placer claim. The lode claims are recorded in the office of the County Recorder, Montrose County, Colorado, as follows:

Claim	Book	Page
Mesa Creek No. 1	370	303
Mesa Creek No. 2	370	304
Mesa Creek No. 3	370	305
New Year	236	356
Shirley May No. 1	296	484
Shirley May No. 2	296	485
Shirley May No. 3	296	486
Long Shot No. 7	370	100
Long Shot No. 8	370	101
Long Shot No. 9	370	102
Long Shot No. 10	370	103
Long Shot No. 11	370	104
Long Shot No. 12	370	105
Long Shot No. 13	370	106
Long Shot No. 14	370	107
Long Shot No. 21	370	297
Long Shot No. 22	370	298
Long Shot No. 23	370	299
Long Shot No. 24	370	300
Long Shot No. 25	370	301
Long Shot No. 26	370	302
Long Shot No. 27	376	24
Index Placer	Patented	

The claims are located in secs. 2, 3, and 11, T. 48 N., R. 18 W., New Mexico Principal Meridian, and are shown on the map entitled "Figure 3--Claim Map, Eula Belle Uranium, Inc. (DMEA-3579)," which is attached hereto and made a part hereof.

The Operator represents and undertakes that all of the above claims are owned by it except the Index Placer claim. The Index claim is held under an option to purchase dated February 19, 1955, with the right to explore and mine during the period of the option. The Consent to Lien of the owner of the Index claim, Jerome Craig and Son, is attached to the contract.

EXPLORATION PROJECT CONTRACT
EULA BELLE URANIUM, INC.
DOCKET NO. DMEA-3579

EXHIBIT "A"

Description of the Work

The object of this project is the discovery of uranium ore in two horizons of a sedimentary rock locally known as the Salt Wash member of the Jurassic Morrison formation.

The work shall be performed in two stages. The Operator shall perform all the work under Stage I, and that part of the work set forth under Stage II that is authorized in writing in advance by the Government.

Stage I

Stage I consists of bulldozing access roads to and preparing 30 drill sites. The drill sites are shown on the map entitled "Figure 2 Plan of Proposed and Recommended Exploration . . .," attached hereto and made a part hereof, and are indicated by red circles numbered 1 through 30.

Holes 1 through 15 shall be drilled to explore the uppermost sandstone unit, and holes 16 through 30 shall be drilled to explore the lower sandstone unit of the Salt Wash member of the Morrison formation. It is estimated that the first group of holes will average 113 feet in depth and that the second group will average 83 feet in depth, or an aggregate of approximately 2,940 feet of drilling.

The holes shall be started with a noncore bit; however, the last 30 feet of each hole shall be cored a minimum AX size, or a total of 900 feet of core drilling.

Stage II

Stage II consists of bulldozing access roads to and preparing 15 drill sites at locations agreed upon by the Government and the Operator. The holes shall be offsets to holes drilled in the first stage that encountered

favorable indications of mineralization; however, they shall not be drilled closer than 100 feet to any other hole.

The holes shall be started with a noncore bit; however, the last 30 feet of each hole shall be cored a minimum AX size, ~~or an aggregate of not to exceed 900 feet of core drilling.~~ Not in excess of an aggregate of 1,050 feet of noncore drilling and 450 feet of core drilling shall be performed under Stage II. CBM.

General Provisions

If the total core recovery in the 30 feet of core drilling specified for each hole is less than 50 percent, the drilling cost of said footage shall be contributed to by the Government at the same rate as is allowable under the contract for noncore drilling.

A supervising engineer or geologist shall be employed full time while work under this contract is being performed. Also a consultant shall be employed for 2 days during each stage of the contract work.

The Government shall not participate in the costs of any incompleted drill holes, and no hole shall be started that cannot be completed within the footages provided under the contract.

One-half of the drill-hole cuttings and core shall be stored in a suitable location for the Government's use and disposal.

The Operator's monthly report shall contain certified drill and geologic logs, certified copies of analytical returns, and certified radiometric drill-hole logs in the event such logging is approved by the Government.

If approved in advance by the Government, radiometric logging of the drill holes may be made by an independent contractor. The work would require a maximum of three (3) trips with logging equipment from Moab to the project property. The first trip would log drill holes 1 to 15, the second would log holes 16 to 30, and the third would log holes drilled in Stage II.

The supervision, the manner and extent of sampling, and drill-hole logging, the manner of storing and splitting drill-hole cuttings and core, the location of access roads and drill sites, and the drilling method used, shall all be subject to Government approval.

Estimated Costs of Project

Actual Costs

Stage I

Category (1) Independent Contracts

2100 feet of noncore drilling @ $1.25/ft.	$ 2,625.00	
900 feet of core drilling @ $2.75/ft. 1/	2,475.00	
Bulldozing, 40 hours @ $11.00/hr.	440.00	
Le Roi tractor-air compressor, including operator, drills, steel, bits, and all costs whatsoever connected with compressor (for access roads), 3 days @ $60.00/day	180.00	
Radiometric probing of drill holes, two round trips from Moab to property, @ $623.00/trip 2/	1,246.00	$ 6,970.00

Stage II

Category (1) Independent Contracts

1050 feet of noncore drilling @ $1.25/ft.	1,312.50	

1/ See paragraph 1 under the heading "General Provisions" in this Exhibit "A."
2/ The completed work constitutes the unit.

RECEIVED
JUN - 6 1955

450 feet of core drilling @ $2.75/ft. 3/	$ 1,237.50	
Bulldozing, 10 hours @ $11.00/hr.	110.00	
Radiometric probing of drill holes, one round trip from Moab to property, @ $623.00/trip 4/	623.00	$ 3,283.00

The Government will contribute to the requirements set forth below on the basis of the "Fixed Unit Costs" specified therefor, as these costs accrue, in lieu of actual costs. These costs include all costs of the project whatsoever except those actual costs of bulldozing, drilling, compressor, etc., and radiometric probing, scheduled above under the category "Independent Contracts." No other categories of actual costs in Article 6 are allowable costs under this contract.

Fixed Unit Costs

Stage I

45 chemical analyses for U_3O_8, V_2O_5, and $CaCO_3$ @ $5.00/each	225.00	
Incidental allowance 5/ for each foot of drilling completed--3000 feet @ $0.45/ft.	1,350.00	$ 1,575.00

Stage II

20 chemical analyses for U_3O_8, V_2O_5, and $CaCO_3$ @ $5.00/each	100.00	

3/ See footnote 1/.
4/ See footnote 2/.
5/ The "incidental allowance" includes all costs of the project whatsoever that are not included in the estimates for bulldozing, drilling, compressor, etc., radiometric logging, and the fixed unit costs for analyses, and is in lieu of Categories (2) through (7) of actual costs under Article 6(a) of the contract. It includes such items as supervision, engineering, materials, supplies, taxes, transportation, etc.

Incidental allowance 6/ for each foot of drilling completed--1500 feet @ $0.45/ft.	$ 675.00	$ 775.00

S U M M A R Y

Estimated Cost Stage I	$ 8,545.00	
Estimated Cost Stage II	4,058.00	
Estimated Total Cost of Project		$12,603.00
Government Participation @ 75%		$ 9,452.25

6/ See footnote 5/

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/ Index Placer Mining Claim, Survey Number 2246, located in Secs. 2,3,4 and 11, T. 43 N., R. 18 W., New Mexico Principal Meridian

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/ Dale Bolle Uranium, Inc. c/o Mr. Roscoe Craig, Sr., Montrose, Colo.

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 The purchase contract dated February 19, 1955,

[illegible]

Dated this 28 day of March, 1955.

Jerome Craig Jr. [Seal]

For "Jerome Craig and Son". [Seal]

Joseph I. Jacob [Seal]

Joseph I. Jacob, Pres., EulaBelle Uranium, Inc.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET NO. 3579

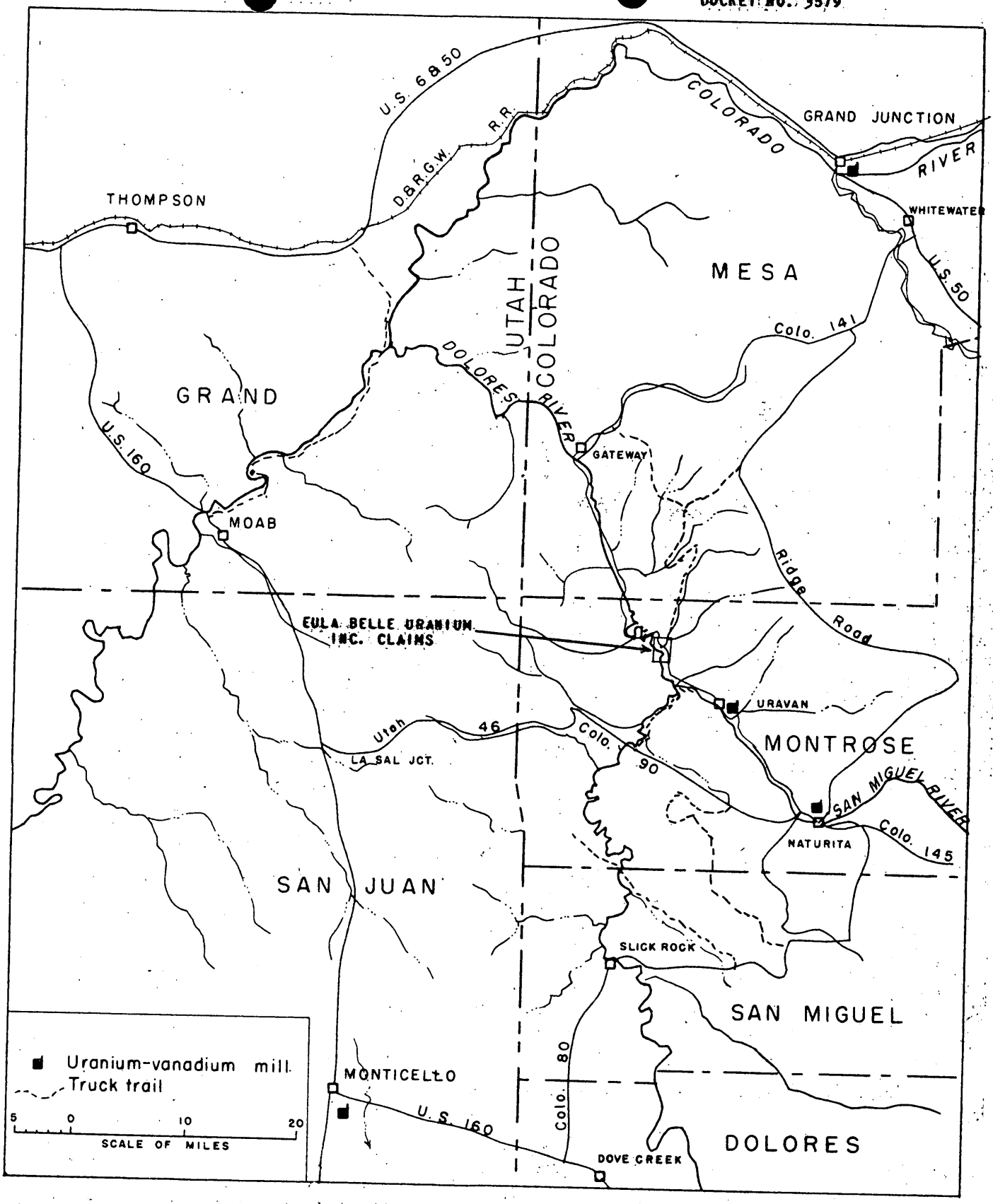
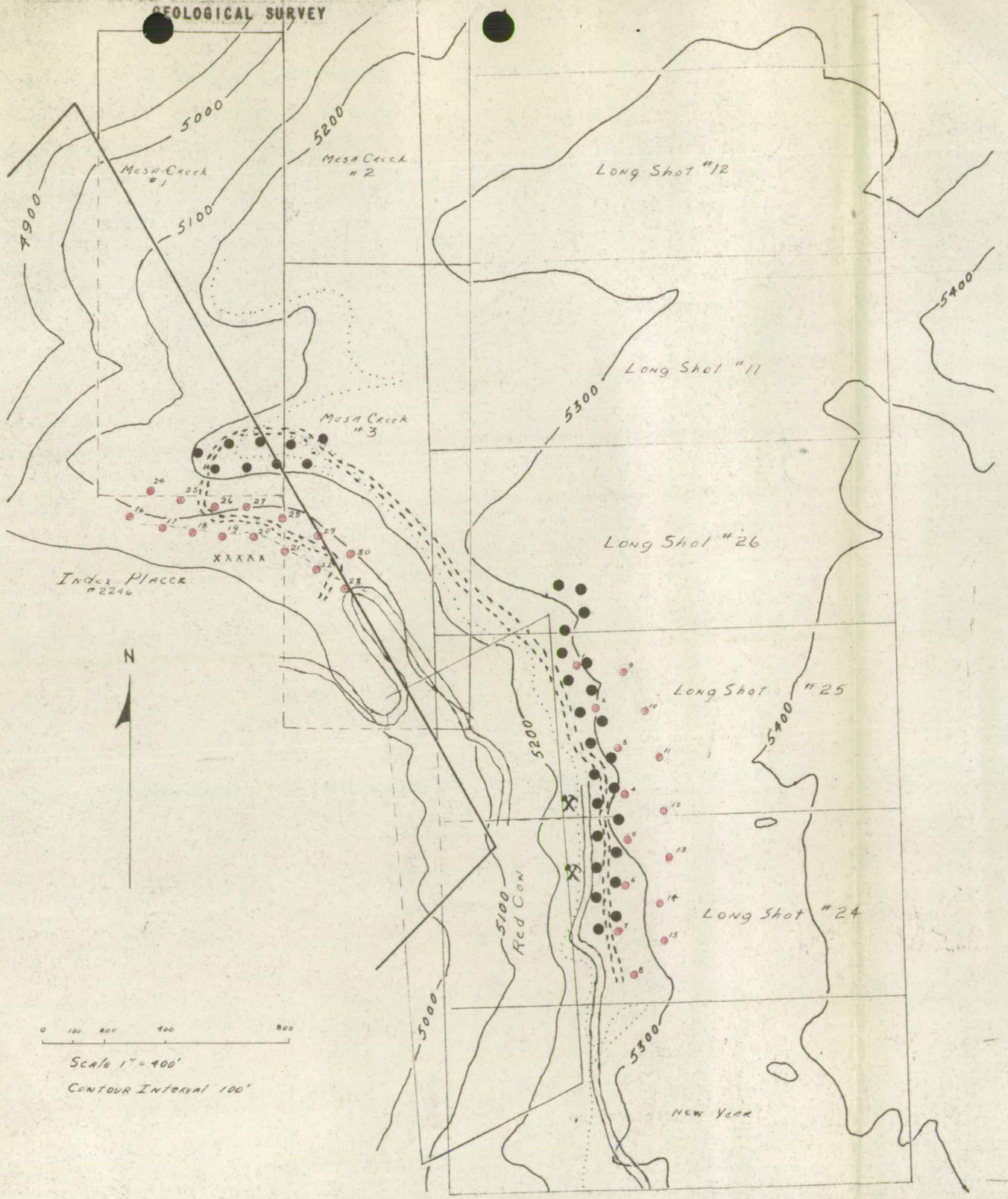


Figure 1. INDEX MAP OF PART OF THE COLORADO PLATEAU SHOWING LOCATION OF THE EULA BELLE URANIUM INC. CLAIMS, URAVAN DISTRICT, MONTROSE COUNTY, COLORADO

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET NO. 3579



EXPLANATION

APPROXIMATE TOP OF THE HIGHEST SANDSTONE LENSE IN THE SALT WASH MEMBER

APPROXIMATE TOP OF BASAL SANDSTONE LENSES OF THE SALT WASH MEMBER

LOCATION OF DRILL HOLES PROPOSED BY APPLICANT AND REJECTED BY EXAMINING FIELD TEAM

LOCATION OF DRILL HOLES RECOMMENDED BY EXAMINING FIELD TEAM

PROSPECT OR MINE

ROAD PROPOSED BY THE APPLICANT

ROAD NOW IN EXISTANCE

NOTE: CLAIM BOUNDARIES TAKEN FROM APPLICANTS MAP

Figure 2 PLAN OF PROPOSED AND RECOMMENDED EXPLORATION FOR EULA BELLE URANIUM INC. CLAIMS IN THE SOUTHEASTERN MESA CREEK AREA, SECTION 2, T.48 N., R.18 W., N.M.P.M.
URAVAN DISTRICT, MONTROSE COUNTY, COLORADO

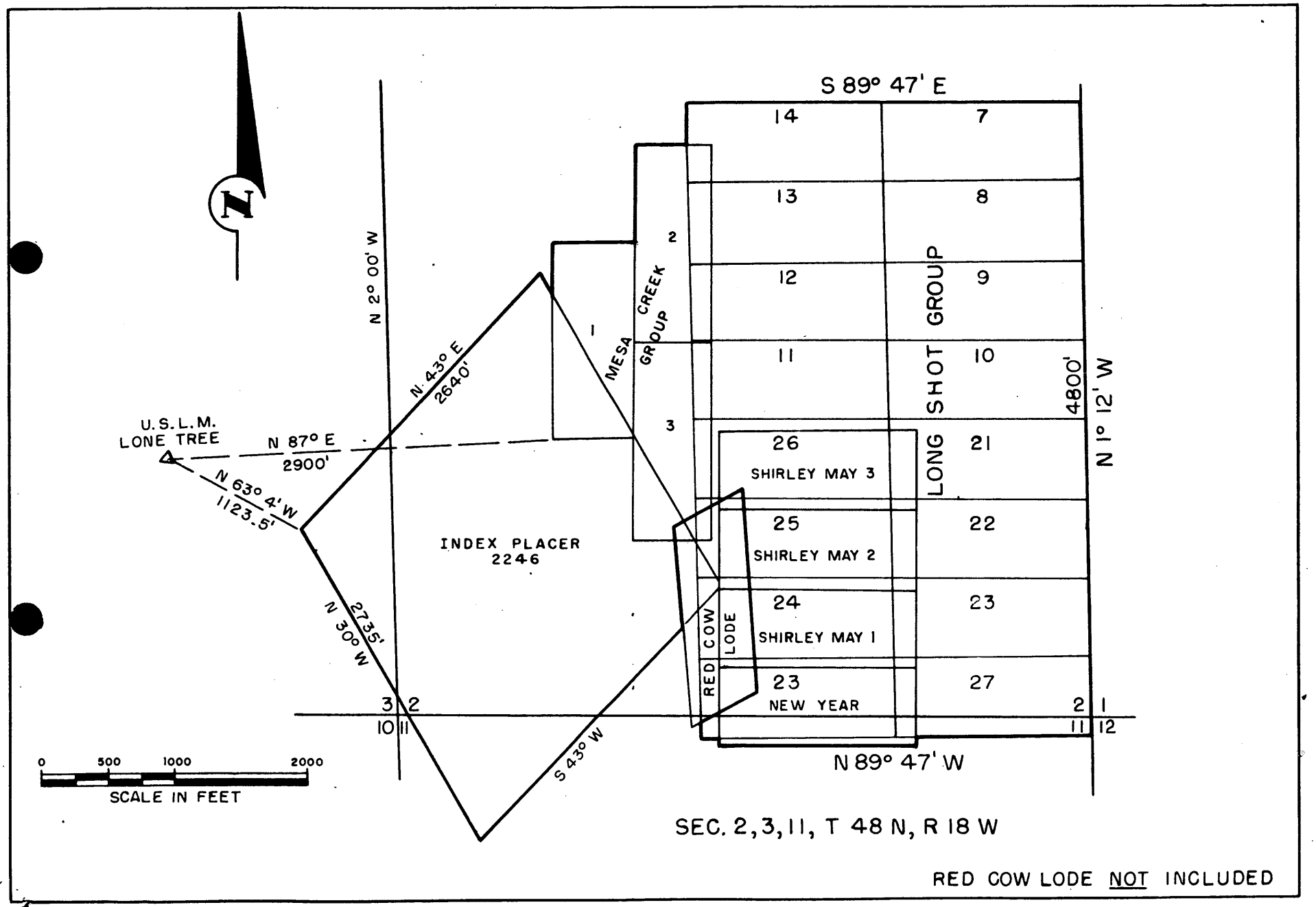


FIGURE 3 – CLAIM MAP, EULA BELLE URANIUM, INC. (DMEA 3579)

☐ Audited

☐ Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 7/13/56
Incl. Voucher for Sept 1955

☒ Actual Cost

☐ Agreed Unit Costs

Name Eula Belle Uranium, Inc

Docket No. DMEA-3579

State Colorado

Commodity Uranium

Idm-E No. 794

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify) Non-Core	3150	5287.50	1871	3215.05	3215.05
Drilling (Specify) Core	1350	4387.50	1050	3325.65	3325.65
Surface Excavation					
Underground Excavation					
Roads and Trails		730.00		730.00	730.00
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Radiometric probing of holes		1869.00			
Other (Specify) chemical analyses		325.00		10.00	10.00
Totals		$ 12,599.00*		$ 7280.70	7280.70

* Error in contract. $ 12 603.00
$ 400 too much for bulldozer.

Prepared by J M Murphy

71626

Project Summary Report

By: F. M. Murphy July 13, 1956

1. Docket No. DMEA-3579 (Uranium)
Contract No. Idm-E794

Operator - Eula Belle Uranium, Inc.
c/o Mr. Jerome Craig, Sr., Vice President
Whitewater, Colorado

Operator's Property Rights -

Owners of claims; Mesa Cmmk Nos. 1, 2, and 3; New Year; Shirley May Nos. 1, 2, and 3; Long Shot Nos. 7 through 14 and 21 through 27; also, lessees of the Index Placer, a patented claim, all situated in secs. 2, 3, and 11, T. 48 N., R. 18 W., NMPM, Montrose County, Colorado.

2. Contract dated May 3, 1955

Amendment No. 1, September 26, 1955, allows relocation of one hole in Stage II.

Contract terminated December 21, 1955 by mutual agreement.

Work Authorized -

	Stage I 30 holes Units	Cost	Stage II 15 holes Units	Cost
Non-core drilling @ $1.25/ft.	2100'	$2,625.00	1050'	$1,312.50
Core drilling @ $2.75/ft.	900'	2,475.00	450'	1,237.50
Bulldozing roads @ $11.00/hr.	40'	440.00	10'	110.00
Radiometric Probing of holes @ $623.00/trip	2	1,246.00	1	623.00
Air Compressor & tools (rental) @ $6.00/day	3	180.00	—	—
Incidental allowance $0.45/ft	3000'	1,350.00	1500'	675.00
V_2O_5, U_3O_8, and $CaCO_3$ @ $5/sample	45	225.00	20	100.00
Stage Total Cost		$8,541.00		$4,058.00
Total Estimated Cost of Project				$12,599.00
Government Participation @ 75%				$9,449.25

Work Completed -

30 holes in Stage I and 5 holes in Stage II.

Costs billed by Operator

Core drilling 1050 feet @ $2.75/ft.	$2,887.50
Non-core drilling 1871 feet @ $1.25/ft.	2,338.75
Bulldozing - maximum	550.00
Compressor, tools (rental)	180.00
Incidental allowance 2921 feet @ $0.45/ft.	1,314.45
2 samples, analyses, @ $5/sample	10.00
Total	$7,280.70
Government Participation @ 75%	$5,460.70

3. Audit Report of Review: February 27, 1956

Total Cost as billed by Contractor	$7,293.20
Exceptions: 5 feet non-core, drilling and incidental allowance,	12.50
Total Accepted Cost	$7,280.70

4. Excerpts from Field Team Report, dated June 25, 1956

The drilling under the contract explored the upper and lower sandstone beds of the Salt Wash member of the Jurassic Morrison formation.

Work under the contract started at the end of June and drilling commenced July 1, 1955. The project was completed in September, 1955.

Three Stage I holes penetrated mineralization of sub-ore grade in widths up to 0.8 foot. One of the five Stage II offset holes penetrated similar mineralization. Although the full amount of Stage II drilling was not done, enough exploration was completed for satisfactory evaluation of the property.

Fifteen of the 19 holes that were cored through the lowermost Salt Wash sandstone encountered unfavorable rock and 13 of the 16 holes cored in the uppermost Salt Wash sandstone encountered unfavorable rock; hence both sandstone units are rated generally unfavorable in the vicinity of DMEA drilling on the subject property.

The field examiners conclude that further drilling could not be justified because of weak mineralization over thin beds, also, because there is nothing to indicate that mineralization would be better further back from the rim.

The project was recommended beacuse of the slight mineralization noted on rim exposures and the fact that substantial deposits of uranium ore were present in the Salt Wash two or three miles distant from the property.

The Field Team, in a memorandum, dated June 28, 1956, note that "The exploration work did not result in a discovery or development of a significant quantity of uranium ore. Therefore certification as such is not recommended."

/S/

F. M. Murphy

FMMurphy/ai 7-13-56
cc to: Code 700
Docket (Original)
Mr. Murphy
Admr. Reading File
Mr. F. E. Johnson

11-5-56

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

224 New Customhouse
Denver 2, Colorado

October 31, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3579, Contract Idm-E794, Eula Belle Uranium, Inc. - MEMORANDUM OF EXPLANATION

Enclosed is one copy of MEMORANDUM OF EXPLANATION for the above contract which clarifies the intent of the parties relative to payment for drilling on an average unit cost basis for each type of drilling within each stage of work.

Also enclosed is one copy of a relative letter dated October 25, 1956 from the Chairman, Operating Committee, to the Executive Officer, Region III, and one copy of a memorandum from Ernest William Ellis to J. L. Chambers, concerning drilling costs for the subject contract.

Original signed by
W. M. TRAVER

W. M. Traver

Enclosures

JDC:jy
cc: Chm. Op. Comm. (2)
Corresp. E794)
Contract E794) w/copy memo and
Harshman) Chm's. letter
Hasler)
Shaw (2)) w/two copies of memos.
Townsend) and Chm's. letter
Chron.

See letter of 10-25-56 in Docket #3397

3579

Division Copy

Chamberlin

EXPLORATION PROJECT CONTRACT
EULA BELLE URANIUM, INC.
DOCKET NO. DMEA-3579

MEMORANDUM OF EXPLANATION

Mailed 10-25/56 Washington, D. C.

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Eula Belle Uranium, Inc., are parties to Exploration Project Contract Idn-E794, (Docket No. DMEA-3579), dated May 3, 1955.

The contract provides that the Government will contribute to the unit costs of drilling performed under independent contracts that do not exceed the estimated costs for each unit (per foot of drilling) set forth in Exhibit "A". The contract provides further that the Government's contribution to costs will be made as they are incurred, based upon monthly vouchers. However, it was the intent of the parties at the time the exploration project contract was negotiated and executed that the unit costs set forth under Category (1) under any stage prescribed in Exhibit "A" represent the maximum average cost per foot for each classification of drilling performed and accepted rather than the maximum cost per foot of each classification of drilling performed, as evidenced by the Operator's application and the DMEA Field Team's report of examination filed in the contract docket.

The Operator incurred costs on the basis of this understanding and the Government has made payment on the basis of this understanding.

C. O. Mittendorf

Administrator, Defense Minerals
Exploration Administration

3579

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

C
O
P
Y

October 9, 1956

Memorandum

To: J. L. Chambers, Chief
Contract Administration & Audit Division

From: Ernest Wm. Ellis, Chief
Rare & Miscellaneous Metals Division

Subject: Drilling Costs
Docket No. DMEA-3579 (Uranium)
Contract No. Idm-E794
Eula Belle Uranium, In.
Index Placer, Mesa Creek, et al, claims
Montrose County, Colorado

In "Exhibit 'A,' Estimated Cost of Project, Actual Costs, Category (1) Independent Contracts" of Stages I and II under the above-referenced contract it was the intent of the engineer who prepared the contract that the figures $1.25 for each foot of non-core drilling and $2.75 for each foot of core drilling represented the maximum average cost for drilling at any depth, even though in the course of the project work the costs of drilling on individual holes or some parts thereof might exceed these figures.

/s/ Ernest Wm. Ellis

Ernest Wm. Ellis

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

October 9, 1956

Memorandum

To: J. L. Chambers, Chief
Contract Administration & Audit Division

From: Ernest Wm. Ellis, Chief
Rare & Miscellaneous Metals Division

Subject: Drilling Costs
Docket No. DMEA-3579 (Uranium)
Contract No. Idm-E794
Eula Belle Uranium, Inc.
Index Placer, Mesa Creek, et al., claims
Montrose County, Colorado

In "Exhibit 'A,' Estimated Cost of Project, Actual Costs, Category (1) Independent Contracts" of Stage I and II under the above-referenced contract it was the intent of the engineer who prepared the contract that the figures $1.25 for each foot of non-core drilling and $2.75 for each foot of core drilling represented the maximum average cost for drilling at any depth, even though in the course of the project work the costs of drilling on individual holes or some parts thereof might exceed these figures.

/s/ Ernest Wm. Ellis

Ernest Wm. Ellis

FMMurphy/gla
cc to: Docket
Code 700
Mr. Murphy

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

JUL 18 1956

Mr. Jerome Craig, Jr., Vice President
Falls Falls Uranium, Inc.
Whitewater, Colorado

Re: Docket No. DMEA-3579 (Uranium)
Contract No. Ide-2794
Index Placer, Rosa Creek,
et al., Claims
Montrose County, Colorado

Dear Sir:

Reference is made to the Owner's consent to lien which you executed on March 28, 1955, in connection with the DMEA contract for an exploration project on your property located in Montrose County, Colorado.

For your information, there is enclosed a copy of our letter of this date to the Falls Falls Uranium, Inc., advising that the Government retains no claim or lien against the property described in the contract or on any future production therefrom.

Sincerely yours,

G. O. Mittendorf

Administrator

FMurphy/al
7-16-56
cc to: Admr.'s Reading File
Docket
JHCrawford, Rm. 3641
THHillsgard, Rm. 5224
JJohnston, Rm. 3210, DMEA
Contract Adm. & Audit Division
Code 700
DMEA Field Team, Region III (2)
P. A. Johnson
Mr. Murphy

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

JUL 18 1956

Eula Belle Uranium, Inc.
c/o Mr. Jerome Craig, Sr., Vice President
Whitewater, Colorado

Re: Docket No. DMEA-3579 (Uranium)
Contract No. Idm-E794
Index Placer, Mesa Creek,
et al., Claims
Montrose County, Colorado

Gentlemen:

Reference is made to your terminated exploration contract with the Government.

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

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

Sincerely yours,

C. O. Mittenzwei

Administrator

Copies to: Mr. Jerome Craig, Sr.
Mr. Joseph I. Jacob

FMMurphy/ai 7-16-56
cc to: Admr.'s Reading File
Docket
JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Contract Adm. & Audit Division
Code 700
DMEA Field Team, Region III (2)
F. E. Johnson
Mr. Murphy

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

JUL 18 1956

Mr. Joseph L. Jones, President
Yula Belle Uranium, Inc.
Whitewater, Colorado

Re: Docket No. DMEA-3579 (Uranium)
Contract No. [illegible]-794
Index Placer, Mesa Creek,
et al., Claims
Montrose County, Colorado

Dear Sir:

Reference is made to the Owner's Consent to Lien which you executed on March 28, 1956, in connection with the DMEA contract for an exploration project on your property located in Montrose County, Colorado.

For your information, there is enclosed a copy of our letter of this date to the Yula Belle Uranium, Inc., c/o Mr. Jerome Craig, Jr., Jas President, Whitewater, Colorado, advising that the Government retains no claim or lien against the property described in the contract or on any future production therefrom.

Sincerely yours,

G. O. Mittendorf

Administrator

FMurphy/ai
7-16-56
cc to: Admr. Reading File
Docket
JECrawford, Rm. 3641
THKillingsgard, Rm. 5234
JCHested, Rm. 3210, MSA
Contract Adm. & Audit Division
Code 709
DMEA Field Team, Region III (2)
F. E. Johnson
Mr. Murphy

-13-
7-56-

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

RECEIVED
JUL 13 1956

July 11, 1956

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: James Paone, Bureau of Mines Alternate Member
Uranium Commodity Committee

Subject: Final report, DMEA Docket 3579 (Uranium), Contract Idm-E794, Eula Belle Uranium, Inc., Montrose County, Colorado

I have reviewed the final report, DMEA Docket 3579, Eula Belle Uranium, Inc., Montrose County, Colorado, dated June 25 and received in this office July 9, 1956. I have also discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

A total of 30 Stage I holes and 5 Stage II holes requiring a total of 1,876 feet of non-core and 1,050 feet of core drilling resulted in termination of further exploration work with DMEA funds, because the drilling was essentially negative. The field recommend that no certification of discovery or development be issued.

We concur in the conclusion and recommendation.

The report is being forwarded to the Chief, Division of Minerals, in accordance with the routing slip attached thereto.

James Paone

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

RECEIVED
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James Paone

7-10-56

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

RECEIVED
JUL 2 - 1956

224 New Customhouse
Denver 2, Colorado

June 28, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket DMEA 3579 (Uranium), Contract Idm-2794, Bula Belle Uranium, Inc., Montrose County, Colorado - FINAL REPORT

Enclosed are the original and three copies of a joint final engineering and geologic report pertaining to work completed under the subject contract.

The original and one copy of the Operator's final report were forwarded to your office by memorandum of February 29, 1956.

Final payment to the Operator was processed by this office March 7, 1956 in conformance with the Report of Review of contract expenditures by the Contract Administration and Audit Division, dated February 27, 1956, which was released to this office March 5, 1956.

The contract was terminated effective October 1, 1955, by Termination Agreement, dated December 21, 1955, prior to completion of the entire amount of work authorized under the contract.

The exploration work consisted of 50 hours of bulldozing for access road and drill site preparation, 1876 feet of non-core drilling, and 1050 feet of core drilling, at a total accepted cost of $7,[illegible].70, toward which the Government contributed 75%, or an amount of $5,460.54.

The exploration work did not result in a discovery or development of a significant quantity of uranium ore. Therefore certification as such is not recommended.

W. M. Traver
W. M. Traver

Reviewed by
DMEA OPERATING COMMITTEE
7-9-56
(date)

E. N. Harshman
E. N. Harshman

Enclosures

Final Field
Team report

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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JUL 2 - 1956

MINERALS DEPARTMENT
DMEA
RECEIVED
JUN 1 1956
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

P. O. Box 300
Grand Junction, Colorado

May 29, 1956

DMEA
Date Rec'd.
JUN 27 1956
BUREAU OF MINES
Denver, Colorado

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: F. M. Harsanyan
J. F. Shaw

From: J. William Hasler

Subject: DMEA Docket 3579 (Uranium), contract Idm-E 704
Eula Belle Uranium, Inc., (Long Shot group, Mesa Creek group, Index Placer claim), Montrose County, Colorado

Transmitted herewith is a final joint engineering and geologic report prepared by M. H. Salsbury, U. S. Bureau of Mines, and F. M. Byers, Jr., U. S. Geological Survey.

Enclosed are the maps for inclusion in the joint report.

J. William Hasler
J. William Hasler,
Geologist

JWH/mir

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
7-9-56
(date)

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

RECEIVED
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DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
REGION III

DMEA 3379

Contract Idm-8794

ELLA BELLE URANIUM, INC.

Long Shot group, Mesa Creek group

Index Placer claim

Montrose County, Colorado

Uranium

Final Engineering-Geologic Report

Reviewed by
DMEA OPERATIONS COMMITTEE
7-9-56
(Date)

By

F. M. Myers, Jr., Geologist
U. S. Geological Survey

M. H. Salsbury, Mining Engineer
U. S. Bureau of Mines

June 25, 1956

DMEA 3579
Contract Idm-E794

EULA BELLE URANIUM, INC.
LONG SHOT GROUP, MESA CREEK GROUP
INDEX PLACER CLAIM
MONTROSE COUNTY, COLORADO

CONTENTS

Final Engineering-Geologic Report — Page

Introduction 1
Summary 1
Recommendations 2
Location and accessibility 2
Property 2
History 3
Geology 3
Ore deposits 4
The project 5
Summary of factual data 8
Discussion of conclusion 11
Factors affecting performance of contract work 11
Exploration possibilities 12

ILLUSTRATIONS

Figure — Follows Page

1. Index map of part of the Colorado Plateau showing location of the Eula Belle Uranium Inc. claims, Uravan district, Montrose County, Colorado 2
2. Sketch map of part of sec. 2, T. 48 N., R. 18 W., N.M.P.M., showing holes drilled under contract Idm-E794, Eula Belle Uranium, Inc. claims in the southeastern Mesa Creek area, Uravan District, Montrose County, Colorado 5

TABLES

No. — Page

1. Summary of holes drilled during contract Idm-E794, Eula Belle Uranium Inc., Uravan District, Montrose County, Colorado 13

DMEA 3579
Contract Idm-8794
BULA BELLE URANIUM, INC.
Longshot-Mesa Creek group
Montrose County, Colorado

INTRODUCTION

SUMMARY

Bula Belle Uranium Inc., 506 First Security Bank Building, Salt Lake City, Utah submitted an application dated November 10, 1954 for Defense Minerals Exploration Administration assistance to explore for uranium on claims near the junction of Mesa Creek and the Dolores River, 12 miles north of Uravan, Colorado. Exploration for uranium in the Salt Wash member by non-core and core drilling requiring 11,000 feet of drilling was proposed at an estimated cost of $33,333.33. Government participation in this amount at 75 percent would have been $25,000.00.

A joint field investigation was made by a DMEA examining team on December 7, 1954. The examining team recommended a revised project in two stages requiring an estimated 3,150 feet of non-core and 1,350 feet of core drilling in 45 holes at cost of $14,085.00 in which Government participation at 75 percent would be $10,563.75. A contract dated May 3, 1955 for essentially the same program, was awarded at a maximum cost of $12,603.00, in which Government participation at 75 percent was $9,452.25.

Work was started under the contract at the end of June 1955, and drilling commenced July 1, 1955. The project was completed in September 1955, after the completion of 30 stage I holes and 5 stage II holes requiring a total of 1,876 feet of non-core and 1,050 feet of core drilling.

Three stage I holes penetrated mineralization of sub-ore grade in widths up to 0.8 foot. One of the five stage II offset holes penetrated similar mineralization. Drilling results were verified by examination of core and by radiometric probing done by a Geological Survey gamma-ray logging unit. No ore reserves could be calculated on the basis of results. Although the full

amount of stage II [illegible]lling was not done, enough exp[illegible]ration was completed for satisfactory evaluation of the property.

Recommendations

In a joint memorandum dated December 2, 1954, the writers recommended termination of contract Idm-8794 without certification of discovery or development, and the DMEA Field Team concurred. On December 21, 1955, a Termination Agreement, effective as of October 1, 1955, was signed by the DMEA Administrator and the company.

Further exploration or development with Government participation is not warranted.

The total accepted cost for which payment to the company was made as recommended by the Executive Officer, DMEA Field Team, Region III, on March 7, 1956, in accordance with the Report of Review by the DMEA Fiscal Office dated February 27, 1956, was $7,280.70. Government participation at 75 percent was $5,460.54.

LOCATION AND ACCESSIBILITY

The Mesa Creek-Long Shot groups consist of 22 unpatented mining claims and one patented placer claim in sec. 2, T. 48 N., R. 18 W., New Mexico principal meridian, Montrose County, Colo. (fig. 1). They are on a precipitous slope below, and a bench above Salt Wash rims east of the Dolores River and south of Mesa Creek. The claims are 12 miles north of Uravan, Colorado via Colorado State Highway 141, and 72 miles south over the same highway and U. S. Highway 50, from Grand Junction, Colorado, the nearest major source of supplies.

There are no unusual problems of transportation, power, water, supply or housing in this area. Year around operations, both in surface and underground workings are feasible and normal.

PROPERTY

The 22 located mining claims are the property of Bula Belle Uranium, Inc. and consist of the Mesa Creek nos. 1, 2, and 3 claims, the New Year claim, the

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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DOCKET NO. 3579

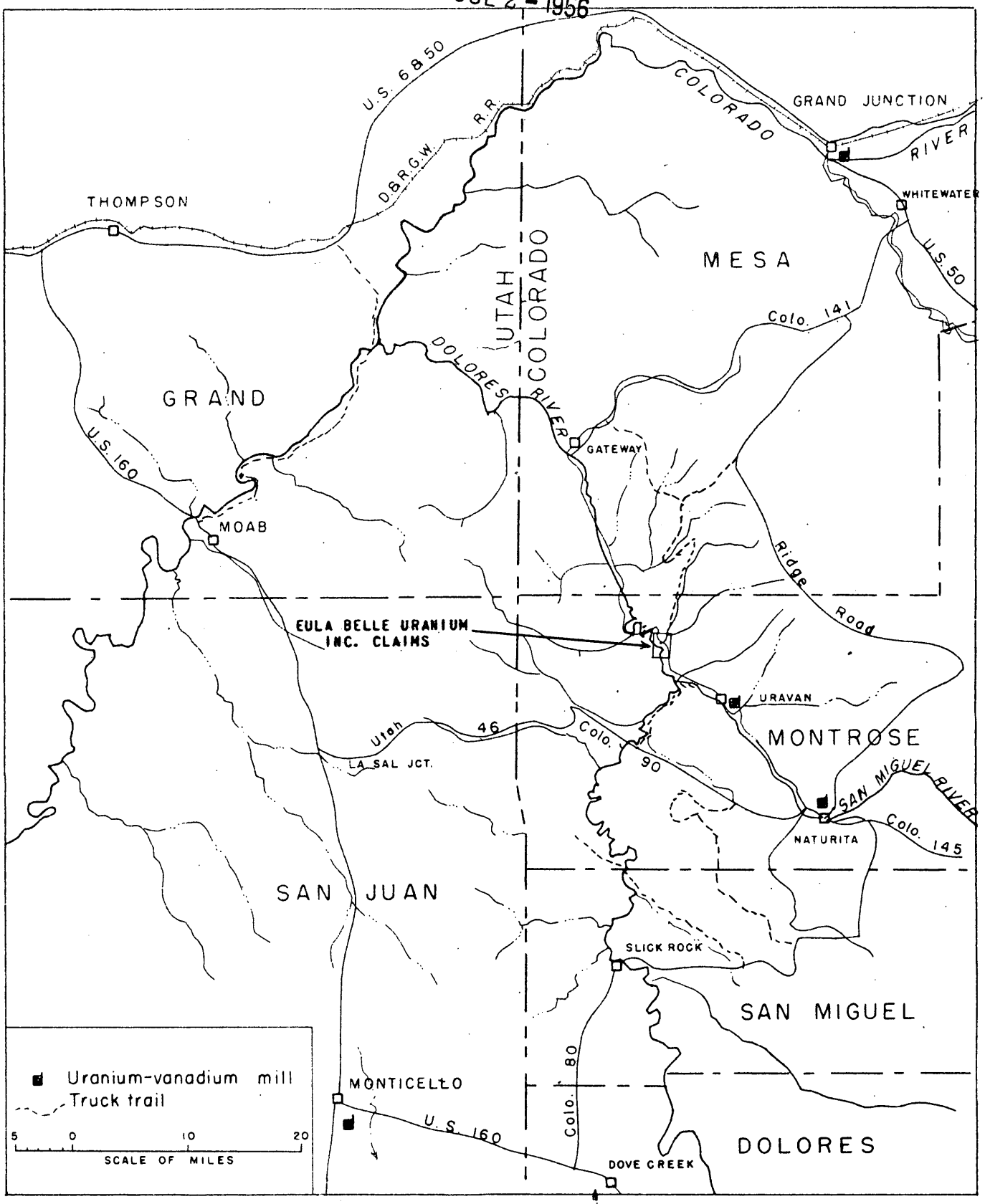

Figure 1. INDEX MAP OF PART OF THE COLORADO PLATEAU SHOWING LOCATION OF THE EULA BELLE URANIUM INC. CLAIMS, URAVAN DISTRICT, MONTROSE COUNTY, COLORADO

Shirley Mays nos. 1 [illegible] and 3 claims, and the Long Shot nos. 7 through 27. They are recorded in the Montrose County courthouse and title appeared to be valid. The Index placer, a patented claim, belonging to Jerome Craig and Son, Whitewater, Colo. was held by the company under an option to purchase dated February 19, 1955, which included the right to explore and mine. The property rights on the Index claim also appeared to be satisfactory.

HISTORY

Mineralized exposures of the Salt Wash formation on the Long Shot nos. 24 and 25 claims were explored for vanadium about 1930 by means of two adit tunnels, 30 feet and 130 feet in length, in the upper of two outcropping rims. On the upper end of the Index placer a lower rim was explored by shallow workings. A small amount of additional exploration was done in 1947 and 1948.

GEOLOGY

The rocks exposed in the southeastern Mesa Creek area of the Uravan district, in which the Eula Belle property is located, consist of interbedded mudstone, sandstone and cherty conglomerate of the lower 50 feet of the Brushy Basin member and 250 feet of interbedded mudstone and sandstone of the Salt Wash member of the upper Jurassic Morrison formation. About 60 feet of Summerville and 100 feet of Entrada underlie the Morrison formation. The strike of the beds is N. 50° W. with a dip of 2° NE.

The known deposits in the southeastern Mesa Creek area are in the lowermost sandstone lens and in the uppermost sandstone bed of the Salt Wash member, which is the main ore-bearing sandstone farther east. The lower 30-60 feet of the Salt Wash is a zone of discontinuous sandstone lenses 10-15 feet thick separated by thin red and green mudstone beds. On the Eula Belle property, the lowermost sandstone lens of the Salt Wash is light brown to light gray and contains abundant mudstone partings. It is said to rest on green mudstone of the uppermost Summerville, but results of recent DMEA drilling of the lower

bench, cast considerable doubt as to favorability. The lowermost sandstone lens attains a maximum thickness of approximately 20 feet. Carbonaceous material is abundant locally in this lens. The middle portion of the Salt Wash consists of discontinuous sandstone lenses interbedded with sparse green and abundant red mudstone. Near the top of the Salt Wash member is a light brown and locally light red sandstone bed. This bed ranges from 25 to 45 feet in thickness and in the vicinity of mineralized rock the mudstone associated with the sandstone is green. This sandstone bed is continuous throughout the area and is host rock to minable ore-bodies, as determined by U.S.G.S. drilling under Atkinson Mesa to the south and east of the Bula Belle property.

ORE DEPOSITS

Two mineralized deposits containing uranium and vanadium are known on Bula Belle property: one in the lowermost sandstone lens and the other in the uppermost sandstone bed. The mineralized zone in the lowermost sandstone lens of the Salt Wash is exposed in an open cut. No ore has been shipped from this mineralized zone, but assays of the applicant's samples indicate that this deposit may contain about 0.20 percent U_3O_8 and 1.60 percent V_2O_5. The thickness which this assay represents is not known but may represent about two feet, for the deposit is in the form of a roll about 12 feet long and about 2 feet thick. Mineralized rock is also present along a hundred feet of the outcrop. The uranium-vanadium ore minerals are largely carnotite and corvusite with the copper mineral malachite and azurite. The same mineral assemblage was also penetrated in many of the drill holes on the lowermost lens.

Vanadium ore has been produced from the deposit in the uppermost sandstone bed of the salt Wash member. This deposit is located in the Long Shot no. 24 claim and is reported to have been worked in the 1930's. No information is available as to tonnage or grade of the material removed. It was estimated by the DMEA examining geologist to have produced no more than 40 tons of ore that may have contained as much as 0.40 percent U_3O_8 and 3.0 to 4.0 percent V_2O_5.

This grade, however, is based on sampling done by the operator and probably is not representative of what was actually mined. The ore bodies observed in the old adit on the Long Shot no. 24 claim appear to be mostly tabular masses of carnotite-cervusite impregnated sandstone with abundant gray mudstone associated with the sandstone. The sandstone is light gray and light brown. Abundant secondary copper minerals are also associated with the ore.

THE PROJECT

The applicant originally proposed 11,000 feet of diamond drilling at a cost of $33,333.33 in four mining claims and one placer claim. This drilling consisted of 45 drill holes spaced on 100-foot centers. The applicant proposed to test the lower Salt Wash behind a mineralized outcrop with 13 of these holes. A field examination was made on December 7, 1954, by Paul P. Bieber of the U. S. Geological Survey and Carl Belzer, U. S. Bureau of Mines. Mark K. Shipman, geologist and Jerome Craig, Sr., vice-president of Pula Belle Uranium, Inc., represented the applicant. After consultation with representatives of the applicant, two holes were added to test the lowermost Salt Wash lens, making a total of 15 holes at an average depth of 83 feet for a total footage of 1,250 feet. The applicant also proposed 9 holes to test the entire Salt Wash section in an area where the section is exposed on both sides of a narrow nose (Mesa Creek No. 1 claim, fig. 2), but inasmuch as the section is unfavorable except in the vicinity of the mineralized outcrop, these 9 holes were deleted. The applicant further proposed 23 holes spaced 100 feet apart to test the entire Salt Wash in the Long Shot No. 24 and No. 25 claims at an average total depth of 250 feet. Known mineralization is only in the uppermost sandstone bed of the Salt Wash in this area. Testing of the entire Salt Wash was not believed justified because deposits found in the lowermost lens of the Salt Wash, though possibly of high grade, were expected to be too small to be of economic value at a depth of 250 feet. It was suggested and the applicant

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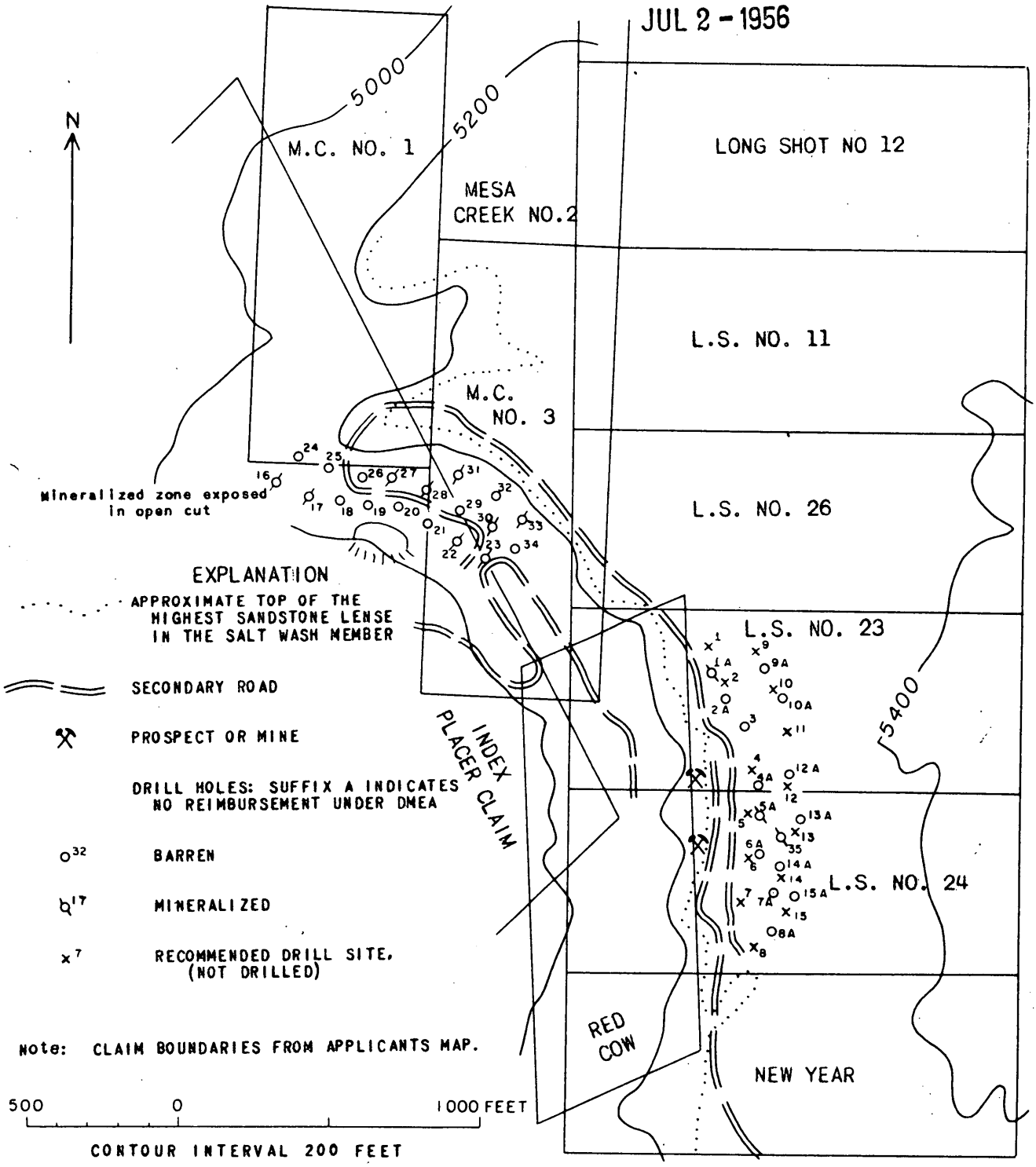

FIGURE 2. SKETCH MAP OF PART OF SECTION 2, T. 48 N., R. 18 W., N.M.P.M. SHOWING HOLES DRILLED UNDER CONTRACT IDM-E794, EULA BELLE URANIUM INC. CLAIMS IN THE SOUTHEASTERN MESA CREEK AREA, URAVAN DISTRICT, MONTROSE COUNTY, COLORADO.

concurred that only the uppermost sandstone bed of the Salt Wash be tested with 15 holes on a spacing of 150 feet. Geologic and engineering reports by Paul P. Bieber and Carl Belser, respectively, recommending the above proposal were transmitted to the field team on December 17, 1954.

The lowermost and the uppermost sandstones of the Salt Wash member were tested by holes at 35 drill sites; 19 holes were cored in the lowermost sandstone and 16 holes were cored in the uppermost sandstone (table 1 and fig. 2). Of the 16 holes drilled on the uppermost sandstone by the operator, holes 1 through 9 (table 1) were plugged down to the lowermost sandstone by the operator without DMEA assistance. The results of drilling 28 holes (19 cored holes and 9 plugged holes) into the lowermost sandstone and the 16 cored holes into the uppermost sandstone of the Salt Wash are presented in table 1 and figure 2. No ore was penetrated in any of the holes according to U. S. Geological Survey standards (at least one foot of 0.10 percent U_3O_8 or better). Of the 28 holes drilled into the lowermost sandstone, 11 were weakly mineralized and 4 of the 11 contained slightly less than 1 foot of mineralized sandstone that contained more than 0.10 percent of eU_3O_8. Although no collar elevations are available, the mineralized zone appears to be at about the same stratigraphic position. Of the 16 holes drilled into the uppermost sandstone 14 were barren and 2 were very weakly mineralized.

The lithologic logs, on which the favorability of the sandstones were rated (modified after Doris Blackman Weir, 1952), were not amenable to condensed tabulation; a summary statement will suffice: the cored holes rated semifavorable (table 1) penetrated at least 25 feet of altered light gray sandstone with minor, thin, green mudstone partings less than 1 foot thick. The sandstone is commonly underlain by at least 6 inches of green mudstone. Those holes rated unfavorable penetrated less than 25 feet of light gray sandstone and mudstone or the sandstone contained mudstone splits thicker than 1 foot, in nearly every case mottled red and green. The presence or absence of uranium mineralization was not a criterion

used in rating the favorability of holes; in fact, the mineralized and semi-favorable holes on the Eula Belle property do not appear to be related except in a few holes (table 1). Favorable sandstone is only a general guide to ore over a larger area than drilled on the Eula Belle property, for drilling tests of large areas, up to several square miles, elsewhere have demonstrated that areas underlain by favorable sandstone commonly are also underlain by significant ore bodies, and conversely, far greater areas of unfavorable sandstone everywhere contain only widely scattered small ore bodies or none at all. No truly favorable sandstone (40 feet or more and light gray) was observed on the Eula Belle either in drill core or outcrop. This is not surprising, inasmuch as the Eula Belle Uranium property lies a mile or two west of the west border of the Uravan mineral belt (Fischer and Hilpert, 1952, p. 1).

In summary, 35 holes (fig. 2) were drilled on the Eula Belle property south of Mesa Creek. Fifteen of the 19 core drill holes that penetrated the lowermost Salt Wash sandstone encountered unfavorable rocks and 13 of the 16 holes cored in the uppermost Salt Wash sandstone encountered unfavorable rocks. Hence, both sandstones are rated as generally unfavorable for ore deposits in the vicinity of the DMEA drilling on the Eula Belle Uranium property.

Contract Idm-8794 was effective on May 3, 1955. Work of preparing drill sites was started at the end of June 1955, and actual drilling commenced July 1, 1955. The project was carried on continuously until completion of authorized work at the end of September 1955. The company made claim for reimbursement in three reports covering June-July, August and September 1955.

Sufficient work was done in the completed stage I and the authorized stage II drilling to show definitely that mineralization behind the Salt Wash outcrops on the property is of a low order, that the Salt Wash sandstone units are generally unfavorable for ore, and that further exploration or development is not justified.

SUMMARY OF FACTUAL DATA

Contract Idm-8794 specified the following work on an actual and fixed cost basis:

Stage I

(1) Independent Contracts

2100 ft. of noncore drilling at $1.25/ft.	$2,625.00	
900 ft. of core drilling at $2.75/ft.	2,475.00	
Bulldozing, 40 hrs. at $11.00/hr.	444.00	
Le Roi tractor-air compressor, including operator, drills, steel, bits, and all costs whatsoever connected with compressor (for access roads), 3 days at $60.00/day	180.00	
Radiometric probing of drill holes, two round trips from Moab to property at $623.00/trip	1,246.00	
		$6,970.00

Stage II

(1) Independent Contracts

1050 ft. of noncore drilling at $1.25/ft.	$1,312.50	
450 ft. of core drilling at $2.75/ft.	1,237.50	
Bulldozing, 10 hrs. at $11.00/hr.	110.00	
Radiometric probing of drill holes, one round trip from Moab to property at $623.00/trip	623.00	
		$3,283.00

Fixed Unit Costs

Stage I

45 chemical analyses for U_3O_8, V_2O_5, and $CaCO_3$ at $5.00 each	$ 225.00	
Incidental allowance for each ft. of drilling completed, 3000 ft. at $0.45/ft.	1,350.00	
		$1,575.00

Stage II

20 chemical analyses for U_3O_8, V_2O_5, and $CaCO_3$ at $5.00 each	$ 100.00	
Incidental allowance for each ft. of drilling completed, 1500 ft. at $0.45/ft.	675.00	
		$ 775.00

SUMMARY

Estimated cost stage I	$8,545.00	
Estimated cost stage II	4,058.00	
Estimated total cost of project		$12,603.00
Government participation at 75%		$ 9,452.25

In the item "bulldozing" under stage I it will be noted that 40 hours of bulldozing at $11.00 totals $440.00 instead of $444.00 which was the extension total.

Items under "Independent Contracts" were on an actual cost basis and required documentation of costs by the operator, but could not exceed the maximum allowable unit costs in the contract. Fixed cost items required no documentation.

In stage I, the contract called for 30 holes at approximate locations shown on a contract map which was similar to figure 2 with this report. The minimum hole-spacing as scaled from this map was 150 feet. However, this hole-spacing was not specified otherwise. In stage II minimum hole-spacing was 100 feet. This was modified by Amendment no. 1 to permit drilling of stage II hole no. 35 at the center of a triangle formed by three stage I holes nos. 5, 6, and 13, where it was impossible to maintain the 100-foot minimum spacing (fig. 2). Hole data are listed in table 1.

Probing of holes by a commercial logging company was permitted under the contract, but the operator, with the approval of the DMEA elected to probe the holes with non-recording equipment at no cost to the Government.

The contract called for 30 feet of coring per hole, and for completion of holes nos. 16 through 30 through the lower of two ore horizons, and holes nos. 1 through 15 through the upper horizon. The operator cored 650 feet in holes nos. 16 through 30, but claimed payment for the 200 feet over the allowable maximum of 30 feet per hole at the non-core rate of $1.25 per foot. Payment for holes nos. 1 through 15 was for completion through the upper horizon, but additional non-core drilling was performed in holes nos. 1 through 9 through the lower horizon at the operator's expense.

The work completed for which payment was claimed was as follows:

Core drilling 1050 ft. at $2.75 per ft.	$2,887.50
Noncore drilling 1876 ft. at $1.25 per ft.	2,345.00
Bulldozing (maximum)	554.00
All other preparation costs (maximum)	180.00
Incidental allowance on 2926 ft. of drilling at $0.45 per ft.	1,316.70
Chemical analyses for U_3O_8, V_2O_5 and $CaCO_3$, 2 samples at $5.00 each	10.00
Total costs	$7,293.20
Government participation at 75 percent	5,469.90

All payments were within contract maximums, and in accordance with contract terms, as finally interpreted.

All work was done in accordance with provisions of the contract, Amendment No. 1, and a work approval for five stage II holes dated September 26, 1955. Claims for payment were approved as rendered, except for holes nos. 1, 4, 14, 15, involving 120 feet of core drilling and 135 feet of non-core drilling, which were not considered by the DMEA inspector to be at approved locations as claimed in August 1955. The company later reclaimed $630.50 covering the cost of the disapproved holes. After considering all the facts affecting the incorrect hole locations, and a recommendation by J. W. Hasler and M. H. Salsbury of the DMEA Grand Junction office dated December 22, 1955, the Executive Officer, DMEA Field Team, Region III, approved payment of the reclaim for $630.50 bringing the total claimed cost to $7,293.20. The original locations shown on the contract map and those actually used are shown on figure 2.

The company submitted as a final report extra copies of the September 1955 narrative report which summarized the work and was acceptable by the Government. Termination of the project without certification of discovery or development was recommended in a memorandum by Grand Junction personnel to the Executive Officer, DMEA Field Team, Region III, dated November 16, 1955.

In accordance with a Report of Review by DMEA auditors dated February 27, 1956, the Executive Officer of DMEA Field Team, Region III, recommended final payment on March 7, 1956 of $100.00 which had been withheld pending acceptance of the operator's Final Report, and receipt of the Report of Review from DMEA

auditors. In the Report of Review, the auditors disallowed the excess of $4.00 claimed for bulldozing in stage I over and above the calculated maximum of $440.00 for 40 hrs. at $11.00 per hour. The extension of this calculation was shown incorrectly in Exhibit A of the contract as $444.00. A further disallowance of $8.50 was made covering unit cost and incidental allowance on 5 feet of non-core drilling in hole no. 25 in excess of the 120 feet billed the operator by the contractor for this item. The allowed final allowed cost was $7,280.70 in which Government participation at 75 percent was $5,460.54.

The operator contracted all work done under contract Idm-E794, and consequently no equipment was purchased.

DISCUSSION OF CONCLUSION

Factors Affecting Performance of Contract Work

During the course of the work, several circumstances affecting performance were noticed. The estimate for preparation of drill sites and access roads in the examination report proved to be too small, and funds allocated in the contract for this purpose were insufficient to prepare drill sites at all specified locations. The operator spent more than the amount allowed for this purpose, and in order to avoid spending more, used some drill sites not at approved locations, under a strict interpretation of the contract. Four holes disallowed for payment at unapproved locations were later reclaimed and payment was approved, after reconsideration and a recommendation made by the Grand Junction DMEA office.

On the recommendation of the contractor's drill operator, dry coring as well as dry non-core drilling was attempted. While satisfactory, cores were obtained by the method, costs were excessive because of extreme wear and loss of diamonds. After the first month's operation, standard methods of wet drilling were used.

All cores were saved and stored in cardboard boxes, and drill cuttings were saved in paper sacks. After inspection by a DMEA geologist, cores were

brought to Grand Junction and stored for later shipment to the Bureau of Mines core library. All drill cores were checked radiometrically--holes were probed by the company geologist and also by the Geological Survey gamma-ray unit. Mineralization reported by the operator was verified by the Geological Survey probing, shown along with other drill hole data, in table 1.

The quality of the project work was satisfactory and, in the opinion of the DMEA inspecting personnel, the objectives of the project were attained.

Exploration Possibilities

The conclusion that no further exploration or development is justified with Government participation is based on the fact that mineralization found to date is too weak and too thin to justify mining, although, in some cases, it occurs immediately behind rim outcrops. There is nothing to indicate that mineralization would be any better further back from the rim. After studying results of the project, it does not appear that drilling holes close to the rim exposures yielded any more information than could be obtained by examination of the rim exposures themselves. The basis for approval of the project originally was slight mineralization present in the outcrop and the fact that substantial Salt Wash deposits were present two or three miles away.

No further work at the property is recommended.

Table 1.-- Summary of holes drilled during contract Idm-E 794, Eula Belle Uranium, Inc., Uravan District, Montrose County, Colo.

RECEIVED
JUN 21 1956
U. S. GEOLOGICAL SURVEY DENVER, COLORADO

(1) Drill hole	(2) Total depth	(3) Cored Interval (feet)	(4) Footage in mineralized ground	(5) Thickness mineralized (feet)	(6) Grade eU_3O_8 b/	(7) Ore-bearing potential of cored sandstone	
Stage I: 1) Additional plug-bitting at Operator's expense	255	0-12; 43-60	253.8-254.5+	0.7+	.04	semifavorable	Uppermost Salt Wash sandstone bed
2)	275	30- 60	0	0	barren	semifavorable	
3)	270	35- 72.5	0	0	barren	semifavorable	
4)	280	45- 75	0	0	barren	unfavorable	
5)	270	30- 60	53.9- 54.9	1.0	.03	unfavorable	
6)	270	35- 65	0	0	barren	unfavorable	
7)	255	30- 60	0	0	barren	unfavorable	
8)	265	45- 75	0	0	barren	unfavorable	
9)	340	100-130	0	0	barren	unfavorable	
10	130	100-130	0	0	barren	unfavorable	
11	135	105-135	0	0	barren	unfavorable	
12	135	105-135	0	0	barren	unfavorable	
13	110	80-110	0	0	barren	unfavorable	
14	60	30- 60	0	0	barren	unfavorable	
15	76	30- 76	0	0	barren	unfavorable	
16	45	15- 45	31.2- 32.9	1.7	.04	unfavorable	Lowermost Salt Wash sandstone lens
17	45	15- 45	32.2- 33.0	0.8	.06	unfavorable	
18	47	15- 47	0	0	barren	unfavorable	
19	45	15- 45	0	0	barren	unfavorable	
20	55	15- 55	0	0	barren	unfavorable	
21	58	15- 58	0	0	barren	unfavorable	
22	42.5	15- 42.5	30.3- 31.9	1.6	.08	semifavorable	
			32.7- 33.3	0.6	.21		
			33.7- 34.1	0.4	.09		
23	75	15- 75	37.7- 38.5	0.8	.06	unfavorable	
			62.7- 63.5	0.8	.03		

RECEIVED
JUL 2 - 1956

Table 1. -- continued

	(1) Drill hole	(2) Total depth	(3) Cored interval (feet)	(4) Footage in mineralized ground	(5) Thickness mineralized (feet)	(6) Grade eU_3O_8 b/	(7) Ore-bearing potential of cored sandstone	
Stage I	24	120	75- 120	0	0	barren	unfavorable	Lowermost Salt Wash sandstone lens
	25	120	75- 120	0	0	barren	unfavorable	
	26	120	90- 120	0	0	barren	unfavorable	
	27	86.7	30- 86	77.2- 78.6	1.4	.05	semifavorable	
	28	90	30- 90	55.8- 56.3	0.5	.03	semifavorable	
				57.3- 58.1	0.8	.23		
	29	86	30- 86	52.5- 53.6	1.1	.03	unfavorable	
	30 e/	94	30- 94	57.4- 58.7	1.3	.04	unfavorable	
				59.6- 60.4	0.8	.14		
				60.7- 61.5	0.8	.05		
Stage II	(31	115	85- 115	98.4- 99.2	0.8	.18	semifavorable	
	(32	115	85- 115	0	0	barren	unfavorable	
	(33	110	80- 110	105.5- 106.3	0.8	.09	unfavorable	
	(34	93	63- 93	0	0	barren	unfavorable	
	(35	78	48- 78	53.3- 54.5	1.2	.02	unfavorable d/	

a/ Where total depth exceeds cored depth, additional footage done at Operator's expense
b/ As logged by U. S. Geological Survey gamma-ray unit
c/ Favorability criteria modified after Weir (1952)
d/ Uppermost Salt Wash sandstone unit
e/ Chemical analyses of split core from hole No. 30

Depth in feet	percent U_3O_8	percent V_2O_5
57-60	0.04	0.06
60-61	0.05	0.53

3/13/56 dgm

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

RECEIVED
MAR 12 1956

224 New Customhouse
Denver 2, Colorado

March 9, 1956

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3579 (Uranium), Contract Idm-E794, Eula Belle Uranium, Inc., Mesa Creek et al. claims, Montrose County, Colorado - FINAL PAYMENT

Enclosed are two copies of a memorandum to T. A. Christensen, dated March 7, 1956, relative to final payment under the terms of the subject contract.

W. M. Traver

W. M. Traver

Enclosures

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 3/2/56

REFERRED TO:

1. ~~Mr. Mittendorf~~
2. ~~Mr. Johnson~~
3. Mr. Selfridge
4. ~~Mr. Ellis~~

~~Mr. Macpherson~~
Contract file

FOR:

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

REMARKS:

Final Field Team report needed. gla

Check (X) before the items needing attention.

J. L. Chambers
Initials of sender.

GPO 16—63815-1

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED
MAR - 1 1956

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Bula Balla Uranium, Inc.
c/o Jerome Cvair, Sr., Vice-President
Whitewater, Colorado

pertaining to Exploration Project Contract No. Idm-4794, Docket No. DMEA-3579, including Amendment No. 1, for the months of July to September, 1955, inclusive, and Termination Agreement dated December 21, 1955, covering a project for the exploration of Uranium on property known as Long Shot Mesa Creek Claims 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:

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

(b) the Monthly Reports were supported by documentary proof of the costs claimed under the contract provisions for contribution by the Government on the basis of actual costs incurred;

(c) a major portion ($5,922.25) of the costs incurred covered work performed at unit rates under independent contract; and

(d) the balance ($1,358.45) of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs for 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		$7,293.20
Exceptions: (Schedule attached)		
By DMEA Finance Officer	$12.50	
Herewith	0.00	12.50
Total Accepted Cost		$7,280.70

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 Five thousand, four hundred sixty and 54/100ths Dollars

** $5,460.54 **

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.

February 27, 1956

T. H. Brading, Auditor.

Audit Report
of Review

SCHEDULE OF EXCEPTIONS

Bula Balla Uranium, Inc. Docket No. DMA-1572 Contract Ion-2734

Bulldozing, 40 hours at $11.00 per hour $440.00

Operator claimed maximum, which is shown as $444.00 on page 3 of the contract. Correct extension is $440.00. Finance Officer disallowed which is approved by the Auditor. $ 4.00

On Hole No. 25 Operator claimed total depth of 125 feet. Independent contractor's invoice shows depth of 120 feet. Accordingly, the following disallowance is made by Finance Officer and approved by Auditor;

5 feet non-core drilling at $1.25 per foot	$6.25	
5 feet Miscellaneous at 45¢ per foot	2.25	8.50
TOTAL DISALLOWANCES		$12.50

3/5/56 lm

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

RECEIVED
MAR - 5 1956

224 New Customhouse
Denver 2, Colorado

February 29, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3579 (Uranium), Contract Idm-K794, Eula Belle Uranium, Inc., Montrose County, Colorado

In compliance with the "Special Notice Instructions," contained in the "Minutes, Operating Committee," No. 622, dated January 27, 1956, we are enclosing two copies of the Operator's final report.

The Operator's final report is just additional copies of the narrative report attached to form MF-104, Operator's Monthly Report and Voucher, for the month of September, 1954. The original of the narrative report is attached to the original of the accounting report which was forwarded to the Finance Office, Region III.

W. M. Traver

W. M. Traver

Enclosures

RECEIVED
MAR - 5 1956

MONTHLY AND FINAL REPORT

This report covers the progress of the DMEA project (Docket DMEA 3579 (Uranium) Contract Nbr-2794 for Dale Belle Uranium, Inc., for the month of September, and also is the final report for completion of the project.

SEPTEMBER:

The September work consisted of logging Hole #5, building drill roads and sites for Stage II work, and drilling five holes under the Stage II authorization: namely, #31-#35, inclusive. In all cases better than 95% core recovery was obtained, despite difficult drilling conditions due to considerable loss of water during the coring operation.

Collar elevations were obtained for each of the holes, and were then carefully correlated with results of previous drilling together with outcrop information in order to assure that a core would be obtained at the proper horizon.

Hole #5 showed, as did # 35 and # 6, a lateral extent of the horizon which contains the previous mining operation at the point of the old stope; although the horizon shows favorable characteristics and weak mineralization, it is not of commercial grade, and thus does not justify further drilling.

Holes #31 thru #34 on the lower bench, and also in the lower stratum of the Salt Wash member, were authorized under Stage II as offsets to favorable drilling results of the Stage I program. Near commercial grade was encountered in the holes, especially #31; the grade and thickness are both marginal, however, and hence do not together suggest that further drilling would prove commercial ore in sufficient quantity, given the present average of 125' centering, to offset the cost of mining and additional exploratory work. No further drilling will be requested in this area eventhough additional Stage II drilling would be authorized by the present contract under the Stage II allowance.

The drilling, particularly for holes #31thru #34, was quite abnormal both for hardness and for loss of water circulation. Up to 2,000 gals. of water was required to complete 30' of core, generally obtained in two 15' core runs; no return circulation was obtained in most of the holes.

As to hardness, the core does not indicate particularly slow and difficult drilling would be expected. The driller, however, did carefully check his bits in an effort to speed the drilling operation.

Operator's final report

FINAL REPORT:

All work under the project is completed, and is included in the enclosed September or previous reports.

A total of 2,926 feet of drilling has been accomplished under the program, consisting of 1,050' of core and 1,876' of Non-core drilling, together with necessary drill roads and sites.

Near commercial ore has been encountered, although the combined grade and thickness, both of which are marginal, suggest that further work is not justified. The program initially was designed to determine the lateral extent of mineralization behind the area which had been outlined along the lower stratum of the Salt Wash member, and, secondly, to determine the extent of mineralization behind the rim from the area of the old chute in the upper salt wash stratum where previous mining had been conducted; both of these objectives have been satisfied.

Jerome Craig

Jerome Craig, Sr.,
Vice-President,
Tulia Mills Uranium, Inc.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET NO. 3579

EXPLANATION

APPROXIMATE TOP OF THE HIGHEST SANDSTONE LENSE IN THE SALT WASH MEMBER

APPROXIMATE TOP OF BASAL SANDSTONE LENSES OF THE SALT WASH MEMBER

● LOCATION OF DRILL HOLES PROPOSED BY APPLICANT AND REJECTED BY EXAMINING FIELD TEAM

● LOCATION OF DRILL HOLES RECOMMENDED BY EXAMINING FIELD TEAM

⚒ PROSPECT OR MINE

ROAD PROPOSED BY THE APPLICANT

ROAD NOW IN EXISTANCE

NOTE: CLAIM BOUNDARIES TAKEN FROM APPLICANTS MAP

Final Report & September Report

○ D.D. Holes Completed.

Figure 2 PLAN OF PROPOSED AND RECOMMENDED EXPLORATION FOR EULA BELLE URANIUM INC. CLAIMS IN THE SOUTHEASTERN MESA CREEK AREA, SECTION 2, T.48 N., R.18 W., N.M.P.M.
URAVAN DISTRICT, MONTROSE COUNTY, COLORADO

2/10/56/dym

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

RECEIVED
FEB - 9 1956

224 New Customhouse
Denver 2, Colorado

February 6, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3579 (Uranium), Contract Idm-E794, Bula Belle Uranium, Inc., Montrose County, Colorado

Enclosed are the Government's, Division, and Docket copies of "Termination Agreement" which was forwarded by your letter of December 22, 1955, for signature by the Operator.

Copies of the Termination Agreement have been distributed to the Operator, the Finance Office, Region III, and other offices concerned.

W. M. Traver

W. M. Traver

Enclosures

1-19-56 dzm

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

224 New Customhouse
Denver 2, Colorado

January 17, 1956

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3579 (Uranium-Vanadium), Contract Idm-E794, Eula Belle Uranium, Inc., Montrose County, Colorado - Reinstatement of drilling costs previously disallowed

Enclosed are two copies of a memorandum to T. A. Christensen relative to reinstatement of the cost of drilling holes 1, 4, 14 and 15 under the subject contract. Supporting data is also included, as follows:

1) Two copies of Administrative Audit Difference Statement dated January 17, 1956
2) Two copies of joint memorandum by J. William Hasler, U. S. Geological Survey and M. H. Salsbury, U. S. Bureau of Mines dated December 22, 1955
3) One set of photographic prints showing topography and physical conditions at the contract hole locations and also at the actual hole locations
4) Two copies of a letter from the Operator dated November 19, 1955
5) Two copies of a map of the drilling area showing hole locations and areas covered by the photographs.

W. M. Traver

W. M. Traver

Enclosures

Washington

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

RECEIVED
JAN 19 1956

Administrative Audit Difference Statement

Date: Jan. 17, 1956
Payee's
Reference: Dec. 1955

Bula Delle Uranium Inc.
& Mr. Jerome Craig Sr. Vice-Pres.
Whitewater, Colorado

Gentlemen:

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

Amount Claimed $_____

Difference $_____

Amount Approved $ 613.50

The reason for the difference was due to:

$613.50 which was disallowed from Operator's form MF-104 for the month of August 1955, reinstated. Administrative Audit Difference statement dated 10/12/55.

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.

JAN 19 1956

224 New Customhouse
Denver 2, Colorado

December 28, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3579 (Uranium-Vanadium) Contract IAm-E794
Bula Belle Uranium, Inc., Montrose County, Colorado

Reference is made to our memorandum of October 4, 1955, recommending disallowance of costs involved in performing the drilling of holes, Nos. 1, 4, 14 and 15, amounting to $613.50.

After a study of additional data now at hand, we have reconsidered the matter of our recommended disallowance of the costs involved in drilling the holes as it is now deemed that the Operator has reasonably complied with the intent of the contract relative to the location of the drilled holes.

It is, therefore, recommended that the amount of $613.50 disallowed from the Operator's Form MF-104, Monthly Progress and Voucher, for the month of August, 1955 be reinstated. Attached are data in support of our reconsideration of the matter.

W. M. Trever

W. M. Trever

Enc.

JWT:bh

cc- Sec. Op. Comm. (2) w/copy supporting data
Shaw (2) " " "
Townsend " " "
MF-104 File E794
Chron.

4.C.13
JB
1/13/56 Ema 56-58

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

[redacted]

Colorado Plateau District
P. O. Box 360
Grand Junction, Colorado

DMEA
Date Rec'd.
DEC 23 1955
BUREAU OF MINES
Denver, Colorado

December 22, 1955

RECEIVED
JAN 19 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: E. N. Harshman
J. F. Shaw

From: J. William Hasler
M. H. Salsbury

Subject: DMEA docket 3575 (Uranium) contract Idm-E 794, Eula Belle Uranium, Inc., Montrose County, Colo. Recommendations on Operator's reclaim of disapproved holes Nos. 1, 4, 14, and 15.

The Operator under the subject contract has submitted evidence, including a set of photographs, supporting a reclaim of holes Nos. 1, 4, 14, and 15, as shown on the map accompanying their request, which were disapproved for payment by the DMEA inspector (Glen Walker's progress report dated September 22, 1955).

The contract text does not specify a minimum hole spacing, but a map, which was made a part of the contract, shows holes about 150 feet apart by scaling. The Operator indicates, on the map accompanying the reclaim, surveyed distances greater than Walker's paced distances between holes, but still not in accordance with the minimum hole spacing indicated in the contract map.

Walker's recommendation for disapproval of the holes was based on the fact that that the holes do not conform to the contract map and that the holes could have been located somewhat closer to the correct positions.

Salsbury made the next month's inspection and verified in the case of holes Nos. 14 and 15, that these two holes could have been drilled closer to the correct sites. There are extenuating circumstances, however. The hole locations, as indicated in the contract map, do not appear to have been made with the topography in mind; and funds for enough bulldozing to prepare them were not provided. The Operator spent more than the amount allowed for bulldozing in both stages I and II to reach the sites which were used, as evidenced by the invoices submitted to support monthly claims. As has happened on other DMEA projects, the Operator went ahead with the drilling without consulting with DMEA representatives as to a change in hole locations.

The photographs furnished by the Operator are of no value in determining whether or not the four drill holes conform with the contract, but they do serve to show that the Operator's reasons for not drilling them at the specified locations were valid from the standpoint of cost. The map furnished with the reclaim is incorrect in one respect: The scaled distances between holes in several cases do not agree with the surveyed distance, as indicated by the surveyor's notes, but do agree with Walker's paced distance. The Operator's representative says he intends to furnish a corrected map.

The DMEA geologist who followed the project states that, in his opinion, the relocated holes served their purpose as well as holes drilled at the specified locations would have.

Under these circumstances, it is recommended that the cost of holes Nos. 1, 4, 14, and 15, reclaimed by the Operator, be approved for payment. The approved cost would be $460.13, or 75 percent of the amount disallowed in August 1955, $613.50.

We assume that these holes can be approved under a liberal interpretation of the contract, keeping in mind the fact that the contract did not fit field conditions too well. Approving them by means of a retroactive amendment might be questionable.

J. William Hasler
J. William Hasler
U. S. Geological Survey

M. H. Salsbury
M. H. Salsbury,
U. S. Bureau of ~~Mines~~

MHS/vll

MARK K. SHIPMAN
GEOLOGICAL ENGINEER
ROUTE ONE
GRAND JUNCTION, COLORADO

Denver, Colorado

November 19, 1955

Mr. W. M. Traver
Executive Officer, DMEA
Field Team, Region III
224 New Customhouse
Denver 2, Colorado

RECEIVED
JAN 19 1956

Dear Mr. Traver:

Kindly find enclosed the original copy of the Administrative Audit Difference Statement, dated October 12, 1955, which disallows a portion of payment for work performed during August, 1955, on the property of Eula Belle Uranium, Inc. Also kindly find enclosed maps and photographs which substantiate reclaim for such deductions.

It is firmly believed the contract was adhered to entirely in keeping with the nature of an exploration contract, and that the photographs together with the accurate survey map clearly demonstrate the operator made only minor and justifiable changes.

Mr. Walker of the Grand Junction office stated he would recommend disallowance for Holes #1, #4, #14, and #15; hence the following remarks specifically concern such disallowances:

1. The original map accompanying the original contract was to a scale of 1"=400'. At best, on such a scale, no two engineers will scale precisely the same position for the given location of the drill holes for actual survey in the field. A minor difference resulted, due to the scale of the map, between Mr. Walker and the surveyor for the company.

2. Hole #1 would have been extremely costly to drill at the surveyed location. The photographs show the inaccessibility of Hole #1 from terrain which would allow a central drill access road at reasonable costs for Holes #1, 2, and 3.

3. Hole #4 was drilled as close to the end of the drill access road as terrain would permit without excessive drill road costs. It is also to be noted the drill road for Hole #4 served Holes #5 and #6 to the south. Hence the position of the drill access road for Hole #4 could not reasonably be changed. Terrain does not permit reasonable access from Hole #4 to Hole #3, as shown in the photographs.

4. The scaled and surveyed position of Hole #7 was actually below the main or upper rim of the Salt Wash member of the Morrison formation, and hence a change of location of Hole #7 was mandatory, in that the upper stratum was the horizon to be explored. In turn, the surveyed position of Holes #14 and #15 located the holes near the base of a 30' thick sandstone stratum of the Brushy Basin member, which meant the holes for practical purposes could not be changed to the east without a major deviation of at least 100' from their true scaled position; to place the holes on top of this 30' stratum would also have necessitated deeper drilling to the ore-bearing horizon. With the mandatory change to the east of Hole #7, and likewise a minor change to the west of Holes #14 and #15 to locate the holes at the base of extremely rough terrain, a spacing of slightly less than 100' resulted, but which in view of the actual conditions is believed justified.

The following will describe each photograph:

Photo #1. Rodman is standing on surveyed location of Hole #1. Surveyor is standing where Hole #1 was drilled. Hole was drilled short of actual surveyed position due to very difficult terrain at end of drill access road.

Photo #2. Rodman is standing on surveyed location of Hole #2. Surveyor is standing where Hole #2 was drilled. Hole was drilled south of actual surveyed position due to very difficult terrain on uphill side of drill access road.

Photo #3. Rodman is standing on drilled location of Hole #3. Hole #4 was drilled at end of drill road in front of vehicle. To locate Hole #4 closer to drilled #3 would have necessitated considerable drill road expense. See Photo #4.

Photo #4. Rodman is at surveyed position of Hole #4. Surveyor is at drilled position of Hole #4. Note boulders and hence expensive road work between drilled and surveyed positions for Hole #4.

Photo #5. Photographer is standing on drilled #7. Rodman is standing on surveyed #7. Note rim just behind Rodman. To have hole data of value, hole had to be drilled behind the rim, not on the edge of the rim where data from the outcrop could have been observed.

Photo #6. Photographer standing on drilled #7. Rodman standing on drilled #14. Other person in picture, to right looking towards rodman, is standing on surveyed #14.

Photo #7. Photographer is standing on drilled #7. Rodman is standing on drilled #15. Note massive rim immediately behind drilled #15, and continuing for considerable distance behind drilled #15. To move #15 drilled location would have caused change of at least 100' to the east, and would have caused deeper drilling to the ore-bearing horizon.

Photo #8. Rodman is standing on drilled #15. Note difficult terrain behind, or east, of drilled location.

Photo #9. Photographer standing on drilled #6. Rodman standing on drilled #13.

Photo #10. Photo shows general nature of terrain. Photo from edge of Salt Wash Rim, with drilling on Holes #16-30 in foreground.

Every honest and conscientious effort was made to conform precisely to the contract. Needless to say, the operator would have no advantage in gaining closer spacing than that allowed in the contract during the conduct of an exploration program, wherein general information was the objective; rather, it is field conditions which dictated changes that lead to closer spacing, which we understood is the basis for the disallowance.

I trust the above will explain the actual field conditions and thus the position of the operator in carrying out the spirit and intent of the contract. Your consideration of this reclaim will be appreciated.

Yours very truly,

Mark K. Shipman

Mark K. Shipman, for

Jerome Craig Sr.

Jerome Craig, Sr.
Vice-President
Eula Belle Uranium, Inc.

MKS:ett

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

RECEIVED
DEC 16 1955

224 New Customhouse
Denver 2, Colorado

December 13, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3579 (Uranium), Contract Idm-E794, Eula Belle Uranium, Inc. Montrose County, Colorado

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data pertaining to work under the subject contract for the month of September, 1955.

An amount of $100.00 has been withheld pending receipt of the Operator's Final Report and release of the final audit or Report of Review of the contract expenditures by the Contract Administration and Audit Division, DMEA. The Operator's Final Report has been received.

Action is pending in the Washington Office on the recommended termination of the contract without a certificate of discovery or development.

E. N. Harshman

E. N. Harshman

Enclosures

draft sent to oper com 12/19/55

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

RECEIVED
DEC 16 1955

Administrative Audit Difference Statement

Date: [illegible]
Payee's
Reference: _____

[illegible]
c/o [illegible]
[illegible], Colorado

[illegible]

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

Amount Claimed	$[illegible]
Difference	$ [illegible]
Amount Approved	$ [illegible]

The reason for the difference was due to:
[illegible]

[illegible]

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

Very sincerely yours,

N.E.Stokes
Audit Section

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

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

RECEIVED
DEC 16 1955

224 New Customhouse
Denver 2, Colorado

November 16, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3579 (Uranium), Contract Idm-E794, Eula Belle Uranium, Inc., Montrose County, Colorado - Operator's Monthly Progress Report for September, 1955

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

Work has been accomplished as authorized in the contract and payment is recommended for 75 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deductions.

Disallow an amount of $4.00 for bulldozing. Due to a typographical error in the contract, the Operator claimed the amount of $444.00 on his first (July) MF-104 voucher. The proper claim for July bulldozing is for 40 hours @ $11.00 per hour; a total of $440.00.

Withhold an amount of $100.00 pending receipt of the Operator's Final Report and release of the Final on-site Audit or Report of Review by the Contract Administration and Audit Division, DMEA.

REMARKS

Date of Report----------October 12, 1955
Date Received in Field Office----------October 17, 1955
Date Received in Region Office----------November 8, 1955

Enclosures
JDC:pw

W. M. Traver

By J. W. Townsend

cc: Sec.Op.Comm. (2)
Shaw (2)
MF-104 File E794
Townsend
Chron

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
November 7, 1955

Memorandum

RECEIVED
DEC 16 1955

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: M. H. Salsbury

Subject: DMEA 3579 (Uranium), Contract Idm-2794,
Eula Belle Uranium, Inc., Montrose County, Colorado
Progress report for September 1955

The subject contract was inspected on September 29, 1955, in company with F. M. Byers, Jr. of the Geological Survey. At that time a drill was in operation on hole No. 33. Hole No. 31 remained to be drilled to complete authorized Stage II work.

Payment is claimed in September 1955 for 391 feet of non-core and 180 feet of core drilling in 6 holes, together with bulldozing for drill sites, chemical analyses, and incidental allowance at a cost of $1,360.70. Government participation at 75 percent would be $1,020.53.

All drill sites had been prepared at the time of the inspection, and were found to be at satisfactory locations and in accordance with the authorization for Stage II work dated October 4, 1955, and Amendment No. 1 to contract Idm-2794, permitting Stage II holes to be drilled closer than 100 feet to any previously drilled hole.

Drilling performance was satisfactory, coring intervals were correct, and core recovery satisfactory. Core stored at the drill sites checked coring footage reported by the Operator. Core on the two holes not yet drilled at the time of the inspection were later brought to Grand Junction by the Operator's geologist for examination by DMEA representatives.

None of the core from September operations has been logged by a DMEA geologist as yet. All holes were probed by the DMEA gamma-ray logging unit, with results in substantial agreement with the Operator's evaluations. Hole probing by a private firm was authorized but was not done. From the Government's standpoint it was not necessary.

Two chemical analyses on core from hole No. 30, drilled in July 1955 were as follows:

Section sampled	Chemical Analyses percent U_3O_8	Chemical Analyses percent V_2O_5	Radiometric analyses percent eU_3O_8
57 to 60 feet	0.04	0.06	
60 to 61 feet	0.05	0.53	
59 to 60 feet			± 0.20

Following are the pertinent data on drilling from the narrative report and Government probing results:

Hole No.	Plugged depth feet	Cored depth feet	Total depth	Classification of hole by Operator	Mineralization of hole reported by Opr.	Mineralization by DMRA Depth of Min.	Width	eU_3O_8 percent
5	30	30	60 1/	Favorable	2 x background at 53-54 feet	53.9-54.9	1.0	0.03
31	85	30	115	Favorable	0.20 MR/HR at 97-98 feet	98.4-99.2	0.8	0.18
32	85	30	115	Semi-favorable	Minor count at 102-109 feet	at 4 points	1-2 feet	<0.010
33	80	30	110	Semi-favorable	No count-carnotite stain	105.5-106.3	0.8	0.096
34	63	30	93	Semi-favorable	No count	Barren		
35	48	30	78	Semi-favorable	2 x background 52.5 to 54 feet	53.4-54.5	1.1	0.023
Totals	391	180	571					

1/ Hole No. 5 was plug drilled an additional 210 feet at Operator's expense.

Only hole No. 31 encountered any significant mineralization, and that in a width too narrow to be minable.

No ore has been outlined by drilling done to date, and it is recommended that contract Idm-K794 be terminated. A Certification of Discovery is not recommended.

The Operator has submitted in quintuplicate, a narrative report with map, NF-104 and NF-104A forms, and one copy each of the sub-contractor's invoice for drilling and bulldozing, geologic logs, a certified assay certificate for 2 chemical analyses, and a statement of all the Operator's costs, including those which are not claimed.

Monthly and cumulative totals on the NF-104 and NF-104A forms are correct except that they do not reflect disallowances on August 1955 claims. Claims are in accordance with contract terms and Amendment No. 1, and are within contract maximums. Hole No. 5 was drilled but not claimed in August 1955, and appears on the driller's invoice submitted by the Operator with the August claim. The assay certificate for 2 samples was for 2 chemical analyses on split cores from hole No. 30 which was drilled in July 1955 but which have not been previously claimed.

The Operator has submitted 5 extra copies of the September narrative report and map which has been made comprehensive enough to be used as a final report, and its acceptance for this purpose is recommended.

Payment is recommended of $1,020.53, or 75 percent of $1,360.70, the amount claimed in September 1955.

for Jack F. Shaw
N. E. Salsbury
Mining Engineer

NES:ph

cc 6
NESalsbury
Idm-K/94
Chron.

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

Budget Bureau No. 42-R1036.5

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

Month of September and Final 1955 Docket No. DMEA 3579 Contract No. Idm-E794
Operator's Name Eula Belle Uranium, Inc. Minerals Uranium
Address % Mr. Jerome Craig, Sr., Whitewater, Colorado Vanadium
Contract Amount, $ 12,603.00 Government Participation: 75 % Amount, $ 9,452.25

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 [redacted] Contracts:						
Drilling	983.75	4,248.75	5,232.50			
Bulldozing	110.00	444.00	554.00			
[redacted] Air-Compress.	-----	180.00	180.00			
Drifting						
(2) Labor and Supervision:						
Labor	Included under Incidental Allowance, Below.					
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	Included under Air Compressor, above.					
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						
Chemical Analyses	10.00	----	10.00			
Incidental Allow.	256.95	1,059.75	1,316.70			
(8) Contingencies (specify):						
TOTALS	1,360.70	5,932.50	7,293.20	1356.70	5932.50	7289.20
				1 622.00	622.00	
				5310.50	6667.20	
				$ 917.53		

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

Date October 12, 1955 Payee Eula Belle Uranium, Inc.
Jerome Craig Sr.
Per Jerome Craig, Sr. Title Vice-President

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

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

(Instructions on reverse)

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

Signature
(Authorized Certifying Officer)

Date 12/12/55 Vou. No. DMA-56-46
(See other side)

1 Previous disallowance

(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 E794 in accordance with the terms of the contract.

Signature W. R. Salsbury #1,020.53 Title Mining Engineer Date 11-4-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Wm. Fowler Title Executive Officer Date NOV 16 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September and Final 1955 Docket No. DMEA 3579 Contract No. Idm-E794

Operator's Name Bula Belle Uranium, Inc. Minerals Uranium

Address % Mr. Jerome Craig, Sr., Whitewater, Colorado Vanadium

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	None	- - - -	- - - -	- - - - - - - -	- - - -	- - - -	- - - -	- - - -
Crosscutting	None	- - - -	- - - -	- - - - - - - -	- - - -	- - - -	- - - -	- - - -
Raising	None	- - - -	- - - -	- - - - - - - -	- - - -	- - - -	- - - -	- - - -
Shafts	None	- - - -	- - - -	- - - - - - - -	- - - -	- - - -	- - - -	- - - -
Winzes	None	- - - -	- - - -	- - - - - - - -	- - - -	- - - -	- - - -	- - - -
Drilling: Core	Foot	495.00	180	2,887.50	1,050	2.75	1,350	2.75
Churn-Core	Foot	488.75	391	2,945.00	1,076	1.25	3,150	1.25
Auger	None	- - - -	- - - -	- - - - - - - -	- - - -	- - - -	- - - -	- - - -
Stripping Bulldozing	Hour	110.00	20.00	554.00	50	11.00	50.00	11.00
Trenching Air-Compressor	Day	- - - -	- - - -	180.00	3	60.00	3	60.00
Test Pits Chem. Analysis	Each	10.00	2	10.00	2	5.00	65	5.00
Roads and Trails Radiometric Probing	Trip	- - - -	- - - -	- - - -	- - - -	- - - -	3	623.00
Incidental Allow.	Foot	996.95	591	1,996.70	2,996	0.45	4,500	0.45
TOTAL DISTRIBUTED COSTS		1,360.70	- - -	7,393.20				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		None	- - - -	- - - - - - - -				
Initial Rehabilitation and Repairs		None	- - - -	- - - - - - - -				
New Buildings, Improvements, etc.		None	- - - -	- - - - - - - -				
		1,360.70	- - -	7,393.20				
TOTAL COSTS		1,360.70	- - -	7,393.20				12,603.00

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 October 12 Operator Bula Belle Uranium, Inc.

Per Jerome Craig Title Vice-President

Jerome Craig, Sr.

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

(Instructions on reverse)

REMARKS: M. B. Lakey

~~$4.00 difference reflects original contract allowing total of $444.00 for 40 hours bulldozing @ $11.00 = $440.00 under Stage I Allowance. Note: The amount of $444.00 prev. claimed in order to not change total of contract.~~

(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

MARK K. SHIPMAN
GEOLOGICAL ENGINEER
ROUTE ONE
GRAND JUNCTION, COLORADO

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DEC 16 1955

N*A*R*R*A*T*I*V*E A*N*D* F*I*N*A*L R*E*P*O*R*T

This report covers the progress of the DMEA project (Docket DMEA 3579 (Uranium) Contract Edm-E794 for Eula Belle Uranium, Inc., for the month of September, and also as the final report for completion of the project.

SEPTEMBER:

The September work consisted of logging Hole #5, building drill roads and sites for Stage II work, and drilling five holes under the Stage II authorization: namely, #31-#35, inclusive. In all cases better than 95% core recovery was obtained, despite difficult drilling conditions due to considerable loss of water during the coring operation.

Collar elevations were obtained for each of the holes, and were then carefully correlated with results of previous drilling together with outcrop information in order to assure that a core would be obtained at the proper horizon.

Hole #5 showed, as did # 35 and # 6, a lateral extent of the horizon which contains the previous mining operation at the point of the old chute; although the horizon shows favorable characteristics and weak mineralization, it is not of commercial grade, and thus does not justify further drilling.

Holes #31 thru #34 on the lower bench, and also in the lower stratum of the Salt Wash member, were authorized under Stage II as offsets to favorable drilling results of the Stage I program. Near commercial grade was encountered in the holes, especially #31; the grade and thickness are both marginal, however, and hence do not together suggest that further drilling would prove commercial ore in sufficient quantity, given the present average of 125' centering, to offset the cost of mining and additional exploratory work. No further drilling will be requested in this area eventhough additional Stage II drilling would be authorized by the present contract under the Stage II allowance.

The drilling, particularly for holes #31thru #34, was quite abnormal both for hardness and for loss of water circulation. Up to 8,000 gals. of water was required to complete 30' of core, generally obtained in two 15' core runs; no return circulation was obtained in most of the holes.

As to hardness, the core does not indicate particularly slow and difficult drilling would be expected. The driller, however, did carefully check his bits in an effort to speed the drilling operation.

MARK K. SHIPMAN
GEOLOGICAL ENGINEER
ROUTE ONE
GRAND JUNCTION, COLORADO

RECEIVED
DEC 16 1955

NARRATIVE SEPTEMBER AND FINAL REPORT: Docket DMEA 3579, Pg2.

FINAL REPORT:

All work under the project is completed, and is included in the enclosed September or previous reports.

A total of 2,926 feet of drilling has been accomplished under the program, consisting of 1,050 ' of core and 1,876' of Non-core drilling, together with necessary drill roads and sites.

Near commercial ore has been encountered, although the combined grade and thickness, both of which are marginal, suggest that further work is not justified. The program initially was designed to determine the lateral extent of mineralization behind the area which had been bulldozed along the lower stratum of the Salt Wash member, and, secondly, to determine the extent of mineralization behind the rim from the area of the old chute in the upper Salt Wash stratum where previous mining had been conducted; both of these objectives have been satisfied.

Jerome Craig Sr.

Jerome Craig, Sr.
Vice-President,
Tula Belle Uranium, Inc.

Captured Memories

Photo #1

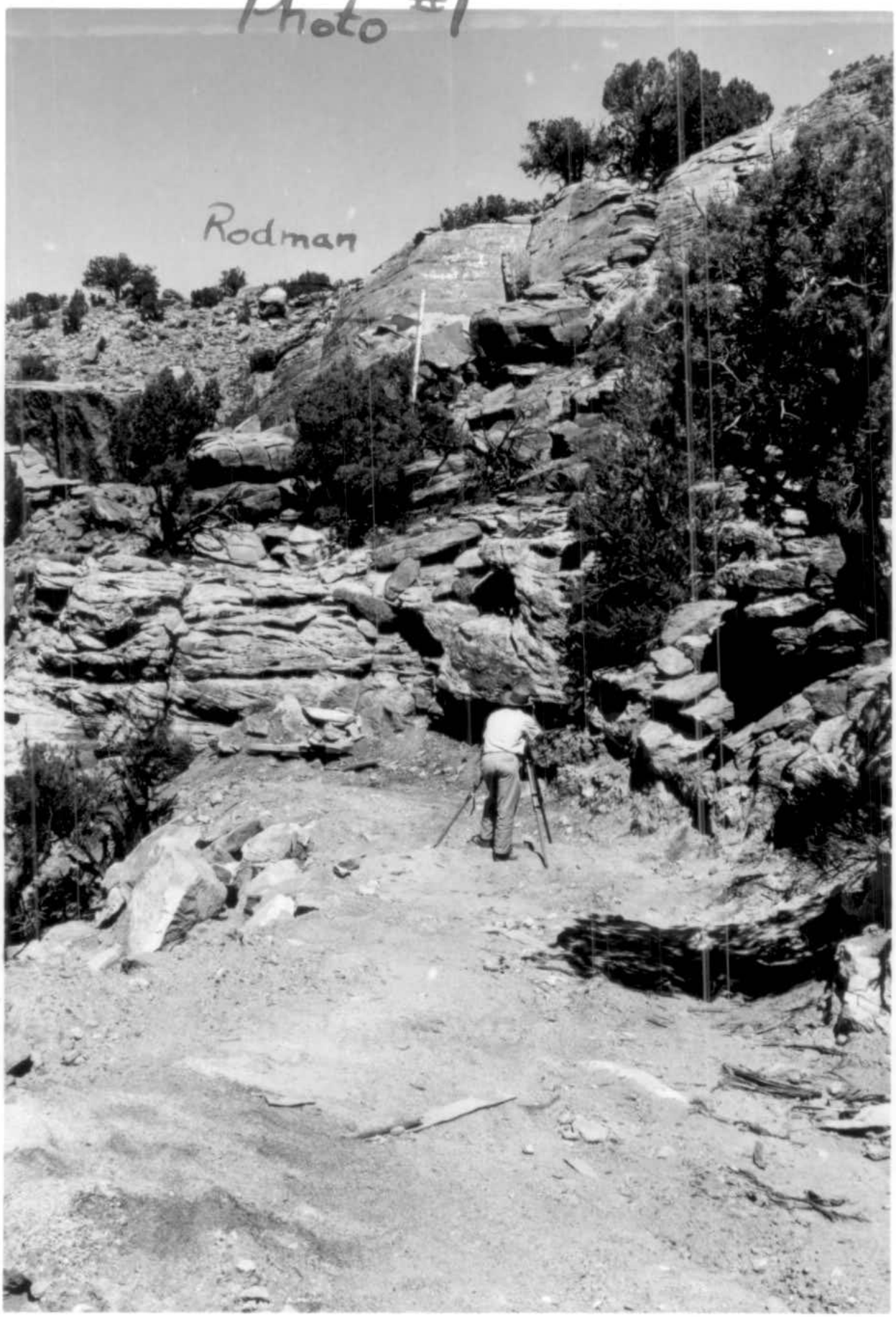


Photo #2.

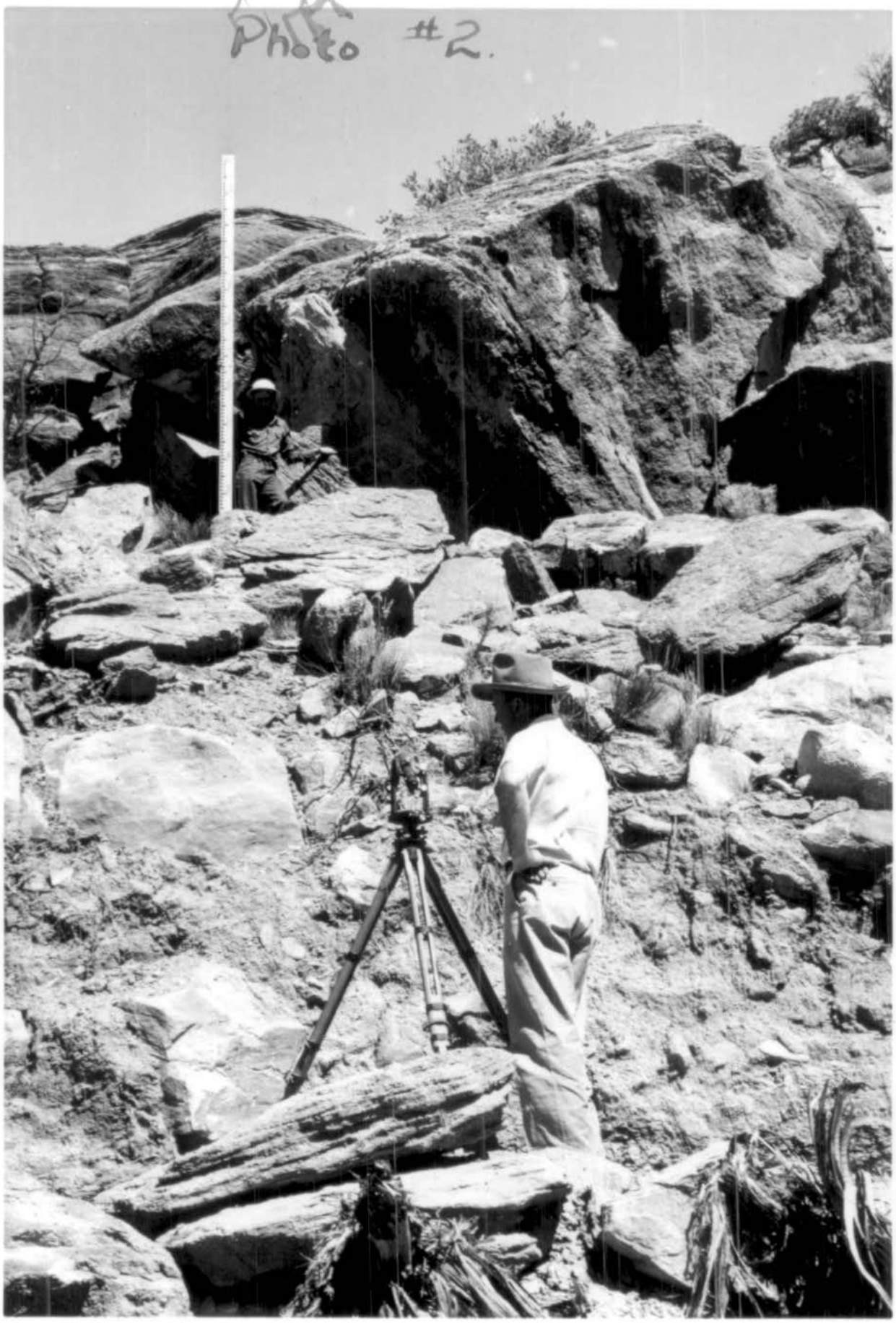
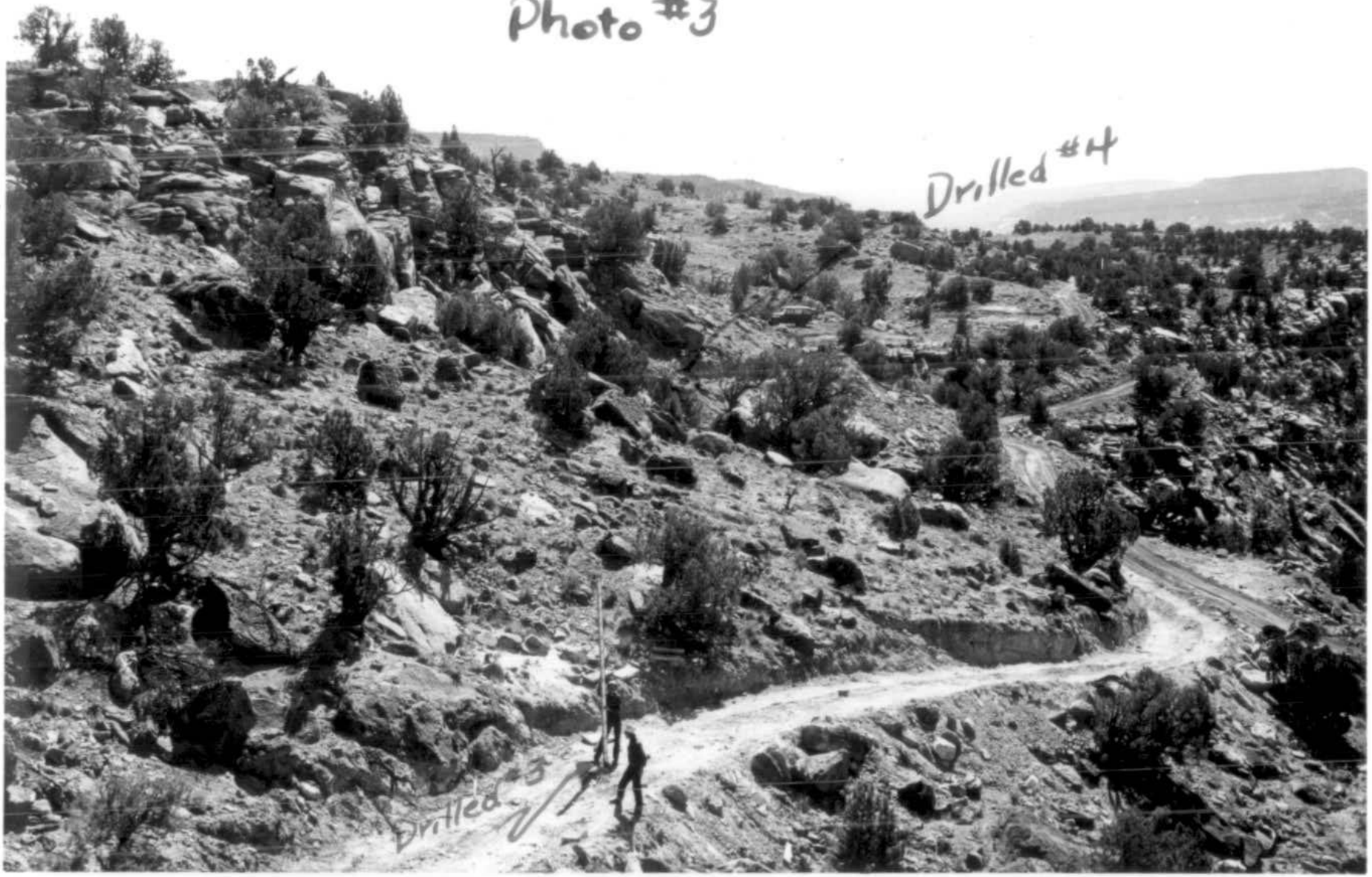


Photo #3



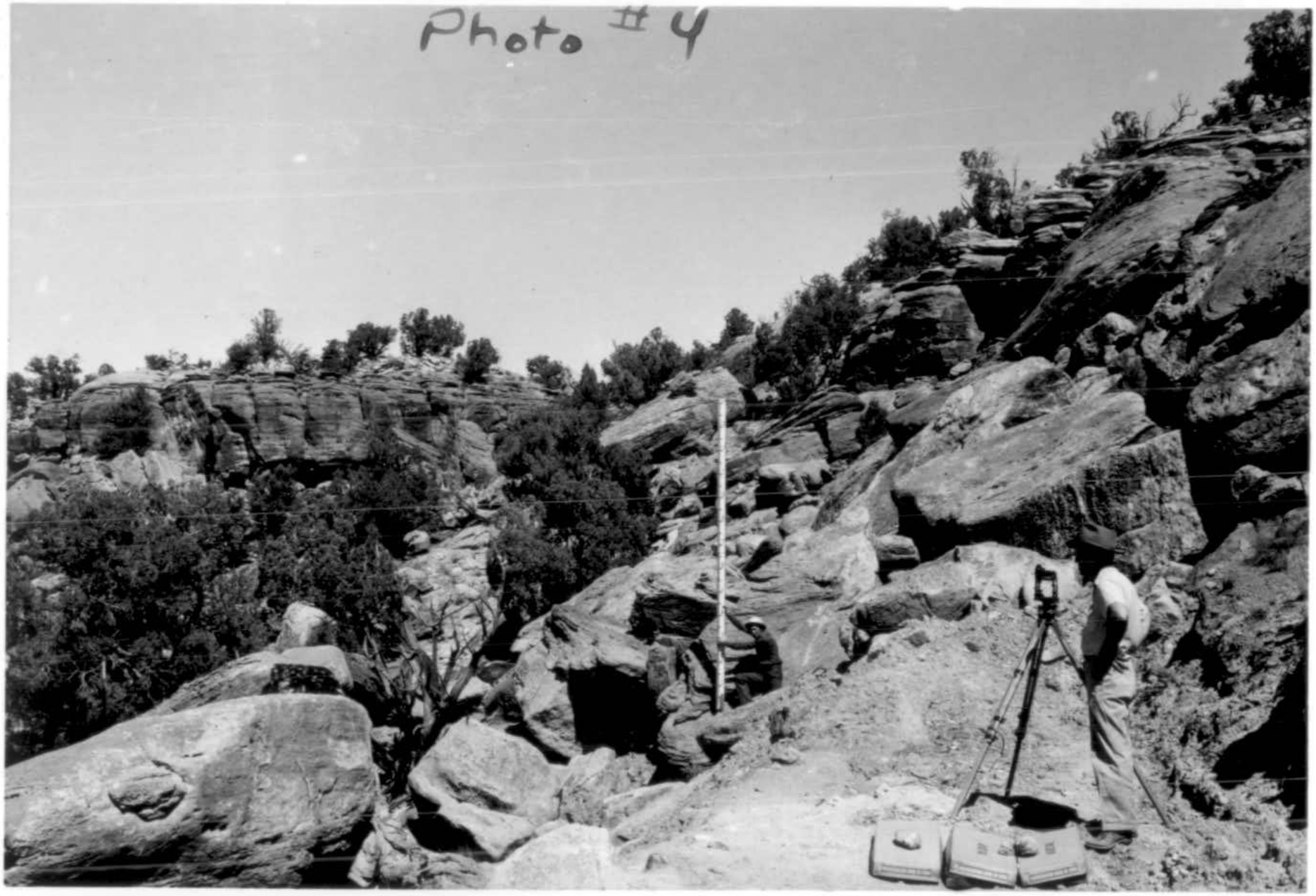


Photo # 4

Photo #5

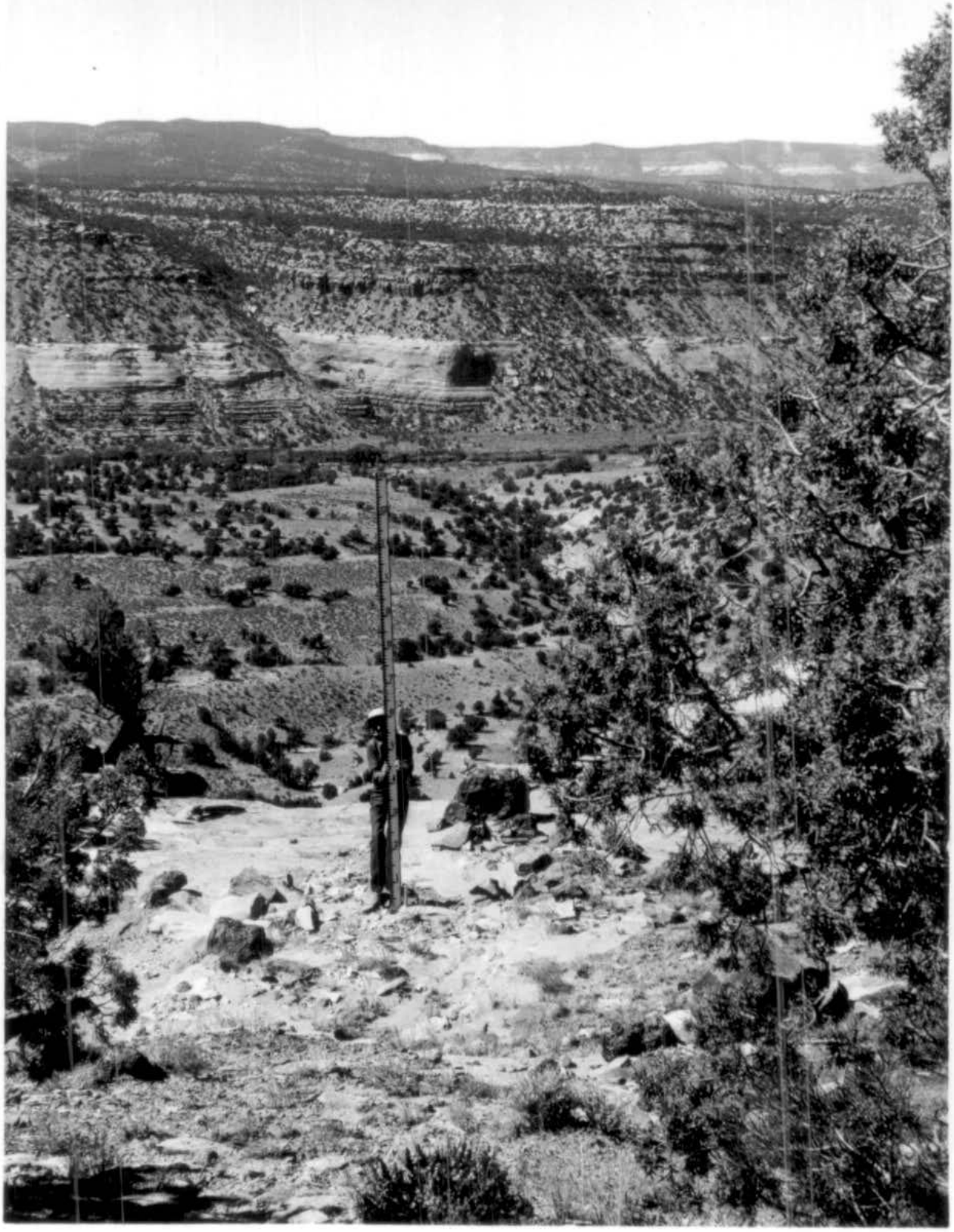


Photo #6
Drilled - #14 - Surveyed

Photo #7

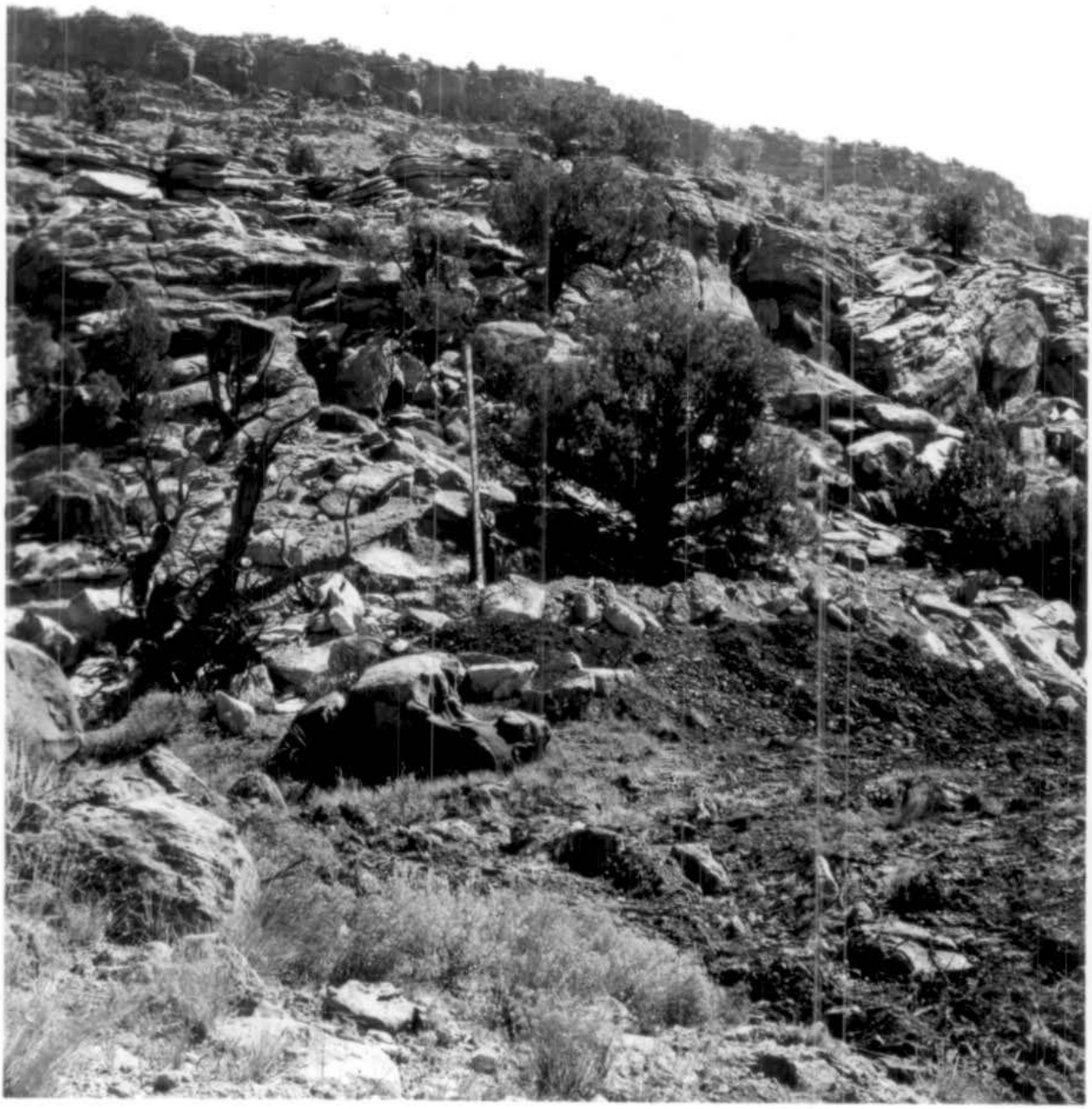
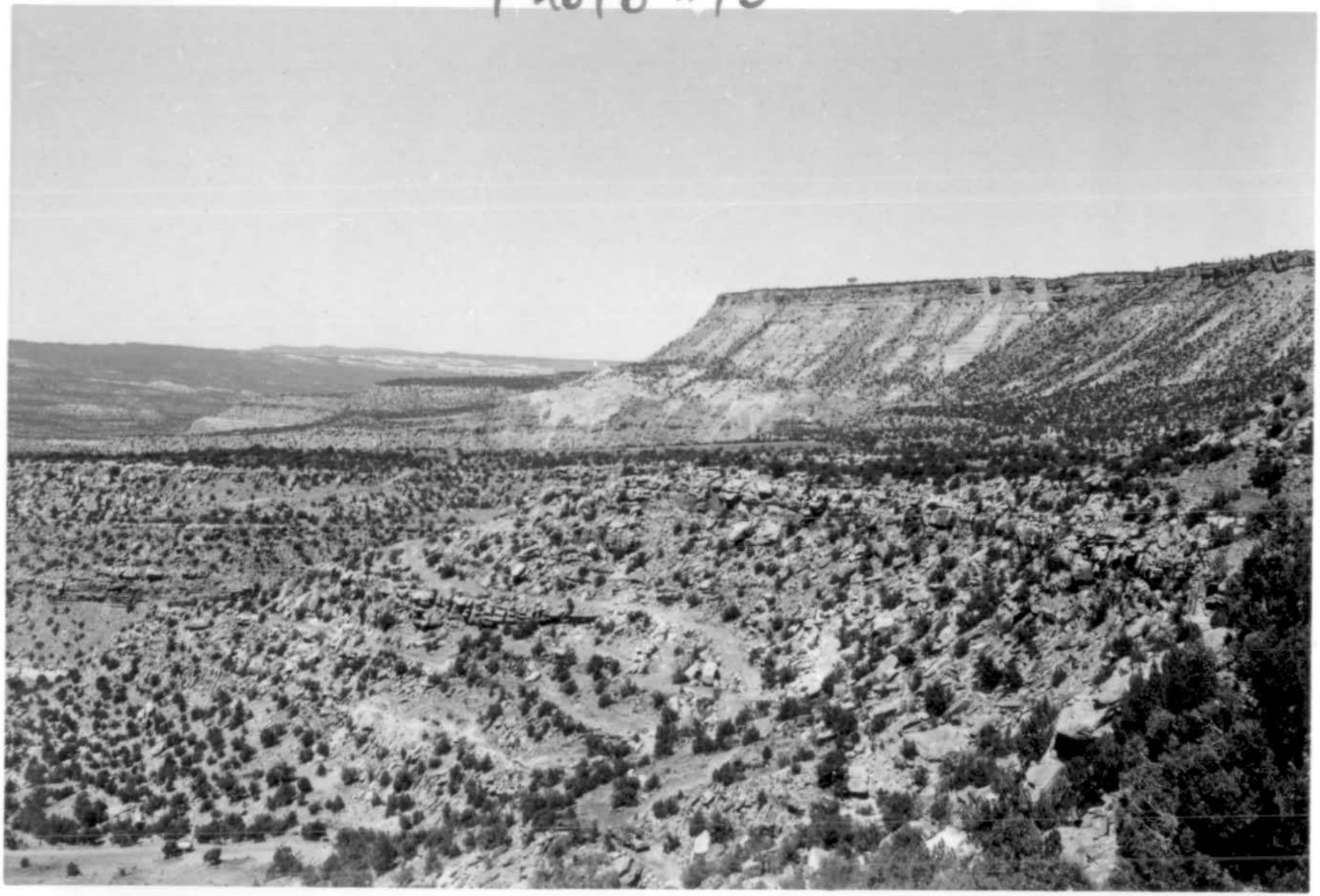


Photo #8

Photo #9

Photo #10



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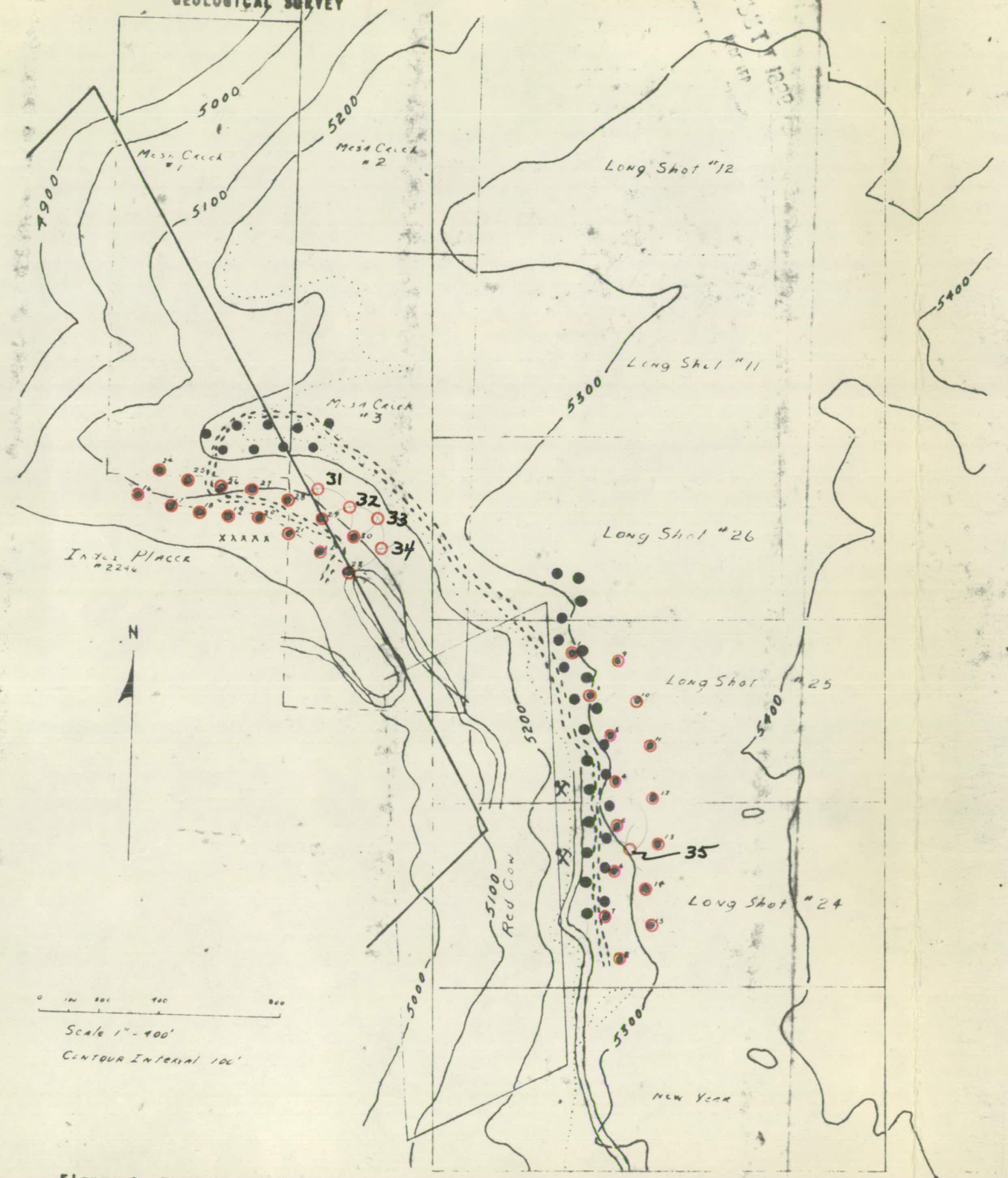
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET NO. 3579



EXPLANATION

APPROXIMATE TOP OF THE HIGHEST SANDSTONE LENSE IN THE SALT WASH MEMBER

APPROXIMATE TOP OF BASAL SANDSTONE LENSES OF THE SALT WASH MEMBER

LOCATION OF DRILL HOLES PROPOSED BY APPLICANT AND REJECTED BY EXAMINING FIELD TEAM

LOCATION OF DRILL HOLES RECOMMENDED BY EXAMINING FIELD TEAM

PROSPECT OR MINE

ROAD PROPOSED BY THE APPLICANT

ROAD NOW IN EXISTANCE

NOTE: CLAIM BOUNDARIES TAKEN FROM APPLICANTS MAP

Final Report & September Report

D.D. Holes Completed.

Figure 2 PLAN OF PROPOSED AND RECOMMENDED EXPLORATION FOR EULA BELLE URANIUM INC. CLAIMS IN THE SOUTHEASTERN MESA CREEK AREA, SECTION 2, T.48 N., R.18 W., N.M.P.M.
URAVAN DISTRICT, MONTROSE COUNTY, COLORADO

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

DEC 22 1955

Mr. W. M. Traver
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-3579 (Uranium)
Contract No. Idm-E794
Bula Belle Uranium, Inc.
Indar Placer, Mesa Creek,
et al., claims
Montrose County, Colorado

Dear Mr. Traver:

In accordance with your memorandum of December 2, 1955, we are enclosing the original and five copies of the termination agreement requested.

We note that M. N. Salsbury, BLM, and F. M. Byers, Jr., USGS, recommend termination of the contract without certification of discovery or development and that the Operator's combined narrative for September, 1955, be accepted as a final report.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

APPROVED:

/s/ Robert W. Geohan
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

FMMurphy/gla
12-19-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Code 700
Mr Murphy

December 7, 1955

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: F. M. Murphy, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Termination Agreement
Docket No. DMEA-3579 (Uranium)
Contract No. Ida-E794
Eula Belle Uranium, Inc.
Montrose County, Colorado

Will you kindly prepare a termination agreement of the captioned contract in accordance with the attached pencil draft.

/s/ F. M. Murphy

F. M. Murphy

FMMurphy/gla
cc to: Docket
Code 700
Mr. Murphy

12/6/55 gla

RECEIVED DEC - 6 1955

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

224 New Customhouse
Denver 2, Colorado

December 2, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3579 (Uranium), Contract Idm-8794, Pale Belle Uranium, Inc., Montrose County, Colorado

Enclosed is the following material relative to termination of the subject contract:

1. Four copies of an excerpt from the Operator's narrative report for the month of September, 1955, and final report pertaining to work under the contract.

2. Original and three copies of a joint memorandum, dated November 16, 1955, from M. M. Salsbury, U. S. Bureau of Mines, and F. M. Byers, Jr., U. S. Geological Survey, relative to terminating the contract.

The examining team recommend that the contract be terminated without a certification of discovery or development, in which this office concurs.

Inasmuch as a part of the work under Stage II was completed and the results obtained indicated that further work is not justified, we are in doubt as to the method of officially terminating the contract. Therefore, the matter is forwarded for your consideration and appropriate action, or advice to us as to how we should proceed.

E. N. Harshman

E. N. Harshman

Enclosures

Excerpt from the Operator's Executive and Final Report for the month of September, 1955. NMMA-3579, Contract IAm-5794, Main Belle Uranium, Inc. (James Craig, Sr. V.P.)

All work under the project is completed, and is included in the enclosed September or previous reports.

A total of 2,925 feet of drilling has been accomplished under the program, consisting of 1,050' of core and 1,875' of Non-Core drilling, together with necessary drill roads and sites.

Near commercial ore has been encountered, although the combined grade and thickness, both of which are marginal, suggest that further work is not justified. The program initially was designed to determine the lateral extent of mineralization behind the area which had been bulldozed along the lower shoulder of the Salt Wash member, and secondly, to determine the extent of mineralization behind the pit from the area of the old shaft in the upper Salt Wash situation where previous mining had been conducted; both of these objectives have been satisfied.

/s/ James Craig, Sr.
James Craig, Sr.
Vice-President
Main Belle Uranium, Inc.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

RECEIVED DEC - 5 1955

November 1[illegible], 1955

DMEA
Date Rec'd.
NOV 30 1955
BUREAU OF MINES
Denver, Colorado

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: J. F. Shea
E. N. Harshman

From: A. H. Salsbury, USBM
F. M. Byers, Jr., USGS

Subject: DMEA 35[illegible] (Uranium), contract Ida-E [illegible]4, Zula Belle Uranium Incorporated, Montrose County, Colorado. Recommendations on termination of contract and certification of discovery.

The exploration project under the subject contract was completed at the end of September, 1955, after 2[illegible] approved stage I holes and 5 stage II holes were drilled. The 5 stage II holes were authorized by the Field Team, Region III, in accordance with recommendations by the examining team, and explored mineralization found in [illegible] stage I holes.

By Geological Survey and Atomic Energy Commission standards, none of the mineralization found could be used as a basis for computing an ore reserve. In fact, no ore containing more than 0.23 percent eU_3O_8 and with more than a maximum thickness of 0.[illegible] foot was found. It is doubtful that the ore indicated by these holes, most of which are within 50 feet of the ore rim outcrops, would be worth mining, even if an adit to reach them could be started in ore at the rim.

The hole data reported by the Operator were verified by a DMEA geologist who logged the core and by the results of logging ~~part of~~ the holes with the DMEA gamma-ray unit.

All claims submitted by the Operator were in accordance with the contract and amendment No. 1, and recommended for payment by the DMEA inspecting engineers, except the claim for holes Nos. 1, 4, 14, and 15, amounting to $713.[illegible], which was recommended for denial, for the reason that these holes did not conform with contract requirements.

The Operator submitted a combined narrative for September, 1955, and final report in 5 extra copies. The report and maps accompanying it are acceptable as a final report.

It is recommended that the project under contract Idm-E 794 be terminated without certification of discovery or development.

M. H. Salsbury,
Mining Engineer.

F. M. Byers, Jr.,
Geologist

MHS/mlr

12-6-55-gla

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

[redacted]
[redacted]

[redacted]

[redacted]

[redacted]

To: J. W. [redacted]
M. H. [redacted] - w/enclosures

From: Acting Executive Officer, [redacted] Field Team, Region III

Subject: Rocket [redacted] 3579 (Uranium), Contract [redacted], [redacted] Uranium, Inc., [redacted] County, Colorado

Enclosed is a copy of the Operator's letter of [redacted] 19, 1955, with attachments of a map and a set of photographs which constitute justification in the re-claim of the drilling costs of holes Nos. 1, 4, 14, and 15, which were disallowed from the Operator's accounting report for the month of August, 1955.

Please review the matter and submit a joint memorandum report of your recommendations, giving full consideration to the Operator's justification for the discrepancy in the location of the holes.

Please return the enclosed material with your report so that it will be available for the use of [redacted] Shaw and [redacted] for their review.

E. M. Hamlaren

[redacted]

[redacted]

JWT:prl
cc: Chairman, Oper. Comm. (2)
[redacted]
Shaw
Townsend
Corres. file
Chron.

Excerpt from the Operator's Narrative and Final Report for the month of September, 1955. DMA-3579, Contract IAm-8794, Bula Belle Uranium, Inc. (Jerome Craig, Sr. V.P.)

All work under the project is completed, and is included in the enclosed September or previous reports.

A total of 2,926 feet of drilling has been accomplished under the program, consisting of 1,050' of core and 1,876' of Non-Core drilling, together with necessary drill roads and sites.

Near commercial ore has been encountered, although the combined grade and thickness, both of which are marginal, suggest that further work is not justified. The program initially was designed to determine the lateral extent of mineralization behind the area which had been bulldozed along the lower stratum of the Salt Wash member, and secondly, to determine the extent of mineralization behind the rim from the area of the old shafts in the upper Salt Wash stratum where previous mining had been conducted; both of these objectives have been satisfied.

/S/ Jerome Craig, Sr.
Jerome Craig, Sr.
Vice-President
Bula Belle Uranium, Inc.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

RECEIVED
DEC - 1 1955

November 10, 1955

DMEA
Date Rec'd.

NOV 30 1955

BUREAU OF MINES
Denver, Colorado

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: J. F. Smith
S. E. Harshman

From: M. H. Salisbury, USBM
F. M. Byers, Jr., USGS

Subject: DMEA 3577 (Uranium), contract Idm-2 (J4, Sula Belle Uranium Incorporated, Montrose County, Colorado. Recommendations on termination of contract and certification of discovery.

The exploration project under the subject contract was completed at the end of September, 1955, after 25 approved stage I holes and 5 stage II holes were drilled. The 5 stage II holes were authorized by the Field Team, Region III, in accordance with recommendations by the examining team, and explored mineralization found in 5 stage I holes.

By Geological Survey and Atomic Energy Commission standards, none of the mineralization found could be used as a basis for computing an ore reserve. In fact, no ore containing more than 0.23 percent eU_3O_8 and with more than a maximum thickness of 0.3 foot was found. It is doubtful that the ore indicated by these holes, most of which are within 50 feet of the ore rim outcrops, would be worth mining, even if an adit to reach them could be started in ore at the rim.

The hole data reported by the Operator were verified by a DMEA geologist who logged the core and by the results of logging ~~part of~~ the holes with the DMEA gamma-ray unit.

All claims submitted by the Operator were in accordance with the contract and amendment No. 1, and recommended for payment by the DMEA inspecting engineers, except the claim for holes Nos. 1, 4, 14, and 15, amounting to $713.55, which was recommended for denial, for the reason that these holes did not conform with contract requirements.

The Operator submitted a combined narrative for September, 1955, and final report in 5 extra copies. The report and maps accompanying it are acceptable as a final report.

It is recommended that the project under contract Idm-E 794 be terminated without certification of discovery or development.

M. H. Salisbury,
Mining Engineer.

F. M. Byers, Jr.,
Geologist

MHS/mlr

Excerpt from the Operator's Narrative and Final Report for the month of September, 1955. DMA-3579, Contract IAm-2794, Bula Belle Uranium, Inc. (Jerome Craig, Sr. V/P.)

All work under the project is completed, and is included in the enclosed September or previous reports.

A total of 2,926 feet of drilling has been accomplished under the program, consisting of 1,050' of core and 1,876' of Non-Core drilling, together with necessary drill roads and sites.

Near commercial ore has been encountered, although the combined grade and thickness, both of which are marginal, suggest that further work is not justified. The program initially was designed to determine the lateral extent of mineralization behind the area which had been bulldozed along the lower stratum of the Salt Wash member, and secondly, to determine the extent of mineralization behind the rim from the area of the old chute in the upper Salt Wash stratum where previous mining had been conducted; both of these objectives have been satisfied.

/S/ Jerome Craig, Sr.
Jerome Craig, Sr.
Vice-President
Bula Belle Uranium, Inc.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA
Rec'd.

NOV 30 1955

BUREAU OF MINES
Denver, Colorado

November 16, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: J. F. Shaw
E. N. Harshman

From: M. H. Salisbury, USBM
F. M. Byers, Jr., USGS

Subject: DMEA 3573 (Uranium), contract Idm-E 134, Sula Belle Uranium Incorporated, Montrose County, Colorado. Recommendations on termination of contract and certification of discovery.

The exploration project under the subject contract was completed at the end of September, 1955, after 24 approved stage I holes and 5 stage II holes were drilled. The 5 stage II holes were authorized by the Field Team, Region III, in accordance with recommendations by the examining team, and explored mineralization found in 3 stage I holes.

By Geological Survey and Atomic Energy Commission standards, none of the mineralization found could be used as a basis for computing an ore reserve. In fact, no ore containing more than 0.23 percent eU_3O_8 and with more than a maximum thickness of 0.6 foot was found. It is doubtful that the ore indicated by these holes, most of which are within 50 feet of the ore rim outcrops, would be worth mining, even if an adit to reach them could be started in ore at the rim.

The hole data reported by the Operator were verified by a USGS geologist who logged the core and by the results of logging ~~some of~~ the holes with the DMEA gamma-ray unit.

All claims submitted by the Operator were in accordance with the contract and amendment No. 1, and recommended for payment by the DMEA inspecting engineers, except the claim for holes Nos. 1, 4, 14, and 19, amounting to $713.50, which was recommended for denial, for the reason that these holes did not conform with contract requirements.

The Operator submitted a combined narrative for September, 1955, and final report in 5 extra copies. The report and maps accompanying it are acceptable as a final report.

It is recommended that the project under contract Idm-E 794 be terminated without certification of discovery or development.

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

F. M. Byers, Jr.
F. M. Byers, Jr.,
Geologist

MHS/mlr

~~Mr. Kennedy~~
Dockets
Read. 12-1-55

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

Denver Federal Center
Denver, Colorado

November 23, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Gamma-ray log interpretations

Enclosed are four copies of gamma-ray log interpretations on the following DMEA exploration projects:

DMEA Docket

2771 - Walter Gramlich
3297 - Continental Uranium Company
3475 - Amuranium Corporation
3514 - Climax Uranium Company
3555 - Four Corners Exploration - Bechaler group
3579 - Bula Belle Uranium, Inc.
3582 - Walter Duncan Mining Co.
3632 - Calamar Corporation
3649 - Simpson Uranium Co.
3660 - Mid Continent Uranium Corp.
3675 - Great Frontier Uranium Company
3730 - Vaughey & Vaughey, Ouray Ventures
3939 - Westvaco Mineral Products

W. M. Traver

By Townsend

Enclosures

Uranium Inc.
Ulabelle - Mesa Creek
DMEA Docket No. 3579

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From*	Depth Logged To	Anomaly Detected From*	Anomaly Detected To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
#7	255.0		10.8	245.0	Barren							
#9	340.0		10.6	340.0	Barren							
#10	131.0		10.8	130.1	Barren							
#11	135.0		10.0	135.0	Barren							
#12	135.0		11.0	135.0	Barren							
#13	110.0		9.3	102.0	95.9	97.6	1.7	220			<0.005	
					98.6	99.5	0.9	640			0.019	
#14	55.0		10.1	55.0	Barren							
#15	76.0		9.8	74.0	Barren							
#31	115.0		10.4	110.0	95.3	96.8	1.5	390			<0.010	
					98.4	99.2	0.8	4300			0.180	
					102.7	103.6	0.9	280			<0.010	
#32	115.0		10.0	84.0	18.3	20.6	2.3	320			<0.010	
					23.3	24.5	1.2	410			<0.010	
					26.0	27.3	1.3	360			<0.010	
					30.2	32.5	2.3	340			<0.010	
#33	110.0		9.4	110.0	96.1	98.5	2.4	520			0.010	
					99.7	101.0	1.3	280			<0.010	
					101.7	104.2	2.5	740			0.016	
					104.2	105.5	1.3	220			<0.005	
					105.5	106.3	0.8	2700			0.096	
#34	93.0		11.4	93.0	Barren							
#35	78.0		9.5	76.0	52.0	53.3	1.3	300			<0.010	
					53.3	54.5	1.2	800			0.023	
					54.5	55.2	0.7	300			<0.010	

* From top to bottom depths

Uranium Inc.
Ulabelle - Mesa Creek
DMEA Docket No. 3579

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From*	Depth Logged To	Anomaly Detected From*	Anomaly Detected To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
#7	255.0		10.8	245.0	Barren							
#9	340.0		10.6	340.0	Barren							
#10	131.0		10.8	130.1	Barren							
#11	135.0		10.0	135.0	Barren							
#12	135.0		11.0	135.0	Barren							
#13	110.0		9.3	102.0	95.9	97.6	1.7	220			<0.005	
					98.6	99.5	0.9	640			0.019	
#14	55.0		10.1	55.0	Barren							
#15	76.0		9.8	74.0	Barren							
#31	115.0		10.4	110.0	95.3	96.8	1.5	390			<0.010	
					98.4	99.2	0.8	4300			0.180	
					102.7	103.6	0.9	280			<0.010	
#32	115.0		10.0	84.0	18.3	20.6	2.3	320			<0.010	
					23.3	24.5	1.2	410			<0.010	
					26.0	27.3	1.3	360			<0.010	
					30.2	32.5	2.3	340			<0.010	
#33	110.0		9.4	110.0	96.1	98.5	2.4	520			0.010	
					99.7	101.0	1.3	280			<0.010	
					101.7	104.2	2.5	740			0.016	
					104.2	105.5	1.3	220			<0.005	
					105.5	106.3	0.8	2700			0.096	
#34	93.0		11.4	93.0	Barren							
#35	78.0		9.5	76.0	52.0	53.3	1.3	300			<0.010	
					53.3	54.5	1.2	800			0.023	
					54.5	55.2	0.7	300			<0.010	

* From top to bottom depths

Uranium Inc.
Ulabelle - Mesa Creek
DMEA Docket No. 3579

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From*	Depth Logged To	Anomaly Detected From*	Anomaly Detected To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
#7	255.0		10.8	245.0	Barren							
#9	340.0		10.6	340.0	Barren							
#10	131.0		10.8	130.1	Barren							
#11	135.0		10.0	135.0	Barren							
#12	135.0		11.0	135.0	Barren							
#13	110.0		9.3	102.0	95.9	97.6	1.7	220			<0.005	
					98.6	99.5	0.9	640			0.019	
#14	55.0		10.1	55.0	Barren							
#15	76.0		9.8	74.0	Barren							
#31	115.0		10.4	110.0	95.3	96.8	1.5	390			<0.010	
					98.4	99.2	0.8	4300			0.180	
					102.7	103.6	0.9	280			<0.010	
#32	115.0		10.0	84.0	18.3	20.6	2.3	320			<0.010	
					23.3	24.5	1.2	410			<0.010	
					26.0	27.3	1.3	360			<0.010	
					30.2	32.5	2.3	340			<0.010	
#33	110.0		9.4	110.0	96.1	98.5	2.4	520			0.010	
					99.7	101.0	1.3	280			<0.010	
					101.7	104.2	2.5	740			0.016	
					104.2	105.5	1.3	220			<0.005	
					105.5	106.3	0.8	2700			0.096	
#34	93.0		11.4	93.0	Barren							
#35	78.0		9.5	76.0	52.0	53.3	1.3	300			<0.010	
					53.3	54.5	1.2	800			0.023	
					54.5	55.2	0.7	300			<0.010	

* From top to bottom depths

700

Mr. Murphy
Contract file

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

224 New Customhouse
Denver 2, Colorado

October 11, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Gamma-ray log interpretations for:
DMEA 2771, Contract Idm-E577, Oramlich Exploration Company
DMEA 3297, Contract Idm-E800, Continental Uranium, Inc.
DMEA 3449, Contract Idm-E745, United States Uranium Company
DMEA 3475, Contract Idm-E760, Amuranium Corporation
DMEA 3555, Contract Idm-E791, W. A. Creer (Four Corners Exploration Company)
DMEA 3649, Contract Idm-E812, Simpson et al Mining Company
DMEA-3579, Contract Idm-E794, Eula Belle Uranium, Inc.
DMEA 3502, Contract Idm-E796, Walter Duncan Mining Company
DMEA 3514, Contract Idm-E823, Climax Uranium Company
DMEA 3614, Contract Idm-E795, Western Oil Fields, Inc.

1 set to USGS
10/19/55

Enclosed are four copies of gamma-ray log interpretations for holes drilled on the subject properties with transmittal memorandum by E. N. Harshman, Region III DMEA Field Team member.

W. M. Traver

By J. W. Townsend

Jtsb

c
o
p
y

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

Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

October 6, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: E. N.Harshman

Subject: Gamma-ray log interpretation data

Enclosed are eight copies each of gamma-ray log interpretations for the following projects:

DMEA 2771 - Walter Gramlich
" 3297 - Continental Uranium Corp., Big Indian area
" 3449 - U. S. Uranium, Red Hill claim
" 3475 - Amuranium Corporation
" 3555 - Four Corners Exploration Co., Bull Canyon
" 3571 - Simpson Mining Company, Rajah claims
" 3579 - Herome Craig, Ula Bella claims
" 3582 - Walter Duncan Mining Co.
" 3514 - Climax Uranium, Beaver Mesa
" 3614 - Western Oil Fields, Binder group

Four copies of each log interpretation should be forwarded to the Chairman of the Operating Committee for information.

/s/ E. N. Harshman

E. N. Harshman
Member, Field Team

Enclosures (10)

c
o
p
y

Jerome Craig

GAMMA-RAY LOG INTERPRETATION

Mesa Creek - Ulabelle Claims

DMEA Docket No. 3579

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_eU_3O_8$	Remarks
DMEA-1	255.0	None	1.0-254.5	130.3-131.3	1.0	220			<0.005	
				132.5-133.5	1.0	440			0.011	
				133.5-135.1	1.6	220			<0.005	
				248.3-250.0	1.7	820			0.019	
				250.5-252.5	2.0	200			<0.005	
				253.8-254.5	0.7	1400			0.045	
DMEA-2	275.0	None	3.0-274.0	Barren						
DMEA-3	270.0	None	3.0-273.7	Barren						
DMEA-4	280.0	None	4.7-278.0	Barren						
DMEA-5	270.0	None	1.8-270.0	47.5-048.7	1.2	400			<0.010	
				49.2-050.7	1.5	440			<0.010	
				50.7-053.9	3.2	400			<0.010	
				53.9-054.9	1.0	900			0.030	
				54.9-057.0	2.1	260			<0.005	
DMEA-6	270.0	None	3.0-263.3	43.4-046.2	2.8	200			<0.005	
				46.8-048.1	1.3	360			<0.010	
				48.7-050.6	1.9	700			0.015	
				50.6-051.8	1.2	400			<0.010	
DMEA-8	265.0	None	0.0-265.0	Barren						
DMEA-24	120.0	None	9.2-119.2	115.2-116.0	0.8	500			0.015	
				116.0-117.2	1.2	300			<0.010	
				117.2-117.9	0.7	240			<0.010	
DEMA-25	120.0	None	0.0-121.5	117.9-118.9	1.0	380			<0.010	
				118.9-119.4	0.5	200			<0.010	
				119.4-121.0	1.6	240			<0.005	
DMEA-26	120.0	None	0.0-119.7	118.7-119.7	1.0	340			<0.010	

* From top to bottom depths

Jerome Craig
Mesa Creek - Ulabelle Claims
DMEA Docket No. 3579

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From*	Depth Logged To	Anomaly Detected From*	Anomaly Detected To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
DMEA-29	86.0	None	0.0	85.1	52.5	53.6	1.1	920			0.028	
					54.0	55.2	1.2	340			<0.010	
					55.5	56.3	0.8	220			<0.005	
					80.4	82.3	1.9	500			0.010	
					82.3	84.1	1.8	200			<0.005	
					84.1	84.9	0.8	400			0.011	
DEMA-30	93.0	None	0.0	91.0	55.0	57.4	2.4	300			<0.010	
					57.4	58.7	1.3	1,700			0.042	
					59.6	60.4	0.8	3,500			0.140	
					60.7	61.5	0.8	1,600			0.046	
					61.5	62.6	1.1	500			0.013	
					62.6	63.6	1.0	300			<0.010	
					64.0	65.1	1.1	200			<0.005	
					66.9	70.9	1.0	280			<0.010	
					68.4	69.3	0.9	240			<0.010	
					84.3	84.9	0.6	300			<0.010	
					87.1	87.8	0.7	380			0.011	
					87.8	88.8	1.0	220			<0.005	

* From top to bottom depths

Jerome Craig

GAMMA-RAY LOG INTERPRETATION Mesa Creek - Ulabelle Claims

DMEA Docket No. 3579

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
DMEA-1	255.0	None	1.0-254.5	130.3-131.3	1.0	220			<0.005	
				132.5-133.5	1.0	440			0.011	
				133.5-135.1	1.6	220			<0.005	
				248.3-250.0	1.7	820			0.019	
				250.5-252.5	2.0	200			<0.005	
				253.8-254.5	0.7	1400			0.045	
DMEA-2	275.0	None	3.0-274.0	Barren						
DMEA-3	270.0	None	3.0-273.7	Barren						
DMEA-4	280.0	None	4.7-278.0	Barren						
DMEA-5	270.0	None	1.8-270.0	47.5-048.7	1.2	400			<0.010	
				49.2-050.7	1.5	440			<0.010	
				50.7-053.9	3.2	400			<0.010	
				53.9-054.9	1.0	900			0.030	
				54.9-057.0	2.1	260			<0.005	
DMEA-6	270.0	None	3.0-263.3	43.4-046.2	2.8	200			<0.005	
				46.8-048.1	1.3	360			<0.010	
				48.7-050.6	1.9	700			0.015	
				50.6-051.8	1.2	400			<0.010	
DMEA-8	265.0	None	0.0-265.0	Barren						
DMEA-24	120.0	None	9.2-119.2	115.2-116.0	0.8	500			0.015	
				116.0-117.2	1.2	300			<0.010	
				117.2-117.9	0.7	240			<0.010	
DEMA-25	120.0	None	0.0-121.5	117.9-118.9	1.0	380			<0.010	
				118.9-119.4	0.5	200			<0.010	
				119.4-121.0	1.6	240			<0.005	
DMEA-26	120.0	None	0.0-119.7	118.7-119.7	1.0	340			<0.010	

* From top to bottom depths

Jerome Craig
Mesa Creek - Ulabelle Claims
DMEA Docket No. 3579

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From*	Depth Logged To	Anomaly Detected From*	Anomaly Detected To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
DMEA-29	86.0	None	0.0	85.1	52.5	53.6	1.1	920			0.028	
					54.0	55.2	1.2	340			<0.010	
					55.5	56.3	0.8	220			<0.005	
					80.4	82.3	1.9	500			0.010	
					82.3	84.1	1.8	200			<0.005	
					84.1	84.9	0.8	400			0.011	
DEMA-30	93.0	None	0.0	91.0	55.0	57.4	2.4	300			<0.010	
					57.4	58.7	1.3	1,700			0.042	
					59.6	60.4	0.8	3,500			0.140	
					60.7	61.5	0.8	1,600			0.046	
					61.5	62.6	1.1	500			0.013	
					62.6	63.6	1.0	300			<0.010	
					64.0	65.1	1.1	200			<0.005	
					66.9	70.9	1.0	280			<0.010	
					68.4	69.3	0.9	240			<0.010	
					84.3	84.9	0.6	300			<0.010	
					87.1	87.8	0.7	380			0.011	
					87.8	88.8	1.0	220			<0.005	

* From top to bottom depths

Jerome Craig
Mesa Creek - Ulabelle Claims
DMEA Docket No. 3579

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
DMEA-1	255.0	None	1.0-254.5	130.3-131.3	1.0	220			<0.005	
				132.5-133.5	1.0	440			0.011	
				133.5-135.1	1.6	220			<0.005	
				248.3-250.0	1.7	820			0.019	
				250.5-252.5	2.0	200			<0.005	
				253.8-254.5	0.7	1400			0.045	
DMEA-2	275.0	None	3.0-274.0	Barren						
DMEA-3	270.0	None	3.0-273.7	Barren						
DMEA-4	280.0	None	4.7-278.0	Barren						
DMEA-5	270.0	None	1.8-270.0	47.5-048.7	1.2	400			<0.010	
				49.2-050.7	1.5	440			<0.010	
				50.7-053.9	3.2	400			<0.010	
				53.9-054.9	1.0	900			0.030	
				54.9-057.0	2.1	260			<0.005	
DMEA-6	270.0	None	3.0-263.3	43.4-046.2	2.8	200			<0.005	
				46.8-048.1	1.3	360			<0.010	
				48.7-050.6	1.9	700			0.015	
				50.6-051.8	1.2	400			<0.010	
DMEA-8	265.0	None	0.0-265.0	Barren						
DMEA-24	120.0	None	9.2-119.2	115.2-116.0	0.8	500			0.015	
				116.0-117.2	1.2	300			<0.010	
				117.2-117.9	0.7	240			<0.010	
DEMA-25	120.0	None	0.0-121.5	117.9-118.9	1.0	380			<0.010	
				118.9-119.4	0.5	200			<0.010	
				119.4-121.0	1.6	240			<0.005	
DMEA-26	120.0	None	0.0-119.7	118.7-119.7	1.0	340			<0.010	

* From top to bottom depths

Jerome Craig
Mesa Creek - Ulabelle Claims
DMEA Docket No. 3579

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From*	Depth Logged To	Anomaly Detected From*	Anomaly Detected To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
DMEA-29	86.0	None	0.0	85.1	52.5	53.6	1.1	920			0.028	
					54.0	55.2	1.2	340			<0.010	
					55.5	56.3	0.8	220			<0.005	
					80.4	82.3	1.9	500			0.010	
					82.3	84.1	1.8	200			<0.005	
					84.1	84.9	0.8	400			0.011	
DEMA-30	93.0	None	0.0	91.0	55.0	57.4	2.4	300			<0.010	
					57.4	58.7	1.3	1700			0.042	
					59.6	60.4	0.8	3500			0.140	
					60.7	61.5	0.8	1600			0.046	
					61.5	62.6	1.1	500			0.013	
					62.6	63.6	1.0	300			<0.010	
					64.0	65.1	1.1	200			<0.005	
					66.9	70.9	1.0	280			<0.010	
					68.4	69.3	0.9	240			<0.010	
					84.3	84.9	0.6	300			<0.010	
					87.1	87.8	0.7	380			0.011	
					87.8	88.8	1.0	220			<0.005	

* From top to bottom depths

~~Mr. Murphy~~
Contract file
3579

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

224 New Customhouse
Denver, Colorado

August 24, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Gamma-ray log interpretations
Docket 2771, Contract Idm-2577, Grandlich Exploration Company, Utah
Docket 3254, Contract Idm-2649, Cenesse Uranium Mines of America, Inc., Colorado
Docket 3151, Contract Idm-2671, Four Corners Exploration Company, New Mexico
Docket 3190, Contract Idm-2672, Flattop Mining Company, New Mexico
Docket 3266, Contract Idm-2733, Big Indian Uranium Corporation, Utah
Docket 3257, Contract Idm-2800, Centennial Uranium, Inc., Utah
Docket 3360, Contract Idm-2723, Mid-Continent Uranium Corporation, Utah
Docket 3249, Contract Idm-2715, United States Uranium Company, Colorado
Docket 3475, Contract Idm-2760, Anaurandum Corporation, Utah
Docket 3350, Contract Idm-2782, Radium Hill Uranium, Inc., Colorado
Docket 3345, Contract Idm-2778, The Golden Cycle Corporation, Colorado
1 set to USGS
Docket 3379, Contract Idm-2791, Bula Dalla Uranium, Inc., Colorado
Docket 3396, Contract Idm-2796, Walter Duncan Mining Company, Utah
Docket 3620, Contract Idm-805, Uranium Prospectors Company, Ltd., Colorado

Enclosed are four copies of gamma-ray log interpretations for holes drilled on the subject properties, and transmittal by E. H. Harshman, Region III DMEA Field Team member.

/s/ W. M. Traver

W. M. Traver

Enclosures

Shaw (2)
Hasler
Harshman
Townsend Chron

copy

(Stamped) Recd. Aug 19, 1955

Bureau of Mines
Denver, Colorado

Received
Aug 29 1955

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

Denver Federal Center
Denver, Colorado

August 19, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: E. N. Harshman

Subject: Gamma-ray log interpretations

Enclosed are 9 copies of gamma-ray log interpretations on the following DMEA exploration projects:

Docket	Company
2771	Grandlich Exploration Company
3094	Cassons Uranium Company, Tearnut Group
3151	Four Corners Exploration Company, Flat Top claims Nos. 4 and 5
3190	Richard Vopat, et al, Flat Top Nos. 1, 2, and 3
3266	Big Indian Uranium Corporation
3475	Amuranium Corporation
3579	Jerome Craig
3585	Golden Cycle Corporation
3550	Radium Hill Uranium Company
3582	Walter Duncan Mining Company
3360	Mid-Continent Uranium Company
3419	U. S. Uranium Company
3620	Uranium Prospectors
3297	Continental Uranium Company

I have discussed with Hasler the need for more frequent transmittal of these data, and in the future log interpretations will be transmitted about once each month.

Four copies each of the enclosures should be transmitted to the Chairman of the Operating Committee for information purposes.

/s/ E. N. Harshman

E. N. Harshman
Hunter, Field Team

Enclosures

E. N. Harshman:mh

copy

Jerome Craig
Mesa Creek
DMEA 3579

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From*	Depth Logged To	Anomaly Detected From*	Anomaly Detected To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
16	45.0	None	0.0	43.0	28.4	29.8	1.4	500			0.011	
					31.2	32.3	1.1	1900			0.052	
					32.3	32.9	0.6	800			0.035	
17	45.0	None	0.0	45.0	32.2	33.0	0.8	1900			0.058	
18	47.0	None	0.0	38.5	Barren							
19	45.0	None	0.0	43.8	Barren							
20	55.0	None	0.0	53.5	Barren							
21	58.0	None	0.0	57.7	51.4	54.2	2.8	200			<0.005	
					55.7	57.7	2.0	340			<0.010	
22	42.5	None	6.8	38.8	25.7	26.8	1.1	500			0.013	
					27.9	28.9	1.0	500			0.014	
					30.3	31.1	0.8	2900			0.10	
					31.1	31.9	0.8	1800			0.054	
					32.7	33.3	0.6	3800			0.21	
					33.7	34.1	0.4	1600			0.086	
					34.9	35.5	0.6	340			0.010	
					36.1	37.3	1.2	600			0.015	
					37.8	38.6	0.8	280			<0.010	

* From top to bottom depths

Jerome Craig
Mesa Creek
DMEA 3579

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From*	Depth Logged To	Anomaly Detected From*	Anomaly Detected To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
23	75.0	None	0.0	73.7	37.7	38.5	0.8	1900			0.058	
					39.4	40.2	0.8	280			<0.010	
					40.6	41.9	1.3	400			<0.010	
					41.9	44.3	2.4	220			<0.005	
					45.8	46.7	0.9	240			<0.005	
					48.0	51.2	3.2	280			<0.005	
					52.0	52.6	0.6	260			<0.010	
					54.5	56.2	1.7	660			0.015	
					56.2	62.7	6.5	340			<0.010	
					62.7	63.5	0.8	800			0.029	
27	86.7	None	0.0	86.7	77.2	77.9	0.7	1600			0.054	
					77.9	78.6	0.7	1400			0.044	
					82.0	82.6	0.6	360			0.011	
					82.6	83.4	0.8	280			<0.010	
28	90.0	None	0.0	90.5	55.8	56.3	0.5	700			0.033	
					57.3	58.1	0.8	5000			0.23	
					82.7	83.6	0.9	400			0.011	
					85.7	87.0	1.3	480			0.011	

* From top to bottom depths

Jerome Craig
Mesa Creek
DMEA 3579

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From*	Depth Logged To	Anomaly Detected From*	Anomaly Detected To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
16	45.0	None	0.0	43.0	28.4	29.8	1.4	500			0.011	
					31.2	32.3	1.1	1900			0.052	
					32.3	32.9	0.6	800			0.035	
17	45.0	None	0.0	45.0	32.2	33.0	0.8	1900			0.058	
18	47.0	None	0.0	38.5	Barren							
19	45.0	None	0.0	43.8	Barren							
20	55.0	None	0.0	53.5	Barren							
21	58.0	None	0.0	57.7	51.4	54.2	2.8	200			<0.005	
					55.7	57.7	2.0	340			<0.010	
22	42.5	None	6.8	38.8	25.7	26.8	1.1	500			0.013	
					27.9	28.9	1.0	500			0.014	
					30.3	31.1	0.8	2900			0.10	
					31.1	31.9	0.8	1800			0.054	
					32.7	33.3	0.6	3800			0.21	
					33.7	34.1	0.4	1600			0.086	
					34.9	35.5	0.6	340			0.010	
					36.1	37.3	1.2	600			0.015	
					37.8	38.6	0.8	280			<0.010	

* From top to bottom depths

Jerome Craig
Mesa Creek
DMEA 3579

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
23	75.0	None	0.0- 73.7	37.7- 38.5	0.8	1900			0.058	
				39.4- 40.2	0.8	280			<0.010	
				40.6- 41.9	1.3	400			<0.010	
				41.9- 44.3	2.4	220			<0.005	
				45.8- 46.7	0.9	240			<0.005	
				48.0- 51.2	3.2	280			<0.005	
				52.0- 52.6	0.6	260			<0.010	
				54.5- 56.2	1.7	660			0.015	
				56.2- 62.7	6.5	340			<0.010	
				62.7- 63.5	0.8	800			0.029	
27	86.7	None	0.0- 86.7	77.2- 77.9	0.7	1600			0.054	
				77.9- 78.6	0.7	1400			0.044	
				82.0- 82.6	0.6	360			0.011	
				82.6- 83.4	0.8	280			<0.010	
28	90.0	None	0.0- 90.5	55.8- 56.3	0.5	700			0.033	
				57.3- 58.1	0.8	5000			0.23	
				82.7- 83.6	0.9	400			0.011	
				85.7- 87.0	1.3	480			0.011	

* From top to bottom depths

Jerome Craig
Mesa Creek
DMEA 3579

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From*	Depth Logged To	Anomaly Detected From*	Anomaly Detected To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
16	45.0	None	0.0-	43.0	28.4-	29.8	1.4	500			0.011	
					31.2-	32.3	1.1	1900			0.052	
					32.3-	32.9	0.6	800			0.035	
17	45.0	None	0.0-	45.0	32.2-	33.0	0.8	1900			0.058	
18	47.0	None	0.0-	38.5	Barren							
19	45.0	None	0.0-	43.8	Barren							
20	55.0	None	0.0-	53.5	Barren							
21	58.0	None	0.0-	57.7	51.4-	54.2	2.8	200			<0.005	
					55.7-	57.7	2.0	340			<0.010	
22	42.5	None	6.8-	38.8	25.7-	26.8	1.1	500			0.013	
					27.9-	28.9	1.0	500			0.014	
					30.3-	31.1	0.8	2900			0.10	
					31.1-	31.9	0.8	1800			0.054	
					32.7-	33.3	0.6	3800			0.21	
					33.7-	34.1	0.4	1600			0.086	
					34.9-	35.5	0.6	340			0.010	
					36.1-	37.3	1.2	600			0.015	
					37.8-	38.6	0.8	280			<0.010	

* From top to bottom depths

Jerome Craig
Mesa Creek
DMEA 3579

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_eU_3O_8$	Remarks
23	75.0	None	0.0- 73.7	37.7- 38.5	0.8	1900			0.058	
				39.4- 40.2	0.8	280			<0.010	
				40.6- 41.9	1.3	400			<0.010	
				41.9- 44.3	2.4	220			<0.005	
				45.8- 46.7	0.9	240			<0.005	
				48.0- 51.2	3.2	280			<0.005	
				52.0- 52.6	0.6	260			<0.010	
				54.5- 56.2	1.7	660			0.015	
				56.2- 62.7	6.5	340			<0.010	
				62.7- 63.5	0.8	800			0.029	
27	86.7	None	0.0- 86.7	77.2- 77.9	0.7	1600			0.054	
				77.9- 78.6	0.7	1400			0.044	
				82.0- 82.6	0.6	360			0.011	
				82.6- 83.4	0.8	280			<0.010	
28	90.0	None	0.0- 90.5	55.8- 56.3	0.5	700			0.033	
				57.3- 58.1	0.8	5000			0.23	
				82.7- 83.6	0.9	400			0.011	
				85.7- 87.0	1.3	480			0.011	

RECEIVED
AUG 2 9 1955

* From top to bottom depths

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

October 17, 1955

224 New Customhouse
Denver 2, Colorado

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3579, (Uranium-vanadium), Contract Idm-2794, Bala Belle Uranium, Inc., Montrose County, Colorado

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data pertaining to work under the subject contract for the period August, 1955.

W. M. Traver

W. M. Traver

Enclosures

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

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OCT 20 1955

Administrative Audit Difference Statement

Date: _____
Payee's
Reference: _____

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

Amount Claimed $_____

Difference $_____

Amount Approved $_____

The reason for the difference was due to:

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.

RECEIVED
OCT 7 1955

October 4, 1955

224 New Customhouse
Denver 2, Colorado

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3579, (Uranium--Vanadium), Contract Idm-E794, Bula Belle Uranium, Inc., Montrose County, Colorado--Operator's Monthly Progress Report, for the period August, 1955.

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

A portion of the work has been accomplished as authorized in the contract and payment is recommended for 75 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deductions.

Disallow 120 feet of core drilling, 135 feet of non-core drilling, and the incidental allowance for the above 255 feet of drilling, which was not in conformance with the DMEA contract. This footage is for holes 1, 4, 14, and 15.

REMARKS

Date of Report - - - - - - - - - - - - September 13, 1955
Date Received in Field Office - - - September 16, 1955
Date Received in Region Office - - - September 27, 1955

W. M. Traver

W. M. Traver

Enclosures
JDC HMC:ab
cc: MF-104 file E794
Sec. Op. Comm. (2)
Shaw (2)
Chron.

Building 20
Denver Federal Center
Denver 2, Colorado
September 22, 1955

REGION III

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: Glen Walker

Subject: DMEA 3579, Contract Idm-E794
Bula Belle Uranium, Inc.
Montrose County, Colorado
Monthly progress report for August 1955

On September 14, 1955, the property was visited; no work was in progress. A Brunton and pace survey referenced to #3 hole indicated a number of the holes were improperly located, see sketch accompanying this memo. Hole #3 was used as a reference point because no claim corner or other better point was found. By a strict interpretation of the contract none of the holes numbered 1 thru 15 are correctly located because they are too close to the upper Salt Wash rim. In the north part of the drilled area there is a certain amount of parallelism and general resemblance to figure 2 of the contract; except hole #1 is too close to #2 and #4 is too far from #3 and hence too close to #5. The interval between holes on the contract map is 150 feet. It should be pointed out that the operator was apparently aware of this condition as it was closely approximated between holes #10, #11, #12 and #13. In the south part of the area holes #14 and #15 are entirely out of position as related to the stipulated pattern. It is therefore recommended that the Government not participate in the cost of holes #1, #4, #14 and #15.

All holes have boxes of core marked with hole number and footage. The amount of core in all cases appears to be well over the 50 percent recovery required by the contract. All holes had paper sacks of cuttings taken at 5 foot intervals except #1, #2, #5 and #14. The cuttings from hole #3 were in 39 piles on the ground near the collar. The remainder of the work appears to be adequately documented and is approved.

It is recommended that payment be made to the operator in the amount of $1,567.88 which is 75 percent of the approved expenditure of $2,090.50.

Glen Walker
Mining Engineer

GW:pk

cc 6
Idm-E794

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

Budget Bureau No. 42-R1036.5

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

Month of August, 1955 Docket No. DMEA 3579 Contract No. Idm-E79h

Operator's Name Bula Belle Uranium, Inc. Minerals Uranium

Address % Mr. Jerome Craig Sr., Whitewater, Colorado Vanadium

Contract Amount, $ 12,603.00 Government Participation: 75 % Amount, $ 9,452.25

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 Contractors:						
Drilling	2,155.00	2,093.75	4,248.75			
Bulldozing	-----	444.00	444.00			
Air-Compressor	----	180.00	180.00			
Drifting						
(2) Labor and Supervision:						
Labor	Included under Incidental Allowance, Below.					
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	Included under Air-Compressor.					
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						
Incidental Allowance	549.00	510.75	1,059.75			
(8) Contingencies (specify):						
TOTALS	2,704.00	3,228.50	5,932.50	2090.50	3228.60	5319.00
					8.80	8.50
					3220.00	5310.50

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

Date Sept. 13, '55 *Payee Bula Belle Uranium, Inc.

Per Jerome Craig, Sr. Title Vice-President

Jerome Craig

*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: $1,567.88

Signature RRC
(Authorized Certifying Officer)

Date 10/12/55 Vou. No. DMA 56-34

(See other side)

4 previous disallowance

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 794 in accordance with the terms of the contract.

Signature gwalker 1567 88 Title Mngr Date 9/20/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W M Haney Title Executive Officer Date OCT 4 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED
OCT 20 1955

Month of August 1955 Docket No. DMEA 3579 Contract No. Idm-E794
Operator's Name Eula Belle Uranium, Inc. Minerals Uranium
Address % Mr. Jerome Craig Sr., Whitewater, Colorado Vanadium

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	None							
Crosscutting	None							
Raising	None							
Shafts	None							
Winzes	None							
Drilling: Core	Foot	1,155.00	420	2,392.50	870	2.75	1,350	2.75
Non-Core	Foot	1,000.00	800	1,856.25	1,485	1.25	3,150	1.25
Auger	None							
Bulldozing	Hour	-----	----	444.00	40	11.00	50	11.00
Air-Compressor	Day	-----	----	180.00	3	60.00	3	60.00
Chem. Anal.	Each	--	--	--	--	--	65	5.00
Radiometric Probing	Trip	--	--	--	--	--	3	623.00
Incidental Allow.	Foot	549.00	1,220	1059.75	2,355	0.45	4,500	0.45
TOTAL DISTRIBUTED COSTS		2,704.00	--	5,932.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		None						
Initial Rehabilitation and Repairs		None						
New Buildings, Improvements, etc.		None						
TOTAL COSTS		2,704.00		5,932.50				12,603.00

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 Sept. 13, 1955 Operator Eula Belle Uranium, Inc.

Per Jerome Craig Sr. Title Vice-President
Jerome Craig, Sr.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

gwalker

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

N-A-R-R-A-T-I-V-E R-E-P-O-R-T

This report covers the progress of the DMEA project (Docket DMEA 3579 (Uranium) Contract Idm-E794) for Eula Belle Uranium, Inc., for the month of August, 1955.

Stage I work, namely drilling and road work, was completed August 31. In all cases 90% core-recovery was obtained, and generally averaged 96%. Air plugging was used to the cored horizon, and thence water was used on all but one hole during the core drilling. 30' of core was obtained from each hole drilled; samples of each 5' run were obtained for the portion that was air-plugged. All cores and samples are presently located at the collar of each hole.

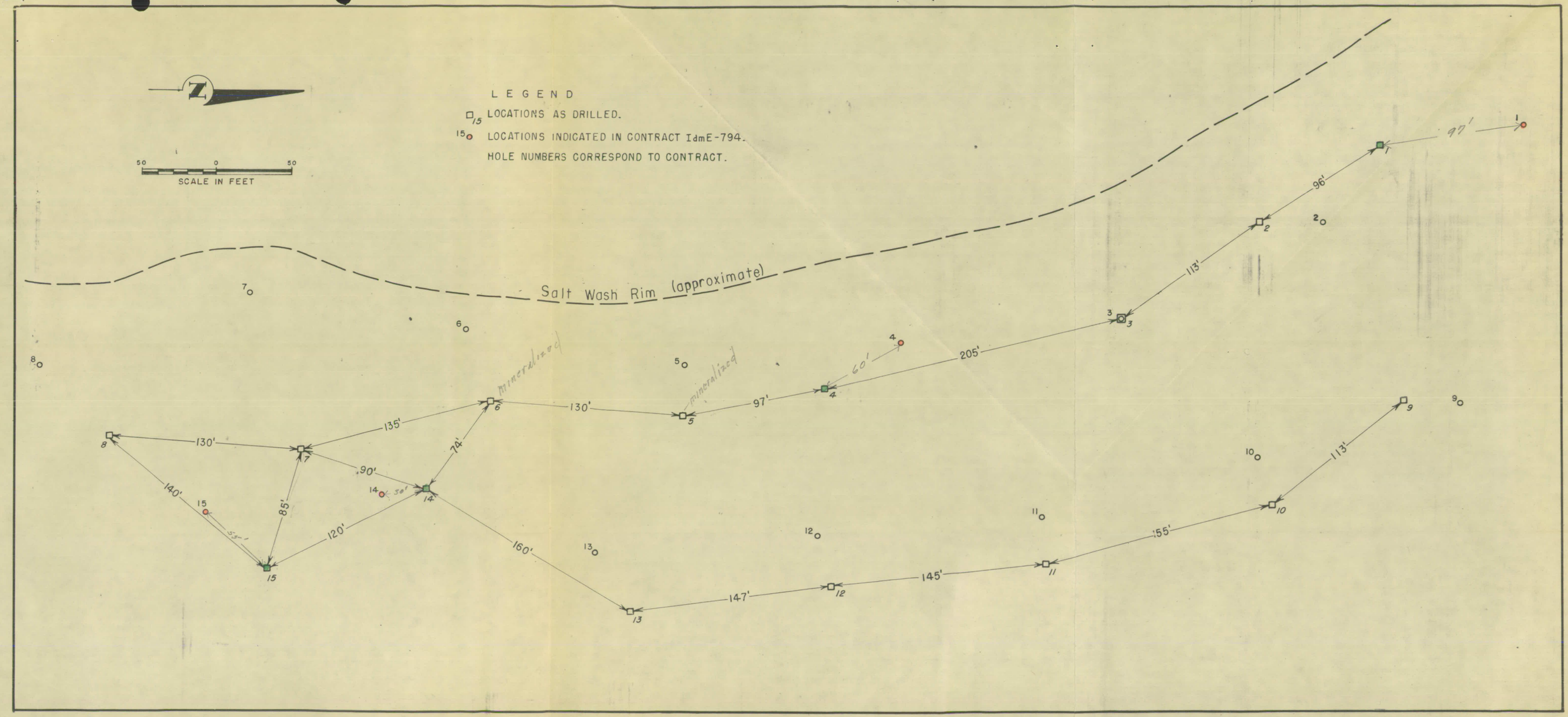
Holes #5 and #6 showed favorable MS alteration, good sandstone and mineralization at generally 45'-50'. Stage II drilling is believed justified to offset these two holes. The remainder of the drilling indicates further work is not warranted.

Collar elevations were obtained for holes 1-15 incl. in order to assure that a core would be obtained from he horizon which contains the mining operation previously conducted along the rim outcrop, specifically at the location of the old chute. Difference in elevation from the collar of hole #2 to the uppermost mineralized horizon at the top of the portal is 45.7'; floor of the portal is 10.0' lower, or 55.7' below the collar of hole #2. Core recovery was obtained so as to be centered essentially 50' below the collar of hole #2.

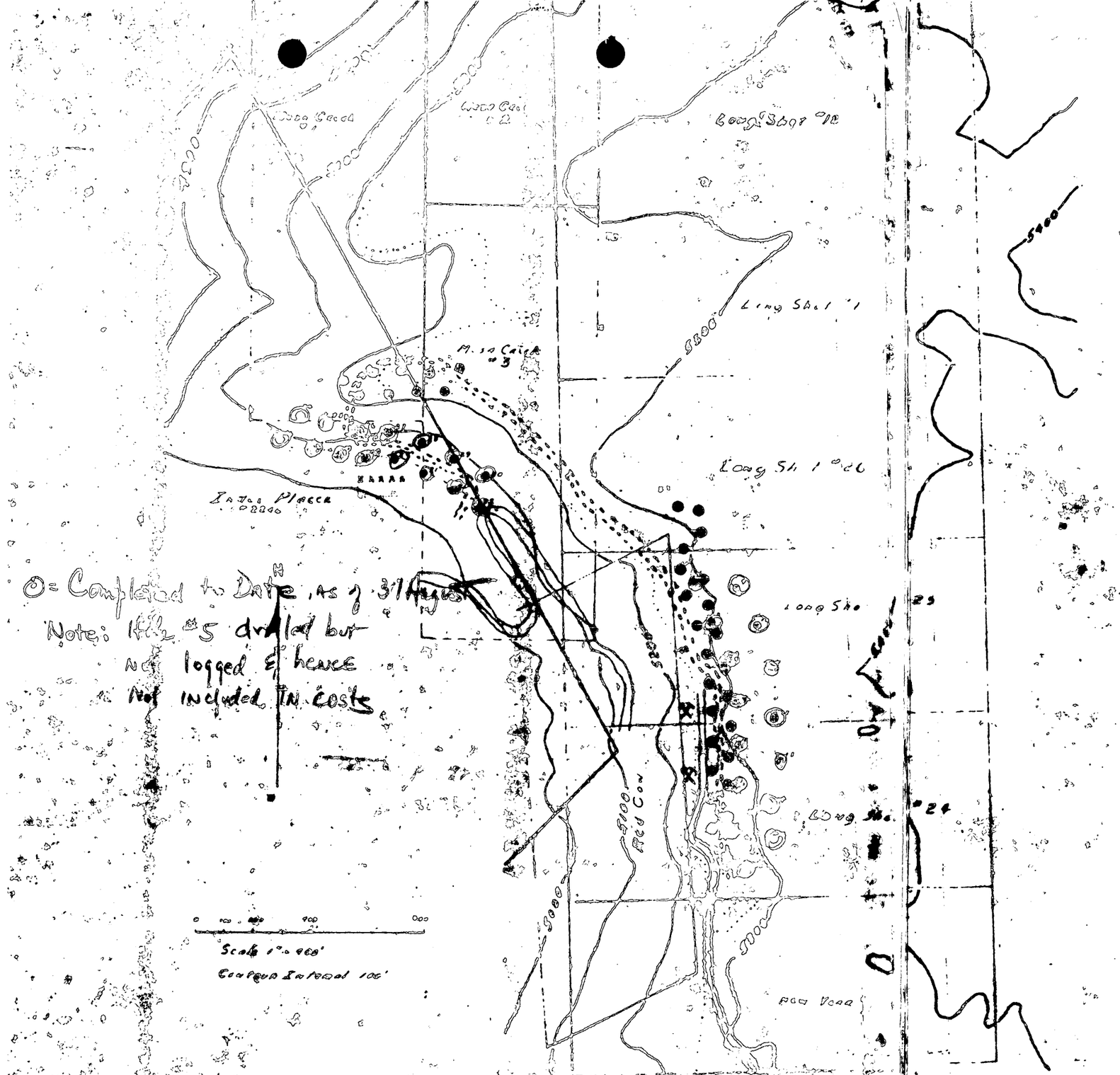
In general, drilling was normal for, hardness, bit footage and core recovery, but was made difficult by loss of water circulation when water was used for core drilling. In holes #1-#15, inclusive, the driller reports he lost a definitely noticeable amount, and in some cases, all of the water; average water consumption was 1000 gal. of water per 15 feet of core which required an average of 30 minutes to drill. No formational water was encountered. Air drilling worked very satisfactorily, although some loss of return was encountered.

Mark K. Shipman
Mark K. Shipman
Geological Engineer

Jerome Craig Sr.
Jerome Craig, Sr.
Vice-President,
Eula Belle Uranium, Inc.



SHOWING LOCATIONS 1st STAGE DEEP HOLES, EULA BELLE URANIUM COMPANY, MONTROSE COUNTY, COLO. DMEA 3579



⊙ = Completed to Date, as of 3/1/81
Note: Hole #5 drilled but not logged & hence not included in costs

EXPLANATION

APPROXIMATE TOP OF THE HIGHEST SANDSTONE LENSE IN THE SALT WASH MEMBER

APPROXIMATE TOP OF BASAL SANDSTONE LENSES OF THE SALT WASH MEMBER

LOCATION OF DRILL HOLES PROPOSED BY APPLICANT AND REJECTED BY EXAMINING FIELD TEAM

LOCATION OF DRILL HOLES RECOMMENDED BY EXAMINING FIELD TEAM

PROSPECT OR MINE

ROAD PROPOSED BY THE APPLICANT

ROAD NOW IN EXISTANCE

NOTE: CLAIM BOUNDARIES TAKEN FROM APPLICANTS MAP

FIGURE 2 PLAN OF [illegible] AND [illegible] LOCATIONS [illegible]

[illegible]DION INC. CLAIMS IN THE SOUTHEASTERN MESA CREEK AREA, SECTION 2, T.50 N., R.10 W., N.M.P.M. [illegible]T, MONTROSE COUNTY, COLORADO

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

224 New Customhouse
Denver 2, Colorado

September 27, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3579 (Uranium), Contract Idm-K794, Bula Belle Uranium, Inc. (Long Shot, Mesa Creek claims), Montrose County, Colorado

Enclosed are four copies for your review and recording of the Region III, Field Team's action, with included data relative to a request from the Operator of the subject contract for Stage II operations.

These data are as follows:

1. Letter from the Operator requesting Stage II drilling.

2. A joint memorandum from the field representatives of the USGS-USBM, with initialed concurrence by their respective supervisors, recommending approval of the request.

3. Region III, Field Team's letter authorizing the Stage II drilling.

The Operator's letter requesting Stage II work is considered also as applicable to Amendment No. 1 prepared to allow closer spacing of one hole than 100 feet and is accepted as a request for that amendment.

W. M. Traver

W. M. Traver

Enclosures
WMT:pri
cc: Burnham
Baxter
Townsend
Shaw (2)
Corrao.K794
Christensen
Amendment
Chron.

} w/copies of work approval

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

224 New Customhouse
Denver 2, Colorado

September 26, 1955

Mr. Jerome Craig Sr., Vice President
Eula Belle Uranium, Inc.
Whitewater, Colorado

Re: DMEA 3579 (Uranium), Contract Idm-E794, Eula Belle Uranium, Inc., Montrose County, Colorado. Stage II Work Approval

Dear Mr. Craig:

Reference is made to your letter of September 14, 1955, concerned with Contract Idm-E794, wherein you requested approval for performance of such Stage II drilling as authorized by the contract and shown on the map attached to your letter. You base the request on results disclosed in drilling performed in Stage I Holes Nos. 22, 28, and 30 at the west end of holes on the lower bench and of Holes Nos. 5, 6, and 13 on the upper bench. This is not stated in your request but is implied from the map.

Field investigation of work completed and gamma-ray logging by the Defense Minerals Exploration Administration equipment of all holes drilled under Stage I, including Nos. 22, 28, and 30 and Nos. 5, 6, and 13 indicates sufficient uranium mineralization in these holes to warrant Stage II offset Holes Nos. 31, 32, 33, 34, and 35.

This letter, therefore, confirms verbal authorization given you on September 12, 1955 and constitutes work approval for drilling the 5 holes Nos. 31, 32, 33, 34 and 35 under Stage II of this contract. The holes are shown as an X within a red square X on the map Figure I attached to and made a part of this work approval. The drilling shall conform in all respects with the provisions of the contract or amendments thereto.

RECEIVED
SEP 29 1955

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the amount of the Government's contribution, on the agreed unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

W. M. Traver

W. M. Traver

for D. R. Macharen

E. N. Harshman

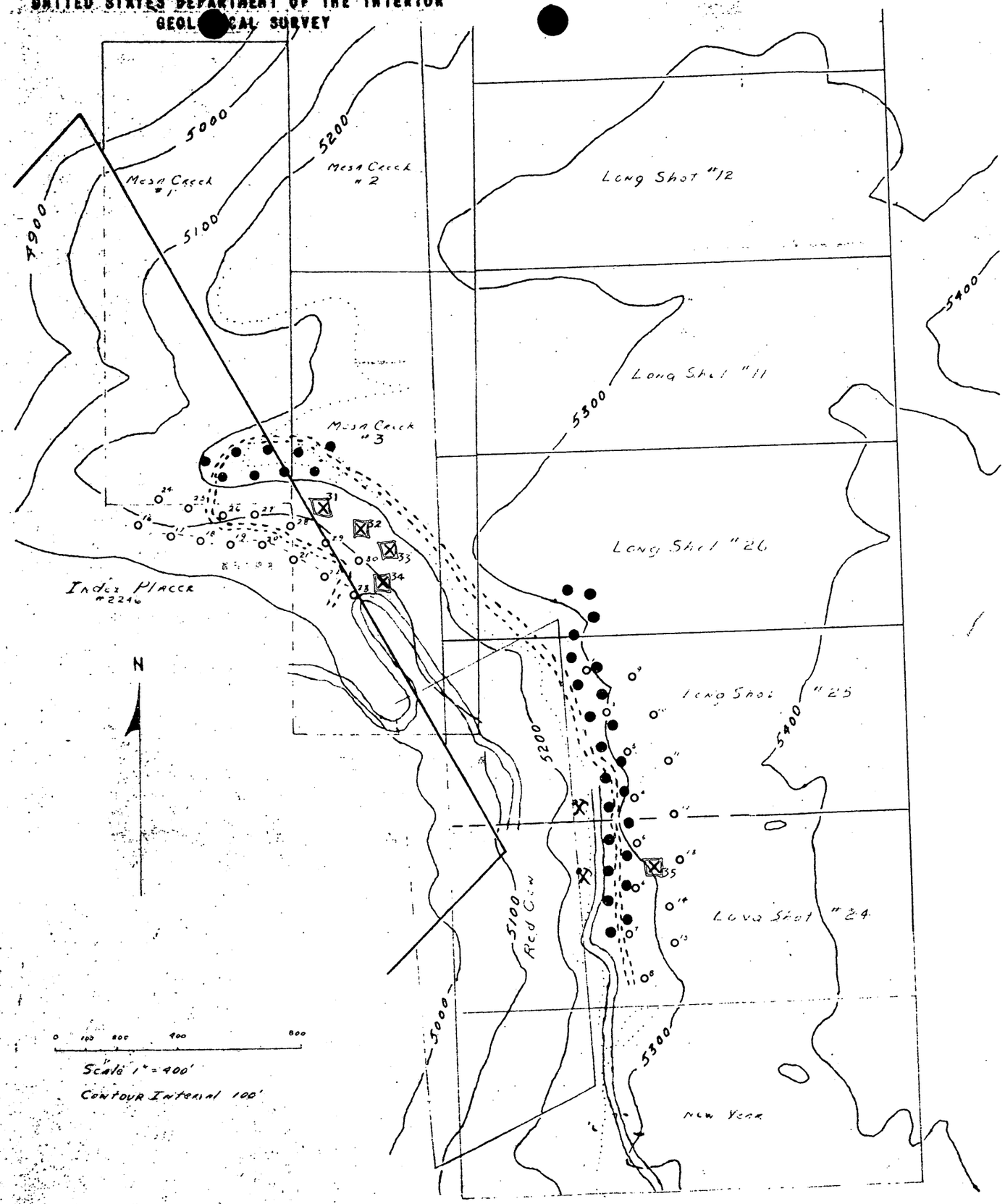
Enclosures

WMT:jy

cc: Chairman Opr. Comm. (4)
Christensen)
Harshman)
Hasler)
Townsend) W/copy
Shaw (2)) of Work Appr.
Ammendment File E 794)
Corresp. File E794)
Chron.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET NO. 2579
REVISED SEPTEMBER 1955



EXPLANATION

APPROXIMATE TOP OF THE HIGHEST SANDSTONE LENSE IN THE SALT WASH MEMBER

APPROXIMATE TOP OF BASAL SANDSTONE LENSES OF THE SALT WASH MEMBER

● LOCATION OF DRILL HOLES PROPOSED BY APPLICANT AND REJECTED BY EXAMINING FIELD TEAM

o17 LOCATION OF DRILL HOLES RECOMMENDED BY EXAMINING FIELD TEAM, STAGE I

X35 PROPOSED LOCATION OF RECOMMENDED STAGE II HOLES

ROAD PROPOSED BY THE APPLICANT

ROAD NOW IN EXISTANCE

PROSPECT OR MINE

NOTE: CLAIM BOUNDARIES TAKEN FROM APPLICANTS MAP

Figure 1. PLAN OF PROPOSED AND RECOMMENDED EXPLORATION FOR EULA BELLE URANIUM INC. CLAIMS IN THE SOUTHEASTERN MESA CREEK AREA, SECTION 2, T.48 N., R.18 W., N.M.P.M.
URAVAN DISTRICT, MONTROSE COUNTY, COLORADO

DMEA
Date Rec'd.

SEP 20 1955

BUREAU OF MINES
Denver, Colorado

September 14, 1955

Mr. W.M. Traver
Executive Officer, DMEA
Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 3579 (Uranium)
Contract Idm-E794

Dear Mr. Traver:

Enclosed herewith are six copies of map showing location of proposed Stage II work. Request approval of the work for conduct of the drill roads and sites (not to exceed $110.00 bulldozing) and for conduct of the drilling.

Subject drilling will average approximately 100' for each hole, or a total of 500'; 1,500' total drilling is authorized by the contract for Stage II work.

Verbal concurrence was obtained on September 12 from Mr. J. Wm. Hasler, DMEA Geologist, USGS, Grand Junction Office, for conduct of the above. Bulldozing and drilling operations are therefore being initiated this date.

Kindly enclose with your reply five copies of Form MF-104 and five copies of Form MF-104A.

Very truly yours,

Jerome Craig

Jerome Craig, Sr.
Vice-President,
Bula Bello Uranium, Inc.

Enclosures

RECEIVED
SEP 20 1955

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET NO. 3579

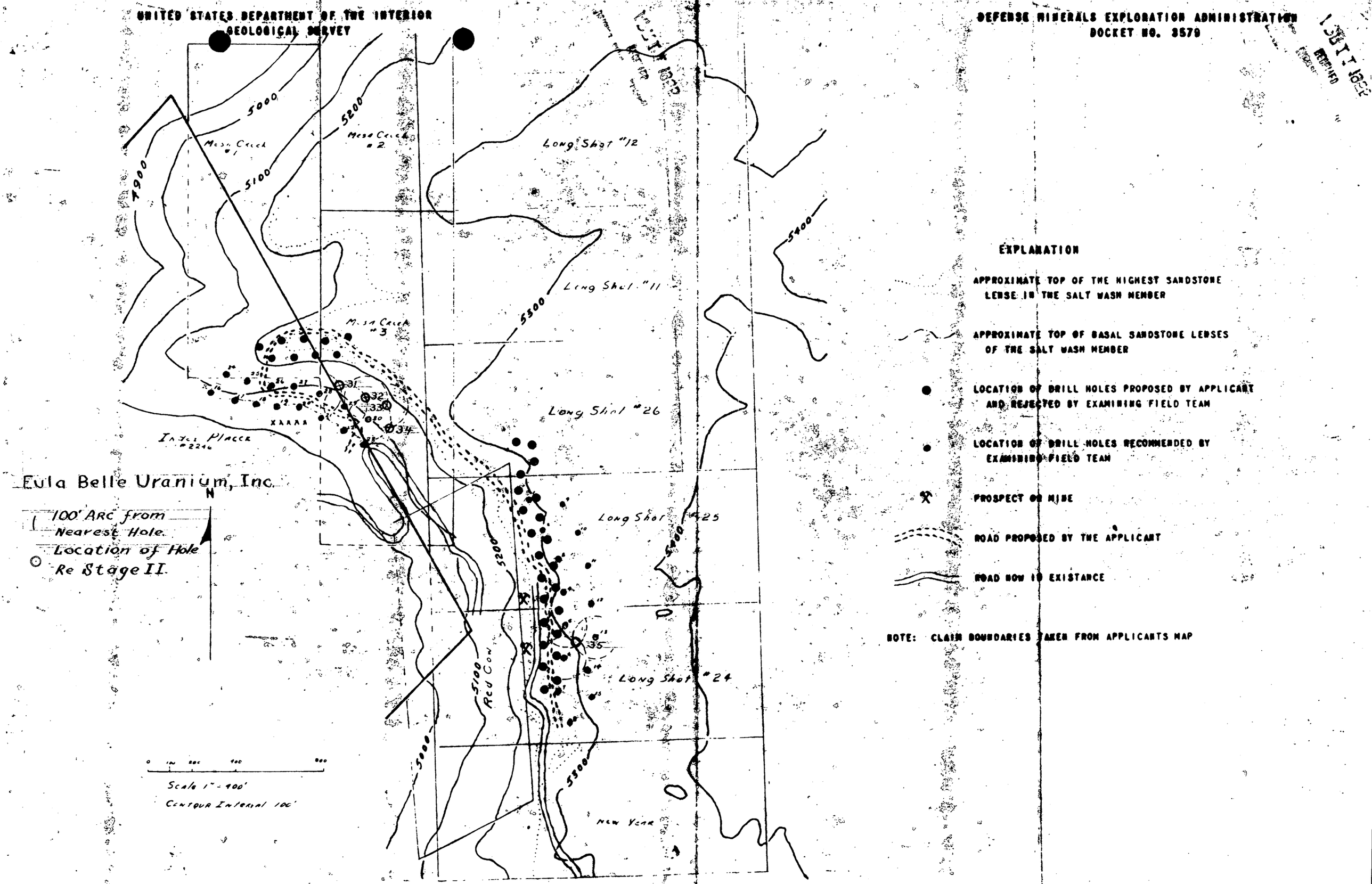


Figure 2 PLAN OF PROPOSED AND RECOMMENDED EXPLORATION FOR EULA BELLE URANIUM INC. CLAIMS IN THE SOUTHEASTERN MESA CREEK AREA, SECTION 2, T.48 N., R.18 W., N.M.P.M. URAVAN DISTRICT, MONTROSE COUNTY, COLORADO

DMEA
Date Rec'd.

SEP 19 1955

BUREAU OF MINES
Denver, Colorado

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. BOX 360
GRAND JUNCTION, COLORADO

September 15, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: J. William Hasler, USGS
M. H. Salsbury, USBM

Subject: DMEA 3579, contract Idm-E 794, Eula Belle Uranium, Inc., Montrose County, Colo. Request for stage II drilling.

Stage I drilling has been completed on the Eula Belle Uranium, Inc., property near Mesa Creek, Montrose County, Colorado, under contract no. Idm-E 794, DMEA 3579. Three holes, nos. 22, 28, and 30, at the west end of the group of holes on the lower bench has penetrated mineralized zones (fig. 1 attached). Government gamma-ray log of no.22 indicated 0.8' of 0.10 percent eU_3O_8 between 30.3-31.1 feet and 0.6' of 0.21 percent eU_3O_8 between 32.7-33.3 feet; no. 28 logged 0.8' of 0.23 percent eU_3O_8 between 57.3-58.1 feet; and no. 30 logged 0.8' of 0.14 percent eU_3O_8 between 59.6-60.4 feet. Lithologic logs of cores at these footages showed disseminated copper carbonates and carbon in dark, presumably uranium-vanadium bearing sandstone. Radiation was several times normal background count.

It is the opinion of the examining team that limited stage II drilling is justified by the mineralization discovered by drilling done to date. While only low-grade ore is indicated, the proximity to the rim makes access easy if a minable size ore body can be outlined by stage II drilling.

RECEIVED
SEP 29 1955

It is recommended that four stage II drill holes, spaced not less than 100 feet from any previously drilled hole and averaging 120 feet in depth be drilled as offset holes from stage I drill holes nos. 28 and 30 as shown in the accompanying figure 1.

It is further recommended that one additional stage II hole, no. 35, be drilled in the center of the triangle formed by stage I holes nos. 5, 6, and 13 on the upper bench (see attached fig. 1). The applicant especially wishes this hole because of proximity to existing mine workings and also because of weak mineralization and semi-favorable sandstone in holes 5 and 6. Stage II hole 35 would be about 90 feet, of which 40 feet would be cored.

J. William Hasler

J. William Hasler, USGS

M. H. Salsbury by J. W. H.

M. H. Salsbury, USBM

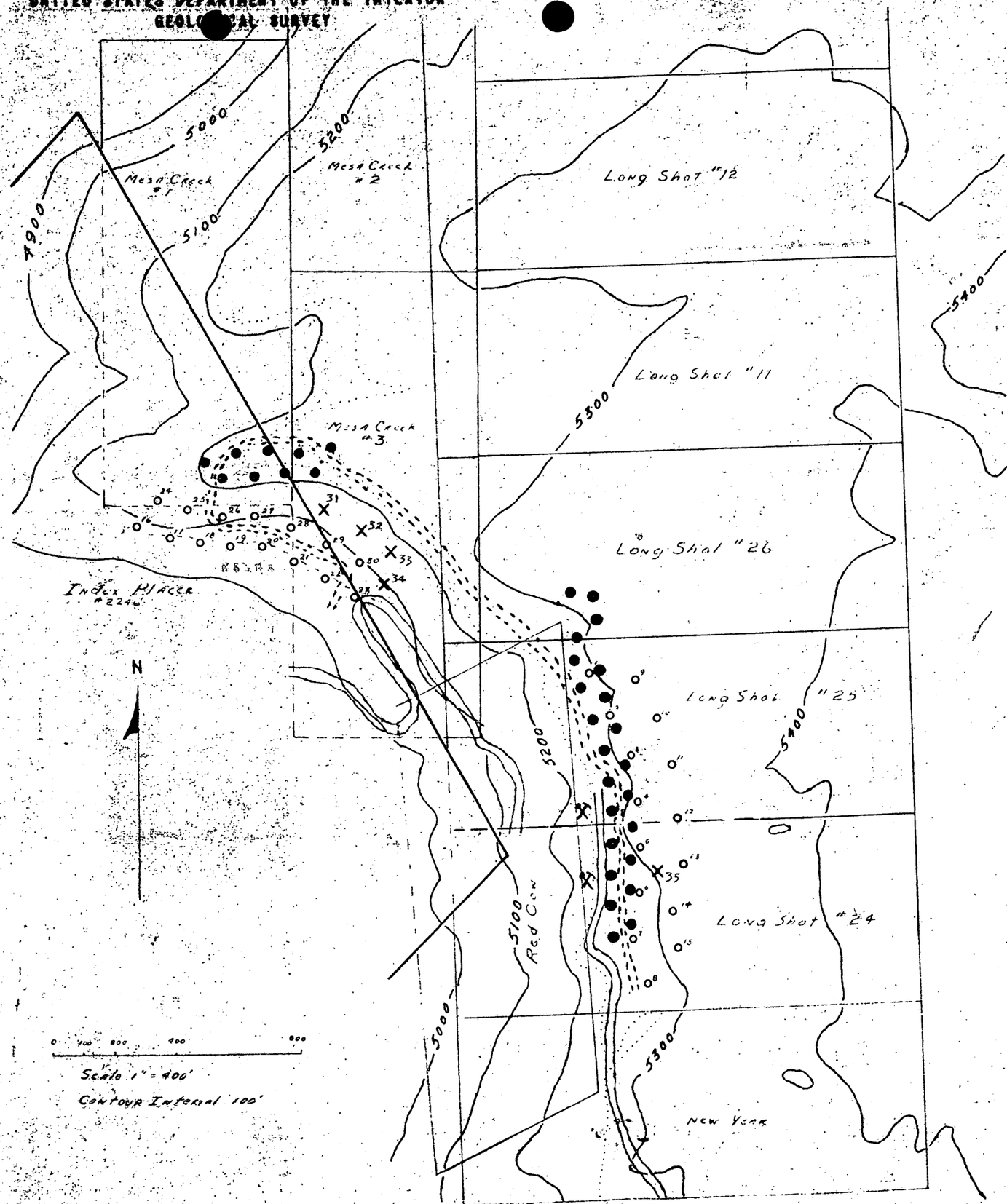
JWH/mlr

Enclosures

cc: E. N. Harshman
J. F. Shaw

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET NO. 3579
REVISED SEPTEMBER 1955



EXPLANATION

APPROXIMATE TOP OF THE HIGHEST SANDSTONE LENSE IN THE SALT WASH MEMBER

APPROXIMATE TOP OF BASAL SANDSTONE LENSES OF THE SALT WASH MEMBER

LOCATION OF DRILL HOLES PROPOSED BY APPLICANT AND REJECTED BY EXAMINING FIELD TEAM

LOCATION OF DRILL HOLES RECOMMENDED BY EXAMINING FIELD TEAM, STAGE I

PROPOSED LOCATION OF RECOMMENDED STAGE II HOLES

ROAD PROPOSED BY THE APPLICANT

ROAD NOW IN EXISTANCE

PROSPECT OR MINE

NOTE: CLAIM BOUNDARIES TAKEN FROM APPLICANTS MAP

Figure 1. PLAN OF PROPOSED AND RECOMMENDED EXPLORATION FOR EULA BELLE URANIUM INC. CLAIMS IN THE SOUTHEASTERN MESA CREEK AREA, SECTION 2, T.48 N., R.18 W., N.M.P.M.
URAVAN DISTRICT, MONTROSE COUNTY, COLORADO

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

RECEIVED
SEP 28 1955

224 New Customhouse
Denver 2, Colorado

September 26, 1955

Mr. Jerome Craig Sr., Vice President
Eula Belle Uranium, Inc.
Whitewater, Colorado

Re: DMEA 3579 (Uranium), Contract Idm-E794, Eula Belle Uranium, Inc., Montrose County, Colorado

Dear Mr. Craig:

Enclosed are the original and five copies of Amendment No. 1 to Contract Idm-E794 which provides for drilling one Stage II offset hole closer to Stage I holes than 100 feet as stipulated originally in the contract.

If this amendment meets with your approval please sign all six copies, affix the corporate seal, and return to this office leaving the date blank. When they are received properly executed by you they will be signed for the Government, and a copy mailed to you for attachment to your copy of the contract.

We will defer action on your request for Stage II drilling dated September 14, 1955 until we receive the signed copies of the amendment.

Yours very truly,

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

Enclosures
WMT:jy
cc: Harshman
Shaw (2)
Hasler
Townsend

Corresp. File E794
Chairman Op. Comm. (2)
Chron.

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

RECEIVED
SEP 1 2 1955

224 New Customhouse
Denver 2, Colorado

September 13, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3579, (Uranium), Contract Idm-2794, Bula Belle Uranium, Inc., Montrose County, Colorado.

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data pertaining to work under the subject contract for the period July, 1955.

W. M. Traver

W. M. Traver

Enclosures

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

RECEIVED
SEP 16 1955

Administrative Audit Difference Statement

Date: _____
Payee's
Reference: _____

Sept. 7, 1955

July, 1955

Rule Drill Bronco, Inc.
5 Mr. Jerry Craig, Sr.
Littleton, Colorado

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

Amount Claimed $ _____

Difference $ 2,220.00

Amount Approved $ 0.50

The reason for the difference was due to: 2,220.00

5 feet on non-core drilling at $1.70 per foot discount taken on the U. S. G. S. Inv and the Independent Contractor's Invoice for the hole that a depth of 120 feet whereas claim was for 125 feet.

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

224 New Customhouse
Denver 2, Colorado

September 6, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3579, (Uranium), Contract Idm-E794, Eula Belle Uranium, Inc., Montrose County, Colorado - Operator's Monthly Progress Report, for the period July, 1955.

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

Work has been accomplished as authorized in the contract and payment is recommended for 75 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deductions.

Disallow payment for 5 feet of non-core drilling including incidental allowance in hole No. 25. The U. S. G. S. Log and the Independent Contractor's Invoice for the hole show a depth of 120 feet, whereas the Operator claims 125 feet on the MF-104 report.

Remarks

Date of Report- - - - - - - - - - - - - - - - - - -August 15, 1955
Date Received in Field Office- - - - - - - - - - August 22, 1955
Date Received in Region Office- - - - - - - - - -September 2, 1955

W. M. Traver

W. M. Traver

Enclosures

JDC:jy

cc: MF-104 File E794
Shaw (2)
Sec. Opr. Comm. (2)
Chron.

DMEA
Date Rec'd.
SEP 2 1955
BUREAU OF MINES
Denver, Colorado

Building 20
Denver Federal Center
Denver 2, Colorado
August 31, 1955

REGION III

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: M. H. Salsbury

Subject: DMEA 3579, (Uranium), Contract Idm-5794, Bula Belle Uranium, Inc., Montrose County, Colorado - Progress report for July 1955.

The subject property was visited on August 6, 1955, in company with Mark K. Shipman, geologist, and Jerome Craig, Sr., President of the subject corporation. Progress under contract Idm-5794 was inspected.

The Operator claims payment for bulldozing and other preparation costs in the maximum amount allowed in the contract, $624.00, and for 450 feet of core drilling and 685 feet of rotary non-core drilling at $3.20 and $1.70 per foot respectively, including incidental allowance of $0.45 per foot, for a claimed total of $3,228.50 Government participation at 75 percent is $2,421.38.

The fifteen holes claimed as shown on the map accompanying the narrative report for July 1955, and numbered from 16 to 30 in conformance with the contract map, were drilled at or very close to the approved sites. At the time of the inspection, drilling was in progress on deeper holes, nos. 1 to 15, with the first one having been completed.

The Operator reports mineralization in 6 holes ranging from 0.05 percent to 0.23 percent U_3O_8 as measured radiometrically in the core and verified by probing with their own equipment.

The geologic logs submitted by the Operator are in substantial agreement with those made independently by a DMEA geologist. Following is a radiometric evaluation of the mineralization found in the core and by the Operator's probing, compared with the Gamma-ray log interpretation of the Geological Survey.

Hole No.	Classification by Operator	Depth in feet	Operator's Results: Depth and width of mineralization in feet	Operator's Results: Percent eU_3O_8	U.S.G.S. Results: Depth and width of mineralization in feet	U.S.G.S. Results: Percent[1] eU_3O_8
16	Favorable	45	31-32	± .05		
					31.2-32.3	.052
					32.3-32.9	.035
17	Favorable	45	31.5-32	± .06	32.2-33	.058
18	Unfavorable	47		Barren		Barren
19	Unfavorable	45		Barren		Barren
20	Semi-favorable	55		Barren		Barren
21	Unfavorable	58		Barren	51.4-54.2	<.005
					55.7-57.7	<.010
22	Favorable	42	29-36	± .15	30.3-31.1	.10
					31.1-31.9	.054
					32.7-33.3	.21
					33.7-34.1	.086
					34.9-35.5	.01
23	Favorable	77	37.5-38.5	± .05	37.7-38.5	.058
24	Unfavorable	120		Barren		Not probed[2]
25	Semi-favorable	125	94	Trace		Not probed
26	Semi-favorable	120				Not probed
27	Semi-favorable	86	77-78	± .05	77.2-77.9	.054
					77.9-78.6	.044
28	Favorable	90	57-58	± .20	55.8-56.3	.033
					57.3-58.1	.23
29	Semi-favorable	86				Not probed
30	Favorable	94	59.0-60.0	± .20		Not probed

1/ Percent eU_3O_8 not given in this table when less than .03, except in hole no. 21.

2/ Holes shown as not probed by U.S.G.S. have probably been probed since, but results are not available at this office.

Drilling and coring procedures were satisfactory. No core has been brought to Grand Junction for temporary storage yet. No chemical analyses of mineralized portions of the core have been made.

The Operator has submitted in quintuplicate for July 1955 forms MF-104 and MF-104A, a satisfactory narrative report with map showing drill hole locations, together with one copy of the geologic logs, invoices for bulldozing, rock work, and drilling submitted by the subcontractor, and a statement of expenses incurred by the Operator.

All claims are in accordance with contract terms and within contract maximums. Invoiced charges for bulldozing and rock work and for drilling are considerably more than the amount claimed under the actual cost provision in the contract.

A total of 650 feet of core drilling was done, but the Operator claims only 450 feet or 30 feet per hole as provided in the contract. The remaining footage was claimed as non-core drilling. Hole depths on the Operator's geologic logs, the drilling invoices, and the U.S.G.S. logs all check except on hole no. 25 where the drilling invoice and the U.S.G.S. logs show 120 feet and the Operator's log 125 feet.

The sub-contractor for all of the work done is a company which Jerome Craig, Sr. has organized.

Monthly totals on the MF-104 and MF-104A forms are correct except that the incidental cost was not segregated from the drilling costs on the MF-104A form, and the incidental cost was listed as supervision on the MF-104 form. The segregated costs would be as follows:

Core drilling - 450 ft. at $2.75 per ft.	$1.237.50
Non-core drilling - 685 ft. at $1.25 per ft.	856.25
Incidental allowance - 1,135 ft. at $0.45 per ft.	510.75
Bulldozing (maximum)	444.00
All other preparation costs (maximum)	180.00
Total claimed	$3,228.50 - 8.50

Payment of $2,415.38 or 75 percent of the amount claimed, $3,228.50, less $8.50 for five feet of non-core drilling not verified by the drilling invoice and the U.S.G.S. logs, is recommended for approval.

M. H. Salsbury
Mining Engineer

MHS:ph

cc 6 w/orig.
M. H. Salsbury
Sub.
Chron.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 16 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1955 Docket No. DMEA 3579 Contract No. Idm-R794
Operator's Name Bula Belle Uranium Inc. Minerals Uranium
Address % Mr. Jerome Craig Sr., Whitewater, Colorado Vanadium
Contract Amount, $12,603.00 Government Participation: 75 % Amount, $ 9,452.25

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	2,093.75	None	2,093.75			
Bulldozing	624.00	"	624.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision	510.75	None	510.75			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	Included under Bulldozing Contract					
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	None to Date					
Payroll Taxes	Included undr Drilling and					
Liability Insurance	Bulldozing Contracts					
(8) Contingencies (specify):						
TOTALS	3,228.50	None	3,228.50			

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

Date August 15, 1955 Payee Bula Belle Uranium Inc.

Per Jerome Craig Sr. Title Vice President

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

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

(Instructions on reverse)

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

$2415.00

Signature RRC
(Authorized Certifying Officer)

Date 9-7-55 Vou. No. DMA-56-24

(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. DMU-E194 in accordance with the terms of the contract.

Signature W. B. Salsbury #2,415.38 Title Mining Engineer Date August 29 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Lamey Title Executive Officer Date SEP 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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 16 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1955 Docket No. DMEA3579 Contract No. Idm-E794
Operator's Name Eula Belle Uranium Inc. Minerals Uranium
Address % Mr. Jerome Craig Sr., Whitewater, Colorado Vanadium

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	None							
Crosscutting	"							
Raising	"							
Shafts	"							
Winzes	"							
Drilling: Core	Foot	1,440.00	450	1,440.00	450	3.20	1,350	3.20
~~Churn~~ Non-Core	Foot	1,164.50	685	1,164.50	685	1.70	3,150	1.70
~~Reges~~	None							
Stripping	"							
Trenching	"							
Test Pits	"							
Roads and Trails	Total	624.00	Total	624.00	Total	Total	Total	Total
TOTAL DISTRIBUTED COSTS		3,228.50		3,228.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		None						None
Initial Rehabilitation and Repairs		"						"
New Buildings, Improvements, etc.		"						
								12,603.00
TOTAL COSTS		3,228.50		3,228.50				~~3,228.50~~

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

Date August 15, 1955 Operator Eula Belle Uranium, Inc.

Per Jerome Craig Sr. Title Vice President
Jerome Craig, Sr.

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.

M. H. Salsbury

REMARKS: On Holes #16-30, @ average depth of 83', 1245' total footage is allowble. Actually drilled 1135' total or 110' less than allowable total. This difference, however, will be required and used on holes #1-15.
Roads and Trails includes bulldozer and compressor allowances.

(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

MARK K. SHIPMAN
Geological Engineer
ROBERT B. DANIEL
Consultant
CHARLES P. HAMPTON
Business Manager

Date Rec'd. 1

EXPLORATION ASSOCIATES, Inc.

GRAND JUNCTION
COLORADO
Post Office Box 1321

BUREAU OF MINES
Denver, Colorado

N-A-R-R-A-T-I-V-E R-E-P-O-R-T

This report covers the progress of the DMEA project (Docket DMEA 3579 (Uranium) Contract Idm-E794) for Eula Belle Uranium, Inc. for the period since initiation of the work to August 1, 1955.

Initial road and drill site work was conducted during the latter part of June; drilling operations commenced approximately July 1, 1955. The road work and drilling operations had been conducted by the Unaweep C C and H Exploration Co. Overall supervision of the project and geological evaluation has been conducted by Exploration Association, Inc. on a contractural basis with Eula Belle Uranium, Inc.

Reference the attached map, diamond drill holes #16 through #30 were completed during the month of July. Locations of the holes were shot in by transit by stating a bearing and distance in accordance with the attached map; only very minor changes had to be made to allow for difficult terrain conditions. In all cases the hole was completed to the desired depth. Air plugging was found to be very successful although moderately slow; air coring was also found to be successful from the stand point of core recovery but most uneconomical in cost. Loss of water returns was noticed but did not become a severe problem. The operator has determined that a Varel No. 1 bit provides the best footage for the area.

Six holes contained mineralization ranging from approximately 0.05% to 0.23% U_3O_8. Hole #22 showed minimum commercial grade and near commercial grade in thickness; overall mineralized section is approximately 6' in thickness.

Ninety percent of the drill roads and drill sites are completed. Drilling is presently being conducted on Holes #1 through #15, with Holes #1 through #4 having been completed to date.

Attached lithologic logs of the holes are included together with maps showing drill holes completed to date. It is anticipated Stage I work will be completed by September 10, 1955.

Holes #15 through #30 have been probed by USGS. Mr. Salsbury of the Grand Junction office completed his monthly field trip to the property on August 6, 1955.

Jerome Craig Sr.
Jerome Craig, Sr.
Vice President
Eula Belle Uranium, Inc.

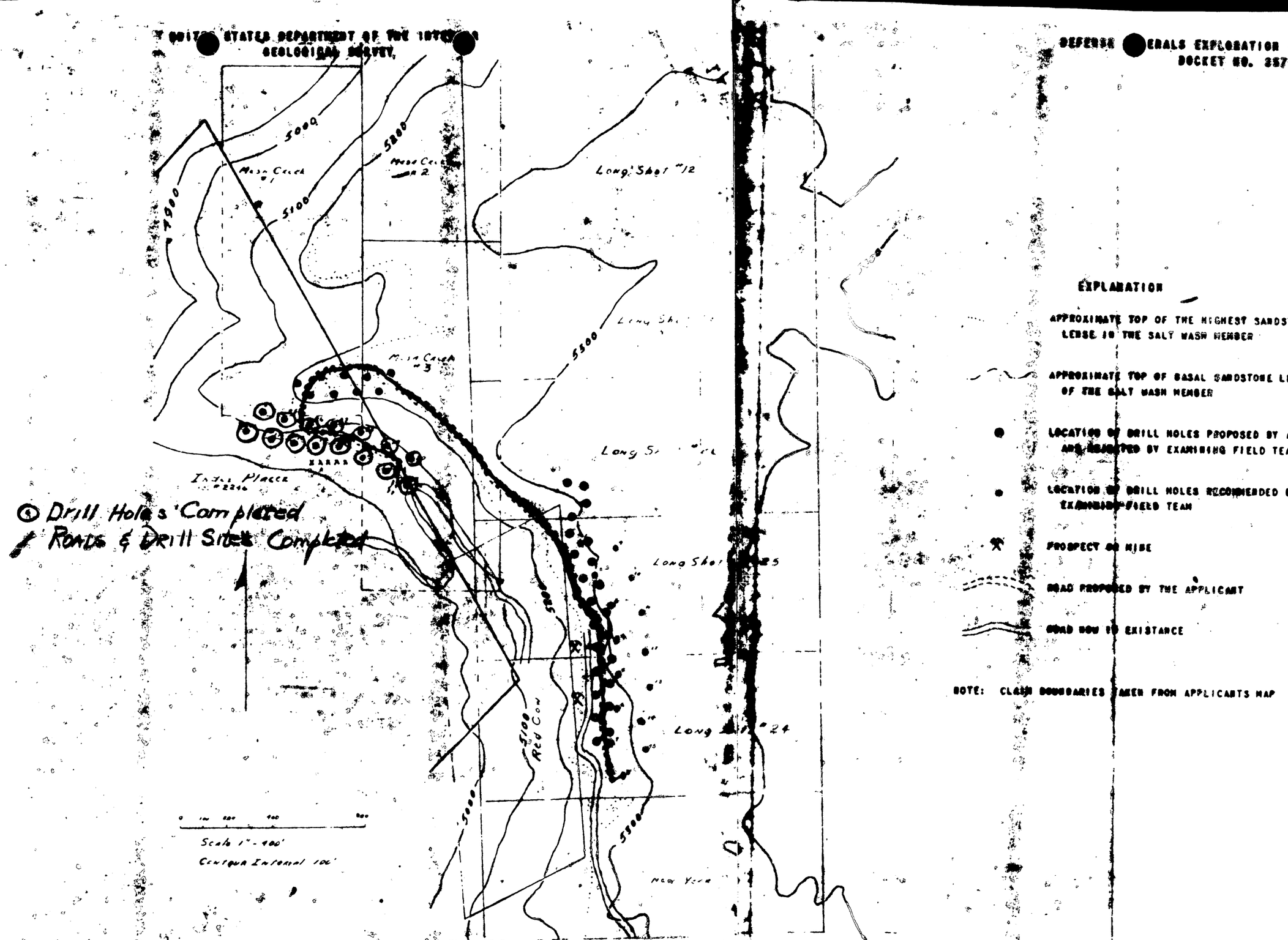


Figure 2 PLAN OF PROPOSED AND RECOMMENDED EXPLORATION FOR ZULA SOLAR MINING INC. CLAIMS IN THE SOUTHEASTERN MESA CREEK AREA, SECTION 2, T.48 N., R.18 W., N.M.P.M. NAVAJO DISTRICT, MONTROSE COUNTY, COLORADO.

8/10/55-gla

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

RECEIVED
AUG 10 1955

224 New Customhouse
Denver, Colorado

August 5, 1955

Mr. Jerome Craig, Sr.
Vice President
Eula Belle Uranium
Whitewater, Colorado

Re: Docket DMEA 3579 (Uranium)
Contract Idm-E794

Dear Mr. Craig:

In reference to our letter of June 1, 1955 by which we transmitted to you the Operator's copy of the captioned DMEA contract, your attention is directed to the following:

The final paragraph of the letter stated that you should advise this office in writing the date work actually started with a copy to Mr. J. F. Shaw. Also, Article 3 of the Exploration Project Contract states, "The Operator on or before June 15, 1955 shall commence work..."

Not having been advised that operations have started, we must assume that you are no longer interested in pursuing the project. You are in default of the contract for failure to commence work; or if you commenced work, failure under Article 7(b) to provide the required monthly progress report or reports.

Unless we are advised before August 15, 1955 that you have complied with the terms of the contract enumerated above, we will at that time take steps to terminate the contract.

Very truly yours,

W. M. Traver

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

WMT:dja
cc: Sec.Op.Comm.(2)
Subject
Amendment
Chron
Harshman
Shaw (2)
Hasler
Townsend

6-3-55
GM

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

MAY 31 1955

Mr. L. M. Traver
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

AIRMAIL

Re: Docket No. DMEA-3579 (Uranium)
Vale Belle Uranium, Inc.
Index Placer, Mesa Creek,
et al., claims
Montrose County, Colorado
Contract No. Ida-794

Dear Mr. Traver:

Reference is made to your memorandum of May 24, 1955, in regard to the support of vouchers on the above-cited contract.

It is sometimes advantageous to the Government to write a contract where there will be both actual cost work and fixed unit price cost work. In cases of this kind the long form contract (Form MF-200) is used. Such a contract is well illustrated in the contract at hand. Therefore, the billing on Form MF-104 for fixed unit costs need not be supported. The billing for independent contract work also need not be supported, except that the operator should furnish a copy of the independent contract to the regional office. If the contractor does the work himself, it will be necessary for him to support his billings with the documents described on the reverse of Form MF-104, unless the Executive Officer waives such documentation. When the Contract Administration and Audit Division reviews the payments on mixed contracts of this kind, the auditor will determine whether there is enough evidence in the files of the finance office to justify a Report of Review, or whether an actual on-site audit will have to be made.

If the operator chooses to do the independent work himself, he should first get the approval of the Executive Officer. This should be explained to the operator before actual work is begun. Under independent contracts the price per unit, and the total for the work under the category are maximums.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

APPROVED:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

JIChambers/ub 5-27-55
c to: Admr. Reading File, Operating Committee, Docket, J. F. Crawford, Rm. 3641, T. H. Kiilsgaard, Rm. 5224, J. O. Hosted, Rm. 3210 GSA, Mr. Selfridge, Mr. Ellis, Mr. Chambers

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

Mr. W. M. Traver
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

AIRMAIL

Re: Docket No. DMEA-3579 (Uranium)
Eula Belle Uranium, Inc.
Index Placer, Mesa Creek,
et al., claims
Montrose County, Colorado
Contract No. Idm-E794

Dear Mr. Traver:

Reference is made to your memorandum of May 24, 1955, in regard to the support of vouchers on the above-cited contract.

It is sometimes advantageous to the Government to write a contract where there will be both actual cost work and fixed unit price cost work. In cases of this kind the long form contract (Form MF-200) is used. Such a contract is well illustrated in the contract at hand. Therefore, the billing on Forms MF-104 for fixed unit costs need not be supported. The billing for independent contract work also need not be supported, except that the operator should furnish a copy of the independent contract to the regional office. If the contractor does the work himself, it will be necessary for him to support his billings with the documents described on the reverse of Form MF-104, unless the Executive Officer waives such documentation. When the Contract Administration and Audit Division reviews the payments on mixed contracts of this kind, the auditor will determine whether there is enough evidence in the files of the finance office to justify a Report of Review, or whether an actual on-site audit will have to be made.

If the operator chooses to do the independent work himself, he should first get the approval of the Executive Officer. This should be explained to the operator before actual work is begun. Under independent contracts ~~the number of units,~~ the price per unit, and the total for the work under ~~each item~~ the category are maximums.

Sincerely yours,

Chairman, Operating Committee

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

MAY - 3 1955

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

Re: Docket No. DMEA-3579 (Uranium)
Pale Belle Uranium, Inc.
Under Placer, Mesa Creek,
et al., claims
Montrose County, Colorado

Dear Mr. Traver:

Enclosed are the original and five copies of a proposed long-form contract between the Government and the Pale Belle Uranium, Inc.

If you and an authorized representative of the Operator find the proposed contract in order, please insert in Article 3, the date the work shall commence. Thereafter obtain the required signatures and make the usual distribution.

You will note that the proposed contract places the actual drilling, bulldozing, road work, and radiometric probing of drill holes on "Independent Contracts." Also, under "General Provisions" radiometric logging of the drill holes is subject to Government authorization.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

Enclosures:

APPROVED:

M. E. Volin
Member, Bureau of Mines

/s/ R. D. Trace
Member, Geological Survey

FMMurphy:am
4-28-55

cc to: Admr. Reading File
Operating Committee
Docket
Messrs. J.E.Crawford, Rm. 3641
T.H.Eillsgaard, Rm. 5224
J.O.Moated, Rm. 3210, GSA
Code 700
Mr. Murphy

The supervision, the manner and extent of sampling, and drill-hole logging, the manner of storing and splitting drill-hole cuttings and core, ~~the laboratory making the chemical analyses, the contractor probing drill holes for radioactivity~~, the location of access roads and drill sites, and the drilling method used, shall all be subject to Government approval.

Estimated Costs of Project

Actual Costs

Stage I

Category (1) Independent Contracts

2100 feet of noncore drilling @ $1.25/ft.	$ 2,625.00	
900 feet of core drilling @ $2.75/ft. 1/	2,475.00	
Bulldozing, 40 hours @ $11.00/hr.	444.00	
Le Roi tractor-air compressor, including operator, drills, steel, bits, and all costs whatsoever connected with compressor (for access roads), 3 days @ $60.00/day	180.00	
Radiometric probing of drill holes, two round trips from Moab to property, @ $623.00/trip 2/	1,246.00	$ 6,970.00

Stage II

Category (1) Independent Contracts

1050 feet of noncore drilling @ $1.25/ft.	1,312.50	

1/ See paragraph 1 under the heading "General Provisions" in this Exhibit "A."
2/ The completed work constitutes the unit.

April 13, 1955

Memorandum

To: Acting Assistant Solicitor, DMEA

From: Fred M. Murphy, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Docket No. 3579 (Uranium)
Kula Belle Uranium, Inc.
Index Placer, Long Shot, et al., claims
Montrose County, Colorado

Will you kindly prepare a long-form contract with the subject Applicant in accordance with the attached draft.

The legal documents and maps are hereto attached.

F. M. Murphy

Attachments

FMMurphy:am
4-13-55
cc to: Docket
Code 700
Mr. Murphy

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

224 New Customhouse
Denver 2, Colorado

April 5, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Report of Examination - DMEA Docket 3579 (Uranium), Eula Belle Uranium, Inc. (Mesa Creek-Long Shot groups), Montrose County, Colorado

Enclosed are the original and three copies of the report pertaining to the above application. We concur in the recommendations of the field examiners.

Also enclosed are the following:

1. Letter from Mark K. Shipman dated March 25, 1955 stating that Martha Hendrickson is not a co-owner of the Index Placer

2. Signed statement of ownership of Index Placer dated March 24, 1955 signed by Jerome Craig, Sr.

3. Six signed copies of form MF-203, on Mesa Creek 1 to 3 inclusive, New Year, and Shirley May 1 to 3 inclusive

4. Six signed copies of form MF-203 on Long Shot claims 7 to 14 inclusive and Long Shot claims 21 to 27 inclusive

5. Six signed copies of form MF-203 on the Index Placer, survey No. 2246

Inasmuch as much delay has been encountered in obtaining the above forms MF-203, it is our recommendation that these forms be accepted, even though these Owner's Consent to Liens are not on the latest revised form MF-203

6. Certificate signed by Simon Smith concerning deeds from Jerome Craig and Martha Belle Hendrickson to Eula Belle Uranium, Inc.

7. Certificate signed by Silmon Smith regarding deeds from Jerome Craig and Herschel Hendrickson to Eula Belle Uranium, Inc.

8. Signed copy of a contract between the property owners and Eula Belle Uranium, Inc.

9. Escrow receipt and Quit Claim Deeds on the Index Placer

10. Mining Deed No. 301570 to Eula Belle Uranium, Inc. on Mesa Creek 1 to 3 inclusive, New Year, Shirley May 1 to 3 inclusive, Soggens 1 to 18 inclusive and Bones 1 to 18 inclusive

11. Mining Deed No. 201569 to Eula Belle Uranium, Inc. from Jerome Craig and Herschel Hendrickson on Long Shot 1 to 27 inclusive

12. Nine copies each of Figures 1, 2 and 3 for possible use in the contract.

W. M. Traver

W. M. Traver

Enclosures

for D R Mecham

E. N. Harshman

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

TRANSMITTED

APR 5 1955

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
December 29, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 3579 (Uranium) Dale Belle Uranium, Inc., (Mesa Creek-Long Shot groups) Montrose County, Colo.

Enclosed are the original and ten copies of a "Summary, Conclusions, and Recommendations" by Paul F. Bieber, Geological Survey and Carl Balser, Bureau of Mines and of Balser's engineering report on the above docket.

Balser concludes the applicant's claims are in an area where there is a reasonable possibility of the discovery of uranium deposits in at least two horizons of the Salt Wash formations, by surface core drilling. He recommends a two stage program involving 3,000 feet of drilling in the first stage, followed by 1,500 feet of offset drilling in a second stage at a total estimated cost of $3.13 a foot or $14,085.00--Government participation 75 percent or $10,563.75 in case the applicant has to assume the cost of hole probing. A short-form unit cost contract is suggested with the second stage, requiring prior written approval by the Region IV Field Team.

Some of the drilling is on the Index Finger and before a contract is considered, it should be determined if the applicant has exercised the option on that claim.

Title cleared O.K.

I am not too conversant with air plug or core drilling, but assume it can be done satisfactorily. In this case, Balser recommends coring the bottom 30 feet of all holes presumable in the favorable ore horizon. It would appear that some minimum core recovery should be a requirement.

The costs of analyses and probing are estimated as $825.00 and $1,569.00 respectively, a total of $2,094.00. If these two items are deducted from the total cost, the footage allowance will be reduced to $2.66 a foot. It is suggested that a short-form contract be considered at that unit cost with 45 analyses allowed at $5.00 each and probing limited to the number of holes authorized, payment

to be made on an actual cost basis. Both the analyses and probing will require documentation by copies of receipted invoices.

With these suggestions, I approve engineer's conclusions and recommendations.

The brochure furnished with your memorandum of November 19, 1954, is also enclosed.

W. M. Traver

W. M. Traver

WMT/4j

cc: 10
DNRA 3579
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA 3779, Moon Creek-Long Shot Groups

Hale Belle Uranium, Inc.

Montrose County, Colorado

Uranium

Paul F. Kieber, Geologist
Geological Survey

Carl Belser, Mining Engineer
Bureau of Mines

December 17, 1954

DMRA 3579

MESA CREEK-LONG SHOT GROUPS
BELLA BELLE URANIUM, INC.
MONTROSE COUNTY, COLO.

Summary, Conclusions, and Recommendations

By Paul F. Bieber
Geologist
Geological Survey

Carl Zaiser
Mining Engineer
Bureau of Mines

DMEA 3579

MESA CREEK-LONG SHOT GROUPS
MESA BELLE URANIUM, INC.
MONTROSE COUNTY, COLO.

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By Paul F. Hieber and Carl Balcar

Mesa Belle Uranium, Inc., Joseph X. Jacob, president, 906 First Security Bank Building, Salt Lake City, Utah, applied for a Defense Minerals Exploration Administration loan of $33,333.33 to explore their Mesa Creek-Long Shot groups of claims by 11,000 feet of core-hole drilling of which 50 percent would be cored.

A field examination was made on December 7, 1954, by an examining team from the Geological Survey and the Bureau of Mines. Mark M. Shipman and Jerome Craig, Sr., vice-president of Mesa Belle Uranium, Inc., accompanied the examining team and approved the modifications suggested.

The claims are on the east side of the Dolores River and just south of Mesa Creek in sec. 2, T. 48 N., R. 18 W., New Mexico principal meridian, Montrose County, Colo.

The exposed rocks are Jurassic. Entrada sandstone and Summerville formations cover the lower slopes. An escarpment of the Salt Wash sandstone member of the Morrison formation roughly paralleling the river, rises above the more gently sloping ground below. Above the escarpment, the Brushy Basin member of the Morrison formation slopes upwards to the east.

The Salt Wash member in this area is about 240 feet thick and contains three known rims. The upper rim is a sandstone lens from

25 to 30 feet thick. The lower rim is from 20 to 25 feet thick. Uranium-vanadium deposits occur in both the upper and lower rims. Green mudstones are present in both the upper and lower rims. The formation dips about two degrees northeast and the estimated thickness of the overlying Brushy Basin member is 300 feet.

The applicant's proposal called for 46 drill holes aggregating 11,000 feet to be drilled in three stages at a total cost of $33,333.33 or $3.03 a foot.

The examining team recommended a two-stage drilling program consisting of 30 dry drilled holes aggregating 3,000 feet of drilling in Stage I and a maximum of 1,500 feet of drilling in Stage II.

The total estimated cost in case the applicant has to assume the cost of hole probing is $14,085.00, Government participation--75 percent, $10,563.75.

MSHA 3379

MSHA GREEN-LAKE MINE GROUP:
MSHA MINE WHARTON, INC.,
MONTROSE COUNTY, COLO.

Engineering Report

By Carl Palmer
Mining Engineer
Bureau of Mines

DMEA 3579

MESA CREEK-LONG SHOT GROUPS
BULA BELLE URANIUM, INC.
MONTROSE COUNTY, COLO.

CONTENTS

Engineering report	Page
Introduction	1
Acknowledgments	1
Location, topography, and climate	2
History and production	3
Ownership and extent	3
Description of deposits	4
Minimable ore reserves	4
Present status	5
Exploration and development	5
Mining and milling equipment and other facilities	5
Proposed exploration	5
Estimated cost of project	6
Estimated cost of drilling	6
Engineer's estimated cost of modified project	8
Summary cost of project	9
Conclusions	9
Recommendations	10

ILLUSTRATIONS

Figure	Follows Page
1. Location map, Mesa Creek-Long Shot groups, Bula Belle Uranium, Inc., Montrose County, Colo., (DMEA 3579)	2
2. Plan of proposed and approved exploration for Bula Belle Uranium, Inc., claims in the southeastern Mesa Creek area, sec. 2 T. 48 N., R. 18 W., New Mexico principal meridian, Uncompahgre district, Montrose County, Colo.,	*

*See figure with geologic report.

DMEA 3579

DMEA CREEK-LONG SHOT GROUPS
BULA BELLE URANIUM, INC.
MONTROSE COUNTY, COLO.

EXAMINATION REPORT

By Carl Balser

INTRODUCTION

Bula Belle Uranium, Inc., 506 First Security Bank Building, Salt Lake City, Utah, submitted an application dated November 10, 1954, for a Defense Minerals Exploration Administration loan on their Mesa Creek-Long Shot groups of claims near the confluence of Mesa Creek and the Dolores River, Montrose County, Colo. The application, DMEA 3579, requested aid in completing 11,000 feet of core-hole drilling at an estimated total cost of $33,333.33--Government participation 75 percent, or $25,000.00. This proposed exploration was to test the Salt Wash member of the Morrison formation for uranium mineralization.

A joint field investigation was made by a Geological Survey-Bureau of Mines examining team on December 7, 1954. The examining team as a result of their investigations, recommended Government assistance in a modification of the applicant's proposal of exploratory drilling in which drilling on the Mesa Creek-Index claims would be limited to shallow drilling of the lower rim and drilling of the Long Shot Nos. 24 and 25 claims would be limited to the upper rim. The total footage was reduced from 11,000 feet to 4,500 feet.

ACKNOWLEDGMENTS

Mark K. Shipman, geological engineer and Jerome Craig, Sr., vice-president, Bula Belle Uranium, Inc., accompanied the examining

team and represented the applicant.

Arnold L. Brokaw, District Supervisor, Geological Survey, Grand Junction, Colo., assigned Paul P. Bieber, geologist, to make the examination as the Geological Survey member of the team. Bieber was accompanied by geologists Robert L. Boardman and Thomas Mullens.

The Atomic Energy Commission was consulted regarding the area before the examination was made.

LOCATION, TOPOGRAPHY, AND CLIMATE

The Bula Belle Mesa Creek-Longshot groups consist of 22 unpatented mining claims and a patented placer claim in sec. 2, T. 48 N., R. 18 W., New Mexico principal meridian, Montrose County, Colo., (fig. 1).

The claims cover the cliffs and the top of the rim on the east side of the Dolores River south of Mesa Creek. Altitudes at the two proposed drilling sites are 5,100 and 5,300 feet, respectively.

A fair access road leads past the Golden Cycle mine to the drilling site on top of the cliff and a second access road, 1-1/2 miles long, leads from the lower drilling site to Colorado State Highway 141 from whence it is 14 miles south to Uravan and 72 miles north to Grand Junction.

Labor, supplies and light equipment can be obtained at Uravan. Heavy equipment can be purchased in Grand Junction, which is on the Denver and Rio Grande Western railroad and is the nearest railhead. Native timber and dimension lumber can be purchased in Uravan. Electric power lines service the Golden Cycle mine and could be extended two miles to the Bula Belle property. The nearest ore purchasing depot is at Uravan.

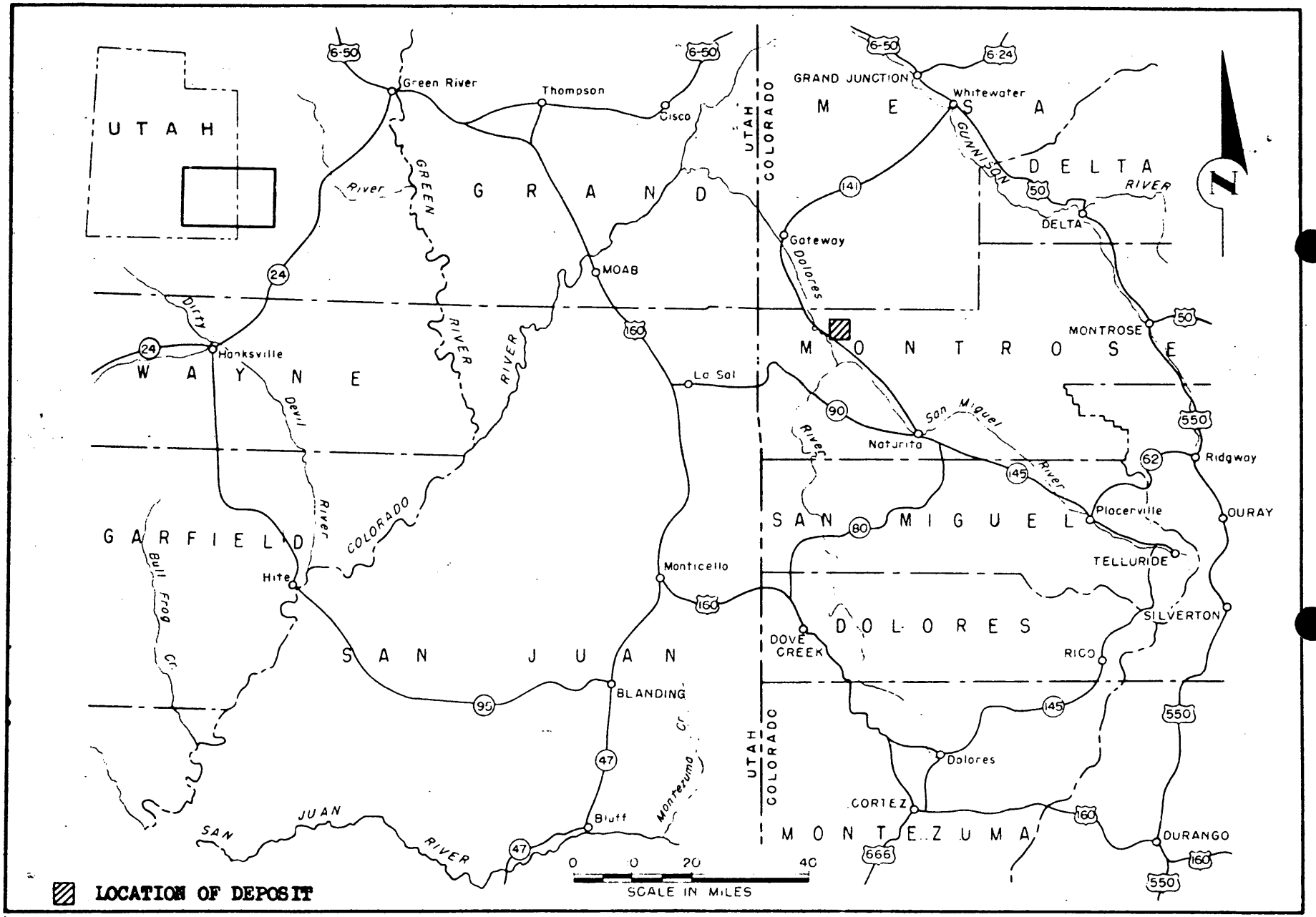


FIGURE 1 - LOCATION MAP, MESA CREEK - LONG SHOT GROUPS, EULA BELLE URANIUM, INC., MONTROSE COUNTY, COLO. (DMEA 3579)

Annual rainfall is light and the country is classed as semi-arid. Winter snowfalls seldom exceed 6 inches at the altitude of the claims and mining operations can be maintained throughout the year. Water for drilling and mining purposes can be obtained from the Dolores River and water for domestic purposes is trucked from Uravan.

HISTORY AND PRODUCTION

Cliff exposures on the Long Shot Nos. 24 and 25 claims were washed for vanadium by a Mr. Calcord in 1930 and were reopened by I. J. Wines in 1947 and 1948. Prospecting for uranium became of interest following the introduction of the Government buying schedules in 1948. Exposures of uranium mineralization occur in both the upper and lower rims of the Salt Wash formation. No uranium ore has been shipped from the property.

OWNERSHIP AND TITLE

The property consists of 22 unpatented claims and a patented placer claim located in section 2, T. 48 N., R. 18 W., New Mexico principal meridian. The unpatented claims are recorded in the office of the County Clerk and Recorder of Montrose County, Colo., as follows:

Claim	Book	Page
Moon Creek No. 1	370	303
Moon Creek No. 2	370	304
Moon Creek No. 3	370	305
New Year	896	396
Shirley May No. 1	896	484
Shirley May No. 2	896	485
Shirley May No. 3	896	486
Long Shot No. 7	370	100
Long Shot No. 8	370	101
Long Shot No. 9	370	102
Long Shot No. 10	370	103
Long Shot No. 11	370	104

Claim	Book	Page
Long Shot No. 10	370	105
Long Shot No. 11	370	106
Long Shot No. 12	370	107
Long Shot No. 21	370	297
Long Shot No. 22	370	298
Long Shot No. 23	370	299
Long Shot No. 24	370	300
Long Shot No. 25	370	301
Long Shot No. 26	370	302
Long Shot No. 27	376	24
Index Placer	Patented	

The Index Placer is a patented placer claim which contains the Salt Wash sandstones only in the extreme eastern portion of the claim. At the time of the examination, the option to purchase the Index Placer had not been exercised.

The claims are shown on figure 2 with the geologic report.

DESCRIPTION OF DEPOSITS

Uranium occurs with vanadium in the bottom part of the upper sandstone rim of the Salt Wash member of the Morrison formation and also in the lower sandstone rim of the Salt Wash. These sandstone rims or lenses appear to be from 20 to 30 feet thick, dip about 2 degrees northeast, are fairly coarse, and are associated with green mudstones. The main uranium production from the area has been from the upper rim. The Golden Cycle and Worcester properties about 2 to 3 miles southeast of the Bala Belle claims contain substantial ore deposits.

MINEABLE ORE RESERVES

There are no known mineable ore reserves on the property.

PRESENT STATUS

Exploration and Development

The ore zone in the upper rim on the Long Shot No. 23 claim has been opened by a 30-foot adit and on the Long Shot No. 24 by a 130-foot adit. Both adits were opened for vanadium ore. The ore zone in the lower rim has been opened by a series of short 5 to 10 foot adits on the Index Placer. The locations of these features are shown on figure 2 with the geologic report.

Mining and Milling Equipment and Other Facilities

There is no mining or milling equipment on the property. The only facilities consist of an upper and a lower access road.

PROPOSED EXPLORATION

The applicant proposed to explore the ore zones by drilling 46 core-drill holes aggregating 11,000 feet of drilling, to be done in three stages and many of the holes would have penetrated both ore horizons. The examining team suggested that the drilling be confined to short holes penetrating only one ore zone, and in order to cut the expense of an access road over the cliff for hauling water, suggested that all holes be drilled with air.

The modified two stage drilling program as proposed by the examining team consists of 15 holes drilled through the upper sandstone rim and 15 holes drilled through the lower sandstone rim of the Salt Wash (fig. 2 with the geologic report). The holes are to be drilled dry and the last 30 feet of each hole is to be air cored. If warranted, a second stage consisting of a maximum equal to not over 50 percent of the first stage drilling would be drilled

to delineate ore bodies penetrated by the first stage drilling.

The locations of the first stage holes are shown on figure 2 with the geologic report. The estimated depths of the individual holes are as follows:

Upper rim holes

Hole No.	Depth in feet	Hole No.	Depth in feet	Hole No.	Depth in feet
1	105	6	85	11	145
2	115	7	80	12	145
3	125	8	80	13	125
4	135	9	115	14	125
5	115	10	135	15	120
				Total	1,790

Lower rim holes

16	80	21	65	26	110
17	80	22	65	27	100
18	65	23	65	28	80
19	65	24	120	29	80
20	65	25	130	30	80
				Total	1,210
				Grand Total	3,000

ESTIMATED COST OF PROJECT

The application as submitted included all costs with probing of an estimated 50 holes.

Estimated Cost of Drilling

The applicant expected to subcontract all drilling and bulldozing to independent contractors and his estimated costs are as follows:

Independent contracts

11,000 feet of core-hole drilling at $2.50 a foot $ 27,500.00

Bulldozing roads and drill sites 17 days (136 hours) at $11.00 an hour	1,496.00	
Leased Tractor-air compressor, drill, steel, operator, etc., 8 days at $60.00 a day	480.00	
Total independent contracts	$ 29,476.00	$ 29,476.00
Labor and supervision		
Labor		
None		
Supervision 18 days at $75.00 a day	1,250.00	†(900.00)
Consultant 10 days at $75.00 a day	750.00	
Total labor and supervision		2,000.00
Operating materials and supplies		
Supplies (explosives)	300.00	
Total operating materials and supplies		300.00
Operating equipment		
Rental of probe equipment with two operators, 4 days at $100.00 per day	400.00	
Rent of ranch house at mouth of Moon Creek, 2 months at $75.00 a month	150.00	
Total operating equipment		550.00
Initial rehabilitation and repairs		
None		
New building, improvements, etc.		
None		
Miscellaneous		
Accounting and monthly reporting	250.00	
Workman's compensation, employer's liability insurance and payroll taxes	150.00	
Analytical work, 50 assays at $5.00 ea.	250.00	
Total miscellaneous		650.00
Allowance for contingencies		327.33
Total estimated core-hole drilling costs		$ 33,333.33
Average cost per foot for 11,000 feet of drilling		$ 3.03

Engineer's Estimated Cost of Modified Project

Estimated time required to complete project--2 months. Stage I and Stage II drilling will be under identical conditions. Estimated costs follow:

Independent contracts		
3,190 feet of air plug-bit drilling at $1.75 per foot	$ 5,582.50	
1,350 feet of air core-drilling at $2.75 per foot	3,712.50	
Bulldozing drill sites 44 hours at $11.00 per hour	506.00	
LaMai Tractor-air compressor complete with operator, drills, steel, bits, etc., 3 days at $60.00 per day	180.00	
Total independent contracts		9,911.00
Labor and supervision		
Supervision		
Supervisor-engineer 2 months at $600.00/month	1,200.00	
Consultant 4 days at $75.00 a day	300.00	
Total labor and supervision		1,500.00
Operating materials and supplies		
Explosives	75.00	
Core boxes, 30 at $6.00 each	180.00	
Total operating materials and supplies		255.00
Operating equipment		
Rental		
Ranch house at south of Moss Creek, 2 months at $75.00 a month	150.00	
Total operating equipment		150.00
Initial rehabilitation and repairs		
None		
New building, improvements, etc.		
None		
Miscellaneous		
Accounting 2 months at $50.00 per month by supervisor	100.00	
Compensation and liability insurance and payroll taxes, 5 percent of $1,500.00	75.00	

Assaying		
45 assays at $5.00 each	$ 225.00	
Probing--three trips from Moab at $623.00 per trip	1,869.00	
Total miscellaneous		2,869.00
Total estimated core-hole drilling costs		$ 14,085.00
Average cost per foot for 4,500 feet of drilling		$ 3.13
Total estimated cost if probing is done by a Government agency		$ 12,216.00
Average cost per foot for 4,500 feet of drilling		$ 2.71

SUMMARY COST OF PROJECT

Stage I Core-hole drilling 3,000 feet at $3.11 a foot	$ 9,390.00
Stage II Core-hole drilling 1,500 feet at $3.13 a foot	4,695.00
Total Stage I and Stage II drilling	$ 14,085.00
Government participation--75 percent	$ 10,563.75

Total time for completion--2 months

If the holes are probed by a Government agency, the cost would become $2.71 a foot and is broken down as follows:

Stage I Core-hole drilling 3,000 feet at $2.71 a foot	$ 8,130.00
Stage II Core-hole drilling 1,500 feet at $2.71 a foot	4,065.00
Total Stage I and Stage II drilling, if both stages are completed	$ 12,195.00
Government participation--75 percent	$ 9,146.25

CONCLUSIONS

The Sale Balls Mesa Creek-Long Shot groups of claims cover a cliff of flat bedded Salt Wash sandstones. Three Salt Wash rims are exposed. Some uranium is exposed in two different locations in the upper rim and in one location in the lower rim. Large uranium deposits occur in the Golden Cycle and Worcester mines, some two to three miles southeast. The coarse sandstone lenses in the rims

are from 20 to 30 feet thick; the associated mudstones are green and some carbonaceous trash is present. The examining team believes that a limited exploration program is warranted.

RECOMMENDATIONS

It is recommended that a short-form contract be prepared for a two-stage program consisting of:

Stage I

Dry core-hole drilling a maximum of 3,000 feet as shown on figure 2 with the geologic report. The bottom 30 feet of each hole is to be air cored. The estimated cost for 3,000 feet of core-hole drilling is $ 3.13 $ 2.71* a foot, or $9,390.00 $8,130.00*.

*Cost if a Government agency probes all holes.

Stage II

Dry core-hole drilling an additional maximum of 1,500 feet, the bottom 30 feet of each hole to be air cored. The drilling comprises approximately 15 offset holes to delineate possible ore found in Stage I drill holes.

Prior approval of second stage drill holes by the Region IV Defense Minerals Exploration Field Team is recommended. The estimated cost of 1,500 feet of core-hole drilling is $3.13 $2.71* a feet or $4,695.00 $4,065.00*.

Total cost of project	$14,085.00 $12,195.00*
Government participation--75 percent	$10,563.75 $ 9,146.25*

*Cost if a Government agency probes all holes.

/43

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APR 5 1955

Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

January 18, 1954

Memorandum

To: Field Team, Region IV

From: E. N. Harshman

Subject: DMEA Docket 3579 (uranium), Eula Belle Uranium, Inc., Long Shot group, Mesa Creek group and Index Placer claim, Montrose County, Colorado.

Enclosed are 10 copies of an examination report by F. P. Bieber, U. S. Geological Survey, on the above subject property.

The applicant company has requested Government assistance to explore for uranium ore in the Salt Wash member of the Morrison formation underlying their property in the southeastern Mesa Creek area, Montrose County, Colorado. The applicant proposes 11,000 feet of diamond drilling to explore several horizons in the Salt Wash at an estimated cost of $33,333.33.

Bieber recognizes 2 possible ore horizons in the Salt Wash exposed on the property. He recommends exploration for ore in the lower sands of the Salt Wash on the Mesa Creek group of claims and the Index Placer claim, and exploration of the upper sands of the Salt Wash on the Long Shot group of claims. The total footage of exploration recommended in both areas is 3,000 feet. The amended exploration program is satisfactory to the applicant.

The conclusion that limited exploration on the Eula Belle Uranium Company's property may result in the discovery of small but significant uranium deposits appears warranted and I concur in Bieber's recommendation that Government assistance in exploration on the property be granted.

E. N. Harshman

E. N. Harshman
Member, Field Team

Enclosures 10

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APR 5 1955

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
COLORADO PLATEAU DISTRICT
P. O. BOX 360
GRAND JUNCTION, COLORADO

Rec'd 1955
BUREAU OF MINES
Denver, Colorado

December 31, 1954

APR 11 1955

Memorandum

To: E. N. Harshman, Field Team, Region IV

From: Arnold L. Brokaw, District Supervisor

Subject: DMEA 3579, Eula Belle Uranium, Inc., mining claims, Long Shot group, Mesa Creek group, Index Placer claim, Montrose County, Colorado

Transmitted herewith are 10 copies of a geologic report and accompanying maps by P. P. Bieber, covering a field examination of the above-referenced property.

The applicant requested $33,333.33 (Government's share, $25,000) for 11,000 feet of drilling to explore the property. The examining geologists believe that uranium ore bodies may be found, but that 11,000 feet of drilling is excessive. They recommend that DMEA assistance be allowed for only 3,000 feet of drilling to explore the property. I concur with the recommendation made by the examining geologist.

The application was brought to the attention of the Exploration Division, U. S. Atomic Energy Commission, Grand Junction Operations Office, and the Commission was asked for its help and advice in evaluating the property.

T. E. Mullens
For Arnold L. Brokaw

TEM/mlr
Enclosures

UNITED STATES DEPARTMENT OF THE INTERIOR

DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA 3579, Eula Belle Uranium, Inc., mining claims, Long Shot group, Mesa Creek group, Index Placer claim, Montrose County, Colorado

Uranium

Geologic Report

by

P. P. Bieber
U. S. Geological Survey

December 23, 1954

DEPARTMENT OF THE INTERIOR
Bonus Materials Administration
APR 1 1955

CONTENTS

	Page
Introduction and Summary.	1
Geology	4
Ore Deposits	5
Proposed Exploration and suggested modifications	6
Conclusions and Recommendations	7

ILLUSTRATIONS

Figure 1 -	Index map of part of the Colorado Plateau showing the approximate location of Eula Belle Uranium, Inc., claims, southeastern Mesa Creek area, Uravan district, Montrose County, Colo. .	9
Figure 2 -	Plan of proposed and recommended exploration for Eula Belle Uranium, Inc., mining claims in the southeastern Mesa Creek area, sec. 2, T. 48 N. R. 18 W., NMPM, Uravan district, Montrose County, Colo.	10
Table 1 -	Tabulation of drilling depths and collar elevations for holes recommended by the examining field team	11

DMEA 3579

INTRODUCTION AND SUMMARY

Eula Belle Uranium, Inc., of Whitewater, Colorado, has applied to the Defense Minerals Exploration Administration for a loan to explore for uranium on several of their claims in the southeastern Mesa Creek area, Montrose County, Colorado (fig. 1). Claims No. 24 and No. 25 of the Long Shot group and claims No. 1 and No. 3 of the Mesa Creek group are owned by Eula Belle Uranium, Inc., and an option is held by them on the Index Placer claim No. 2246. Numerous other claims included in the application brochure are not pertinent to the application.

The property was examined on December 7, 1954, by Paul P. Bieber and R. L. Boardman, geologists, U. S. Geological Survey, and Carl Belser, engineer, U. S. Bureau of Mines, in company with Mark K. Shipman, geological engineer, representing Eula Belle Uranium, Inc. The claims lie in sec. 2, 3 & 11 T. 48 N., R. 18 W., New Mexico Principal Meridian. The area is accessible by two unimproved roads which do not connect. One of these roads, approximately a mile in length, leaves Colorado Highway 141 a hundred yards south of the Mesa Creek bridge. The other leaves Colorado Highway 141 two miles north of Uravan, Colorado and follows the Dolores bench for approximately six miles. Both roads are in need of minor repairs.

The applicant proposes 11,000 feet of diamond drilling to explore for uranium in the four mining claims and one placer claim listed above.

The total cost of this exploration program is estimated by the applicant to be $33,333.33.

The drilling proposed by the applicant is in two areas (fig. 2) approximately 1,800 feet apart. One area is in the Mesa Creek group of claims and Index Placer claim where 600 feet of first-phase drilling is proposed by the applicant to test the lower part of the Salt Wash member of the Morrison formation behind a mineralized outcrop. These holes would average about 100 feet in depth. In addition 1,000 feet of first phase drilling is proposed in this same area to test the entire Salt Wash section at an average depth of approximately 250 feet. It is believed by the examining field team that the 600 feet of drilling to test only the lower Salt Wash at shallow depth (100 feet) is sound, but that testing of the entire Salt Wash section is not warranted because the section is exposed on both sides of a narrow finger in this area, and mineralized rock is not elsewhere present nor is the section favorable except in the area of the mineralized outcrop. A modified program of exploration, acceptable to the applicant, is recommended in this area. The modified program consists of 15 first-phase holes in two fences. The holes are planned about 100 feet apart and the first fence is 100 feet behind the outcrop. The average depth of these holes is estimated to be 83 feet for a total of 1,250 feet of drilling (table 1) to test only the mineralized zone at the base of the Salt Wash.

The second area is in the LongShot group of claims (fig.2) where the applicant proposes 3,000 feet of drilling. This drilling consists of 12 holes, 100 feet apart, to test the entire Salt Wash section in this area also, at an estimated average depth of 250 feet. Known mineralization in this area is in the uppermost sandstone unit of the Salt Wash. Testing of the entire Salt Wash in this area is not believed justified because deposits in the lower Salt Wash, though possibly of high grade, are expected to be too small to be economic at a depth of 250 feet. The examining field team recommends in this area a modified exploration program that is also acceptable to the applicant. This modified program consists of fifteen first-phase holes to be drilled 150 feet apart in two staggered fences 150 feet or more behind the upper Salt Wash rim. These holes will test only the uppermost sandstone unit of the Salt Wash. The total footage for this drilling is estimated to be 1,750 feet at an average total depth of approximately 116 feet (table 1). It is believed that spacing of 150 feet is more suitable to an exploration program testing the upper Salt Wash than 100-foot spacing because the deposits are more likely to be of sufficient size to be located with this spacing.

The total footage in both areas is 3,000 feet and the total holes 30 in the modified program.

The applicant proposes a road to gain access to the top rim of the Salt Wash and proposed drill sites. It is recommended that this proposal for a road be rejected. Roads serve both areas to be drilled and only additions to these roads would be necessary if the drilling is done by air as recommended.

It should be noted that the position of the upper prominent rim of the Salt Wash and holes based on this location are incorrectly located on figure 2 of the applicant's brouchure. The odd overlap of holes on figure 2 of this report is the result of this incorrect location.

GEOLOGY

The rocks exposed in the southeastern Mesa Creek area, included in this examination, consist of interbedded mudstone, sandstone and cherty conglomerate of the lower 50 feet of the Brushy Basin member and interbedded mudstone and sandstone of all of the Salt Wash (250 feet) member of the Upper Jurassic Morrison formation. About 60 feet of Summerville and 100 feet of Entrada is present below the Morrison formation. Near the top of the Salt Wash there is a light brown and locally light red sandstone unit. This unit ranges from 45-55 feet thick and in the vicinity of mineralized rock the mudstone in, and in contact with the sandstone is green. This sandstone is continuous through the area. The middle portion of the Salt Wash consists of discontinuous sandstone lenses interbedded with sparse green and abundant red mudstone. The lower 30-60 feet of the Salt Wash is a zone of predominently continuous sandstone lenses 10-15 feet thick separated by thin red and green mudstone beds. The basal lens of sandstone in this lower zone is light brown to light gray and contains abundant green mudstone seams, has green mudstone at the base

and is approximately 15 feet thick. Carbonaceous material is abundant locally in this lens. The known deposits in the southeastern Mesa Creek area are in this lower sandstone lens and in the uppermost sandstone unit of the Salt Wash. The strata in this area strike about N.50° W., and dip about 2° NE.

ORE DEPOSITS

Vanadium ore has been produced from a deposit in the upper sandstone unit of Salt Wash in the area considered in this report. This deposit is located in the Long Shot No. 24 claim and is reported to have been worked in the 1930's. No information is available as to tonnage or grade of the material removed. It is estimated by the examiner to have produced no more than 40 tons of ore that may have contained 0.40 percent U_3O_8 and 3.0 to 4.0 percent V_2O_5. Grade is based on sampling done by the applicant.

A mineralized outcrop is present in the lower part of the Salt Wash. No one has been shipped from this deposit but the applicant's assays indicate that this deposit may contain about 0.20 percent U_3O_8 and 1.60 percent V_2O_5; however, the writer believes that this estimate is low considering the appearance of the material on the outcrop.

The ore bodies observed in the old working on the Long Shot No. 24 claim appear to be mostly tabular masses with abundant gray mudstone associated with the sandstone. The sandstone is light gray and light brown. Abundant secondary copper minerals are present in association with the ore. The deposit in the lower part of the Salt Wash is in the form of a roll about 12 feet long and about 2 feet thick. Mineralized rock is present along a hundred feet of the outcrop. Abundant secondary copper minerals are also present in this deposit.

PROPOSED EXPLORATION AND SUGGESTED MODIFICATION

The applicant proposes 11,000 feet of diamond drilling at a cost of $33,333.33 in four mining claims and one placer claim included in their application. This drilling consists of 45 proposed drill holes planned on 100-foot centers. The applicant plans to test the lower Salt Wash behind a mineralized outcrop in 13 of these holes. It is believed that this plan of exploration is sound and it is recommended that two holes be added, making a total of 15 holes at an average depth of 83 feet for a total footage of 1,250 feet. The applicant proposes 9 holes to test the entire Salt Wash section in an area where the section is exposed on both sides of a narrow finger (Mesa Creek No. 1 claim, fig. 2). Mineralized rock is not present elsewhere nor is the section favorable except in the vicinity of the mineralized outcrop. It is recommended that these 9 holes be deleted. The applicant proposes 23 holes spaced 100 feet apart to test the entire Salt Wash in the Long Shot No. 24 and No. 25 claims at an average total depth of 250 feet. Known mineralization is only in the uppermost sandstone unit of the Salt Wash in this area. Testing of the entire Salt Wash is not believed justified because deposits found in the lower part of the Salt Wash, though possibly of high grade, are expected to be too small to be economic at a depth of 250 feet. It is suggested that only the upper sandstone unit of the Salt Wash be tested. It is believed that spacing of 150 feet is more suitable to an exploration program testing the upper Salt Wash than 100-foot spacing because the deposits are more likely to be of sufficient size to be located with this spacing. A modified program of exploration for this area is suggested

consisting of 15 holes spaced 150 feet apart in two staggered fences 150 feet or more behind the upper Salt Wash rim. The average total depth of the 15 holes is estimated to be 116 feet for a total of 1,750 feet. The applicant plans to probe all holes with a Geiger tube.

The applicant proposes a road to gain access to the top rim of the Salt Wash; hence proposed drill sites in the Long Shot group of claims. It is recommended that this proposal be rejected. Roads now in existence serve both areas to be drilled and only additions to these roads would be necessary to execute the modified program recommending air drilling.

CONCLUSIONS AND RECOMMENDATIONS

A DMEA (uranium) field examination was made of four mining claims and a placer claim in the southeastern Mesa Creek area, Uravan District, Montrose County, Colorado. Of these claims, four (Mesa Creek No. 1 and No. 3 and Long Shot No. 24 and No. 25) belong to Eula Belle Uranium, Inc. of Whitewater, Colorado, and an option is held by them on the Index Placer No. 2246 claim.

The uranium deposits in the area examined are in two horizons in Salt Wash member of the Jurassic Morrison formation. The deposit in the lower part of the Salt Wash is unexplored but is probably small. The deposit in the upper sandstone unit of the Salt Wash is, likewise, small although elsewhere in the Uravan district the large deposits are in the upper Salt Wash sandstone.

The applicant proposes 11,000 feet of diamond drilling in holes spaced 100 feet apart at an estimated total cost of $33,333.33. It is recommended that 8,000 feet of this drilling be deleted by testing only the mineralized horizon in the two respective areas of proposed drilling and by increasing the spacing of drill holes to 150 feet in the area where larger deposits are more likely to be present.

It is also recommended that air drilling be used because the drill holes will be relatively shallow (100-foot average) and a considerable amount of road building can be eliminated.

It is recommended that a contract be prepared and approved.

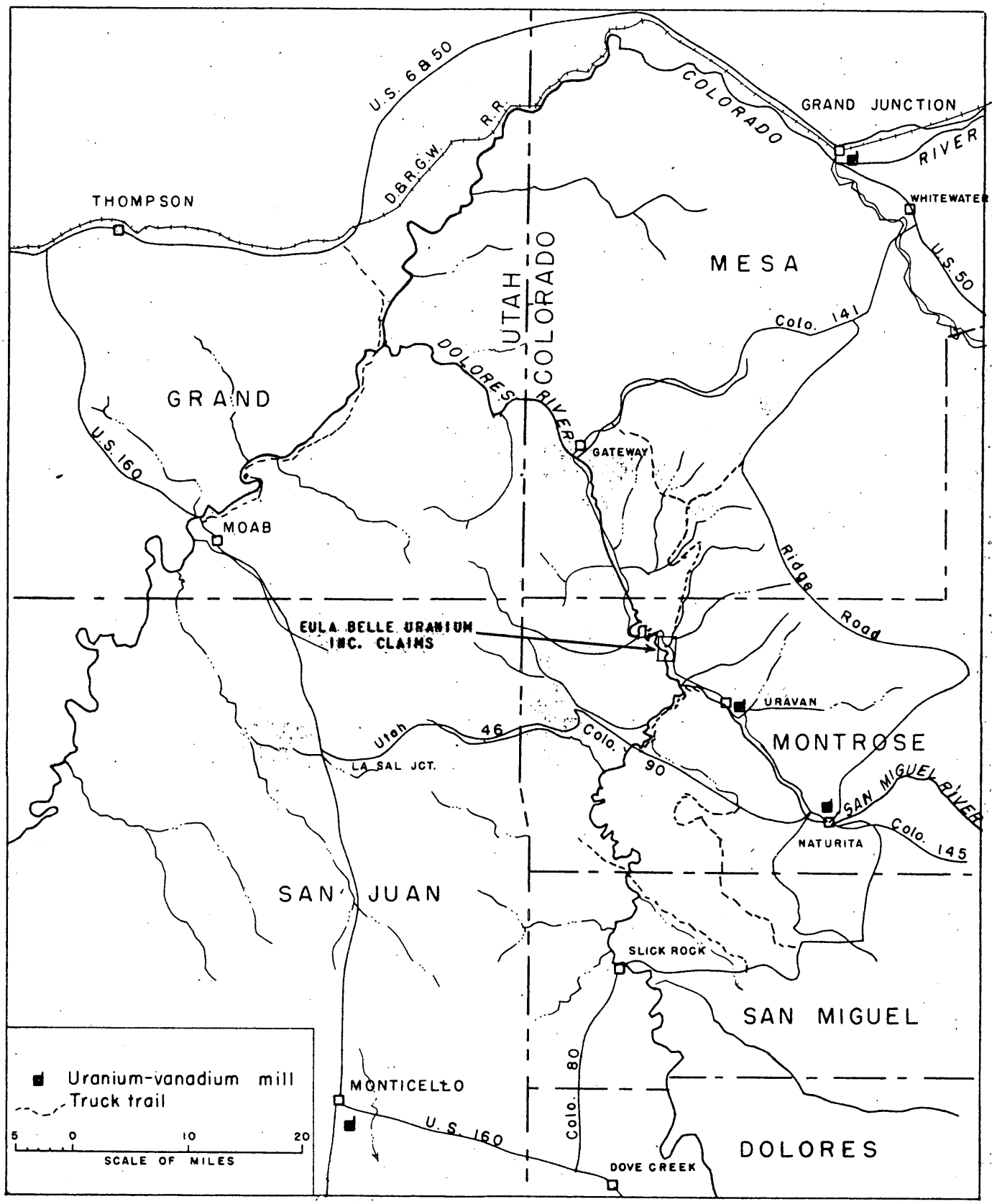
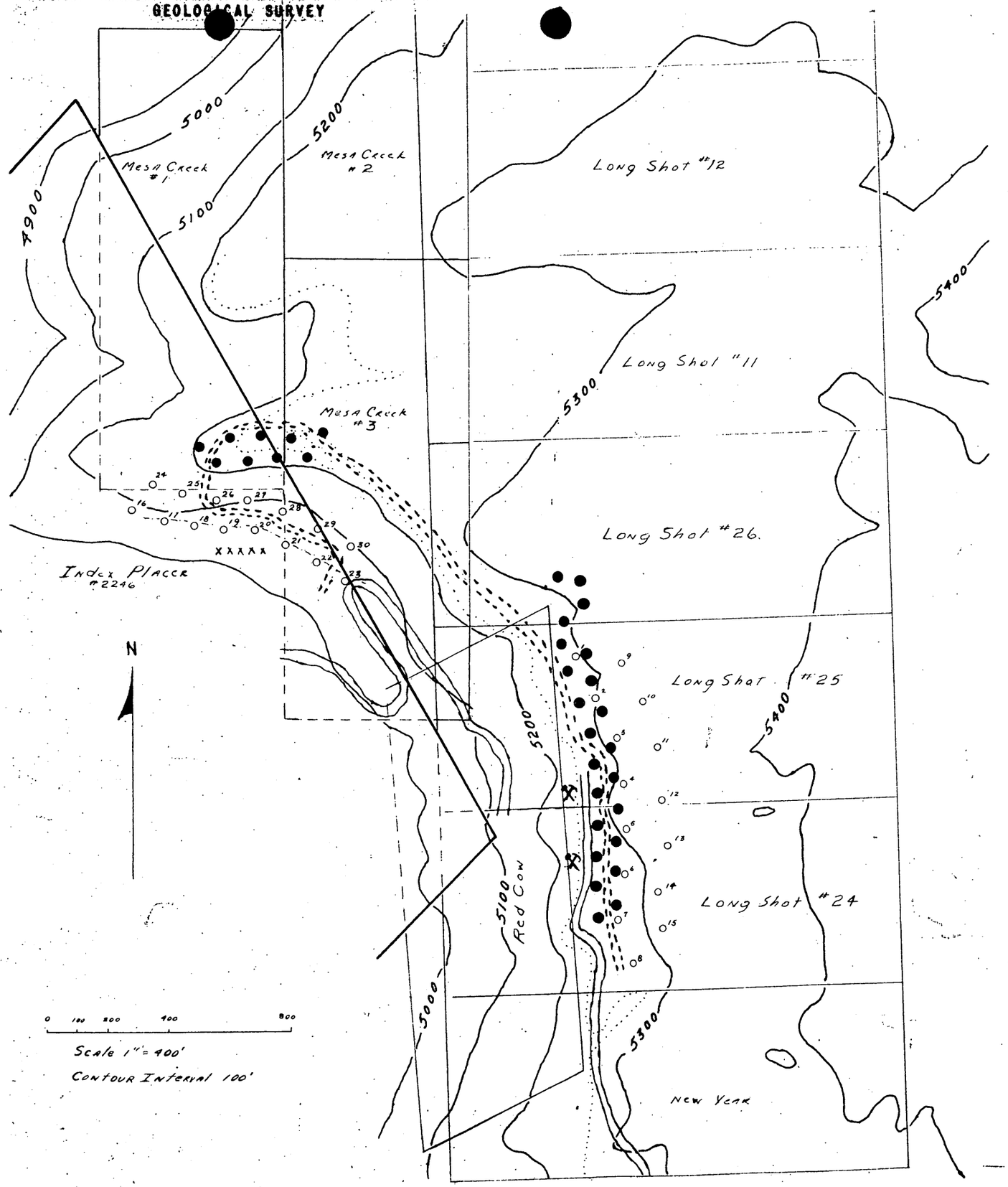


Figure 1. INDEX MAP OF PART OF THE COLORADO PLATEAU SHOWING LOCATION OF THE EULA BELLE URANIUM INC. CLAIMS, URAVAN DISTRICT, MONTROSE COUNTY, COLORADO

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET NO. 3579



EXPLANATION

APPROXIMATE TOP OF THE HIGHEST SANDSTONE LENSE IN THE SALT WASH MEMBER

APPROXIMATE TOP OF BASAL SANDSTONE LENSES OF THE SALT WASH MEMBER

● LOCATION OF DRILL HOLES PROPOSED BY APPLICANT AND REJECTED BY EXAMINING FIELD TEAM

○ LOCATION OF DRILL HOLES RECOMMENDED BY EXAMINING FIELD TEAM

⚒ PROSPECT OR MINE

ROAD PROPOSED BY THE APPLICANT

ROAD NOW IN EXISTANCE

NOTE: CLAIM BOUNDARIES TAKEN FROM APPLICANTS MAP

Figure 2. PLAN OF PROPOSED AND RECOMMENDED EXPLORATION FOR EULA BELLE URANIUM INC. CLAIMS IN THE SOUTHEASTERN MESA CREEK AREA, SECTION 2, T.48 N., R.18 W., N.M.P.M.
URAVAN DISTRICT, MONTROSE COUNTY, COLORADO

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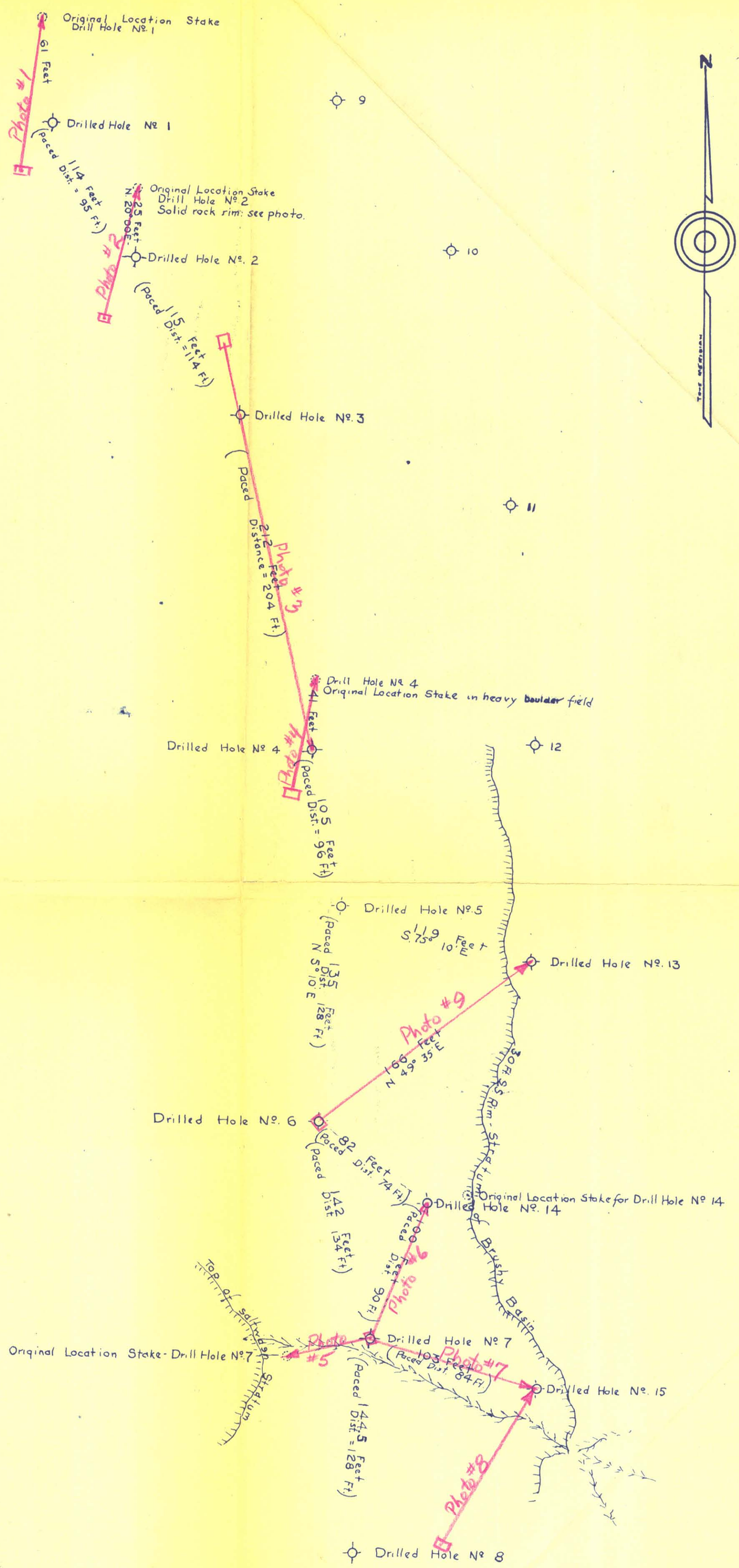
Table 1.-- Tabulation of drilling depths and collar elevations for holes recommended by examining field team.

Hole no.	Collar elevation	Total depth
1	5,290	105
2	5,300	115
3	5,310	125
4	5,320	135
5	5,310	115
6	5,280	85
7	5,270	80
8	5,270	80
9	5,310	115
10	5,330	135
11	5,340	145
12	5,350	145
13	5,330	125
14	5,330	125
15	5,330	120
		1,750 feet
16	5,080	80
17	5,080	80
18	5,060	65
19	5,060	65
20	5,060	65
21	5,060	65
22	5,060	65
23	5,060	65
24	5,120	120
25	5,130	130
26	5,110	110
27	5,100	100
28	5,080	80
29	5,080	80
30	5,080	80
		1,250
	Holes 1-15	1,750
	Total feet	3,000



I, William B. Curry, do hereby certify that this map was plotted from field notes of an actual survey made under my supervision on September 20, 1955. All distances are correct as shown EXCEPT those marked as (Paced Distance) which are approximate and shown only as a comparison.

William B. Curry Jr.
Colo. Land Surveyor. Reg. 431

Photo Number — Target of Photo

Position of Photographer