DMEA 3579

DOCKET INDEX

ACTION DOCUMENTS

1.	APPLICATION	DATE RECEIVED 11-22-54
2.	CONTRACT	DATE 5-3-55
2A	MEMO OF EXPLANATION	(ISSUED) 10/25/56
3.	TERMINATION AGREEMENT:	DATE 12-21-55

a. Mutual (with/without repayment provision).
b. Unilateral.
c. Amendment with automatic termination clause and with/without repayment provision.

4.	CERTIFICATION	DATE
5.	AUDIT REPORT	DATE
6.	AMENDMENTS - NUMBERS 1	DATE 9-26-55

Docket Copy

Chandler
Murphy
Ellis
Rutin
Lamont
Legal Div. Office
Kilsgaard
Selfridge

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

MEMORANDUM OF EXPLANATION

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 Idm-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.

G. O. Mittendorf (for)

Administrator, Defense Minerals
Exploration Administration

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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 Eula 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 Mitchell
Administrator, Defense Minerals
Exploration Administration

Pontry
Dwyer
"Appd. Sol. Off."
Murphy
Ellis
Fisher
Branch
Selfridge
Feldman

EULA BELLE URANIUM, INC.

By George Bragg Jr.
Vice President.

RECEIVED

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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 - MP-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
Jerome Craig, Jr.,
Vice President

(Seal)

UNITED STATES GOVERNMENT

JWP

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

MENT OF TRAVEL
ation Sheet—Memorandum

Payee ____

RANS-TATION EQUEST No.	AGENT'S VALUATION OF TICKET OBTAINED BY T/R NOT TO BE CLAIMED	MODE OF TRAVEL (If by public carrier show abbreviated name thereof and class of service used)	DATE OF TRAVEL	POINTS OF TRAVEL — FROM— (Also show meter readings when travel was by automobile)	POINTS OF TRAVEL — TO—	FOR REIMBURSABLE ITEMS ONLY — MILES TRAVELED BY AUTO.	RATE PER MILE (Cents)	AMOUNT CLAIMED — Include cash paid public carrier	

TOTAL MILEAGE COMPUTATIONS (to be carried forward to continuation sheet, if necessary) ________

SCHEDULE OF EXPENSES AND ITINERARY OF TRAVELER—Continuation Sheet—Memorandum

Use single space if items are numerous

DATE 19____	CHARACTER OF EXPENDITURE (To be itemized by the day and fully explained) Payee ____	SUB-VOU. No.	AMOUNT CLAIMED Subsistence		AMOUNT CLAIMED Other	
	Totals (to be carried forward to continuation sheet, if necessary)					

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

Docket copy

RECEIVED
JUN - 6 1955

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, Counties of Montrose and Mesa, 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 [illegible]
Administrator, Defense Minerals
Exploration Administration

Robert Hoffland
Murphy
Chandler
Martin

BULA 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. C.O.M.

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.	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.

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/

RECEIVED
JUN - 6 1955

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 _____, County of _____, described as follows:1/ [illegible]

_____

_____

_____

_____

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/ [illegible]

_____

_____

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, granted Eula Belle Uranium, Inc., will not be terminated for any reason during the time said exploration contract or any amendment thereto is in force and effect. In paragraph 2 the words "the period fixed in the contract or any amendment thereto has" are substituted for "ten years have."

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., Eula Belle Uranium, Inc.

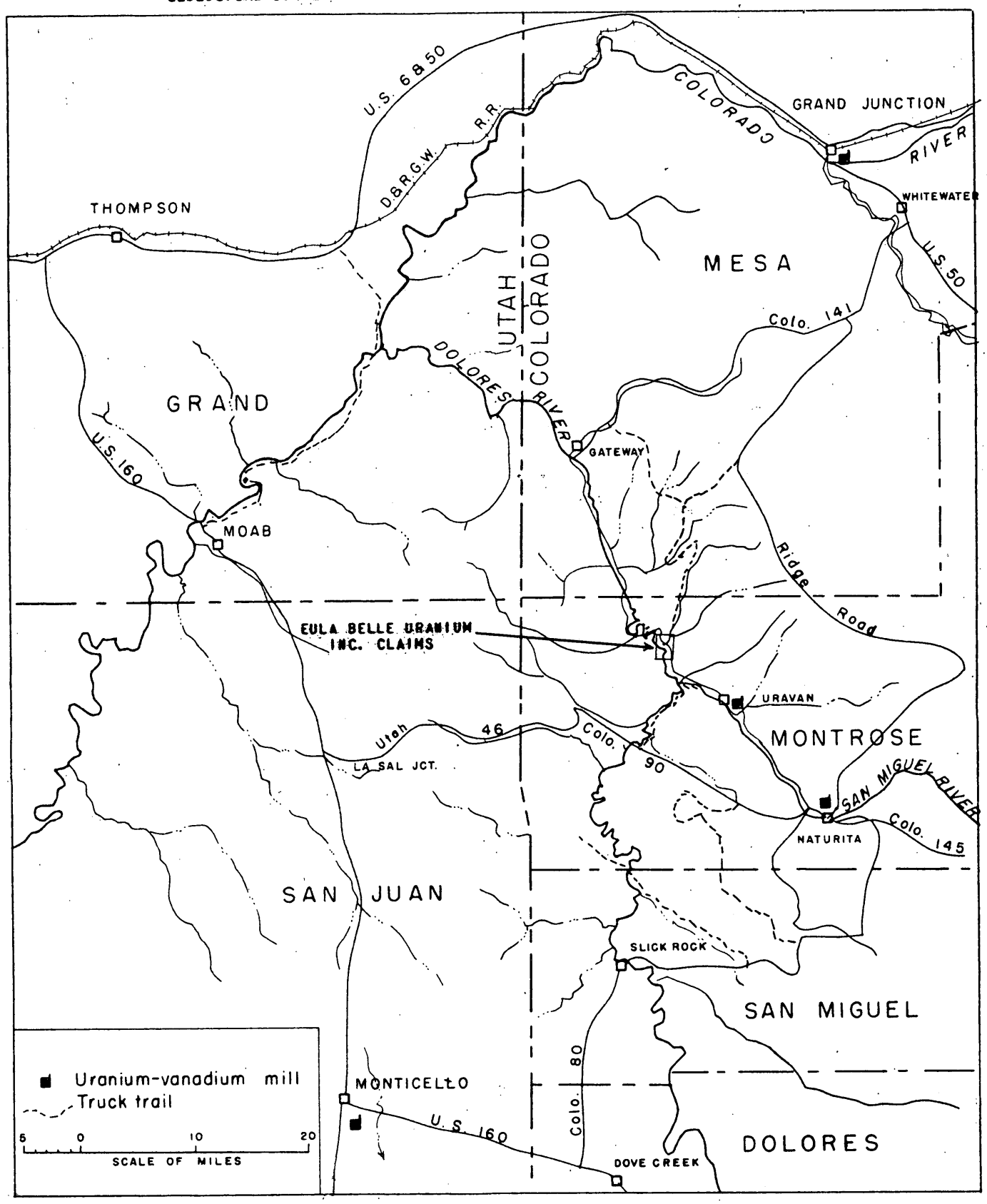

Figure 1. INDEX MAP OF PART OF THE COLORADO PLATEAU SHOWING LOCATION OF THE EULA BELLE URANIUM INC. CLAIMS, URAVAN DISTRICT, MONTROSE COUNTY, COLORADO

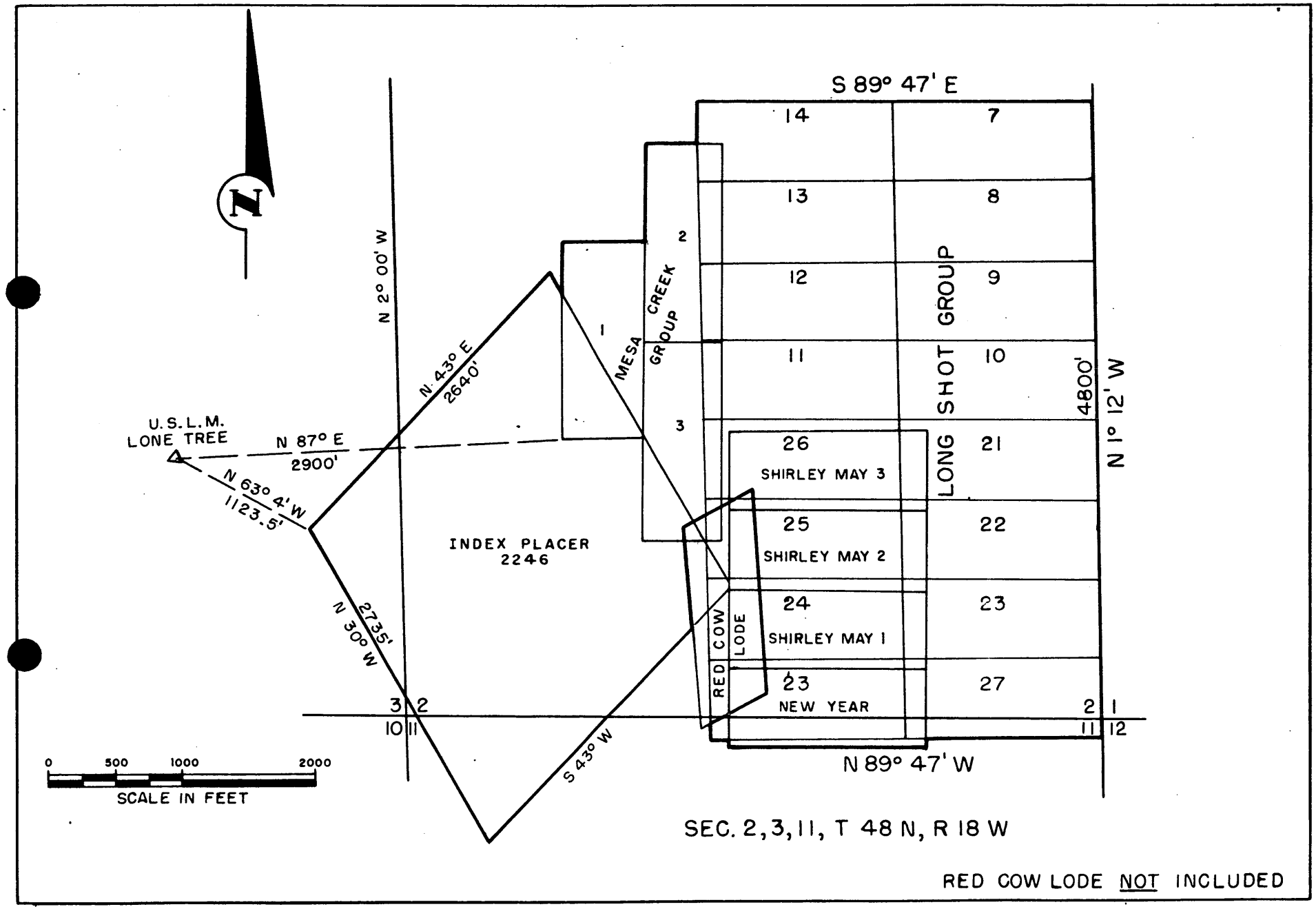

FIGURE 3 – CLAIM MAP, EULA BELLE URANIUM, INC. (DMEA 3579)

APR 1 1955

State of Colorado)
) ss.
County of Mesa)

I, Silmon Smith, certify that I have examined the following copies of Deeds, and that they are true, full and correct copies of the following, to wit:

a. Deed from Jerome Craig to Eula Belle Uranium Inc., a corporation organized and existing under and by virtue of the laws of the State of Nevada, recorded October 19, 1954, in Book 389 at Page 48 of the public records of Montrose County, Colorado.

b. Deed from Jerome Craig and Herschel Hendrickson to Eula Belle Uranium, Inc., a corporation organized and existing under and by virtue of the laws of the State of Nevada, recorded October 19, 1954, in Book 389 at Page 47 of the public records of Montrose County, Colorado.

Silmon Smith

Silmon Smith

The foregoing instrument was acknowledged before me this 8th day of November, 1954, by Silmon Smith.

Witness my hand and official seal.

My commission expires July 22, 1956.

Anthony W. Williams

Notary Public

Recorded at 10:22 o'clock A M., October 19, 1954

Reception No. 301570 Ira C Foster Recorder.

THIS INDENTURE, Made this twenty-first day of September, in the year of our Lord one thousand nine hundred Fifty-four, between

JEROME CRAIG

of the County of Mesa and State of Colorado, part of the first part, and

EULA BELLE URANIUM INC., a corporation organized and existing under and by virtue of the laws of the State of Nevada

~~of the County of and State of Colorado~~, party of the second part;

WITNESSETH, That the said party of the first part, for and in consideration of the sum of --- Ten Dollars and other valuable considerations --- ~~Dollars~~,

to him in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, has granted, bargained, sold, remised, released and forever quit-claimed, and by these presents does grant, bargain, sell, remise, release and forever quit-claim, unto the said party of the second part, its successors ~~heirs~~ and assigns, the following described property, situate, lying and being in Mining District, in the County of Mesa and Montrose, and State of Colorado, to-wit:

	Recorded in Book	Page
Unpatented Mining Claims		
Mesa Creek 1 to 3 inclusive	Montrose Co. 370	303-305 inclusive
New Year and Shirley May 1 to 3 inclusive.....		
Soggens 1 to 18 inclusive	Montrose Co. 385	151-168 inclusive
Bones 1 to 18 inclusive	Claims 1 to 9 inclusive recorded in Montrose County Book 385, pg. 139-147 inclusive. Claims 1 to 18 inclusive recorded in Mesa County Book 617, pg. 362-379 inclusive.	

Indexing Stamps Rec #880

TOGETHER with all the dips, spurs, and angles, and all the metals, ores, gold and silver-bearing quartz, rock and earth therein, and all the rights, privileges and franchises thereto incident, appendant and appurtenant, or therewith usually had and enjoyed; and all and singular the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining, and the rents, issues and profits thereof; and all the estate, right, title, interest, claim and demand whatsoever, as well in law as in equity, of the said party of the first part, of, in or to the said premises, and every part and parcel thereof, with the appurtenances.

TO HAVE AND TO HOLD, all and singular, the said premises, together with the appurtenances and privileges thereto incident, unto the said party of the second part its successors ~~heirs~~ and assigns forever.

IN WITNESS WHEREOF, The said party of the first part has hereunto set his hand and seal the day and year first above written.

Signed, sealed and delivered in the presence of

/s/ Jerome Craig [SEAL]

[SEAL]

[SEAL]

STATE OF COLORADO, County of Mesa } ss.

The foregoing instrument was acknowledged before me this 6th day of October A. D. 1954, by Jerome Craig

My commission expires July 22, 1956. Witness my hand and official seal.

Seal

/s/ Anthony W. Williams
Notary Public.

NO.

MINING DEED

Jerome Craig

TO

Eula Belle Brannen Inc

STATE OF COLORADO
County of Mesa } ss.

I hereby certify that this instrument was filed for record in my office at 10:22 o'clock A. M., Dec 19, 1954, 19 and is duly recorded in book 389 page 48

Ira C. Foster
Recorder.

By Lucien Yarberry
Deputy.

Fees, $1.25

7-54 BRADFORD-ROBINSON PTG. CO., DENVER

Recorded 10:20 o'clock a M., Oct 19, 1954

Reception No. 301269 Ina C. Foster Recorder.

THIS INDENTURE, Made this twenty-first day of September, in the year of our Lord one thousand nine hundred fifty-four, between

JEROME CRAIG and HERSCHEL HENDRICKSON

of the County of Mesa and State of Colorado, parties of the first part, and

EULA BELLE URANIUM, INC., a corporation organized and existing under and by virtue of the laws of the State of Nevada

~~of the County of and State of Colorado~~, party of the second part;

WITNESSETH, That the said parties of the first part, for and in consideration of the sum of --- Ten Dollars and other valuable considerations --- ~~Dollars~~, 100 to them in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, have granted, bargained, sold, remised, released and forever quit-claimed, and by these presents do grant, bargain, sell, remise, release and forever quit-claim, unto the said party of the second part, its ~~heirs~~ successors and assigns, the following described property, situate, lying and being in Mining District, in the County of Montrose, and State of Colorado, to-wit:

Unpatented mining claims

Longshot numbers 1 to 27 inclusive

Said claims are situate in the East 3000 feet of Section 2, and a small portion of Section 11, Township 48 North, Range 18 West, New Mexico Principal Meridian.

Internal Revenue $1.20 Stamps

TOGETHER with all the dips, spurs, and angles, and all the metals, ores, gold and silver-bearing quartz, rock and earth therein, and all the rights, privileges and franchises thereto incident, appendant and appurtenant, or therewith usually had and enjoyed; and all and singular the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining, and the rents, issues and profits thereof; and all the estate, right, title, interest, claim and demand whatsoever, as well in law as in equity, of the said parties of the first part, of, in or to the said premises, and every part and parcel thereof, with the appurtenances.

TO HAVE AND TO HOLD, all and singular, the said premises, together with the appurtenances and privileges thereto incident, unto the said party of the second part its successors ~~heirs~~ and assigns forever.

IN WITNESS WHEREOF, The said parties of the first part have hereunto set their hands and seals the day and year first above written.

Signed, sealed and delivered in the presence of

/s/ Jerome Craig [SEAL]

/s/ Herschel Hendrickson [SEAL]

[SEAL]

STATE OF COLORADO, County of Mesa } ss.

The foregoing instrument was acknowledged before me this 2nd day of October A. D. 19 54, by Jerome Craig and Herschel Hendrickson.

My commission expires July 22, 19 56. Witness my hand and official seal.

Seal

/s/ Anthony W. Williams
Notary Public.

Return to Joseph J. Lamb
300 First Security Bank Bldg
Salt Lake City, Utah

NO. 201369

MINING DEED

Jerome Craig
Haschel Hendrickson

TO

Cicla Belle Uranium Inc

STATE OF COLORADO }
County of Montrose } ss.

I hereby certify that this instrument was filed for record in my office at 10:30 o'clock A. M., Feb. 19 1954 19 and is duly recorded in book 329 page 49

Ira C. Foster
Recorder.

By Lucien Yorberry
Deputy.

Fees, $ 1.40 pd

7-54 BRADFORD-ROBINSON PTG. CO., DENVER

RECEIVED
APR 14 1956

State of Colorado)
) ss.
County of Mesa)

I, Silmon Smith, certify that I have examined the following copies of Deeds, and that they are true, full and correct copies of Deeds placed in escrow on the 8th day of November, 1954, in the United States Bank of Grand Junction, to wit:

a. Deed dated September 21, 1954 from Jerome Craig and Jerome Craig, Jr., doing business as Jerome Craig & Son, to Eula Belle Uranium Inc., a corporation organized and existing under and by virtue of the laws of the State of Nevada, conveying all minerals and mineral rights in and under Index Placer Mining Claim No. 2246, EXCEPT there is reserved from this conveyance, by grantors, all oil and gas in and under said Index Placer Mining Claim.

b. Deed from Martha Belle Hendrickson to Eula Belle Uranium, Inc. a corporation organized and existing under and by virtue of the laws of the State of Nevada, dated September 21, 1954, conveying all mineral and mineral rights in and under Lots 11, 14, 15 and 16 in Section 6, T 48 N, R 17 W of the New Mexico Meridian, EXCEPT there is reserved from this conveyance, by the grantor, all oil and gas in and under said lots.

and that the letter of escrow attached hereto is a true copy of said Escrow Agreement.

Silmon Smith

Silmon Smith

The foregoing instrument was acknowledged before me this 8th day of November, 1954, by Silmon Smith.

Witness my hand and official seal.

My commission expires July 22, 1956.

Anthony W. Williams

Notary Public

Recorded ..... o'clock ..... M., ...

Reception No. ..... Recorder.

RECORDER'S STAMP

KNOW ALL MEN BY THESE PRESENTS, That ~~I~~, we, JEROME CRAIG and JEROME CRAIG, JR., doing business as Jerome Craig and Son of the County of Mesa, and State of Colorado, for the consideration of --- Ten Dollars and other valuable considerations --- ~~Dollars~~, in hand paid, hereby sell and quit claim to EULA BELLE URANIUM INC., a corporation organized and existing under and by virtue of the laws of the state of Nevada ~~of the County of~~, and State of Colorado, the following real property, situate in the County of Montrose and State of Colorado, to-wit:

All minerals and mineral rights in and under the Index Placer Mining Claim, No. 2246, comprising parts of Sections 2, 3 and 11, Township 48 North, Range 18 West, N.M.P.M., and more particularly described as follows: Corner No. 1 of said claim, being the Westerly Corner and point of beginning located North 63° 4' West, 1123.5 from the United States Land Mark Number 5189 known as Lone Tree; thence North 43° East 2640 feet to Corner No. 2; thence South 30° East 2735 feet to Corner No. 3; thence South 43° West 2640 feet to Corner No. 4; thence North 30° West 2735 feet to Corner No. 1, being the point of beginning, EXCEPT there is reserved from this conveyance by the grantors all oil and gas in and under said Index Placer mining claim, with right of ingress and egress and reasonably necessary ground for the exploration and recovery thereof,

with all its appurtenances.

Signed and delivered this 21st day of September, A. D. 1954

In the presence of

.....

.....

/s/ Jerome Craig [SEAL]

/s/ Jerome Craig, Jr. [SEAL]
doing business as Jerome Craig and Son

..... [SEAL]

STATE OF COLORADO,
County of Mesa } ss.

The foregoing instrument was acknowledged before me this 6th day of October 1954, by* Jerome Craig and Jerome Craig, Jr., doing business as Jerome Craig and Son

My commission expires July 22, 1956. Witness my hand and official seal.

Seal

/s/ Anthony W. Williams
Notary Public.

*If by natural person or persons here insert name or names; if by person acting in representative or official capacity or as attorney-in-fact, then insert name of person as executor, attorney-in-fact or other capacity or description; if by officer of corporation, then insert name of such officer or officers, as the president or other officers of such corporation, naming it.—*Statutory Acknowledgment, Session 1927.*

No. 898. QUIT CLAIM DEED.—Bradford-Robinson Ptg. Co., Mfrs. Robinson's Legal Blanks, 1824-46 Stout St., Denver, Colo.
(STATUTORY)

No.....

QUIT CLAIM DEED

.....

.....

TO

.....

.....

STATE OF COLORADO,
.....County of..... } ss.

I hereby certify that this instrument was filed for record in my office, at..... o'clock.....M., ..., 19..... and is duly recorded in book..... page.....

.....
Recorder.

By.....
Deputy.

Fees, $.....

5-53 BRADFORD-ROBINSON PTG. CO., DENVER

Recorded ..... o'clock ..... M., ...

Reception No. .... Recorder.

RECORDER'S STAMP

KNOW ALL MEN BY THESE PRESENTS, That I,

MARTHA BELLE HENDRICKSON

of the County of Mesa,

and State of Colorado, for the consideration of --- Ten Dollars

and other valuable considerations --- ~~Dollars~~ in hand

paid, hereby sell and quit claim to

EULA BELLE URANIUM, INC., A corporation organized and existing under and by virtue of the law of the State of Nevada

~~County of~~ ,

~~and State of Colorado~~, the following real property, situate in the

County of Montrose

and State of Colorado, to-wit:

All mineral and mineral rights in and under Lots 11, 14, 15 and 16 in Section 6, Township 48 North, Range 17 West of the New Mexico Meridian; EXCEPT there is reserved from this conveyance by the grantor all oil and gas

with all its appurtenances.

Signed and delivered this 21st day of September, A. D. 19 54

In the presence of

/s/ Martha Belle Hendrickson [SEAL]

..... [SEAL]

..... [SEAL]

STATE OF COLORADO,
County of Mesa } ss.

The foregoing instrument was acknowledged before me this 2nd day of October 19 54, by* Martha Belle Hendrickson

My commission expires July 22, 1956. Witness my hand and official seal.

/s/ Anthony W. Williams
Notary Public.

Seal

*If by natural person or persons here insert name or names; if by person acting in representative or official capacity or as attorney-in-fact, then insert name of person as executor, attorney-in-fact or other capacity or description; if by officer of corporation, then insert name of such officer or officers, as the president or other officers of such corporation, naming it.—*Statutory Acknowledgment, Session 1927.*

No. 898. QUIT CLAIM DEED.—Bradford-Robinson Ptg. Co., Mfrs. Robinson's Legal Blanks, 1824-46 Stout St., Denver, Colo.
(STATUTORY)

No.....

QUIT CLAIM DEED

.....

.....

TO

.....

.....

STATE OF COLORADO,
.....County of..... } ss.

I hereby certify that this instrument was filed for record in my office, at.....

o'clock.....M., ..., 19.....

and is duly recorded in book.....

page.....

.....
Recorder.

By.....
Deputy.

Fees, $.....

5-53 BRADFORD-ROBINSON PTG. CO., DENVER

CONTRACT

THIS AGREEMENT, made and executed this 19th day of February, 1955, by and between Jerome Craig, Jerome Craig, Jr., doing business as Jerome Craig & Son, and Martha Belle Hendrickson, parties of the first part, and Eula Belle Uranium, Inc., a corporation, party of the second part, WITNESSETH:

That under date of November 8th, 1954, there was placed in escrow with the United States Bank of Grand Junction a Quit Claim Deed from Martha Belle Hendrickson to Eula Belle Uranium, Inc. dated September 21, 1954, and quit claim deed signed by Jerome Craig and Jerome Craig, Jr., doing business as Jerome Craig & Son to Eula Belle Uranium, Inc., which was dated September 21, 1954,

AND WHEREAS the United States Bank of Grand Junction, the escrow agent, was instructed to deliver said deeds upon receipt of $50,000.00 on or before December 1, 1954,

NOW THEREFORE, in consideration of the mutual covenants of the parties hereto, IT IS AGREED:

That the period of said escrow is extended to and shall run until September 1, 1955, and the escrow agent is directed that upon the receipt of $50,000.00 from Eula Belle Uranium Inc., for the credit of Jerome Craig and Jerome Craig, Jr. and Martha Belle Hendrickson on or before September 1, 1955, the escrow holder shall deliver said deeds to Eula Belle Uranium, Inc., and upon the failure of the payment to said escrow holder of $50,000.00 for the credit of Jerome Craig, Jerome Craig, Jr., and Martha Belle Hendrickson on or before September 1, 1955, said deed, and each of them, shall be delivered by the escrow holder to Jerome Craig, for himself and Jerome Craig, Jr. and Martha Belle Hendrickson.

Jerome Craig
Jerome Craig Jr.
Martha Belle Hendrickson
Parties of the first part

EULA BELLE URANIUM INC.

By Joseph A. Shook Pres.
Party of the second part

ESCROW RECEIPT

The undersigned Escrow Agent acknowledges receipt from

Jerome Craig and Jerome Craig, Jr. d/b/a Jerome Craig & Son
Martha Belle Hendrickson
Bula Belle Uranium Inc., a Corporation

of the following described checks, money, documents or property, to-wit:

1. Quit Claim Deed- Martha Belle Hendrickson to Bula Bello Uranium, Inc. dated 9-21-54;
2. Quit Claim Deed- Jerome Craig & Son to Bula Bello Uranium, Inc. dated 9-21-54

(see below)

which it agrees to hold as Escrow Agent under the following instructions, to-wit:

To deliver said deeds upon receipt of $50,000.00 on or before Dec. 1, 1954

Quit Claim Deed No. 1 conveys all minerals and mineral rights in Index Placer Mining Claim No. 2246, except all oil and gas therein and thereunder.

Quit Claim Deed No. 2 conveys all mineral rights except oil and gas in and under Lots 11, 14, 15 and 16, Sec. 6, T 48 N, R 17 W, NMPM.

But subject, however, to the terms, exceptions, provisions, and conditions hereinafter stated which are acceptable to and approved by all of the parties by accepting this receipt:

1. The Escrow Agent shall be liable as a depositary only and shall not be responsible for the sufficiency or accuracy of the form, execution or validity of documents deposited hereunder, or any description of property or other thing herein, nor shall it be liable in any respect on account of the identity, authority or rights of the persons executing or delivering, or purporting to execute or deliver any such document or paper.

2. The Escrow Agent shall not be liable for collection items until the proceeds of the same in actual cash have been received; nor shall it be liable for the default in payment of any installment of principal or interest, nor the outlawing of any rights under the Statute of Limitations in respect to any documents deposited: nor for interest on any deposit of money. It may rely upon any paper, document or other writing belived by it to be authentic in making any delivery of money or property hereunder.

3. The Escrow Agent shall be entitled to reasonable compensation for its services; may employ attorneys for the reasonable protection of the escrow property and of itself and shall have the right to reimburse itself out of any funds in its possession for costs, expenses, attorney fees and its compensation and shall have a lien on all money, documents or property held in escrow to cover same.

4. In accepting any funds, securities or documents delivered hereunder, it is agreed and understood that, in the event of disagreement between the persons herein mentioned or persons claiming under them, or any of them, the Escrow Agent, will and does, reserve the right to hold all money, securities and property in its possession, and all papers in connection with or concerning this escrow, until a mutual agreement has been reached between all of said parties or until delivery is legally authorized by final judgment or degree of court.

Executed at Grand Junction, Colo.

Date November 24th 1954

Approved:

Jerome Craig thru By Jerome Craig
Martha Belle Hendrickson
Bula Belle Uranium Inc.
By Jo Hart
Pres.

Names of Depositors and Grantee

United States National Bank of Grand Junction
Grand Junction, Colorado
Escrow Agent

By [illegible]

Title Asst. Cashier

Incl #1.

No._____

ESCROW RECEIPT

BETWEEN

_____

_____

_____

AND

_____

_____

_____

_____

Recorded 10:22 o'clock A M. October), 1954

Reception No. 301570 Ira C. Foster Recorder.

HIS INDENTURE, Made this twenty-first day of September, in the year of our Lord one thousand nine hundred fifty-four, between

[illegible]

of the County of [illegible] and State of Colorado, party of the first part, and

[illegible]

of the County of and State of Colorado, party of the second part;

WITNESSETH, That the said party of the first part, for and in consideration of the sum of [illegible] Dollars

to [illegible] in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, has granted, bargained, sold, remised, released and forever quit claimed, and by these presents do grant, bargain, sell, remise, release and forever quit-claim, unto the said party of the second part, [illegible] heirs and assigns, the following described property, situate, lying and being in

Mining District, in the County of [illegible], and State of Colorado, to-wit:

	Recorded in Book	Page
[illegible]	Montrose Co. 370	303-305 inclusive
[illegible]	Montrose Co. 385	151-168 inclusive

Claims 1 to 9 inclusive recorded in Montrose County Book 385, pg. 139-147 inclusive.
Claims 1 to 18 inclusive recorded in Mesa County Book 617, pg. 362-379 inclusive.

TOGETHER with all the dips, spurs, and angles, and all the metals, ores, gold and silver-bearing quartz, rock and earth therein, and all the rights, privileges and franchises thereto incident, appendant and appurtenant, or therewith usually had and enjoyed; and all and singular the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining, and the rents, issues and profits thereof; and all the estate, right, title, interest, claim and demand whatsoever, as well in law as in equity, of the said party of the first part, of, in or to the said premises, and every part and parcel thereof, with the appurtenances.

TO HAVE AND TO HOLD, all and singular, the said premises, together with the appurtenances and privileges thereto incident, unto the said party of the second part heirs and assigns forever.

IN WITNESS WHEREOF, The said party of the first part has hereunto set hand and seal the day and year first above written.

Signed, sealed and delivered in the presence of { Jerome Craig [SEAL]

[SEAL]

[SEAL]

STATE OF COLORADO, } ss.
County of

The foregoing instrument was acknowledged before me this 6th day of October A. D. 19 , by .

My commission expires [illegible], 19 56. Witness my hand and official seal.

Anthony N. Kelian
Notary Public.

No. 37. MINING DEED. Bradford-Robinson Ptg. Co., Mfrs. Robinson's Legal Blanks, 1824-46 Stout St., Denver, Colo.

Return to Joseph I. Jacob
300 First Security Bank Bldg.
Salt Lake City, Utah

NO. 361570

MINING DEED

Jerome Craig

TO

Eula Belle Uranium Inc.

STATE OF COLORADO
County of MONTROSE } ss.

I hereby certify that this instrument was filed for record in my office at 10:45 o'clock A.M. OCT 19 1954, 19 and is duly recorded in book 229 page 48

Geo C Foster
Recorder.

By [illegible]
Deputy.

Fees, $ 1.25

2-53 BRADFORD-ROBINSON PTG. CO., DENVER

PHOTO INDEXED

Recorded at 1 20 o'clock A M., October 19, 54
Reception No. 301569 Ira C. Foster Recorder.

THIS INDENTURE, Made this twenty-first day of September, in the year of our Lord one thousand nine hundred fifty-four, between

[illegible]

of the County of [illegible] and State of Colorado, parties of the first part, and

[illegible]

~~of the County of and State of Colorado~~, party of the second part;

WITNESSETH, That the said parties of the first part, for and in consideration of the sum of [illegible] Dollars, to them in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, have granted, bargained, sold, remised, released and forever quit-claimed, and by these presents do grant, bargain, sell, remise, release and forever quit-claim, unto the said party of the second part, [illegible] heirs and assigns, the following described property, situate, lying and being in
Mining District, in the County of [illegible], and State of Colorado, to-wit:

[illegible] to [illegible]

Said claims are situate in the East 3000 feet of Section 2, and a small portion of Section 11, Township 48 North, Range 18 West, New Mexico Principal Meridian.

DOCUMENTARY

TOGETHER with all the dips, spurs, and angles, and all the metals, ores, gold and silver-bearing quartz, rock and earth therein, and all the rights, privileges and franchises thereto incident, appendant and appurtenant, or therewith usually had and enjoyed; and all and singular the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining, and the rents, issues and profits thereof; and all the estate, right, title, interest, claim and demand whatsoever, as well in law as in equity, of the said parties of the first part, of, in or to the said premises, and every part and parcel thereof, with the appurtenances.

TO HAVE AND TO HOLD, all and singular, the said premises, together with the appurtenances and privileges thereto incident, unto the said party of the second part, heirs and assigns forever.

IN WITNESS WHEREOF, The said parties of the first part have hereunto set their hands and seals the day and year first above written.

Signed, sealed and delivered in the presence of

[illegible] [SEAL]

[illegible] George Craig [SEAL]

[illegible] Hershel Hendrickson [SEAL]

STATE OF COLORADO,
County of [illegible] } ss.

The foregoing instrument was acknowledged before me this 2nd day of October A. D. 19[illegible], by [illegible].

My commission expires July 22, 1956. Witness my hand and official seal.

Anthony V. Milian
Notary Public.

No. 37 MINING DEED.—The Bradford-Robinson Ptg. Co., Mfrs. Robinson's Legal Blanks, 1824-46 Stout St., Denver, Colo.

Return to Joseph I. Jacob
300 First Security Bank Bldg.
Salt Lake City, Utah

No. 301569

MINING DEED

Jerome Craig

Herschel Hendrickson

TO

Eula Belle Uranium Inc.

STATE OF COLORADO,
County of MONTROSE } ss.

I hereby certify that this instrument was filed for record in my office at 10:20 o'clock A.M., OCT 19 1954, 19....., and is duly recorded in book 281 page 47

Ora C Foster
Recorder.

By Susan Yoder
Deputy.

Fees, $1.40 pd.

PHOTO..... INDEXED.....

5-52 THE BRADFORD-ROBINSON PTG. CO., DENVER

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.

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

Oct 31, 1956

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

Dear Mr. Trower:

Reference is made to our letter of October 25, 1956, transmitting four Memoranda of Explanation on the following projects: Docket DMEA-3397, Contract No. Idm-E722, Ray Ryan; Docket DMEA-3579, Contract No. Idm-E794, Eule Bells Uranium, Inc.; Docket DMEA-3695, Contract No. Idm-E842, Yankee Uranium Co.; and Docket DMEA-3730, Contract No. Idm-E868, Vaughey and Vaughey.

It has been noted that this office inadvertently omitted to date the Memoranda. Will you please have them dated as of October 25, 1956.

Sincerely yours,

George C. Selfridge esf
Chairman, Operating Committee

APPROVED:

Frank D. Lane esf
Member, Bureau of Mines

Thor H. Kiilsgaard esf
Member, Geological Survey

JLChambers/wb
October 30, 1956

Copy to: Docket (4) DMEA-3397
DMEA-3579
DMEA-3695
DMEA-3730
Admr. Reading File
Operating Committee
Mr. Crawford, USBM
Mr. Kiilsgaard, USGS
Mr. Ellis
Mr. Chambers

RCL

Docket Copy

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

Surnamed by: Rubin
Dwyer
Chambers
FLKnouse
Ellis
Ching
Murphy
Selfridge
(JLB) 10/24

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

OCT 25 1956

3579

Dear Mr. Traver:

Please refer to our letter to you under date of October 22, 1956, in regard to Exploration Project Contract No. Idm-E939, Docket No. DMEA-4070, San Jacinto Petroleum Corporation, with which we enclosed an amendment to express the real intent of the parties concerning the amount of money to be paid to the Operator for drilling work completed. That procedure was informally approved by the General Accounting Office and will be used in all appropriate cases where project work is still in operation.

The General Accounting Office has also approved a procedure, for cases where the projects are completed. In such cases a statement of the Administrator ("Memorandum of Explanation") will be entered in an appropriate docket explaining the intent of the parties concerning payment for the drilling costs. In going through our files we have found four such uranium projects which have been completed and the work paid for in accordance with the intentions of the parties concerning averaging the costs, but the contracts in question do not spell out the averaging provisions. These contracts are: Docket DMEA-3397, Contract No. Idm-E722, Ray Ryan; Docket DMEA-3579, Contract No. Idm-E794, Eula Belle Uranium, Inc.; Docket DMEA-3695, Contract No. Idm-E842, Yankee Uranium Co.; and Docket DMEA-3730, Contract No. Idm-E868, Vaughey and Vaughey.

We are sending sufficient copies of the Administrator's Memorandum of Explanation to be filed with and become a part of the copies of the contracts located with the Finance Officer, the Executive Officer, and other offices of the Region.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JLB)

APPROVED:

Frank D. Lamb (JLB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JLB)
Member, Geological Survey

Enclosure

JLChambers/HCRubin/wb
October 23, 1956

Mr. Dwyer
Mr. Ellis
Mr. Chambers

Admr. Reading File
Operating Committee
Mr. Crawford, USBM
Mr. Kiilsgaard, USGS

Docket (4) DMEA-3397
DMEA-3579
DMEA-3695
DMEA-3730

R.C.K.

Docket copy

700

Murphy
Ellis
Chandler
Rubin
Sharpless
Kilscgaard
Selfridge

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 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

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

700

Surname Copy

Murphy
Clark
Johnson
Selfridge

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

JUL 18 1956

Mr. Joseph I. Jacob, President
Eula Belle Uranium, Inc.
Whitewater, Colorado

Re: Docket No. DMEA-3579 (Uranium)
Contract No. Idm-E794
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, 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 Eula Belle Uranium, Inc., c/o Mr. Jerome Craig, Sr., Vice 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,

C. O. Mittendorf

Administrator

FMMurphy/ai
7-16-56
cc to: Admr. 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

R.C.S.

700

Surname Copy

Murphy
Ellis
Chambers
F Johnson
Selfridge

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

JUL 18 1956

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

Re: Docket No. DMEA-3579 (Uranium)
Contract No. Idm-E794
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, 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 Eula Belle 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,

C. O. Mittenbergt

Administrator

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

R.C.S.

700

Surname copy

Murphy
Ellis
Chambers
Johnson
Selfridge

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-4794
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,

G. O. Mittendorf

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

R.C.

Docket Copy

Murphy
Ellis

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 Creek 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		Stage II 15 holes	
	Units	Cost	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 bacause 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."

F. M. Murphy

F. M. Murphy

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

James Paone

3579

Date 7-9

Referred to:

1. Mr. ~~[illegible]~~
2. ~~Mr. Johnson~~
3. ~~Mr. Ciambara~~
4. Docket Control Mails and Files
5. _____ Division
6. Docket Control Mails and Files

Note comments in report regarding:

1.

2.

3.

4.

and take appropriate action.

- - - - - -

Action taken by Division:

[illegible]

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-E794, Eula 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 $7,280.70, 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

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 360
Grand Junction, Colorado

IN REPLY REFER TO:

MINERAL DEPOSITS
DMEA
RECEIVED
JUN 1 1956

RECEIVED
JUN 2 - 1956
U. S. GEOLOGICAL SURVEY
DENVER, COLORADO

DMEA
Date Rec'd.
JUN 27 1956

BUREAU OF MINES
Denver, Colorado

May 29, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

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

From: J. William Hasler

Subject: DMEA Docket 3579 (Uranium), contract Idm-E 794
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/mlr

Enclosures

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

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

RECEIVED
JUL 2 - 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
REGION III

DMEA 3579

Contract Idm-E794

EULA BELLE URANIUM, INC.

Long Shot group, Mesa Creek group

Index Placer claim

Montrose County, Colorado

Uranium

Final Engineering-Geologic Report

By

Reviewed by
DMEA OPERATIONS ENGINEER
7-9-56
(Geo)

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

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

June 25, 1956

DMEA 3579
Contract Idm-E794

RECEIVED
JUL 2 - 1956

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

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DMEA 3579
Contract Idm-E794
EULA BELLE URANIUM, INC.
Longshot-Mesa Creek group
Montrose County, Colorado

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INTRODUCTION

Summary

Eula 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 drilling was not done, enough exploration was completed for satisfactory evaluation of the property.

Recommendations

In a joint memorandum dated December 2, 1954, the writers recommended termination of contract Idm-E794 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 Eula Belle Uranium, Inc. and consist of the Mesa Creek nos. 1, 2, and 3 claims, the New Year claim, the

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DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET NO. 3579

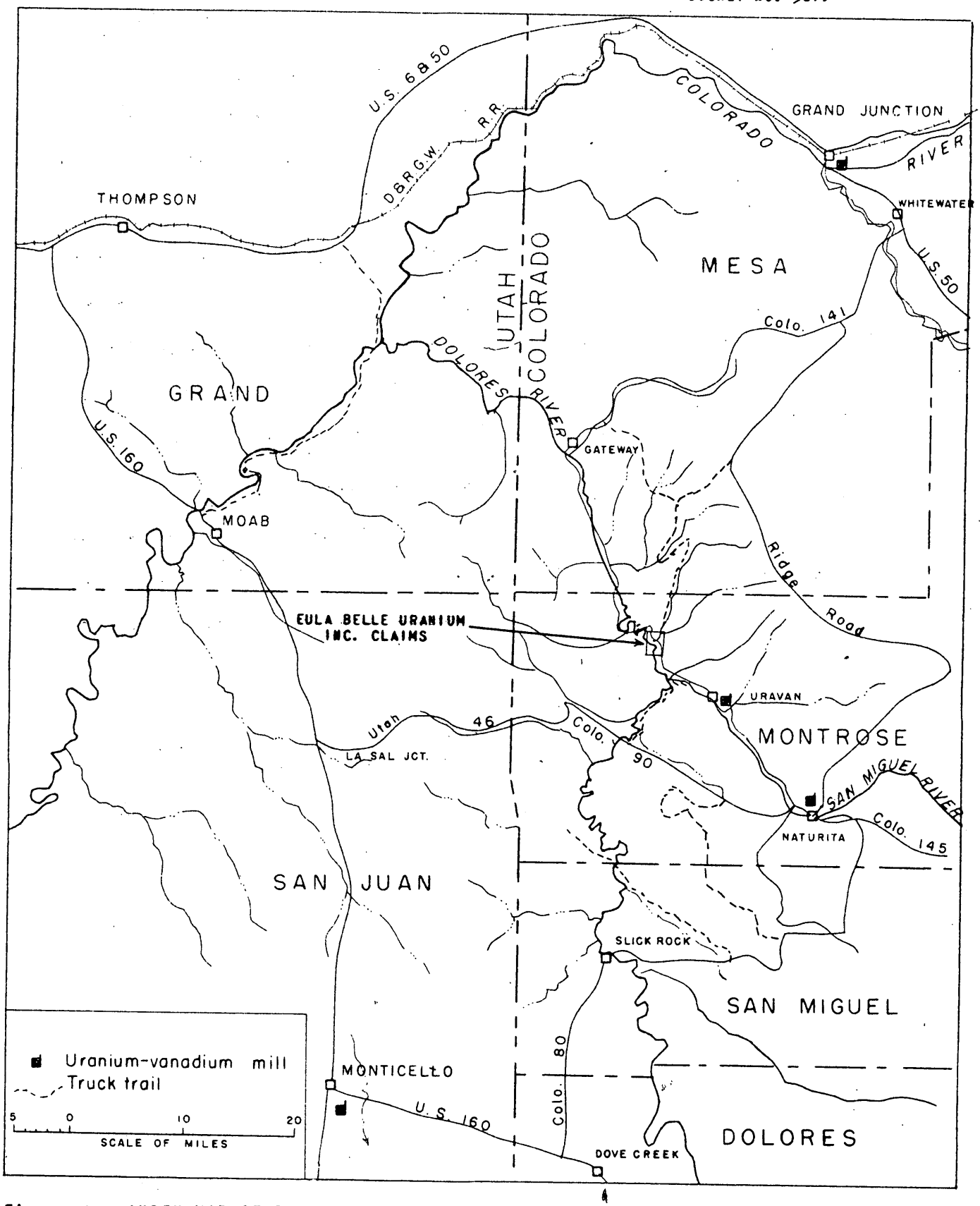

Figure 1. INDEX MAP OF PART OF THE COLORADO PLATEAU SHOWING LOCATION OF THE EULA BELLE URANIUM INC. CLAIMS, URAVAN DISTRICT, MONTROSE COUNTY, COLORADO

Shirley Mays nos. [illegible]2 and 3 claims, and the Long S[illegible] 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 Eula Belle property.

ORE DEPOSITS

Two mineralized deposits containing uranium and vanadium are known on Eula 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, howeve[illegible] is based on sampling done by t[illegible] 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-corvusite 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 Belser, U. S. Bureau of Mines. Mark K. Shipman, geologist and Jerome Craig, Sr., vice-president of Eula 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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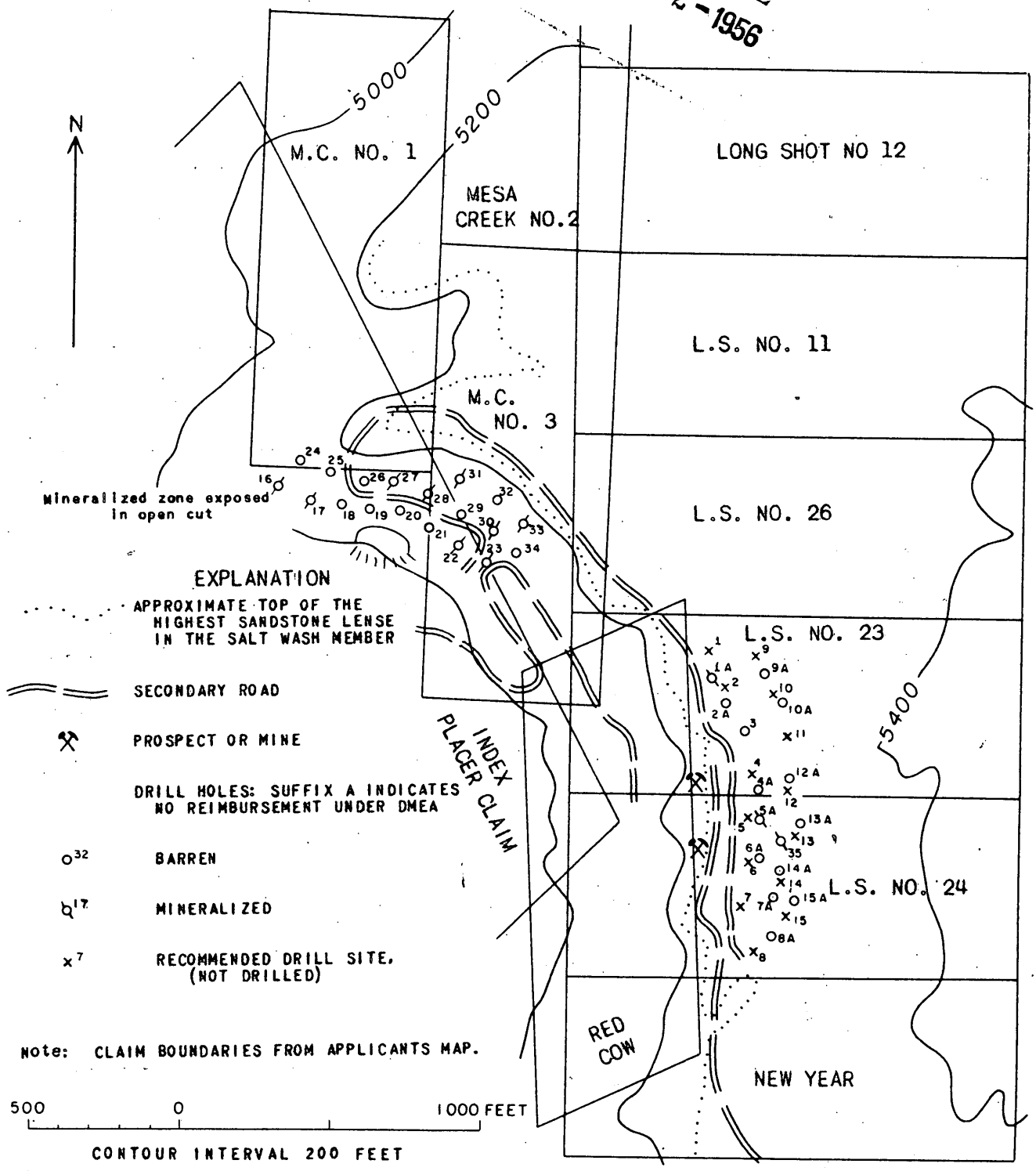

FIGURE 2. SKETCH MAP OF PART OF SECTION 2, T. 48 N., R. 18 W., N.M.P.M. SHOWING HOLES DRILLED UNDER CONTRACT IDM-E794, EULA BELLE URANIUM INC. CLAIMS IN THE SOUTHEASTERN MESA CREEK AREA, URAVAN DISTRICT, MONTROSE COUNTY, COLORADO.

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-E794 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-E794 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

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 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.

JUN 21 1955
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		

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

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

March 1956

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

Re: Report of Review
Idm-2794, DMEA-3579
Eula Belle Uranium, Inc.

Dear Mr. Brading:

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

The Report is acceptable and normal distribution may be effected.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

WBorovies/wb
March 2, 1956

Copy to: Docket
Admr. Reading File
Mr. Chambers

R.C.S.

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

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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-E794, 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

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 Iam-2794 for Yula Belle Uranium, Inc., for the months of September, and also is the final report for completion of the project.

[illegible]

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' centerings to offset the cost of mining and additional exploratory work. No further drilling will be requested in this area even though additional Stage II drilling would be authorized by the present contract under the Stage II allowance.

The drilling, particularly for holes #31 thru #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 encountered. The driller, however, did carefully check his bits in an effort to speed the drilling operation.

RECEIVED
MAR - 5 1956

NARRATIVE SUPPLEMENT AND FINAL REPORT, Docket DMEA 3573, Tr2.

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 shute in the upper Salt Wash stratum where previous mining had been conducted; both of these objectives have been satisfied.

Jerome Craig, Jr.
Vice-President,
Sula Belle Uranium, Inc.

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, Eula 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

700

Murphy
Ellis
Fisher
Chambers
Selfridge
Johnson

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.
Index 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. R. Salsbury, USBM, 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. Geehan
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

R.C.S.

Surname copy

700

Murphy
Ellis

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

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. Ldm-8794
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

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

RECEIVED DEC - 5 1955

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-E794, Eule 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. H. Salsbury, U. S. Bureau of Mines, and F. M. Beyers, 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 Narrative and Final Report for the month of September, 1955. RMMA-3579, Contract IAm-3734, Bain 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
Bain Belle Uranium, Inc.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA
Date Rec'd. NOV 30 1955

[redacted]
Colorado Plateau District
P. O. Box 360
Grand Junction, Colorado

DMEA
Date Rec'd. NOV 18 1955

RECEIVED DEC - 5 1955
BUREAU OF MINES
DENVER, COLORADO

November 16, 1955

Memorandum

BUREAU OF MINES
Denver, Colorado

To: Executive Officer, DMEA Field Team, Region III

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

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

Subject: DMEA 3579 (Uranium), contract Idm-E 794, Eula 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 26 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 6 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 0.8 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 $713.50, 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,
Mining Engineer.

F. M. Byers, Jr.,
Geologist

MHS/mlr

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

DRB - 6 MES

[illegible] New Customhouse
Denver 2, Colorado

November 30, 1955

Memorandum

To: J. W. Mealer
M. E. Salisbury - w/enclosures

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

Subject: Docket DMEA 3579 (Uranium), Contract Idm-1794, Dale Belle Uranium, Inc., Montrose County, Colorado

Enclosed is a copy of the Operator's letter of November 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 Messrs. Shaw and Harshman for their review.

E. W. Harshman

E. W. Harshman

Enclosures

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

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-E794, Eula 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

RECEIVED
SEP 2 [illegible] 1955

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, Sr.

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

Enclosures

DMEA
Date Rec'd.
SEP 21 1955
BUREAU OF MINES
Denver, 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

OK- E.M.H.

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 20 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 JWH

M. H. Salsbury, USBM

JWH/mlr

Enclosures

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

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 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
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

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.

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.

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

OK - E.M.H.

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 20 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 JWH

M. H. Salsbury, USBM

JWH/mlr

Enclosures

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

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 consurrence 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, Sr.

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

Enclosures

RECEIVED
SEP 20 1955

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

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 18 1955
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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

October 21, 1955

Memorandum

To: Miss Curtin, Statistics and Control Division, DMEA

From: Hazel Berry, Operating Committee, DMEA
by ESY

Subject: Amendment to Contract

Attached is the following docket copy of an amendment to a contract which has been reviewed and approved by the Commodity Division, Contract Administration and Audit Division, and the Legal Division. The official docket is also attached.

Eula Belle Uranium, Inc., DMEA-3579; Idm-E794,
Amendment No. 1.

Attachment

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

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

RECEIVED
JUN - 7 1955

224 New Customhouse
Denver 2, Colorado

June 1, 1955

REGISTERED

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

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

Dear Mr. Craig:

Enclosed herewith is your copy of Exploration Project Contract No. Idm-E794, Docket No. DMEA 3579.

Also enclosed are six copies of Form MF-104 "Operator's Monthly Report and Voucher" and six copies of Form MF-104A "Operator's Unit Cost and Progress Report". At the completion of the first calendar month of operation and monthly thereafter, you are required to submit five copies of the forms to Mr. John F. Shaw, U.S. Bureau of Mines, Room 137, Building 20, Denver Federal Center, Denver 2, Colorado. The sixth form is for your records. Please note that the monthly report requires a narrative report which should be accompanied by maps or sketches. The narrative report must be signed by the operator. The monthly report will not be processed for payment unless accompanied by a narrative report. Additional copies of Forms MF-104 and 104A will be forwarded to you as required.

For your information and in reply to many questions that have been asked, after Forms MF-104 and 104A are received an engineer will check progress and approve your accounts, after which it will be sent to the Regional Office, Region III, U.S. Bureau of Mines, 224 New Customhouse, Denver 2, Colorado, for auditing and vouchering. If the report is in order a check will be issued by the Treasury Department for the Government's portion of the costs. If you have any difficulty in completing these forms and the reports please call on Mr. Shaw or this office for assistance.

It is a requirement that all charges for work performed under "Category (1) Independent Contracts" of both Stages I and II be documented. In that regard you are referred to instructions in the next to the last paragraph on the reverse side of Form MF-104. The unit costs established under Category (1) are allowable maximums which cannot be exceeded. However, in the event actual costs as indicated by the documentation referred to above are less than the allowable maximum those are the costs on which reimbursement will be based.

Your attention is directed to the provision that Stage II is contingent on the results of the prior Stage and performance of work under the successive Stage is subject to the prior approval of the Government.

Possibly the results of the work under the Stage can be evaluated as the work progresses, before the Stage is completed in its entirety, which would enable you to request approval of a part, at least, of the work under the successive Stage, thereby permitting a more or less continuous operation. Otherwise you should anticipate a suspension of operations between stages of work to enable the Government geologist and engineer to evaluate the prior work and make their recommendations relative to the future work to be performed.

To eliminate as much delay of operations as possible, if that is a serious consideration, you should expedite the forwarding of the results of the work and your request for the Government's approval of the work you propose for the next Stage.

Your attention is directed to the regulation that provides that reimbursement for the cost of work accomplished prior to the date of the contract will not be allowed.

Please advise this office in writing the date work actually starts under the contract, with a copy of your letter to Mr. Shaw.

Very truly yours,

W. M. Traver

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

Encls.

JWT:jp
cc Subject
Amendment
Chron
Chairman, Op. Comm.
Harshman
Shaw
Williams
Townsend

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.

File copy
Surname:
Chambers
Selfridge
Johnson
Whitehead

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

MAY 31 1955

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 price per unit, and the total for the work under the category are maximums.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

APPROVED:

J. H. Hedges (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

R.C.S.

JLChambers/wb 5-27-55
cc to: Admr. Reading File, Operating Committee, Docket, J. E. Crawford, Rm. 3641, T. H. Kiilsgaard, Rm. 5224, J. O. Hosted, Rm. 3210 GSA, Mr. Selfridge, Mr. Ellis, Mr. Chambers

File copy
Surname:
Chambers
Ellis

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

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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 are maximums.

Sincerely yours,

Chairman, Operating Committee

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

JIChambers/wb
May 26, 1955

cc to: Admr. Reading File, Operating Committee, Docket, Mr. J. E. Crawford, Rm. 3641, Mr. T. H. Kiilsgaard, Rm. 5224
Mr. J. O. Hosted, Rm. 3210, GSA, Mr. Ellis, Mr. Chambers

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

224 New Customhouse
Denver 2, Colorado

May 24, 1955

AIRMAIL
SPECIAL DELIVERY

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 25 1955

Memorandum

To: George C. Selfridge, 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

We are in a quandary as to the requirements for documentation of charges relative to work performed under the subject contract.

The instructions on the reverse side of Form MF-104 pertaining to contracts prepared on Form MF-200 state that documentation of all charges is required. However, under Article 13 of Contract Idm-E794 it states that the fixed unit costs in Exhibit "A" are in lieu of actual costs that would otherwise be allowable under Article 6 of the contract. Therefore, it appears that no documentation is to be required.

We will appreciate advice from you in the matter by teletype so that we can issue the necessary instructions to the operator in forwarding the operator's copy of the contract to him.

W. M. Traver

W. M. Traver

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

224 New Customhouse
Denver 2, Colorado

May 24, 1955

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 25 1955

AIRMAIL
SPECIAL DELIVERY

Memorandum

To: George C. Selfridge, 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

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We will appreciate advice from you in the matter by teletype so that we can issue the necessary instructions to the operator in forwarding the operator's copy of the contract to him.

W. M. Traver

W. M. Traver

Surname 700
Murphy
Chandler
Martin
F E Johnson

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

MAY - 3 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)
Eula Belle Uranium, Inc.
Index 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 Eula 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 (JHB)

Enclosures

APPROVED:

M. E. Volin (JHB)
Member, Bureau of Mines

/s/ R. D. Trace (JHB)
Member, Geological Survey

FMMurphy:am
4-28-55

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 29 1955

224 New Customhouse
Denver 2, Colorado

April 26, 1955

Mr. Mark K. Shipman
Route #1
Grand Junction, Colorado

Re: Docket DMEA 3579

Dear Mr. Shipman:

This will acknowledge receipt of your letter dated April 25, 1955 requesting the status of the application for exploration aid for Eula Belle Uranium, Inc.

The Report of Examination together with our recommendations were recently forwarded to our Washington office for final action. If you do not hear from our Washington office within a reasonable time, it is suggested that you write Mr. C. O. Mittendorf, Administrator, Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C.

Yours very truly,

W. M. TRAVER,

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

HMC:sr

cc Administrator, DMEA (2)
Harshman
Subject
Chron

DMEA
Date Rec'd.

APR 2? 1955

BUREAU OF MINES
Denver, Colorado

Route 1
Grand Junction, Colorado
April 25, 1955

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

APR 29 1955

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

Dear Sir:

Re Docket No. DMEA 3579

Request the status of Docket No. DMEA 3579 in regard to the exploration project for Eula Belle Uranium, Inc., reference certain properties situated in Montrose County, Colorado.

Our reply to your last letter dated March 18 contained a statement from the owners of the Index Placer which allows the right for Eula Belle Uranium, Inc., to explore, mine, and remove ore from the Index Placer claim during the period of the option agreement. "Consent to Lien" forms, signed by all parties concerned, were also included.

Kindly advise of additional action required to expedite completion of the contract.

Yours truly,

Mark K. Shipman

Mark K. Shipman
Geological Engineer, for
Eula Belle Uranium, Inc.

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

224 New Customhouse
Denver 2, Colorado

April 26, 1955

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Yours very truly,

W. M. TRAVER,

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

HMC:sr

cc Administrator, DMEA (2)
Harshman
Subject
Chron

DMEA
Date Rec'd

APR 29 1955

B... MINES
Denver, Colorado

Route 1
Grand Junction, Colorado
April 25, 1955

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 29 1955

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

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Yours truly,

Mark K. Shipman

Mark K. Shipman
Geological Engineer, for
Eula Belle Uranium, Inc.

Surname 700
Murphy
Ellis

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

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)
Eula 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

4/21/55 gla

IN REPLY REFER TO:

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 21 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

April 20, 1955

Re: DMEA-3579
Eula Belle Uran., Inc.
Dolores Beach area
Montrose Co., Colo.
$33,333.33 - Uranium

Memorandum

To: E. W. Ellis, Defense Minerals Exploration Administration

From: R. D. Trace, U. S. Geological Survey

Subject: Review of Field Team report

The area proposed for exploration appears to have only slight merit. However, as the drilling will be shallow and as some mineralization and favorable ground is present along the 2 rims, I recommend that some exploration be done.

The program recommended by Bieber (one stage, 30 holes totalling 3000 feet) seems sufficient for testing the ground. Further offsetting in a stage 2, is getting too close to development for me. Also, I see no necessity for coring on this type of drilling. We're looking for ore, not favorable ground.

Bob Trace
R. D. Trace

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
RECEIVED
APR 21 1955

April 20, 1955

Re: DMEA-3579
Bala Belle Uran., Inc.
Dolores Beach area
Montrose Co., Colo.
$33,333.33 - Uranium

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R. D. Trace

RDTrace:hlm
G-4/20/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. E. Crawford, 3641 Interior
J. O. Hosted, 3210 GSA

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

DEPARTMENT OF THE INT
Defense Minerals Administration
RECEIVED
APR 21 1955

April 20, 1955

Re: DMEA-3579
Bale Belle Uran., Inc.
Balcrow Bench area
Montrose Co., Colo.
$33,333.33 - Uranium

Memorandum

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RDTrace:hlm
G-4/20/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. E. Crawford, 3641 Interior
J. O. Hosted, 3210 GSA

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 21 1955

April 20, 1955

Re: DMEA-3579
Eula Belle Uran., Inc.
Dolores Beach area
Montrose Co., Colo.
$33,333.33 - Uranium

Memorandum

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R. D. Trace

RDTrace:hlm
G-4/20/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. E. Crawford, 3641 Interior
J. O. Nosted, 3210 GSA

4/19/55-gla

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 19 1955

April 18, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: Bureau of Mines Member
Uranium Commodity Committee

Subject: Report of Examination, DMEA Docket 3579,
Eula Belle Uranium, Inc., Montrose County,
Colorado

I have reviewed the Field Team report of examination of Eula Belle Uranium, Inc., DMEA Docket 3579, and have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

We concur with the recommendation of the Field Team that 3,000 feet of drilling in the first stage and 1,500 feet of offset drilling in the second stage be allowed. Total estimated cost is $14,085.00, with Government participation of 75 percent of total estimated cost.

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

John E. Crawford
John E. Crawford

Copy to: Division of Minerals
Branch of Rare & Precious Metals
J. O. Hosted (2)
J. E. Crawford (2)

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

DEPARTMENT OF THE INTERIOR
Bureau of Mines
Received
APR 18 1955

April 18, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: Bureau of Mines Member
Uranium Commodity Committee

Subject: Report of Examination, DMEA Docket 3579,
Eula Belle Uranium, Inc., Montrose County,
Colorado

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John E. Crawford

Copy to: Division of Minerals
Branch of Rare & Precious Metals
J. O. Hosted (2)
J. E. Crawford (2)

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

Secretary of the Interior
Defense Minerals Administration
RECEIVED
APR 19 1955

April 18, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: Bureau of Mines Member
Uranium Commodity Committee

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Copy to: Division of Minerals
Branch of Rare & Precious Metals
J. O. Hosted (2)
J. E. Crawford (2)

4/14/55 gla

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
APR 11 1955

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 Silmon Smith concerning deeds from Jerome Craig and Martha Belle Hendrickson to Eula Belle Uranium, Inc.

Reviewed by
DMEA OPERATING COMMITTEE
4-13-55

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 Mackaven

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) Eula 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 P. Bieber, Geological Survey and Carl Belser, Bureau of Mines and of Belser's engineering report on the above docket.

Belser 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 Placer and before a contract is considered, it should be determined if the applicant has exercised the option on that claim.

I am not too conversant with air plug or core drilling, but assume it can be done satisfactorily. In this case, Belser 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 $225.00 and $1,869.00 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

Reviewed by
DMEA OPERATING COMMITTEE
4-13-55
(Date)

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/dj

cc: 10
DMRA 3579
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA 3579, Mesa Creek-Long Shot Groups

Eula Belle Uranium, Inc.

Montrose County, Colorado

Uranium

Paul P. Bieber, Geologist
Geological Survey

Carl Belser, Mining Engineer
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
4-13-55
(2339)

December 17, 1954

DMEA 3579

MESA CREEK-LONG SHOT GROUPS
EULA BELLE URANIUM, INC.
MONTROSE COUNTY, COLO.

Summary, Conclusions, and Recommendations

By Paul P. Bieber
Geologist
Geological Survey

Carl Belser
Mining Engineer
Bureau of Mines

4-13-55

DMEA 3579

MESA CREEK-LONG SHOT GROUPS
EULA BELLE URANIUM, INC.
MONTROSE COUNTY, COLO.

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By Paul P. Bieber and Carl Belser

Eula Belle Uranium, Inc., Joseph I. Jacob, president, 506 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 K. Shipman and Jerome Craig, Sr., vice-president of Eula 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.

DMEA 3579

MESA CREEK-LONG SHOT GROUPS
EULA BELLE URANIUM, INC.
MONTROSE COUNTY, COLO.

Engineering Report

By Carl Belser
Mining Engineer
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE

4-13-55
(date)

DMEA 3579

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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MESA CREEK-LONG SHOT GROUPS
EULA BELLE URANIUM, INC.
MONTROSE COUNTY, COLO.

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1. Location map, Mesa Creek-Long Shot groups, Eula Belle Uranium, Inc., Montrose County, Colo., (DMEA 3579) 2

2. Plan of proposed and approved exploration for Eula Belle Uranium, Inc., claims in the southeastern Mesa Creek area, sec. 2 T. 48 N., R. 18 W., New Mexico principal meridian, Uravan district, Montrose County, Colo., ... *

*See figure with geologic report.

DMEA 3579

MESA CREEK-LONG SHOT GROUPS
EULA BELLE URANIUM, INC.
MONTROSE COUNTY, COLO.

ENGINEERING REPORT

By Carl Belser

INTRODUCTION

Eula 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, Eula 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 Eula 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 Eula Belle property. The nearest ore purchasing depot is at Uravan.

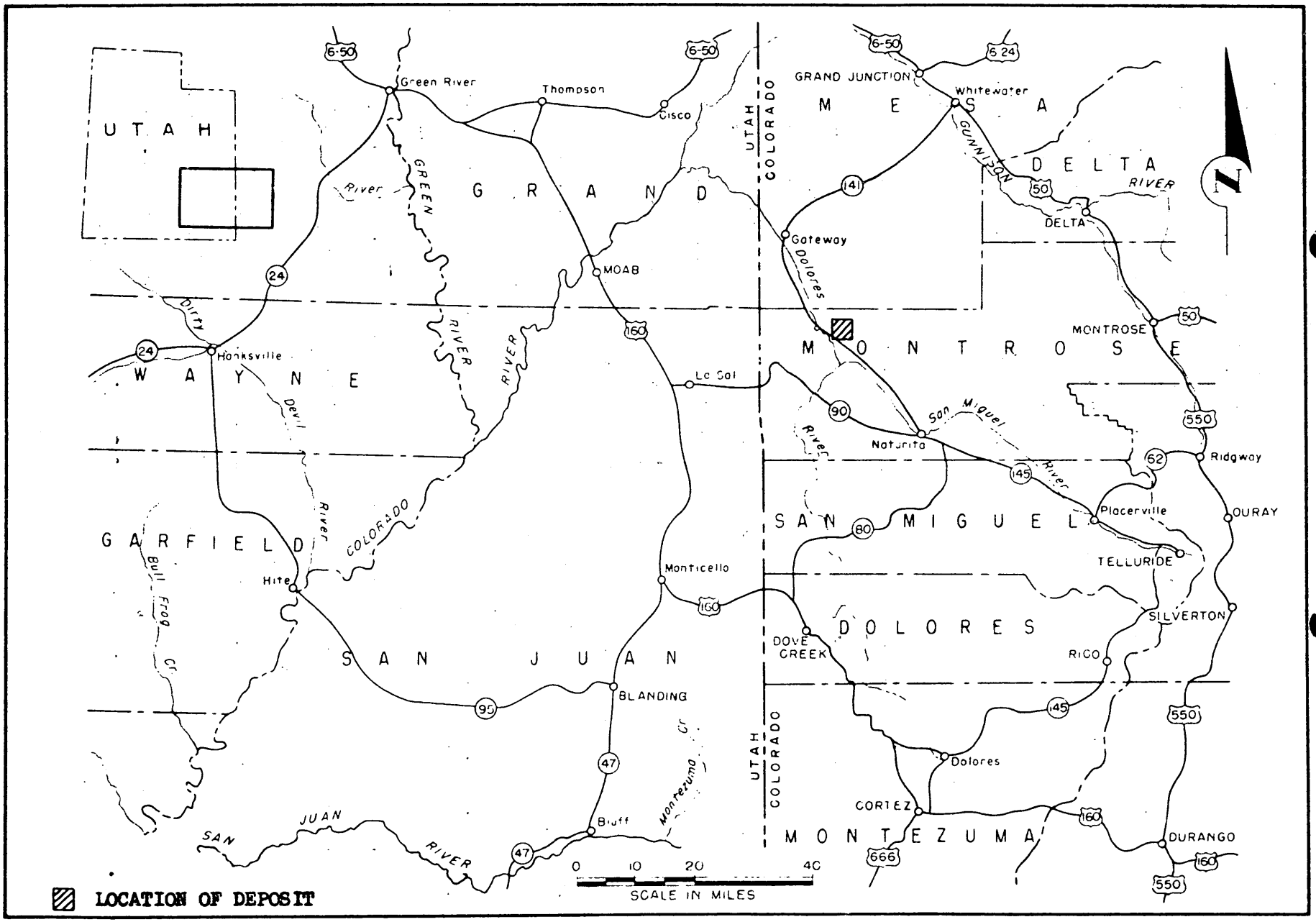

FIGURE 1 - LOCATION MAP, MESA CREEK - LONG SHOT GROUPS, EULA BELLE URANIUM, INC., MONTROSE COUNTY, COLO. (DMEA 3579)

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 worked for vanadium by a Mr. Caleord 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 EXTENT

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
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

Claim	Book	Page
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 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 Eula 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. 25 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	1,750

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	1,250
				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 (126 hours) at $11.00 an hour	1,496.00	
LeRoi 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 12 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 Mesa 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		357.33
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		
3,150 feet of air plug-bit drilling at $1.75 per foot	$ 5,512.50	
1,350 feet of air core-drilling at $2.75 per foot	3,712.50	
Bulldozing drill sites 46 hours at $11.00 per hour	506.00	
LeRoi 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 mouth of Mesa 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		2,269.00
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 $3.31 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 Eula Belle 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 foot 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.

/dj

TRANSMITTED

APR 5 1955

Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

January 10, 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 P. 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 at 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

4-13-55

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

TRANSMITTED
APR 5 1955

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
(9 extra copies of maps)

Reviewed by
DMEA OPERATING COMMITTEE
4-13-55
(date)

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

Released by
DMEA OPERATING COMMITTEE
4-13-55

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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, 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.

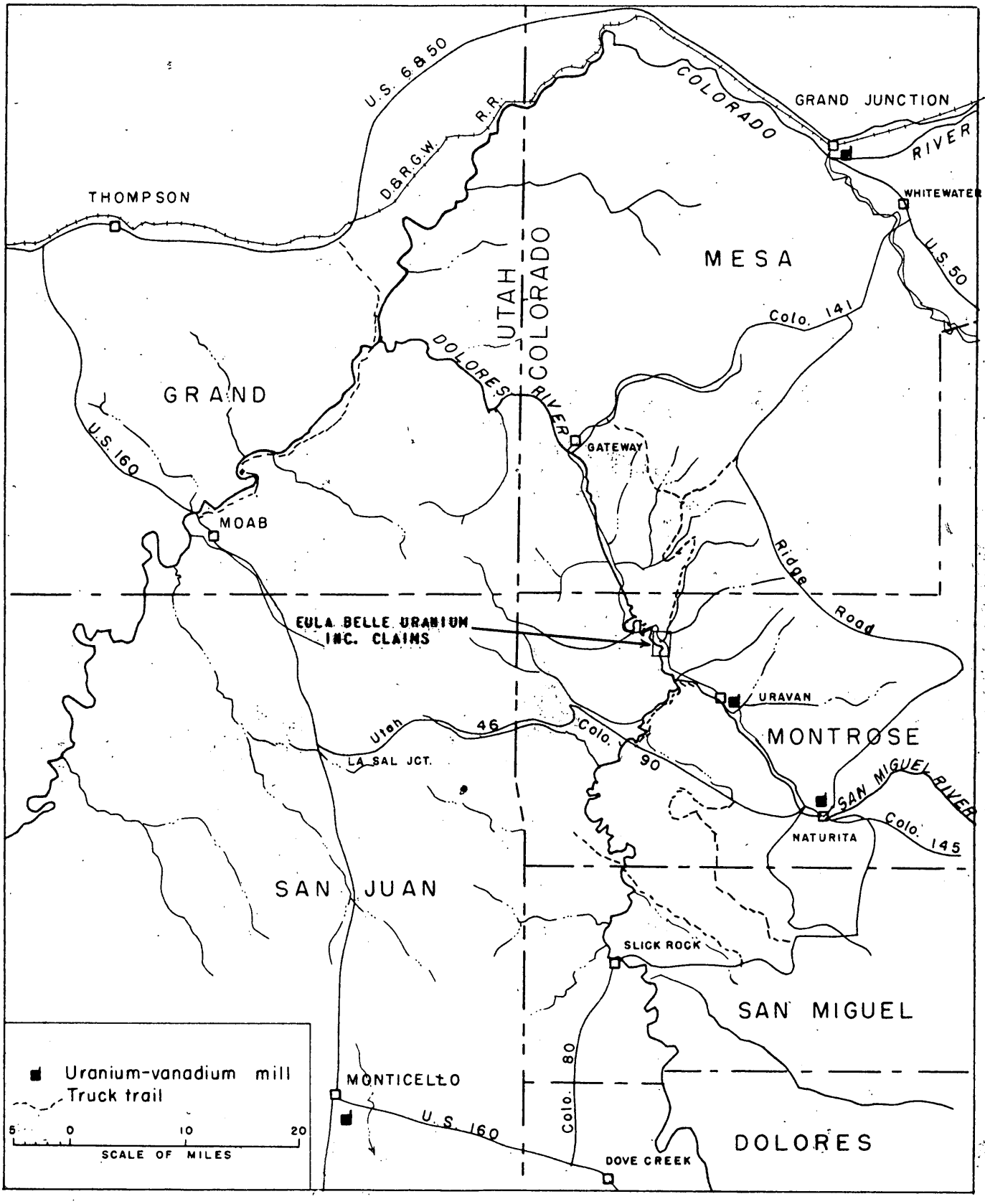

Figure 1. INDEX MAP OF PART OF THE COLORADO PLATEAU SHOWING LOCATION OF THE EULA BELLE URANIUM INC. CLAIMS, URAVAN DISTRICT, MONTROSE COUNTY, COLORADO

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

Route 1
Grand Junction, Colorado
March 25, 1955

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

Re Docket No. DMEA 3579

Dear Sir:

This will acknowledge receipt of your letter dated March 18, regarding the right of Eula Belle Uranium, Inc., to mine and remove ore from the Index Placer claim.

The Index Placer claim is solely owned by Jerome Craig, Sn., and Jerome Craig, Jr., doing business as "Jerome Craig and Son". I was in error in my letter of March 10, 1955, wherein I included Martha Hendrickson as co-owner of the Index Placer.

Accordingly, kindly find the enclosed statement from "Jerome Craig and Son", allowing the right for Eula Belle Uranium, Inc., to explore, mine, and remove ore from the Index Placer claim during the period of the option agreement.

Reference the "Consent to Lien", please find enclosed forms MF-203 signed by all owners concerned for the following claims:

Mesa Creek 1-3, incl.
New Year
Shirley May 1-3, incl.
Longshot 7-14, incl.
Longshot 21-27, incl.
Index Placer.

Yours truly,

Mark K. Shipman

Mark K. Shipman
Geological Engineer

Whitewater, Colorado
March 24, 1955

S*T*A*T*E*M*E*N*T

This is to certify that I am co-owner with Jerome Craig, Jr., of the Index Placer Mining Claim, Survey Number 2246, located in Secs. 2,3,4, and 11; T48N, R18W, New Mexico P.M., and that I do business as "Jerome Craig and Son".

I further certify that the Index Placer Mining Claim is under option to the Eula Belle Uranium, Inc., a Nevada corporation; period of the option is to September 1, 1955.

I hereby further grant the right to Eula Belle Uranium, Inc., to explore, mine, and remove ore from the Index Placer Mining Claim until September 1, 1955.

Jerome Craig Sr.
Jerome Craig, Senior, Doing Business as Jerome Craig and Son.

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

224 New Customhouse
Denver 2, Colorado

March 18, 1955

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

Attention: Mark K. Shipman

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

Dear Mr. Craig:

Reference is made to our letter of March 4, 1955 regarding your company's rights to mine and remove ore from the Index Placer and your reply of March 10, 1955 enclosing AEC Source Materials License No. P-2082 and stating in the last paragraph that "the right to mine and remove ore from the Index Placer" is inherently contained in the option and accompanying Quick Claim Deed from the original owners to Eula Belle Uranium, Incorporated.

The AEC Source Materials License No. P-2082 is returned herewith as it has no bearing on the subject.

You are correct in the statement regarding Eula Belle's right to mine and remove ore from the Index Placer; however, this is not the case until your option is exercised and the $50,000.00 payment made. The date of this requirement has now been extended from December 1, 1954 to September 1, 1955. In the meantime, you do not have that right and to protect the Government's interest, it will be necessary for you to furnish a statement from the owners of the Index Placer that you have the right prior to September 1, 1955 to enter on for the purpose of performing exploratory work and to mine and remove ore from the claim.

The owners will also be required to sign, before a contract is executed, Owner's Consent to Lien Forms, MF-203. We have prepared and enclosed these forms in sextuplicate.

Please have all six copies of the form signed by Martha Belle Hendrickson, shown as the owner of the Index Placer on the deed.

The same conditions exist with respect to the other two sets of claims involved: The Mesa Creek 1 to 3 inclusive, the New Year and Shirley May 1 to 3 inclusive, and the Long Shot claims 7 to 14 inclusive and the Long Shot claims 21 to 27 inclusive. Accordingly, you will be required to furnish the identical statement as above from each of the owners of these claims and have the Owner's Consent to Lien forms which are enclosed in sextuplicate signed also.

As soon as we receive the statements and Owner's Consent to Lien forms enumerated above, properly signed, we will continue to process your application.

Very truly yours,

W. M. TRAVER,

. M. Traver
Executive Officer, DMLA
Field Team, Region III

Enclosures

.MT:pw

cc: Subject
Chron
Harshman
Shaw
Administrator, DMLA
Connors

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

224 New Customhouse
Denver 2, Colorado

March 18, 1955

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

Attention: Mark K. Shipman

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Eula Belle Uranium, Inc.,
Montrose County, Colorado

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As soon as we receive the statements and Owner's Consent to Lien forms enumerated above, properly signed, we will continue to process your application.

Very truly yours,

W. M. TRAVER,

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

Enclosures

WMT:pw

cc: Subject
Chron
Harshman
Shaw
Administrator, DMEA
Connors

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
224 New Customhouse
Denver, Colorado

March 4, 1955

Mr. Jerome Craig, Sr.
Eula Belle Uranium, Inc.
White Water, Colorado

Re: Docket No. DMEA 3579

Dear Mr. Craig:

This will acknowledge receipt of Mr. Mark K. Shipman's letter of February 22 with the photostats of mining deeds.

Your application is now in proper order but approval cannot be given for a contract until such time as you furnish proof that you have the right to mine and remove ore from the Index Placer. As soon as you have this right with respect to the Index Placer, please submit proof to this office so that we may continue to process a contract for an exploration project.

Very truly yours,

W. M. TRAVER,

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

cc: Administrator (2)
Shaw
Williams
Harshman
Connors
Subj,Chron
HC:vt

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
224 New Customhouse
Denver, Colorado

March 4, 1955

Mr. Jerome Craig, Sr.
Eula Belle Uranium, Inc.
White Water, Colorado

Re: Docket No. DMEA 3579

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Your application is now in proper order but approval cannot be given for a contract until such time as you furnish proof that you have the right to mine and remove ore from the Index Placer. As soon as you have this right with respect to the Index Placer, please submit proof to this office so that we may continue to process a contract for an exploration project.

Very truly yours,

W. M. TRAVER

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

cc: Administrator (2)
Shaw
Williams
Harshman
Connors
Subj,Chron
HC:vt

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

224 New Customhouse
Denver 2, Colorado

February 23, 1955

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

Re: Docket DMEA 3579

Dear Mr. Craig:

We have had no reply to our letter of January 19, 1955 in which we requested additional information on your escrow agreement.

If we do not receive this information within 30 days we will presume that you are no longer interested in the proposed exploration work and will close the docket.

Very truly yours,

W. M. TRAVER,

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

HMC:jp
cc Docket
Chron
Harshman
Shaw
Williams
Connors
Chairman, Op. Comm.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 31 1955

224 New Customhouse
Denver 2, Colorado

January 26, 1955

Memorandum

To: Administrator, Defense Minerals Exploration Administration

From: Field Team, Region III

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

The application for Government assistance in exploration work estimated to cost $14,085.00, has been approved by us and a contract will be prepared upon receipt of applicant's property rights.

Government participation will be 75 percent, or $10,563.75.

Four copies of the Report of Examination and two copies of Form 3b will be forwarded with your copies of the contract for signature.

W. M. TRAVER

W. M. Traver

E. N. Harshman

E. N. Harshman

HMC:pw

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 31 1955

224 New Customhouse
Denver 2, Colorado

January 26, 1955

Memorandum

To: Administrator, Defense Minerals Exploration Administration

From: Field Team, Region III

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

The application for Government assistance in exploration work estimated to cost $14,085.00, has been approved by us and a contract will be prepared upon receipt of applicant's property rights.

Government participation will be 75 percent, or $10,563.75.

Four copies of the Report of Examination and two copies of Form 3b will be forwarded with your copies of the contract for signature.

W. M. TRAVER

W. M. Traver

E. N. Harshman

E. N. Harshman

HMC:pw

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 31 1955

224 New Customhouse
Denver 2, Colorado

January 26, 1955

Memorandum

To: Administrator, Defense Minerals Exploration Administration

From: Field Team, Region III

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

The application for Government assistance in exploration work estimated to cost $14,085.00, has been approved by us and a contract will be prepared upon receipt of applicant's property rights.

Government participation will be 75 percent, or $10,563.75.

Four copies of the Report of Examination and two copies of Form 3b will be forwarded with your copies of the contract for signature.

W. M. Traver

W. M. Traver

HMC:pw

E. N. Harshman

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 31 1955

224 New Customhouse
Denver 2, Colorado

January 26, 1955

Memorandum

To: Administrator, Defense Minerals Exploration Administration

From: Field Team, Region III

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

The application for Government assistance in exploration work estimated to cost $14,085.00, has been approved by us and a contract will be prepared upon receipt of applicant's property rights.

Government participation will be 75 percent, or $10,563.75.

Four copies of the Report of Examination and two copies of Form 3b will be forwarded with your copies of the contract for signature.

W. M. TRAVER

W. M. Traver

E. N. Harshman

E. N. Harshman

HMC:pw

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 24 1955

224 New Customhouse
Denver 2, Colorado

January 19, 1955

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

Re: Docket DMEA 3579

Dear Mr. Craig:

Before we continue to process your application, we need the following:

1. A signed copy or a photostat of a signed copy of all escrow agreements on the Index Placer; Lots 11, 14, 15, and 16 in Section 6, T48 N, R17 W; and the unpatented mining claims, Mesa Creek 1 to 3, New Year and Shirley May 1 to 3, Soggens 1 to 18, Bones 1 to 18, and Long Shot 1 to 27.

2. A map showing the true location of all property included in the above mentioned escrow agreements.

When we receive this information, we will continue to process your application.

Yours very truly,

W. M. TRAVER,

WMC:pw

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

cc: Subject
Chron
Harshman
Brokaw
Shaw
Administrator
Connors

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

224 New Customhouse
Denver 2, Colorado

November 19, 1954

Memorandum

To: Administrator, Defense Minerals Exploration Administration
Attention: Code 200

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docketing for Exploration Assistance

Enclosed herewith in duplicate is DMEA Form 3a and MF-103 and supporting data pertaining to the following applications for Government assistance in exploration work:

LaSalle Mining Company	Uranium
Eula Belle Uranium, Inc.	Uranium

John F. Shaw
for W. H. King

Enclosures

EULA BELLE URANIUM CORPORATION

Field Office,
Eula Belle Uranium, Corporation,
Whitewater, Colorado.
November 6, 1954.

Executive Officer,
Defense Minerals Exploration Administration,
224 New Customhouse Building,
Denver 2, Colorado.

Dear Sir:

Application pursuant to the provisions of DMEA Order 1 is hereby submitted for an exploration project situated near the confluence of Mesa Creek and the Dolores River, Montrose County, Colorado.

The geologic probability of making a significant discovery of Uranium ore is indicated by:

1) A sizable surface outcrop and fair chemical assay of 0.24% U_3O_8 and 1.99% V_2O_5.

2) Location within the Uravan Mineral Belt and occurrence in the Salt Wash Member of the Morrison formation.

3) Known large ore bodies (Golden Cycle, Worcester) possessing the same geologic environment in the near vicinity.

The project is readily accessible, and is located within 15 miles of the mill at Uravan, Colorado. The Eula Belle Uranium Corporation will provide or contract the necessary manpower, equipment and supervisory personnel to conduct the exploration, including drilling and road building equipment. Adequate quantities of water and necessary supplies are available to carry out the project.

Total cost of the project is $33,333.33 of which it is understood Eula Belle Uranium, Inc., is to participate in the sum of $8,333.33. A unit and cost type of contract is desired. Full cooperation will be rendered as to monthly reports of progress, geologic data obtained, and results accomplished.

You will be advised promptly when the option to the Index Placer claim is exercised, thus establishing complete ownership of the ground to be explored.

Your prompt consideration of this application is appreciated.

Yours truly,

By Joseph I. Jacob
Joseph I. Jacob, President.

JIJ/cp

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1085.2.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. 3579
Metal or Mineral Uranium
Date Received
Estimated Cost $33,333
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Eula Belle Uranium, Incorporated, c/o Mr. Jerome Craig, Senior, Whitewater, Colorado.

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized. Corporation -- Nevada

(*c*) If a corporation, add to above statement, titles, names and addresses of officers. Attached.

(*d*) If a partnership, add to the above statement the names and addresses of all partners. Not applicable

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Attached.

(*b*) State any mine name by which the property is known. Not applicable.

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Attached.

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property. Attached.

(*e*) If you own the land, describe any liens or encumbrances on it Not applicable

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. Included under 3 (a) above.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Uranium and Vanadium

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within 60 days and be completed within 6 months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? Yes

(*b*) How do you propose to furnish your share of the costs?

[X] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated November 10, 1954

EULA BELLE URANIUM, INCORPORATED.
(Applicant)

By Joseph I. Jacob

Joseph I. Jacob,

President.

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.

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

MARK K. SHIPMAN,
GEOLOGICAL ENGINEER,
Route 3,
Grand Junction,
Colo.

Moab, Utah,
November 9, 1954.

Mr. Joseph I. Jacob, President,
Eula Belle Uranium, Incorporated,
506 First Security Bank Building,
Salt Lake City, Utah.

Dear Mr. Jacob:

Kindly find enclosed the prepared applications re the DMEA loan for drilling your properties as requested by Mr. Craig.

Four copies of the application are to be forwarded as indicated on the letter of transmittal prepared for your signature. Your signature is also requested on the reverse side of the loan application form.

One copy has been forwarded to Mr. Craig, I have retained one copy, and the remaining three copies are to be retained together with your original Engineering and Geological report.

Kindly advise if I may be of further service in this regard.

Yours truly,

By Mark K. Shipman
Mark K. Shipman,
Geological Engineer.

MKS/ep
Encls.

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/ Longshot claims 7 to 14 inclusive and Longshot claims 21 to 27 inclusive, in a deed dated September 21, 1954 and recorded in book 389, page 47, official records of said county.

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

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production 3/ 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 In paragraph 2, the words "the period fixed in the contract or any amendment thereof has" are substituted for "ten years have."

Dated this 28 day of March, 1955.

Joseph I. Jacob [Seal]

Joseph I. Jacob, President, Euda

~~Belle Uranium, Inc.~~ [Seal]

[Seal]

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/ Longshot claims 7 to 14 inclusive and Longshot claims 21 to 27 inclusive, in a deed dated September 21, 1954 and recorded in book 389, page 47, official records of said county.

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/ Dulo Belle Uranium, Inc.
c/o Jerome Craig, Sr.
Whitewater, Colorado

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production 3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

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

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

(OVER)

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

4. Changes and added provisions _____

Dated this 28 day of March, 1955.

Joseph I. Jacob [Seal]
Joseph I. Jacob, President
Bud Belle Uranium, Inc. [Seal]

_____ [Seal]

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 [illegible], described as follows: 1/ Lenghot claims 7 to 14 inclusive and Lenghot claims 21 to 27 inclusive, in a deed dated September 21, 1955 and recorded in book [illegible], page 67, official records of said county.

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/ Rule Rolle Uranium, Inc.
c/o Simon Gaule, Co.
Grandjunction, Colorado

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production 3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

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

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

(OVER)

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

4. Changes and added provisions _____

Dated this 28 day of March, 1955.

Joseph I. Jacob [Seal]
Joseph I. Jacob, President
Eula Belle Uranium, Inc. [Seal]

_____ [Seal]

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 [redacted], County of [redacted], described as follows: 1/ [redacted]

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/ [redacted]

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.

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

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

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

(OVER)

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

4. Changes and added provisions _____

_____

_____

_____

Dated this 28 day of March, 1955.

Joseph I. Jacob [Seal]
Joseph I. Jacob, President
Eula Belle Uranium, Inc. [Seal]

_____ [Seal]

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 _____, County of _____, described as follows: 1/ _____

_____

_____

_____

_____

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/ _____

_____

_____

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.

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

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

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

(OVER)

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

4. Changes and added provisions _____

Dated this 28 day of March, 1955.

Joseph I. Jacob [Seal]
Joseph I. Jacob, President
Eula Belle Uranium, Inc. [Seal]

_____ [Seal]

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 _____, County of _____, described as follows: 1/ _____

_____

_____

_____

_____

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/ _____

_____

_____

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.

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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 In paragraph 2, the words "the sealed bids in the contract of any contract based bid" are substituted for "the sealed bid."

Dated this 28 day of March, 1955.

Joseph I. Jacob [Seal]
Joseph I. Jacob, President
Eula Belle Uranium, Inc. [Seal]

[Seal]

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/

Mesa Creek 1 to 3 inclusive, New Year, and Shirley May 1 to 3 inclusive, in a deed dated September 21, 1954, and recorded in book 389, page 48, official records of said county.

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

hereinafter called the "Operator"; and

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

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

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

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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 In paragraph 2, the words "the period fixed in the contract or any amendment thereof has" are substituted for "ten years have."

Dated this 28 day of March, 1955.

Joseph I. Jacob [Seal]

Joseph I. Jacob, President
Eula Belle Uranium, Inc. [Seal]

[Seal]

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 [redacted], County of [redacted], described as follows:1/

[redacted]

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/ [redacted]

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.

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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 In paragraph 2, the words "to match plant in the contract or any amendment thereof hereof" are substituted for "ten years here."

Dated this 28 day of March, 1955.

Joseph H. Jacob [Seal]
Joseph H. Jacob, President
Eual Belle Uranium, Inc. [Seal]

[Seal]

MF-203
(Revised July 1, 1954)

APR 11 1955

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/

Mesa Creek 1 to 3 inclusive, New Year, and Shirley May 1 to 3 inclusive, in a deed dated September 21, 1954, and recorded in book 389, page 48, official records of said county.

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

hereinafter called the "Operator"; and

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

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

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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.

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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)

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4. Changes and added provisions In paragraph 2, the words "the period fixed in the contract or any amendment thereof has" are substituted for "ten years have."

Dated this 28 day of March, 1955.

Joseph I. Jacob [Seal]
Joseph I. Jacob, President
Eula Belle Uranium, Inc. [Seal]

[Seal]

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/

Mesa Creek 1 to 3 inclusive, New Year, and Shirley May 1 to 3 inclusive, in a deed dated September 21, 1954, and recorded in book 389, page 48, official records of said county.

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/ Bula Belle Uranium, Inc.
c/o Jerome Craig, Sr.
Whitewater, Colorado

hereinafter called the "Operator"; and

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

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

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4. Changes and added provisions In paragraph 2, the words "the period fixed in the contract or any amendment thereof has" are substituted for "ten years have."

Dated this 28 day of March, 1955.

Joseph I. Jacob [Seal]
Joseph I. Jacob, President
Eula Belle Uranium, Inc. [Seal]

[Seal]

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
APR 11 1955

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/

Mesa Creek 1 to 3 inclusive, New Year, and Shirley May 1 to 3 inclusive, in a deed dated September 21, 1954, and recorded in book 309, page 40, official records of said county.

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/ Sula Belle Uranium, Inc.
c/o Jerome Craig, Sr.
Montrose, Colorado

hereinafter called the "Operator"; and

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

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

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

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

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

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

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

(OVER)

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

4. Changes and added provisions In paragraph 2, the words "the period fixed in the contract or any amendment thereof has" are substituted for "ten years have."

Dated this 28 day of March, 1955.

Joseph I. Jacob [Seal]
Joseph I. Jacob, President
Eula Belle Uranium, Inc. [Seal]

[Seal]

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
APR 11 1955

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/

Tract Group 1 to 9 inclusive, Dry Year, and Gourley Gap 1 to 9 inclusive, in a deed dated September 21, 1954, and recorded in Book 500, page 40, official records of said county.

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 Belle Uranium, Inc.
c/o Jerome Craig, Jr.
Uniontown, Colorado

hereinafter called the "Operator"; and

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

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

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

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

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

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

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

(OVER)

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

4. Changes and added provisions **In paragraph 2, the words "the period fixed in the contract or any amendment thereof has" are substituted for "ten years have."**

Dated this 28 day of March, 1955.

Joseph I. Jacob [Seal]
Joseph I. Jacob, President
Eula Belle Uranium, Inc. [Seal]

[Seal]

DATA SHEET RE: FORM MF-103
November 10, 1954

EULA BELLE URANIUM, INCORPORATED
c/o Mr. Jerome Craig
Whitewater, Colorado.

Re Para 1 (c): OFFICERS OF EULA BELLE URANIUM, INC.:

Name	Title	Address
Joseph I. Jacob	President	506 First Security Bank Bldg., Salt Lake City, Utah.
Jerome Craig, Senior	Vice-President	Whitewater, Colorado.
L. D. Gardner	Sec-Treasurer	115 East First South, Salt Lake City, Utah.
I. H. Jacob	Board of Directors	300 First Security Bank Bldg., Salt Lake City, Utah.
Jerome Craig, Junior	Board of Directors	Whitewater, Colorado.
F. L. Maxwell	Board of Directors	905 South 23rd East Street, Salt Lake City, Utah.

Re Para 3 (a): APPLICANTS' PROPERTY RIGHTS:

Name of Claim	Recordation Data	Remarks
Index Placer	- - - - - - - - -	Patented. Quitclaim Deed Attached Showing Legal Description.
Mesa Creek 1 to 3, inclusive	Book 370, Pgs. 303 to 305, inclusive	Copy of Mining Deed Attached.
New Year	Book 236, Pg. 356	Copy of Mining Deed Attached.
Shirley May 1 to 3, inclusive	Book 296, Pgs. 484-486, inclusive	Copy of Mining Deed Attached.
Long Shot 7 to 14, inclusive	Book 370, Pgs. 100-107, inclusive	Copy of Mining Deed Attached.

Name of Claim	Recordation Data	Remarks
Long Shot 21 to 26, inclusive	Book 370, Pgs. 297-302, inclusive	Copy of Mining Deed Attached.
Long Shot 27	Book 376, Pg. 24	Copy of Mining Deed Attached.

Note: All of the above claims are shown on the plat contained in the enclosed Geological and Engineering Report. Subject plat shows the legal description of each claim. Claims shown on subject plat other than those above are to be excluded in this exploration project.

Re Para 3 (c): APPLICANTS' INTEREST IN THE LAND:

All of the claims included in this exploration project, with the exception of the Index Placer, are owned directly by Eula Belle Uranium, Incorporated.

The Index Placer claim is under option to Eula Belle Uranium, Incorporated. Subject option is to be exercised by December 1, 1954, and presently is placed in escrow in the United States Bank of Grand Junction, Colorado.

Re Para 3 (d):

Not applicable except to the Index Placer claim. It is anticipated the option for purchase of subject claim will be exercised by December 1, 1954, It is therefore requested this application be approved if otherwise acceptable, subject only to purchase of the Index Placer, such that the contract for the exploration project can be completed with a minimum of time upon demonstration of suitable title to the Index Placer claim.

Re Para 4: PHYSICAL DESCRIPTION:

PREVIOUS MINING ACTIVITIES: An old mine working exists on the Long Shot claims #24 and #25, in the upper prominent rim of the Salt Wash member. This mine was worked prior to the time Eula Belle Uranium, Incorporated, gained ownership of the property, and was probably worked during the "vanadium days" of the Colorado Plateau. It was entirely a "rim" operation, with no drilling to

to prove the ground. Samples #3, #4, and #5 of the enclosed Geological and Engineering report show the ground to be definitely mineralized; exploratory drilling, however, is the only economical method available to determine the extent of the mineralized area. The mine is entirely accessible; production facilities are nil. All of the land in the vicinity of the mine which demonstrates a favorable geologic environment is owned by Eula Belle Uranium, Incorporated; the Red Cow claim, to the West, is located to the West of the main Salt Wash rim and hence is on unfavorable ground. An old chute and dump mark the location of this previous working.

CURRENT EXPLORATION OPERATIONS: Mechanized prospecting has recently been accomplished along the South end of Mesa Creek #1 claim, pursuant to recommendation #2 of the enclosed Geological and Engineering report. Results of this exploration have resulted in exposure of a sizeable outcrop of ore which by fair sample and chemical method assays 0.24% U_3O_8 and 2.00% V_2O_5. Exploratory drilling is most justified behind this outcrop to determine the extent of the mineralized area. The area is served by an access road and is entirely accessible for examination purposes.

Re Para 4 (b):

No data is available on past production. Current production has not been attempted since the area should first be drilled to determine the inward extension of the known mineralized areas and the particular horizon in which such mineralization occurs. Examination of known ore bodies in the area, such as at Golden Cycle on Atkinson Mesa, clearly demonstrates mineralization of more than one stratum within the Salt Wash member; hence, a premature mining operation might well result in incomplete or inefficient extraction of the ore available.

Re Para 4 (c):

The enclosed Engineering and Geological Report is submitted as a part of this application; Figure 1 further sketches the area to be explored.

Re Para 4 (d):

An access road serves directly to the area to be explored, and would be adequate for production haulage purposes from the bottom of the Salt Wash member; and extension of this road is necessary for drilling purposes and also to gain access to the top of the Salt Wash member. Subject access road is approximately 1-1/2 miles in length, from the South side of Mesa Creek where it leaves the Gateway-Uravan road to the area of the claims.

The mill at Uravan is approximately 15 miles from the area of the claims; supply for mining purposes could be obtained from Uravan on a limited basis.

A very adequate residence for exploratory and production purposes is available at the mouth of Mesa Creek, approximately 1 mile from the area of the claims. Subject residence is owned by Mr. Jerome Craig, Senior, Vice-president of the Company.

Re Para 4 (e):

Water is available at Mesa Creek for drilling, mining, and domestic purposes, approximately 1 miles.

Power is presently to the Golden Cycle, 2-1/2 miles from the Area of the claims, a preliminary investigation indicates this power would be available at acceptable cost.

Manpower, materials, supplies, and equipment are available to the Company to conduct the exploratory and mining operations.

Re Para 5 (b):

See Figure 1 and the enclosed Engineering and Geological Report. Figure 1 shows specific location of proposed drilling operations and proposed road. An estimated 11,000 feet of drilling is to be accomplished, with average depths of 250 feet, or a total of approximately 46 drill holes. Also, construction of roads to service the drill sites according to the attached sketch is to be accomplished.

The specific drilling program would be as follows:

FIRST PHASE:

(a) Drilling behind present surface showing at the South end of Mesa Creek No. 1. 100 foot centers for 600 feet along the lower rim. Average depth 100 feet, total footage 600

(b) Drilling from upper prominent Salt Wash rim, (1) behind present lower rim mineralization, and (2) behind old working at location of chute on Long Shot #24 and #25. 100 foot centers for total of 1,600 feet along the rim at average depth of 250 feet. Total footage 4,000

SECOND PHASE:

Additional drilling in areas of first phase drilling on 100 foot centers to further knowledge of ore trends. Spotting of holes at present based on results of first phase drilling. Allowance of approximately 50% of initial holes showing favorable trends. Total footage. 2,800

THIRD PHASE:

Remaining 3,600 feet to be on 50 foot centers, offset-

ting most favorable holes of first and second phase drilling

14 holes at 250 feet average depth, total footage. 3,600

Re Para 5 (d):

Mr. Jerome Craig, Senior, Vice-President of the Company, and Mr. L. D. Gardner, Secretary-Treasurer, have been engaged in mining operation throughout the past twenty years. Mr. Craig has more specifically been mining in the Mesa Creek area since 1935, while Mr. Gardner has been engaged in other parts of the Colorado Plateau and other parts of the West. Together with their associates, it is believed the applicant does possess the experience and background necessary to efficiently carry out the proposed exploratory project.

Specifically, Mr. Craig will supervise the operations of the contract. Mark K. Shipman, Geological Engineer, will be engaged as consultant.

Re Para 6 (a): INDEPENDENT CONTRACTS:

A. DRILLING:

a. Air plugging @ $1.50 per foot

b. Air Coring @ $2.50 per foot

c. Water Plugging @ $2.75 per foot

d. Water Coring @ $3.75 per foot

Note: Assume 50% of drilling can be accomplished with air; and because mineralization occurs within several stratum of the Salt Wash member, assume 50% coring. Average price for air is $1.75 per foot and average price for water is $3.25 per foot, or an overall average of $2.50 per foot. Maximum use will be made of air drilling.

Thus, 11,000 feet of drilling on above basis at $2.50 per foot . . . . . $ 27,500.00

B. ROADS:

D6 Cat @ $11.00 per hour with operator, or $88.00 per eight hour day - 17 days	$ 1,496.00
Le Roi Tract-Air compressor, $7.50 per hour with operator, or $60.00 per day (includes cost of drill steel, bits) - 8 days.	480.00

Re Para 6 (b): CONSULTANTS:

10 days @ $75.00 per day.	750.00

Re Para 6 (b): SUPERVISION:

12 days @ $75.00 per day.	1,250.00

Note: Cost of Labor is included in contract price under 6 (a)

Re Para 6 (c):

Supplies for Road Building.	300.00

Re Para 6 (d):

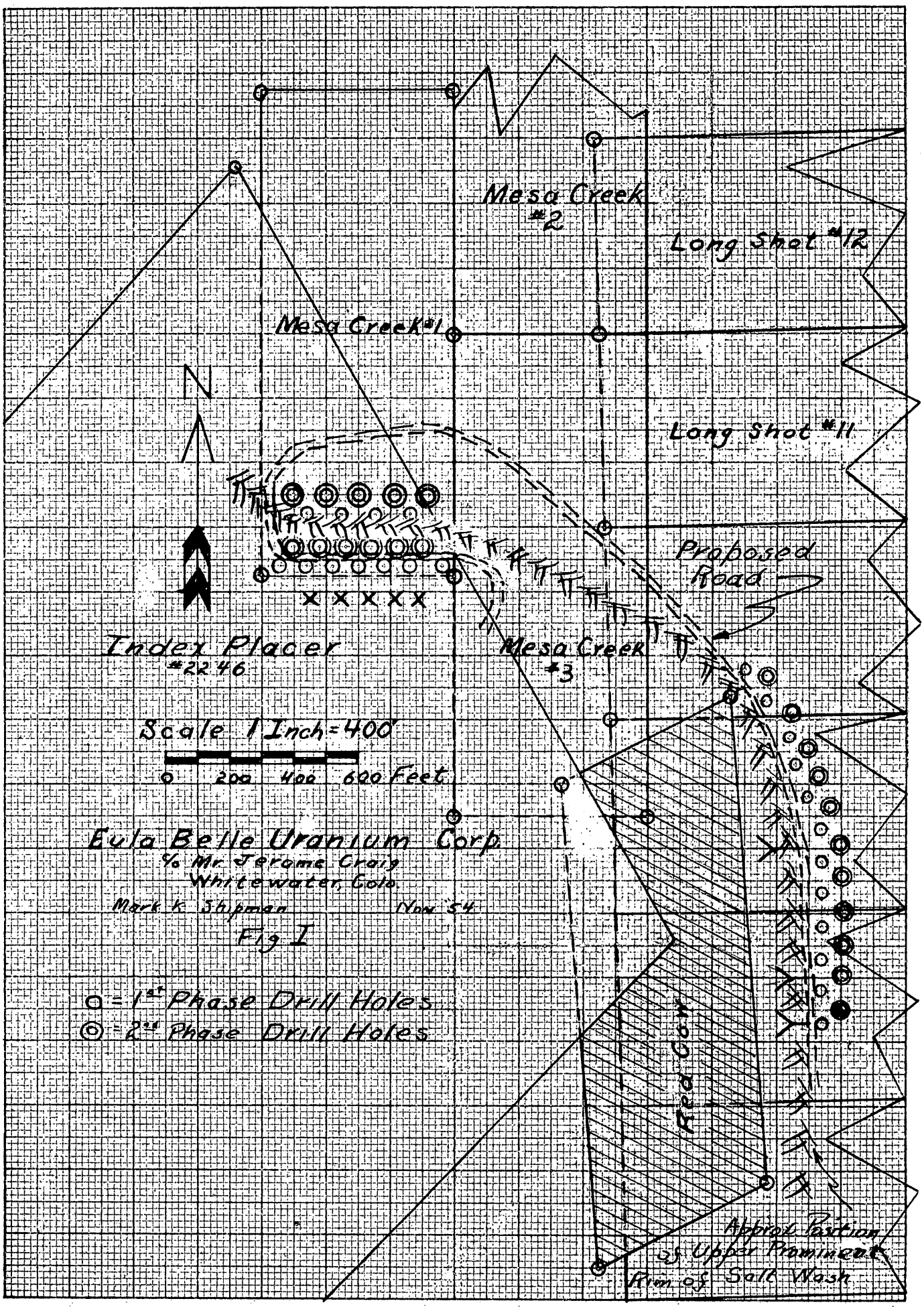
Rental of Probe Equipment & 2 operators @ $100.00 per day. . . . . 50 Holes @ 2 holes per hour...approx. 4 days	400.00
Rent of Ranch House at mouth of Mesa Creek for Housing employees @ $75.00 per month for 2 months. . . .	150.00

Re Para 6 (g):

Accounting & Monthly Reports.	250.00
Workmen's Compensation and Employer's Liability Insurance, and payroll taxes.	150.00
Analytical Work - 50 Core Assays @ $5.00 each.	250.00

Re Para 6 (h): CONTINGENCIES:

Allowance for Contingencies.	357.33
TOTAL.	$ 33,333.33



359T-11 KEUFFEL & ESSER CO. 10 X 10 to the ½ inch, 5th lines accented. MADE IN U.S.A.

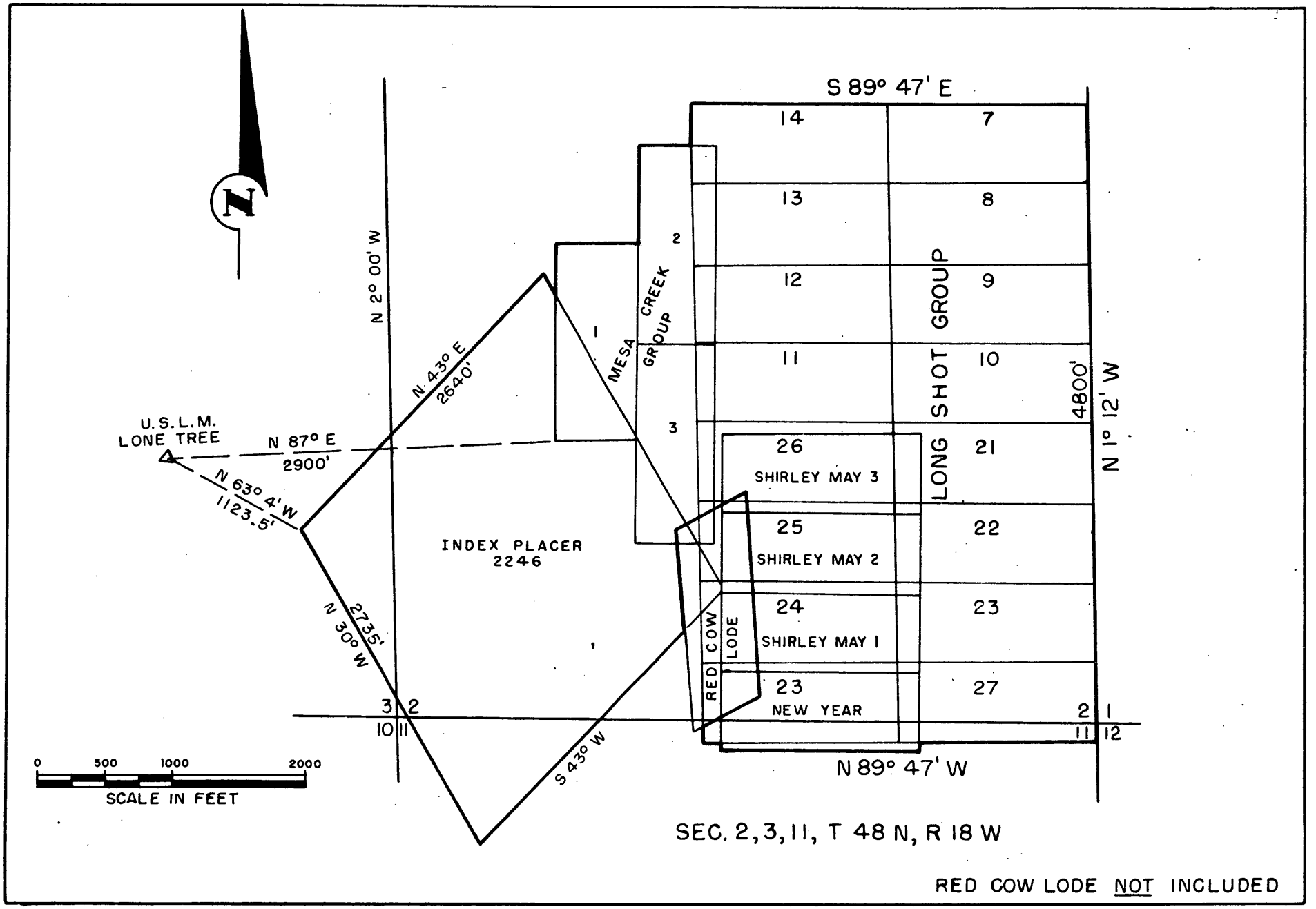
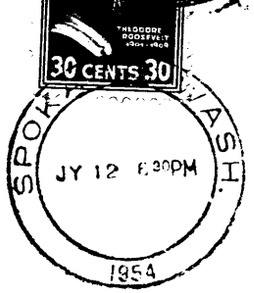
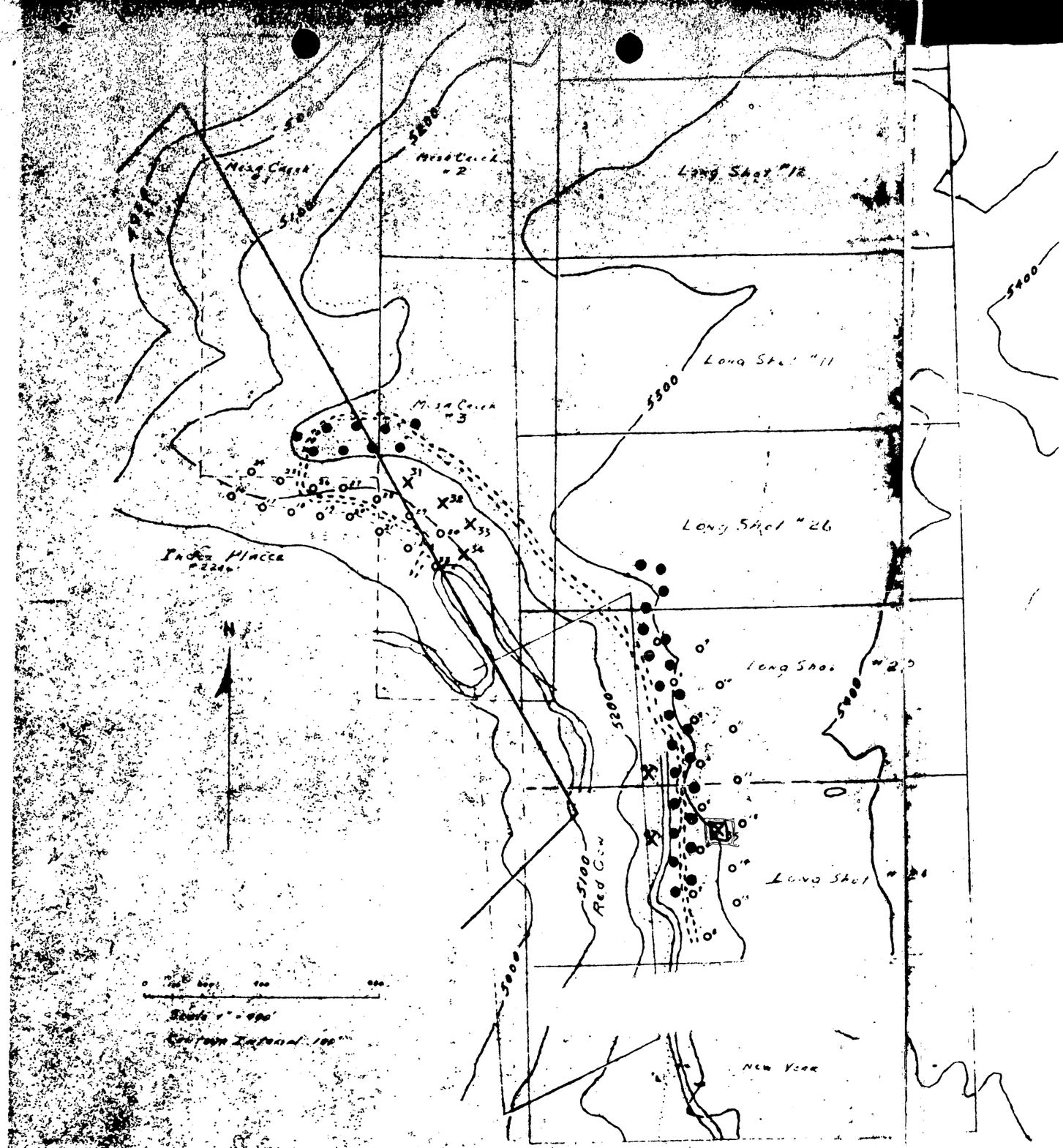


FIGURE 3 – CLAIM MAP, EULA BELLE URANIUM, INC. (DMEA 3579)



Contract Administration and Audit Division
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

REVISED SEPTEMBER 1966



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

×[35] 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

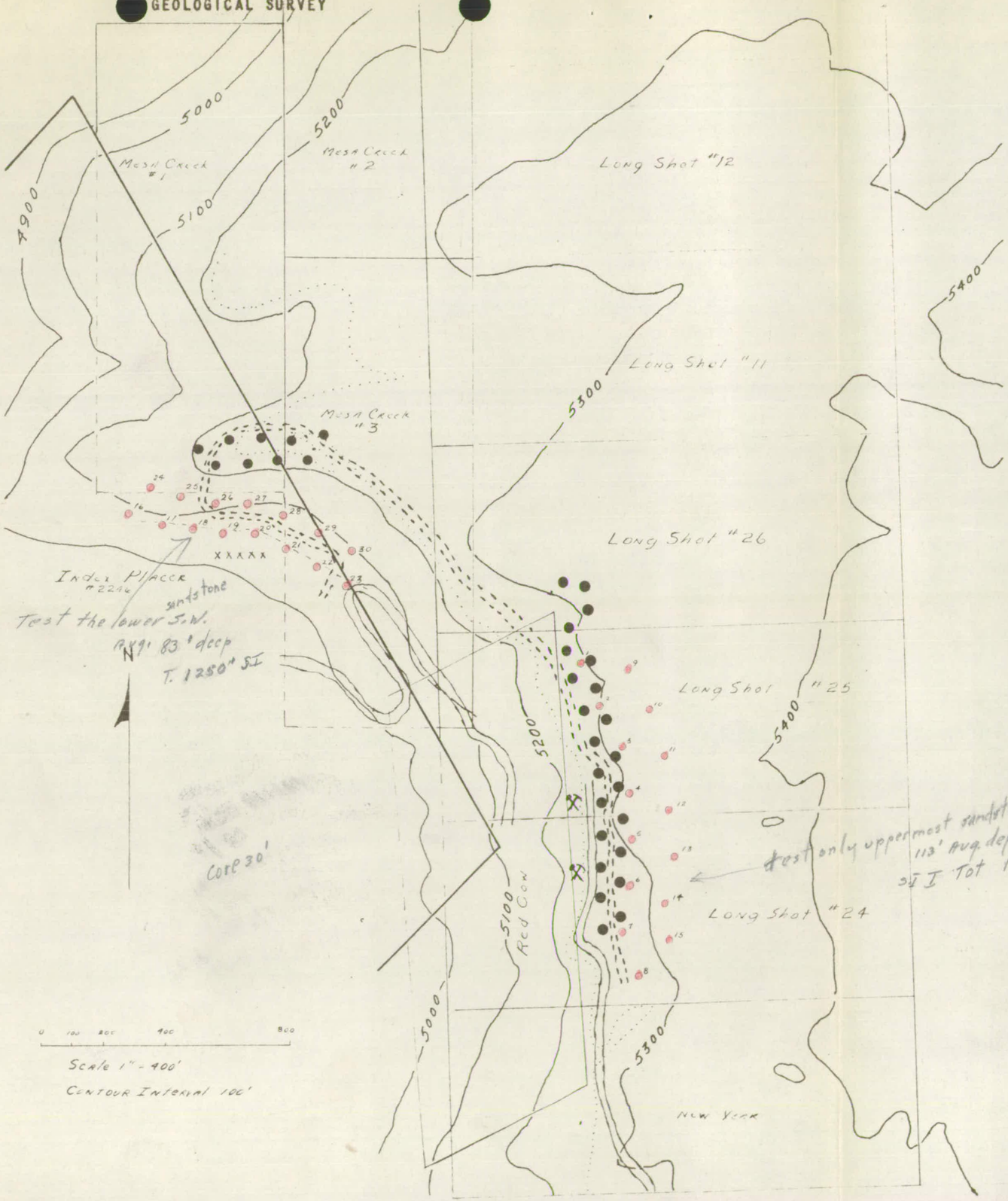
FIGURE 1. PLAN OF PROPOSED AND RECOMMENDED EXPLORATION FOR ENLA BELLE URANIUM INC. CLAIMS IN THE SOUTHEASTERN MESA CREEK AREA, SECTION 2, T. 48 N., R. 18 W., N.M.P.M. URAVAN DISTRICT MONTROSE COUNTY, COLORADO

RECEIVED
OCT 6 - 1955

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOC[redacted] NO. 3579

Note: This copy is for Division copy of Contract only



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Final Report & September Report.

D.D. Holes Completed.

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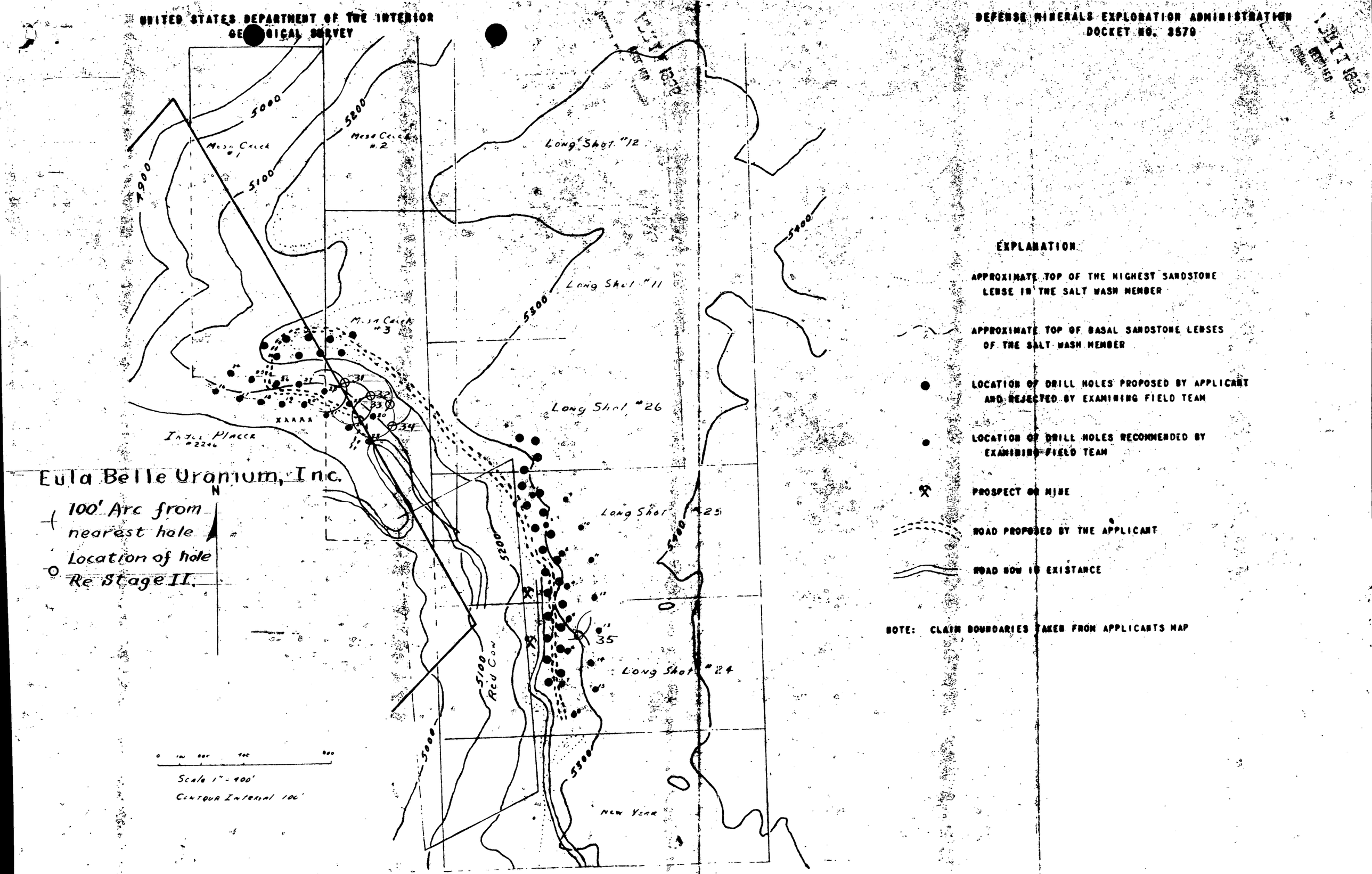

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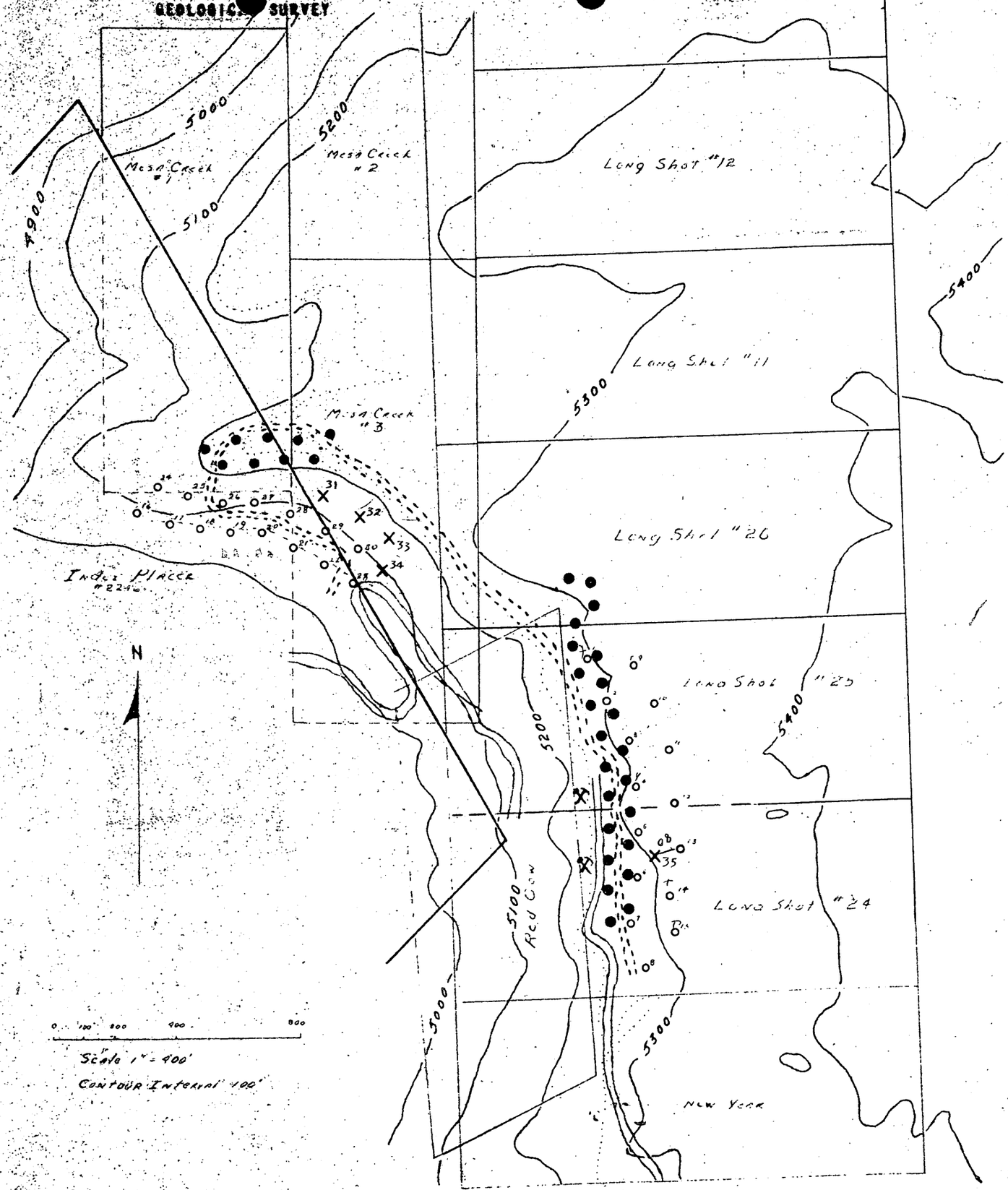

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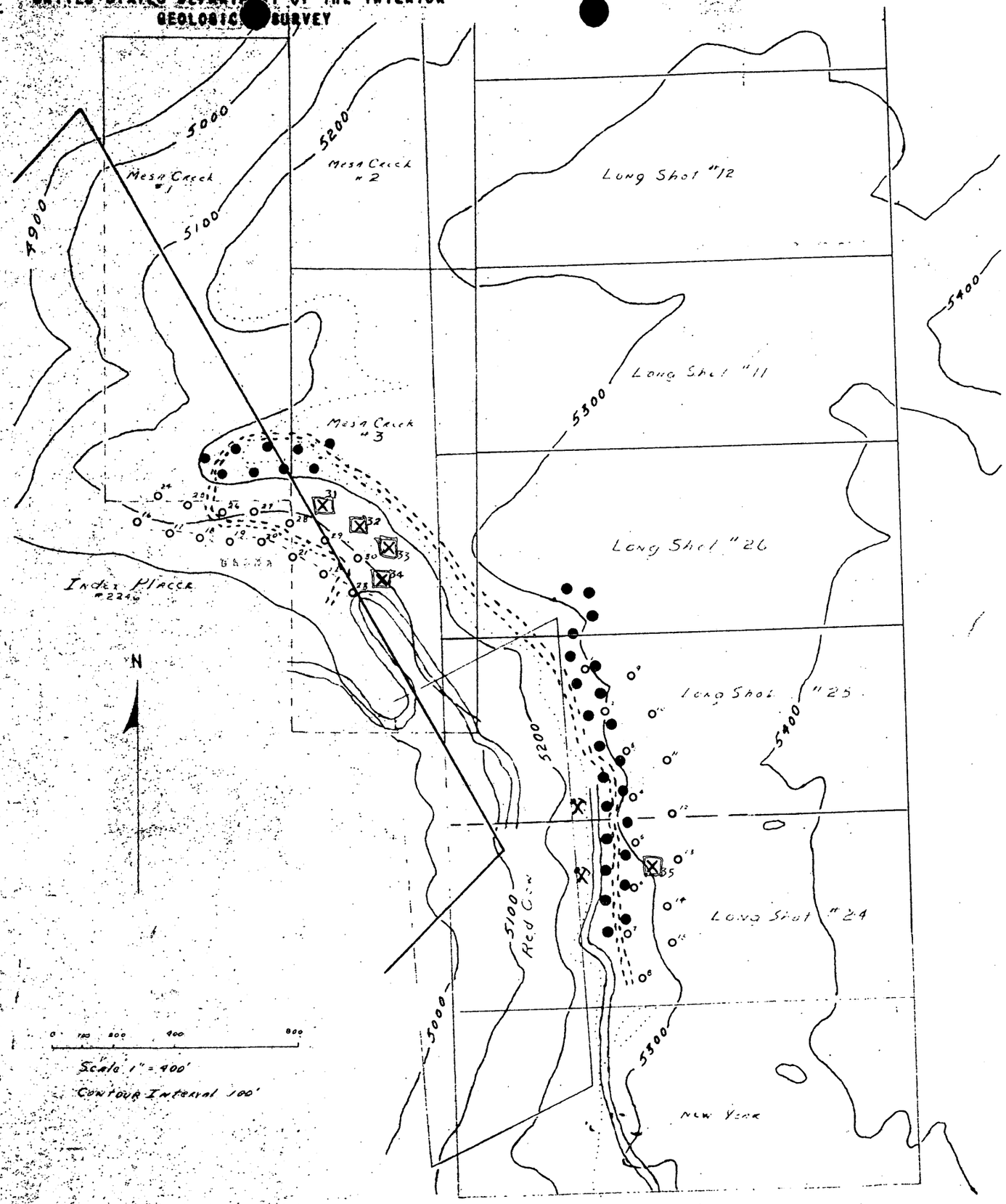

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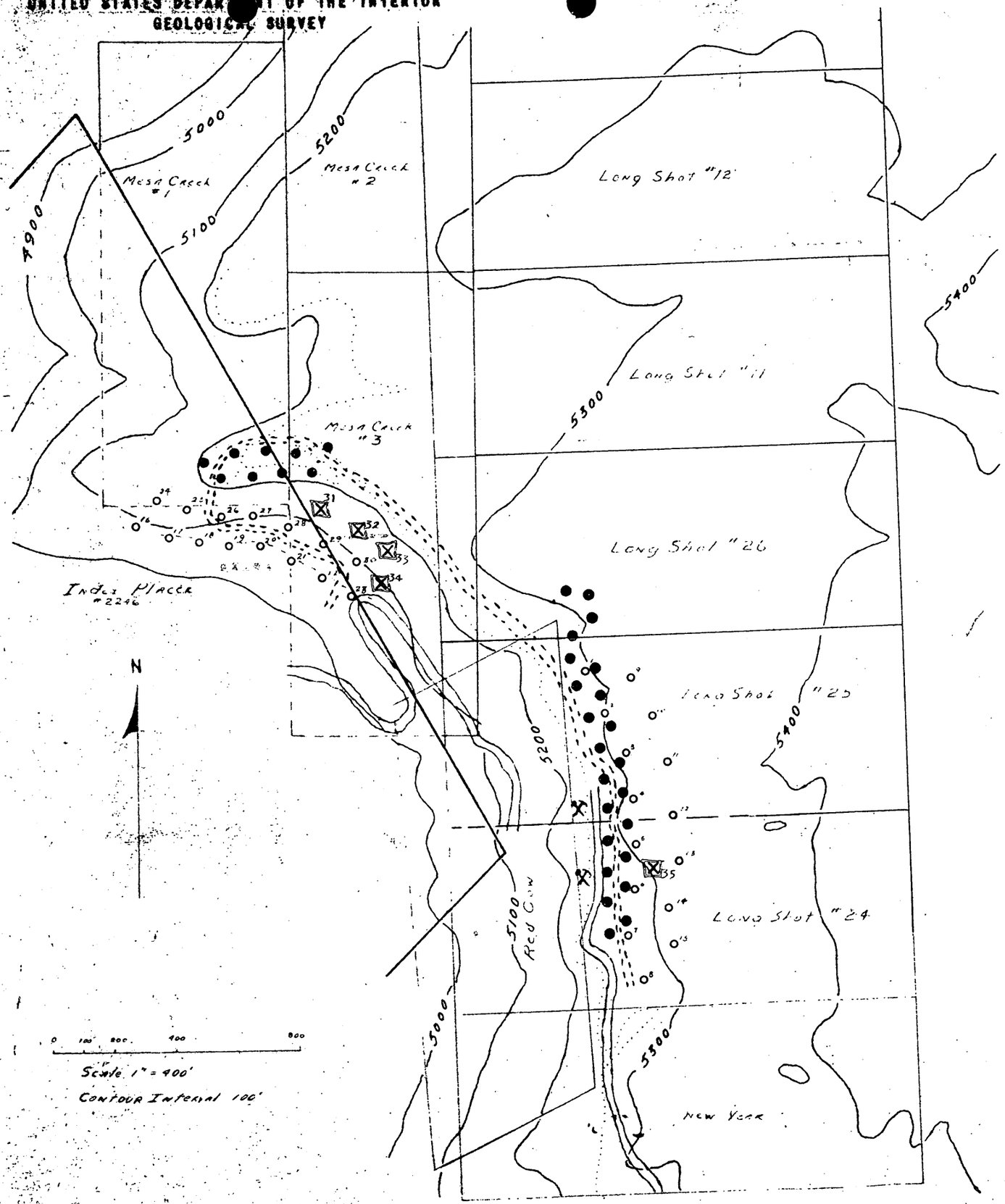

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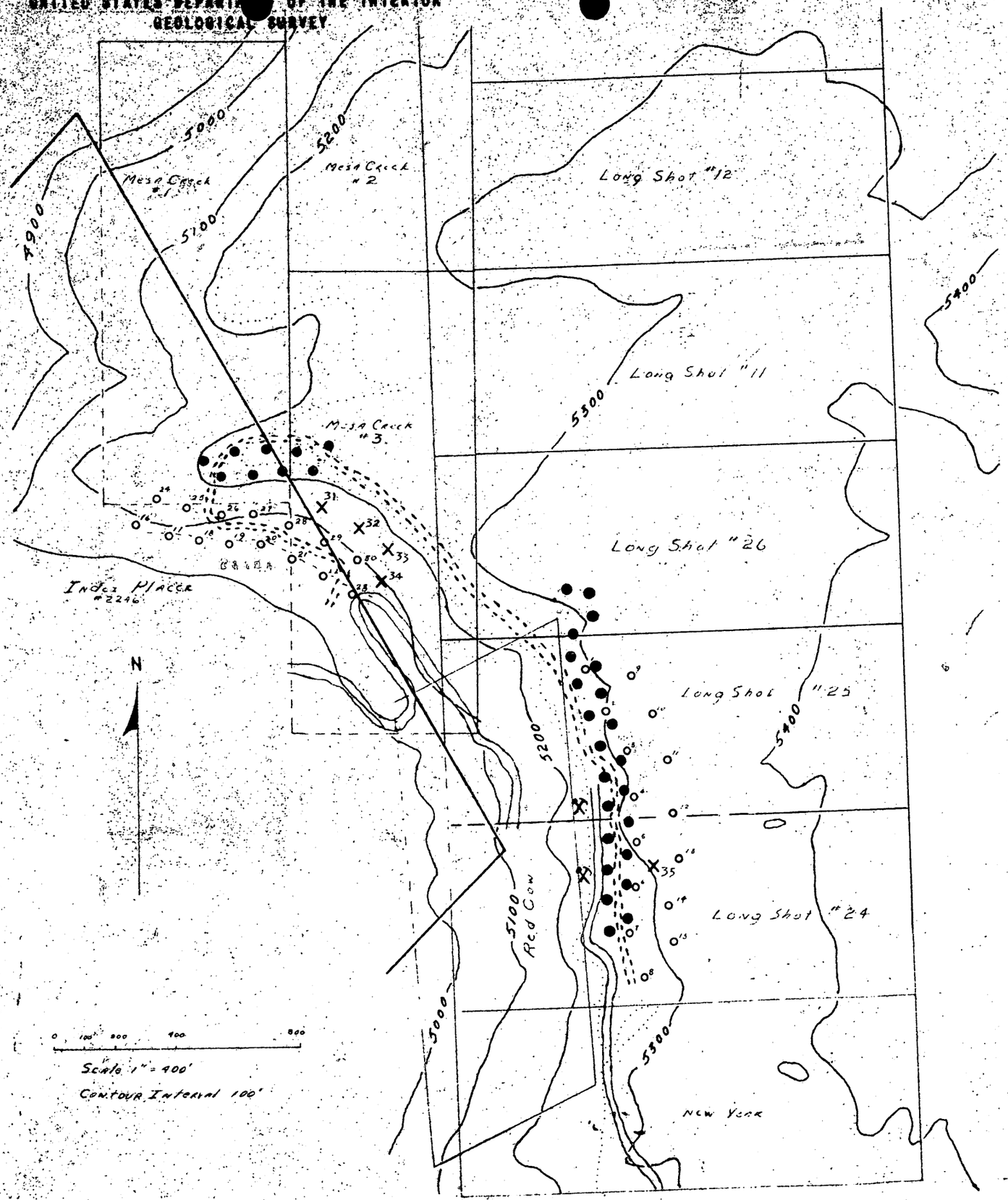

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URAVAN DISTRICT, MONTROSE COUNTY, COLORADO

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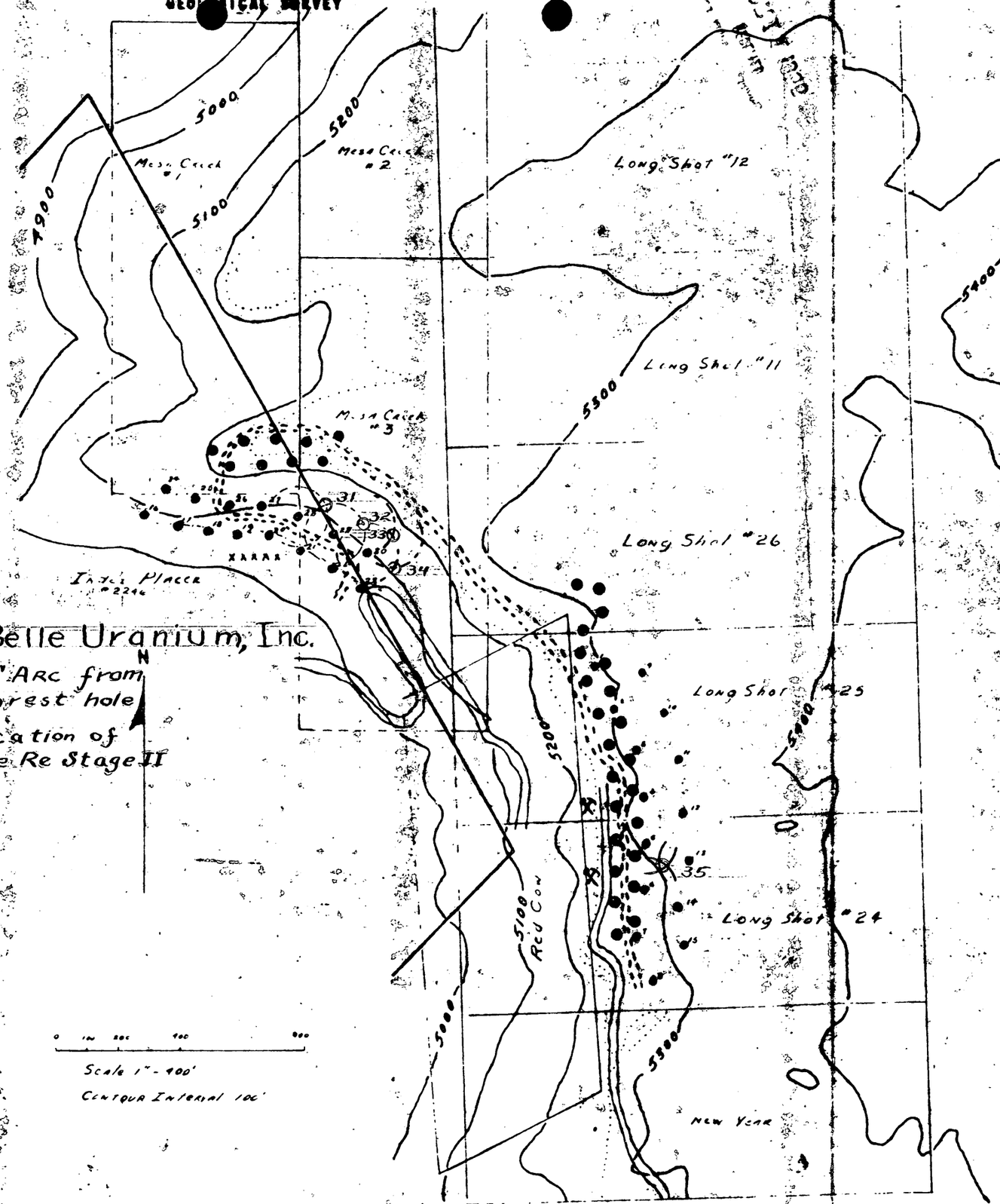

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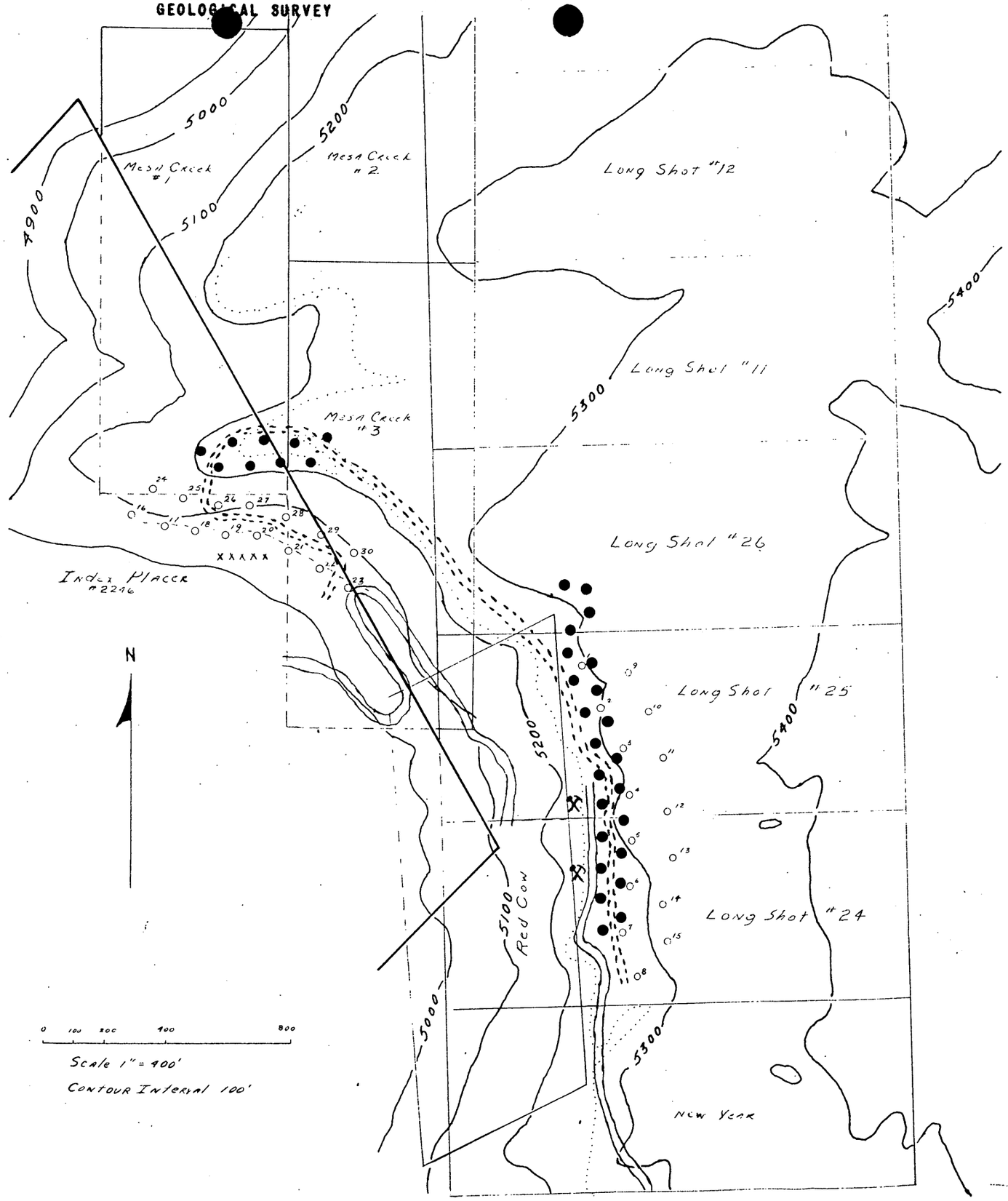

EXPLANATION

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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DEFENSE MINERALS EXPLORATION ADMINISTRATION
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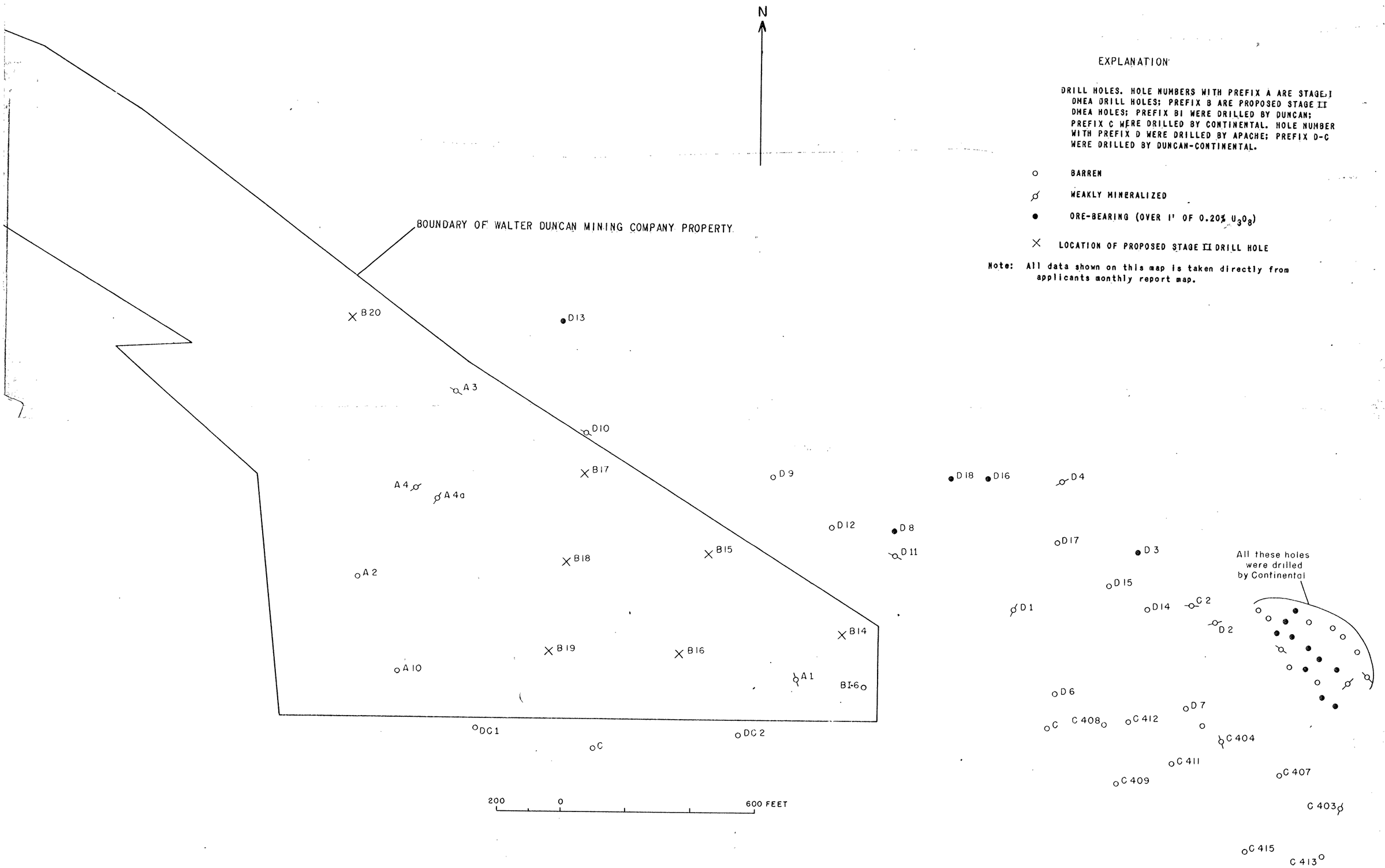

EXPLANATION

DRILL HOLES. HOLE NUMBERS WITH PREFIX A ARE STAGE I DMEA DRILL HOLES; PREFIX B ARE PROPOSED STAGE II DMEA HOLES; PREFIX BI WERE DRILLED BY DUNCAN; PREFIX C WERE DRILLED BY CONTINENTAL. HOLE NUMBER WITH PREFIX D WERE DRILLED BY APACHE; PREFIX D-C WERE DRILLED BY DUNCAN-CONTINENTAL.

○ BARREN

ø WEAKLY MINERALIZED

● ORE-BEARING (OVER 1' OF 0.20% U_3O_8)

× LOCATION OF PROPOSED STAGE II DRILL HOLE

Note: All data shown on this map is taken directly from applicants monthly report map.

Figure 1. MAP OF PART OF WALTER DUNCAN MINING COMPANY PROPERTY, SHOWING LOCATION OF STAGE I, SEVEN PROPOSED STAGE II DRILL HOLES, AND PRIVATE DRILLING ON ADJACENT PROPERTY, SAN JUAN COUNTY, UTAH.